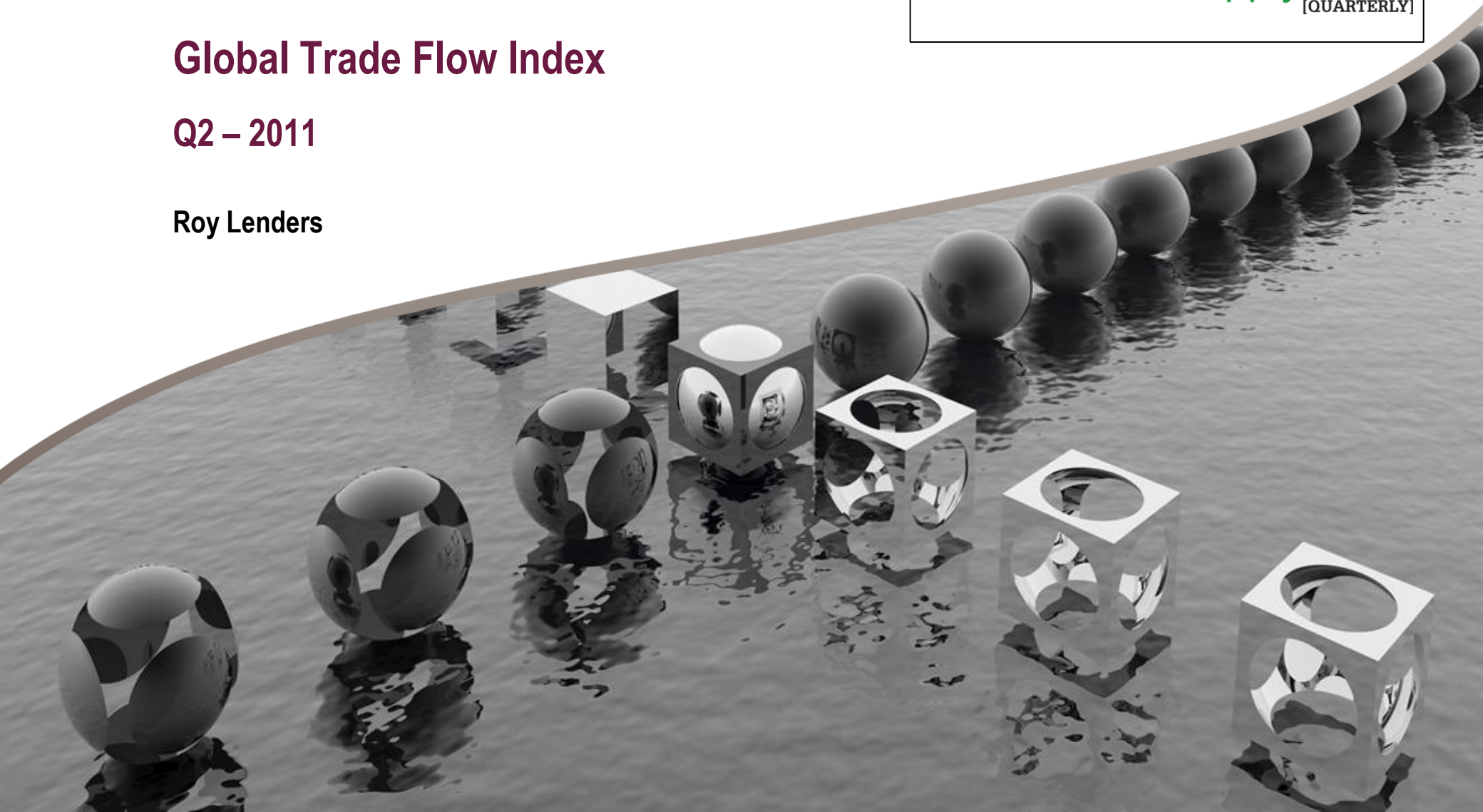


Global Trade Flow Index

Q2 – 2011

Roy Lenders



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Executive Summary: Global Trade flow Index – Q2 2011

Executive Summary

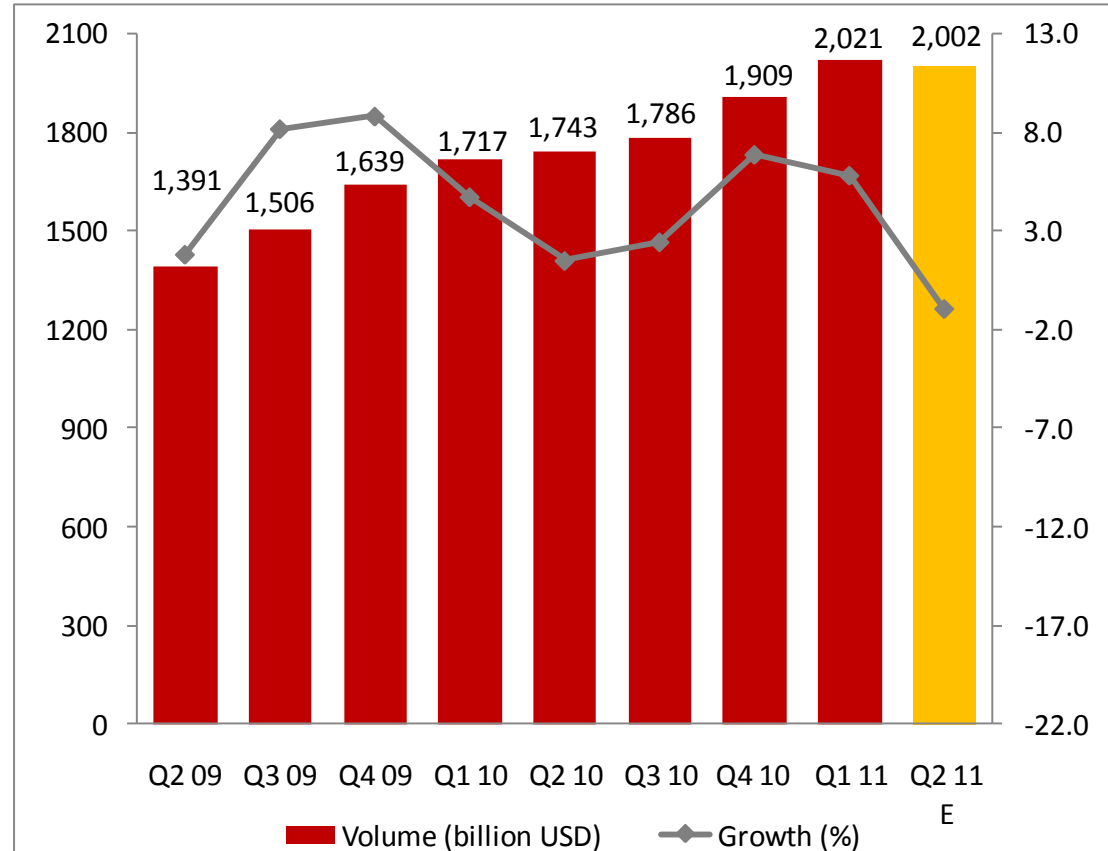
- A big negative impact of Tsunami in Japan was seen on manufacturing industries worldwide. As Japan supplies critical inputs used in the electronics, automotive and ship building sectors, this has resulted in reduction of Global Trade by 1% on q-o-q basis in Q2 2011
- In Q2, US economy observed rise in commodity prices, along with the decline of 10% in its vehicle production, due to a shortage of auto microcontrollers (MCU) supply from Japan
- Chinese economy expanded in Q2 2011 at sustainable pace due to rising oil prices and a growing older population
- Europe's E.coli food crisis resulted into reduction of its exports from agriculture sector
- In the Eurozone, smaller nations continued to struggle with high unemployment and huge external debt, while larger nations showed signs of overheating with inflation

Tsunami in Japan resulted in reduction of Global trade in Q2 2011 by 1%

Key developments

- Global trade volumes reduced by 1% q-o-q in the second quarter of 2011 ^a
- Japan's trade growth declined by 2% on q-o-q basis due to reduction in its industrial production by 6%, coupled with contraction in its private consumption in the second quarter of 2011 ^a
- The drop in trade volumes on q-o-q basis were registered in the countries like USA, UK, Canada, France and Australia, where imports volumes reduced by 2-3% due to Tsunami in Japan ^a
- The outlook on the Indian economy was positive due to increase in its trade volume by 2% on q-o-q basis ^a

Total trade- top 23 countries (billion USD)



Sources: (a) Capgemini Analysis, (b) Stats.oecd.org, 2011, (c) [Deloitte Global Economic Outlook Q2 2011](#), (d) Logest forecast.

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United States continued to be the leading economy in the second quarter of 2011 (1/2)

Country		RANK Q1-2011	RANK Q2-2011 E	Trade related parameters		Market related parameters		Global Trade Index Score*
				Trade Volume Score (A)	Q-o-Q Growth Score (B)	Foreign Market Score (C)	Domestic Market Score (D)	
United States		1	1	4.00	3.87	3.89	3.86	15.49
China		3	2	3.52	3.97	3.96	3.97	13.97
Germany		2	3	2.91	3.89	3.87	3.86	11.25
Japan		4	4	1.79	3.88	3.82	3.83	6.86
France		5	5	1.41	3.87	3.84	3.86	5.45
Netherlands		6	6	1.36	3.90	3.88	3.87	5.29
United Kingdom		7	7	1.19	3.84	3.88	3.86	4.60
Korea		9	8	1.16	3.93	3.95	3.89	4.56
Italy		8	9	1.17	3.87	3.85	3.85	4.52
Belgium		10	10	1.02	3.88	3.86	3.87	3.93
Russian Federation		12	11	0.95	3.95	3.95	4.00	3.75
Canada		11	12	0.96	3.86	3.82	3.88	3.71

Note: * Global Trade Index Score = A x (average of (B,C,D))

Source: Capgemini Analysis, Logest Forecast

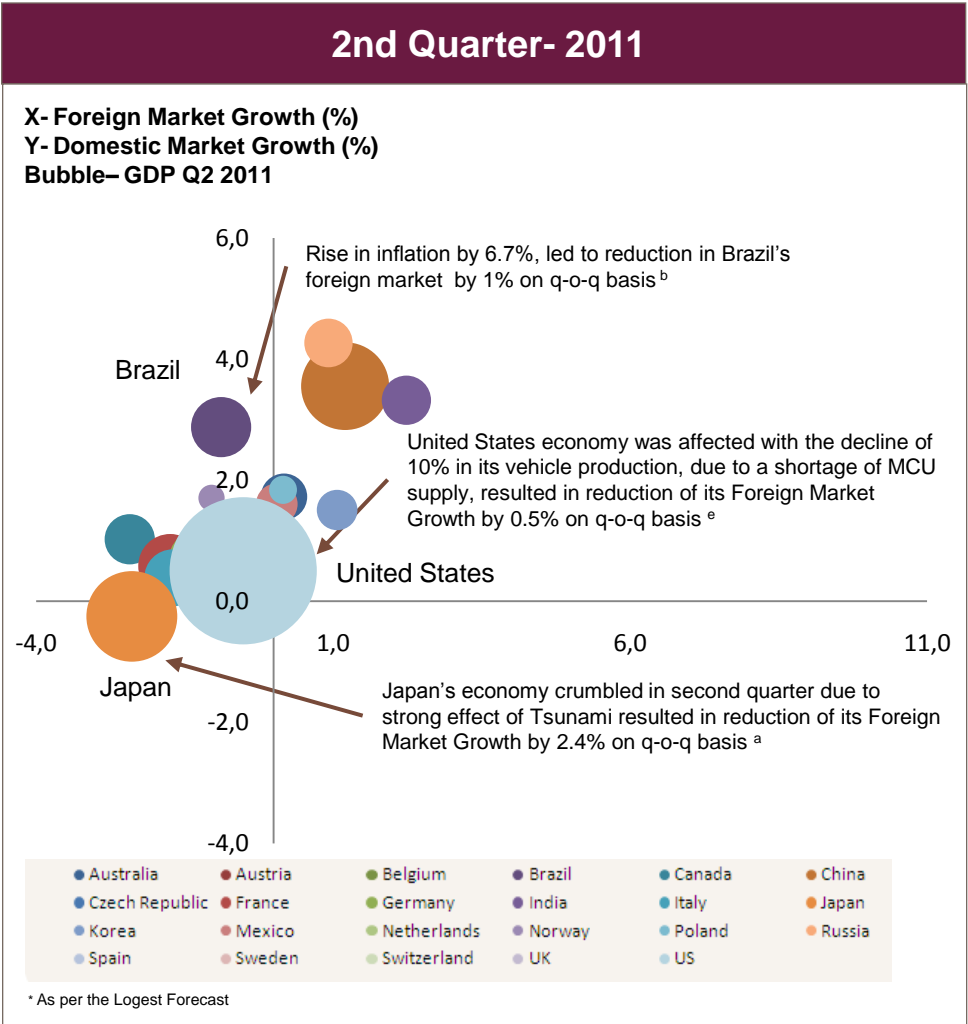
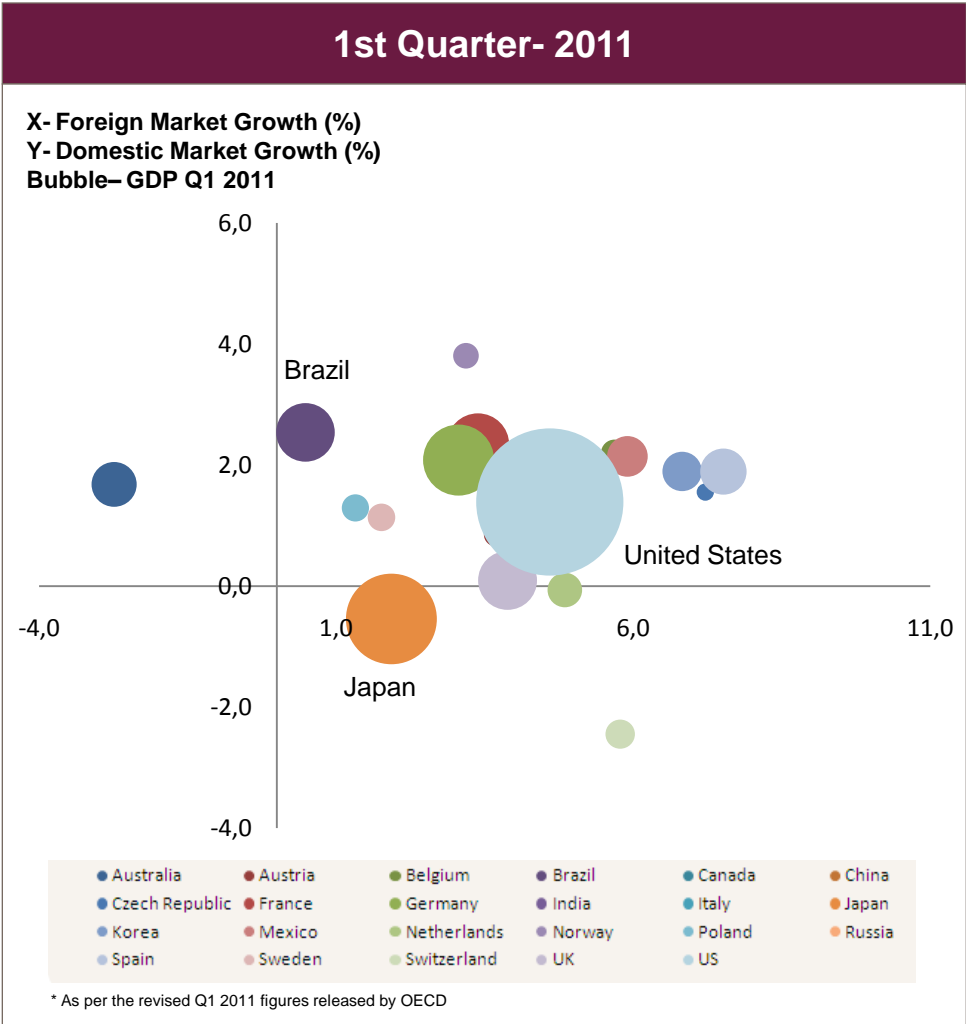
Indian economy continued to maintain it's position in Q2'11 (2/2)

Country		RANK Q1-2011	RANK Q2-2011 E	Trade related parameters		Market related parameters		Global Trade Index Score*
				Trade Volume Score (A)	Q-o-Q Growth Score (B)	Foreign Market Score (C)	Domestic Market Score (D)	
India		13	13	0.81	4.00	4.00	3.96	3.24
Mexico		14	14	0.74	3.89	3.91	3.90	2.87
Spain		15	15	0.70	3.86	3.86	3.86	2.72
Brazil		16	16	0.52	3.97	3.88	3.95	2.03
Australia		17	17	0.52	3.95	3.92	3.90	2.02
Sweden		18	19	0.41	3.88	3.87	3.88	1.57
Poland		21	20	0.39	3.94	3.92	3.91	1.53
Switzerland		20	18	0.39	3.90	3.88	3.87	1.53
Austria		19	21	0.39	3.88	3.86	3.87	1.50
Czech Republic		22	22	0.34	3.93	3.88	3.87	1.34
Norway		23	23	0.28	3.90	3.87	3.90	1.07

Note: * Global Trade Index Score = A x (average of (B,C,D))

Source: Capgemini Analysis, Logest Forecast

Tsunami in Japan led to a decline in its economy creating a direct impact on trade with major economies



Source: (a) Capgemini Analysis, (b) [Deloitte Global Economic Outlook Q2 2011](#), (c) Stats.oecd.org, 2011, (d) Logest Forecast, (e) [zerohedge.com](#).

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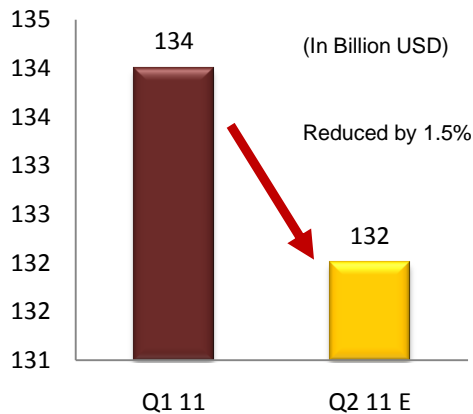
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Tsunami in Japan impacted it's economy and also had impact on its trade with major economic partners



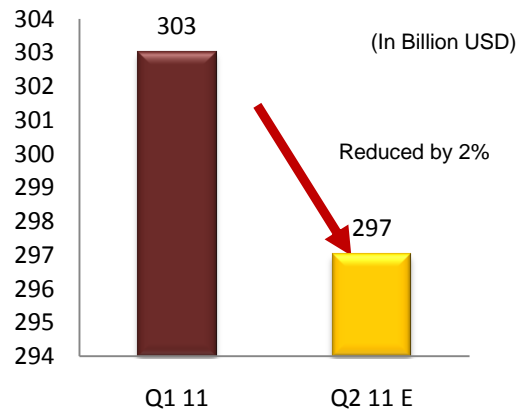
The severe earthquake and tsunami that struck Japan in mid-March, and the subsequent damage to nuclear power generation coupled with concerns about radiation, have disrupted production of goods in northern Japan, used in electronics, automotive and ship building sectors, impacting global trade

Japan's Trade



- Japanese trade volume declined by 2% on q-o-q basis ^a
- Industrial production in Japan declined by 6% ^c
- Due to the fear of nuclear radiation threat, Japan's private consumption drop by 7% in Q2'11 ^c

United States Trade



- United States economy was impacted with the decline of 10% in its vehicle production, due to a shortage of MCU (auto microcontrollers) supply ^c
- US imports of vehicles dropped by \$2bn/month in Q2'11 ^c

Other Major Impacts

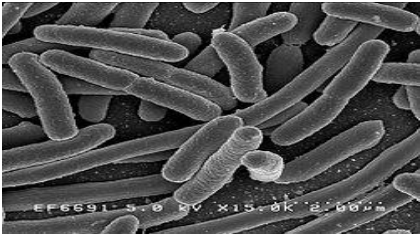
- The drop in trade volumes on q-o-q basis were registered with countries like USA, UK, Canada, France and Australia, where imports volumes reduced by 2-3% due to negative impact of Tsunami in Japan ^a
- Tsunami in Japan has led to a reduction of 2 points in the annualized growth rate of global industrial production over the last quarter ^c
- Growth in China's demand for coal and crude oil eased more than expected in the second quarter, as Japan's earthquake and nuclear crisis took a toll on China's industrial production ^d
- Tsunami in Japan impacted the PC shipments world wide, as Japan is a major manufacturer of components like batteries ^f

Source: (a) Capgemini Analysis, (b) Logest Forecast, (c) zerohedge.com, (d) chinadaily.com.cn, (e) irsteel.com, (f) pcworld.idg.com.au.

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Europe's E.coli food crisis are causing reduction of its exports from agriculture



- In 16 countries across the globe, nearly 3,000 people have fallen sick and 29 have been reported dead after eating raw vegetables contaminated by a group of bacteria collectively called E.coli within first six months of 2011 ^e
- E. coli (Escherichia coli) is a type of bacteria that spreads through food, like beef and vegetables and causes gastroenteritis in humans

Estimates of Weekly Economic Damage in Agricultural of Europe ^b

Country		Economic loss
Spain		€200m
Netherlands		€80m
Germany		€20m
Belgium		€4m
Portugal		€3m

Key Highlights

- The E.coli food crisis has led Russia to ban vegetables imported from the Europe ^b
- E.Coli crisis in Europe are directly impacting its trade in fruit and vegetables, which is worth €2.5bn per week ^b

Measures Taken

- The European Commission has proposed a €210m aid package to help farmers ^b
- EU Commission engaged the European Food Safety Authority (EFSA) to conduct a risk assessment on E.coli crises ^f

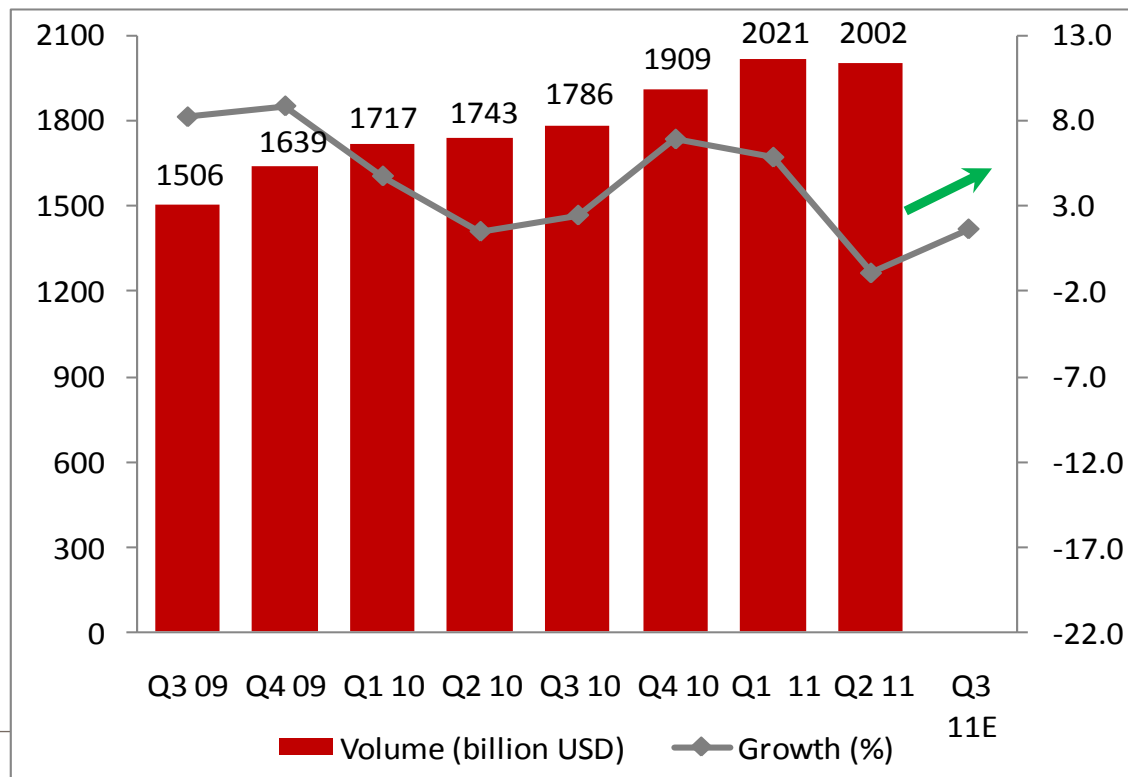
Source: (a) Capgemini Analysis, (b) publicserviceeurope.com, (c) perishablepundit.com, (d) nationmultimedia.com, (e) mahenvis.nic.in, (f) law.upenn.edu.

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World trade is expected to rebound in Q3 2011 due to rise in Japan's imports; although the risks of the European and US debt crisis still remains

Total trade (Q3 2011) - top 23 countries (USD bn)



KEY RISK ^c

- European and US debt Crisis and E.coli food crisis in Europe could be the key risks to the outlook
- Inflation is a key risk in emerging markets
- Spike in crude oil prices due to an escalation of violence in the Middle East and North Africa could have an impact on global economic activity
- Ongoing U.S. fiscal imbalances also run the risk of creating financial market instability

Sources: (a) Capgemini Analysis, (b) Stats.oecd.org, 2011, (c) [Quarterly Economic Forecast-TD Economics](#), (d) Logest Forecast.

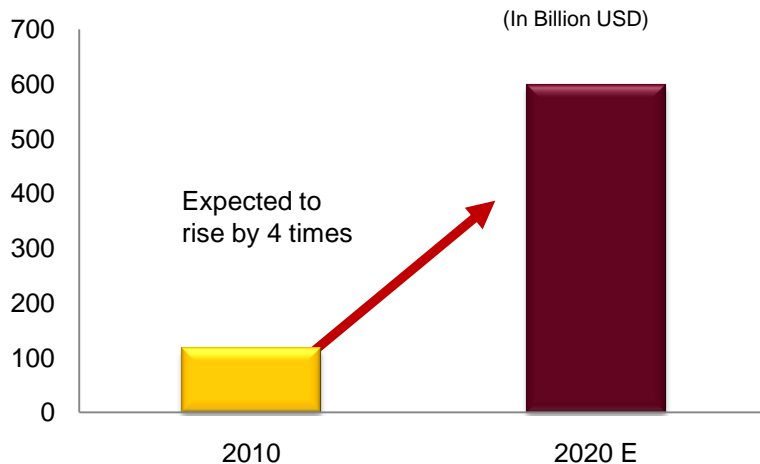
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Chinese Economy is expected to surpass the US by 2020; helped by faster expansion

China's Trade with its top Trading Partners

China's Trade with Top 10 Trading Partners



Top Ten Trading Partners of China by 2020:

USA, Japan, Germany, Korea, Mexico, France, UK, Canada, Netherlands and Italy ^k

Key Highlights

- Chinese economy will continue to be an export oriented economy by increasing its exports with major economies ^a
- United States, Japan and Germany will continue to be the largest trading partners of China ^a
- By 2020, it is projected that China's GDP will be the sum of top-tier developing countries ^d
- China's economic growth rate will be 6.9 percent over the next two decades ^e
- China's total trade volume will reach \$5.3 trillion by the year 2020 ^d
- By 2020, it is expected that Chinese consumption will be at two-thirds of the US level and account for about 12% of the world's total ^f

Source: (a) Capgemini Analysis, (b) Logest Forecast, (c) wantchinatimes.com, (d) seekingalpha.com, (e) dnewsglobal.com, (f) business.globaltimes.cn, (i) morganstanley.com, (j) us.bnymellonam.com, (k) oecd

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 - Methodology & Base Data Files



Country profile – United States

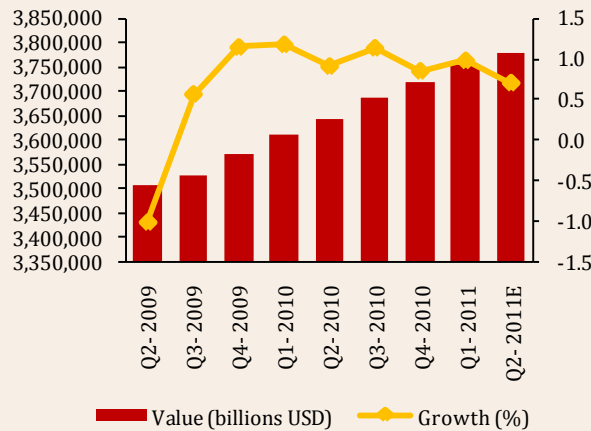
General information

Description	Values
GDP	3781 Billions USD
GDP Growth (Q-o-Q)	0.71 %
Population	311 Million
GDP per Capita (2010)	47,131 USD
RANK	1

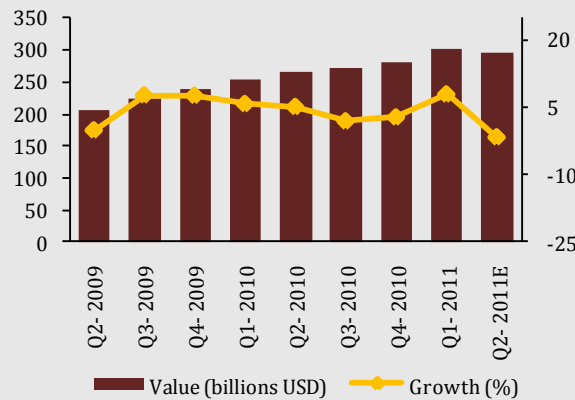
Key Trade-related Trends / Facts

- In Q2 2011, United States economy was affected with the decline of 10% in its vehicle production, due to a shortage of MCU (auto microcontrollers) supply from Japan ^b
- The domestic consumption reduced by 1% on q-o-q basis, due to rise in commodity prices in United States ^d

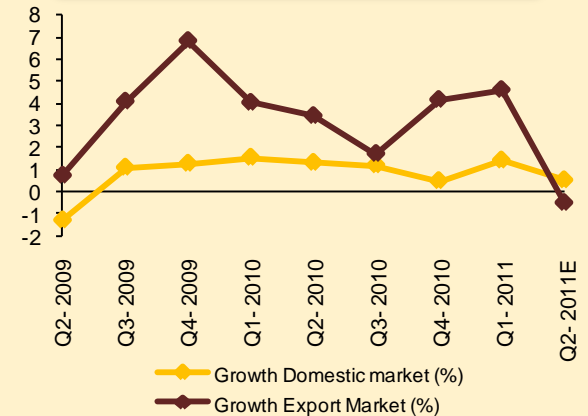
Gross Domestic Product



Total Trade



Domestic & Export Market



Sources: (a) Capgemini Analysis, (b) zerohedge.com, (c) [Stats.oecd.org](http://stats.oecd.org), (d) [Deloitte Global Economic Outlook Q2 2011](http://deloitte.com), (e) economywatch.com, (f) Logest forecast.



Country profile – China

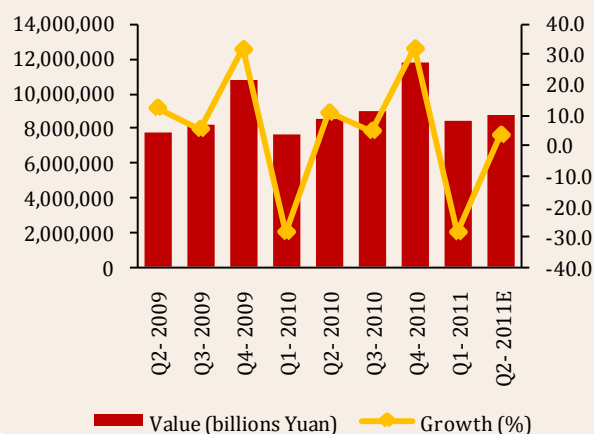
General information

Description	Values
GDP	1345 Billions USD
GDP Growth (Q-o-Q)	3.55%
Population	1341 Million
GDP per Capita (2010)	7,518 USD
RANK	2

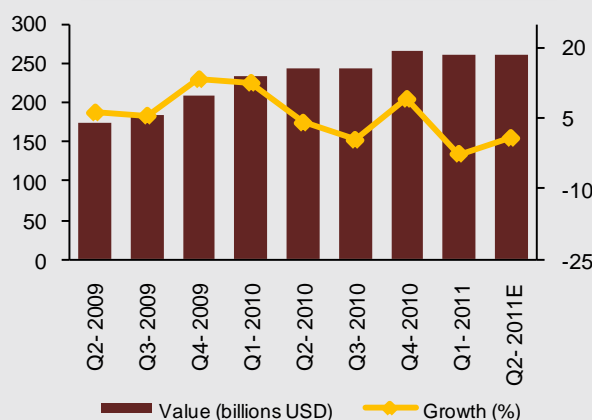
Key Trade-related Trends / Facts

- In China, rising oil prices and a growing older population led to economic expansion at a more sustainable pace ^c
- The Chinese economy grew by 3.5% with rise in its domestic market by 3.5% and foreign market by 1.2% on q-o-q basis
- The Total Trade volume has increased marginally by 0.7% in comparison with Q1

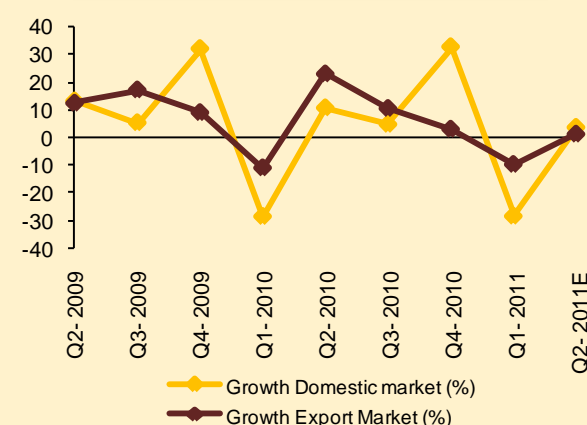
Gross Domestic Product



Total Trade



Domestic & Export Market



Sources: (a) Capgemini Analysis, (b) Stats.oecd.org, (c) [Deloitte Global Economic Outlook Q2 2011](#), (d) [economywatch.com](#), (e) Logest forecast.



Country profile – Germany

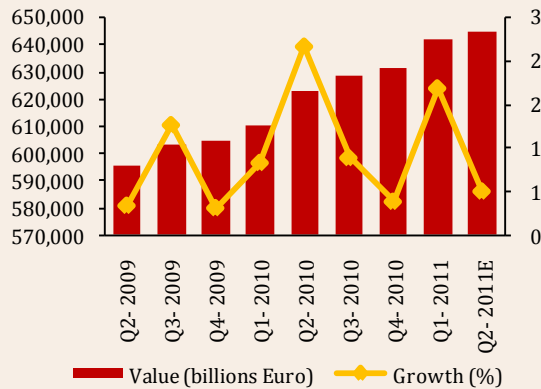
General information

Description	Values
GDP	928 Billions USD
GDP Growth (Q-o-Q)	0.50 %
Population	81 Million
GDP per Capita (2010)	35,930 USD
RANK	3

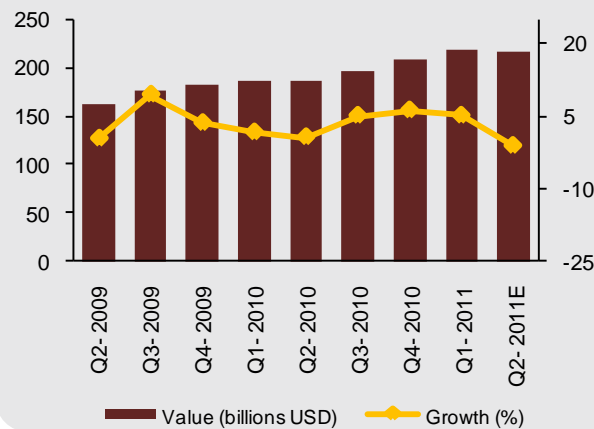
Key Trade-related Trends / Facts

- The German economy is heavily export-oriented economy
- The outlook for Germany's traditionally weak private consumption is good in light of highly favorable labor market conditions, rising real wages, still-moderate inflationary pressures and buoyant consumer confidence ^c
- Germany's GDP drop by 1 % in Q2 due to drop in domestic market by 1.5% on q-o-q basis

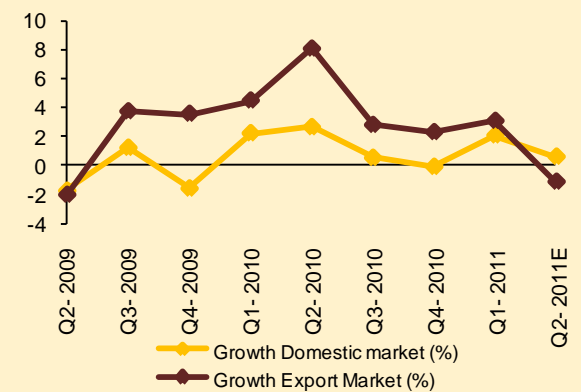
Gross Domestic Product



Total Trade



Domestic & Export Market



Sources: (a) Capgemini Analysis, (b) Stats.oecd.org, 2011, (c) economywatch.com, (d) Logest forecast.



Country profile – Japan

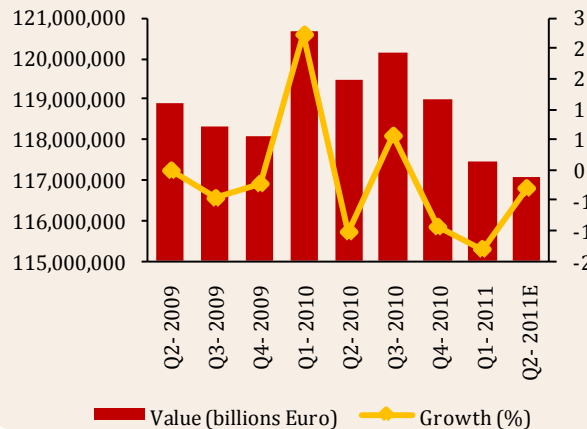
General information

Description	Values
GDP	1436 Billions USD
GDP Growth (Q-o-Q)	-0.30 %
Population	128 Million
GDP per Capita (2010)	33,828 USD
RANK	4

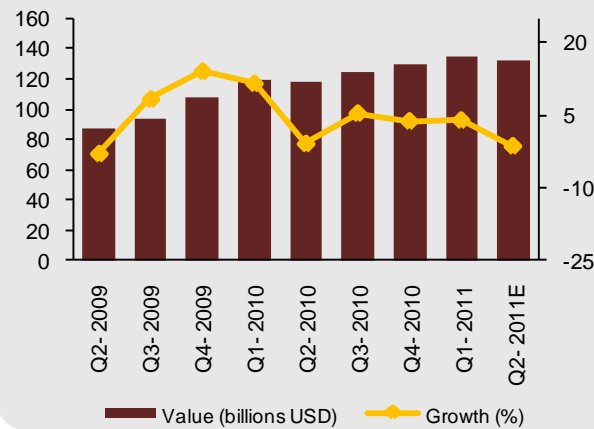
Key Trade-related Trends / Facts

- Japan's economy is highly efficient and competitive in areas linked to international trade, but productivity is far lower in protected areas such as agriculture, distribution, and services ^d
- Japan's economy crumbled in second quarter due to strong effect of Tsunami leading to affect its industrial production by 6%, along with the reduction in its private consumption by 7% on q-o-q basis ^e

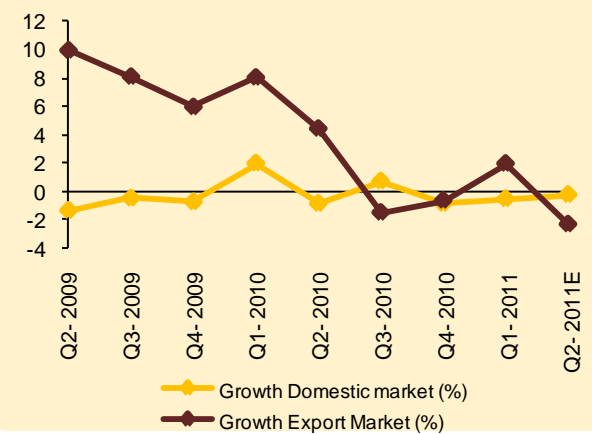
Gross Domestic Product



Total Trade



Domestic & Export Market



Sources: (a) Capgemini Analysis, (b) Stats.oecd.org, (c) [Deloitte Global Economic Outlook Q2 2011](#), (d) [economywatch.com](#), (e) [zerohedge.com](#), (f) Logest forecast.



Country profile – France

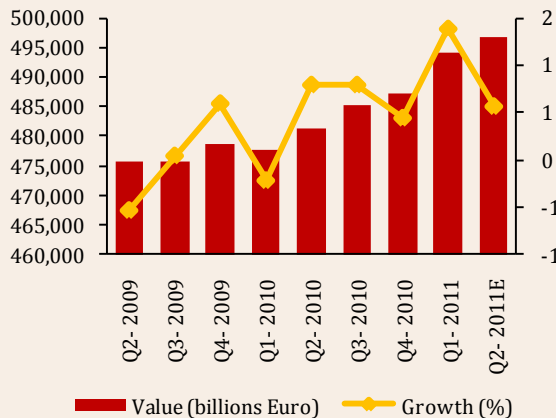
General information

Description	Values
GDP	715 Billions USD
GDP Growth (Q-o-Q)	0.57 %
Population	65 Million
GDP per Capita (2010)	34,092 USD
RANK	5

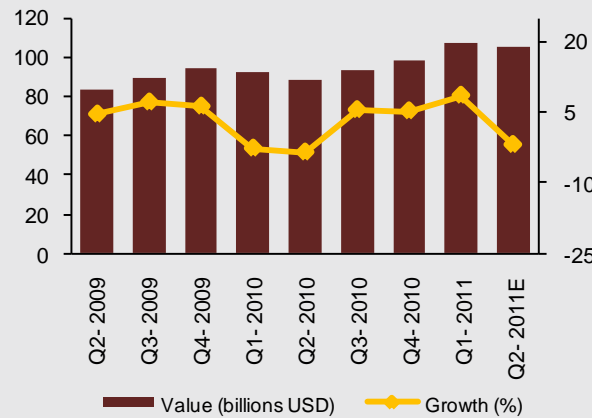
Key Trade-related Trends / Facts

- France leads a southern Euro coalition including the Mediterranean States. It has a large and diverse industrial base. Economic growth rates in France have been steady for decades due to conservative planning of the economy ^d
- French GDP drop by 1% as compared to Q1 q-o-q growth, with rise in its total trade volume by 2% on q-o-q basis

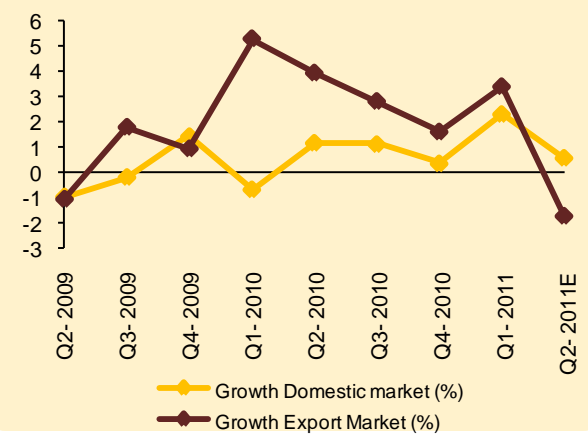
Gross Domestic Product



Total Trade



Domestic & Export Market



Sources: (a) Capgemini Analysis, (b) Stats.oecd.org, 2011, (c) [Deloitte Global Economic Outlook Q2 2011](#), (d) [economywatch.com](#), (e) Logest forecast.

Country profile – The Netherlands

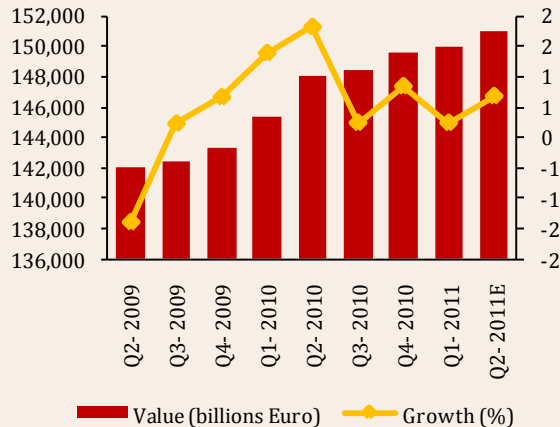
General information

Description	Values
GDP	217 Billions USD
GDP Growth (Q-o-Q)	0.69 %
Population	16 Million
GDP per Capita (2010)	40,777 USD
RANK	6

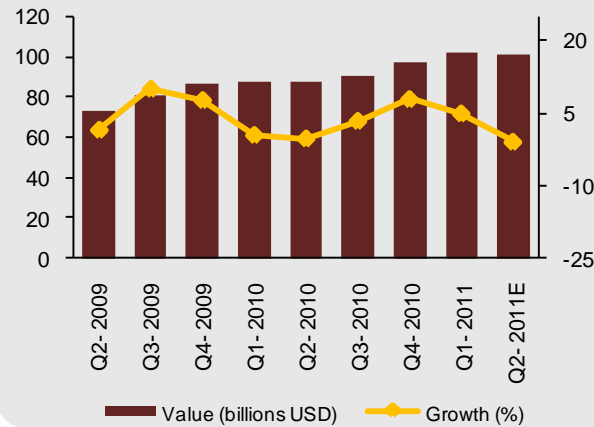
Key Trade-related Trends / Facts

- The Netherlands which depends heavily on foreign trade owns an outstanding transport Infrastructure, with Rotterdam being one of the world's best seaports, enhancing the country's connectivity to rest of the world ^c
- In Q2, its GDP has rose by 0.69% due to growth in the Domestic Consumption by 0.90%
- The total trade volume reduced by 0.88% in Q2 due to drop in its imports by 0.01% each on q-o-q basis

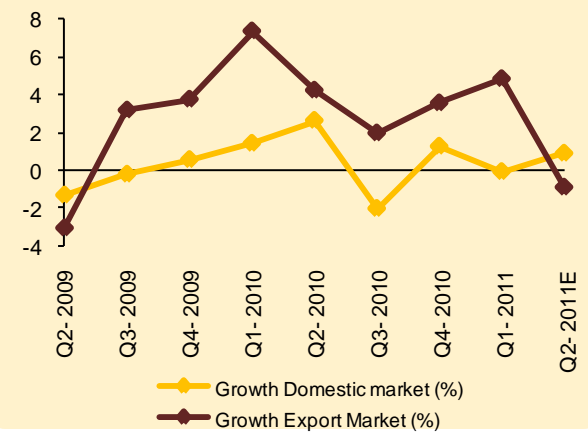
Gross Domestic Product



Total Trade



Domestic & Export Market



Sources: (a) Capgemini Analysis, (b) Stats.oecd.org, 2011., (c) economywatch.com, (d) Logest forecast.



Country profile – United Kingdom

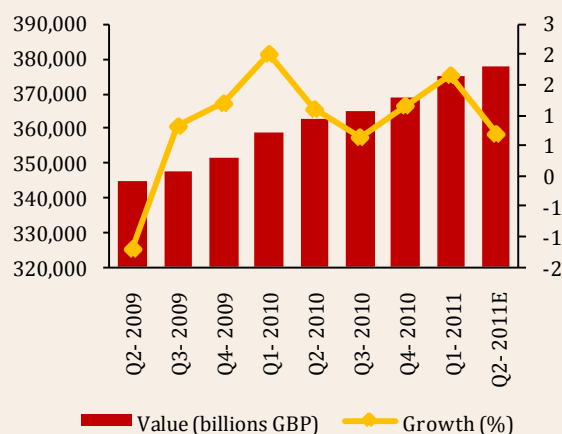
General information

Description	Values
GDP	617 Billions USD
GDP Growth (Q-o-Q)	0.69 %
Population	62 Million
GDP per Capita (2010)	35,053 USD
RANK	7

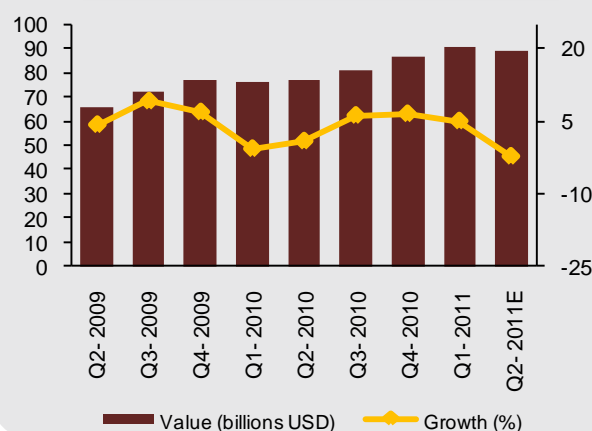
Key Trade-related Trends / Facts ^d

- The UK economy continued to expand though at a slower growth rate as cuts in government spending ripple through the economy
- In Q2 UK economy grew by 0.69% with an expansion in its domestic market by 0.62% in Q2 2011

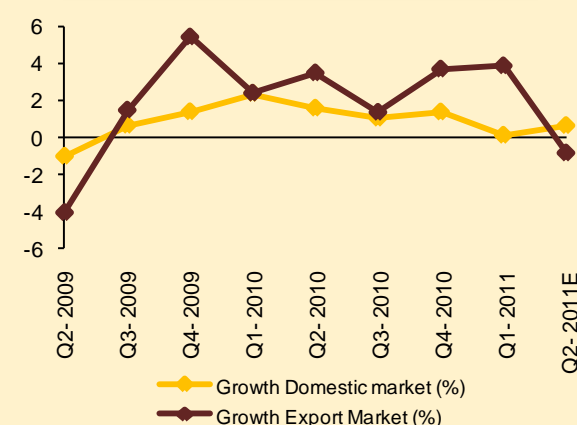
Gross Domestic Product



Total Trade



Domestic & Export Market



Sources: (a) Capgemini Analysis, (b) Logest forecast, (c) Stats.oecd.org, 2011, (d) economywatch.com.



Country profile – Korea

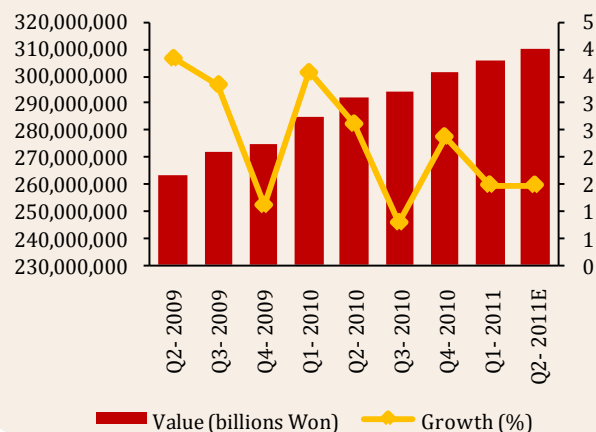
General information

Description	Values
GDP	286 Billions USD
GDP Growth (Q-o-Q)	1.48 %
Population	49 Million
GDP per Capita (2010)	29,791 USD
RANK	8

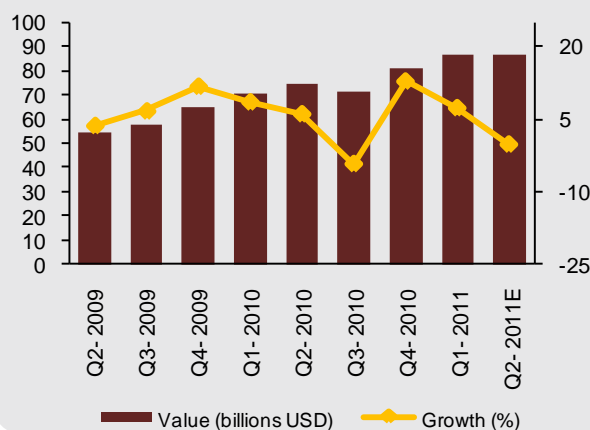
Key Trade-related Trends / Facts

- An extremely competitive education system and a highly skilled and motivated workforce are two key factors driving this knowledge economy ^c
- South Korea relies largely upon exports to fuel the growth of its economy and in second quarter of 2011 its exports of goods & services grew by 1.1% giving 1.48% push to its GDP's growth

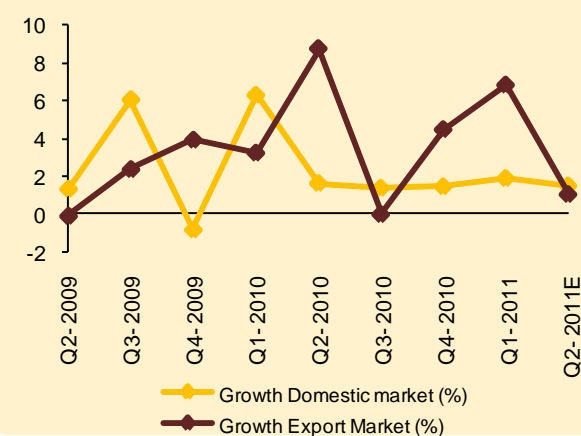
Gross Domestic Product



Total Trade



Domestic & Export Market



Sources: (a) Capgemini Analysis, (b) Stats.oecd.org, (c) economywatch.com, (d) Logest forecast.



Country profile – Italy

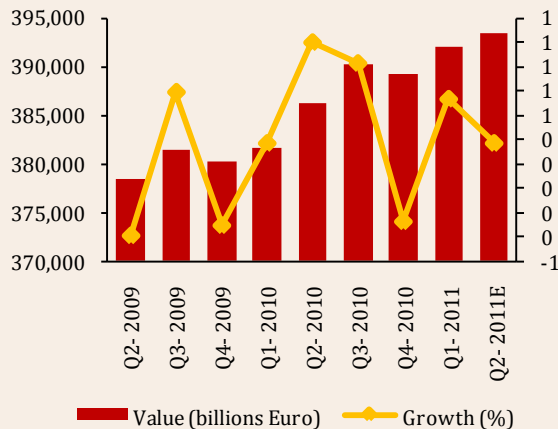
General information

Description	Values
GDP	566 Billions USD
GDP Growth (Q-o-Q)	0.37 %
Population	61 Million
GDP per Capita (2010)	29,418 USD
RANK	9

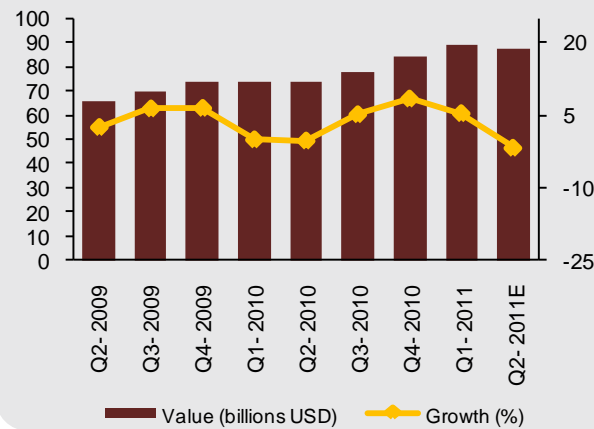
Key Trade-related Trends / Facts

- Italy has strong business clusters, producing goods high in value chain using latest processes & technology, but the structural weaknesses in the economy increases business costs and undermines investor confidence ^c
- Italian economy marginally grew by 0.37% as the total trade growth rate fell by 0.02% in Q2 2011

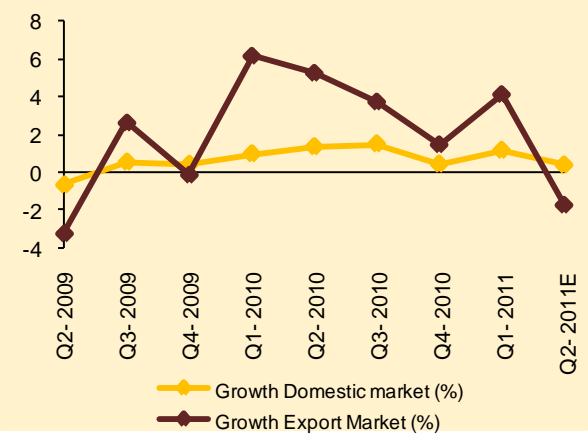
Gross Domestic Product



Total Trade



Domestic & Export Market



Sources: (a) Capgemini Analysis, (b) Stats.oecd.org, 2011, (c) www.marketresearch.com/product/display.asp?productid=6066765, (d) economywatch.com, (e) Logest forecast.



Country profile – Belgium

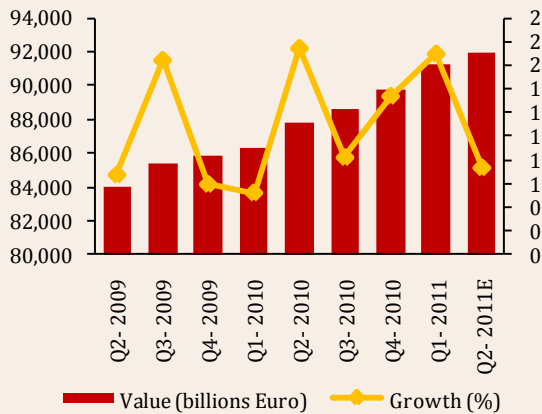
General information

Description	Values
GDP	132 Billions USD
GDP Growth (Q-o-Q)	0.73 %
Population	11 Million
GDP per Capita (2010)	36,275 USD
RANK	10

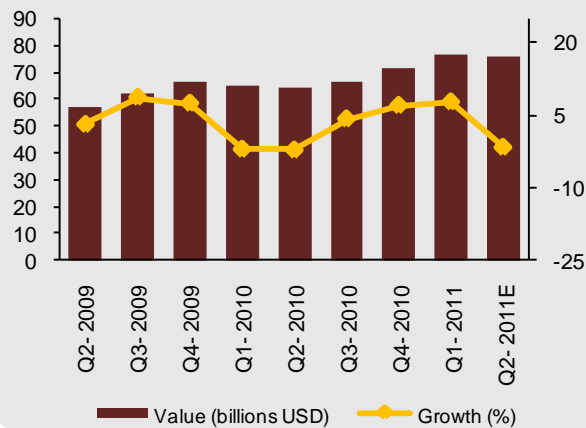
Key Trade-related Trends / Facts

- Belgium is poor in its natural resources, it imports raw materials in great quantity and processes them largely for export °
- Belgium GDP drop from 1.7% in Q1 2011 to .07 in Q2 2011 with an decrease in its domestic market by 1.3% on q-o-q basis
- Belgium's total trade volume reduced marginally by 1.5% due to decrease in its imports by 0.02% each on q-o-q basis

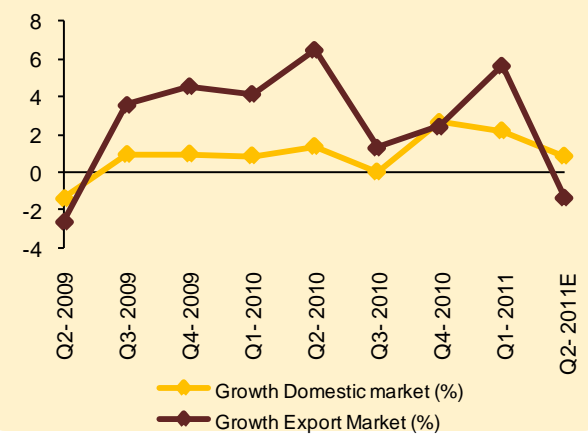
Gross Domestic Product



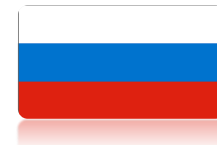
Total Trade



Domestic & Export Market



Sources: (a) Capgemini Analysis, (b) Stats.oecd.org, (c) economywatch.com, (d) Logest forecast.



Country profile – Russian Federation

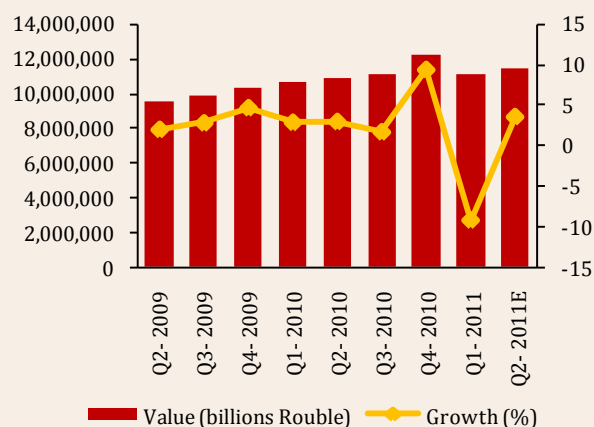
General information

Description	Values
GDP	410 Billions USD
GDP Growth (Q-o-Q)	3.62 %
Population	143 Million
GDP per Capita (2010)	15,807 USD
RANK	11

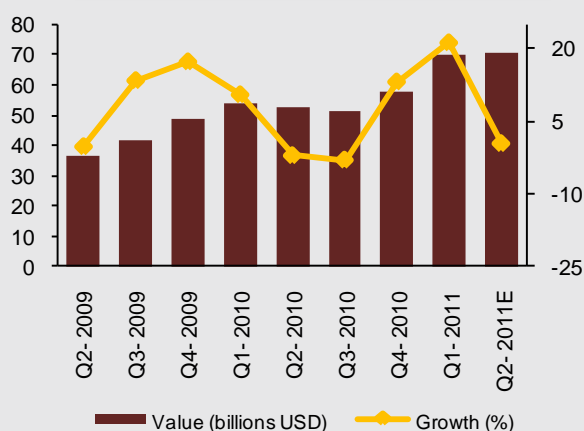
Key Trade-related Trends / Facts

- Russia remains over-dependent on oil as high energy prices may help in the short term but its long-term growth will depend on stimulating investment in non-commodity industries and utilizing the abundance of highly-skilled labor ^d
- Higher oil prices in Russia had a positive economic impact by boosting export and government revenues in Q2 2011 ^c
- Russian GDP rose by 3.62% with an increase in its domestic market by 0.92% on q-o-q basis

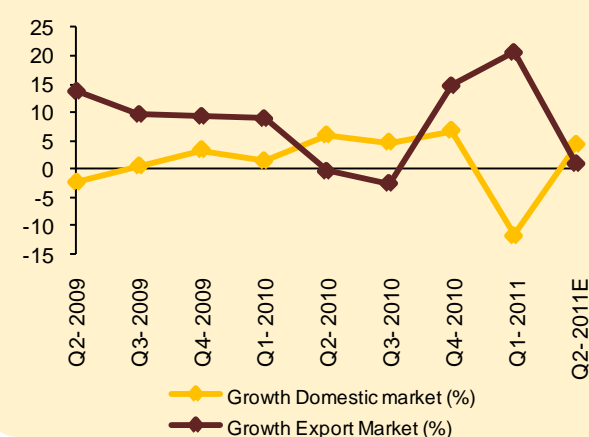
Gross Domestic Product



Total Trade



Domestic & Export Market



Sources: (a) Capgemini Analysis, (b) Stats.oecd.org, (c) [Deloitte Global Economic Outlook Q2 2011](#), (d) [economywatch.com](#), (e) Logest forecast .



Country profile – Canada

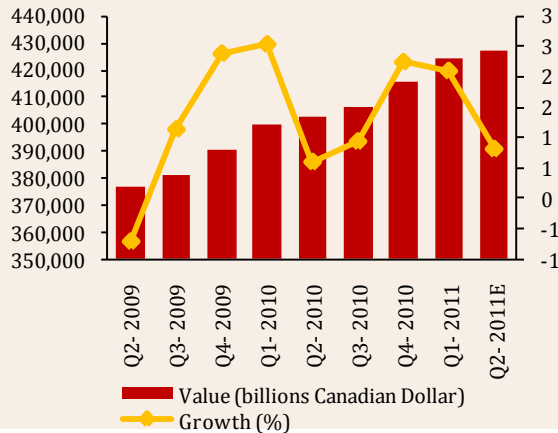
General information

Description	Values
GDP	442 Billions USD
GDP Growth (Q-o-Q)	0.81 %
Population	34 Million
GDP per Capita (2010)	39,034 USD
RANK	12

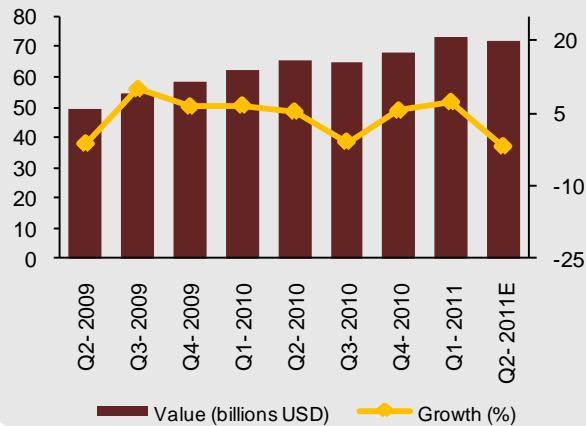
Key Trade-related Trends / Facts

- Canada has high availability & quality of transport infrastructure as well as highly efficient markets but is highly dependent on the United States as a market, with 3/4th of its exports to US ^c
- Canadian economy grew marginally by just 0.81% in Q2 2011 due to rise in its foreign market size by 1.02% on q-o-q basis

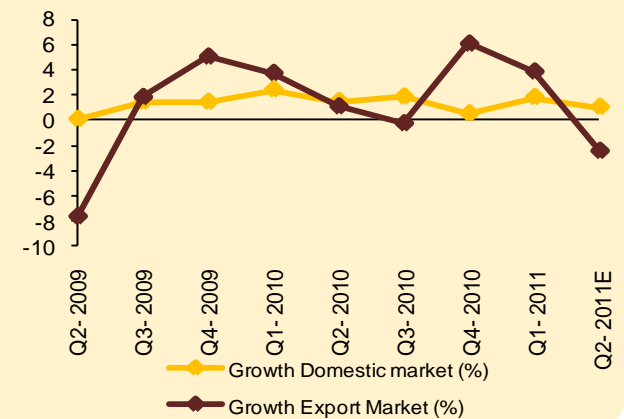
Gross Domestic Product



Total Trade



Domestic & Export Market



Sources: (a) Capgemini Analysis, (b) Stats.oecd.org, (c) economywatch.com, (d) Logest forecast.



Country profile – India

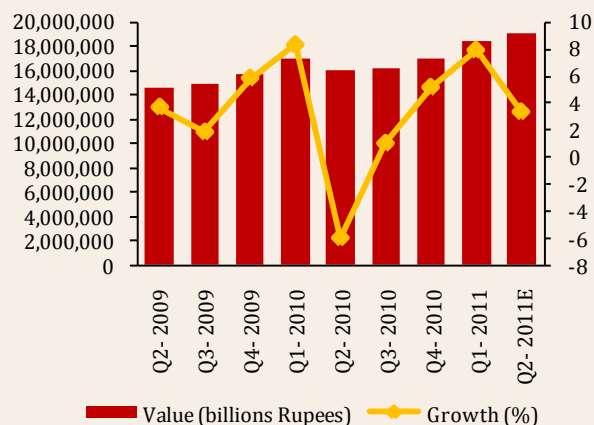
General information

Description	Values
GDP	424 Billions USD
GDP Growth (Q-o-Q)	3.36 %
Population	1210 Million
GDP per Capita (2010)	3,291 USD
RANK	13

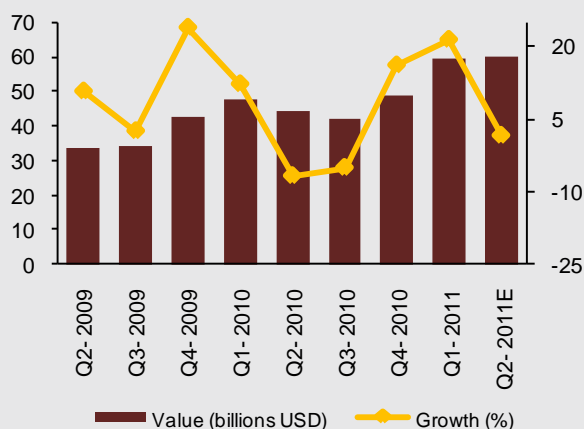
Key Trade-related Trends / Facts

- Services are the major source of economic growth, accounting for more than half of India's output with less than one third of its labor force ^d
- The outlook on the Indian economy was positive due to increase in its trade volume by 2% on q-o-q basis , as a combination of monetary and fiscal policies by government led to combat rising prices ^c

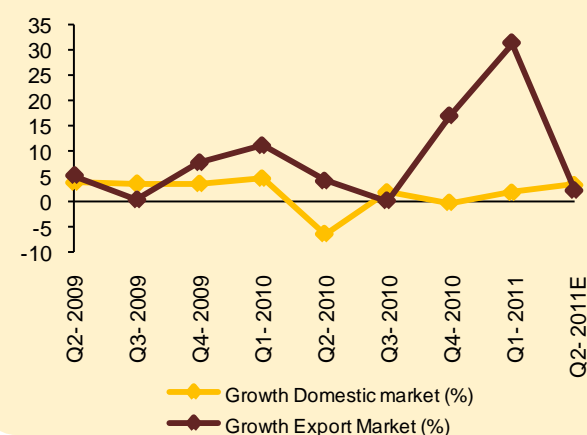
Gross Domestic Product



Total Trade



Domestic & Export Market



Sources: (a) Capgemini Analysis, (b) Stats.oecd.org, (c) [Deloitte Global Economic Outlook Q2 2011](#), (d) [economywatch.com](#), (e) Logest forecast.



Country profile – Mexico

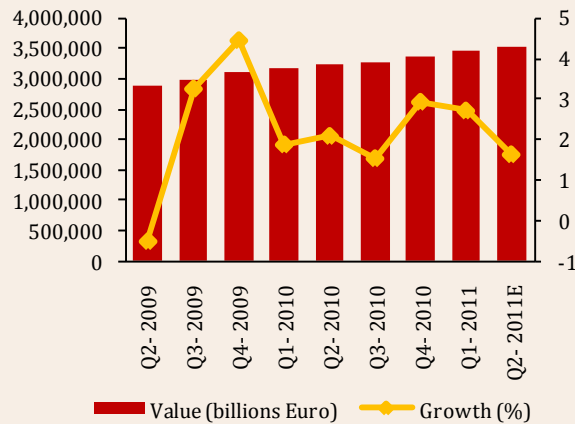
General information

Description	Values
GDP	301 Billions USD
GDP Growth (Q-o-Q)	1.64 %
Population	112 Million
GDP per Capita (2010)	14,266 USD
RANK	14

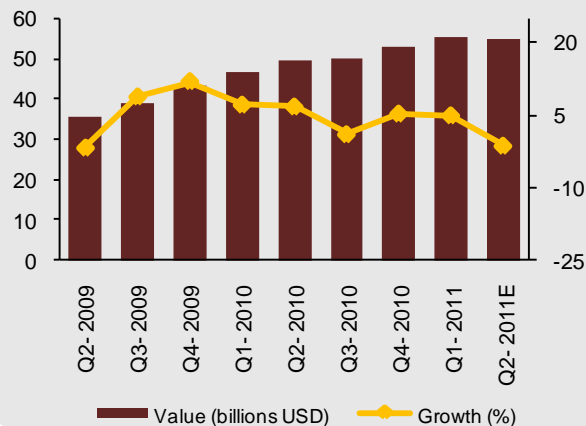
Key Trade-related Trends / Facts

- Mexico has an export-oriented economy, more than 90% of Mexican trade is under free trade agreements (FTAs) with more than 40 countries^d
- Recessions and economic downturns in United States are likely to have adverse effects on Mexican economy, as it is largely dependent on United States^d
- Mexico's economy further grew by 1.64%, supported by a recovering export outlook and an increase in its domestic demand

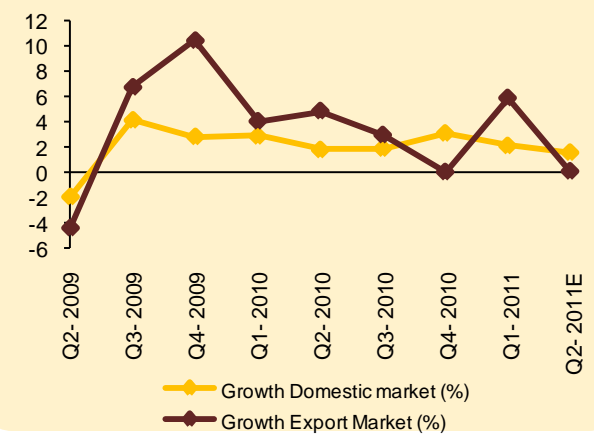
Gross Domestic Product



Total Trade



Domestic & Export Market



Sources: (a) Capgemini Analysis, (b) Stats.oecd.org, 2011, (c) [Global Economic Outlook Q2 2011](#), (d) [economywatch.com](#), (e) Logest forecast.



Country profile – Spain

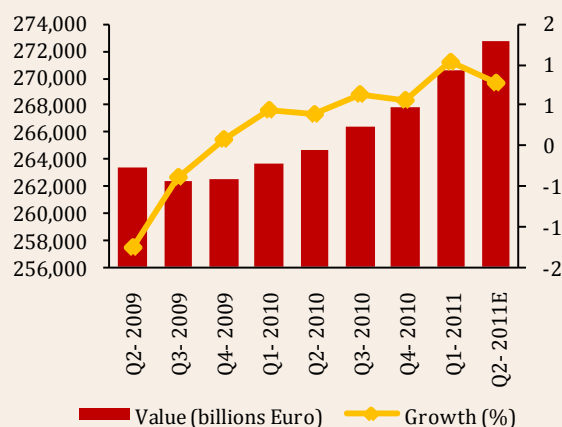
General information

Description	Values
GDP	392 Billions USD
GDP Growth (Q-o-Q)	0.77 %
Population	46 Million
GDP per Capita (2010)	29,652 USD
RANK	15

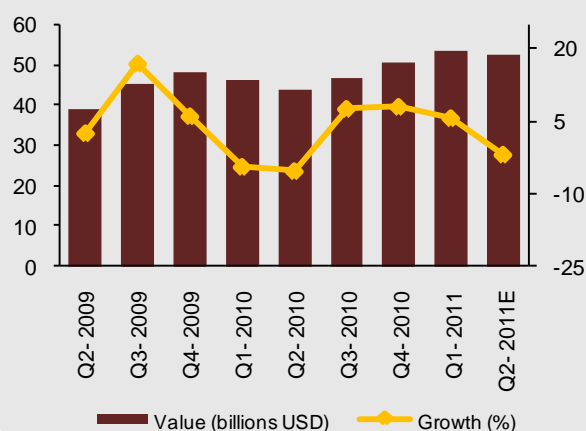
Key Trade-related Trends / Facts ^c

- Spain, the fourth-largest economy in the euro zone and EU accounts for 70% of Spain's exports
- The Spanish economy grew marginally by 0.77% supported by growth in its domestic market by 0.54%

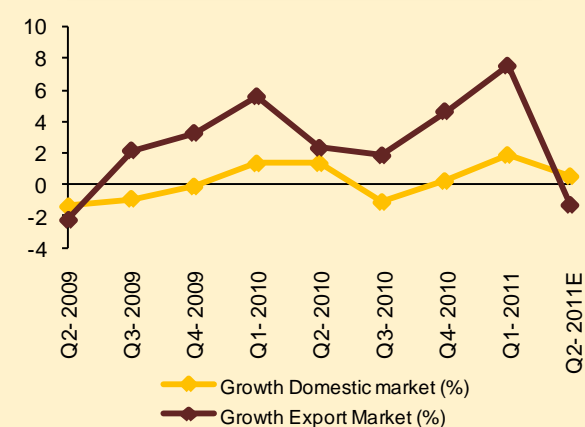
Gross Domestic Product



Total Trade



Domestic & Export Market



Sources: (a) Capgemini Analysis, (b) Stats.oecd.org, 2011 (c) economywatch.com, (d) Logest forecast.



Country profile – Brazil

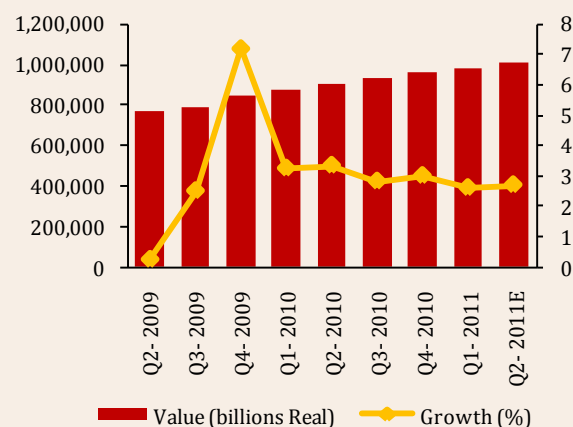
General information

Description	Values
GDP	635 Billions USD
GDP Growth (Q-o-Q)	2.70 %
Population	191 Million
GDP per Capita (2010)	11,289 USD
RANK	16

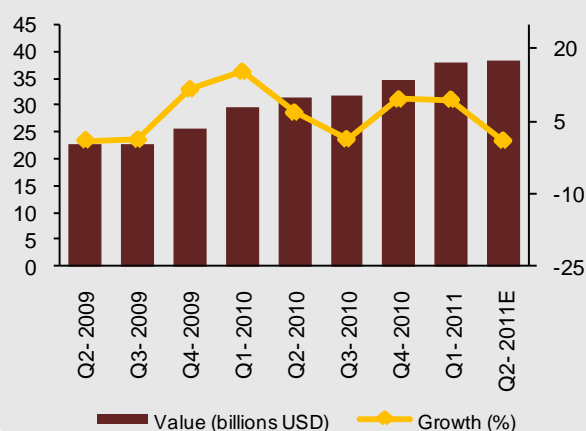
Key Trade-related Trends / Facts

- To promote trade, Brazil has a simple and transparent tariff structure and as a step towards liberalization, Brazil has signed Free Trade Agreements with developing economies to remove dependence ^d
- Brazil's foreign market reduced by 1% on q-o-q basis , as inflation rose due to increased commodity costs, rapid GDP growth and by the influx of short-term capital ^c

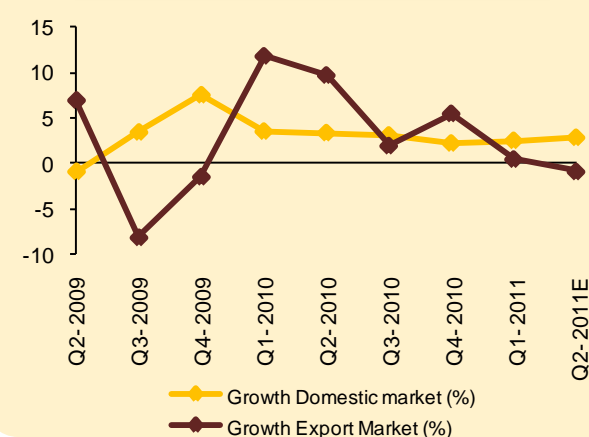
Gross Domestic Product



Total Trade



Domestic & Export Market



Sources: (a) Capgemini Analysis, (b) Stats.oecd.org, (c) [Deloitte Global Economic Outlook Q2 2011](#), (d) [economywatch.com](#), (e) Logest forecast.



Country profile – Australia

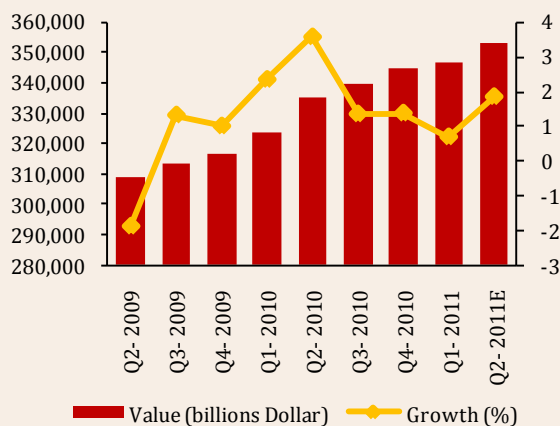
General information

Description	Values
GDP	375 Billions USD
GDP Growth (Q-o-Q)	1.85 %
Population	23 Million
GDP per Capita (2010)	39,692 USD
RANK	17

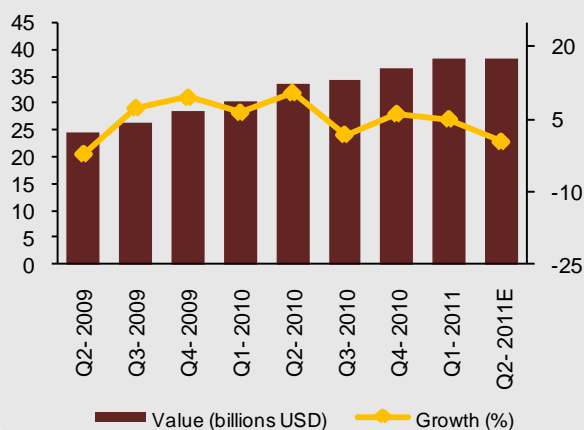
Key Trade-related Trends / Facts

- Australia has transparent border administration and transport but its regulatory environment promotes intense domestic competition along with high domestic and foreign market barriers ^c
- Australia's GDP rose by 1.85%, along with rise in its domestic market by 1.7% and foreign market by 0.17% each on q-o-q basis

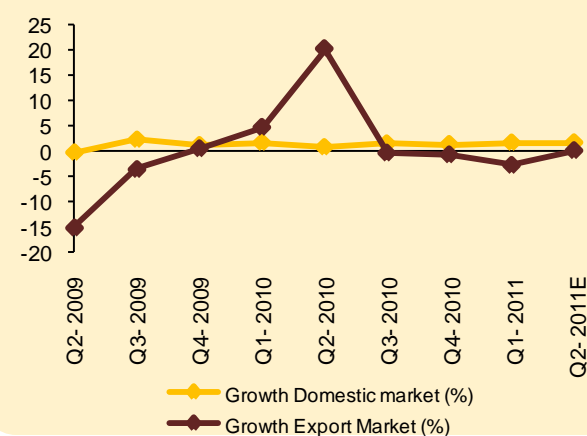
Gross Domestic Product



Total Trade



Domestic & Export Market



Sources: (a) Capgemini Analysis, (b) Stats.oecd.org, (c) economywatch.com, (d) Logest forecast.



Country profile – Sweden

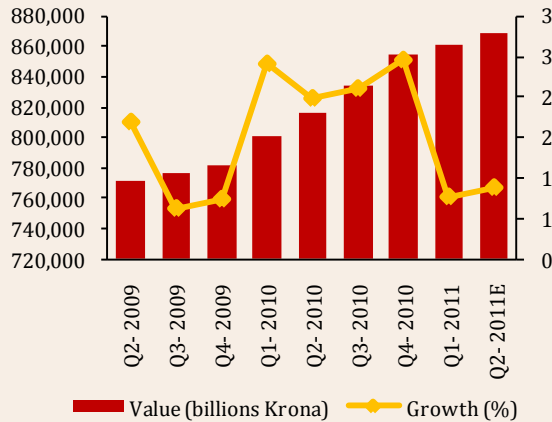
General information

Description	Values
GDP	139 Billions USD
GDP Growth (Q-o-Q)	0.89 %
Population	9 Million
GDP per Capita (2010)	37,775 USD
RANK	18

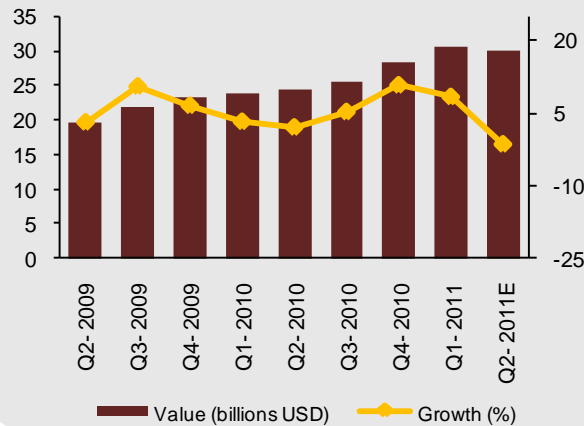
Key Trade-related Trends / Facts

- Sweden's economy is heavily dependent on foreign trade. Its privately owned companies constitute 90% of the nation's industrial output, of which the engineering sector accounts for 50% of output and exports ^c
- Swedish GDP grew by 0.89% in Q2 2011 due to increase in its domestic demand and consumer spending, inventory investments and declining unemployment ^c
- Due to slowdown in both exports and imports growth, the total trade volume drop by 1.5% on q-o-q basis

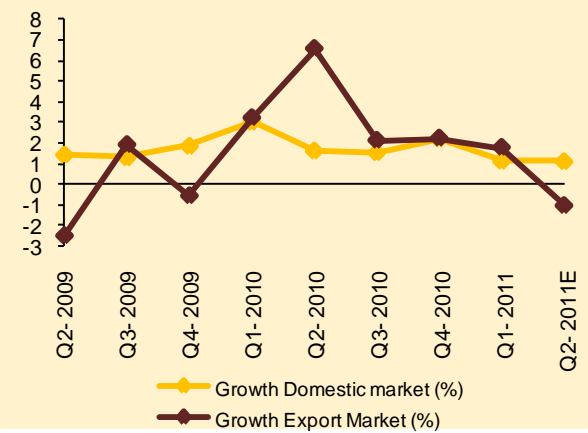
Gross Domestic Product



Total Trade



Domestic & Export Market



Sources: (a) Capgemini Analysis, (b) Stats.oecd.org, (c) economywatch.com, (d) Logest forecast.

Country profile – Poland

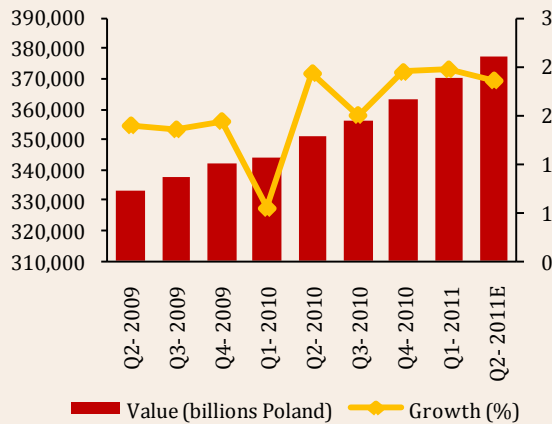
General information

Description	Values
GDP	137 Billions USD
GDP Growth (Q-o-Q)	1.86 %
Population	38 Million
GDP per Capita (2010)	18,837 USD
RANK	19

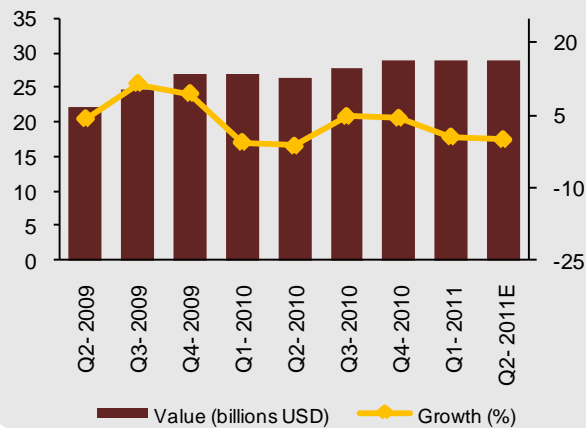
Key Trade-related Trends / Facts

- Unlike its Central European peers, domestic demand has driven Poland's economic rebound in 2010 and will continue to be the main growth engine in 2011 ^c
- Poland's GDP rose by 1.86%, along with rise in its domestic market size by 1.84% on q-o-q basis

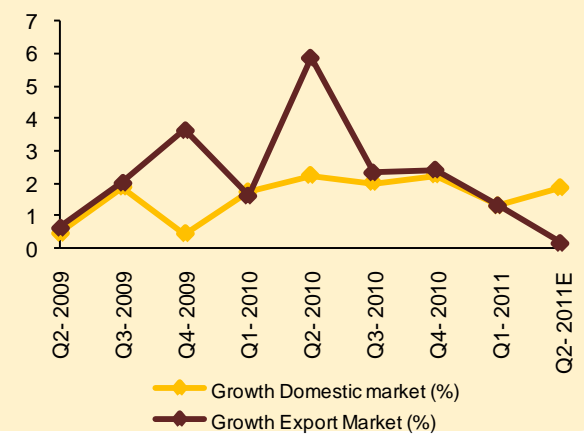
Gross Domestic Product



Total Trade



Domestic & Export Market



Sources: (a) Capgemini Analysis, (b) Stats.oecd.org, (c) economywatch.com, (d) Logest forecast.



Country profile – Switzerland

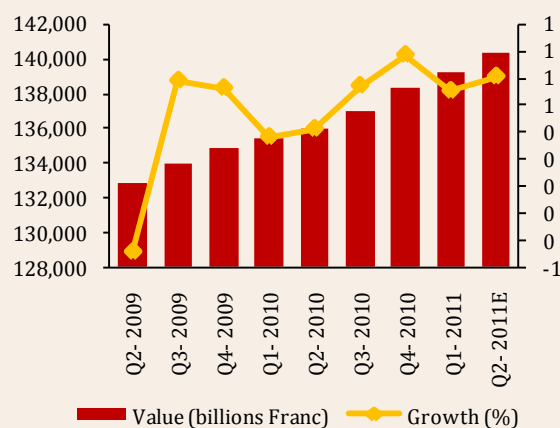
General information

Description	Values
GDP	161 Billions USD
GDP Growth (Q-o-Q)	0.81 %
Population	8 Million
GDP per Capita (2010)	41,765 USD
RANK	20

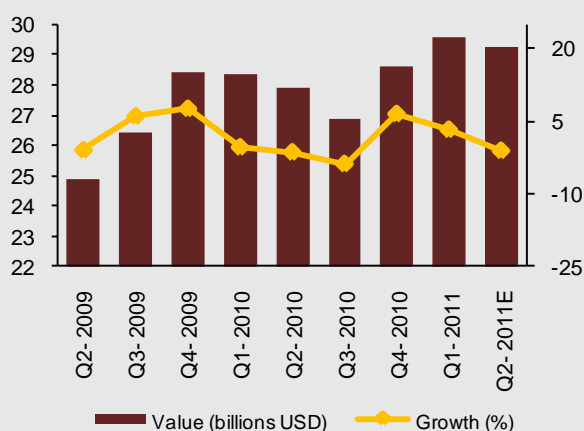
Key Trade-related Trends / Facts

- Switzerland has stable modern market economy with low unemployment, a highly skilled labor force, and a per capita GDP among the highest in the world ^c
- Switzerland's GDP rose by 0.81%, along with rise in its domestic market size by 0.82% on q-o-q basis

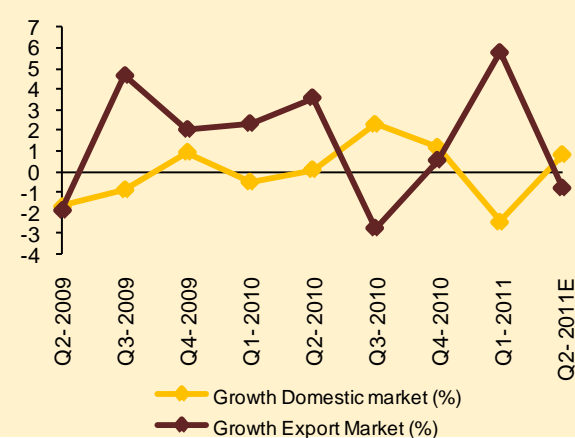
Gross Domestic Product



Total Trade



Domestic & Export Market



Sources: (a) Capgemini Analysis, (b) Stats.oecd.org, (c) economywatch.com, (d) Logest forecast.



Country profile – Austria

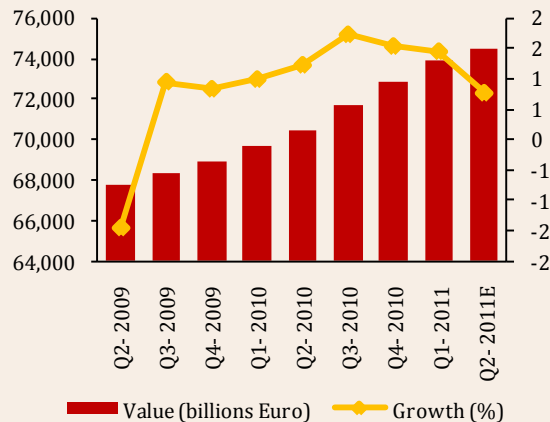
General information

Description	Values
GDP	107 Billions USD
GDP Growth (Q-o-Q)	0.77 %
Population	8 Million
GDP per Capita (2010)	39,454 USD
RANK	21

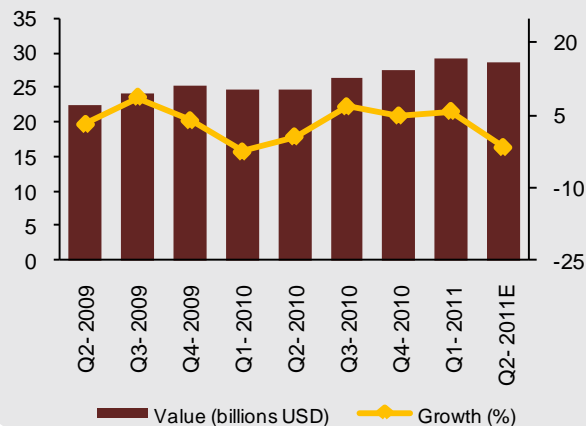
Key Trade-related Trends / Facts

- Austria's economy is the 12th richest country in the world, has a developed market and high standard of living ^c
- Austria's GDP rose marginally by 0.77%, along with rise in its foreign market size by 0.86% on q-o-q basis
- Austria's Total Trade growth fell by approx. 1.5% on q-o-q basis, as the volume for its Imports reduced by 0.02% and export by 0.01%

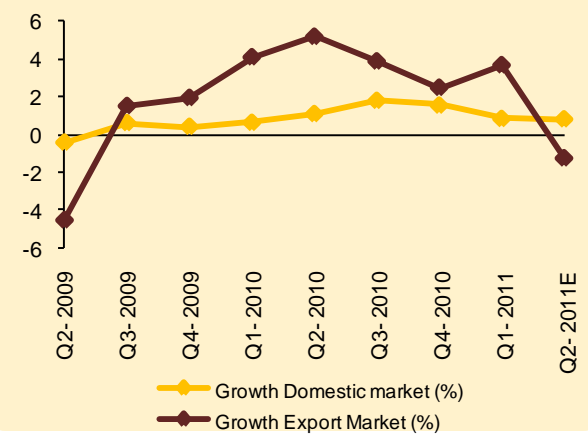
Gross Domestic Product



Total Trade



Domestic & Export Market



Sources: (a) Capgemini Analysis, (b) Stats.oecd.org, 2011, (c) economywatch.com, (d) Logest forecast.



Country profile – Czech Republic

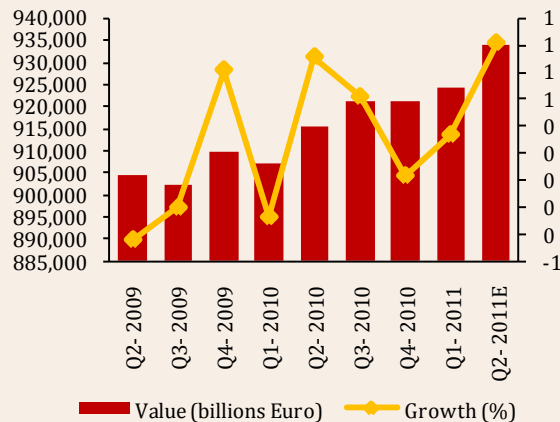
General information

Description	Values
GDP	55 Billions USD
GDP Growth (Q-o-Q)	1.02 %
Population	10 Million
GDP per Capita (2010)	24,987 USD
RANK	22

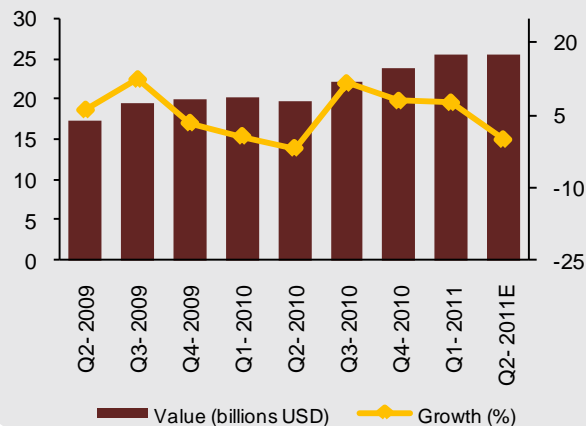
Key Trade-related Trends / Facts

- Czech Republic is an Upper middle-income country comes under the Europe and the Central Asian region ^c
- The Czech Republic is a highly export-oriented economy and its fortunes are largely tied to the economies of its key trade partners, particularly Germany ^c
- Czech Republic's GDP rose by only 1.02%, with the rise in its exports by 0.01% on q-o-q basis

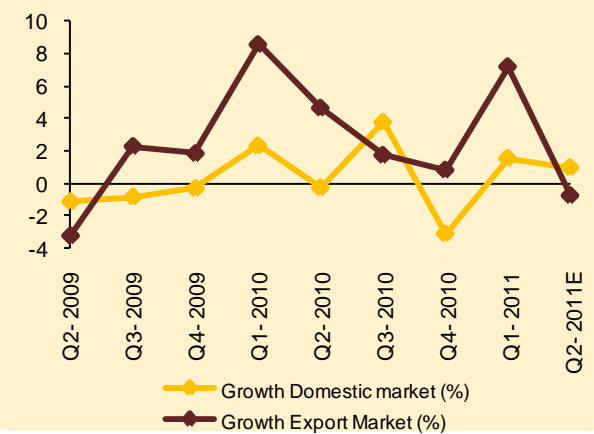
Gross Domestic Product



Total Trade



Domestic & Export Market



Sources: (a) Capgemini Analysis, (b) Stats.oecd.org, 2011, (c) economywatch.com, (d) Logest forecast.



Country profile – Norway

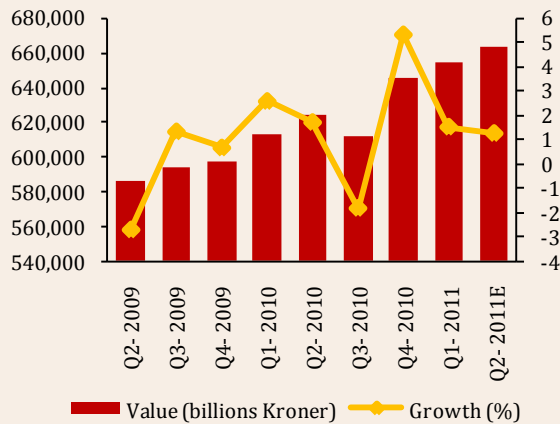
General information

Description	Values
GDP	122 Billions USD
GDP Growth (Q-o-Q)	1.27 %
Population	5 Million
GDP per Capita (2010)	54,239 USD
RANK	23

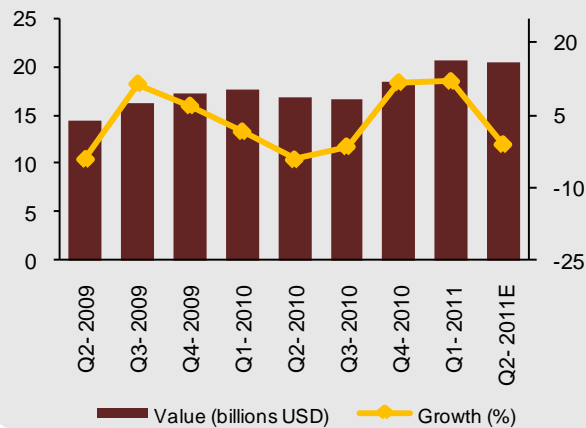
Key Trade-related Trends / Facts ^c

- The country is highly dependent on the petroleum sector, which accounts for nearly half of exports
- Norway's GDP growth is 1.27% in Q2, as private sector spending remaining as a main source of growth in the Norwegian economy

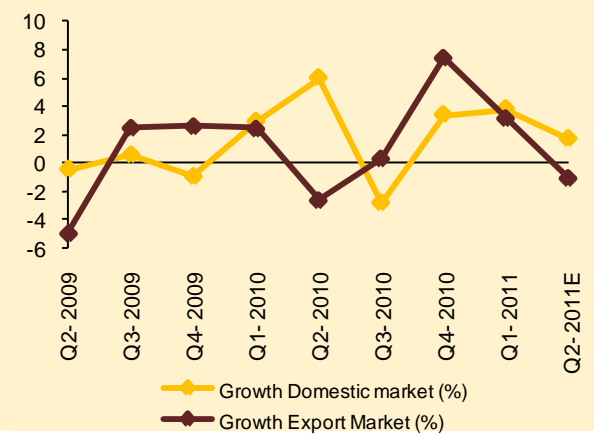
Gross Domestic Product



Total Trade



Domestic & Export Market

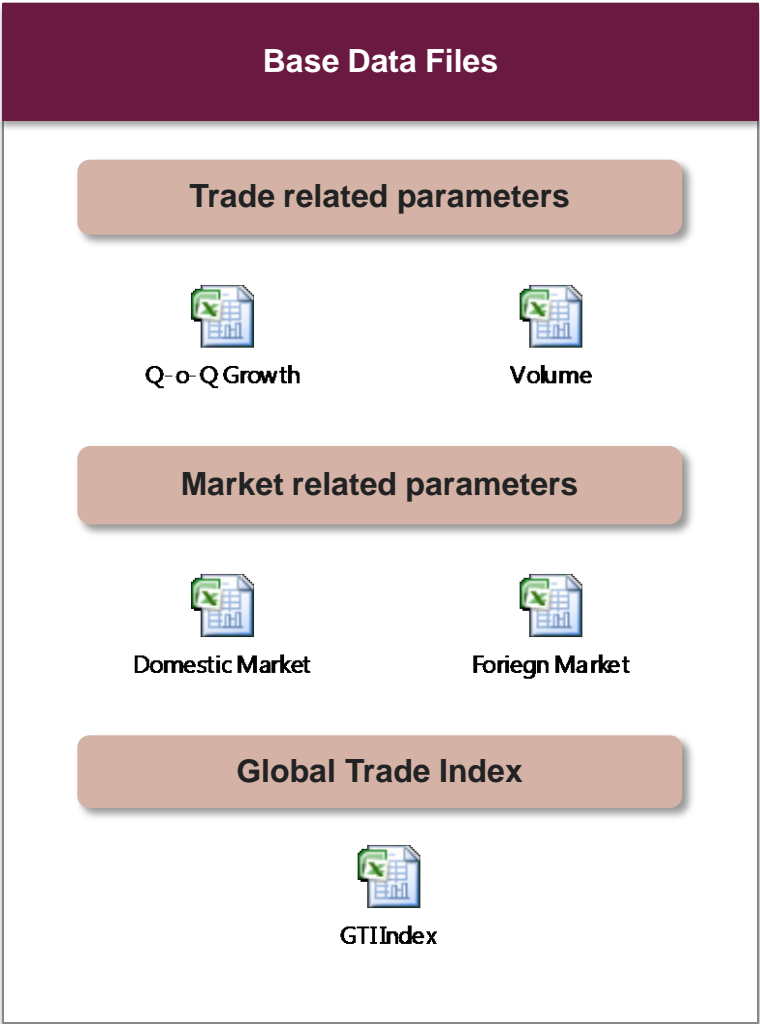
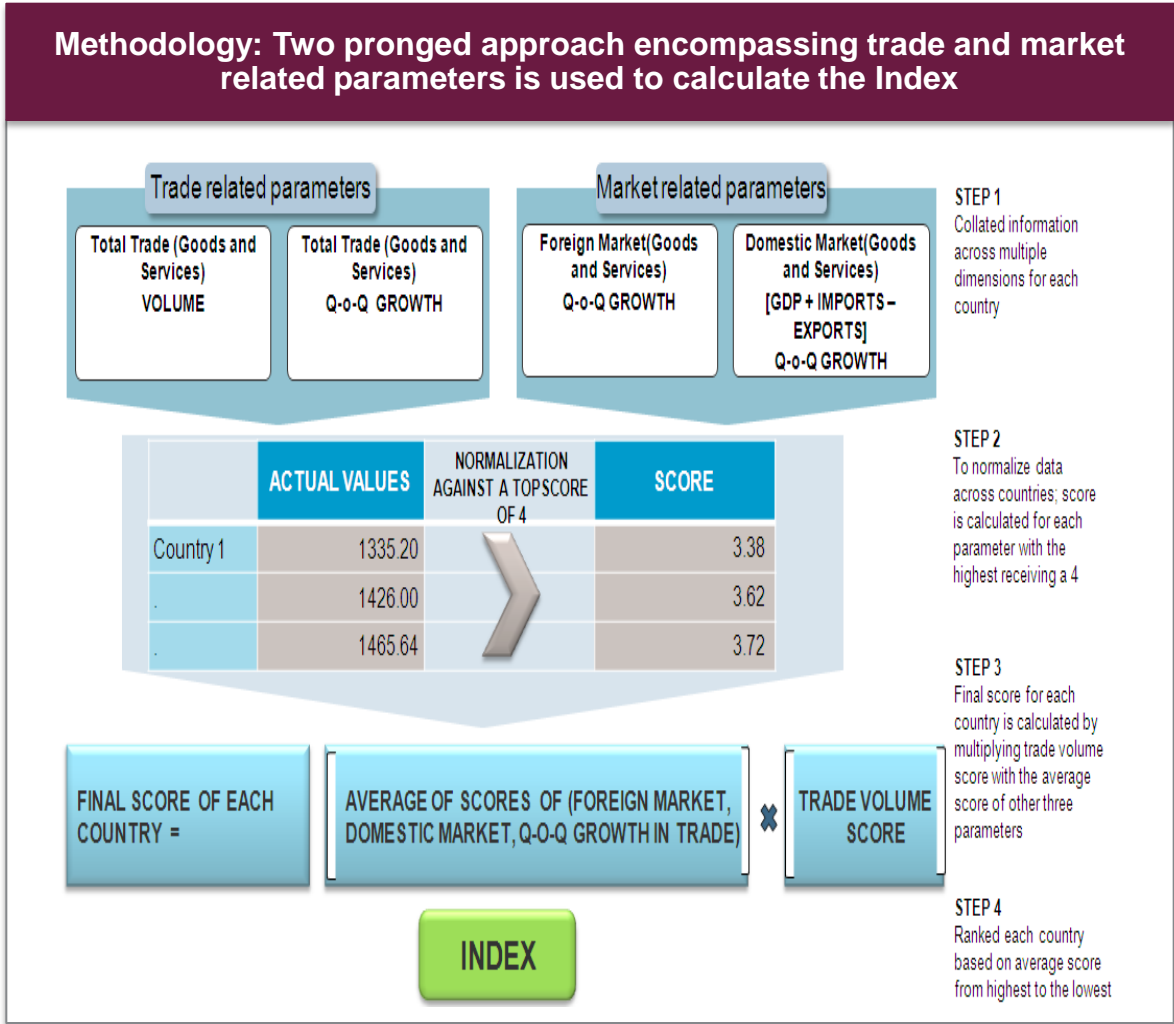


Sources: (a) Capgemini Analysis, (b) Stats.oecd.org, 2011, (c) economywatch.com, (d) Logest forecast.

AGENDA

- Executive Summary
- Index
- Impact of Japan's Tsunami in Q2'11
- Impact of E.coli food crisis in Q2'11
- Preview Window for Q3'11
- 2020 forecast of China's trade
- Appendix
 - Country Profiles
 - **Methodology & Base Data Files**

Appendix – Global Trade Index – Methodology and Data Sheets



Appendix – Global Trade Index Forecasting Methodology

METHODOLOGY Used:

While predicting the Global trade index, we follow the following steps as mentioned below:

a. LOGEST Calculation:

- a. Apply LOGEST Formula $(=\text{Logest}(\text{Historical Data Range})-1)$ to the historical data of trade, GDP, Domestic and foreign market, until the latest available quarter
- b. From the derived LOGEST value, predict the next quarter data by multiplying it with the previous quarter and adding the factor into the previous quarter data

b. Adjustment Factor Calculation:

- a. Calculate the variance of prediction against the actual for last 4 quarters and calculate the average variance
- b. Multiply the average variance % with the predicted figures to get the adjusted forecasting

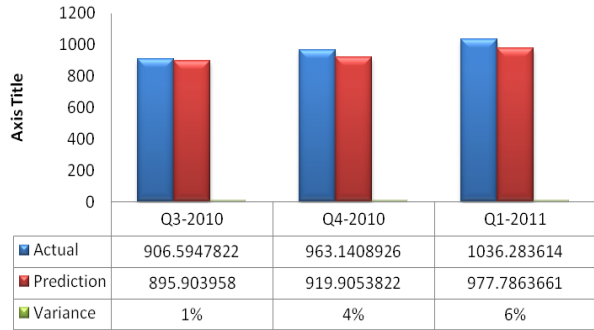


Forecast

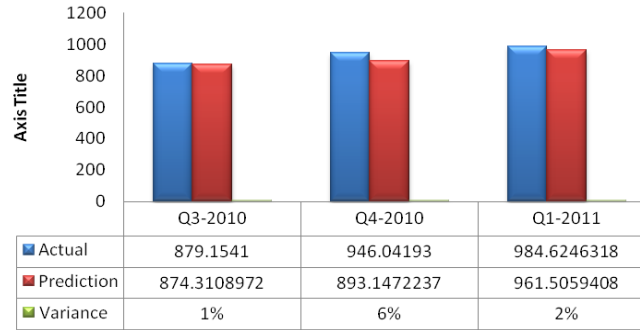
c. Finally, predict the Global trade index based on the adjusted figures

Variance between Actual vs. Predicted values as per LOGEST method

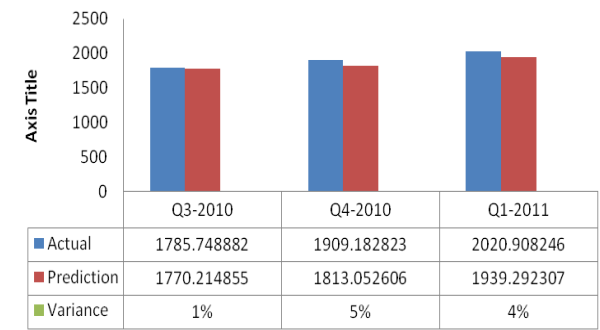
Total Imports of Goods



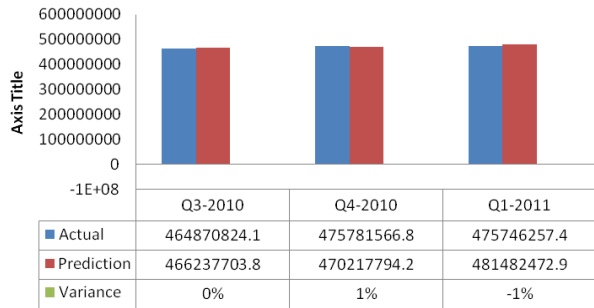
Total Export of Goods



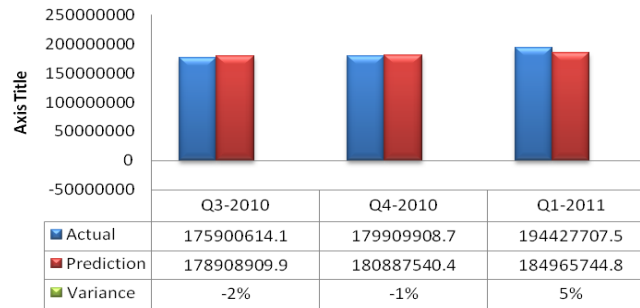
Total Trade



Total GDP



Total imports of Goods and services



Total Export of Goods and services



High level of accuracy observed in 3 Quarters prediction done using LOGEST method, showing variance between -3 to 6% from the actual which is within the forecast tolerance level of + or -10%.



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