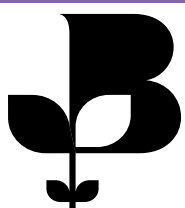
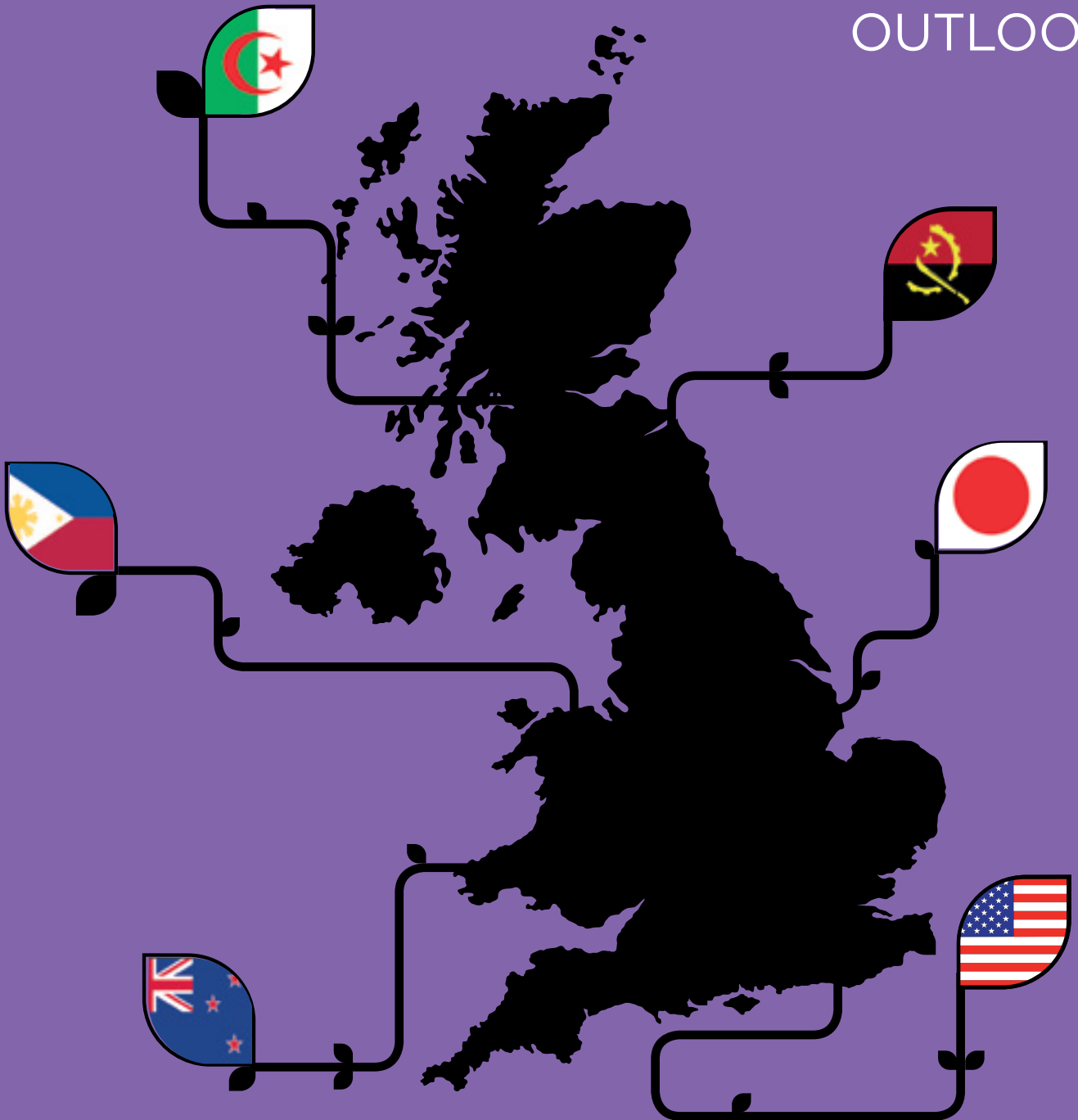


4TH QUARTER 2014

BRITISH CHAMBERS OF COMMERCE
IN PARTNERSHIP WITH DHL
**QUARTERLY
INTERNATIONAL
TRADE
OUTLOOK**



British
Chambers of
Commerce



THE BRITISH CHAMBERS OF COMMERCE

The British Chambers of Commerce (BCC) is a dynamic and independent business network with accredited Chambers in every nation and region of the UK, and in key markets around the world.

Accredited Chambers are at the heart of local business communities, helping thousands of companies - of every size and sector - to grow and thrive. Together with our fast-growing global network, Chambers provide practical advice and support to British companies trading around the world.

Chambers help businesses connect, belong, and succeed. For over 150 years, our business has been helping UK business grow.

Written and researched by:
Sukhdeep Dhillon, Global Economic Adviser
Tom Nolan, Policy Manager

Acknowledgements:
Mike Spicer, Director of Research

The British Chambers of Commerce
65 Petty France
St. James's Park
London
SW1H 9EU
T: 020 7654 5800
E: bcctradeoutlook@britishchambers.org.uk

www.britishchambers.org.uk

DHL – THE LOGISTICS COMPANY FOR THE WORLD

DHL is the global market leader in the logistics industry and “The Logistics company for the world”. DHL commits its expertise in international express, air and ocean freight, road and rail transportation, contract logistics and international mail services to its customers. A global network composed of more than 220 countries and territories and about 275,000 employees worldwide offers customers superior service quality and local knowledge to satisfy their supply chain requirements. DHL accepts its social responsibility by supporting climate protection, disaster management and education.

DHL is part of Deutsche Post DHL.

www.dhl.co.uk

Contents

Foreword	3
DHL/BCC Trade Confidence Index	4
Export index	5
Export & confidence balances	6
Recent performance & outlook	7
Factsheets overview	8-9
Japan	10-11
Philippines	12-13
Algeria	14-15
Angola	16-17
New Zealand	18-19
United States	20-21
Overview of trade agreements	22-23
Case study: ‘Our export journey’	24
How UK exports will change	25
Methodology	26

About this outlook

The BCC/DHL Quarterly International Trade Outlook sets out the opportunities and risks facing British companies as they trade with the world – with a particular focus on timely information on dynamic new markets. It features the DHL/BCC Trade Confidence Index (TCI) which is a measure of the UK’s exporting health. It builds on the role of accredited Chambers of Commerce – the UK’s premier private-sector providers of international trade support to business – and the modelling expertise of Oxford Economics, who have provided all the economic and trade forecasts presented in this publication.

Foreword

by John Longworth

Director General, British Chambers of Commerce



British exporters are rising to the challenge, despite a particularly challenging global market. This quarter's Trade Confidence Index (TCI) shows that more than half of the exporters expect their profitability to increase this year, and more than 80% tried to recruit new staff at the end of last year.

While we are yet to see this confidence translate into the official figures, exporters are creating jobs and prosperity for the nation. We know that when businesses do export, they grow, on average, 20% more than businesses that don't. So crucially we must encourage more British businesses to broaden their domestic mindset and explore markets around the world.

Our success in today's global economy rests largely on our capability to trade with markets around the world. We face a national challenge to boost UK exports and reach the Prime Minister's ambitious export target by 2020.

In the long-term, the UK needs to shift its focus from a relatively stagnant Europe to the world's future growth markets. Trading with countries outside the EU can be challenging, however the opportunities are vast for those

businesses willing to try.

To support businesses trying to access markets around the world, we are building an international network of accredited Chambers of Commerce and overseas business groups. By accessing this global network, businesses are provided with practical support and advice from a range of experts. Each and every day, the British Chamber of Commerce's global network is helping UK exporters navigate their export journey.

The British Chambers of Commerce has been supporting trade for over 150 years. Like all Chambers of Commerce, we are a business network backed by industry. We can offer the best business to business advice drawn from the wealth of experience of the British export community.

Foreword

by Phil Couchman

CEO, DHL Express UK & Ireland



This quarter's Trade Confidence Index demonstrated an increase in confidence amongst UK exporters, with manufacturing firms noticeably more confident that their turnover will increase over the next year. With the total volume of export trade documentation recovering close to last year's record high, Britain's steady economic growth and improved trading conditions have presented a great opportunity for British businesses to expand internationally.

The findings are particularly encouraging as they come during a period of relative uncertainty, especially regarding the EU economy. However, British exporters are defying the odds, overcoming these challenges and capitalising on the huge demand for British products across and beyond Europe.

Building on this growth and confidence is imperative. Steps are being taken by Government to support exporters, particularly SMEs, who are less able to ride the trends of the economic cycle than their larger counterparts. If the UK is going to successfully rebalance its economy it is crucial that businesses are equipped with the information and resources they need. Understanding the existing resources available

for UK SMEs, such as the British Chamber of Commerce and DHL's Export Advisor Service is an important first step for SMEs.

At DHL we have confidence in the UK export market and remain focused on delivering a world-class service to our customers. We know from our customers that UK SMEs who are already growing their businesses overseas are extremely confident in the possibilities the export market presents. We must continue to strongly support these companies to ensure all UK businesses can realise their growth ambitions on a global stage.

The DHL/BCC Trade Confidence Index (TCI) is a measure of the UK’s exporting health. By analysing trends in trading activity and key factors of exporting firms’ performance, the TCI gives a truly comprehensive picture of the UK’s internationally-trading business community. The TCI is generated from two data sources: the BCC’s Quarterly Economic Survey (**Confidence Indicator**) and Chamber documentation services (**Volume of Export Documentation**).

EXPORT INDEX OVER THE PAST YEAR (2007 = 100)				
Q4 13	Q1 14	Q2 14	Q3 14	Q4 14
112.69	117.03	119.27	116.93	117.43

Many types of exports require supporting commercial documentation. Chambers of Commerce issue documentation required for exports outside the EU and as a result have amassed a significant dataset around UK goods exports. The TCI uses data collected from this process to show both an index of documentation and regional comparisons of exporting activity. (Further details can be found in the methodology on page 26).

CONFIDENCE INDICATOR

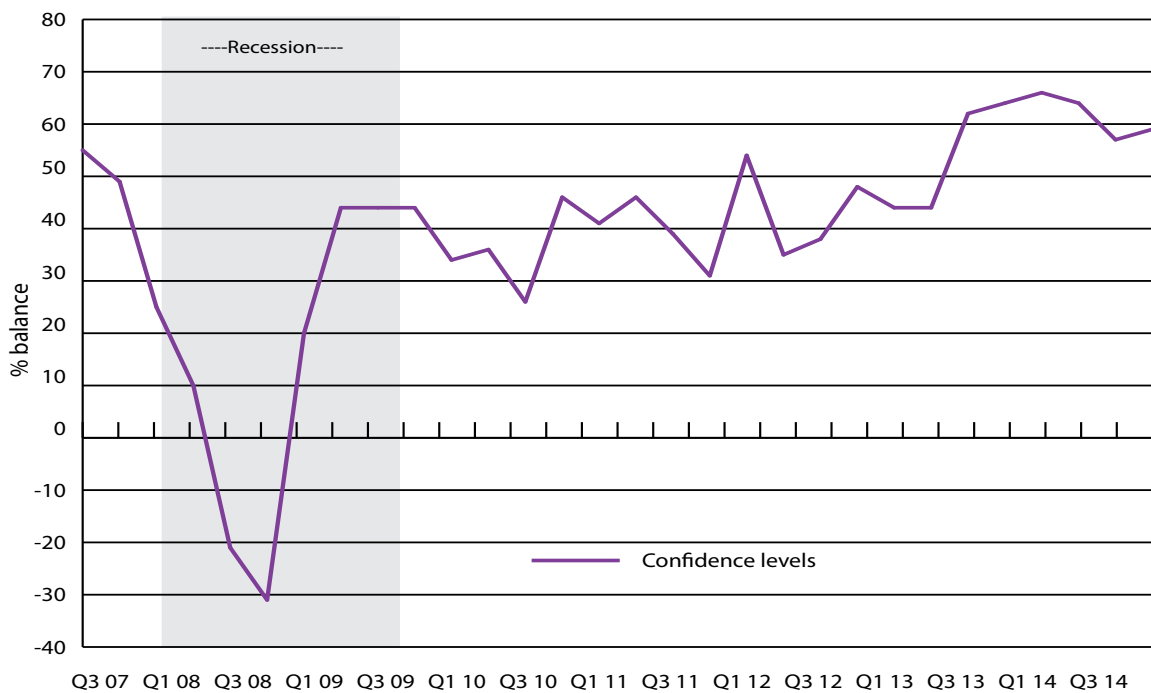


Figure one: Balance of firms who are confident that turnover will improve over the next 12 months

Balance figures are determined by subtracting the percentage of companies reporting decreases in a factor from the percentage of companies reporting increases.

- Confidence levels increased amongst exporters in Q4 2014. In particular, manufacturing firms are noticeably more confident than they were in Q3 that their turnover will increase over the next year. Service exporters are marginally less confident, but they still return a very high figure by historical levels.

- The volume of trade documents issued increased on the quarter and the year in Q4 2014.
- The index number reflecting the volume of trade documents issued by Chambers of Commerce across the UK stood at 117.43 in Q4 2014.

National

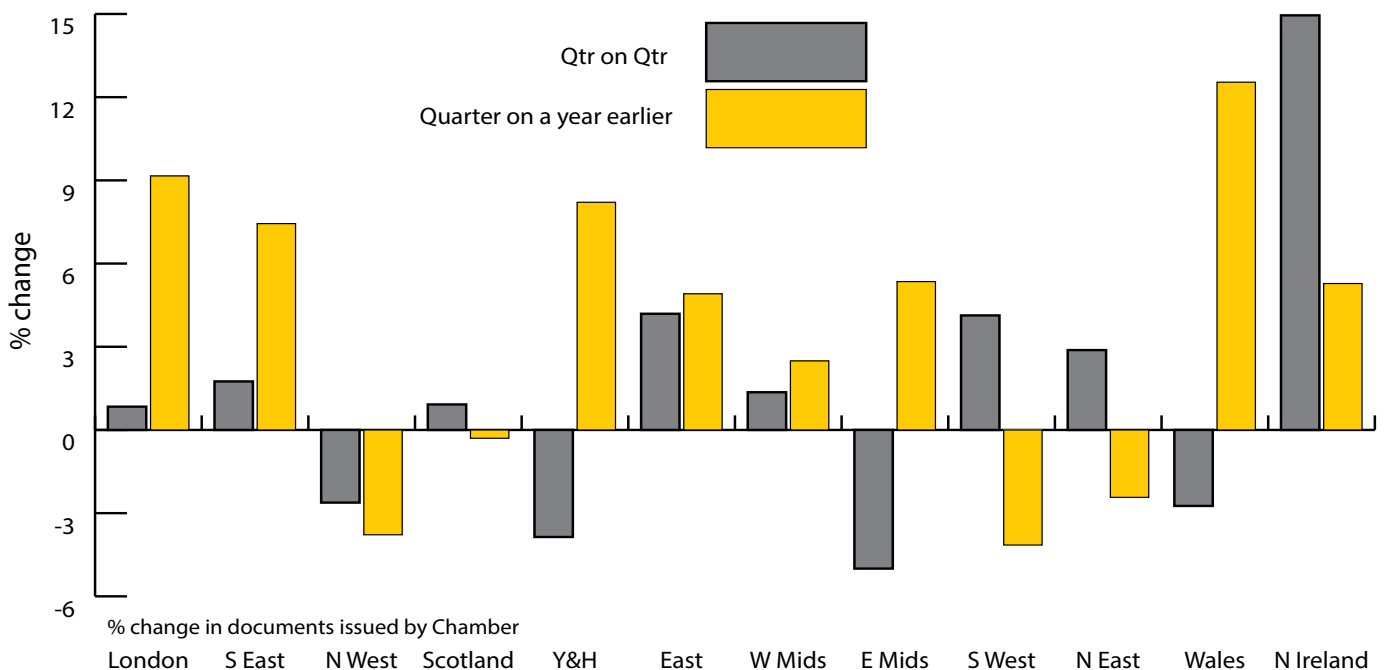
There was an increase in the volume of trade documents issued on the quarter. The index stood at 117.43 in Q4 2014. This represents a rise of 0.43% on Q3 2014, and a rise of 4.21% on the same quarter in 2013. The Q4 2014 figure is the third highest on record. The highest was 119.27 in Q2 2014.

	Index number 2007=100	Percentage Change (%)	
		Recent quarter compared to last year	Recent quarter compared to previous quarter
Volume index of export documentation	117.43	4.2%	0.4%

Regions and Nations

The results were mixed across the regions and nations of the UK in Q4 2014. The highest yearly increase was recorded in Wales (+12.5%). This was followed by London (+9.1%) and Yorkshire & the Humber (+8.2%). The South West (-4.1%) and the North West (-3.1%) saw a negative change in volumes.

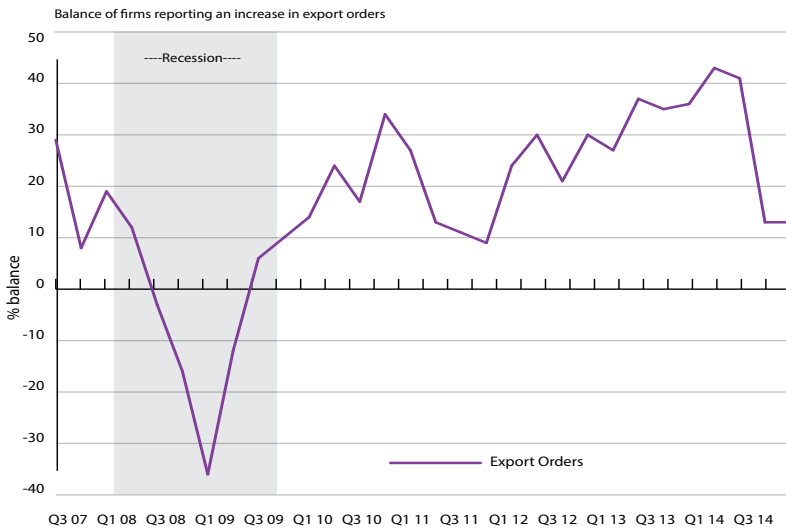
Regional comparison - export index



Export and confidence balances

Balance figures are determined by subtracting the percentage of companies reporting decreases in a factor from the percentage of companies reporting increases.

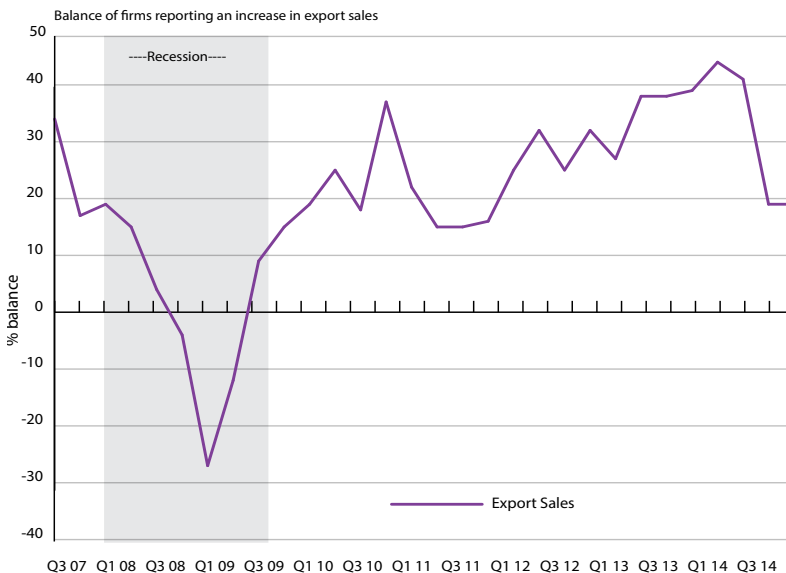
Export orders



Export orders balance stagnates

- The export orders balance was unchanged in the fourth quarter of 2014. It remains at +13%, the lowest since Q4 2011. The lowest figure on record was -36% in Q1 2009.
- Further breakdown of the export orders balance shows that 34% of exporters reported that their export orders increased in Q4 2014. While 21% of respondents stated that they decreased, and 44% stated that orders remained constant.

Export sales



Export sales indicator remains unchanged

- The export sales balance stayed at +19% in the fourth quarter of 2014. This is the lowest since Q4 2011. The lowest figure on record was -27% in Q1 2009.
- Further breakdown of the export sales balance shows that 36% of exporters reported that their export orders increased in Q4 2013, 18% of respondents stated that they decreased, and 46% stated that orders remained constant.

Profitability confidence



The balance of firms who expect profitability to improve falls

- Exporters' confidence that their profitability will improve over the next twelve months remained high by historical standards. However, for the fourth quarter of 2014 the balance of firms that expect their profitability to improve decreased, from +50% to +44%.
- Further breakdown reveals that 58% expect profitability will increase, 28% of exporters reported they expect no change in profitability and 14% expect profitability to worsen.

Economy

Global

Among major advanced economies, growth in the US rebounded ahead of expectations after the contraction in the first quarter of 2014. In the euro area, growth in the third quarter of 2014 was modestly weaker than expected, largely on account of weak investment, and inflation and inflation expectations continued to decline. Japan's economy fell into technical recession in the third quarter of 2014. Private domestic demand did not accelerate as expected after the increase in the consumption tax rate in the previous quarter, despite a cushion from increased infrastructure spending.

UK

UK GDP growth slowed in the fourth quarter of 2014, coming in at 0.5% and falling short of expectations. Despite the drop, growth for the year was still 2.6% the fastest growth rate since 2007. The strongest sector was again the services sector, which contributes 78.4% of GDP. That sector grew 0.8%, slower than agriculture, (1.3%) but faster than the construction sector, which declined 1.8%

Trade

Global

The volume of world merchandise trade continued to climb slowly in 2014, with an increase of 1.3% in the third quarter compared with the previous quarter. The increase for the year as a whole is expected to be greater than in 2013 as the global economy picks up momentum.

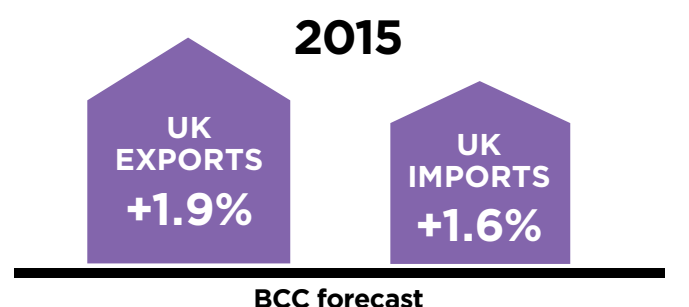
UK

The trade in goods deficit narrowed to £29.4bn in Q4 2014. Exports increased to £73.8bn, attributed to increases in exports of manufactured goods. Imports decreased to £103.2bn. Trade with countries outside of the EU was the main contributor to the deficit narrowing. Annually, the total trade deficit widened to £34.8bn in 2014. This was the largest deficit since 2010 when the deficit stood at £37.1bn. Both exports and imports fell in 2014 compared to 2013, however, exports fell more significantly. The widening of the deficit is mainly attributed to trade in goods as exports of goods decreased by £14.6bn from the previous year and imports of goods decreased by £7.3bn; this was the first annual fall in imports since 2009.

Outlook

Economy

Despite setbacks, an uneven global recovery continues. Emerging markets are adjusting to rates of economic growth lower than those reached in the pre-crisis boom and the postcrisis recovery. Overall, the pace of recovery is becoming more country specific.



The BCC forecasts that **UK exports will grow by 1.9%** and **imports will grow by 1.6% in 2015**. In 2016, we forecast exports to grow by 2.6% and imports to grow by 1.6%.

Trade

Global

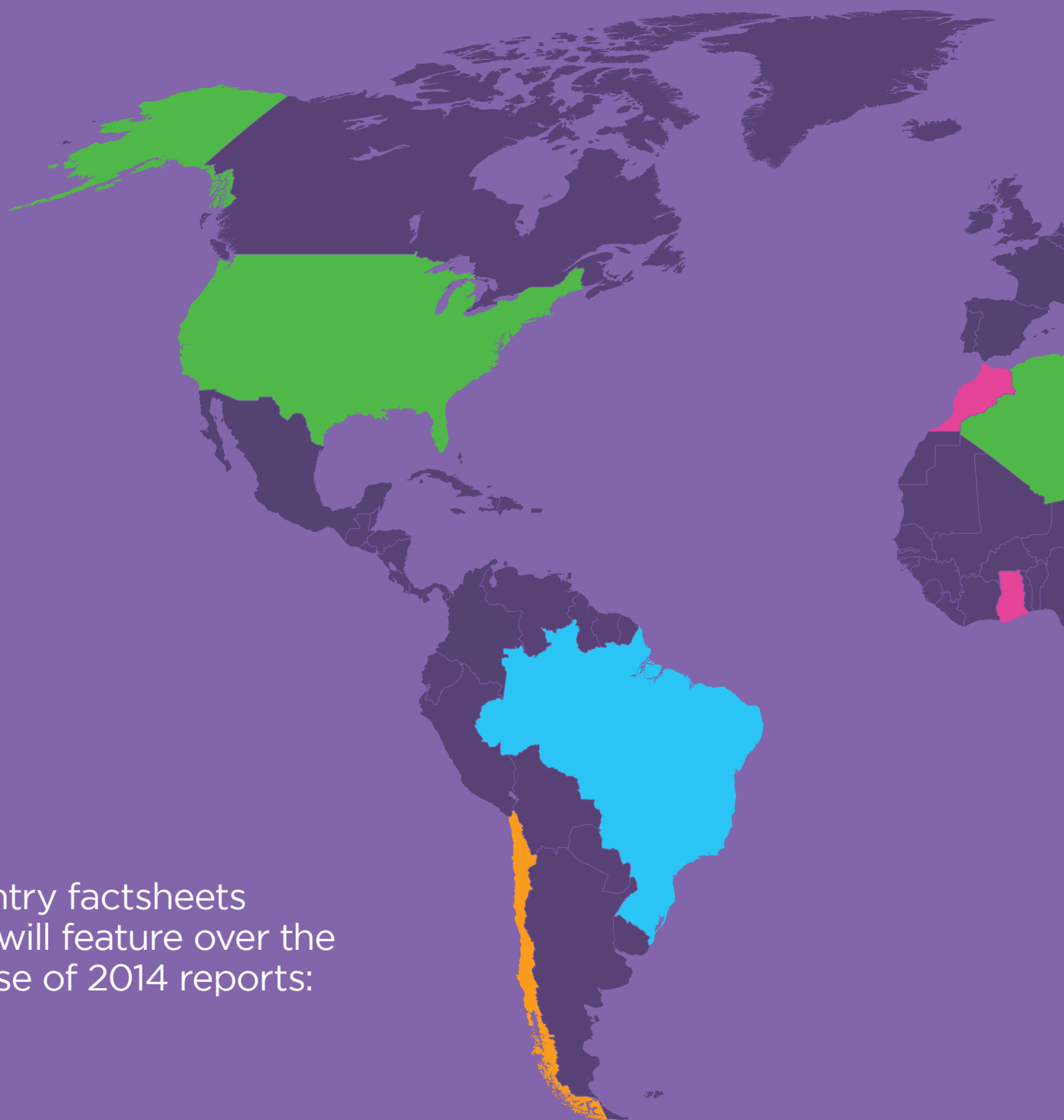
The World Trade Organisation has reduced its forecast for world trade growth in 2015 to 4%. The downgrade comes in response to weaker-than-expected GDP growth and muted import demand in the first half of 2014.

UK

The BCC's UK GDP growth forecasts 2.6% for 2015 & 2.4% for 2016. Previously, we had predicted growth of 2.8% in 2015 & 2.5% in 2016. The downgrading of our growth forecasts mainly reflects lower growth than we previously forecast in services, household consumption & exports.

Factsheets

The dynamics of the global economy have changed with a new set of fast-growing markets challenging the position of the established advanced economies. The map below outlines 24 priority markets which are becoming more important in terms of their growth potential and global influence. These countries have been identified to have strong growth prospects and strategic importance for business.

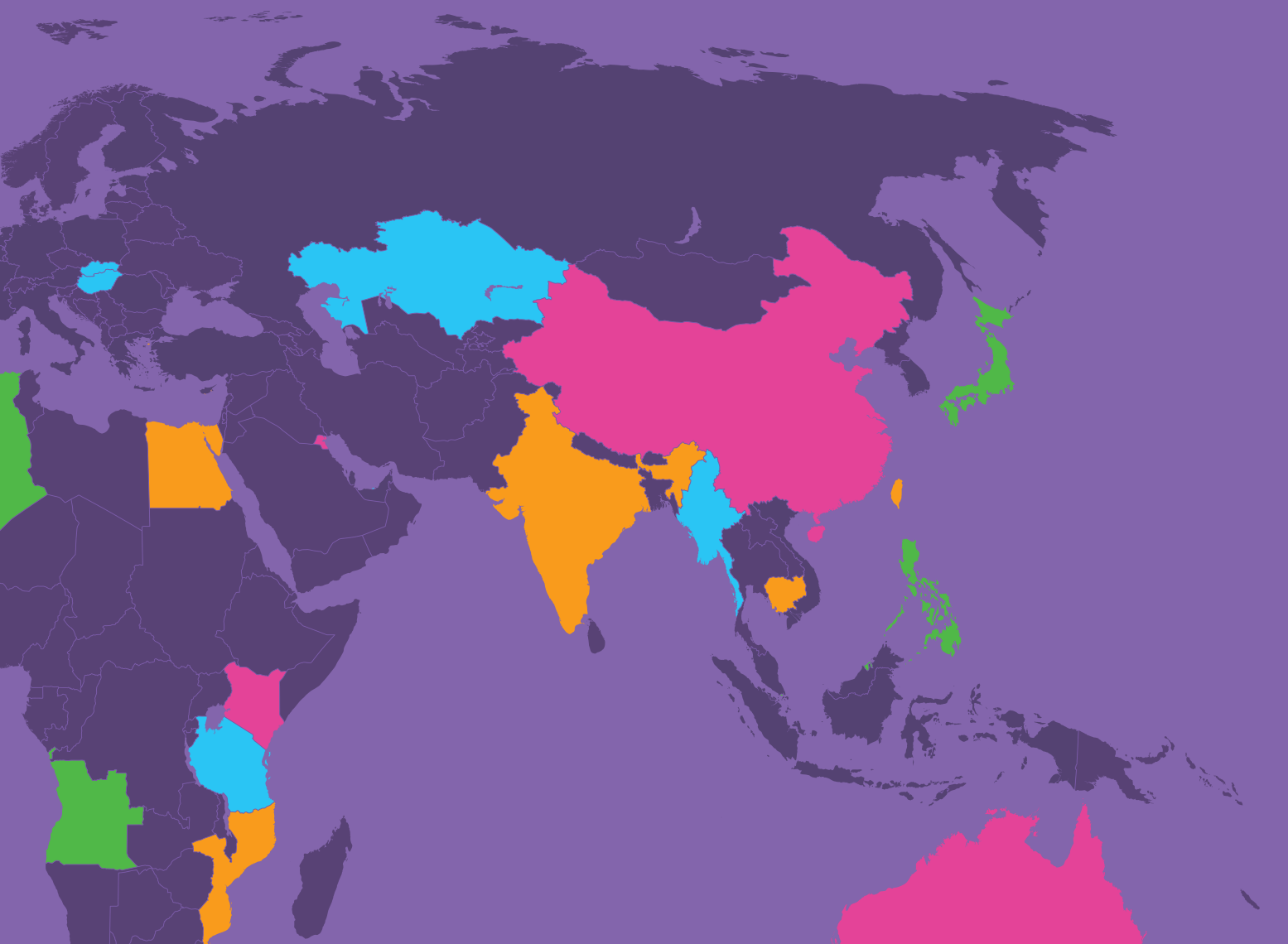


Country factsheets
that will feature over the
course of 2014 reports:

This publication series presents facts and figures in an 'at-a-glance' factsheet for each country. These factsheets are a concise resource for businesses seeking to trade, with easy-to-digest information on the economic outlook, sector growth, trade outlook and business opportunities within those markets.

Please visit our dedicated international trade website to access additional information on trade related information and online versions of the factsheets:

www.exportbritain.org.uk



Q1	Q2	Q3	Q4
Kenya	Taiwan	Hungary	Japan
Ghana	Cambodia	Slovakia	Philippines
Kuwait	Mozambique	Kazakhstan	Algeria
Morocco	Chile	Myanmar	Angola
Australia	Egypt	Tanzania	New Zealand
China	India	Brazil	United States



Japan

Capital: Tokyo

Administrative divisions: 47 prefectures, each overseen by an elected governor

Currency: Yen (¥) (JPY)

Area: 377,944 km²

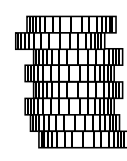
Population: (2013) 126,659,683

Calling code: +81

Official languages: Japanese

Ease of trading across borders

Importing a standard container of goods into Japan requires



£681

Source: The World Bank, Trading Across Borders: Doing Business 2014

Japan is the third-largest national economy in the world, after the US and China, in terms of nominal GDP. The Government is continuing a long standing restructuring of the economy and reining in Japan's huge government debt, which exceeds 225% of GDP. Persistent deflation, reliance on exports to drive growth, and an aging and shrinking population are other major long-term challenges for the economy.

Economic snapshot (% annual growth rate)

	2013	2014	2015-18
GDP	1.6	0.1	1.0
Export of goods and services	1.5	7.5	3.8
Import of goods and services	3.1	7.0	3.4
Inflation	0.4	2.8	1.4
Exchange Rate (Per £)	145.17	152.10	192.85
Population	-0.1	-0.1	-0.2

Source: Oxford Economics

Economic outlook

Japan's economy shrank more than previously estimated in the third quarter contracting 1.9% as capital spending declined and private consumption remained weak. The economy has now contracted for two consecutive quarters, a common definition for recession. The economy is likely to have expanded in the fourth quarter, helped by a sharp decline in oil prices. Weaker oil forecast will also feed through to slightly higher GDP growth this year due to the real income boost for consumers. GDP growth is now forecast to reach 0.9% in 2015.

Trade outlook

Japan is the fifth-largest importer and exporter in the world. Like many of the other Asian countries that have experienced rapid economic growth in the past few decades, exports have had a historical significance to the Japanese economy. Japan's most important trade partners are China and the US, followed by South Korea, Taiwan, Hong Kong, Singapore, Thailand and Germany. The most important import goods are raw materials such as oil, foodstuffs and wood. Major suppliers include China, followed by the US, Australia, Saudi Arabia, South Korea.

SWOT analysis

Strengths

Leading country in scientific and technological research and development.
Sophisticated consumers with high purchasing power.

Opportunities

Established home of innovation.

Weaknesses

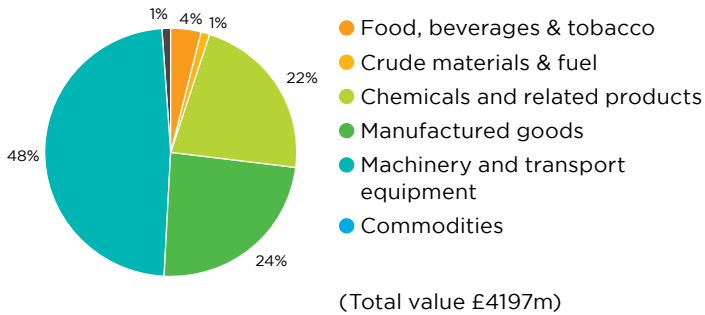
High dependence on exports.

Threats

Fiscal austerity programme.
Natural disasters.

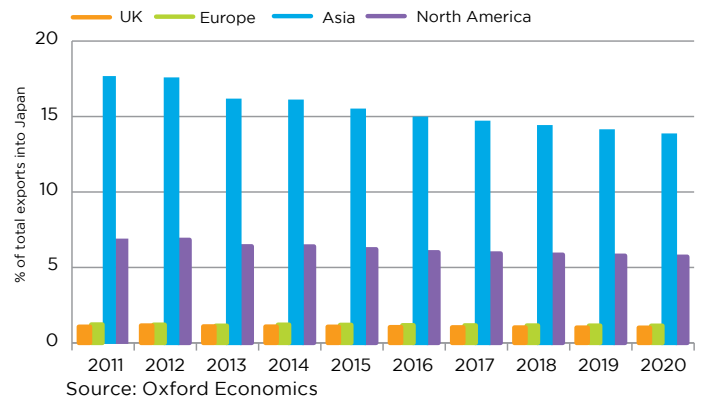
Japan's trade with the UK

UK exports to Japan (2013) - by major product groups



Source: Eurostat

How UK's exports to Japan compare



DHL Express Customs Top Tips:



Japan



De minimus value (duty free allowance) = JPY 10,000



Private shipments to Japan are inspected by Customs before they can be delivered to the receiver, which may take 24 hours or more.



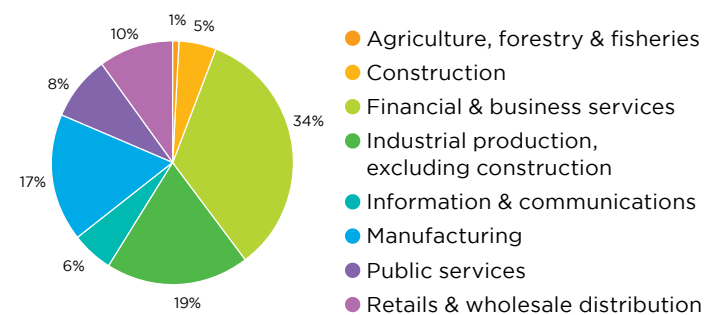
Japan Customs will only accept typewritten invoices.



When sending textile items ensure material and weave (woven or knitted) is described on the Commercial/Pro-forma invoice.

Sector segmentation

Forecast for Japan's economic structure (2021) - Output, value-added, real, % of GDP



Sectors to watch:

- Financial and business services
- Manufacturing
- Retail

Opportunities for UK businesses

Japan holds plenty of promise for businesses looking to operate in a large stable market. Japan remains the high-tech powerhouse economy of Asia - with the second highest spend worldwide on R&D. With a population of 126 million, the Japanese market is characterised by consumers with high levels of disposable income. The following sectors offer UK businesses great opportunities: services, technology, life sciences, manufacturing and with Japan hosting the Olympics in 2020 the UK's expertise is in great demand.



Philippines

Capital: Manila

Largest city: Quezon City

Administrative divisions: 17 regions, 81 provinces

Currency: Peso (PHP)

Area: 300,000 km²

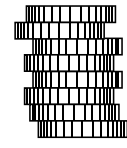
Population: (2014) 100,617,630

Calling code: +63

Official languages: Filipino, English

Ease of trading across borders

Importing a standard container of goods into the Philippines requires



£610

Source: The World Bank, Trading Across Borders: Doing Business 2014

The national economy of the Philippines is one of the emerging markets in the world. A newly industrialised country, the Philippine economy has been transitioning from one based on agriculture to one based more on services and manufacturing. The Philippine economy is expected to become the fifth-largest economy in Asia and the largest economy in the Southeast Asian region by 2050. The economy has weathered global economic and financial downturns better than its regional peers due to minimal exposure to troubled international securities, lower dependence on exports, relatively resilient domestic consumption, and a rapidly expanding business process outsourcing industry.

Economic snapshot (% annual growth rate)

	2013	2014	2015-18
GDP	7.2	5.9	5.9
Export of goods and services	-1.1	10.4	5.7
Import of goods and services	5.4	7.3	6.4
Inflation	2.9	4.2	3.5
Exchange Rate (Per £)	63.15	63.79	65.64
Population	1.7	1.7	1.7

Source: Oxford Economics

Economic outlook

The outlook for the Philippine economy remains optimistic notwithstanding the slightly disappointing data for Q3 2014. This positive view reflects the recent plunge in world oil prices which should prove highly beneficial to the country. The Philippines is one of the countries that stands most to gain from the fall in oil prices. The Philippine economy is expected to grow faster than previously forecast as cheaper oil raises external demand and reinforces the positive trend in private investment (by raising company profitability) and consumption (by boosting purchasing power), growth is expected to reach 6.5% this year.

Trade outlook

Since the 1980s, the Philippines has opened its economy to foreign markets, and established a network of free trade agreements with several countries. The US is one of the Philippines' top trading partners. The Philippines largely imports electronic products, mineral fuels, machinery and transport equipment, iron and steel, textile fabrics, grains, chemicals, plastic. The largest importers into the Philippines include Japan, China, Singapore, South Korea, Taiwan and Thailand.

SWOT analysis

Strengths

Successful reforms in the financial and public sectors.

Opportunities

Fastest-growing Economy in Asia.
Top destination for services, specifically IT business process outsourcing sector.

Weaknesses

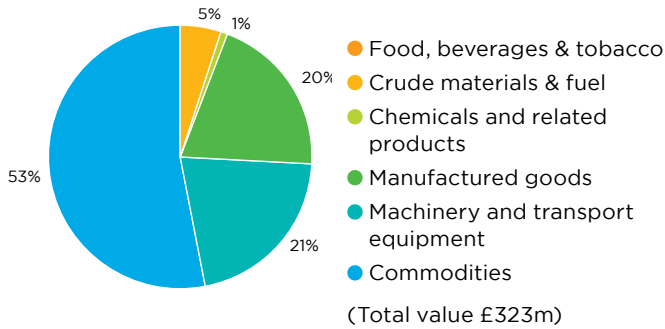
Poor Infrastructure.
Corruption.

Threats

Poverty rates are high at 18%, as is income inequality.

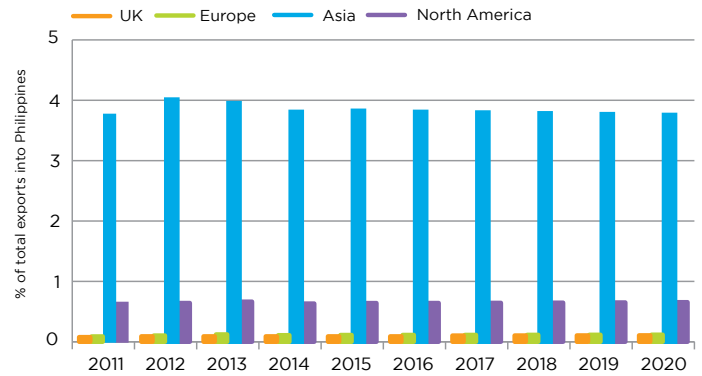
Philippines' trade with the UK

UK exports to Philippines (2013) - by major product groups



Source: Eurostat

How UK exports to Philippines compare



Source: Oxford Economics

DHL Express Customs Top Tips:



Philippines



De minimus value (duty free allowance) = USD 499



If sending shipments under Incoterm Delivery Duty Unpaid, where the value is USD 500 or more and formal clearance is required, Philippines Customs require direct payment from importer/recipient. Importers must be accredited by Philippines Customs Account Management Office or shipments will not be cleared.



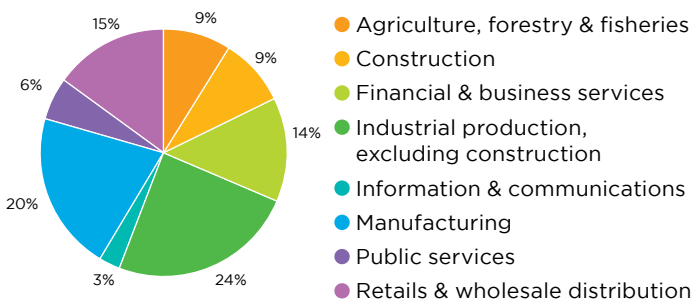
Pro-forma invoices are not accepted by Philippines Customs.



Personal effects are not automatically exempt from duties and taxes; duty and tax exemptions are subject to Customs approval. Customs charges should be expected for personal shipments.

Sector segmentation

Forecast for the Philippines' economic structure (2021) - Output, value-added, real, % of GDP



Source: Oxford Economics

Sectors to watch:

- Industrial production excl. Construction
- Retail
- Manufacturing

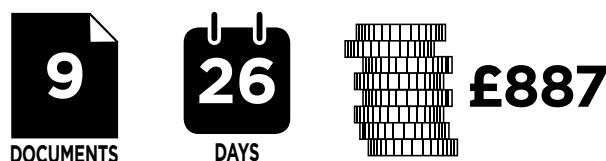
Opportunities for UK businesses

The Philippines is known as the 'Rising Tiger of Asia' with growth outpacing its other ASEAN neighbours. The Philippines is one of the countries in Asia enjoying economic success opening up a wide range of opportunities. The Philippines offers numerous opportunities for UK businesses with a market of 103 million people. These are highlighted in the Investment Priorities Plan (IPP) which identifies priority investment areas which the Government is actively promoting. The current IPP lists opportunities in infrastructure projects, knowledge-based services such as IT services, energy, green projects, iron and steel, and hospital/medical services.

Capital: Algiers
 Largest city: Algiers
 Administrative divisions: 48 provinces
 Currency: Algerian dinar (DZD)
 Area: 2,381,741 km²
 Population: (2014) 37,900,000
 Calling code: +213
 Official language: Arabic

Ease of trading across borders

Importing a standard container of goods into Algeria requires



Source: The World Bank, Trading Across Borders: Doing Business 2014

Algeria is Africa's largest country by area, and the tenth-largest in the world. Algeria is classified as an upper middle income country. Successive governments have failed to break the Algerian economy's excessive dependence on the global oil and gas market. Therefore, the energy sector still accounts for more than one-third of the gross domestic product (GDP) in Algeria, two-thirds of government revenue and about 98% of exports.

Economic snapshot (% annual growth rate)

	2013	2014	2015-18
GDP	2.8	3.5	3.7
Export of goods and services	-3.0	2.0	4.0
Import of goods and services	6.0	6.8	5.9
Inflation	3.3	2.7	3.5
Exchange Rate (Per £)	118.10	115.38	128.51
Population	1.9	1.8	1.6

Source: Oxford Economics

Economic outlook

GDP growth in 2014 is now expected at 4%, up from 2.8% in the previous year. Following setbacks to output in 2013, the hydrocarbon sector expanded for the first time in eight years, albeit only modestly. But the oil and gas sector still faces declining capacity, which will require heavy investment to reverse. As a result, GDP is expected to slow to around 3% this year, before a modest pick-up towards 4% in 2016-18 as energy prices start to rise again slowly.

Trade outlook

Oil and natural gas export revenues amounted to almost \$63.8 billion in 2013, down from \$69.8 billion in the previous year, mainly because of lower export volumes. Algeria's oil and gas export revenue has allowed the country to maintain a comfortable level of foreign exchange reserves. Algeria exports largely include crude petroleum (45%) and petroleum gas (37%). Algerian imports are largely made up of cars (8.3%), refined petroleum (7.5%) and wheat (3.7%). The top export destinations of Algeria are Italy (15%), the US (15%), Spain (12%), France (7.5%), and Canada (7.4%). Algeria largely imports from France (14%), China (11%), Italy (9.8%), Spain (8.5%), and Germany (4.8%).

SWOT analysis

Strengths

Substantial oil and gas reserves and production.

Opportunities

Algerians have relatively high disposable incomes by African standards.

Weaknesses

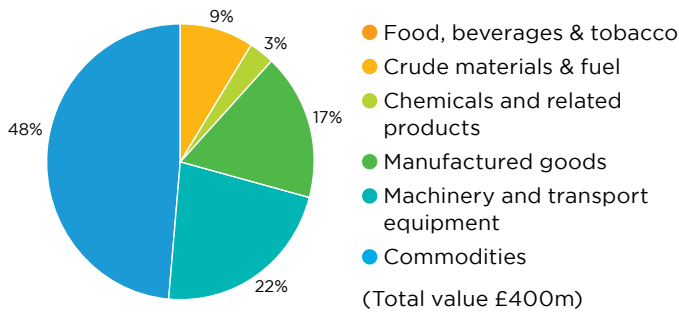
Economy is likely to remain dependent on the hydrocarbons sector.

Threats

Fiscal revenues are dependent on the oil and gas industry; a prolonged drop in global energy prices would therefore hurt public finances.

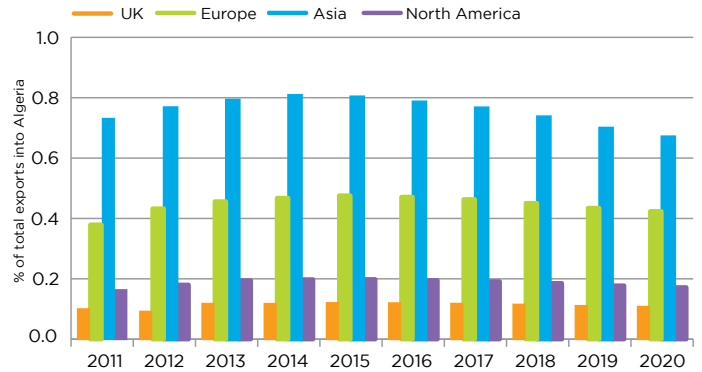
Algeria's trade with the UK

UK exports to Algeria (2013) - by major product groups



Source: Eurostat

How UK exports to Algeria compare



Source: Oxford Economics

DHL Express Customs Top Tips:



Algeria



De minimus value (duty free allowance) = USD 50



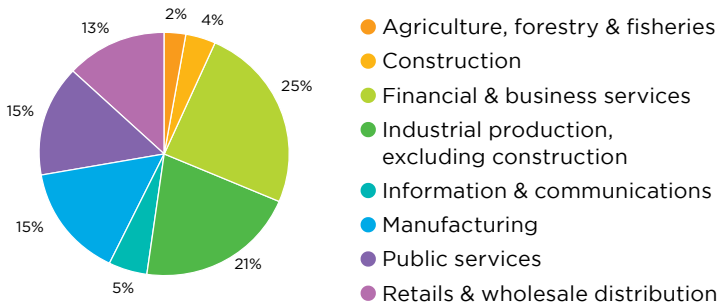
Shipments valued over USD 50 must have a commercial invoice.



Sending mobile phones, cameras and TVs to private individuals and for personal use is prohibited. All mobile phones will be subjected to security controls by the local authorities.

Sector segmentation

Forecast for Africa's economic structure (2021) - Output, value-added, real, % of GDP



Source: Oxford Economics

Sectors to watch:

- Financial & business services
- Retail
- Public services

Opportunities for UK businesses

The Algerian state is putting large sums of money towards diversifying the economy while leaving the doors open to foreign investment in a number of sectors (industry, agriculture, fishing and aquaculture, telecommunications, public works, improvement of the public sector and transport). There are therefore enormous opportunities on offer. Algeria's significant consumer base of 37 million people offers opportunities for UK businesses in consumer goods, high technology, infrastructure and construction services.

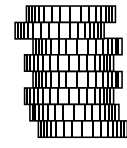


Angola

Capital: Luanda
 Largest city: Luanda
 Administrative divisions: 18 provinces
 Currency: Kwanza (AOA)
 Area: 1,246,700 km²
 Population: (2014) 18,498,000
 Calling code: +244
 Official language: Portuguese

Ease of trading across borders

Importing a standard container of goods into Angola requires



£1816

Source: The World Bank, Trading Across Borders: Doing Business 2014

The economy of Angola grew by around 4.7% between 2010 and 2012. Against a backdrop of strengthened governance, macroeconomic stability and surging commodity prices, Angola is set to take its place on the global financial scene. The oil industry still dominates the economy, accounting for approximately 50% of Angola's GDP and 95% of its exports. Shattered infrastructure resulting from 27 years of conflict is being rapidly restored and will facilitate growth. Despite the challenges, Angola offers huge potential to international investors seeking to enter today's frontier markets.

Economic snapshot (% annual growth rate)

	2013	2014	2015-18
GDP	4.4	4.5	5.8
Export of goods and services	-4.5	-5.0	3.7
Import of goods and services	6.9	4.7	12.5
Inflation	8.8	7.2	6.2
Exchange Rate (Per £)	143.62	140.31	153.62
Population	3.1	3.0	3.1

Source: Oxford Economics

Economic outlook

The Angolan economy rebounded strongly after several years of low growth attributable to the lingering effects of the global financial crisis. Real GDP grew at an estimated rate of 4.4% in 2013 as a result of the strong performance of the energy, transportation and construction sectors. The outlook for 2015 remains positive. This will be driven by a combination of continued expansion in the oil and gas sector and a public expenditure programme designed to encourage economic diversification.

Trade outlook

Petroleum products dominate Angola export trade figures. Diamond production is yet another significant contributor. These two products constitute more than 80% of the total export value. Angola exports products mainly to China, France, the US and the EU. Portugal has been the leading trade import partner of Angola. The country imports food, textile products and consumer goods. Its key import partners are South Africa, US, Brazil, UK, France, China and South Korea. As the Angolan economy is evolving, there is a gradual increase in imports.

SWOT analysis

Strengths

One of the five fastest-growing economies in the world.

Weaknesses

Low level of development.
Corruption.

Opportunities

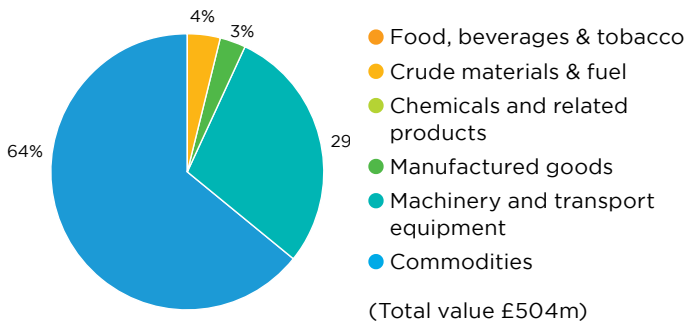
Construction of roads, airports, ports, hospitals, schools and affordable housing top of Government's agenda.

Threats

Heavily dependent on oil revenues.

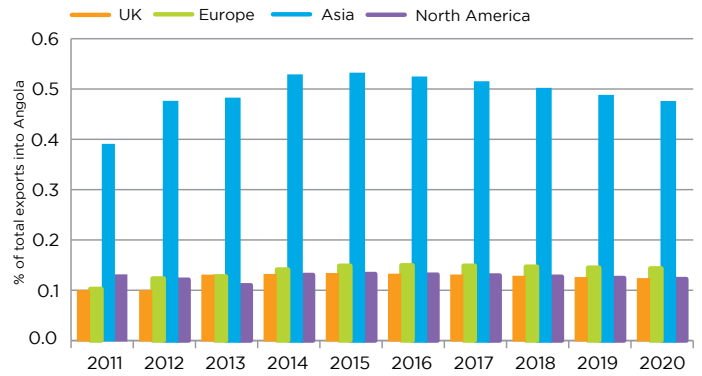
Angola's trade with the UK

UK exports to Angola (2013) - by major product groups



Source: Eurostat

How UK exports to Angola compare



Source: Oxford Economics

DHL Express Customs Top Tips:



Angola



De minimus value (duty free allowance) = USD 370



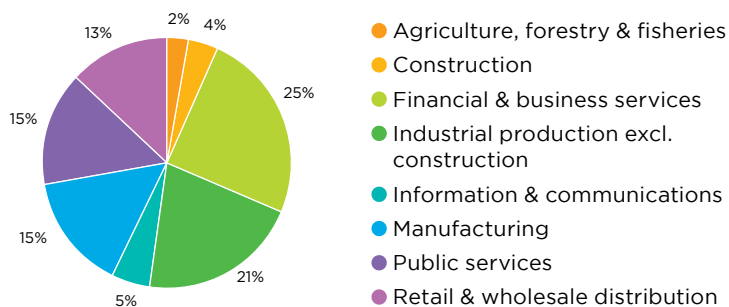
All invoices must be in both English and Portuguese for clearance purposes. Delays may occur for shipments with English invoices only. Original invoices are required by Customs.



All importers into Angola must provide a tax card number before Customs will commence clearance. The recipient name in the shipping paperwork must be identical to the registered name on the tax card.

Sector segmentation

Forecast for Africa's economic structure (2021) - Output, value-added, real, % of GDP



Source: Oxford Economics

Sectors to watch:

- Financial and business services
- Retail
- Manufacturing

Opportunities for UK businesses

Angola is an emerging nation. Lack of infrastructure, lack of capacity and most importantly lack of human resources constitute staggering opportunities for new and existing investors. There are significant opportunities for British companies. Angola presents huge opportunities across the oil and gas, education and training, financial services and agriculture sectors. The Angolan government is keen to diversify the economy and is offering attractive incentives to encourage private investment in the non oil and gas sectors.

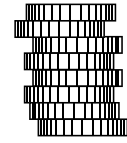


New Zealand

Capital: Wellington
 Largest city: Auckland
 Administrative divisions: 16 regions
 Currency: New Zealand dollar (NZD)
 Area: 268,021 km²
 Population: (2014) 4,509,900
 Calling code: +64
 Official language: English

Ease of trading across borders

Importing a standard container of goods into New Zealand requires



£550

Source: The World Bank, Trading Across Borders: Doing Business 2014

The economy of New Zealand is a market economy that depends greatly on international trade, mainly with Australia, the European Union, the United States, China, South Korea and Japan. The Closer Economic Relations agreement with Australia means that New Zealand's economy is closely aligned with the Australian economy. Exports of goods and services account for around one third of real expenditure GDP. It has sizeable manufacturing and service sectors complementing a highly efficient agricultural sector.

Economic snapshot (% annual growth rate)

	2013	2014	2015-18
GDP	2.4	3.5	2.8
Export of goods and services	0.9	3.0	3.5
Import of goods and services	6.2	6.9	3.4
Inflation	1.1	1.6	2.0
Exchange Rate (Per £)	1.81	1.72	1.94
Population	1.0	1.0	1.0

Source: Oxford Economics

Economic outlook

GDP growth moderated to 0.5% in Q2 2014 following a very strong 1.4% rise in Q1. Activity was led by investment and private consumption, while export volumes fell 2.9% due to lower agricultural exports. The economy is still on track to record growth of 3.5% in 2014, which would be the strongest performance since 2004. However, economic growth is set to moderate in 2015 and beyond as the rebuilding boost from the post-Canterbury earthquakes fades, while less accommodative monetary and fiscal policy will weigh on domestic demand.

Trade outlook

The medium-term prospects for food exports are favourable, given the expected rise in demand from a growing Asian middle class. However, the number of short-term risks has risen. The dairy sector is also facing increased competition from other global suppliers in its key export market - China. While New Zealand is expected to remain the dominant exporter of dairy products, sales of dairy products are forecast to fall over the coming year and this will more than offset the projected recovery in meat exports.

SWOT analysis

Strengths

Strong position as agricultural commodities producer.
 Business-friendly taxation.

Opportunities

Geographic position allows easy access to Pacific Island.

Weaknesses

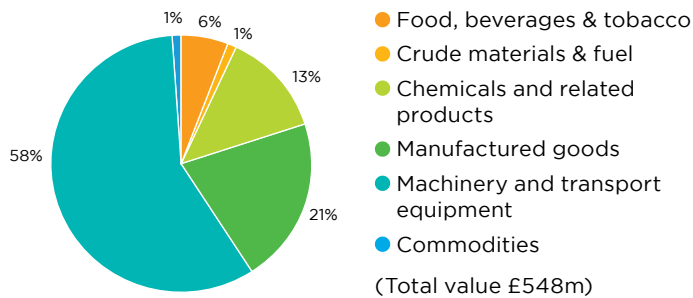
Banking sector is highly concentrated and dependent on foreign funding.

Threats

Likely short-to-medium effects of climate change on New Zealand include more droughts in east of both islands.

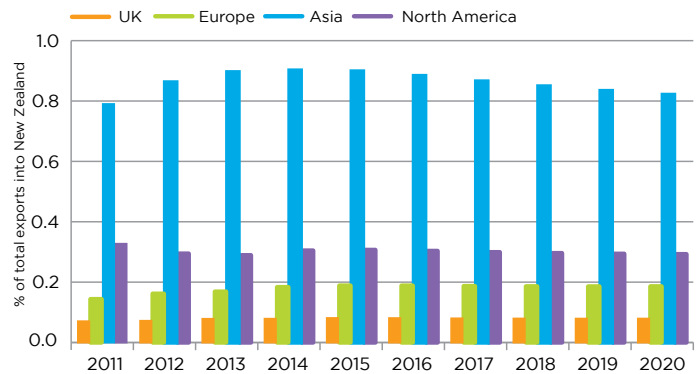
New Zealand's trade with the UK

UK exports to New Zealand (2013) - by major product groups



Source: Eurostat

How UK exports to New Zealand compare



Source: Oxford Economics

DHL Express Customs Top Tips:



New Zealand



De minimus value (duty free allowance) = USD 50



For any shipment that requires a formal entry, the New Zealand Government charges an electronic customs entry fee of USD 7.50. This charge is passed onto the recipient unless the shipment is sent under Incoterm Delivery Duty Paid, in which case the fee will be charged back to the shipper.



Ceramic items for use as crockery and utensils must have a Heavy Metals Certificate, or the New Zealand Ministry of Health will require a sample for testing and the shipment will be delayed by 48 hours or more.

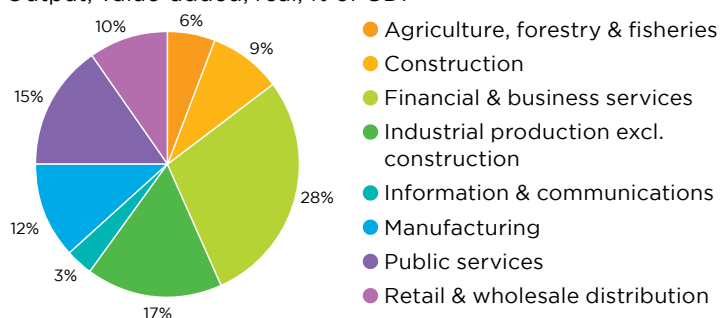


Alcohol is subject to high duty and tax rates, with no de minimus applicable. The % alcohol and volume of liquid is required.

Sector segmentation

Forecast for New Zealand's economic structure (2021) -

Output, value-added, real, % of GDP



Source: Oxford Economics

Sectors to watch:

- Financial and business services
- Public services
- Retail

Opportunities for UK businesses

New Zealand is a modern, prosperous and developed market economy. It welcomes foreign investments and has an excellent reputation as a country in which to do business with. In 2014, New Zealand was voted third out of 183 economies in the world for ease of doing business, (according to the World Bank - Doing Business Report). New Zealand has an educated and sophisticated consumer base, which makes it an ideal test market for niche and high value products and services. If your product or service is successful in the UK, there's a good chance you'll be successful in New Zealand. Particular opportunities for UK businesses exist in the construction, infrastructure, health and education sectors.

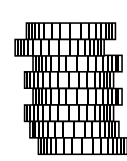


US

Capital: Washington DC
 Largest city: New York
 Administrative divisions: 50 states
 Currency: United States dollar (\$)
 Area: 9,826,675 km²
 Population: (2014) 320,206,000
 Calling code: +1
 Official language: English

Ease of trading across borders

Importing a standard container of goods into the US requires



£857

Source: The World Bank, Trading Across Borders: Doing Business 2014

The US has a mixed economy and has maintained a stable overall GDP growth rate. The sheer size and vast cultural differences across the regions make the US market a fascinating and diverse place for UK exporters. The US economy is characterised by abundant natural resources, a well-developed infrastructure, and high productivity. The US is the largest importer of goods and second largest exporter. Although the US is a major producer of manufactured and agricultural goods, the service sector dominates.

Economic snapshot (% annual growth rate)

	2013	2014	2015-18
GDP	2.2	2.4	2.9
Export of goods and services	3.0	3.3	5.0
Import of goods and services	1.1	3.6	4.7
Inflation	1.5	1.7	1.9
Exchange Rate (Per £)	1.49	1.44	1.50
Population	0.7	0.8	0.8

Source: Oxford Economics

Economic outlook

US economic growth slowed sharply in the fourth quarter as weak business spending and a wider trade deficit offset the fastest pace of consumer spending since 2006. GDP expanded at a 2.6% annual pace after the third quarter's spectacular 5%. The slowdown, which follows two back-to-back quarters of very strong growth, is likely to be short-lived given the enormous tailwind from lower gasoline prices. Even with the moderation in the fourth quarter, growth remained above 2.5%.

Trade outlook

Over the medium term, the volume of US goods exports destined for the economies of Asia and North America are forecast to rise with exports making up 17% of exports to North America and 12% to Asia. Exports to the Middle East and North Africa, although starting from a much lower base, will also witness solid growth. In contrast, many traditional export markets in Europe are set to decline in importance. India will be the fastest-growing market for US exports in the future, with demand increasingly driven by the country's emerging middle class.

SWOT analysis

Strengths

World's largest consumer market.

Weaknesses

Regional differences between the 50 markets/states.

Opportunities

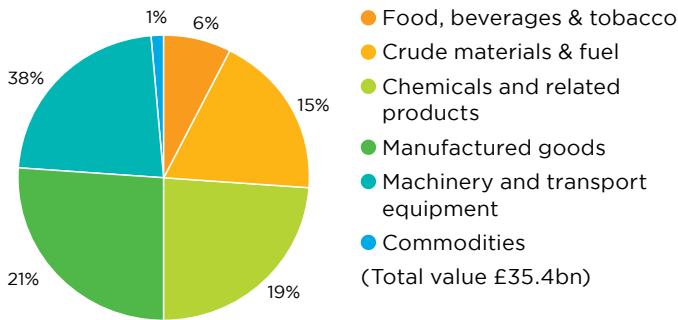
Renewable Energy.

Threats

Strong competition, causing saturation of products or services.

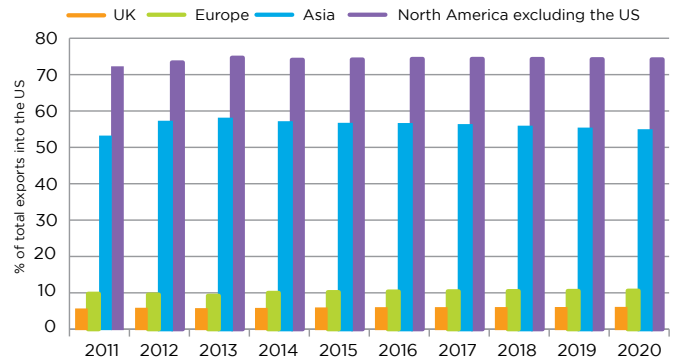
US trade with the UK

UK exports to the US (2013) - by major product groups



Source: Eurostat

How UK exports to the US compare



Source: Oxford Economics

DHL Express Customs Top Tips:



United States



De minimus value (duty free allowance) = USD 200



Goods which are US export licensed and/or with a value exceeding USD 2,500 require formal clearance (goods from Canada are exempt from this limit) and an Electronic Export Information (EEI) must be filed with US Customs. Textiles, foodstuffs and drugs require formal clearance if the value exceeds USD 250.



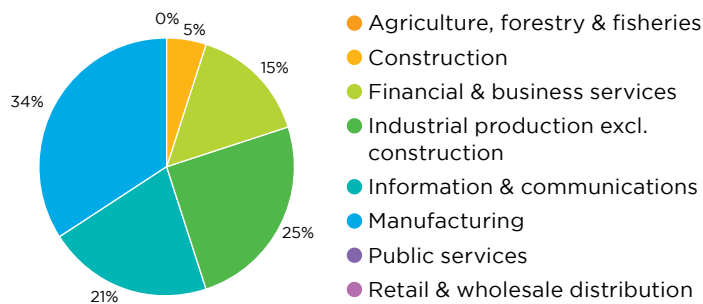
When exporting to a business, US Customs require the business' IRS number. For shipments to private individuals, their social security number must be provided.



Shippers of Foodstuffs are required to register with the FDA and may require US Department of Agriculture, Food & Drug inspection and/or import permit. Meat and meat products are not accepted into the US.

Sector segmentation

Forecast for the US' economic structure (2021) - Output, value-added, real, % of GDP



Source: Oxford Economics

Sectors to watch:

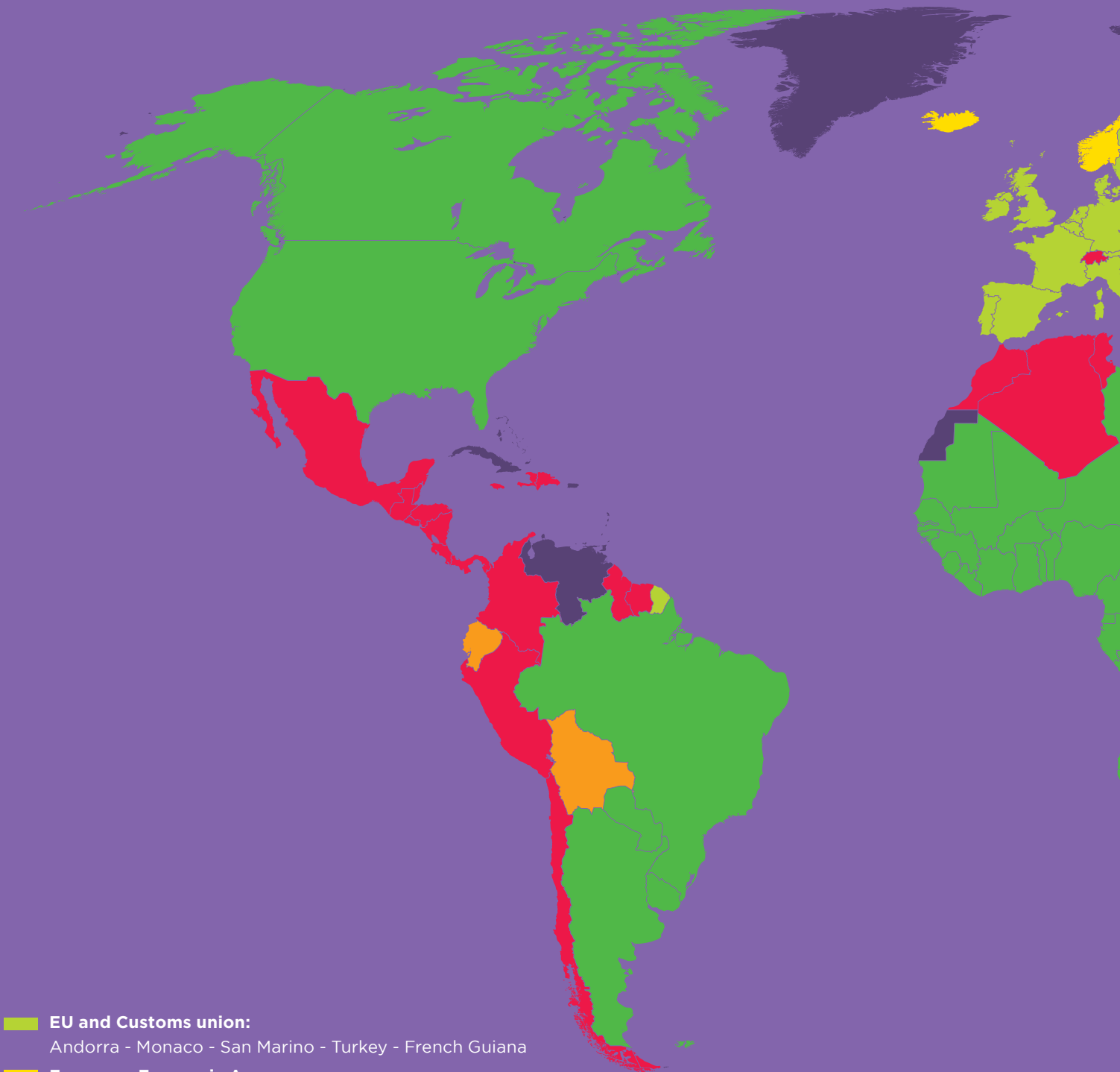
- Information and communications
- Manufacturing
- Retail

Opportunities for UK businesses

The US is the world's largest consumer market. It is an attractive destination for exporters in particular emerging markets. The US economy is integrated and largely self-contained, with every major industry represented US manufacturers often source components overseas and UK goods have traditionally enjoyed a good reputation for quality in the US. Key opportunities for UK businesses lie in: advanced engineering, clean technology, creative and media, energy and power and financial and professional services.

Overview of trade agreements

Source: European Commission



EU and Customs union:

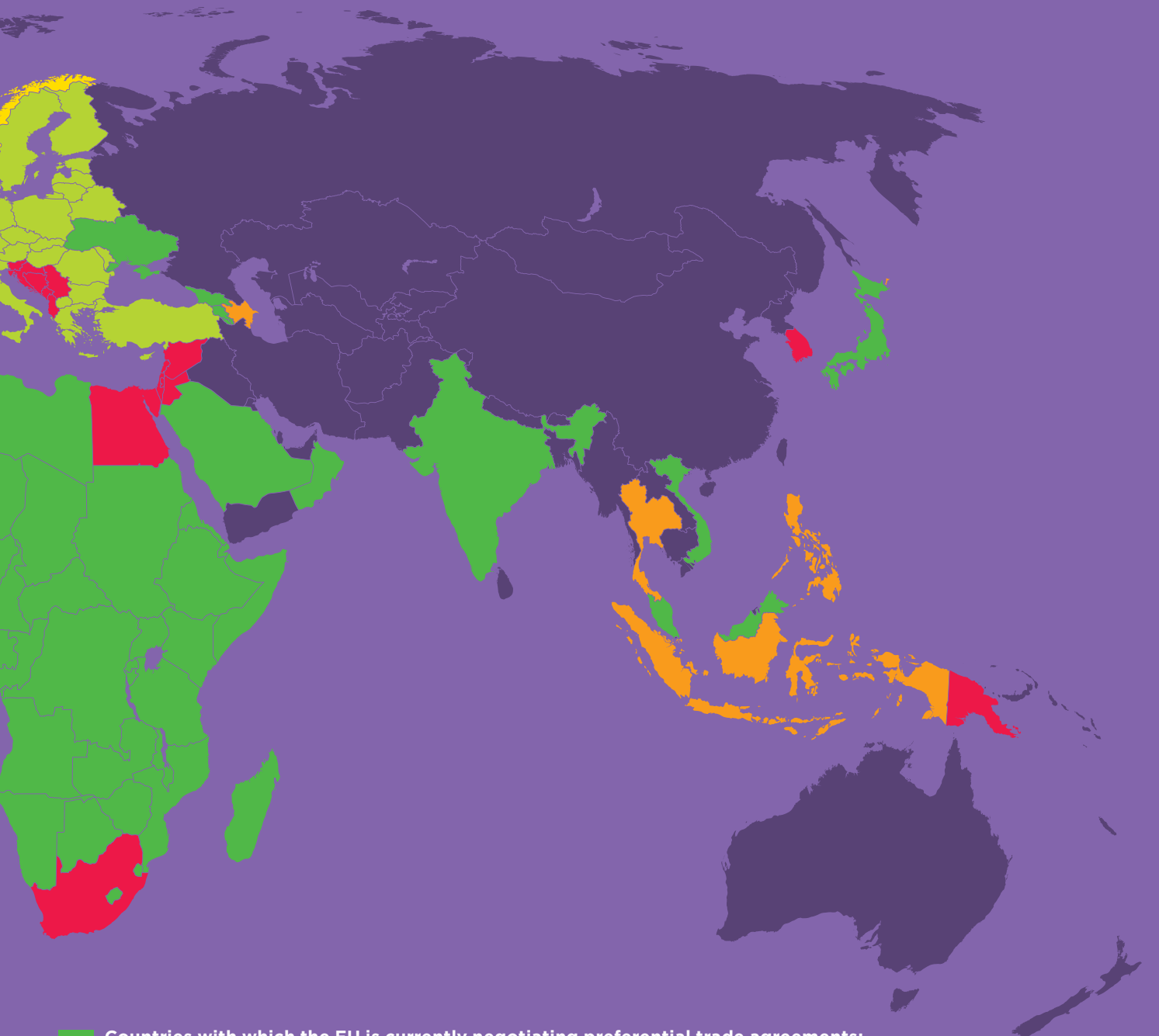
Andorra - Monaco - San Marino - Turkey - French Guiana

European Economic Area:

Norway - Iceland - Liechtenstein

Countries with which the EU has concluded preferential trade agreements:

Mexico - Chile - Colombia - Peru - Costa Rica - El Salvador - Guatemala - Nicaragua - Honduras - Morocco - Algeria - Tunisia - Egypt - Jordan - Israel - Occupied Palestinian Territory - Lebanon - Syria - Macedonia - Albania - Serbia - Montenegro - Bosnia-Herzegovina - Croatia - Switzerland - South Africa - Republic of Korea (South Korea) - Antigua* & Barbuda* - Belize* - Bahamas* - Barbados* - Dominica* - Dominican Republic* - Granada* - Guyana* - Haiti* - Jamaica* - Papua New Guinea* - St Kitts and Nevis* - St Lucia* - St Vincent and the Grenadines* - Seychelles* - Suriname* - Trinidad and Tobago*



Countries with which the EU is currently negotiating preferential trade agreements:

Canada - India - Singapore - Malaysia - Ukraine - Brazil - Argentina - Uruguay - Paraguay - Saudi Arabia - Botswana* - Cameroon* - Côte d'Ivoire* - Kuwait - Qatar - United Arab Emirates - Fiji* - Oman - Bahrain - Libya - Cook Islands* - Kiribati - Lesotho* - Swaziland* - Madagascar* - Mauritius* - Mozambique* - Marshall Islands* - Micronesia* - Nauru* - Samoa* - Solomon Islands* - Timor Leste* - Tonga* - Tuvalu* - Vanuatu* - Angola* - Namibia* - Comoros* - Djibouti* - Eritrea* - Ethiopia* - Malawi* - Sudan* - Zambia* - Burundi* - Kenya* - Rwanda* - Uganda* - Tanzania* - Central African Republic* - Chad* - Congo* - Democratic Republic of Congo* - Equatorial Guinea* - Gabon* - Sao Tome and Principe* - Benin* - Burkina Faso* - Cape Verde* - Gambia* - Ghana* - Guinea* - Guinea-Bissau* - Liberia* - Mali* - Mauritania* - Niger* - Nigeria* - Senegal* - Sierra Leone* - Togo* - Zambia* - Zimbabwe* - Vietnam - Moldova - Armenia - Georgia - United States of America - Japan

Countries with which the EU is considering opening preferential negotiations:

Azerbaijan - Brunei - Indonesia - Philippines - Thailand - Ecuador - Bolivia

*Economic partnership agreements

Case study: 'Our export journey'



Accredited Chambers of Commerce are Britain's export hubs and are the premier source of private sector, business-to-business support for international trade and export. In addition to in-house support, Chambers also partner with government agencies such as UKTI, to ensure companies get the best possible advice and help. And it's working. Amongst Chamber members, 22% were exporting in 2011 - compared to over 35% today.

This section brings together the experiences of businesses who have embarked on their export journey. It gives a snapshot of some of the challenges they faced when trying to expand their business's share of exports or enter new markets.

acs office solutions

acs works in partnership with private and public sector organisations across the UK, delivering best-value solutions through a combination of product supply, value added services, knowledgeable advice and dedicated customer service. With 14 years of sustainable, profitable growth, acs has a long and enviable track record of helping customers save time, money and hassle.



Member of Northamptonshire Chamber of Commerce

Trading internationally

When Northampton-based company acs was approached by a prospective client interested in purchasing some furniture for his office in Kampala, Uganda, the company was nervous in how to proceed. After engaging with the client and receiving a contract, they were unsure of what to do next. Managing Director of acs John contacted Northamptonshire Chamber's International Trade Team to discuss the contract. The Chambers' International Trade Team helped acs by explaining exactly what was required - from the practical logistics of the project, to the legal documentation.

"Without this support and training, it is doubtful that we could have executed the project on time, delivering the client satisfaction which has now led to other opportunities to export for the client in other countries."

The project was carried out and delivered on time and saw 50 workstations - complete with seating and screens - boardroom and reception furniture, a kitchen,

break out room furniture and mobile storage solutions exported, delivered and installed by acs fitters in the client's city centre offices in Kampala, Uganda. By coincidence, through acs' membership of Northamptonshire Chamber John Harley received an invitation to a round table meeting with Lord Green, Minister for Trade and Investment around the same time. During the meeting, Lord Green discussed his aim of boosting the number of SMEs that export and getting those that are considering exporting for the first time to enter new international markets.

Exporting tip

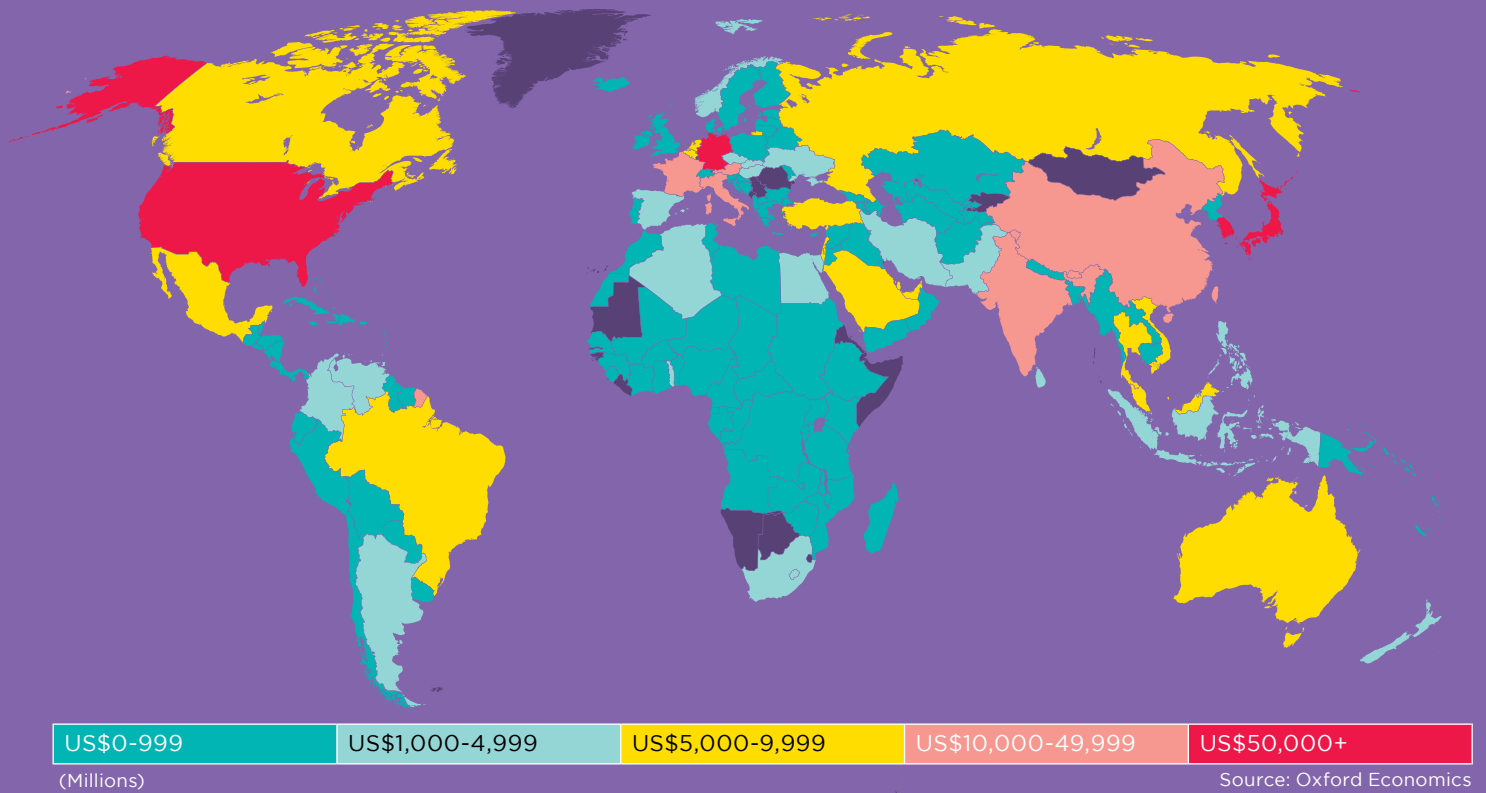
John Harley, Managing Director:

"Businesses should not necessarily be shy of exporting. Initially I had seen the project in Uganda as a one-off, but I now think of exporting differently. We definitely want to export more in the future. At this stage, our activity is supporting client requests rather than aggressively marketing the service. However, we now know how to do it, whereas we had previously avoided doing it!"

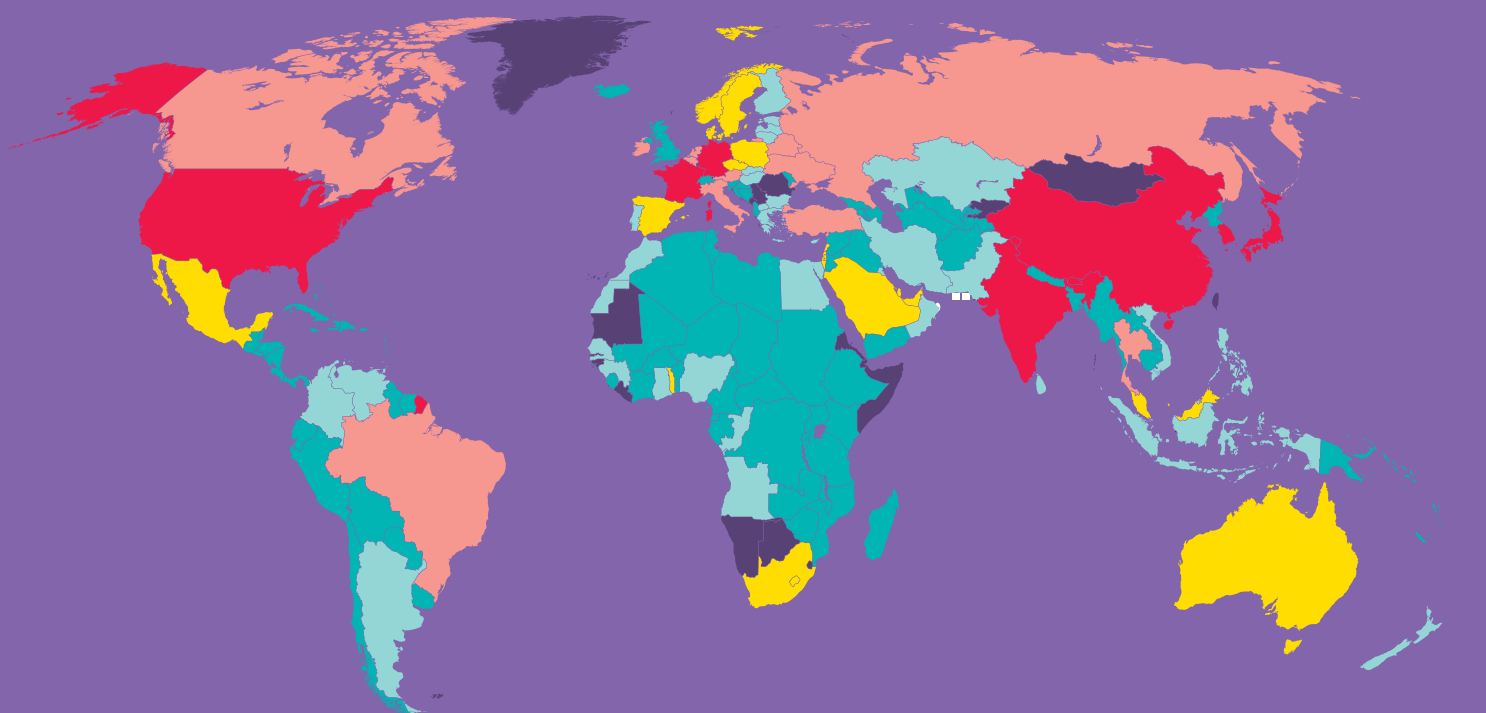
To find out how your local Accredited Chamber can help you on your export journey, visit www.exportbritain.org.uk or join the conversation on Twitter: get #wellconnected and #joinyourchamber.

How UK exports to the world will change in the next 10 years

UK exports in 2012



UK exports in 2021



TCI Methodology

The TCI generates its results from two data sources:

- Questionnaire responses submitted by over 2,000 exporters, derived from the BCC's Quarterly Economic Survey (QES). The QES is the largest and most representative private sector business survey of its kind.
- Data generated from exporting activity that requires supporting documentation.

Quarterly Economic Survey (QES)

Fieldwork for the survey was conducted between 10 November to 3 December 2014.

Results are split into the following firm size categories:

0-9 employees (micro firms)

10-49 employees (small firms)

50-249 employees (medium firms)

50+ employees (large firms)

Unless otherwise stated, results refer to all exporters responding to the survey. Where results are split between the service and manufacturing sectors, this is stated clearly in the text. Results that are not split by firm size are weighted by the contribution of firm size to total exporting turnover.

Results are represented by either a balance figure or a pure percentage figure. Balance figures are determined by subtracting the percentage of companies reporting decreases in a factor from the percentage of companies reporting increases. Where a balance figure is positive it represents growth; where it is negative, it represents contraction.

Export documentation data

Many types of exports require supporting and commercial documentation to ensure the timely delivery of goods and timely payment. Accredited British Chambers of Commerce administer documentation required for exports outside the EU and have amassed a significant dataset around UK goods exports as a result. The TCI uses data collected from this process to show both an index of documentation and regional comparisons of exporting activity.

Oxford Economics

The Quarterly International Trade Outlook also draws upon the modelling expertise of Oxford Economics, who have provided all the economic and trade forecasts presented in this publication.

Oxford Economics was founded in 1981 to provide independent forecasting and analysis tailored to the needs of economists and planners in government and business. It is now one of the world's leading providers of economic analysis, advice and models, with over 300 clients including international organisations, government departments and central banks around the world, and a large number of multinational blue-chip companies across the whole industrial spectrum.





British
Chambers of
Commerce

BRITISH CHAMBERS OF COMMERCE
65 PETTY FRANCE
LONDON SW1H 9EU
UNITED KINGDOM

T +44 (0)20 7654 5800

E bcctradeoutlook@britishchambers.org.uk

www.britishchambers.org.uk