



GROUP OF COMPANIES
REGION

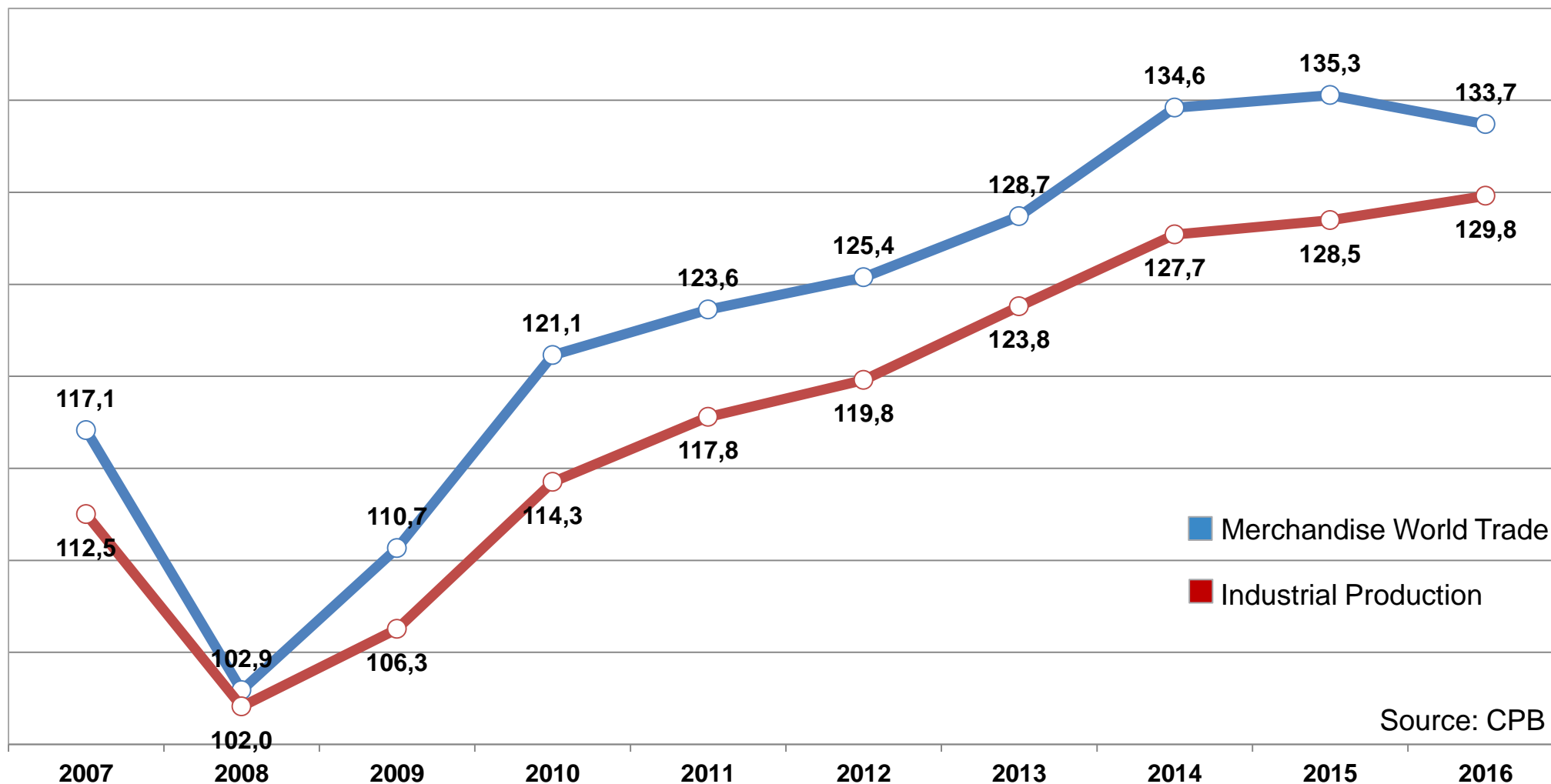


SLOWING TRADE & EMERGING ECONOMIES

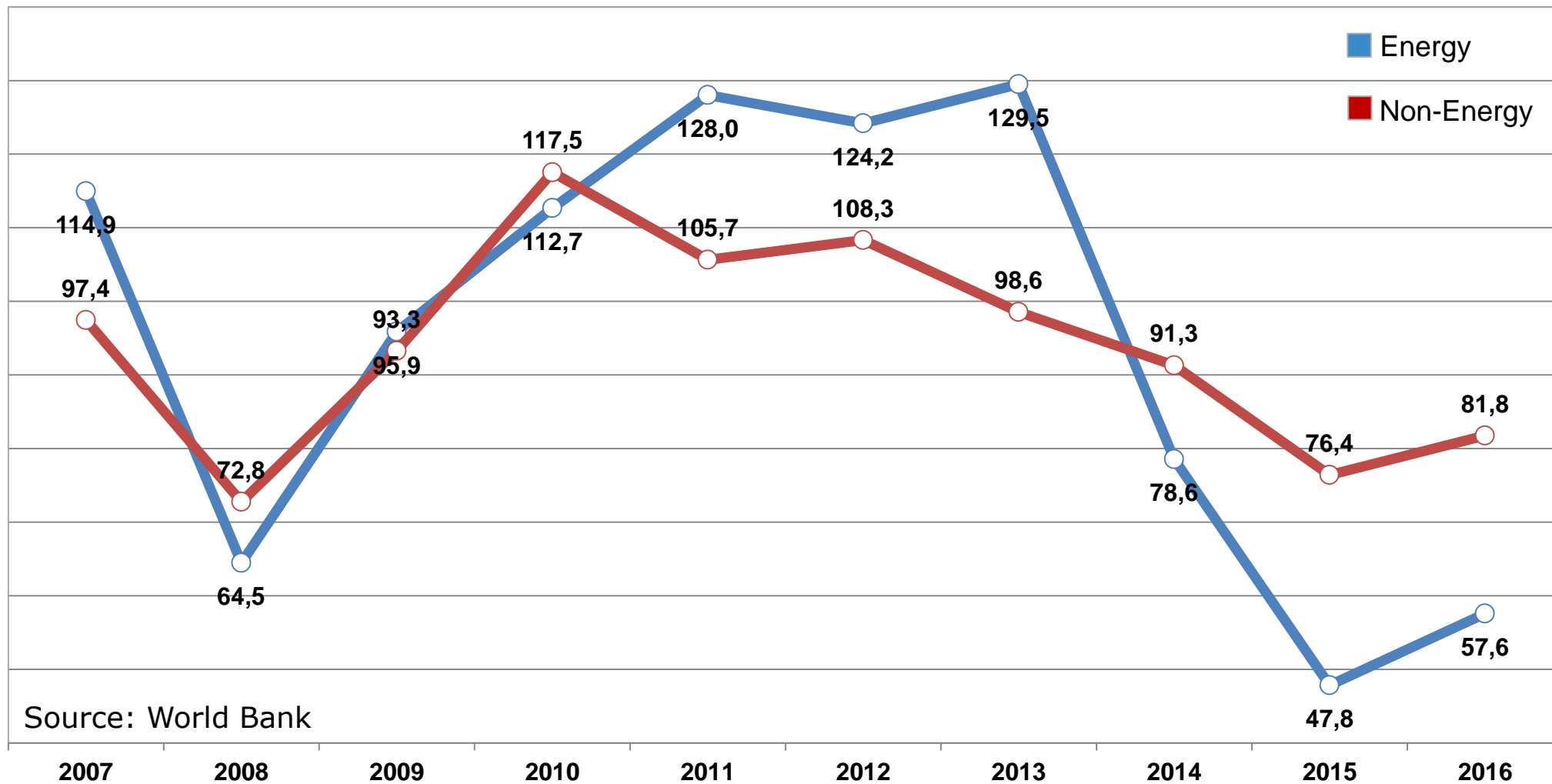
VALERIY VAYSBERG

REGION INVESTMENT COMPANY ZAO

Volume of International Trade & Industrial Production (fixed base 2005=100)

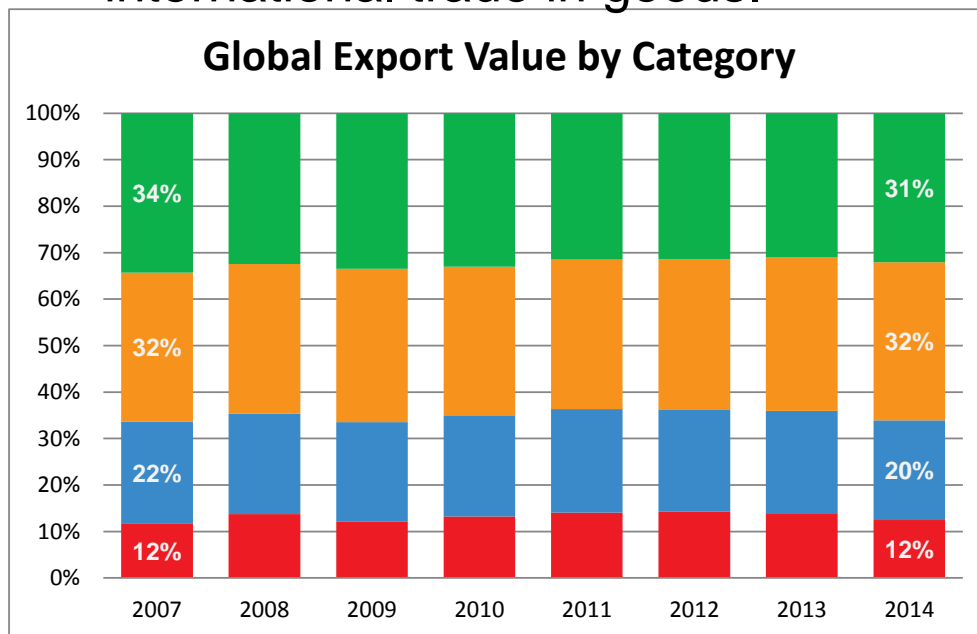


Commodity Prices (fixed base 2010=100)



Source: World Bank

- * According to IMF trade growth fell for 85 percent of product lines during last years;
- * Up to 3/4 of the decline in trade growth real and 2012–15 can be traced to weaker economic activity, most notably subdued investment growth;
- * The slowdown in the pace of trade liberalization and protectionism are holding back international trade in goods.

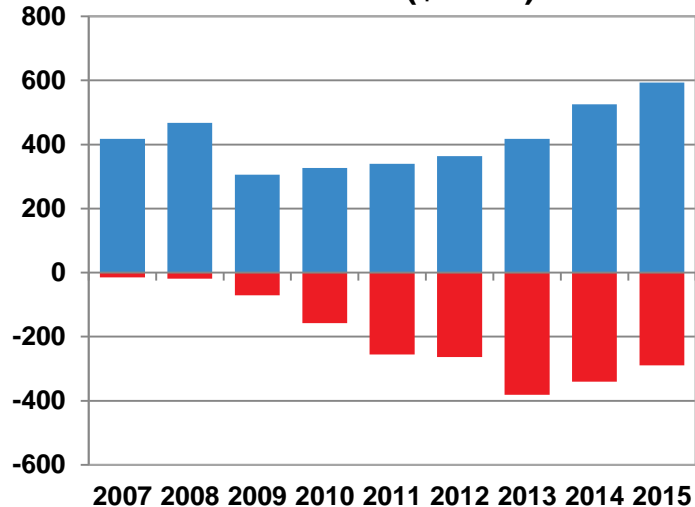


■ Raw Materials ■ Intermediate Goods ■ Consumer Goods ■ Capital Goods

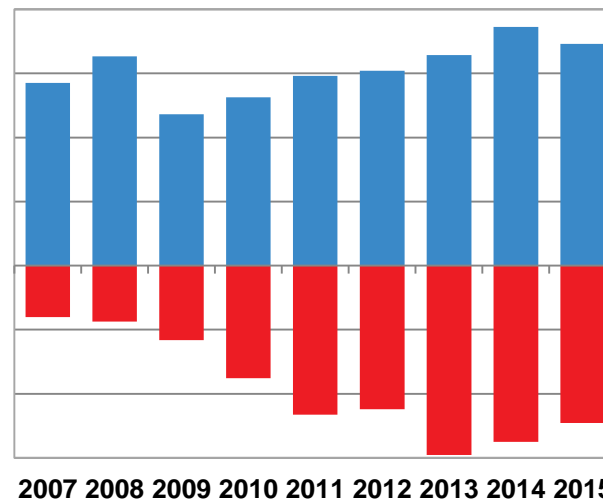
Source: WITS

- * International trade is the main source of hard currency for many of emerging markets while the rest of current account is usually in red.
- * In time of crisis export revenues are the only way to resist capital outflows – to “burn” international reserves is not an option.
- * Exports help business to offset shortfalls in domestic demand and save jobs.

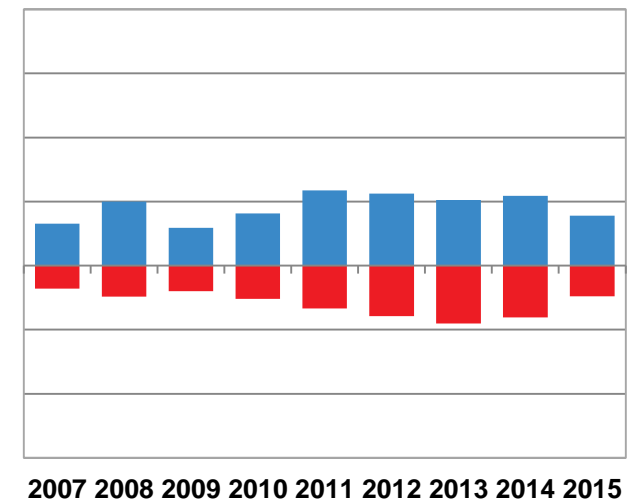
CURRENT ACCOUNT (\$ BLN): BRICS



G20 ex G7 COUNTRIES



EAEU



■ Trade in Goods ■ Other Items

Source: IMF, central banks, own calculations

- * Special economic zones (34 SEZ + 12 Advanced development territories) & free ports.
- * EAEU free-trade zones (Vietnam – signed, Israel and Serbia – in talks, Egypt, India, Iran – feasibility study).
- * Subsidies to reduce logistics costs.
- * Cheap credit & insurance to exporters.
- * Flexible exchange rate mechanism.
- * A bit of protectionism.



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THANK YOU FOR YOUR ATTENTION