

Will Emerging Countries Lead the Growth of Global Economy?

新兴市场能否引领全球经济的增长？

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Messages 主旨

- Emerging economies (EM) have been leading global growth for the last two decades
过去二十年新兴市场一直引领了全球的增长
- Although most EM are doing well some are better and more relevant than others
尽管多数新兴市场表现突出，但中间也有一些国家比其它国家更为出色和更具关联性
 - China is on a league of its own
中国独树一帜
 - Others are large enough to be global players: introducing BBVA EAGLEs
其它国家市场广大，可以成为全球参与者：介绍BBVA的EAGLEs国家
- In the short run, the road to global relevance may be bumpy
短期来讲，走向全球相关联之路也许崎岖

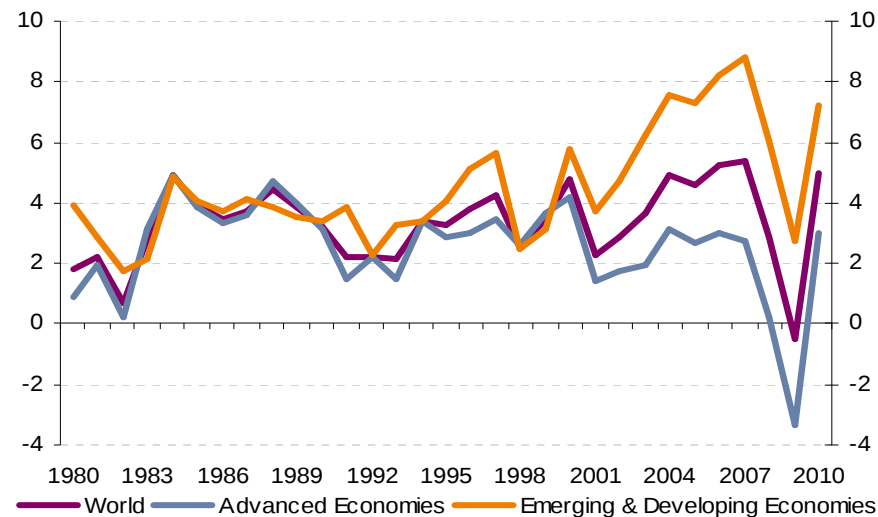
World economy is recovering at two speeds

世界经济以两种速度开始复苏

- The process is lead by EM
新兴市场起主导
- EM have been over performing since two decades ago
新兴市场二十年来一直表现杰出

Real GDP: Constant Prices, Annual % Change
实际GDP:固定价格，年度%变动

Source: BBVA Research and IMF



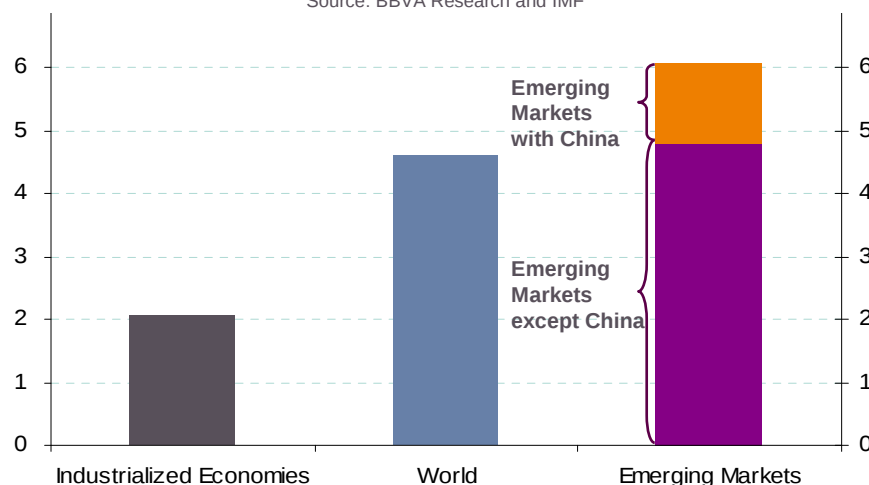
EM will lead world growth 新兴市场将引领世界增长

- EM growth will outpace Industrial Economies by 4 percentage points and by more than 2.5 pp when excluding China
新兴市场的增长将超过工业发达国家四个百分点，如果不算中国将逾2.5个百分点
- Closing gap in GDP share is expected to cross in 2013
GDP差距有望在2013年赶上

GDP growth in the current decade: (Growth rates %)

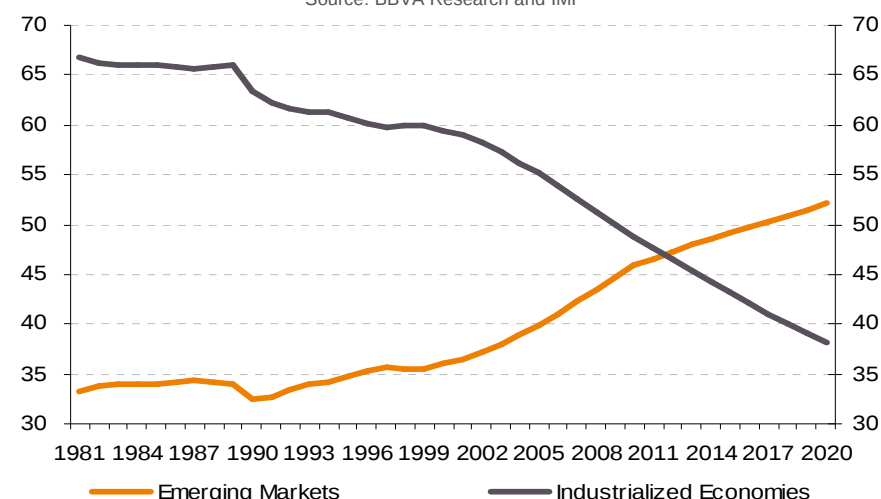
当前十年的GDP增长：(增长率 %)

Source: BBVA Research and IMF



Emerging and Industrialized Economies:
Share in World GDP (PPP adjusted)
新兴市场与工业经济国家在全球GDP中的份额：

Source: BBVA Research and IMF



*Emerging Markets: Argentina, Bahrain, Bangladesh, Brazil, Bulgaria, Chile, China, Colombia, Czech Republic, Egypt, Estonia, Hungary, India, Indonesia, Iran, Jordan, Korea, Kuwait, Latvia, Lithuania, Malaysia, Mauritius, Mexico, Morocco, Nigeria, Oman, Pakistan, Peru, Philippines, Poland, Qatar, Romania, Russia, Slovak Rep, South Africa, Sri Lanka, Sudan, Taiwan, Thailand, Tunisia, Turkey, Ukraine, UAE, Venezuela, Vietnam. 新兴市场: 阿根廷、巴林、孟加拉、巴西、保加利亚、智利、中国、哥伦比亚、捷克、埃及、爱沙尼亚、匈牙利、印度、印度尼西亚、伊朗、约旦、韩国、科威特、拉脱维亚、立陶宛、马来西亚、毛里求斯、墨西哥、摩洛哥、尼日利亚、阿曼、巴基斯坦、秘鲁、菲律宾、波兰、卡塔尔、罗马尼亚、俄罗斯、斯洛伐克、南非、斯里兰卡、苏丹、台湾、泰国、突尼斯、土耳其、乌克兰、沙特阿拉伯、委内瑞拉、越南

But there are huge differences within EM (45)

但新兴市场中也存在巨大差距

- Introducing a methodology to identify the new key global players
介绍一种方法判断新的全球重要经济体

Emerging Markets:
新兴市场:

Source: BBVA Research

Emerging Economies		
Argentina	Jordan	Qatar
Bahrain	Korea	Romania
Bangladesh	Kuwait	Russia
Brazil	Latvia	Slovak Rep.
Bulgaria	Lithuania	South Africa
Chile	Malaysia	Sri Lanka
China	Mauritius	Sudan
Colombia	Mexico	Taiwan
Czech Rep.	Morocco	Thailand
Egypt	Nigeria	Tunisia
Estonia	Oman	Turkey
Hungary	Pakistan	Ukraine
India	Peru	UAE
Indonesia	Philippines	Venezuela
Iran	Poland	Vietnam

Source: BBVA Research, Dow Jones, MSCI & FTSE Emerging Markets

Proposed methodology to identify key EM:
提出的方法:

Source: BBVA Research

BBVA EAGLEs definition

- ✓ Based on Incremental GDP (IGDP)
 - Large enough size plus
 - Fast enough growth
- ✓ Dynamic concept
 - Anticipation: dynamic concept
 - Shorter horizon: next 10 years
 - Flexible number of countries: Club admission depends on performance
- ✓ Defined Cut-off: G6 Average

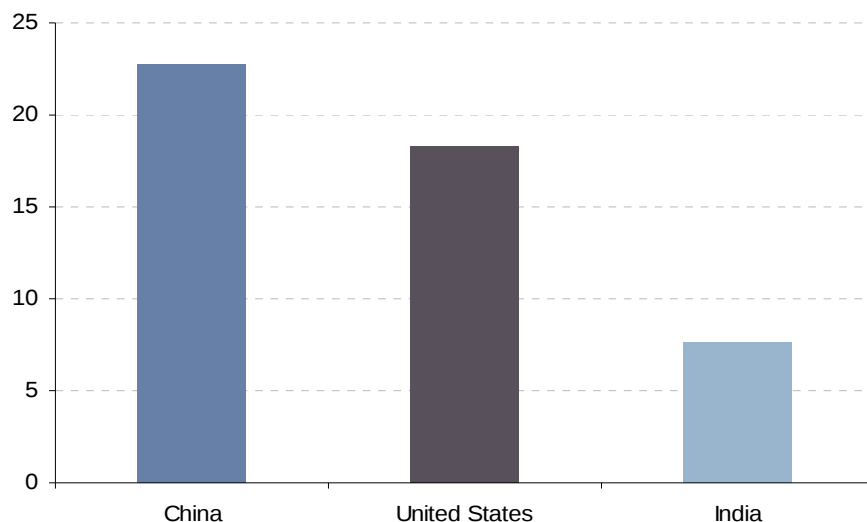
*IGDP = difference in GDP level in the 10 year period

Who are the EAGLEs? EAGLEs包括哪些国家?

- China is on a league of its own; is expected to contribute around 30% of the World Incremental GDP this decade
中国独树一帜，预计贡献这十年中全球GDP增长的30%
- India's Incremental GDP will be as large as the US
印度GDP的增长规模将会同美国一样

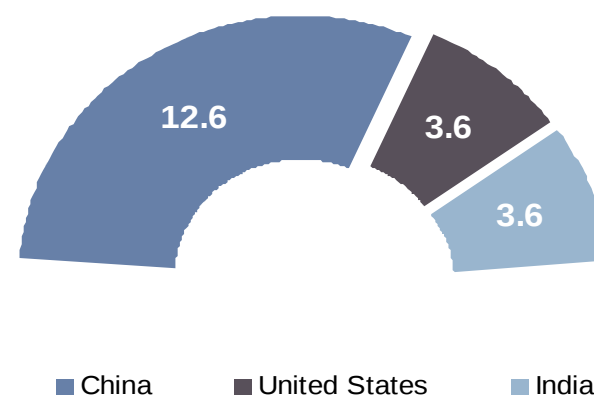
Dominating Economies in 2020(US\$ Trillion, PPP adjusted)
2020年的主要经济体(万亿美元，调整的购买力平价)

Source: BBVA Research and IMF



Dominating Economies during this decade:
Increase in GDP 2010-2020 (US\$ Trillion, PPP adjusted)
这十年的主要经济体: 2010-2020中的GDP增长

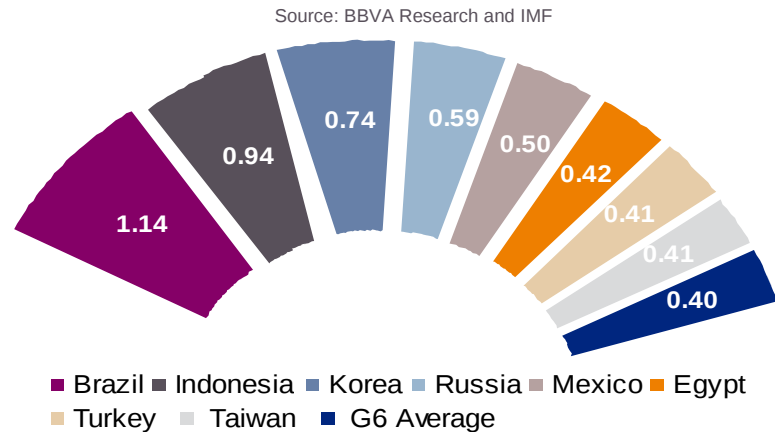
Source: BBVA Research and IMF



Who are the EAGLEs? EAGLEs包括哪些国家?

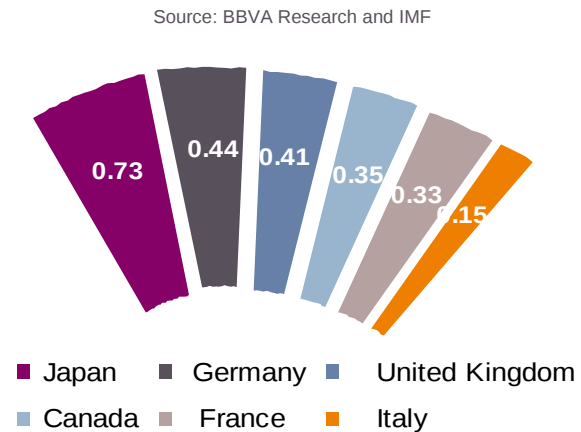
- Other EM also matter
其它的新兴市场同样重要
- Some surprising results: Brazil will add to World GDP more than Japan;
and Mexico more than Germany
令人惊奇的结果：巴西对全球GDP的贡献将大于日本；墨西哥的将大于德国

The other EAGLEs: Increase in GDP 2010-2020
其它的新兴经济体：2010-2020的GDP增长
(US\$ Trillion, PPP adjusted)



*G6 Average: Canada, Germany, France, Italy, Japan and the UK

G6 Economies: Increase in GDP 2010-2020
G6经济体：2010-2020的GDP增长
(US\$ Trillion, PPP adjusted)



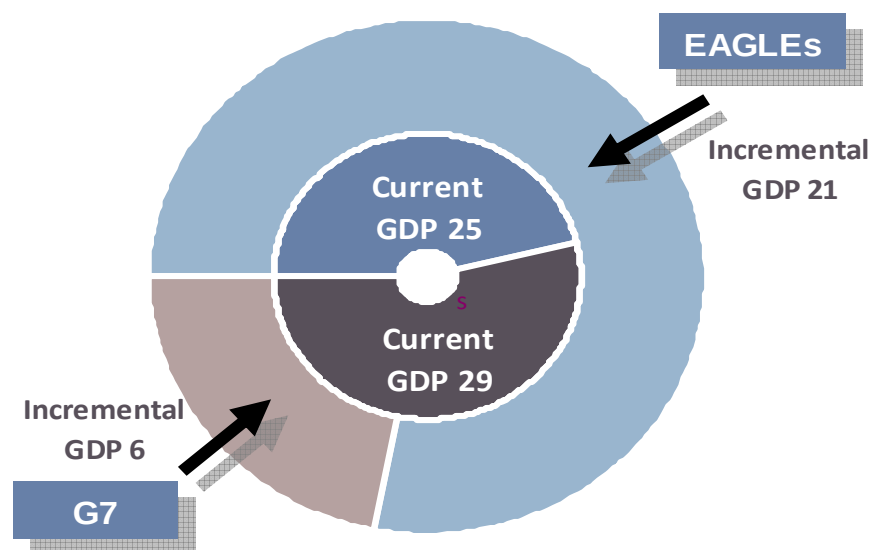
EAGLEs will lead global growth EAGLEs将引领全球增长

- Even though EAGLEs current size is smaller than G7, their contribution to growth in the current decade will be 3.5 times larger which is half of total world incremental GD
即使EAGLEs 目前比G7的规模要小，它们对这十年全球增长的贡献将增长3.5倍，是全球 GDP总增长的一半

EAGLEs vs G7 : Current size and Incremental GDP

目前规模与GDP的增长
(US\$ Trillion, PPP adjusted)

Source: BBVA Research and IMF



The Nest: Who can be the next EAGLE?

Nest: 谁是未来的EAGLE?

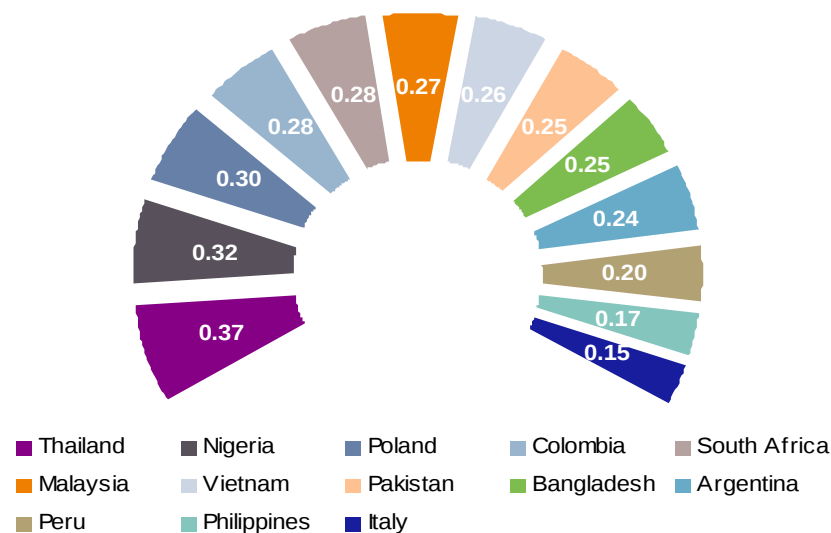
- Additionally 12 economies are expected to add to global growth more than Italy, the smallest contributor within the G6
另外12个经济体有望对于全球增长的贡献大于G6中贡献最小的国家意大利

EAGLES' Nest: Increase in GDP 2010-2020

2010-2020中的GDP增长

(US\$ Trillion, PPP adjusted)

Source: BBVA Research and IMF



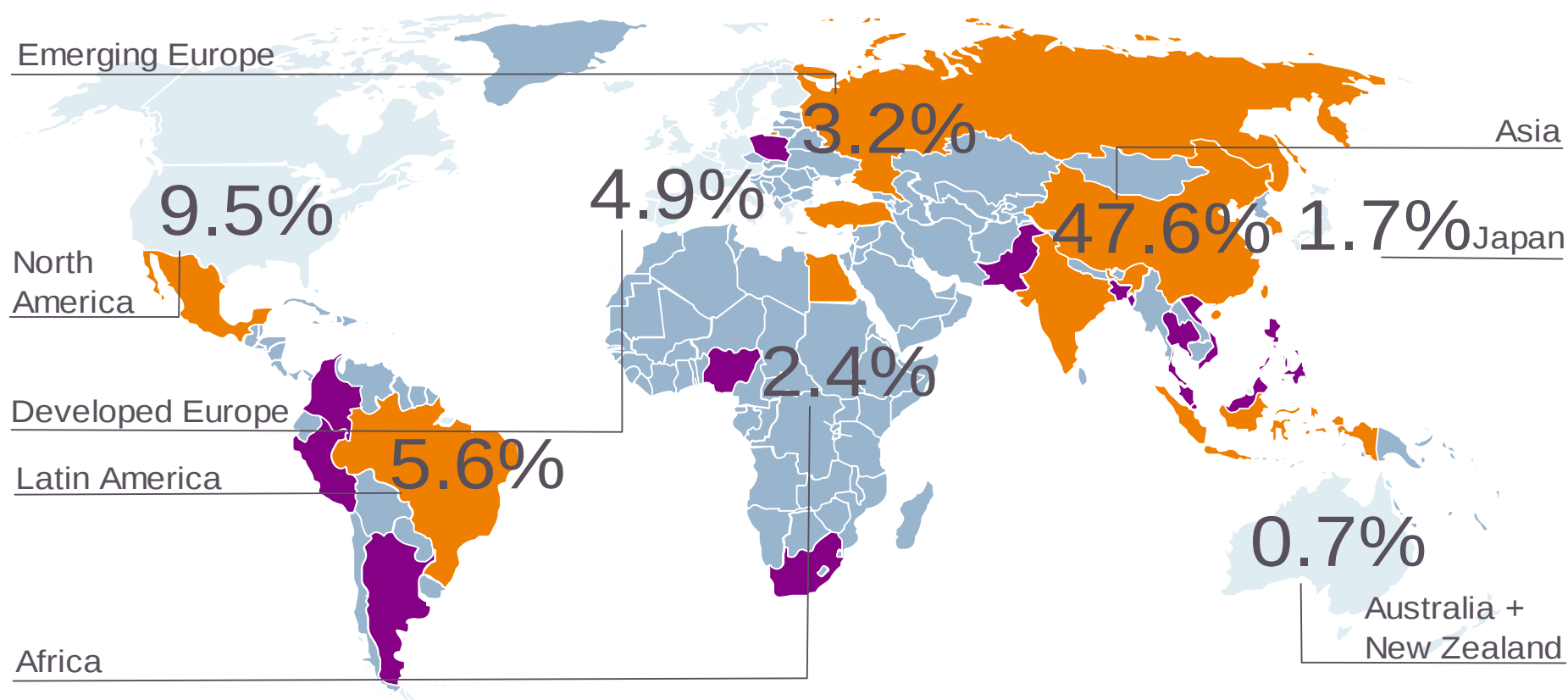
*Countries that will contribute less than G6 average and more than Italy

Opportunities in the next 10 years will be concentrated in Asia 未来十年的机会将集中在亚洲

Geographic distribution of contribution to World growth 2010 – 2020 (EAGLEs, Nest and industrialized countries – percentage)

2010-2020年全球增长的地理分布(EAGLEs, Nest 和工业国家 – 百分比)

Source: BBVA Research and IMF

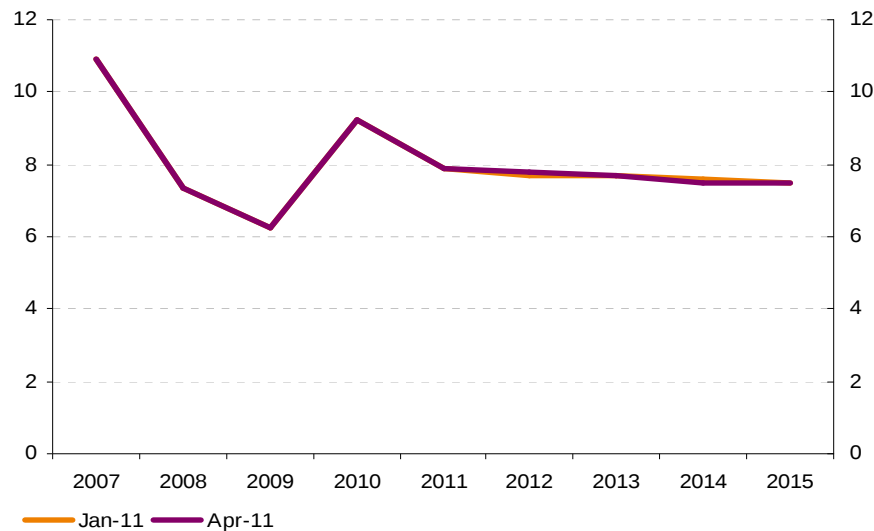


In the short run, the key risk is overheating risk both in Asia and in Latam 短期内的主要风险是亚洲和拉美的过热风险

- In Asia, overheating is been translated into inflation risk (less so currency appreciation)
在亚洲，过热已经从通货膨胀风险中可以看出（而不是货币升值）

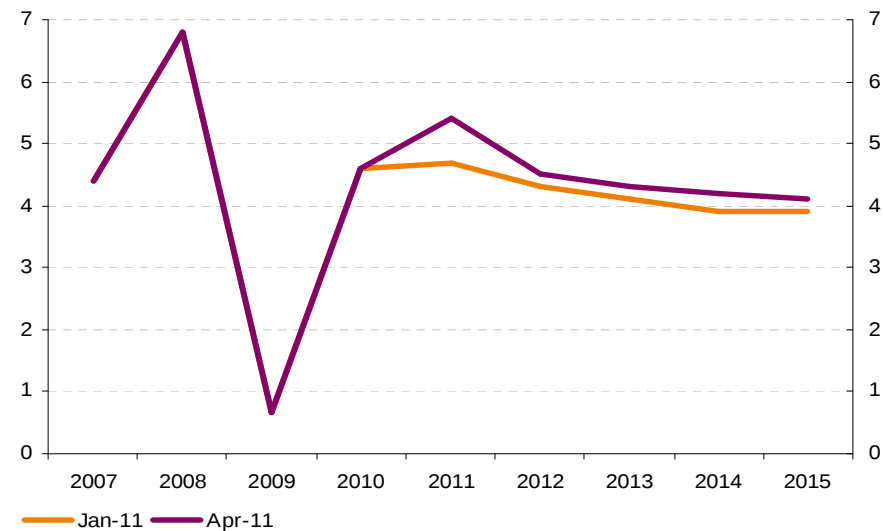
GDP growth forecasts (y/y %)
GDP 增长预期

Source: BBVA Research



Inflation forecasts(average, y/y%)
通货膨胀预期

Source: BBVA Research



*Emerging Asia includes: China, Hong Kong, India, Indonesia, Korea, Malaysia, Philippines, Singapore, Taiwan, Thailand, Vietnam.

Overheating in Latam translates in CA risk

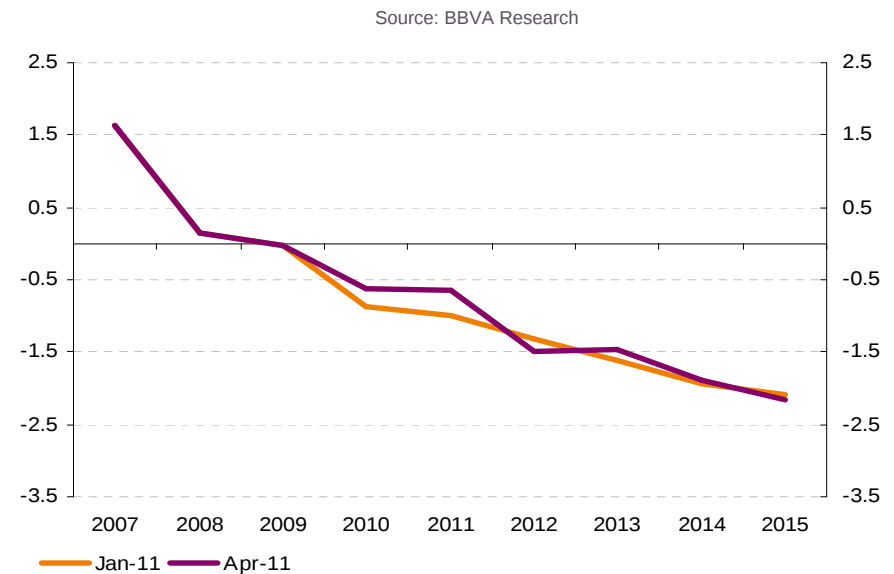
拉丁美洲的过热导致经常账户的风险

- Although inflation risk is an issue, currency appreciation is moderating such risk and transferring it towards the external accounts
尽管通货膨胀风险存在，货币升值对其风险温和化并传递到了外部账户

GDP growth forecasts (y/y %)
GDP增长预测



Current Account Balance (y/y %)
经常账户的平衡



*LATAM includes: Argentina, Brazil, Chile, Colombia, Peru, Venezuela.

Conclusion 结论

- In the current decade Emerging Market economies will continue leading world economic growth
近十年新兴经济体仍旧引领全球经济增长
- BBVA EAGLEs are the key EM players for world growth
BBVA 提出的EAGLEs指的是全球增长的主要新兴经济体
 - New approach for identifying the most relevant economies
认定更为相关经济体的新方法
 - Their growth will account for half of world Incremental GDP
它们的增长为全球新增GDP带来一半的贡献
- Growth opportunities will be concentrated in Asia
增长机会将集中在亚洲
 - China will keep its role as the leader of the global growing process
中国将继续作为引领全球增长的经济体
 - Emerging Asian economies with a positive outlook
新兴亚洲经济体前景乐观
- In the short run the main risk for Emerging Market economies is overheating
短期内新兴市场经济体的主要风险是过热问题

BBVA EAGLEs 西班牙对外银行的EAGLEs

- BBVA Research is publishing Economic Watches and Quarterly Reports on the Key Emerging Economies
BBVA研究出版经济观察和对主要新兴经济体的季度报告
- www.bbvaeagles.com

