

ISO Congress 2010, Ningbo, China

Economic review of the member countries. Members' meeting June 5, 11:20 – 12:20.
Please see the attached National Associations' reports from USA, D, DK, F, N and NL.

Furthermore, members present, from the following countries, supplemented as follows:

Ian Stevenson, The Shopfit Group, South Africa:

South Africa with 49 million population and a GDP of 280 billion USD is very dependant of it's manufacturing industry, and a problem is the unemployment rate of 25%.

Production is expected to be leading the increase after the impact of the crisis last year:

Expected growth rates are 2010: 2,9%, 2011: 3,6%, 2012 and on: 5-6% annually.

Inflation rate approx. 1%. Interest rate 6,5%.

There have been many company closures in the wake of the crisis, all want cheaper prices, and all need to minimize their production and operating costs.

Shopfitting:

“There are too many animals in the Game Park!” *)

Leading to drop in prices, poor quality spoils the market, and many quit the “game”.

*) ISO comment: Good luck, Ian & colleagues. We are sure the situation will lead to survival of the fittest!

Dovydas Duoblys, SolidSupply, Lithuania:

(New company name, registered participant company DLS Baltic, furniture factory. New e-mail address: Dovydas@s-s.lt, www.solidsupply.lt)

Lithuania with a 3,3 million Population has been hit badly by the financial crisis. Many retailers are closing or moving. E.g. perfume, cosmetics, electronics, but also food are in bad shape and a difficult business situation. The total domestic decrease in 2009 was hitting 50% or more, but 2010 is much better, and Dovydas personal situation today is about level with, or even above 2008.

ISO comment: The situation shows a model example of how small countries are deeply dependant on neighbors and international business in times of crisis.

Erwan Depays, Agsa-Asia, Hongkong:

Hongkong with 7 million population is a part of China but with a different system, and partly self governed, e.g. EU members do not need Visa to Hongkong. In the wake of the Crisis Hongkong felt a temporary increase in unemployment rates, but only for a very short period. The financial sector which is very important to Hongkong was hit, flowed by expatriates of this sector leaving in considerable numbers, many moving to Singapore. Retail is another very strong sector in Hongkong, there's a deep rooted “shopping culture” which met with some decrease, but nothing major. There are still opening new Malls, many new stores, and many new international brands are entering and expanding. Real estate and home prices went down, but are already up again by now. Conclusion: The Global financial crisis had a short duration and insignificant impact in Hongkong.

ISO Secretariat comment: Hongkong is definitely in these times profiting from the close tie to China. Not only true to the City, but to the business as well, of which Agsa-Asia is a good example.