

Summary of Remarks

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- The FedEx Economic forecasts calls for modest growth to continue globally, with CY 2013 World GDP growth at 2.3% (2.0% U.S.) and CY 2014 World GDP growth at 3.0% (2.5% U.S.).
- Global economies are nearing the final phase of a multi-year rebalancing effort, as the private sector continues to rebuild and the housing market is turning around.
- Global conditions continue to stabilize and growth remains positive, as financial conditions are easing and the threat of an imminent Eurozone breakup has receded. However, despite positive news, risks to ongoing improvement remain, with the biggest threat in politics, especially in the U.S. and the Eurozone, which has led to ongoing uncertainty.
- Global trade volume is gaining momentum and should continue to improve over the next few months, as Global FDI flows were down last year and Latin America and some of the smaller emerging economies in Asian remaining highly attractive for global investors.
- We expect real Chinese GDP growth of 8.2% in CY13. A rebound in Q4CY12 has lifted China's economy to a full-year growth of 7.8%.
- Emerging Asia maintains its title as the fastest growing region, especially as China strengthens. Export and import growth was strong in January, an indication of improving domestic and external conditions.
- China needs to prioritize a more efficient logistics system to support sustainable growth. China's logistics costs to GDP ratios stood at 17.8% in 2011, suggesting low logistics efficiency. Government policies of reducing fees and taxes and encouraging consolidation of fragmented logistics sector will help improve efficiency and increase firms' profit margin.
- The FedEx network gives people the means to connect with opportunity and innovation in China and other high growth centers worldwide. Multinationals expect about 70% of the world's growth over the next few years to come from emerging markets, with 40% coming from two countries, China and India.