Goldman Sachs

Global Economy and BRICs

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July 2009

GDP Forecasts

% yoy	2007	2008	2009		2010	
			GS	Consensus*	GS	Consensus*
USA	2.0	1.1	-2.5	-2.6	1.3	2.1
Japan	2.3	-0.7	-5.8	-6.2	1.1	1.4
Euroland	2.7	0.6	-4.4	-4.4	0.7	0.4
UK	2.6	0.7	-4.0	-4.0	1.5	0.8
Europe	2.9	0.8	-4.1	-4.3	0.9	0.3
China	13.0	9.0	8.3	7.7	10.9	8.7
India	9.0	6.4	5.8	6.3	6.6	7.2
BRICs	10.4	7.5	4.5	4.6	7.8	6.7
Advanced Economies	2.7	0.8	-3.5	-3.6	1.3	1.5
World	5.0	2.9	-1.2	-1.1	3.5	3.1

* Consensus Economics July 2009

Domestic Demand Forecasts (%)

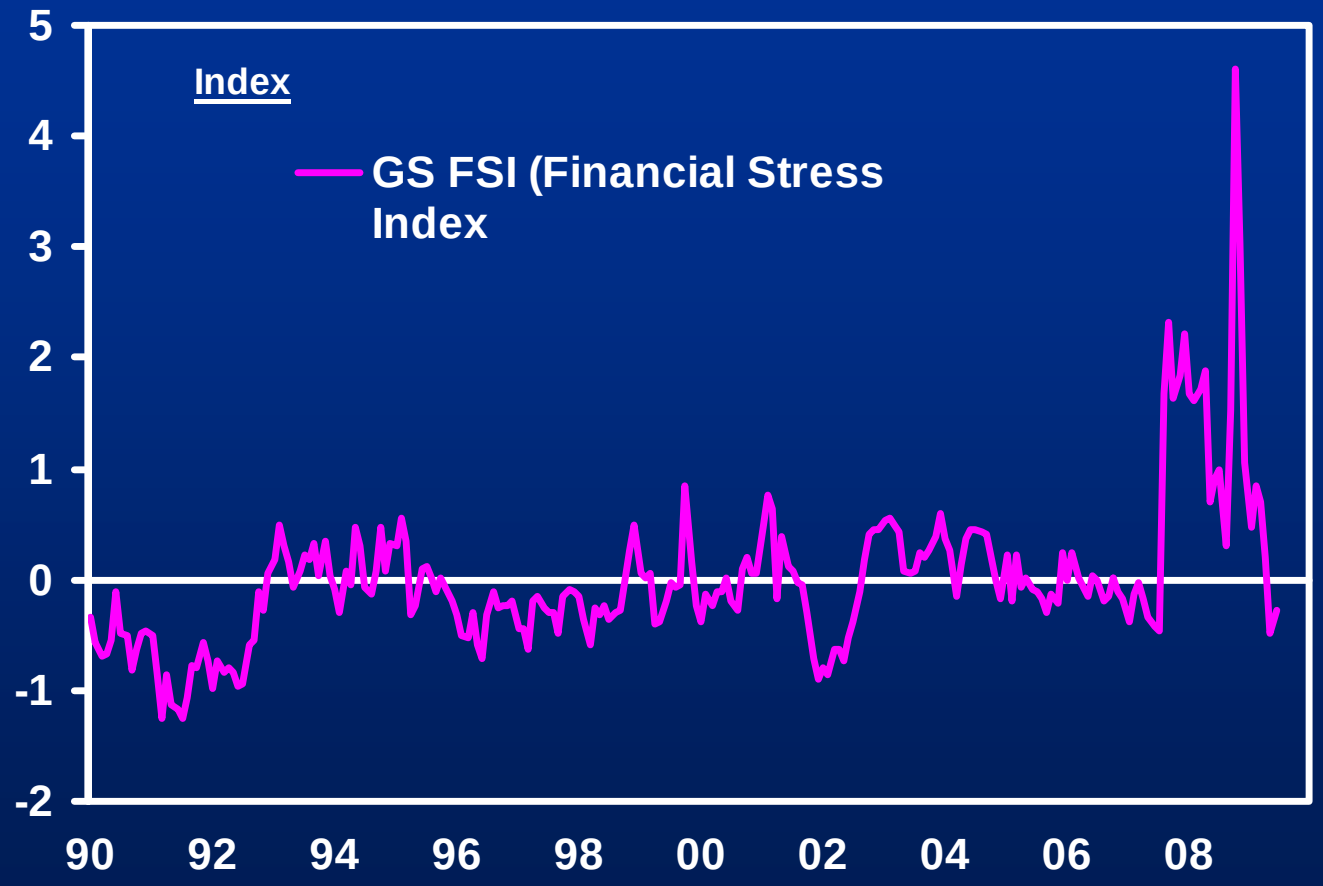
% yoy	2007	2008	2009(f)	2010(f)
US	1.4	-0.3	-3.5	1.0
Japan	1.3	-0.9	-3.1	0.5
Euroland	2.4	0.6	-2.9	0.7
UK	3.0	0.5	-4.8	0.7
China	10.6	8.9	9.8	12.6
India	9.9	8.0	6.1	6.9
BRICs	10.0	8.6	5.5	8.6
Advanced Economies	2.3	0.4	-3.2	1.0
World	4.7	2.9	-0.7	3.6

Inflation Forecasts

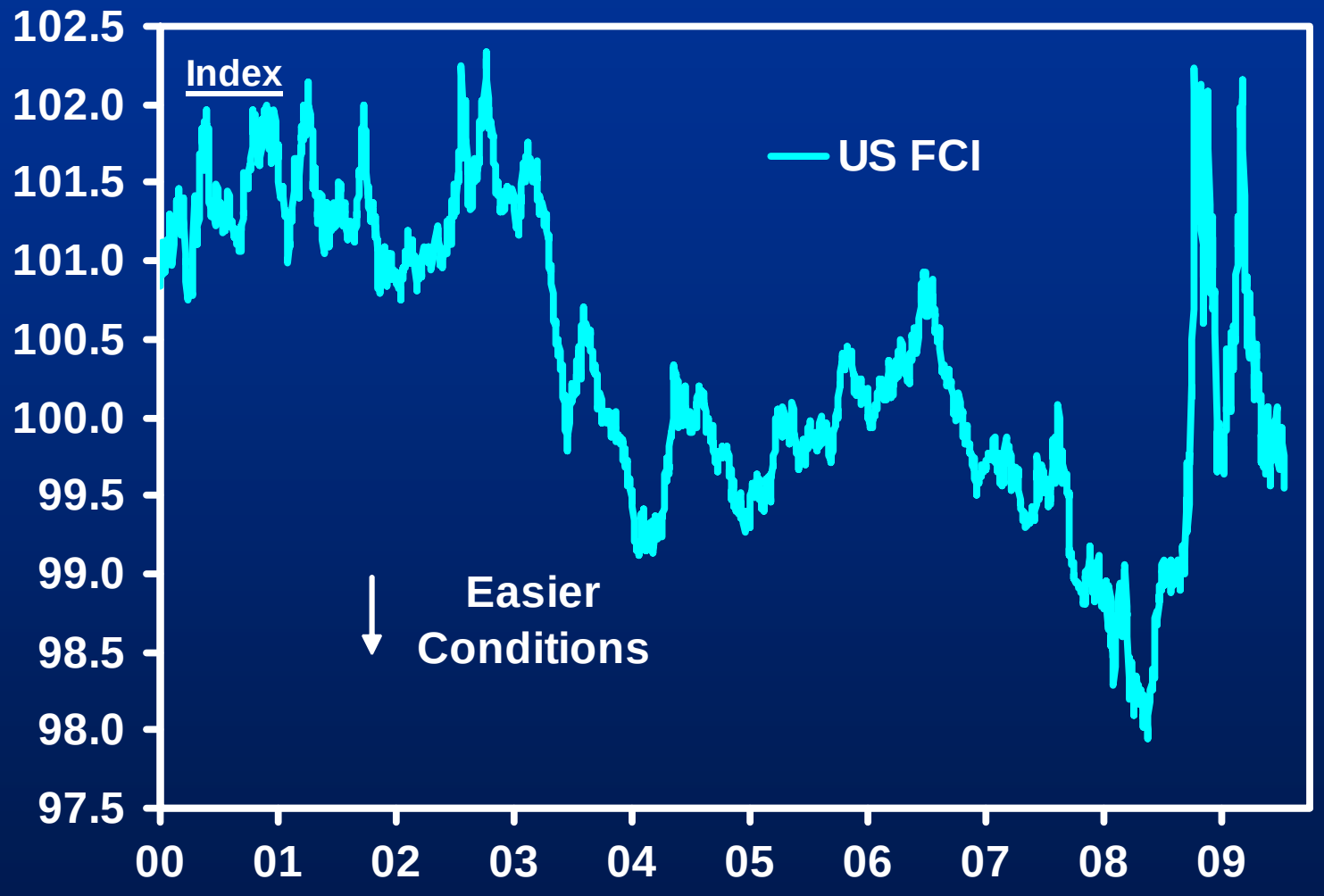
% yoy	2007	2008	2009		2010	
			GS	Consensus*	GS	Consensus*
USA	2.9	3.8	-0.7	-0.6	0.4	1.8
Japan	0.1	1.4	-1.5	-1.2	-1.2	-0.6
Euroland	2.1	3.3	0.3	0.4	1.1	1.2
UK	2.3	3.6	2.0	1.8	1.9	1.8
Europe	2.2	3.5	0.8	0.8	1.4	1.3
China	4.8	5.9	-0.3	-0.3	1.5	1.7
India	4.6	8.3	1.5	2.0	5.0	5.5
BRICs	5.6	7.8	2.3	2.3	3.7	3.9
Advanced Economies	2.2	3.4	0.0	0.1	0.8	1.4
World	3.6	5.5	1.5	1.5	2.2	2.7

* Consensus Economics July 2009.

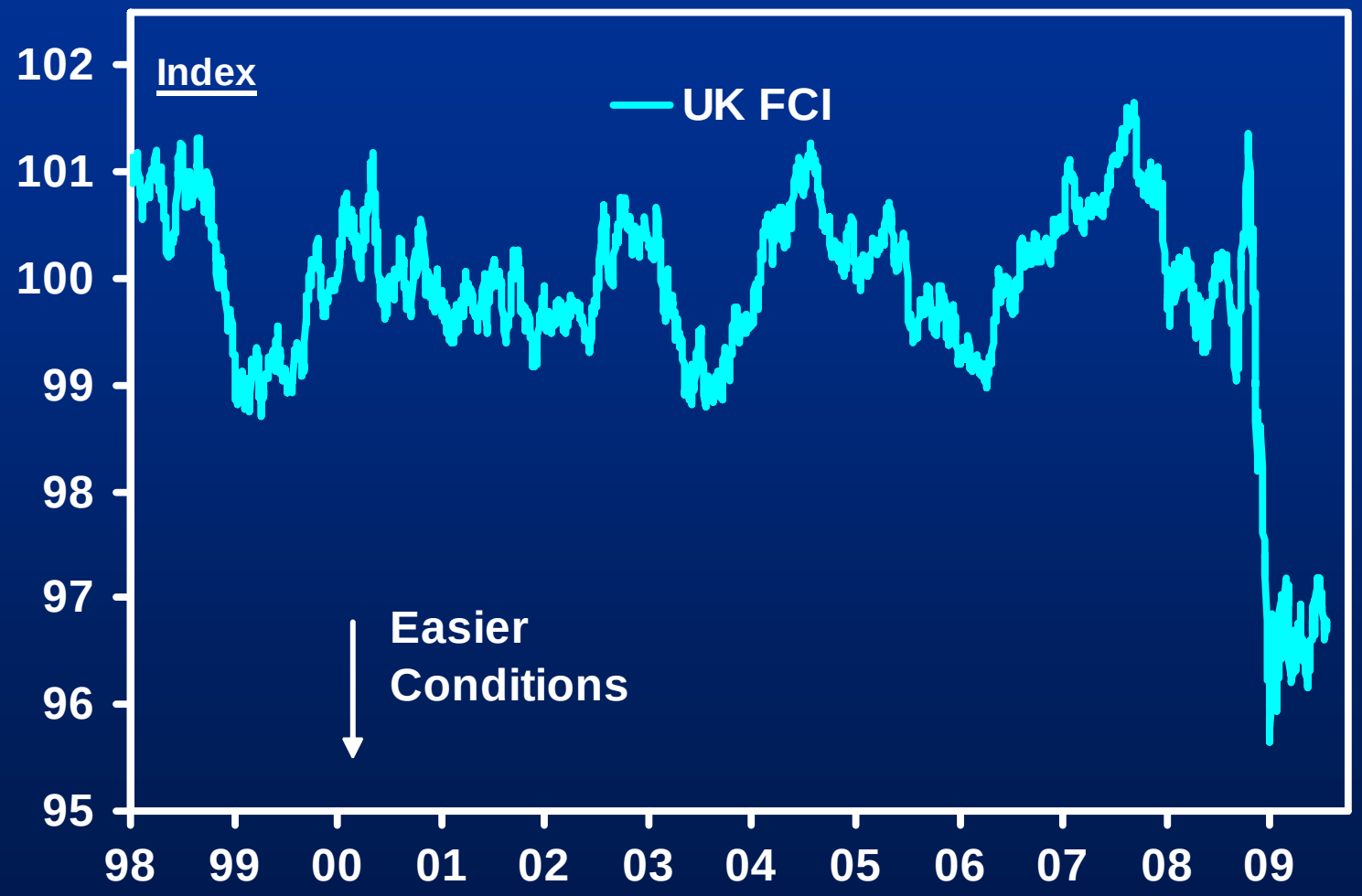
‘Crisis’ Indicator



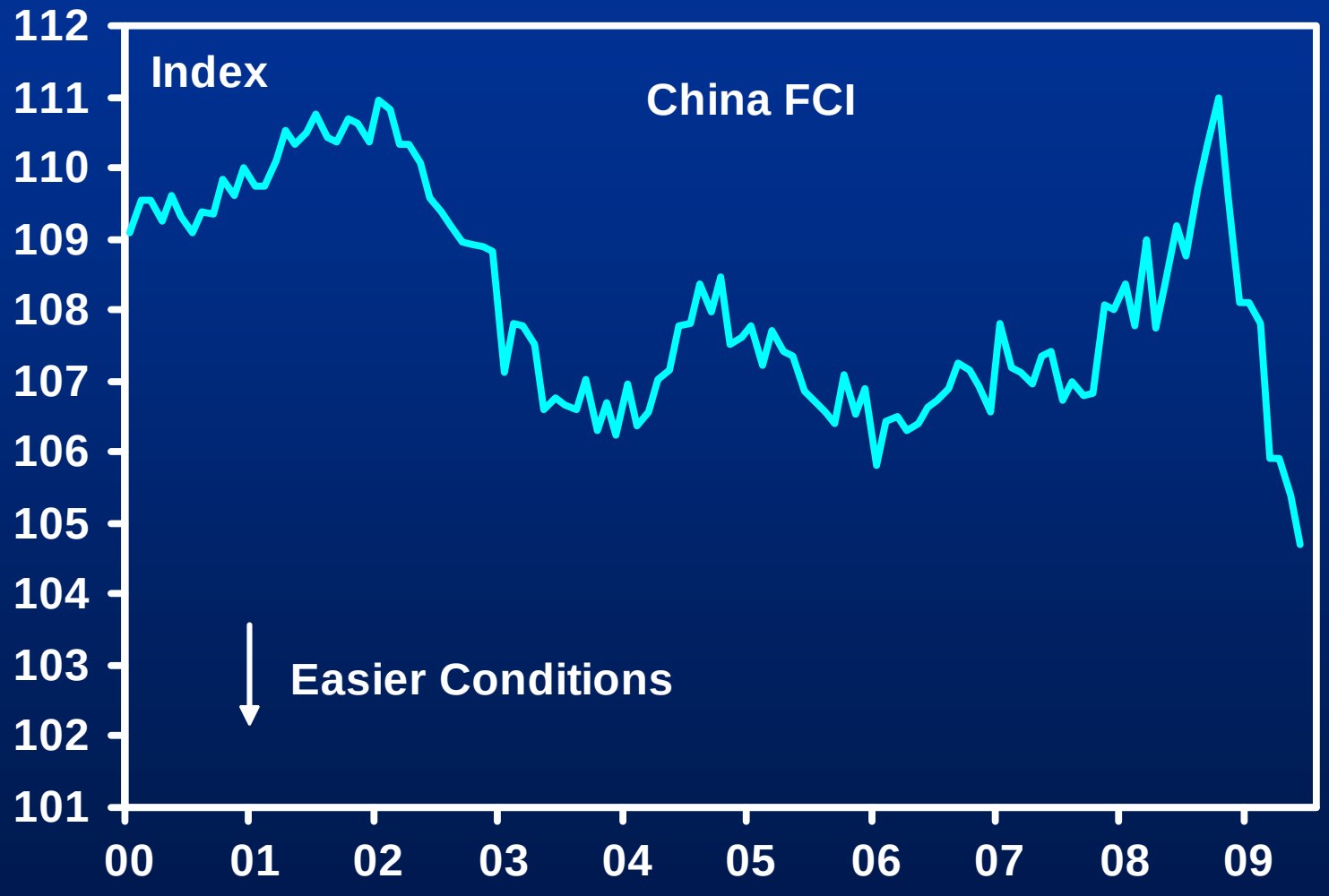
US Financial Conditions Index



UK Financial Conditions Index



China FCI


Index
China FCI
Easier Conditions
112
111
110
109
108
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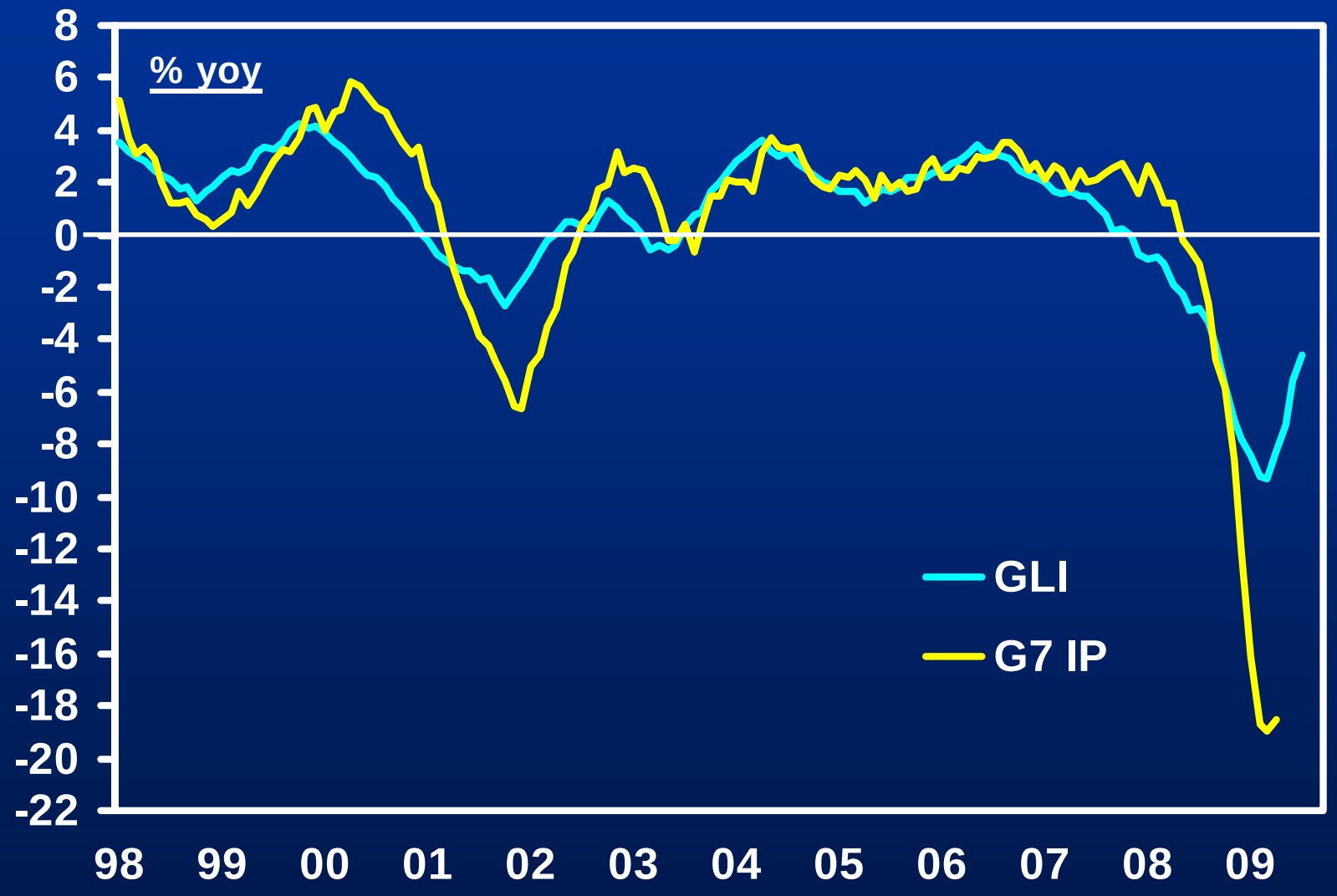
GLI vs IP

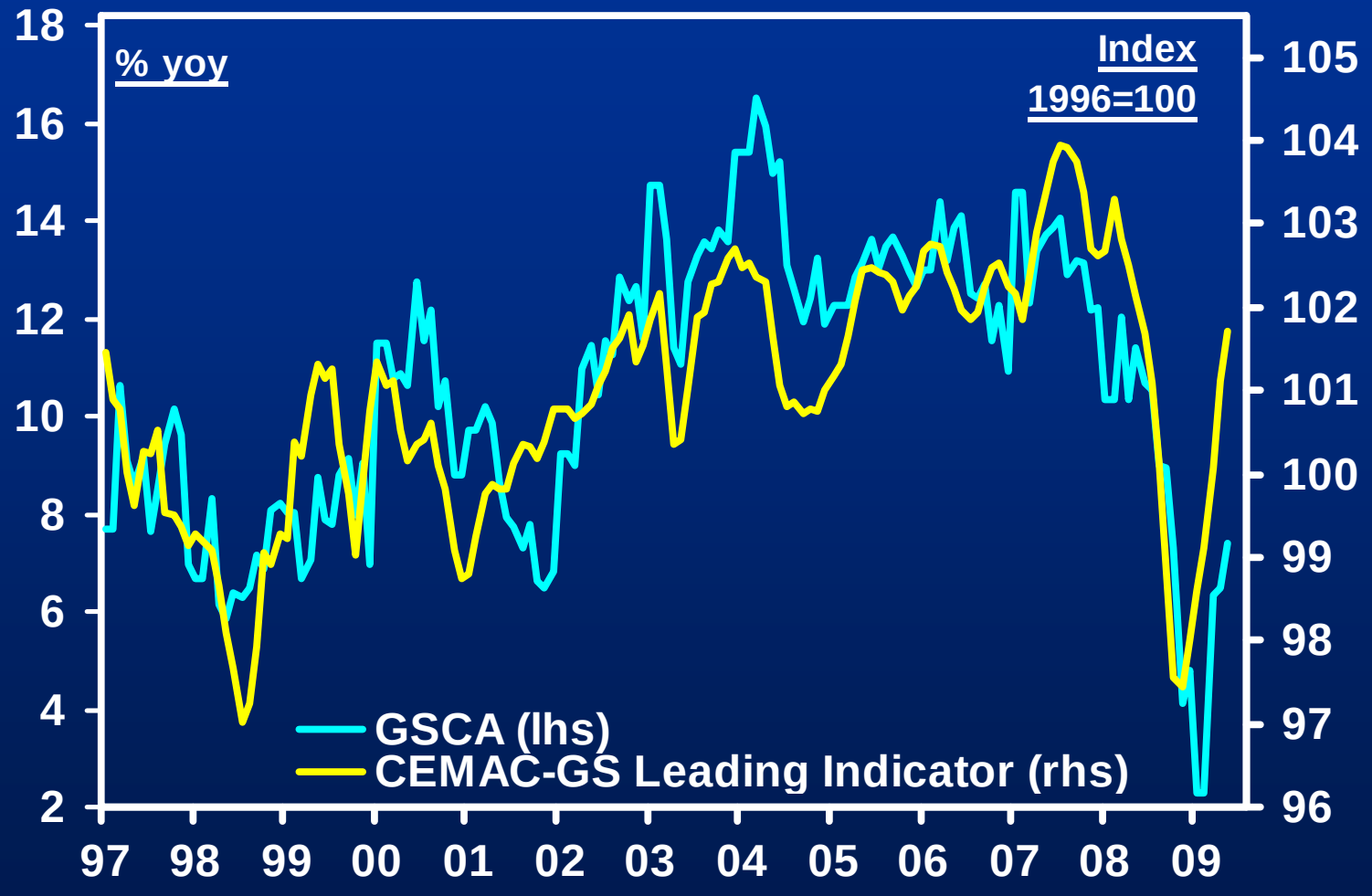

% yoy
8
6
4
2
0
-2
-4
-6
-8
-10
-12
-14
-16
-18
-20
-22
98
99
00
01
02
03
04
05
06
07
08
09
GLI
G7 IP

Momentum of the GLI

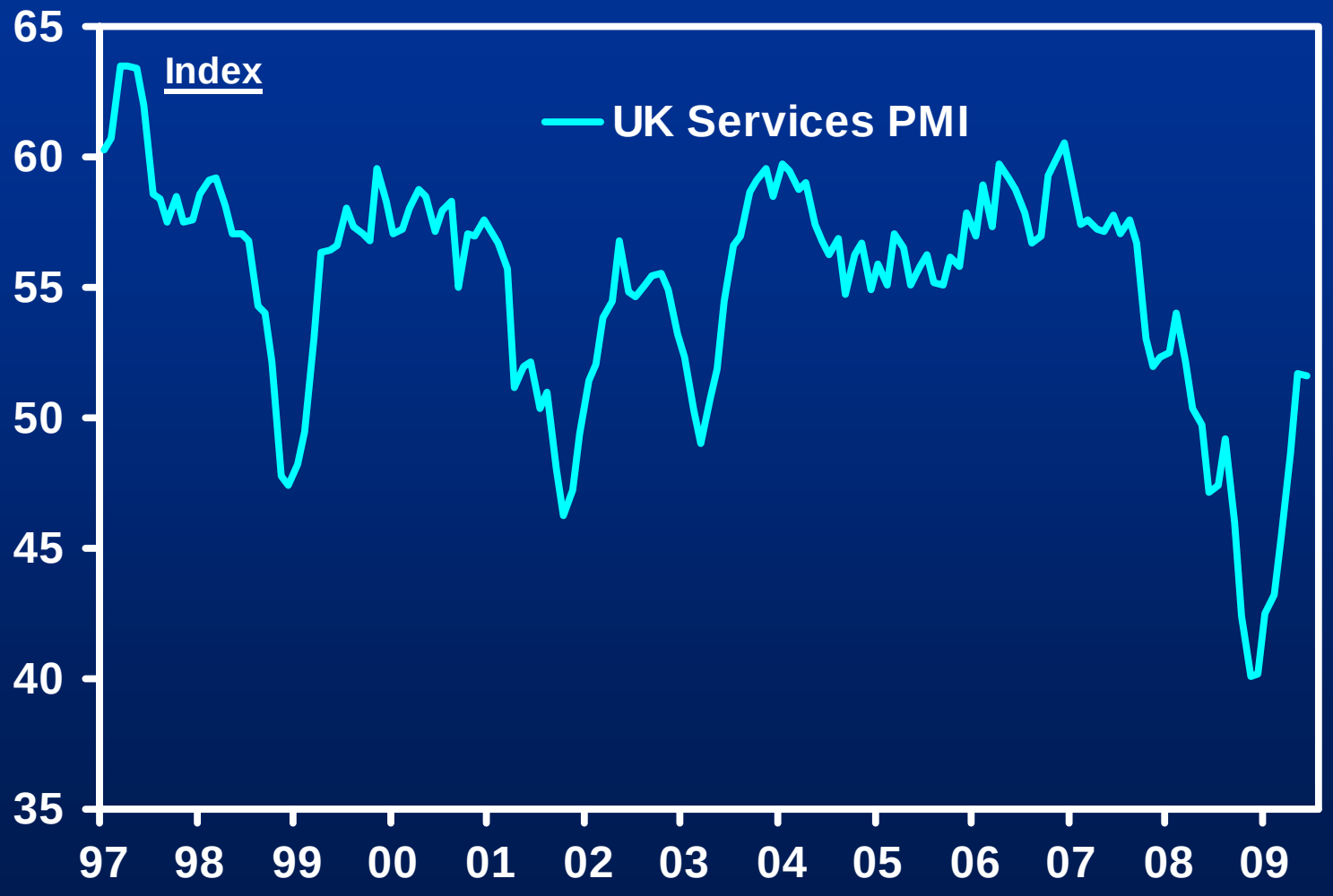
Monthly Direction of GLI Components

Up
ISM New Orders Less Inventories
Korean Exports
US Initial Jobless Claims
Flat
Belgian Manufacturing Survey
Japan IP Inventory/Sales Ratio
US Durable Goods Inventory/Shipments Ratio
Down
Business Confidence Aggregate
Consumer Confidence Aggregate
GS Australian Dollar Trade Weighted Index
S&P GS Industrial Metals Index

China Lead Indicators

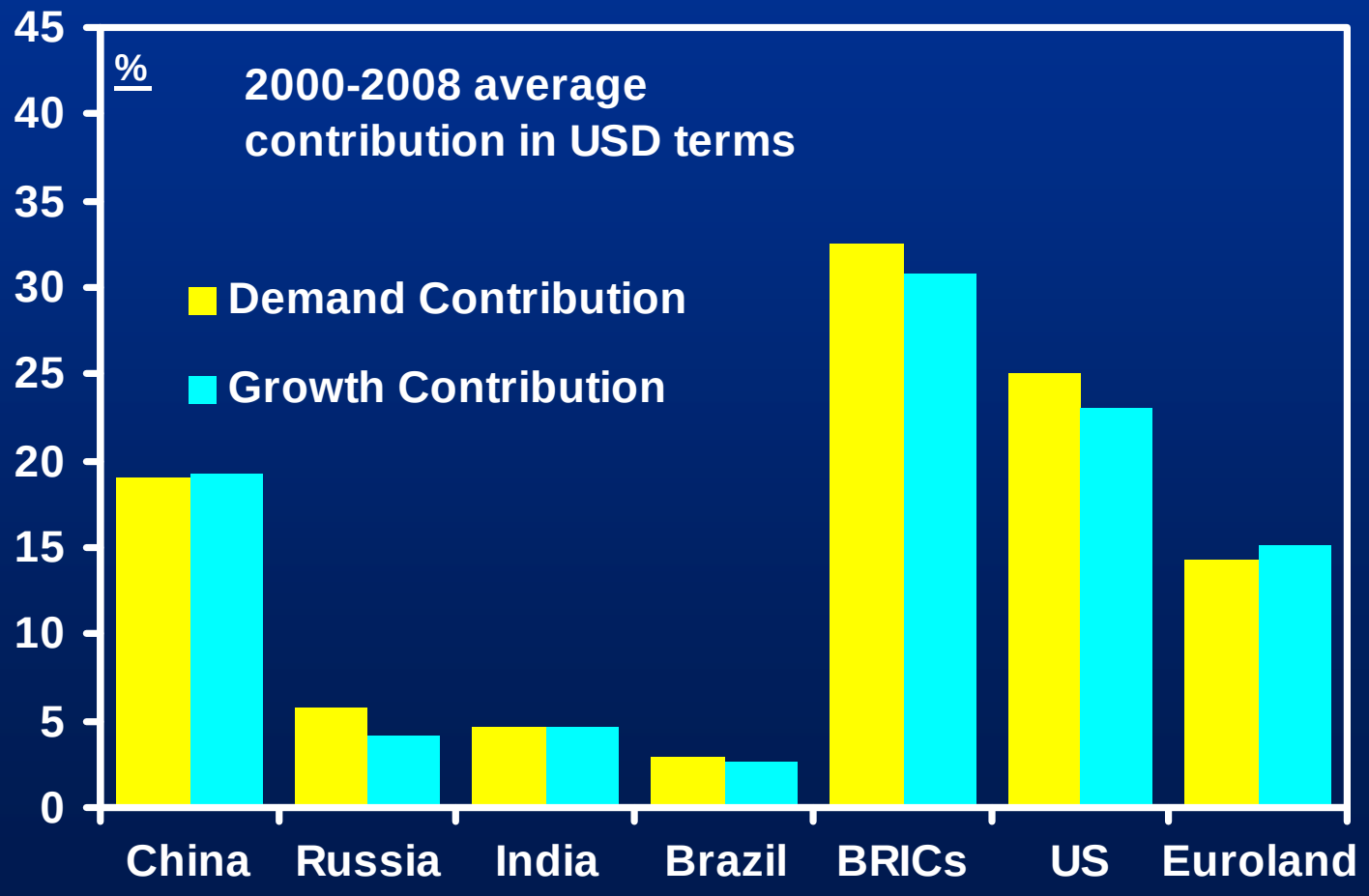


UK Services PMI

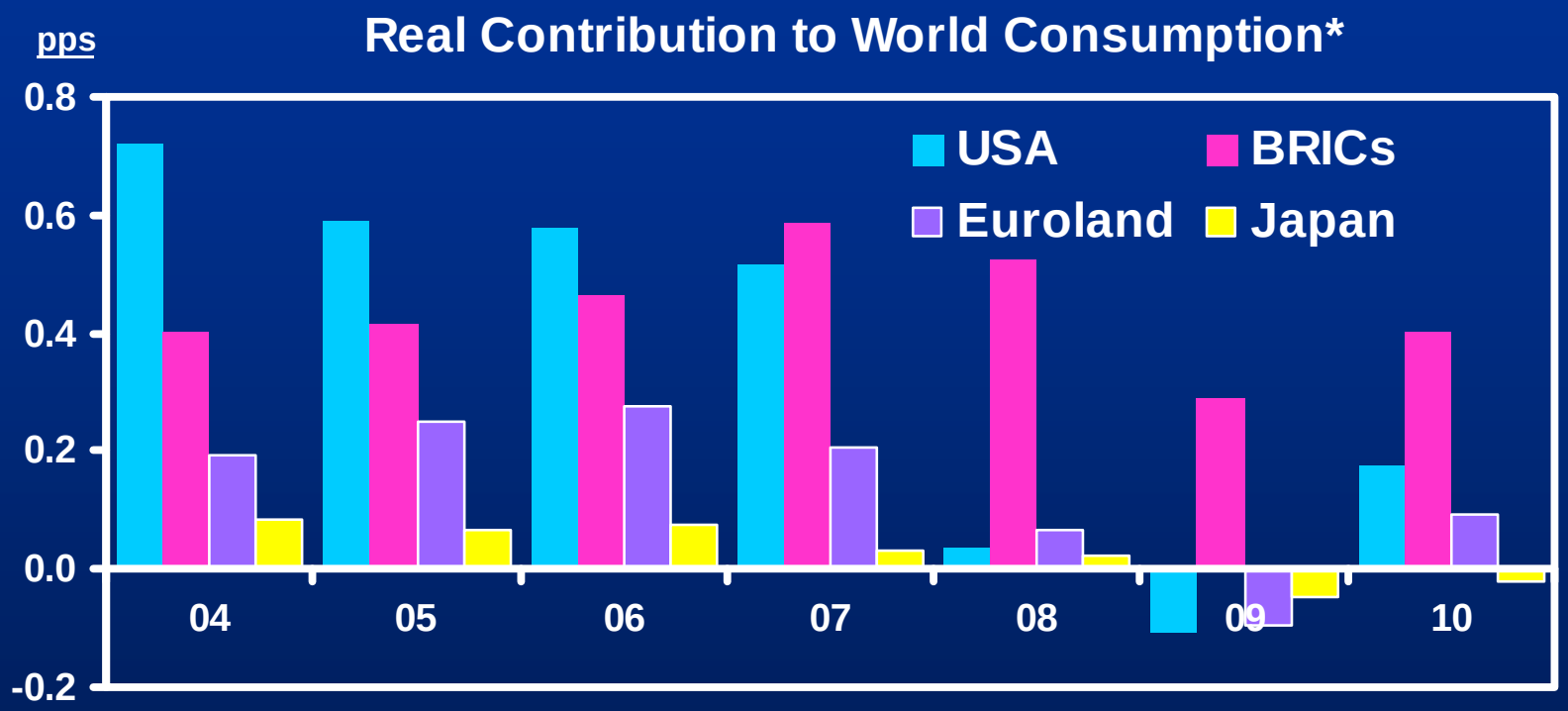


Share of Private Consumption in US GDP

Domestic Demand and Growth Contributions, Last 9 Years

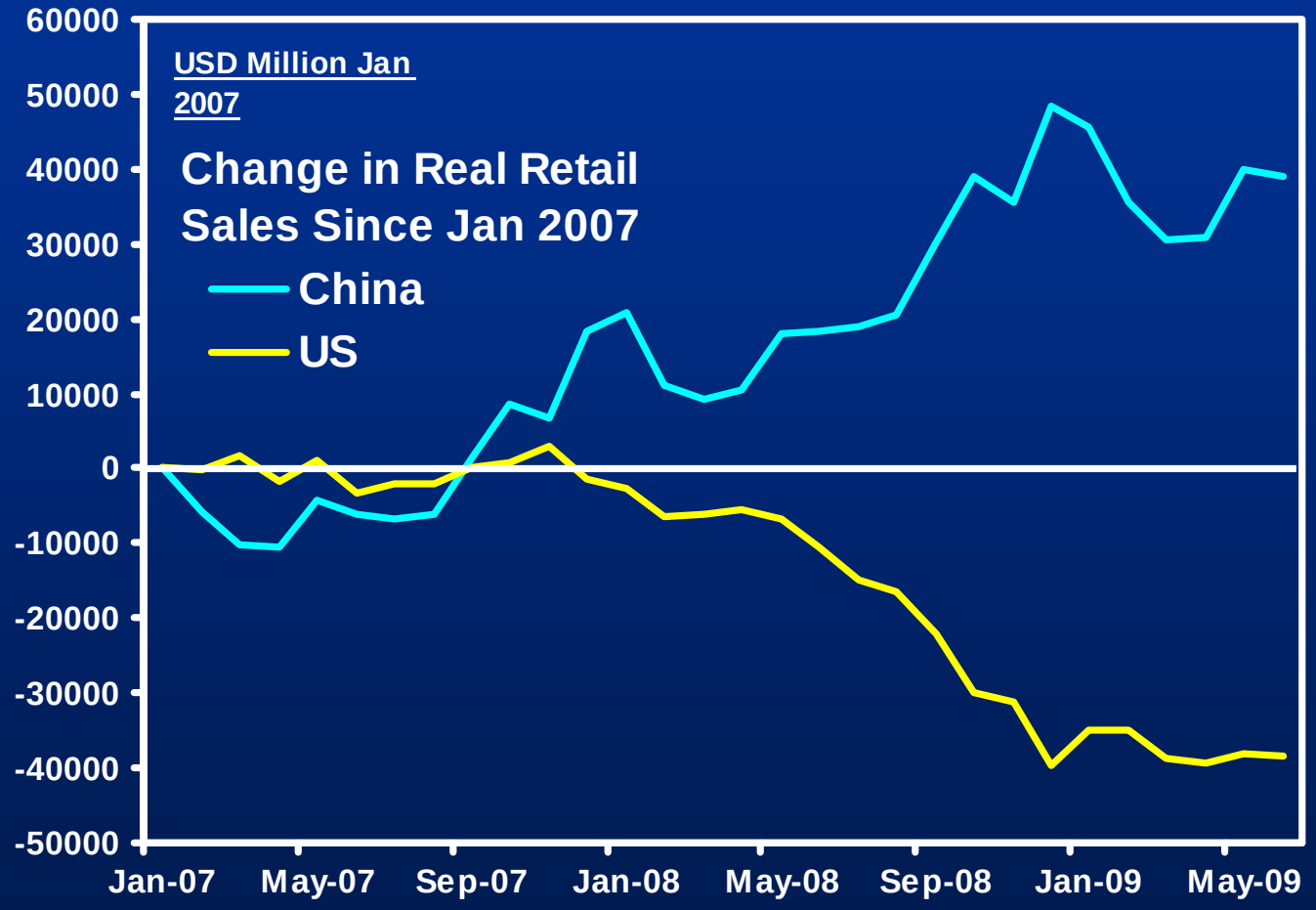


Consumption Contribution

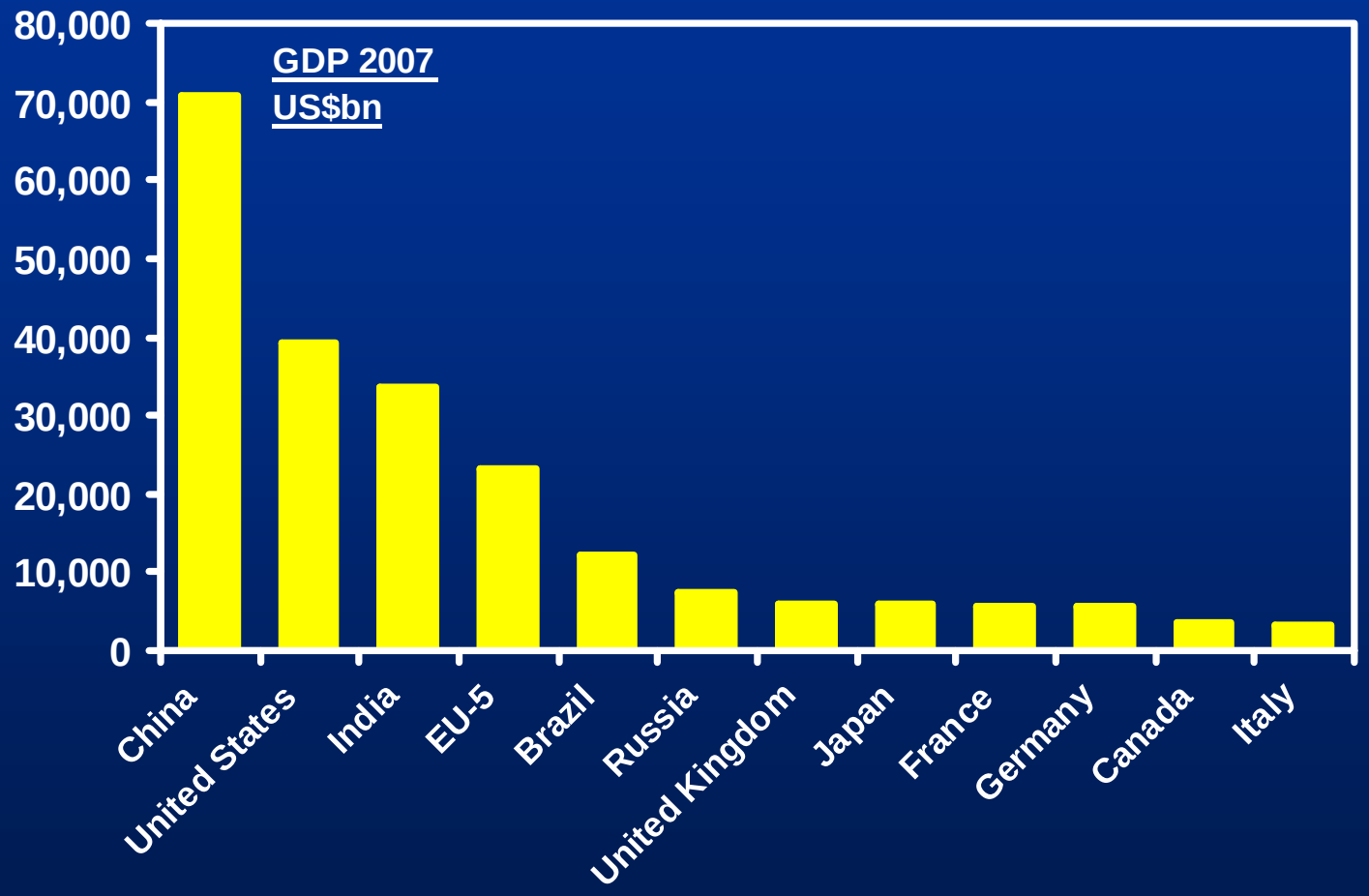


*Calculated from consumer expenditure for India, US, Japan, and Euroland. Brazil and Russia use private consumption and China uses household consumption. Annual averages 2004-2008, GS forecasts 2009-2010.

Recent Trend in Real Retail Sales



The Largest Economies in 2050



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