THE VIEW

Economic Research

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INSOLVENCY OUTLOOK

EXECUTIVE SUMMARY

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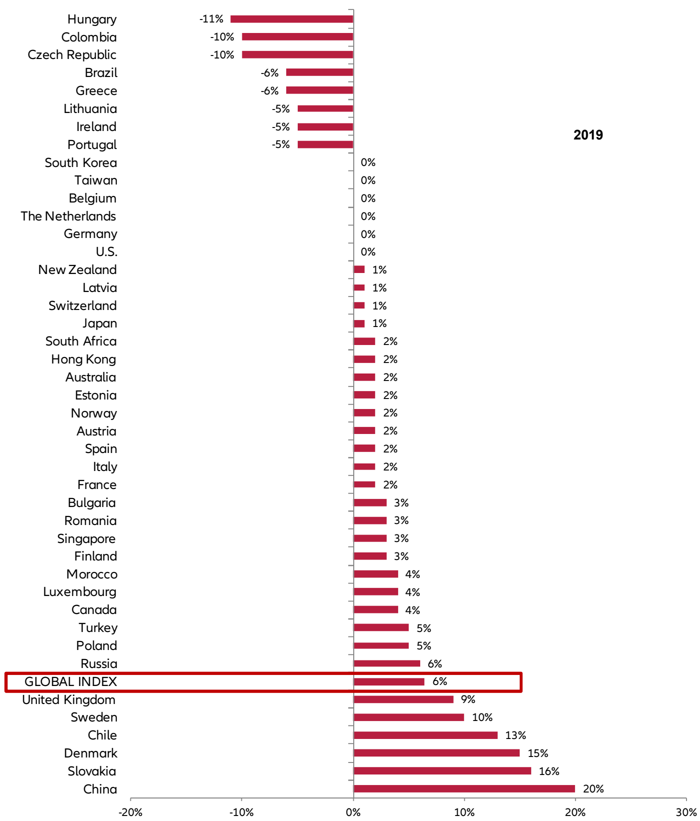
- At a global level, the upward trend in business insolvencies continued in 2018 (+10% y/y), mainly due to the surge in China (+60%) and, to a lesser extent, an increase in Western Europe (+2%).
- This higher number of insolvencies was complemented by a persistent high level of large business insolvencies, with 247 major insolvencies totaling more than EUR100bn in turnover in Q1-Q3 2018. Hot spots were Retail in North America; Construction in Asia; Retail, Agrifood, Services and Construction in Western Europe.
- In 2019, business failures are set to rise for the third consecutive year (+6% y/y). The softening economic momentum, coupled by the global tightening of financing conditions, will drive up insolvencies in a majority of countries.
- Western Europe, where economic growth will drop below the historical threshold which stabilizes the number of insolvencies (+1.7%), will see an increase in most countries, notably in France, Italy, Spain (+2%) and the UK (+9%).
- All in all, 2 out of 3 countries will post a rise in insolvencies in 2019, with the US (+0% y/y) and Brazil (-6%) as key exceptions. As a result 1 out of 2 countries will register more insolvencies than before the financial crisis.

Chart 1 Insolvencies in 2019 (yearly change in %)



Sources: National Statistics, Euler Hermes, Allianz Research

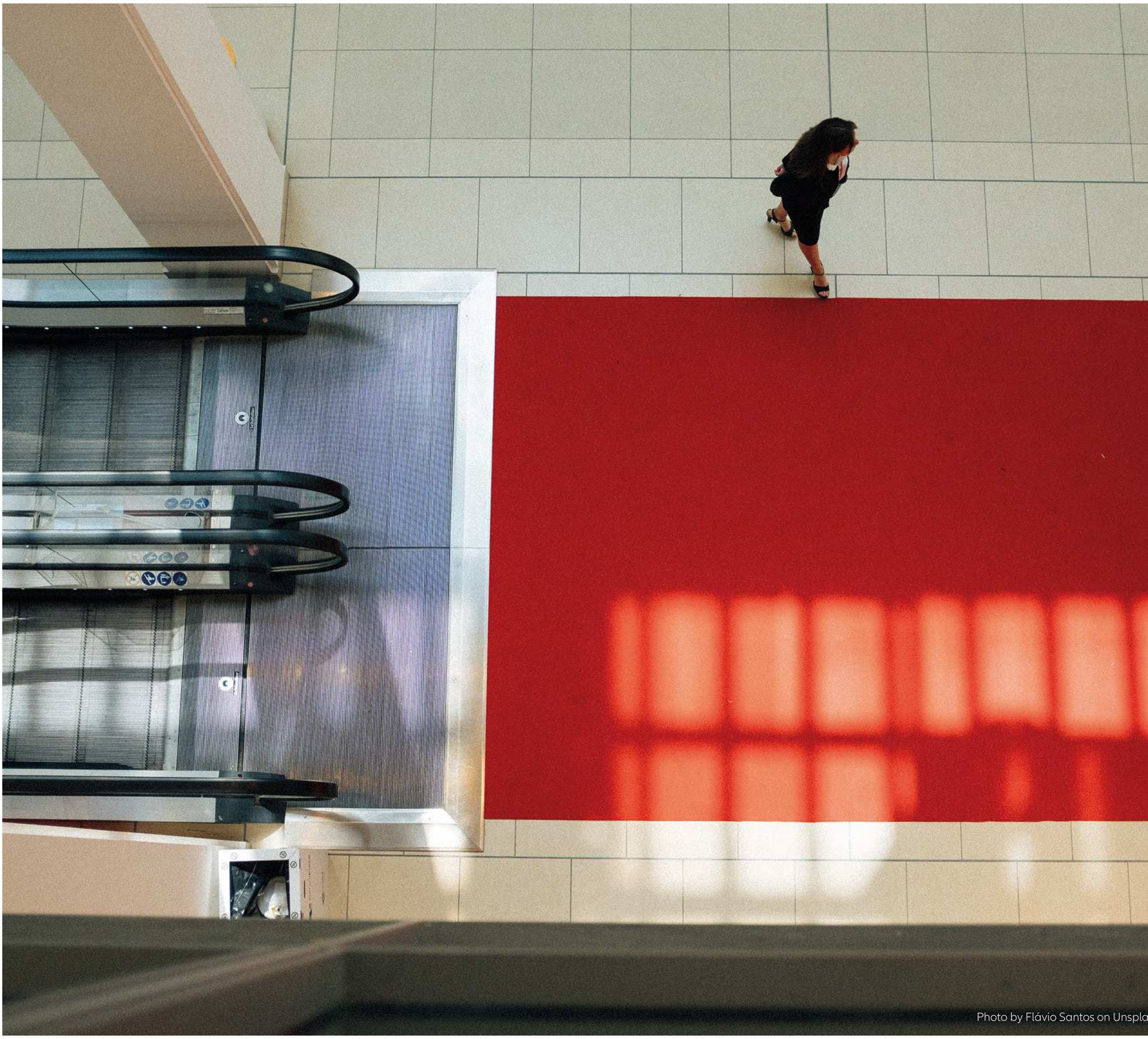


Photo by Flávio Santos on Unspla

Global Insolvency Index
Euler Hermes 2019 forecast

+6%

INSOLVENCIES: A GLOBAL VIEW THE COLLATERAL DAMAGE OF TOO-LOW GROWTH AND TIGHTENING FINANCIAL CONDITIONS

Business insolvencies are on the increase at a global level

In 2018, global insolvencies confirmed their upward trend which started in 2017 after seven consecutive years of sizable declines. Indeed, our Global Insolvency Index which covers 43 countries totaling 83% of global GDP is to post a +10% y/y increase for 2018, an estimation supported by the latest available data.

All in all we expect 20 countries of our sample [of 43 countries in total] to see in 2018 more insolvencies than in 2017.

Three factors explain this outcome: first, a weaker macroeconomic context for some countries; secondly the implementation of new types of insolvency procedures and the cleaning of business registers through the official insolvency procedures in a few other countries; and thirdly, but more significantly, the stronger willingness to use the insolvency framework in China.

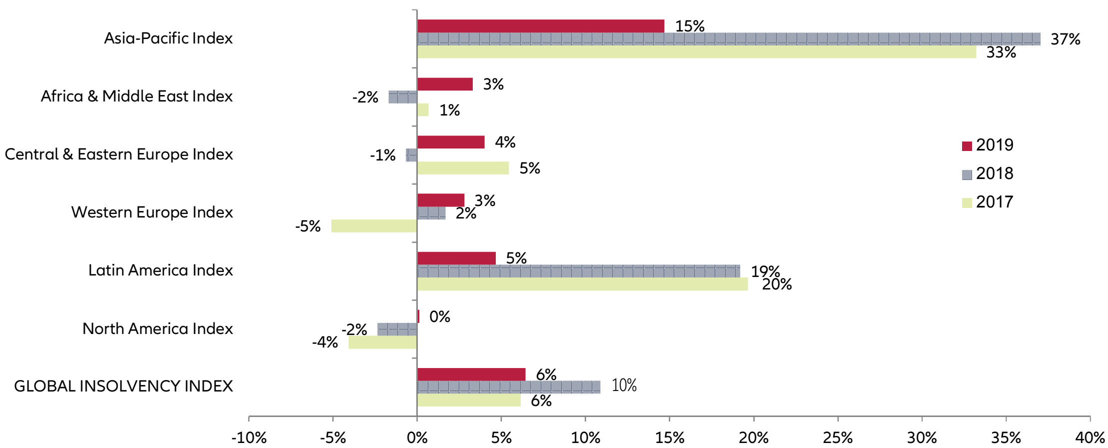
In our view, the upside trend in insolvencies will continue in 2019 (+6% y/y). However, this outlook will reflect a more universal reason: the softening of the global economy to a too-low pace of growth. Most economies, notably the advanced ones, are expected to revert to and even cross their respective tempo of GDP growth which has historically proved to be necessary to stabilize the level of insolvencies (+1.7% for Western Europe).

In other words, we expect economic growth to gradually become insufficient for a higher number of companies in a higher number of countries in regards to their production costs, (re)financing costs and structural challenges. De facto, the lowering demand is increasing the vulnerability of companies with high-fixed costs and firms with larger inventories or working capital requirements issues. At the same time, the end of easy financing is increasing the vulnerability of debt intensive sectors and more globally of most indebted companies.

In this context, we foresee 2 out of 3 countries will post an increase in business insolvencies in 2019 (compared to 2 out of 5 in 2018) and 1 out of 2 countries to register more insolvencies in 2019 than observed in average over 2003-2007, before the financial crisis of 2008.

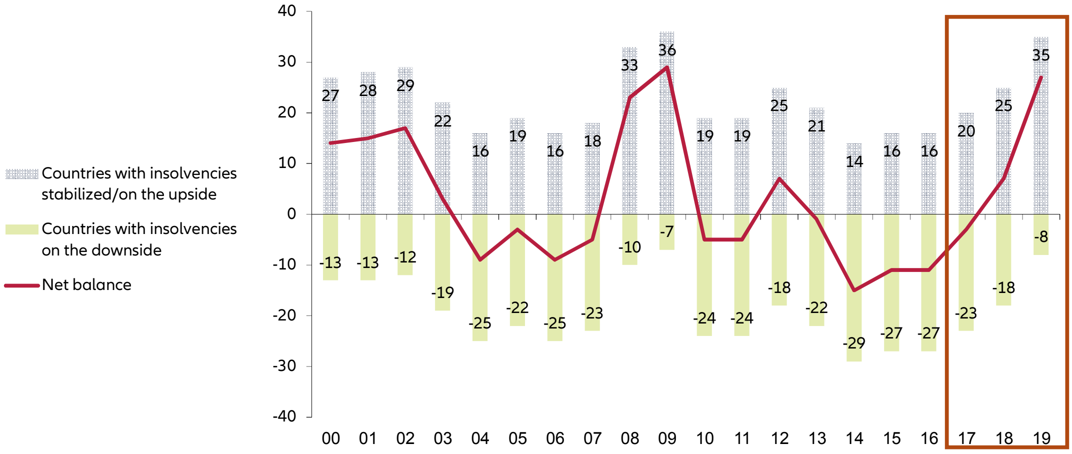
Countries which exhibited a dynamic business creation over the past years would face an extra volume of insolvencies due to the young companies too weak to survive.

Chart 2 Euler Hermes Global Insolvency Index and regional indices (yearly change in %)



Sources: National Statistics, Euler Hermes, Allianz Research

Chart 3 Countries with insolvencies stabilized/on the upside and on the downside (in number, yearly)



Sources: National Statistics, Euler Hermes, Allianz Research

At the same time, the risk of recording major insolvencies remains high, and on the upside, while it has already significantly materialized in 2018. Indeed, the first three quarters of 2018 pointed to another batch of 247 insolvencies of major companies - namely firms with more than EUR50mn in turnover.

This represents a relatively stable number of cases compare to the same period of 2017 (-9 major insolvencies) but still a worsening severity in terms of cumulative turnover (+ EUR14.5bn to EUR105.8bn) which could have serious domino effects on providers along supply chains.

In this regard, Construction (with 41 major insolvencies over Q1-Q3), Retail (39) and Agrifood (24) were the most concerned sectors in 2018, and Western Europe (106), Asia (68) and Central and Eastern Europe (42) the most impacted regions.

All in all, this insolvency outlook calls for more selectivity and preventive actions such as stellar credit management practices.

It calls also for a closed monitoring of the political and policy-related risks which will nurture volatility all along 2019 even if we expect positive outcomes for most of them in our base line scenario. (For more details about our latest macroeconomic scenario).

Chart 4 Euler Hermes Insolvency Heat Map 2019

	Very low level (more than 10% below the 2003-2007 level)	**Low level** (between 0% and 10% below the 2003-2007 level)	**High level** (between 1% and 10% above the 2003-2007 level)	**Very high level** (more than 10% above the 2003-2007 level)
Strongly deteriorating more than +5%	UK (+9%) Russia (+6%)			China (+20%) Slovakia (+16%) Denmark (+15%) Chile (+12%) Sweden (+10%) **GLOBAL (+6%)**
Deteriorating +1% to +5%	Canada (+4%) Romania (+3%) Austria (+2%) Hong-Kong (+2%) South Africa (+2%) Japan (+1%) Latvia (+1%) New Zealand (+1%)	Estonia (+2%)	Poland (+5%) Singapore (+3%) Switzerland (+1%)	Turkey (+5%) Luxembourg (+4%) Morocco (+4%) Bulgaria (+3%) Finland (+3%) Australia (+2%) France (+2%) Italy (+2%) Norway (+2%) Spain (+2%)
Stable or slightly improving -5% to 0%	Germany (0%) South Korea (0%) Taiwan (0%) The Netherlands (0%) US (0%)			Belgium (0%) Lithuania (-5%) Ireland (-5%) Portugal (-5%)
Strongly improving more than -5%	Brazil (-6%) Greece (-6%) Czech Rep (-10%) Hungary (-11%)			Colombia (-10%)

Sources: National Statistics, Euler Hermes, Allianz Research

INSOLVENCIES IN WESTERN EUROPE

The bounce back seen in 2018 will extend in 2019

In Western Europe, the downside trend in insolvencies recorded from 2014 to 2017 ended in 2018 with a +2% y/y rebound of the regional insolvency index. The latter results from various factors: (i) a noticeable upturn in the UK (+12% y/y), which confirms that Brexit-related uncertainties added headwinds on businesses despite the resilience of GDP figures; (ii) a stabilization in France, Spain and Belgium; and (iii) a sizable increase in the four Nordics (+10% y/y in Sweden, +13% in Norway, +19% in Finland and +25% in Denmark), which comes from economic and fiscal reasons and exceptional factors (the administrative bankruptcies of inactive companies in Denmark, a backlog of official insolvency data that created an artificially low base of comparison in Finland). At the same time, the remaining countries of the region registered slower declines in 2018, notably the Netherlands (from -23% to -6%), Portugal (-12%), Ireland (-10%) and Germany (-4%). In Germany, however, it is worth noticing two things: (i) some sectors already faced a rebound in insolvencies, notably the Construction industry (+2% ytd with 2,555 cases in the first nine months of 2018) and consumer-oriented sectors such as leisure (+2%), hotels and restaurants (+9%) and personal services (+14%); and (ii) the average severity of bankruptcies increased by +25% y/y to EUR1.5mn in terms of amount of debts to creditors as of September 2018 according to DeStatis.

Chart 5 Changes in business insolvencies by sector for selected European countries (2018 vs 2017, ytd figures available as of mid-December 2018, in %)

	Agriculture	Manufacturing, Mining & Utilities	Construction	Retail/ Trade	Transportation/Logistics/Storage	Services	Other
Belgium	-2	-8	5	-4	-10	3	-
Denmark	35	16	28	17	42	44	0
France	-6	-4	-3	-3	12	0	-22
Germany	-8	-13	2	-8	-5	-1	3
Italy		-12	-4	-16		-4	-4
Netherlands	13	-9	-10	-10	11	-11	-8
Norway	-4	23	9	19	3	13	7
Russia	1	-4	-7	-15	-4	-13	-36
Spain	22	-10	-5	1	44	-5	-6
Sweden	18	7	8	2	19	14	60
UK	27	-2	13	7	133	9	-31

Sources: National Statistics, Euler Hermes, Allianz Research

In 2019, we expect the softening economic momentum, with the tightening of monetary and financial conditions and more globally the negative impact from uncertainties (Brexit, international trade...) to drive up the number of insolvencies in the region (+3%).

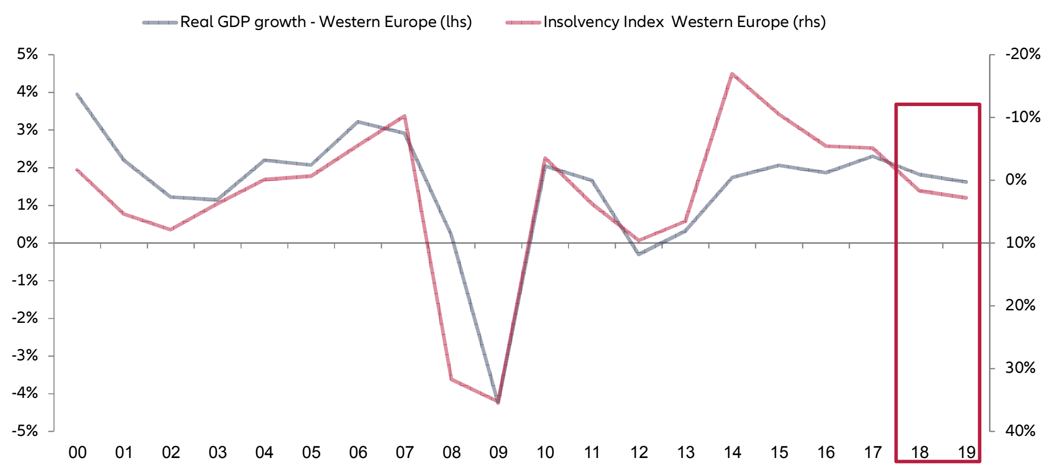
The UK would see another uptick in corporate insolvencies (+9%), but will remain highly vulnerable to a disorderly Brexit which could lead to a +15% soar in insolvencies in 2019. France, Italy and Spain are set to post a trend reversal with a slight increase (+2%). De facto, the rebound in insolvencies has already been visible in France in the infra annual data since Q2 2018, notably in some sectors such as Construction, while margins and delays of payment have deteriorated at national level. In Italy, the increasing deterioration of growth outlook, with GDP to keep on softening from +1% in 2018 to +0.6% in 2019, and the rising pressure on banks and credit, will gradually materialized by more insolvencies.

In the Netherlands and Germany, business insolvencies will stop their decline and record respectively 3,630 and 19,350 cases again in 2019, but both countries would be most affected by renewed tensions in international trade and the car industry in particular.

De facto, Portugal and Ireland will be the major exceptions, with insolvencies remaining on the downside (-5% both).

In this context, Western Europe risks remaining a key contributor to the global list of top insolvencies, as has been the case in 2018, notably in the retail sector with 20 major insolvencies in the first three quarters of 2018, and big ticket failures notably in the UK, Italy and France, as well as in Agrifood (12 cases), Services (11) and Construction (11).

Chart 6 Changes in GDP growth and insolvencies in Western Europe (yearly change in %, reversed axis for insolvencies)



Sources: National Statistics, Euler Hermes, Allianz Research

INSOLVENCIES IN CENTRAL AND EASTERN EUROPE

Diverging trends

The region as a whole has seen a quasi-stabilization of business insolvencies in 2018, with a -1% decrease of the regional insolvency index, and should see in 2019 a +4% rebound to a five years high.

Yet, this picture masks three clusters of countries.

Economies forecast to moderate in line with the slowdown in the Eurozone, but to remain robust enough to see another decrease in insolvencies, albeit at more limited tempo, typically Hungary (from -18% in 2018 to -11% in 2019) and the Czech Republic (respectively -17% and -10%).

Russia (-9% and +6%), where growth will be limited by the US sanctions affecting investment activity, and Romania (-3% and +3%) are representative of countries to register a rebound in insolvencies.

In the last group we have countries with a continued rise in insolvencies. These include Bulgaria (+3% expected in 2019); Slovakia (+16%), where the changes in the Insolvency law done in 2017 keeps on boosting the bankruptcies of sole proprietorships; Poland (+5%), where businesses have a structural problem of profitability and will face a noticeable deceleration of the economy; and Turkey (+5%), where the currency crisis will continue to take its toll on the domestic economy and all the non-tradable sectors in particular.

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INSOLVENCIES IN ASIA

A persistent boost from China

The surge in insolvencies in China will keep on driving up the regional (and global) insolvency figures. In 2018, business insolvencies have remained on a huge double digit growth (estimated at +60%) according to the available non-official data, thus confirming the official pickup posted in 2017 (+74% to 6,257 cases according to the Supreme People's Court of the People's Republic of China).

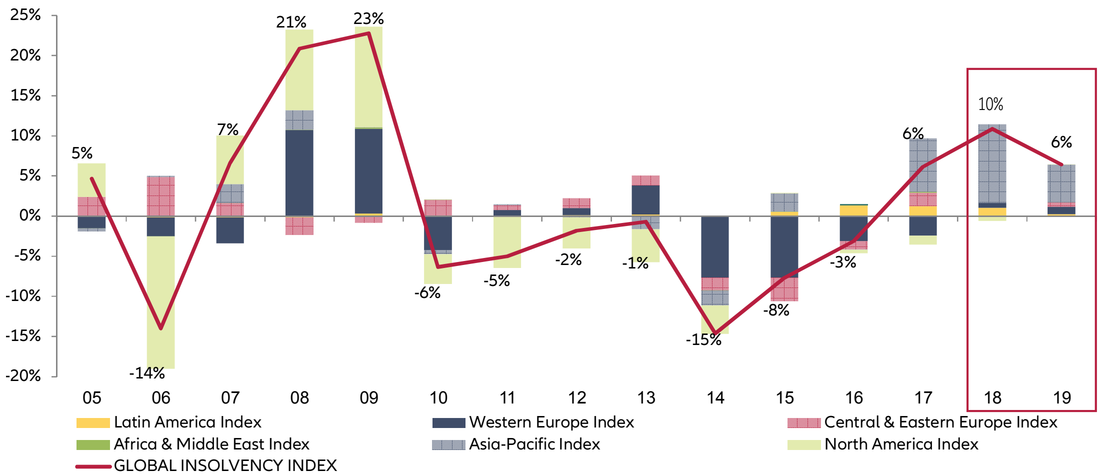
We expect another double-digit increase of insolvencies in 2019 (+20%). The latter will result on one hand from the on-going softening and adjustments of the Chinese economy, notably in regards to credit growth, Belt and Road Initiative and international trade issues, and on the other hand from the increasing inclination to use insolvency procedures, in particular by the authorities, in order to clean the 'zombie' state-owned enterprises (exceeding 20,000 cases according to some studies).

At the same time, we expect business insolvencies to broadly stabilize in South Korea (from -6% in 2018 to 0%), Japan (respectively -2% and +1%), Hong-Kong (-10% and +2%) but to keep on increasing in Australia (+3% in 2019 after +2% in 2018), New-Zealand (respectively +6% and +1%) and, from a low level, Singapore (+10%). In India, 2018 will mechanically post a noticeable increase due to the gradual implementation of the new Insolvency law established end of 2016 for the whole country. Latest figures show a tempo of approximatively 800 cases annually, but it is not yet possible to determine if the Court capacities are playing a role at this stage.

In this context, Asia will register an increase of +15% of its regional insolvency index in 2019, after two large increases in 2018 (+37%) and 2017 (+33%).

Interestingly, Asia was already a key contributor to the global level in major insolvencies in 2018, totaling 1 out of 4 major insolvencies over Q1-Q3 2018 after a noticeable increase in top insolvencies in the Construction sector, notably in Japan and India, in Energy and Agrifood.

Chart 7 Euler Hermes Insolvency Indices by region (contribution to the yearly change in Euler Hermes Global Insolvency Index)



Sources: National Statistics, Euler Hermes, Allianz Research

INSOLVENCIES IN NORTH AMERICA

On the road to plateau in 2019

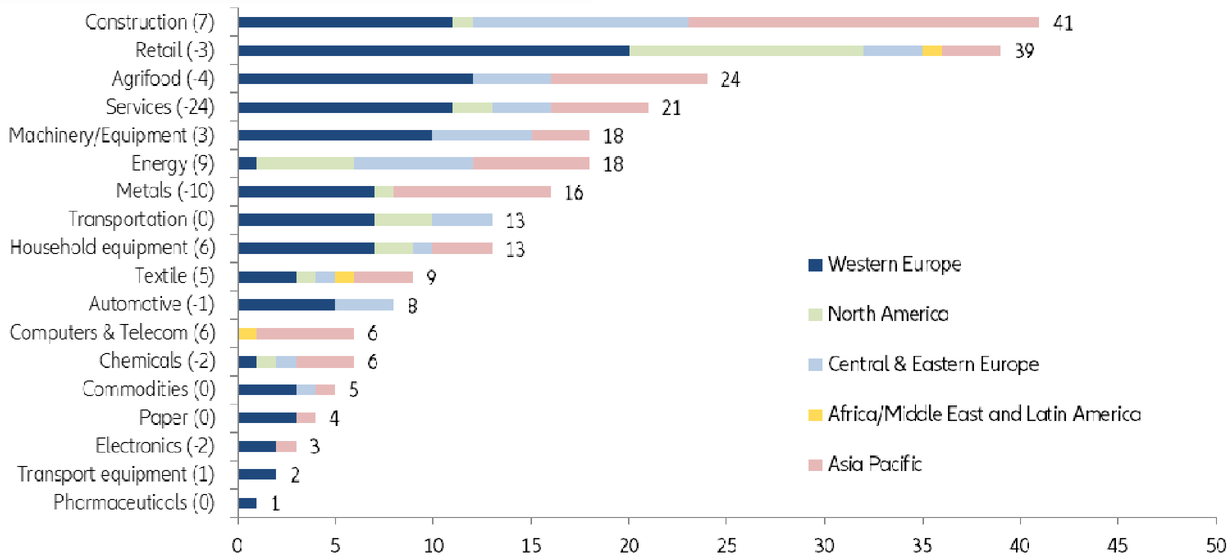
US insolvencies have reached a new low in 2018 after a ninth year of steady fall reflecting the robust performance of the economy in the past years and in particular the positive impact on businesses of the massive fiscal stimulus in 2018.

Yet, this performance did not prevent the US from displaying 5 out of the 10 largest global insolvencies in terms of turnovers over the first three quarters of 2018, with several sectors facing huge challenges and competition due to digitalization/innovation, in particular the retail sector. It did not stop corporate debt to keep on growing – to a high share of investment grade corporate (35% of BBB in Q2 2018).

In 2019, the cooling down of the economy and the gradual tightening of credit conditions, should lead to a stabilization in business insolvencies, not mentioning the business creation re-engaged in 2012 which is mechanically generating some insolvencies of young companies, nor the lagging effects of the natural disasters that hit the country in 2018.

At the same time, Canada should see a slight increase only in 2019 (+4%) from the low level reach in 2018, so that the North America Insolvency Index would post a stabilization in 2019.

Chart 8 Major insolvencies (*)
by sector and region in 2018 Q1-Q3 (in number)



(*) companies with a turnover exceeding EUR50mn. The figure in brackets shows the change in number of insolvencies from 2017 Q1–Q3 to 2018 Q1–Q3
Sources: National Statistics, Euler Hermes, Allianz Research

INSOLVENCIES IN LATIN AMERICA

Trend reversal in Brazil

At a regional level, we expect insolvencies in Latin America to keep on growing in 2019 (+5%) for the eight consecutive year. However this outcome will result from the increasing trend in Chile (+13% anticipated in 2019) which is only gradually weakening since the new Insolvency law boosted insolvencies in 2014.

The gradual acceleration of the economy expected in 2019 should contribute to a trend reversal in insolvencies in Colombia (from +25% to -10%) and to confirm the improvement in Brazil (-6% in 2019) where insolvencies struggled to diminish in 2018 (-3%) from the 10 years high reached in 2017.

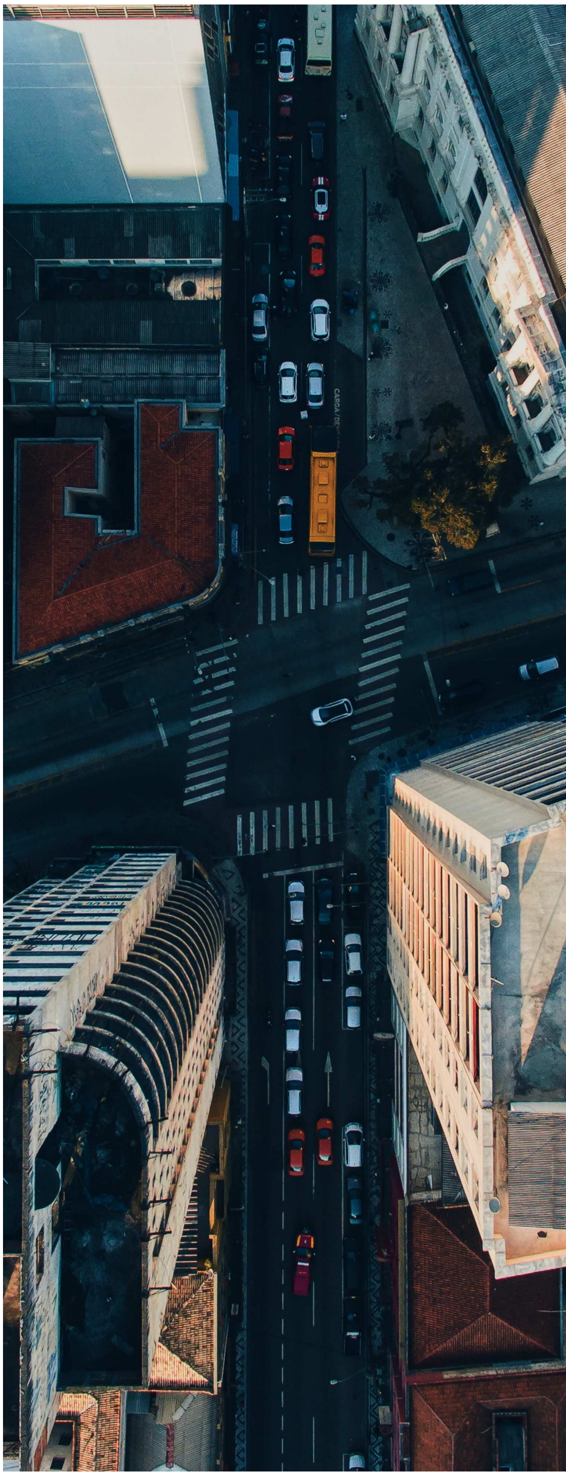


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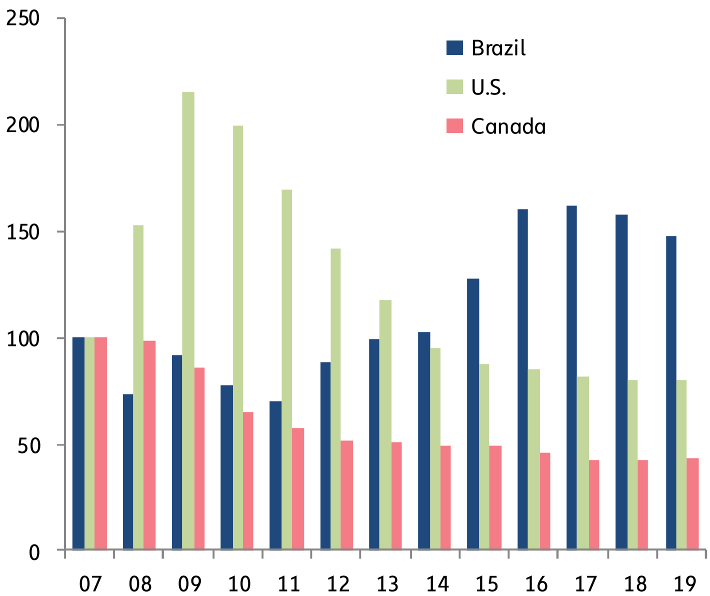
Chart 9 Insolvencies in Americas (basis 100: year 2007)



Sources: National Statistics, Euler Hermes, Allianz Research

STATISTICAL APPENDIX

Table 1 - Insolvency level

	% of World GDP *	Share of Global Index	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018e	2019f
GLOBAL INSOLVENCY INDEX **	83.4	100.0	97	117	144	135	128	126	125	107	98	95	101	112	119
North America Index **	26.9	32.3	78	116	161	147	124	105	87	72	67	65	62	59	60
U.S.	24.9	29.8	28,137	42,861	60,530	56,046	47,534	39,851	33,061	26,849	24,636	24,027	23,098	22,000	22,000
Canada	2.0	2.4	6,293	6,164	5,420	4,072	3,643	3,236	3,187	3,116	3,089	2,884	2,700	2,650	2,750
Latin America Index **	3.1	3.7	39	32	41	37	35	40	45	48	74	109	131	156	163
Brazil	2.4	2.9	1,694	1,240	1,551	1,308	1,189	1,495	1,680	1,734	2,164	2,705	2,737	2,665	2,495
Colombia	0.4	0.5	132	133	251	323	319	294	354	375	433	465	535	670	603
Chile	0.3	0.4	143	150	171	131	133	127	141	163	401	757	1,050	1,369	1,541
Western Europe Index **	21.6	25.9	99	131	177	170	177	194	206	171	153	145	138	140	144
Euro zone Index **	15.7	18.9	102	136	188	184	193	220	240	197	177	159	148	147	149
Germany	4.6	5.6	29,160	29,291	32,687	31,998	30,099	28,297	25,995	24,085	23,101	21,525	20,093	19,350	19,350
United Kingdom	3.5	4.3	23,728	30,398	35,135	29,607	31,197	28,967	24,960	22,602	19,825	19,825	19,289	21,669	23,635
France	3.3	3.9	49,211	54,725	62,722	60,035	59,886	61,169	62,902	62,710	63,259	58,898	54,967	54,965	56,050
Italy	2.5	3.0	6,160	7,502	9,381	11,232	12,153	12,543	14,128	15,685	14,729	13,472	12,016	11,550	11,780
Spain	1.6	2.0	952	2,634	4,567	4,388	5,166	6,911	8,417	5,804	4,729	4,091	3,933	3,933	3,995
The Netherlands	1.0	1.2	4,602	4,637	7,987	7,147	6,883	8,346	9,431	7,621	6,006	5,012	3,867	3,630	3,630
Switzerland	0.9	1.1	4,314	3,892	4,067	4,658	4,697	4,513	4,570	4,240	4,519	4,648	4,766	5,000	5,050
Sweden	0.7	0.8	5,791	6,298	7,638	7,274	6,958	7,471	7,701	7,154	6,426	6,019	6,394	7,040	7,740
Belgium	0.6	0.7	7,677	8,472	9,421	9,579	10,224	10,587	11,740	10,736	9,762	9,170	9,968	9,970	9,970
Norway	0.5	0.6	2,845	3,637	5,013	4,435	4,355	3,814	4,564	4,803	4,462	4,544	4,557	5,150	5,250
Austria	0.5	0.6	6,295	6,315	6,902	6,376	5,869	6,041	5,459	5,423	5,150	5,226	5,079	5,140	5,250
Ireland	0.4	0.5	363	773	1,406	1,525	1,638	1,684	1,365	1,164	1,049	1,032	874	790	750
Denmark	0.4	0.5	2,401	3,709	5,710	6,461	5,468	5,456	4,993	4,049	4,029	6,674	6,383	7,950	9,150
Finland	0.3	0.4	2,560	2,916	3,803	3,400	3,449	3,476	3,702	3,497	3,068	2,848	2,595	3,100	3,185
Greece	0.3	0.3	524	342	368	380	474	455	437	335	206	111	114	104	98
Portugal	0.3	0.3	2,001	2,907	3,815	4,091	4,523	6,275	5,659	4,553	4,714	3,616	3,099	2,730	2,600
Luxembourg	0.1	0.1	623	583	698	918	988	1,066	1,086	876	902	1,021	1,020	1,330	1,380
Central & Eastern Europe Index **	4.5	5.4	243	186	207	236	235	254	267	258	254	246	259	258	268
Russia	1.7	2.0	35,787	17,754	13,465	11,194	10,235	10,325	8,983	9,407	10,086	10,467	11,513	10,500	11,150
Turkey	1.1	1.4	9,954	9,578	10,395	13,442	14,991	16,063	17,400	15,822	13,701	12,328	14,701	15,400	16,200
Poland	0.6	0.8	480	420	673	691	730	941	926	822	747	805	900	990	1,040
Czech Republic	0.3	0.3	1,115	1,141	1,553	1,601	1,778	1,899	2,224	2,403	2,191	2,115	1,537	1,280	1,150
Romania	0.3	0.3	14,104	14,483	18,421	21,692	19,651	26,807	29,587	20,696	10,269	8,371	9,103	8,800	9,064
Hungary	0.2	0.2	9,619	10,886	14,504	17,434	19,811	22,376	13,420	17,327	9,545	7,528	6,579	5,400	4,800
Slovakia	0.1	0.1	598	435	586	782	728	714	798	700	622	495	876	1,924	2,240
Bulgaria	0.1	0.1	467	545	520	556	641	647	815	631	525	440	435	465	480
Lithuania	0.1	0.1	606	957	1,844	1,637	1,273	1,401	1,553	1,686	1,986	2,737	2,974	2,230	2,120
Latvia	0.0	0.0	1,010	1,620	2,578	2,535	812	870	806	947	797	726	584	585	590
Estonia	0.0	0.0	202	423	1,055	1,029	623	495	459	428	376	335	343	343	350
Africa & Middle East Index **	0.5	0.6	86	99	117	116	110	100	106	111	122	149	150	148	153
South Africa	0.4	0.5	3,151	3,300	4,133	3,992	3,559	2,716	2,374	2,064	1,962	1,934	1,868	1,930	1,970
Morocco	0.1	0.2	1,729	2,339	2,463	2,765	3,095	3,725	4,395	5,038	5,951	7,453	8,192	7,916	8,212
Asia-Pacific Index **	26.9	32.2	88	94	86	77	74	70	65	57	61	60	80	110	126
China	14.9	17.9	4,358	4,555	4,448	3,715	3,037	2,650	2,555	2,613	3,237	3,602	6,257	10,000	12,000
Japan	6.6	7.9	14,091	15,646	15,480	13,321	12,734	12,124	10,855	9,731	8,812	8,446	8,405	8,270	8,390
South Korea	1.9	2.3	2,294	2,735	1,998	1,570	1,359	1,228	1,001	841	720	555	494	465	465
Australia	1.7	2.0	4,705	6,124	6,370	6,750	7,596	7,859	8,124	6,625	8,079	6,559	6,120	6,290	6,410
Taiwan	0.7	0.8	1,044	805	341	268	256	254	209	132	162	203	227	239	239
Singapore	0.4	0.5	106	132	135	142	113	151	126	161	189	187	168	175	180
Hong Kong	0.4	0.5	455	468	573	438	333	312	274	271	305	325	296	265	270
New Zealand	0.2	0.3	2,733	3,651	3,807	3,448	3,045	2,930	2,796	2,730	2,461	2,282	2,068	2,190	2,220

(*) GDP 2018 weighing at current exchange rates

(**) Euler Hermes Global (or Regional) Insolvency Index is the weighted sum of national indices, each country being weighted by the share of its GDP within the countries used in the sample (43 countries representing 83.4% of global GDP in 2018). National indices are based upon national sources or Euler Hermes internal data on insolvencies, using a base of 100 in year 2000. Forecasts are reviewed each quarter, with the agreement of EH business units.

Sources: National Statistics, Euler Hermes, Allianz Research (e: estimate; f: forecast)

Table 2 - Insolvency growth in %

	% of World GDP *	Share of Global Index	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018e	2019f
GLOBAL INSOLVENCY INDEX **	83.4	100.0	7%	21%	23%	-6%	-5%	-2%	-1%	-15%	-8%	-3%	6%	10%	6%
North America Index **	26.9	32.3	37%	48%	39%	-9%	-15%	-16%	-16%	-18%	-7%	-2%	-4%	-5%	0%
U.S.	24.9	29.8	42%	52%	41%	-7%	-15%	-16%	-17%	-19%	-8%	-2%	-4%	-5%	0%
Canada	2.0	2.4	-7%	-2%	-12%	-25%	-11%	-11%	-2%	-2%	-1%	-7%	-6%	-2%	4%
Latin America Index **	3.1	3.7	-18%	-19%	29%	-11%	-6%	15%	15%	6%	55%	47%	20%	19%	5%
Brazil	2.4	2.9	-21%	-27%	25%	-16%	-9%	26%	12%	3%	25%	25%	1%	-3%	-6%
Colombia	0.4	0.5	-32%	1%	89%	29%	-1%	-8%	20%	6%	15%	7%	15%	25%	-10%
Chile	0.3	0.4	8%	5%	14%	-23%	2%	-5%	11%	16%	146%	89%	39%	30%	13%
Western Europe Index **	21.6	25.9	-10%	32%	35%	-4%	4%	10%	7%	-17%	-11%	-5%	-5%	2%	3%
Euro zone Index **	15.7	18.9	-10%	33%	38%	-2%	5%	14%	9%	-18%	-10%	-10%	-7%	-1%	1%
Germany	4.6	5.6	-15%	0%	12%	-2%	-6%	-6%	-8%	-7%	-4%	-7%	-7%	-4%	0%
United Kingdom	3.5	4.3	-20%	28%	16%	-16%	5%	-7%	-14%	-9%	-12%	0%	-3%	12%	9%
France	3.3	3.9	6%	11%	15%	-4%	0%	2%	3%	0%	1%	-7%	-7%	0%	2%
Italy	2.5	3.0	-41%	22%	25%	20%	8%	3%	13%	11%	-6%	-9%	-11%	-4%	2%
Spain	1.6	2.0	13%	177%	73%	-4%	18%	34%	22%	-31%	-19%	-13%	-4%	0%	2%
The Netherlands	1.0	1.2	-23%	1%	72%	-11%	-4%	21%	13%	-19%	-21%	-17%	-23%	-6%	0%
Switzerland	0.9	1.1	-5%	-10%	4%	15%	1%	-4%	1%	-7%	7%	3%	3%	5%	1%
Sweden	0.7	0.8	-6%	9%	21%	-5%	-4%	7%	3%	-7%	-10%	-6%	6%	10%	10%
Belgium	0.6	0.7	1%	10%	11%	2%	7%	4%	11%	-9%	-9%	-6%	9%	0%	0%
Norway	0.5	0.6	-6%	28%	38%	-12%	-2%	-12%	20%	5%	-7%	2%	0%	13%	2%
Austria	0.5	0.6	-6%	0%	9%	-8%	-8%	3%	-10%	-1%	-5%	1%	-3%	1%	2%
Ireland	0.4	0.5	3%	113%	82%	8%	7%	3%	-19%	-15%	-10%	-2%	-15%	-10%	-5%
Denmark	0.4	0.5	21%	54%	54%	13%	-15%	0%	-8%	-19%	0%	66%	-4%	25%	15%
Finland	0.3	0.4	-1%	14%	30%	-11%	1%	1%	7%	-6%	-12%	-7%	-9%	19%	3%
Greece	0.3	0.3	-2%	-35%	8%	3%	25%	-4%	-4%	-23%	-39%	-46%	3%	-9%	-6%
Portugal	0.3	0.3	18%	45%	31%	7%	11%	39%	-10%	-20%	4%	-23%	-14%	-12%	-5%
Luxembourg	0.1	0.1	0%	-6%	20%	32%	8%	8%	2%	-19%	3%	13%	0%	30%	4%
Central & Eastern Europe Index **	4.5	5.4	-4%	-24%	11%	14%	-1%	8%	5%	-4%	-1%	-3%	5%	-1%	4%
Russia	1.7	2.0	-9%	-50%	-24%	-17%	-9%	1%	-13%	5%	7%	4%	10%	-9%	6%
Turkey	1.1	1.4	5%	-4%	9%	29%	12%	7%	8%	-9%	-13%	-10%	19%	5%	5%
Poland	0.6	0.8	-26%	-13%	60%	3%	6%	29%	-2%	-11%	-9%	8%	12%	10%	5%
Czech Republic	0.3	0.3	-10%	2%	36%	3%	11%	7%	17%	8%	-9%	-3%	-27%	-17%	-10%
Romania	0.3	0.3	-	3%	27%	18%	-9%	36%	10%	-30%	-50%	-18%	9%	-3%	3%
Hungary	0.2	0.2	6%	13%	33%	20%	14%	13%	-40%	29%	-45%	-21%	-13%	-18%	-11%
Slovakia	0.1	0.1	-54%	-27%	35%	33%	-7%	-2%	12%	-12%	-11%	-20%	77%	120%	16%
Bulgaria	0.1	0.1	31%	17%	-5%	7%	15%	1%	26%	-23%	-17%	-16%	-1%	7%	3%
Lithuania	0.1	0.1	-20%	58%	93%	-11%	-22%	10%	11%	9%	18%	38%	9%	-25%	-5%
Latvia	0.0	0.0	16%	60%	59%	-2%	-68%	7%	-7%	17%	-16%	-9%	-20%	0%	1%
Estonia	0.0	0.0	-43%	109%	149%	-2%	-39%	-21%	-7%	-7%	-12%	-11%	2%	0%	2%
Africa & Middle East Index **	0.5	0.6	3%	14%	18%	-1%	-5%	-9%	6%	5%	10%	22%	1%	-2%	3%
South Africa	0.4	0.5	4%	5%	25%	-3%	-11%	-24%	-13%	-13%	-5%	-1%	-3%	3%	2%
Morocco	0.1	0.2	-	35%	5%	12%	12%	20%	18%	15%	18%	25%	10%	-3%	4%
Asia-Pacific Index **	26.9	32.2	13%	7%	-9%	-10%	-4%	-5%	-7%	-13%	8%	-2%	33%	37%	15%
China	14.9	17.9	20%	5%	-2%	-16%	-18%	-13%	-4%	2%	24%	11%	74%	60%	20%
Japan	6.6	7.9	6%	11%	-1%	-14%	-4%	-5%	-10%	-10%	-9%	-4%	0%	-2%	1%
South Korea	1.9	2.3	-9%	19%	-27%	-21%	-13%	-10%	-18%	-16%	-14%	-23%	-11%	-6%	0%
Australia	1.7	2.0	0%	30%	4%	6%	13%	3%	3%	-18%	22%	-19%	-7%	3%	2%
Taiwan	0.7	0.8	68%	-23%	-58%	-21%	-4%	-1%	-18%	-37%	23%	25%	12%	5%	0%
Singapore	0.4	0.5	-18%	25%	2%	5%	-20%	34%	-17%	28%	17%	-1%	-10%	4%	3%
Hong Kong	0.4	0.5	-18%	3%	22%	-24%	-24%	-6%	-12%	-1%	13%	7%	-9%	-10%	2%
New Zealand	0.2	0.3	-6%	34%	4%	-9%	-12%	-4%	-5%	-2%	-10%	-7%	-9%	6%	1%

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