

# World Trade Group Report

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# Global assumptions

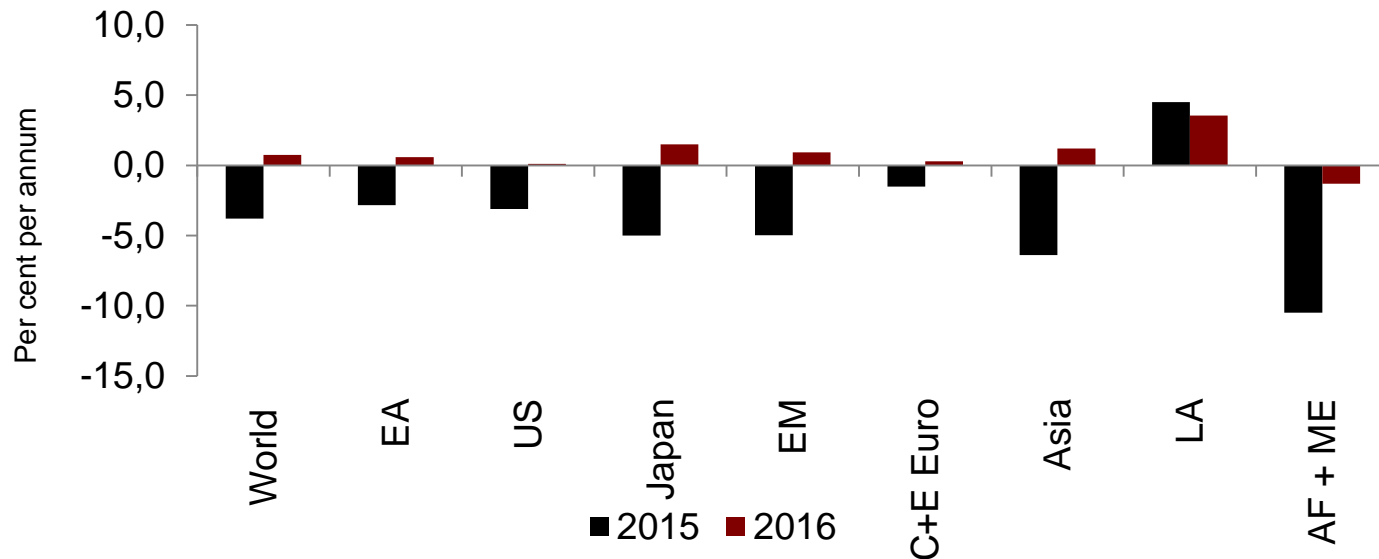
Table 1. Global assumptions

	May 2015			October 2015		
	(% change or level)			(% change or level)		
	2014	2015	2016	2014	2015	2016
Global GDP	3.5	3.6	4.1	3.3	3.0	3.4
US GDP	2.4	2.9	2.9	2.4	2.5	2.7
Euro Area GDP	0.9	1.4	1.7	0.9	1.5	1.6
Japan GDP	0	1.0	1.3	-0.1	0.7	1.2
China GDP	7.4	6.9	6.7	7.4	6.9	6.4
USD per EURO	1.33	1.11	1.10	1.3	1.1	1.1
Yen per USD	111.7	121.1	119.4	105.9	121.2	124.0
Brent (USD/b)	100.8	65.1	73.4	99.3	55.0	52.8
Other raw material prices (USD)	13.8	3.7	21.2	-4.3	-19.0	-2.1
World trade*	3.3	4.4	5.3	3.1	1.5	3.3

\*The growth rate of world trade is calculated as the average of the growth rate of world import and export volumes

- World GDP growth revised downward heavily this year
- Exchange rate assumptions for Euro and Yen remain broadly unchanged
- Significant downward revision to world trade both this year and next

# Import prices



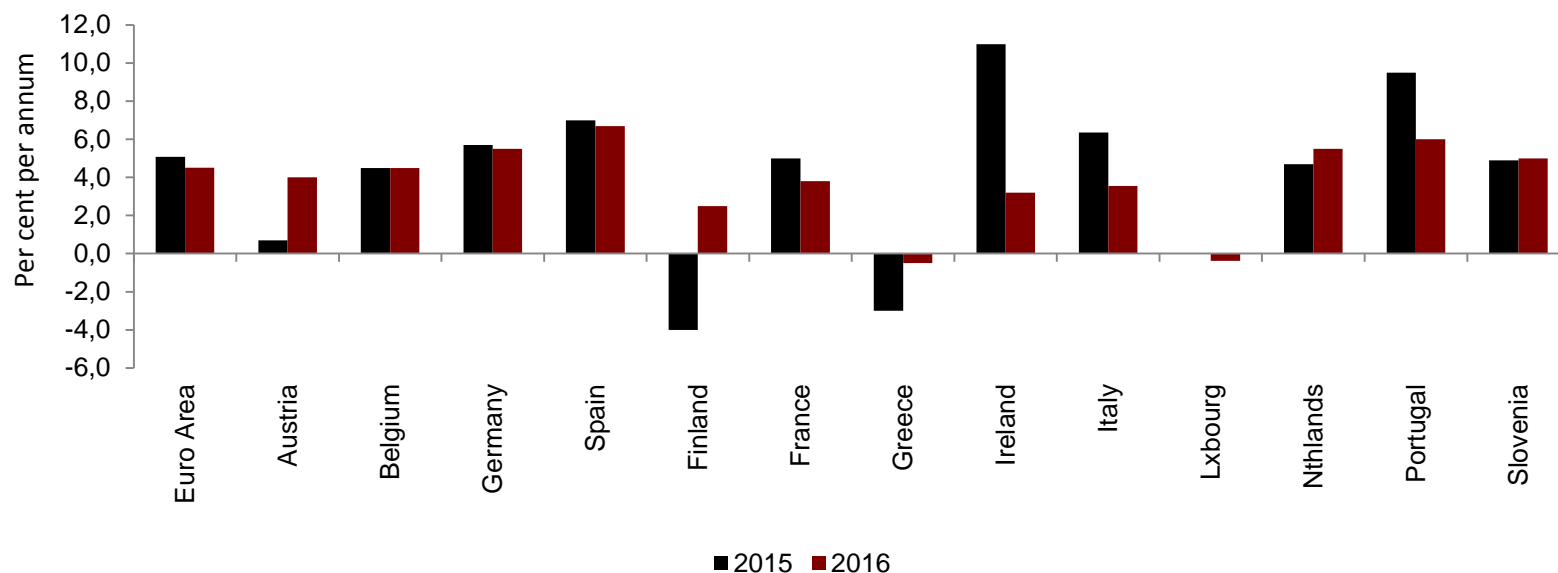
- Sharp decline in the price of commodities reflected in the import price of goods
- Further downward pressure as a result of the appreciation of the US Dollar against most currencies
- Weak but positive price growth expected in 2016, as these factors dissipate

# Import volumes ex. Euro Area



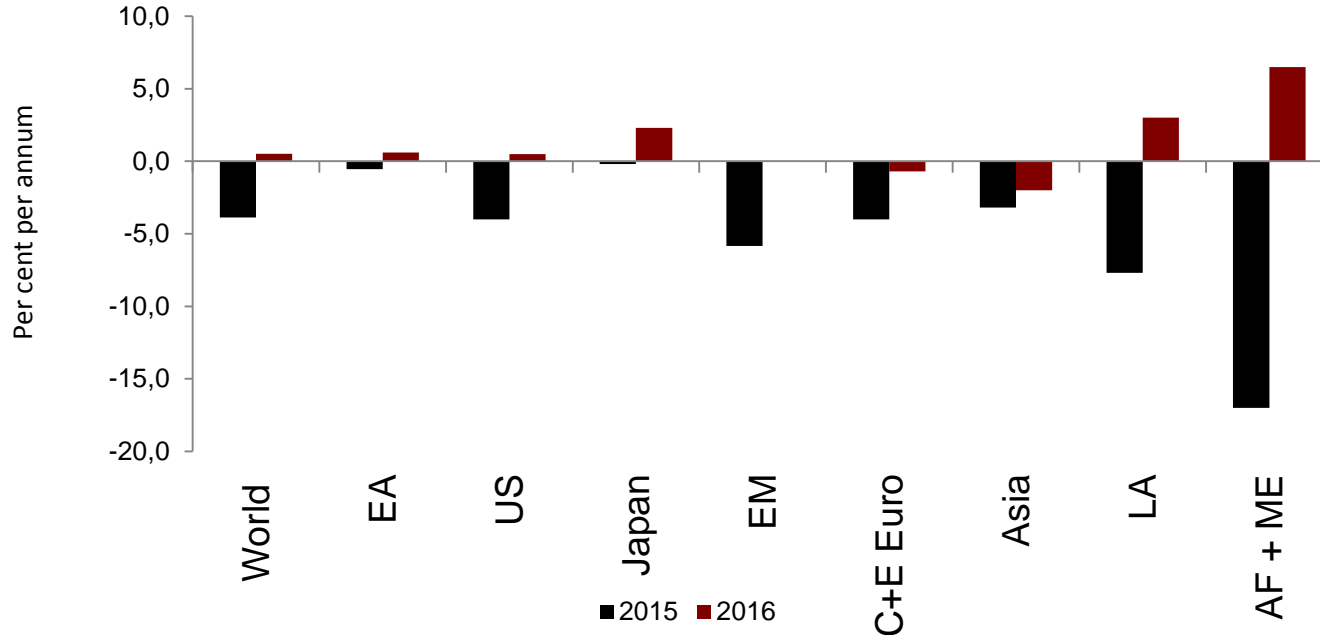
- Subdued import growth in 2015 driven by emerging markets
  - Weak domestic demand in China and Japan in Asia
  - Terms of trade effects eroding purchasing power
- Emerging market growth expected to pick up in 2016
  - Brazil and Russia will remain weak applying downward pressure to exports

# Import volumes - Euro Area



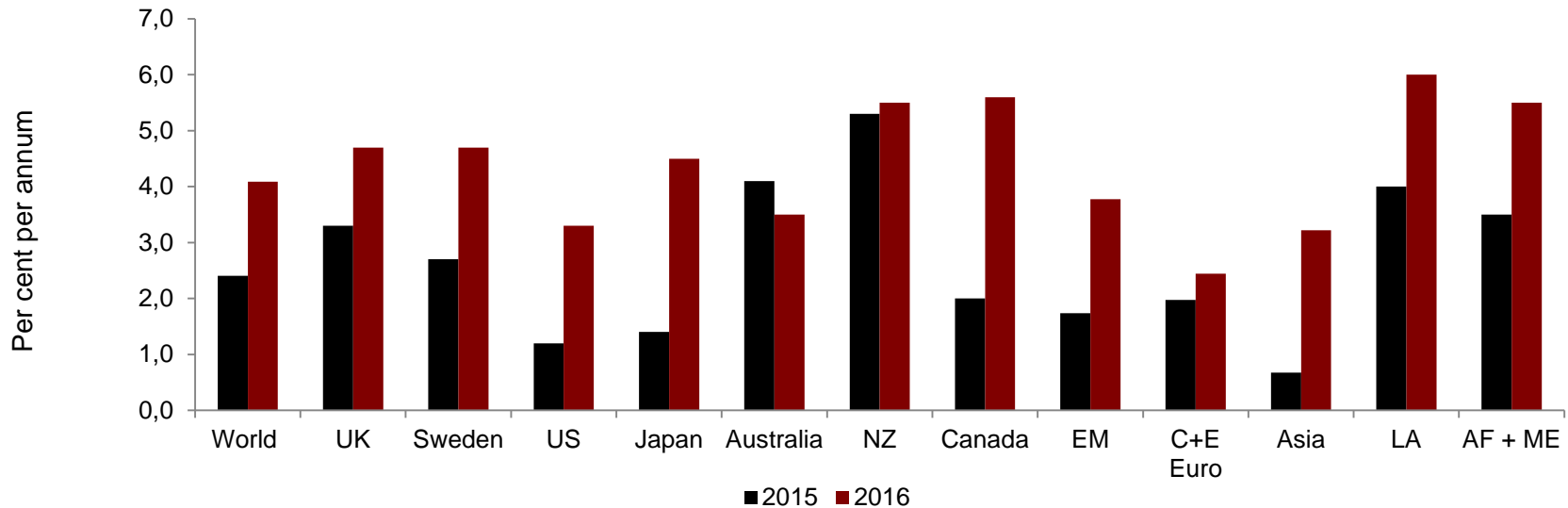
- Import volume growth revised up 0.8 percentage points to 5.1 per cent per annum compared to the may forecast
- Intra – Area trade and the gradual recovery of domestic demand in European economies will be the main driver of import growth

# Export prices



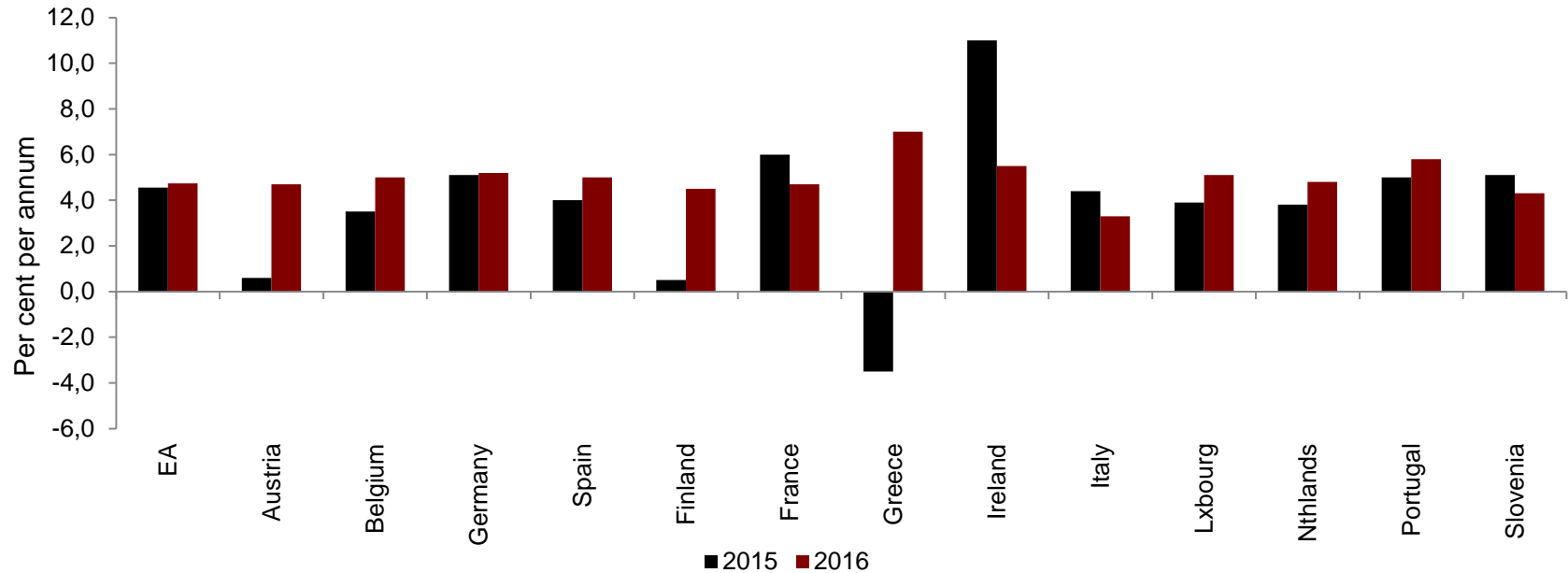
- Weak underlying domestic inflation weighs on prices in the 2015 and 2016
- Exchange rate movements against the US Dollar attenuate this
- Commodity exporters the hardest affected but rebound stronger in 2016 with the stabilisation of commodity prices

# Exports ex. Euro Area



- Global export growth revised downward from the May forecast to 2.1 per cent per annum
- Weak domestic demand in Japan and China is expected to weigh on export growth in Asia
- Latin America and Middle East may benefit from low export prices to increase their volumes.

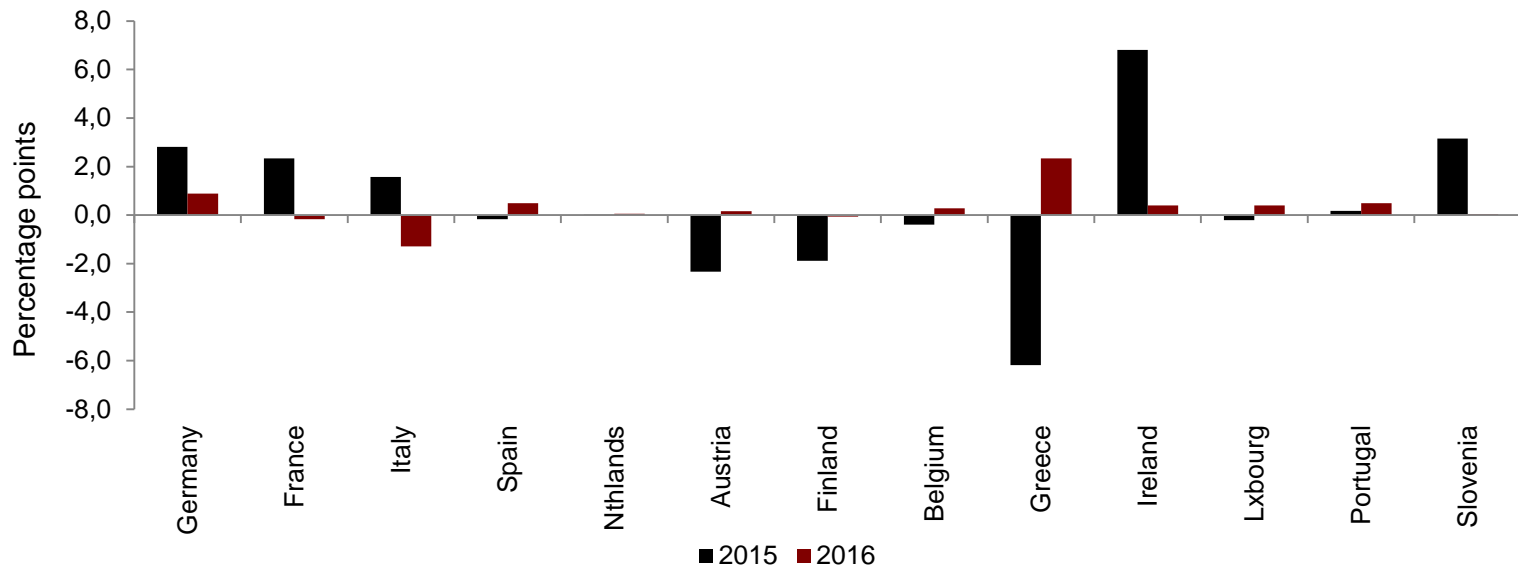
# Exports ex. Euro Area



- Intra-area trade driving Euro Area export growth in 2015
- The depreciation of the Euro should help extra – Euro Area trade
- Euro-area exports to remain relatively stable in 2016 as global GDP recovers



# Market shares Euro Area



- Gain of market share for Euro Area as a whole for 2015
- Gains for Germany, Italy and France are partially a result of data outturns up to this point
- Market shares remain relatively stable in 2016 given the relatively stable exchange rate forecast