

# Global trade flow

## Asia Pacific



Hong Kong accounted for **17%** of global IPO activity in 2006

- ▶ Intra-Asia trade is double the size of Asia-US trade
- ▶ China is the single most important driver of intra-Asia trade
- ▶ The outlook for trade within Asia is favourable, with the Association of Southeast Asian Nations (ASEAN) having committed to a European-style free trade agreement by 2015
- ▶ Asia is also playing a leading role in the globalisation of capital markets
- ▶ In 2006, Hong Kong was the single largest global centre for initial public offering (IPO) activity, accounting for 17% of IPO capital raised worldwide, followed by London and New York
- ▶ Two out of the three largest IPOs in 2006 were raised on the Hong Kong Stock Exchange

Growth of intra-Asian trade outstrips global trade (% growth)



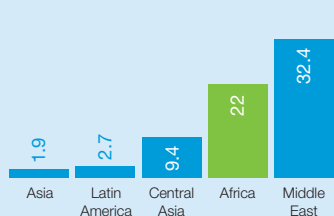
## Africa



Africa-China trade soared nearly tenfold in seven years to **\$55.5bn** in 2006

- ▶ Asia and Africa are forging a mutually beneficial relationship. There is strong demand from Asia for a range of commodities exported from Africa. Africa's growing demand for manufactured goods makes Asia a natural trading partner
- ▶ The World Bank estimates that China spent more than \$10 billion on infrastructure projects in Africa in 2006

China's oil suppliers (million tonnes)



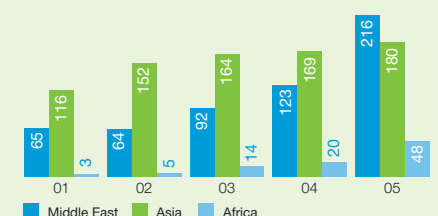
## Middle East



Largest trade surplus in the world of **\$216bn** in 2005

- ▶ High oil prices have allowed the Middle East to overtake Asia as the largest trade surplus region in the world, estimated at \$216 billion in 2005
- ▶ The migration of expatriates into the Gulf Cooperation Council states from elsewhere in the Middle East, South Asia and South East Asia is also driving activity – remittances generated by these expatriates reached \$59 billion in 2005, accounting for almost 25% of world remittances

Global trade surpluses by region (\$ billion)



# Emerging

New global trade flows are emerging. This extends beyond the flow of traditional merchandise goods to commodities, services, investment, people and remittances. Importantly, these flows are emerging between the Group's footprint regions. Through the diversity of its business, products, geography and people, Standard Chartered is well positioned to capitalise on the emerging trade corridors of Asia, Africa and the Middle East.

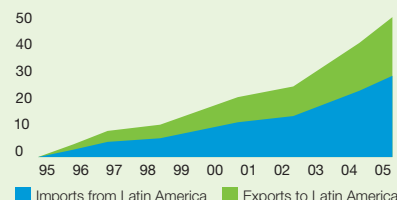
## The Americas



Trade grew by **300%** over five years

- ▶ This is the best of times for some Latin American markets, resulting from important structural changes within the region and the benign global environment
- ▶ New opportunities are emerging, one of which is the rapid increase in trade with Asia – and the trade is in both directions

China's trade with Latin America (\$ billion, 12 month rolling sum)



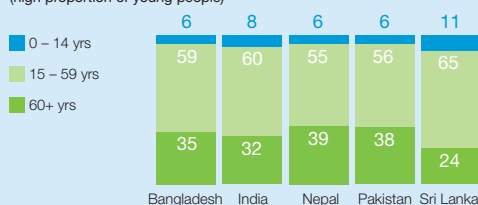
## South Asia



South Asia has **1/5th** of the world's population

- ▶ South Asia's demographic profile is one of its many assets – 40% of the population is under 15 years old
- ▶ It is not just the size and age of the population that is attractive: the rise of the middle class will boost growth in consumerism
- ▶ Migration has become a global phenomenon. The outflow of migrant workers from South Asia, and the corresponding inflow of overseas remittances, has had an enormous impact on the region's economy
- ▶ India is the single largest recipient of remittance flows, accounting for more than 10% of the global market

Demographic profile favours South Asia (high proportion of young people)



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