Focus on

Short-term prospects for the construction sector

July, 29th 2009

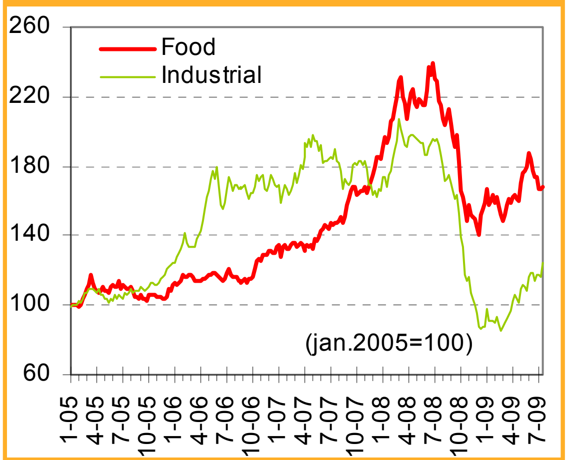
Highlights

- ⇒ The round of downward revisions to forecasts for the global economy has seemingly ended. In its latest Outlook Update the International Monetary Fund projects a fall of over 1% in world GDP growth for 2009, with the US, the euro area, and Japan down by almost 3, 5 and 6%, respectively.
- ⇒ Recession is widespread but some emerging countries in Asia stand out, namely China and India. Their economies are expected to lose only a few percentage points in GDP growth in 2009 relative to 2008 and to return to higher growth as early as in 2010.
- ⇒ Within the industrialised economies there are mounting signs that the recession is bottoming out; however, no convincing signal points so far to a clear-cut reversal of trend.
- ⇒ Against this backdrop, North America seems better positioned than Europe thanks to higher responsiveness in its economic policy, the weaker dollar, and the traditionally stronger resilience of American economic agents. At some point in time, however, - and not that far ahead - the current unprecedented massive policy support to the economies will have to be withdrawn marking a return to more orthodox policies. Only then it will be possible to gauge the sustainability and soundness of the recovery.
- ⇒ Nevertheless, it is increasingly clear that the prospective rebound, contrary to previous cyclical upturns, will display for long a rather subdued pace, so that 3-4 years would be needed, at least in advanced economies, to regain pre-crisis income levels.
- ⇒ The scenario just depicted should be considered still relatively benign, as further adverse shocks are excluded, such as renewed financial stress, a wave of protectionism, or a deflationary spiral. In fact, these events appear at the moment less likely although they cannot be definitely ruled out.
- ⇒ The downward revision in output estimates for construction in 2009 has continued. The resulting overall picture, though with considerable heterogeneity among the Group countries, is thus even more negative than what was projected last April in our R1 revision.
- ⇒ Except in the US, in the Group advanced countries construction figures may continue to be negative also in 2010, albeit far smaller than this year.
- ⇒ The sectoral recession hitting Turkey, Bulgaria, and Thailand is expected to fully unfold in 2009. In the rest of the Group emerging countries most recent forecasts point to even more positive results than in R1.

1. Macroeconomic conditions

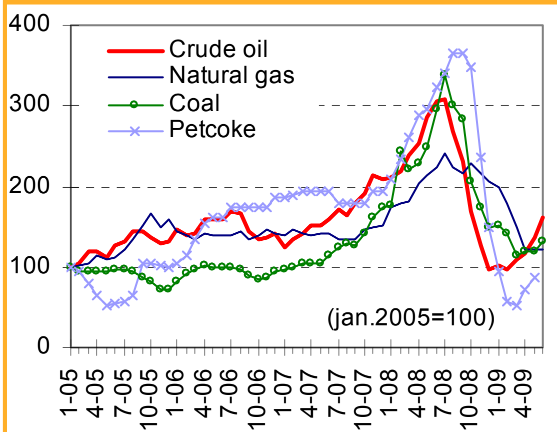
The world economy appears to be stabilising and there are increasing signs that it is at last pulling out of recession although prospects remain still highly uncertain. Starting last spring, commodity prices (graph 1, 2) have been recovering together with stock markets while spreads on riskier assets have markedly narrowed (graphs 3-5). Leading indicators as well as confidence indicators have started recovering across the board (graphs 6, 7). In many countries orders have turned positive while industrial production and exports have shown signs of improvement.

Graph 1 - **Non Energy Price Indices**



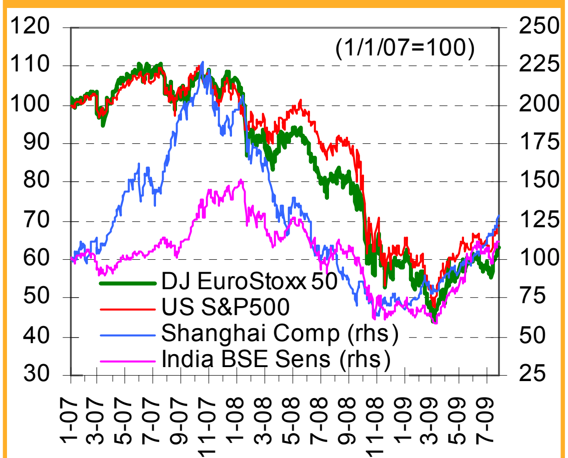
Source: Economist; weekly data

Graph 2 **- Energy Price Indices**



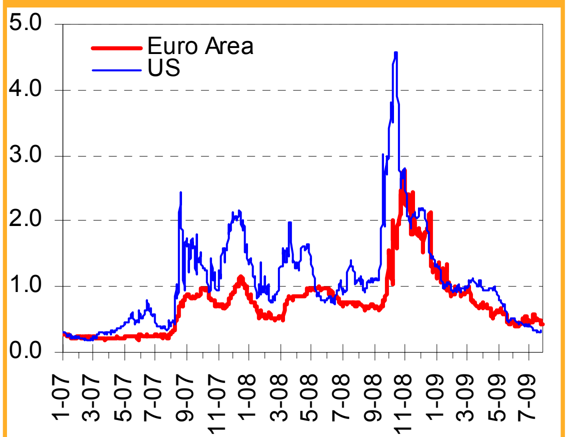
Sources: IMF and PACE Global Energy Services; monthly data

Graph 3 - **Stock Exchange Indices**



Source: Daily Press; daily data

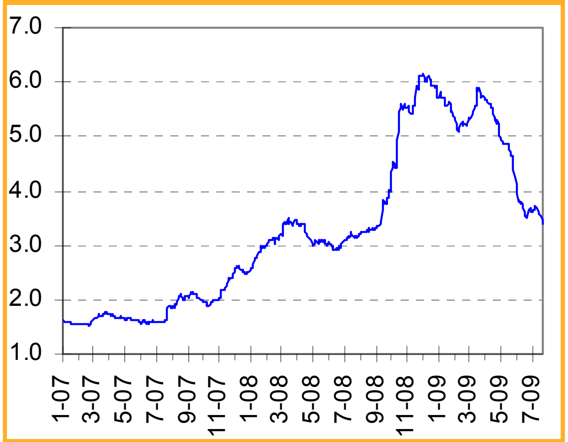
Graph 4 **- 3 Months LIBOR/3 Months T-bills: Spreads** (percentage points)



Sources: FED, ECB; daily data

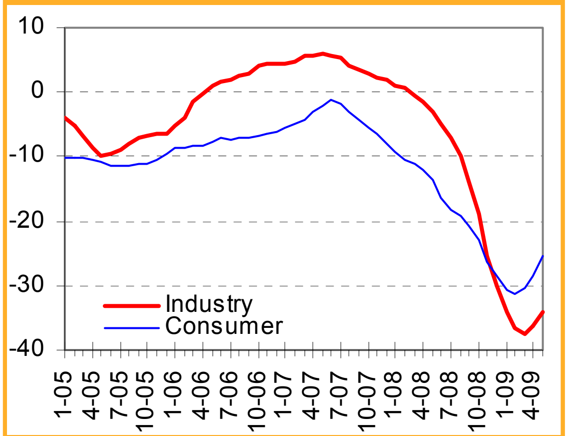
This is mainly the result of an unprecedented combination of supportive economic policy actions: an ultra-loose monetary stance implemented everywhere (graph 8) and generous fiscal stimulus plans in most countries. The concomitant decline in commodity prices, particularly oil, has helped reduce - if not annul - inflation, hence a recovery in the purchasing power of consumer countries. In addition, the inventory cycle is supporting the current juncture. As a matter of fact, an overshooting in the destocking process has likely occurred over the past quarters when firms have reduced inventory levels well above their needs, on the back of tight liquidity and grim demand expectations, and a more adequate stock level is now required.

Graph 5 - **Moody's baa Rated Bonds/ 10-Year US T-Bonds Spread**



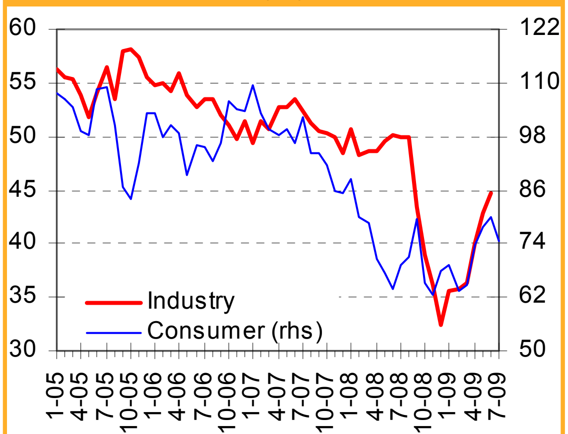
Source: FED; daily data

Graph 6 **- Euro Area: Confidence Indicators** (% balance, sa, 3m ma)



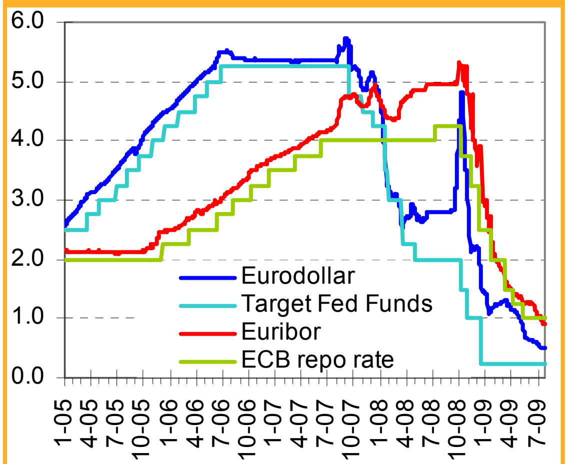
Source: European Commission; monthly data

Graph 7 **- US: Confidence Indicators** (sa)



Source: OECD; monthly data

Graph 8 - **Short-Term Interest Rates** (3m)



Source: Daily Press; daily data

Economic prospects for the whole year remain very negative despite the above timid signs of improvement. In the July Update (table 1) of the International Monetary Fund's (IMF) World Economic Outlook world GDP is projected to decline by 1.4% this year with the deepest falls, within the advanced economies, in Germany, Japan, and Italy while the contraction in the US and Canada should be less wide. The emerging area as a whole should remain in positive territory particularly thanks to Asia's contribution - namely China and India - and also Middle Eastern countries should continue to exhibit positive growth rates (2%) despite plunging oil revenues. Projected yoy growth rates for the fourth quarter in both 2009 and 2010 are generally higher than the respective yearly average meaning a gradual acceleration in growth starting from Q3 09. In addition, Consensus forecasts have stopped deteriorating in the past few months (graph 9) for some Group countries (US, China, India, Thailand, and Morocco) although for the euro area they are still heading downwards. In some cases (the euro area, and, within it, Germany, Italy, and Spain) statistical carry-over effects will determine slightly negative GDP growth rates also in 2010.

Table 1 - **Global GDP Projections** (% change in real terms)

	Year average				Q4 over Q4	
	2007	2008	2009	2010	2009	2010
World GDP	**5.1**	**3.1**	**-1.4**	**2.5**	**0.0**	**2.9**
Advanced economies	2.7	0.8	-3.8	0.6	-2.2	1.3
US	2.0	1.1	-2.6	0.8	-1.4	1.7
Japan	2.3	-0.7	-6.0	1.7	-1.8	0.9
United Kingdom	2.6	0.7	-4.2	0.2	-2.5	0.5
Euro area	2.7	0.8	-4.8	-0.3	-3.8	0.6
Germany	2.5	1.3	-6.2	-0.6	-4.6	0.0
France	2.3	0.3	-3.0	0.4	-1.9	1.3
Italy	1.6	-1.0	-5.1	-0.1	-3.3	0.4
Spain	3.7	1.2	-4.0	-0.8	-4.1	0.3
Emerging economies	8.3	6.0	1.5	4.7	3.3	5.1
Developing Asia	10.6	7.6	5.5	7.0	--	--
China	13.0	9.0	7.5	8.5	8.4	8.6
India	9.4	7.3	5.4	6.5	5.8	6.7

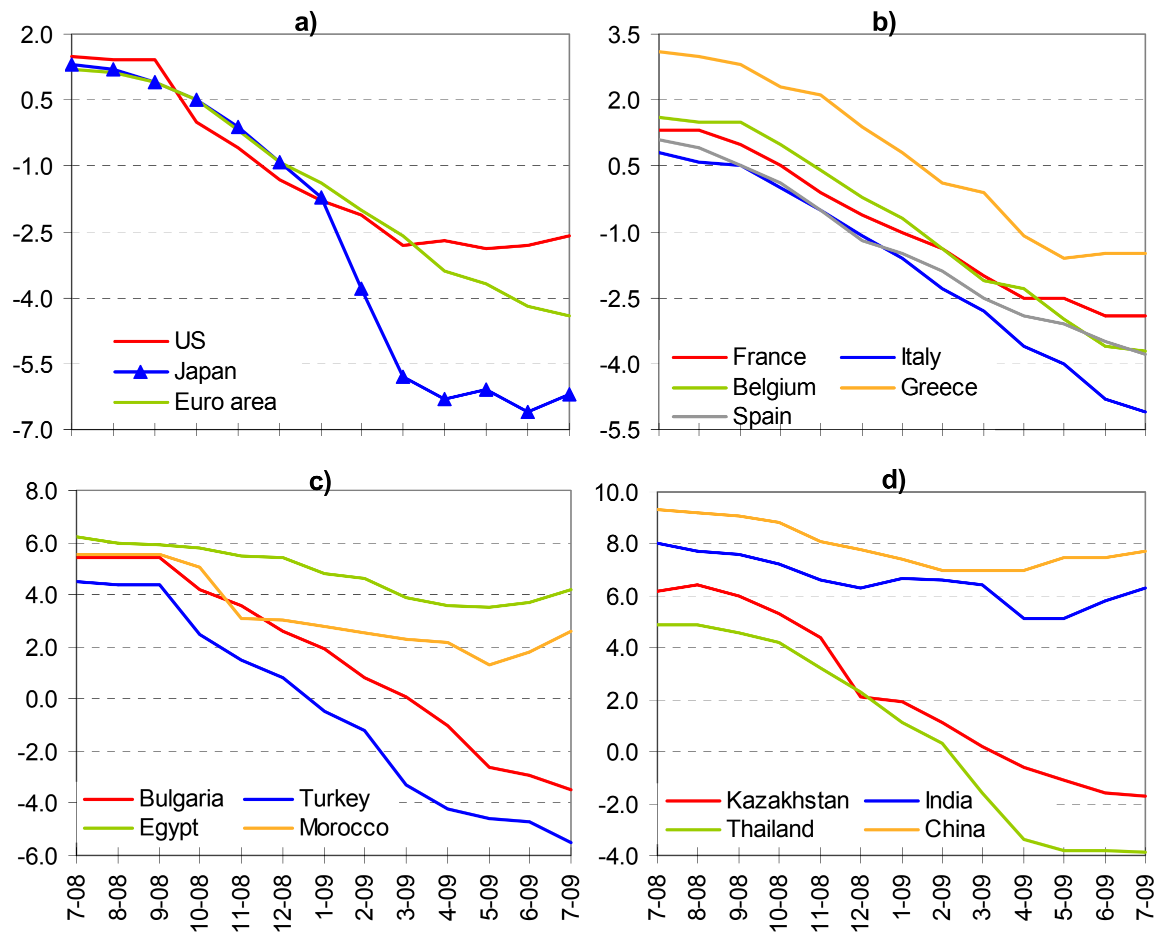
Source: IMF, World Economic Outlook Update, July 2009

National accounts data for Q2 09 will be released in August/September but higher frequency indicators in the advanced area show that GDP results will most likely be still negative, although sensibly less so than in Q1 09. As for the perspective recovery, three key issues are at stake concerning its strength, timing and geographical diffusion.

As for the first issue, it is widely recognised that unlike previous post-war recessions this time the recovery will be sluggish. Two main reasons support this hypothesis. Firstly, no major country is at sight which could substitute the US as the world economic engine. Some emerging countries, primarily China, are set to stimulate domestic demand, but the size of the adjustment needed to make up for the waning US demand is too wide (domestic consumption in China should grow by about 4% to offset a 1% fall in US consumption). Secondly, the rise in unemployment has not yet unfolded fully so far (except perhaps in the US) which will weigh down on consumption in the coming quarters in the industrialised economies.

As for the timing of the recovery, relevant doubts arise. Unprecedented expansionary policy actions, both monetary and fiscal, coupled with the rescue of the financial system have so far supported the economic systems yielding early green shoots of recovery. However, the issue of a proper "exit strategy" will soon have to be addressed, that is of how and when to make for an orderly unwinding of exceptional levels of public intervention. Risks in this regard are particularly serious as a too early return to a more orthodox policy stance could endanger a fledgling recovery and send many economies back into recession - a so-called double dip or W-shaped kind of recession - as the withdrawal of public support would occur before the private sector had revived sustainably. On the other hand, an excessive delay in re-establishing policy rigour could have serious negative consequences as markets could incorporate the view that monetary looseness has returned or that the public sector has structurally expanded. This alternative would thus likely fuel inflationary expectations, higher long term interest rates and exchange rate instability.

Graph 9 - **2009 GDP Growth Forecasts in the past 12 months**

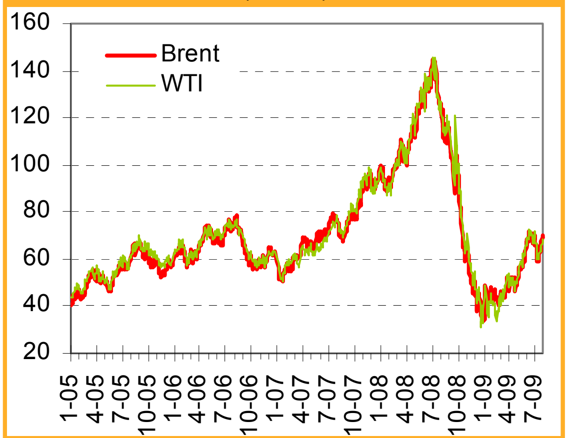


Sources: EIU, Global Insight, Consensus Forecasts, various months

Lastly, the geographical distribution of the recovery is going to be fairly uneven. As mentioned above, within the advanced economies Germany, Japan, and Italy have been the most heavily hit countries due to their relatively ampler industrial basis and to the related strong dependence on manufacturing exports (in this respect, note that world trade was falling at rates of around 30% in the first months of this year). In principle, a rebound in global trade should symmetrically benefit more these countries than others although to different extent depending on their relative markets and product mix. In fact, the mechanics of the recovery will not be symmetric as the recession itself - and particularly a long one - triggers rapid and far-reaching changes in any industrial structure. In addition, new specialisations are set to emerge together with a modified mix of comparative advantages (concerning the exchange rate, labour costs, fiscal aspects, etc.).

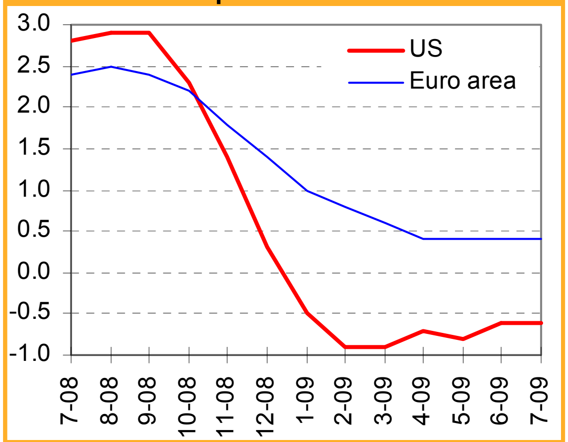
The uncertainty and instability of short-term prospects is also apparent looking at inflation expectations. Following a widespread rally last spring, markets have become more volatile in recent months. In particular, oil and food prices have weakened again somewhat (graphs 1, 10). In the industrial countries inflation is currently close to or even under zero and the consensus forecast view for 2009 has remained stable in the past few months within a range of 0.5% for the euro area and -0.5% for the US (graph 11).

Graph 10 - **Oil Prices**
(US$/b)



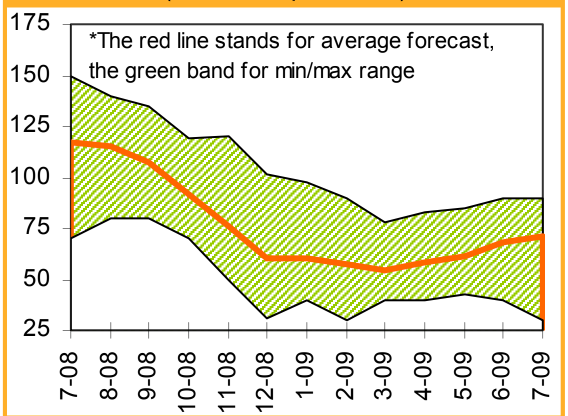
Source: EIA; daily data

Graph 11 - **Consumer Prices Forecasts in the past 12 months**



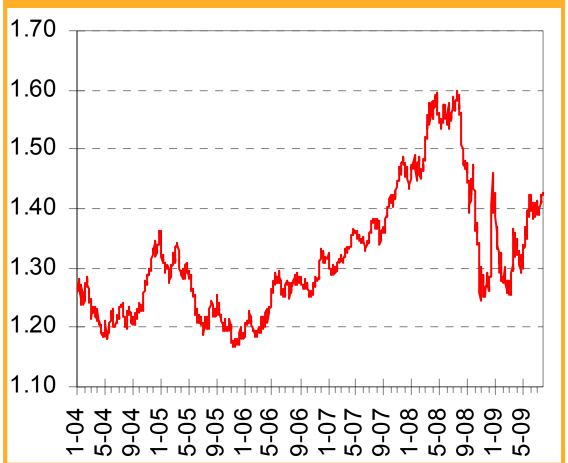
Source: Consensus Forecasts; various months

Graph 12 - **Oil Prices: 12-month Forecasts***
(WTI, US$ per barrel)



Source: Consensus Forecasts; various months
Forecasts by 70 international institutions

Graph 13- **US$/€ Exchange Rate**



Source: Daily Press; daily data

This notwithstanding, a deflation scenario is unlikely at present given that: a) core inflation (i.e. excluding food and energy) is currently above 1.5% (as a matter of fact, inflation forecasts for next year are close to this figure in both North America and the euro area); b) current 12-month oil price projections hover around 70$/bl albeit within a very ample range (graph 12); c) wage dynamics will remain positive also in 2010 in the advanced economies although decelerating sharply. All this will unfold in the context of a gradual recovery in industrial capacity utilisation.

In any case, the main cause for concern continues to focus on the state of the financial sector notwithstanding the undisputed progress towards stabilisation (no more major bankruptcy has erupted, despite recurring rumours on critical conditions in some financial institutions, and recent quarterly results have been far better than expected) and the return of liquidity conditions and spreads over short-term assets close to pre-crisis levels. On the other hand, last spring stock markets' rally has seemingly come to a halt (but in China); over the past few weeks long term interest rates have again somewhat declined while spreads between US 10-year T-bonds and corporate bonds have stopped narrowing (graph 5); the US$ has weakened considerably vis-à-vis the euro since March and has kept hovering around 1.40 since end-May (graph 13). Such signals are not unambiguous but once read all together demonstrate a "wait and see" attitude prevailing in economic agents' behaviour which is likely to last up until September/October. Only then it will be possible to better gauge the effect of the crisis on the labour market and thus the underlying trend of the overall economy.

To sum up, over the past months some green shoots of recovery for the global economy have been sprouting which have bolstered the view that the worst of the crisis may be behind. At the same time, however, extreme uncertainty remains as for the driving forces, the timing, the extent, and the geographical diffusion of the expected rebound. In any case, it is widely believed that once it occurs the recovery will be much more moderate than in past cyclical upturns.

2. Construction outlook in the Group's countries

2.1 North America

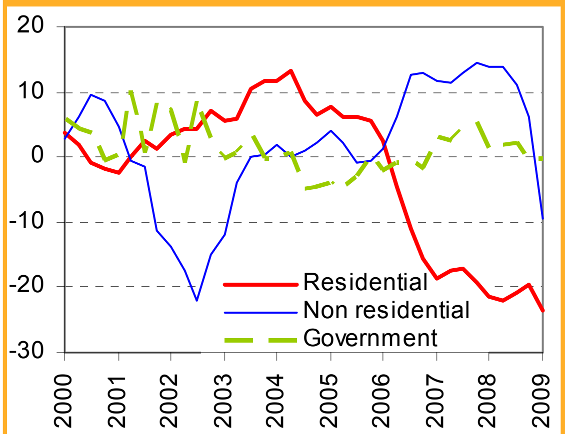
Residential investment accelerated sharply its rate of decline in Q1 09 while the consensus view continued to deteriorate (table 2, graph 14). However, signs are emerging which point to a stabilisation: sales of new and existing homes as well as housing starts (graph 15) and building permits have stopped falling in the past few months and are also slightly rebounding. The pace of contraction in prices is slowing as excess supply of dwelling is gradually being cleared also thanks to the government policy intervention to support domestic demand and to the significant improvement in housing affordability. However, a fully fledged recovery of the housing sector will not likely materialise before H1 10. The long expected sharp turnaround in non-residential construction eventually took place in Q1 09 and is set to deepen in the coming quarters due to the economic crisis and tight credit conditions for firms. Also public works face a negative outlook as they will benefit from the infrastructure stimulus plan only to a limited extent given the strained fiscal balances of most states.

Table 2 - **US Residential Investments: Forecasts 2009-10***
(Housing units and real private residential investment, % change)

CONSENSUS	**2009**		**2010**	
	Housing starts	Residential Investment	Housing starts	Residential Investment
June-July	**-41.6**	**-23.0**	**33.7**	**5.3**
March-April	-43.2	-20.9	41.5	7.4
January-February	-29.9	-17.3	36.0	14.3
November-December	-9.7	-9.0		
September-October	-8.9	-7.7		

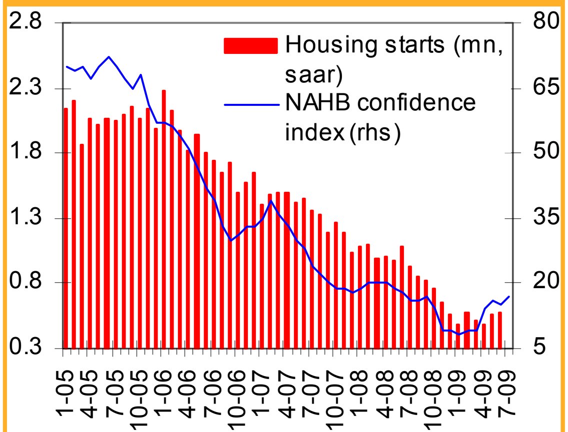
* The two indicators may differ for the following reasons: time lags between the two series; the number vs the value of homes; the inclusion of maintenance outlays in the residential investment figure

Graph 14 - **US: Real Investment Construction by Type** (yoy % ch)



Source: BEA; quarterly data

Graph 15 - **US: Housing Starts and Confidence Index** (sa)

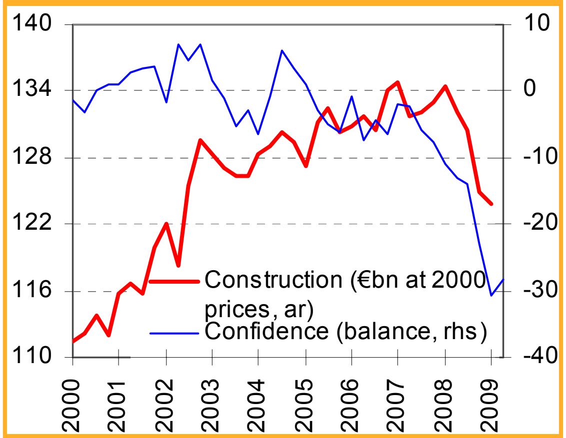


Sources: U.S. Census, NAHB; monthly data

2.2 European Union

ITALY. The fall in construction investment in Q1 09 has been less sharp than expected (graph 16). Nevertheless, the overall 2009 outlook remains particularly gloomy (table 3; note that following the release of national accounts data for Q1 pessimism among forecasters has somewhat moderated). Recession is impacting negatively on employment levels and the wage bill so that prospects of a future deterioration in disposable income are inducing households to increase their precautionary savings and reduce housing demand. Two main measures for sustaining residential investment have been recently discussed by the government. One has just been passed and promotes the construction of 100,000 social housing units over the next 5 years; €350mn have been earmarked (out of a total of €700mn), although works have not yet started.

Graph 16 - **Italy: Confidence Index and Construction Investment** (sa)



Sources: EU and ISTAT; quarterly data

Table 3 - **Italy GDP and Construction Investment: 2009-2010* Forecasts**
(% change in real terms)

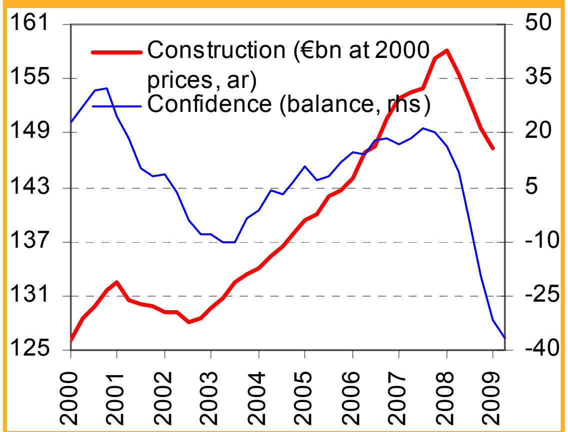
	GDP**		Construction**	
	2009	2010	2009	2010
EU (May)	-4.4 (-2.0)	0.1 (0.3)	-8.2 (-3.4)	-1.3 (-1.0)
ASI (May)	-- --	-- --	-10.1 (-3.0)	-1.2 (-1.0)
Ance (Jun)	-- --	-- --	-10.9 (-6.8)	-- --
OECD (Jun)	-5.5 (-4.3)	0.4 (-0.4)	-7.0 (-9.9)	1.7 (-0.8)
Euroconstruct (Jun)	-4.2 (-0.2)	0.3 (1.5)	-7.5 (-5.0)	1.1 (-1.9)
CSC (Jun)	-4.9 (-1.3)	0.7 (0.7)	-9.1 (-2.2)	(0.6)
Banca d'Italia (Jul)	-5.2 (-2.0)	0.0 (0.5)	-- --	-- --
IMF (Jul)	-5.1 (-4.4)	-0.1 (-0.4)	-- --	-- --
Prometeia (Jul)	-5.3 (-4.2)	0.1 (0.0)	-6.5 (-10.1)	-1.5 (-1.2)
ISAE (Jul)	-5.3 (-2.6)	0.2 (0.4)	-6.5 (-2.5)	-0.6 (-0.6)
Ref (Jul)	-5.2 (-4.0)	0.4 (-0.5)	-6.5 (-10.1)	-4.0 (-4.0)
Dpef - Government (Jul)	-5.2 (-4.2)	0.5 (0.3)	-6.6 (-7.8)	-0.3 (-0.4)
Consensus	**-5.0 (-2.9)**	**0.3 (0.2)**	**-7.9 (-6.1)**	**-0.7 (-1.2)**

* Month of forecast publication in brackets;
** Previous forecast by same institution in brackets

A second housing plan is still to be fully designed which should ease administrative constraints to renovate or re-build (under certain conditions) existing homes. In fact, there is high normative uncertainty so that the overall impact of this measure is likely to be fairly limited, at least in the current year. Non-residential activity is being hard hit by the recession together with tight credit conditions. As for public works, the government recently designed a three-year infrastructure plan (2009-11) aimed at implementing 44 major projects marked as priority ones and worth €28bn, of which more than €18bn should be privately co-financed. Other small scale works, which can be implemented quickly, have been financed (following the example of Spain and France) while other funds will be destined to the post-earthquake reconstruction in L'Aquila. However, at least in the very short run, the public work component should not be able to provide a major boost to the construction sector.

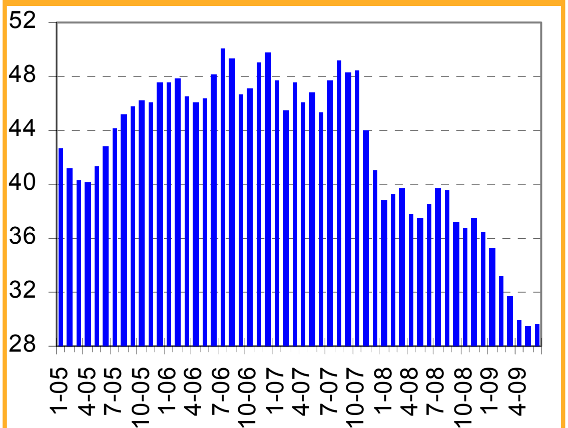
FRANCE. Data referring to Q1 09 confirmed the downturn in construction activity. Leading indicators (graph 17, 18) suggest that the residential component should continue to fall. However, the crisis in the housing market should be less intense than in other euro countries thanks to some supporting factors, such as the *Scellier* scheme which favours investment in new homes, the doubling of the zero mortgage rate incentive, and social housing programmes. Also the non-residential sector is weakening together with the public works component. This latter, however, is set to benefit relatively soon from those fiscal stimulus measures aimed at promoting energy and transport infrastructures.

Graph 17 - **France: Confidence Index and Construction Investment** (sa)



Source: EU and OECD; quarterly data

Graph 18 - **France: Residential Permits Issued** ('000)



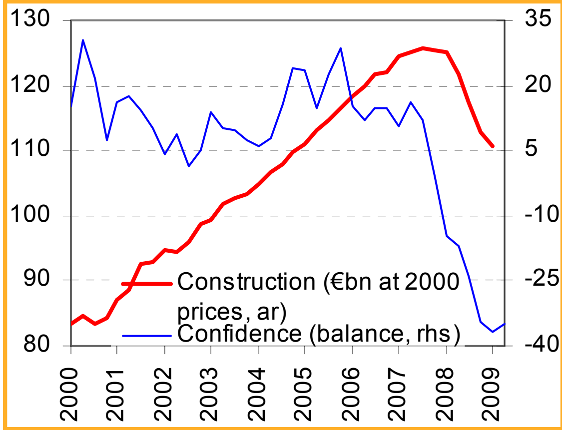
Source: MEDAD/SESP; monthly data

SPAIN. The downward adjustment in construction activity continues with unabated strength. Following average growth rates of 6% between 2000 and 2007, the sector is now forecasted to contract by over 15% p.a. in 2009-10 (on top of the 4.8% decline of 2008). Housing demand is being dented by the extremely high level of households' indebtedness and by the sharp rise in unemployment. According to the main leading indicators no turnaround is at sight yet (graphs 19, 20). The housing bubble burst is also impacting on non-residential investment while public works benefit from government intervention, particularly at local level. So far almost €5bn have been allocated (out of a total of €8bn) to works which can be quickly kicked off (and in part have already started) and which concern primarily environmental protection, public buildings' renovation (particularly schools), removal of architectural barriers, and upgrading of sport facilities. All these projects have an undoubted anti-cyclical effect on the construction sector and its workforce[1] although with a more limited impact on the cement industry as

[1] According to the Government sources over 390,000 jobs have been created up until July.

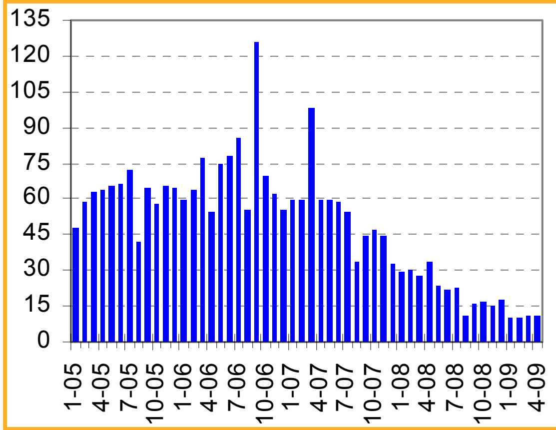
compared to bigger infrastructure programmes. Note, however, that the temporary nature of these measures coupled with a steep deterioration in fiscal balances, which in turn could put the refinancing of the Strategic Infrastructure and Transport Plan at risk, may result in a decline of public construction spending in 2010.

Graph 19 - **Spain: Confidence Index and Construction Investment** (sa)



Source: EU and OECD; quarterly data

Graph 20 - **Spain: Residential Permits Issued** ('000)



Source: INE; monthly data

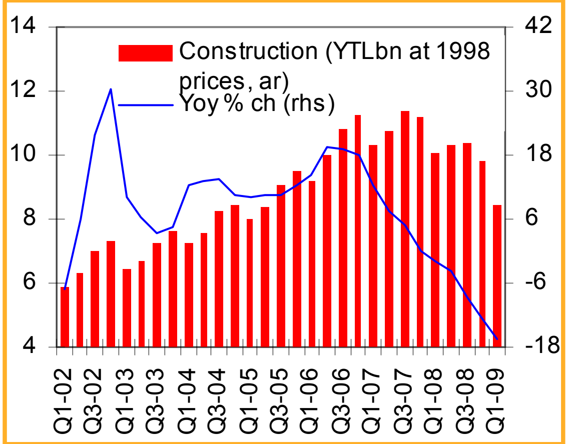
GREECE. Prospects for construction remain negative this year. Activity is contracting severely due to tight credit conditions and the marked deceleration in overall economic activity. The strict constraints on public finances do not allow the government to loosen the purse-strings so that new (anti-cyclical) public infrastructure projects cannot be put forward.

BULGARIA. All the most recent indicators signal the intensification of the construction downturn. Gross fixed capital formation (a good proxy for construction investment) fell by 14.1% yoy in Q1 09 while confidence remains downward oriented reflecting difficulties in the financial market and faltering demand. As a matter of fact, foreign direct investment inflows were down by 85% last April relative to the peak in December 08 and house prices declined by more than 12% qoq in Q1 09. In addition, the public works component is set to contract given the dramatic worsening in fiscal balances coupled with a reduction in funds from the European Union, the latter induced as "retaliation" by the inability of Bulgarian authorities to restrain corruption domestically.

2.2 Emerging countries

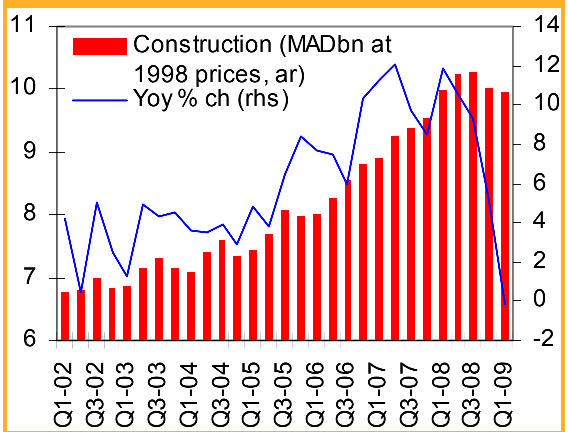
TURKEY. Construction investment plunged by 16.6% yoy (graph 21) in Q1 09 mostly driven by a dramatic fall in the private component (-28.8% yoy). This is in turn being hit by the sharp weakening in overall economic activity, by increasing pessimism among investors and households, and by the drying up of foreign capital. The monetary authority has aggressively cut interest rates over the past months bringing the reference rate down to 8.5% last June. Negotiations with the IMF are still ongoing with the main obstacle remaining the fiscal discipline issue. Recently, the government announced a stimulus plan worth US$39bn for the most part targeted at measures to sustain investment and employment. The plan has

Graph 21 - **Turkey: Construction Investment**



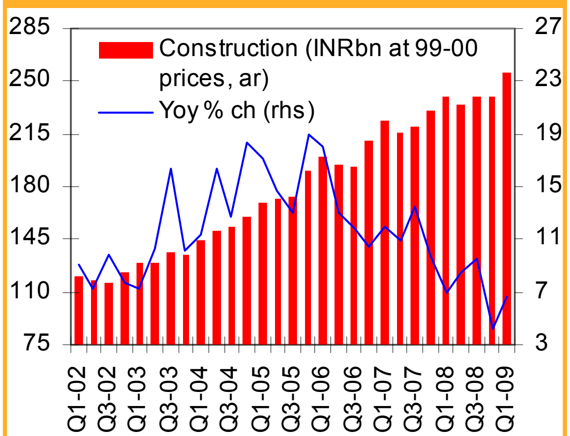
Source: Central Bank of Turkey; quarterly data

Graph 22 - **Morocco: Real Construction Value Added** (sa)



Source: Haut-Commissariat au Plan; quarterly

Graph 23 - **India: Real Construction Value Added** (sa)



Source: OECD; quarterly data

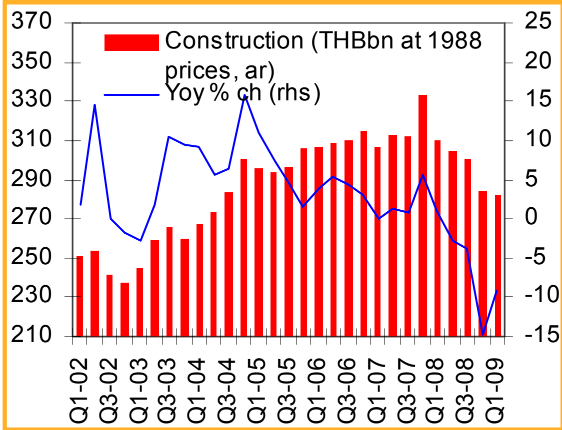
been however met with no particular enthusiasm among financial markets operators. Against this backdrop, prospects for gross fixed capital formation are very depressed and the consensus forecast has fallen in a few months from positive figures to a dismal -16% for this year.

EGYPT. Despite declining foreign demand, falling Suez Canal and tourism receipts, dwindling migrant remittances, and tighter credit conditions, the Egyptian economy has remained relatively resilient. GDP grew by 4.3% yoy in Q1 09 (even slightly higher than the previous quarter 4.1%). The key driver was in fact construction activity which was up 16.1% yoy thanks to intense public sector intervention. The short-term outlook continues to be favourable primarily because of the aforementioned government support package. The stimulus plan was launched by end-2008 and is worth about US$2.7bn of which more than US$2bn are allocated for additional spending on infrastructure.

MOROCCO. Value added in the construction sector marginally declined in Q1 09 (-0.2 yoy, graph 22) signalling a sharp deceleration in activity from the 2007-08 highs. The main culprits were weakening domestic demand and the decline in foreign direct investment inflows, particularly in the tourism sector. Construction is expected to remain fragile in the short-term although the government commitment to press ahead with its infrastructure and social housing programmes (75,000 new homes in the next three years) will support activity and help avoid a clear-cut contraction.

INDIA. Construction activity surprised on the upside in Q1 09 accelerating to 6.7% yoy (up from 4.2% in Q4 08, graph 23). However, for 2009 as a whole a short-lived deceleration is expected as signs are emerging which point to a rebound next year. The building industry should benefit on the one hand from the strengthening boom in low-cost housing (McKinsey has estimated that the housing requirement for lower income households in the main Indian cities is of 25mn units). On the other hand, also measures taken by policymakers should help. The central bank has repeatedly intervened to inject liquidity in the credit system and to loosen its policy stance. The government has launched a number of stimulus plans of which the last one is incorporated in the budget law for 2009-10 and includes a significant increase in public spending (+36% relative to the previous fiscal year) and heightened focus on infrastructure.

Graph 24 - **Thailand: Construction Investment** (sa)



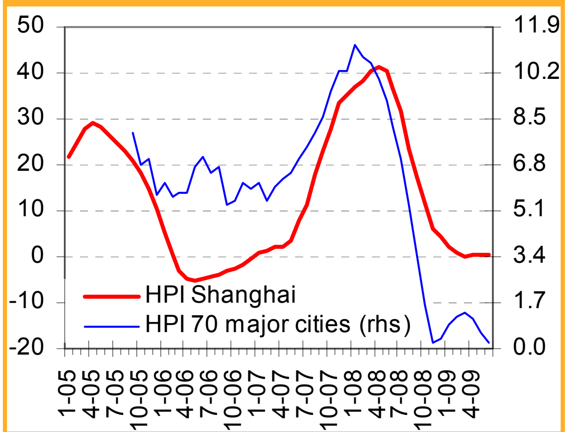
Source: Bank of Thailand; quarterly data

THAILAND. Low confidence levels, tight credit conditions, falling foreign capital inflows, and political turbulence are at the roots of the continuing deep crisis in the construction sector. Investment in construction fell by 9.1% in Q1 09 (graph 24) and prospects for the whole 2009 depend primarily on the effectiveness of the fiscal stimulus plans adopted so far. A first package was launched in January worth US$3.4bn, but as it has been deemed insufficient to boost domestic demand a second and more ambitious plan has been recently announced. This is a three-year programme amounting to about US$40bn focused on a range of infrastructure projects; in particular, 40% of the total amount is earmarked for transport infrastructure. The actual implementation of the plan is however somewhat at risk because of a not yet fully stabilised political scene and, most importantly, given the increasingly biting fiscal constraints.

CHINA. The construction sector is showing signs of recovery (graphs 25, 26). Construction investment was up strongly in the first five months this year (+43% in January-May yoy in nominal terms), as well as home sales in the major Chinese towns (+25% yoy in May in terms of square meters) while also banks are lending much more easily. The larger liquidity flowing into the system is also helping finance massive public infrastructure projects included in the fiscal stimulus plan - which was launched by end-2008 and worth 14% of China's GDP. All the above elements support a relatively optimistic view for construction spending this year and the next one.

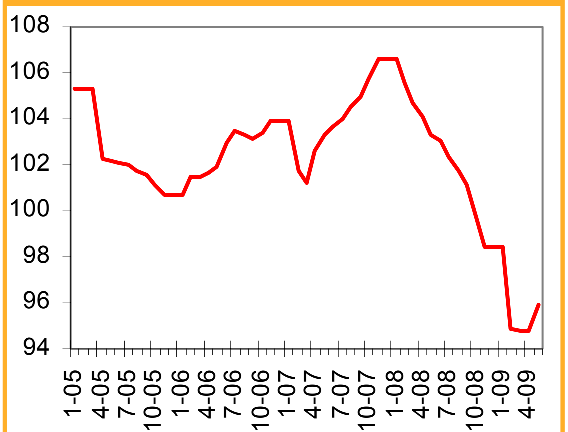
KAZAKHSTAN. In Q1 09, for the first time in twelve years, gross fixed capital formation contracted (-4.9% yoy). Construction is particularly hard hit by the credit crunch. The central bank is trying hard to loosen liquidity conditions in the system while the government has intervened adopting a stabilisation plan worth US$25bn of which about US$5bn earmarked for the construction sector. Despite the aggressive policy support the outlook remains bleak for the coming months.

Graph 25 - **China: Housing Price Index** (yoy % ch)



Sources: Ehomeday, Chinese press; monthly data

Graph 26 - **China: Real Estate Climate Index**



Source: National Institute of Statistics; monthly

Table 3 - **ITC Group Countries: Construction Investment Forecasts**
(% change in real terms)

	Actual	**ITC SESO**	**EU**		**OECD**		**Euro construct**[2]		**Other sources**	
		(Apr '09)	*(May '09)*		*(Jun '09)*		*(Jun '09)*			
	2008	**2009**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**
Canada	0.7	-6.0	--	--	-12.9	-0.9 (3)	--	--	-10.4	-0.2 (4,5)
US	-6.0	-10.0	-7.6	1.5	-19.6	-1.5 (3)	--	--	-21.1	0.0 (4,6)
France	-0.7	-6.0	-2.6	-2.0	-8.5	-1.3 (3)	-5.5	0.6	-6.8	-0.9 (1,7)
Belgium	3.1	-4.0	-3.0	-2.3	-5.2	-4.8 (1)	-2.2	-2.2	-2.0	0.8 (3,8)
Spain	-4.8	-12.0	-12.8	-8.9	-13.5	-4.6 (1)	-18.7	-6.1	-15.0	-15.5 (9)
Italy	-1.8	-8.0	-8.2	-1.3	-7.0	1.7	-7.5	1.1	-6.5	-1.5 (10)
Greece	-14.6	-4.0	-3.9	0.1	-8.4	-2.6 (1)	--	--	-10.8	2.8 (1,11)
Turkey	-6.8	-10.0	-8.1	1.7	-18.3	8.6 (1)	--	--	-16.0	4.0 (1,12)
Bulgaria (1)	20.4	-8.0	-12.7	-2.0	--	--	--	--	-9.5	-0.5 (12)
Morocco (2)	8.7	4.0	--	--	--	--	--	--	6.0	4.2 (1,13)
Thailand	-5.3	-10.0	--	--	--	--	--	--	-10.3	4.6 (1,12)
India (2)	7.2	4.0	--	--	--	--	--	--	7.6	10.5 (1,12,fy)
China (1)	12.2	7.0	--	--	--	--	--	--	11.3	12.2 (14)
Egypt (2)	11.9	4.0	--	--	--	--	--	--	7.5	7.0 (1,13,fy)
Kazakhstan (1)	4.6	-3.0	--	--	--	--	--	--	1.0	3.0 (13)

(1) Gross fixed capital formation, "fy": fiscal year data beginning April 1st for India, ending June 30th for Egypt; (2) Value added; (3) Households residential investment ; (4) Private construction investment; (5) Toronto Dominion, June 2009; (6) Economy.com, July 2009; (7) Crédit Agricole, July 2009; (8) IRES-Université de Louvain, July 2009; (9) BNP Paribas, July 2009; (10) Prometeia, July 2009; (11) National Bank of Greece, June 2009; (12) Consensus Forecasts, July 2009; (13) EIU, July 2009; (14) Global Insight, June 2009