



White Paper

RDA Global Economic Database April 2007

RDA Global publishes a semi-annual forecast of business statistics for 100 countries.

This white paper covers highlights of RDA Global Economic Forecast for Q2 2007

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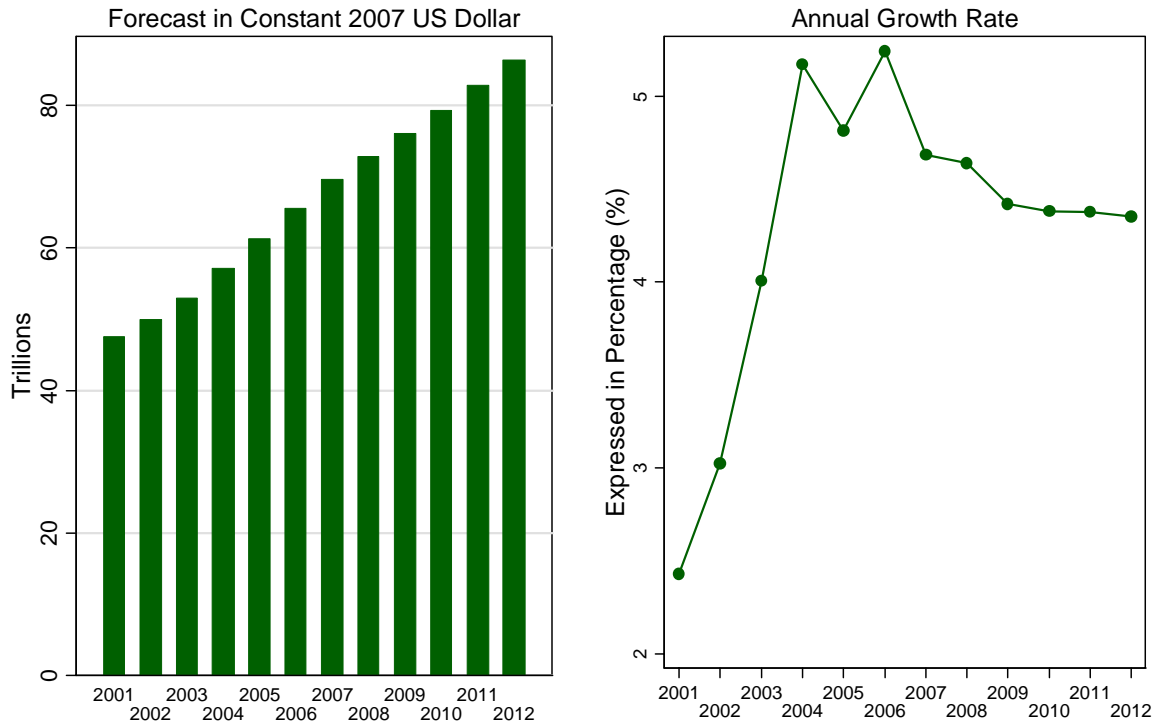
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World-Wide Economy

- Global GDP expressed in constant 2007 US dollars will grow at a rate of about 4.5 percent over the 2007-2012 forecast period.
- In the year 2012 we expect global GDP to reach 85 trillion \$US.

Global GDP

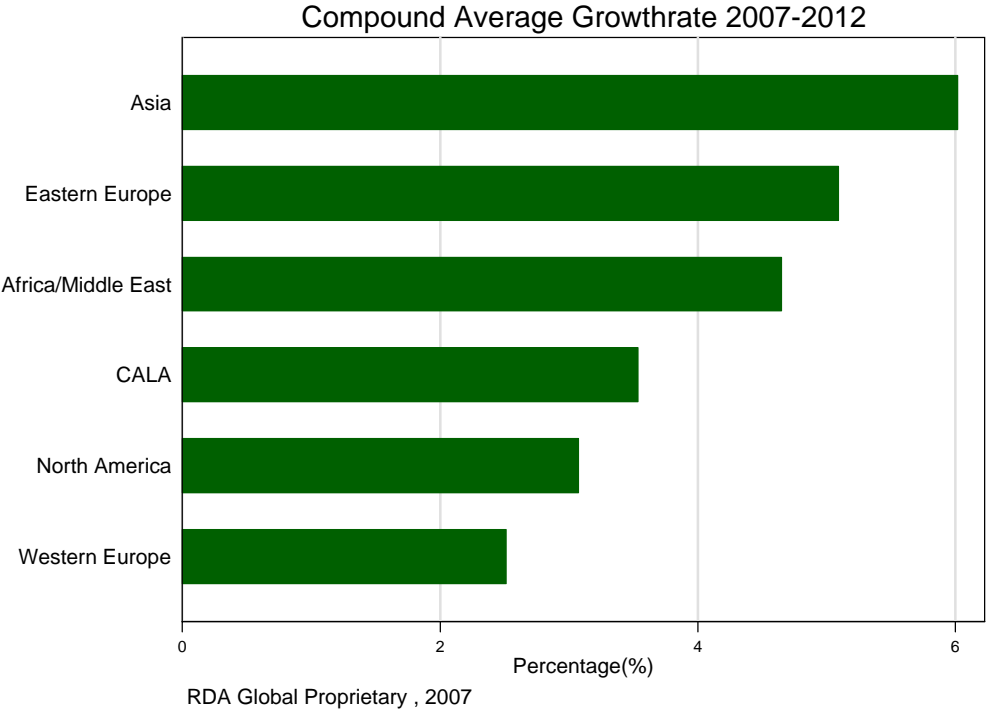


RDA Global Proprietary, 2007

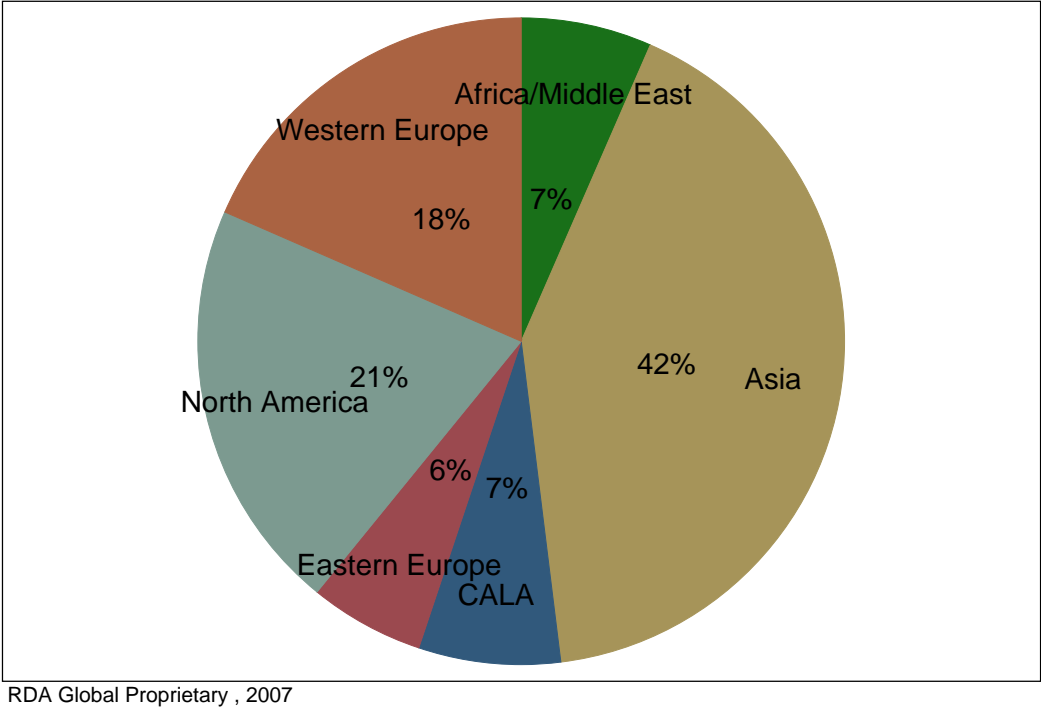
The GDP of a country is defined as the market value of all final goods and services produced within a country in a given period of time. It is also considered the sum of value added at every stage of production of all final goods and services produced within a country in a given period of time. The RDA GDP forecast included in this white paper is expressed in constant 2007 US Dollars and in purchasing power parity (PPP). A purchasing power parity exchange rate equalizes the purchasing power of different currencies in their home countries for a given basket of goods. These special exchange rates are often used to compare the standards of living of two or more countries. The adjustments are meant to give a better picture than comparing gross domestic products (GDP) using market exchange rates.

The GDP forecast model for each country is based on time series forecasting models that incorporate information about the recent historical performance of each country's economy. These models also incorporate information regarding business cycles, tailored to each of the national models. The forecasts incorporate as much publicly available intelligence that exists for each of the countries in our database.

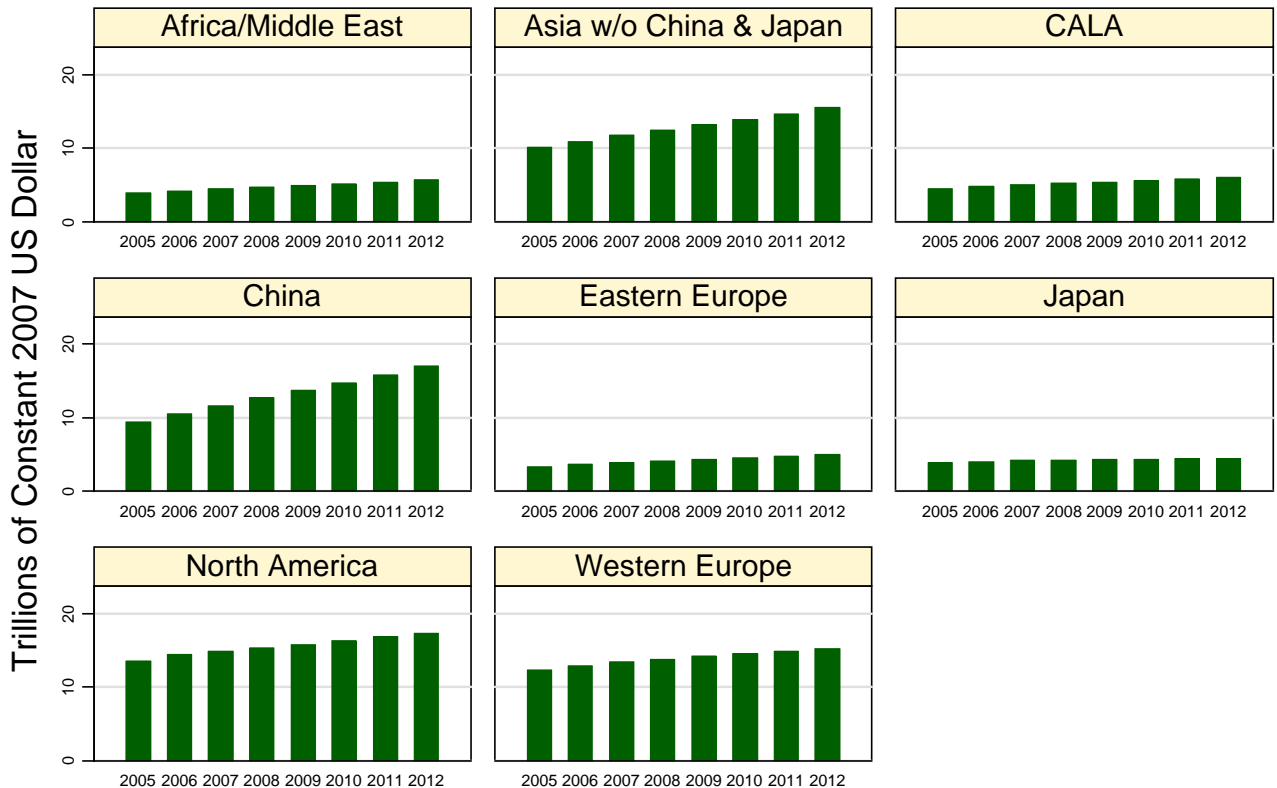
The Regional Economies: GDP Growth



GDP Distribution By Region - 2007



Regional GDP



RDA Global Proprietary , 2007

Asia

- Asia is expected to have average annual real GDP growth of 6 percent over the 2007-2012 period – this makes it the fastest growing region in the world.
- Over the next 7 years these relative rankings of country GDP will significantly change. Measured in terms of purchasing power parity (PPP), by 2011 China will become the largest economy in the world – propelled by a “modest” 7.5 percent growth for the most of the post 2007 period; modest compared to its more recent soaring 10 percent growth rate. In 6 years China will add almost \$6 Trillion to its GDP and will reach a GDP level of about \$16 Trillion in that year.
- India is the “other” Asian powerhouse. Its economy is expected to grow round 5 percent annually over the next 5 years, slower than China but nevertheless with this rate of growth the Indian economy in PPP terms will be about 5 Trillion USD in the year 2012 making it the third ranked world economy in the year 2012.
- Japan is the Asian exception; it is expected to turn in lethargic real average annual growth rate of 2 percent.

North America

- Over the 2007-2012 period, the US economy will grow at an average rate of 3 percent somewhat lower than what we have seen over the recent past where real

GDP has come in close to 3.5 percent. By the year 2012 the U.S. GDP will reach the \$16 Trillion.

Western Europe

- The Western European economy will see its ranking slipping even further with a modest average growth rate in the neighborhood of 2.5 percent.
- The leading European economies will be Ireland, the Netherlands and Spain with average real GDP growth rates of 4.5, 3.2 and 2.8 respectively.
- The laggard is Italy with average growth falling below 2 percent over this period.

Central and Latin American (CALA)

- Regionally the Central and Latin America fall in the middle of the pack in terms of average annual real GDP growth – we are predicting about 3.5 percent for the forecast period of 2007-2012.
- The region's largest economies will look similar to the regional average: Brazil's real GDP is expected to grow annually on average by 3.5 percent while the forecast rate for Mexico is 3.0 percent.

Africa/Middle East

- Average rate of growth for the region is 4.5%
- Economies with the highest average real GDP growth include the UAE(6 percent), South Africa(4 percent), Egypt(5 percent), and Israel(4 percent).

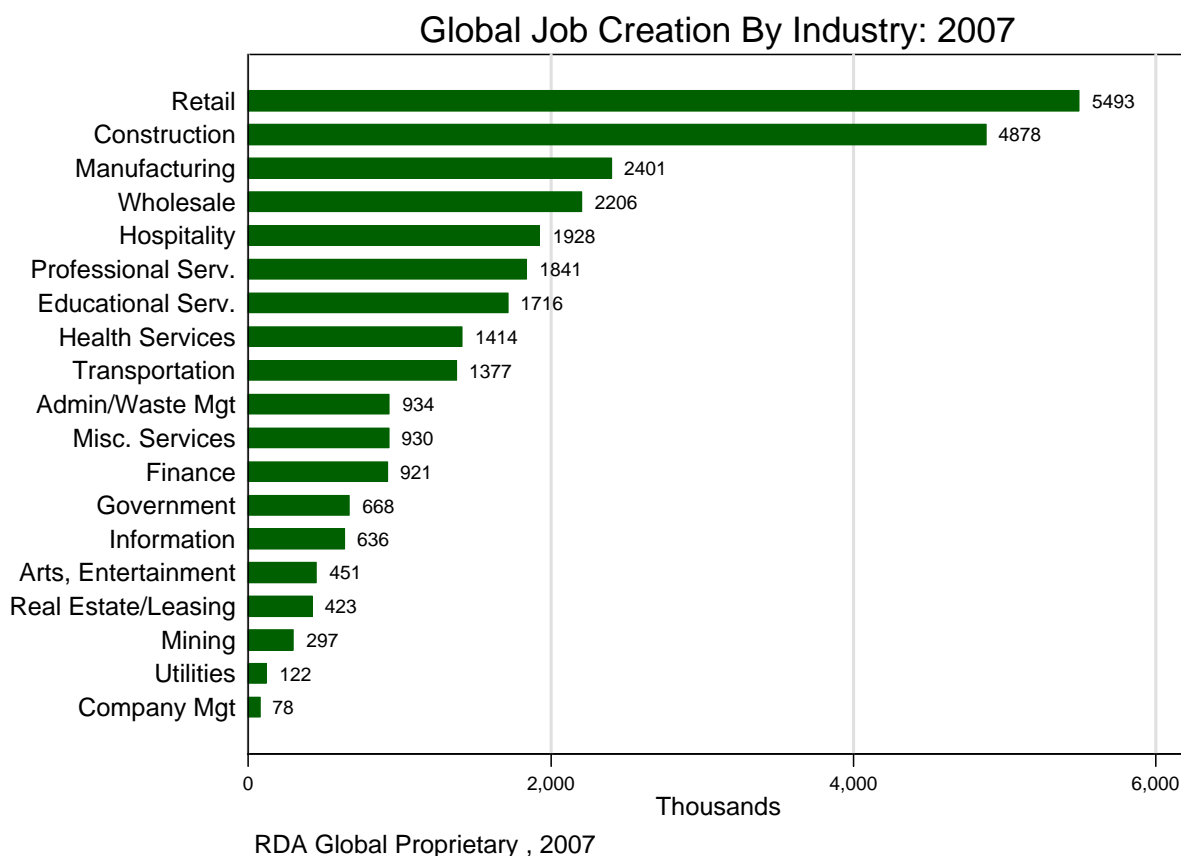
Eastern Europe

- Eastern Europe is the second fastest growing region in the world after Asia. Its average annual real rate of GDP growth over the forecast period 2007-2012 is 5 percent.
- Russia which is expected to have a similar 5 percent of annual real GDP growth is driving much of this regional growth.

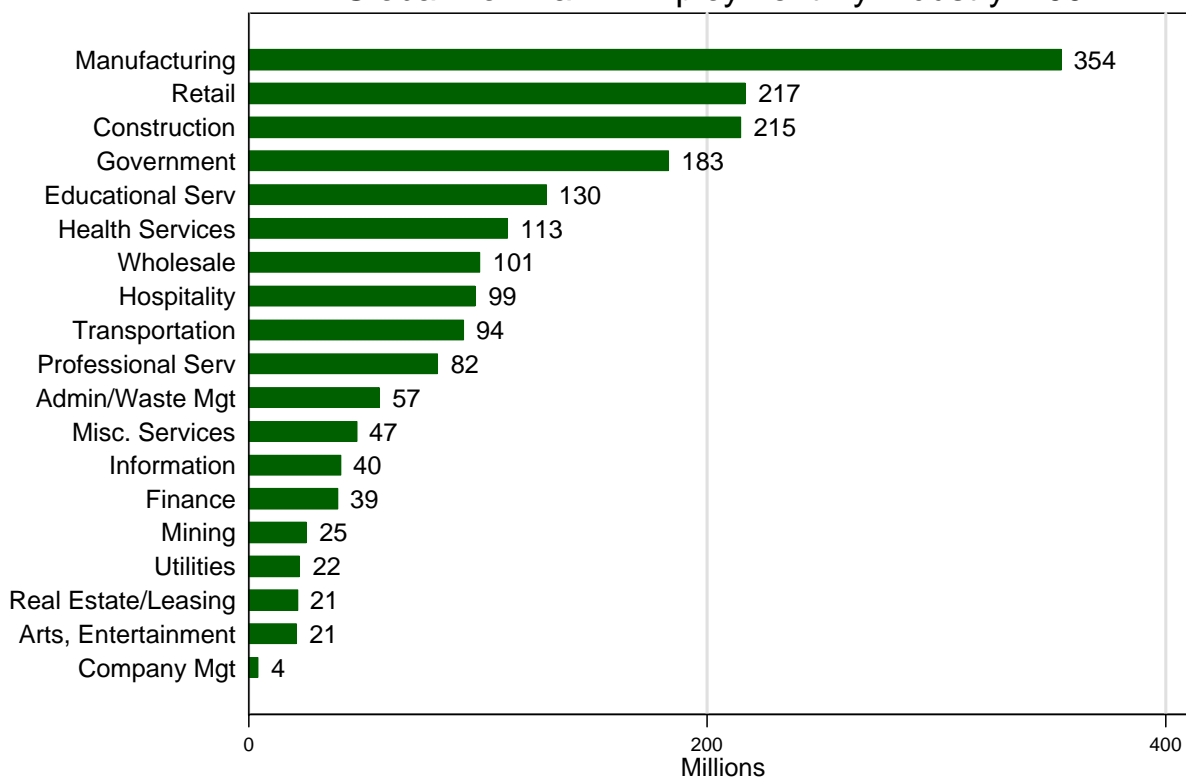
Global Job Creation

Trends in economic growth have important implications for the creation of new businesses and of new jobs world-wide which in turns drives the demand for business-to-business products and services.

The monthly updates of the RDA Global forecast provide highly detailed forecasts of employment trends world wide. The forecasts are based on employment databases that RDA Global maintains and updates on a regular basis. Inputs for these employment databases include employment and economic statistics from the statistical agencies in all these countries and from various international agencies (ILO, IMF, World Bank, Eurostat, etc.)



Global Non-Farm Employment By Industry: 2007



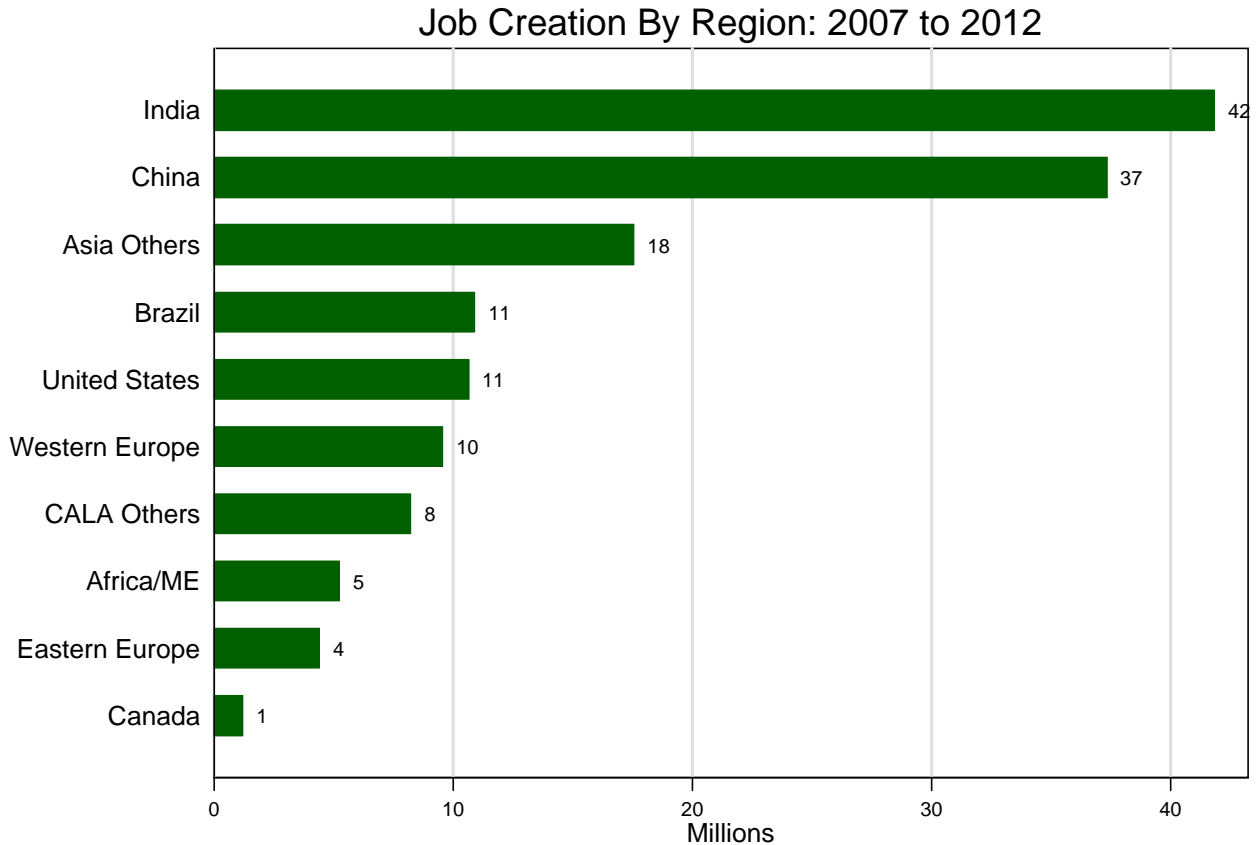
RDA Global Proprietary , 2007

Manufacturing is the largest global employer but Retail and Construction are creating the most new jobs world wide

- Most people in the world, working in the non-agriculture sector, continue to work in the manufacturing sector even though it is shrinking in many of the largest global economies. In 2007 the manufacturing sector will employ about 350 million people.
- Retail and construction occupy the second tier ranking, each employing about 200 million individuals. Government also is a second tier industry, employing about 180 million workers.
- Hovering around the 100 million employ mark are the third tier employers: Health, Educational Services, Hospitality, Wholesale, Professional Services and Transportation. Together these comprise the services sector of the economy.
- There will be 29 million new non-farm jobs created world-wide between now and 2012. Much of the new job creation world-wide will be from Retail and Construction, with the former generating 5.5 million new jobs and the later 4.9 million.

Where are the New Jobs being created?

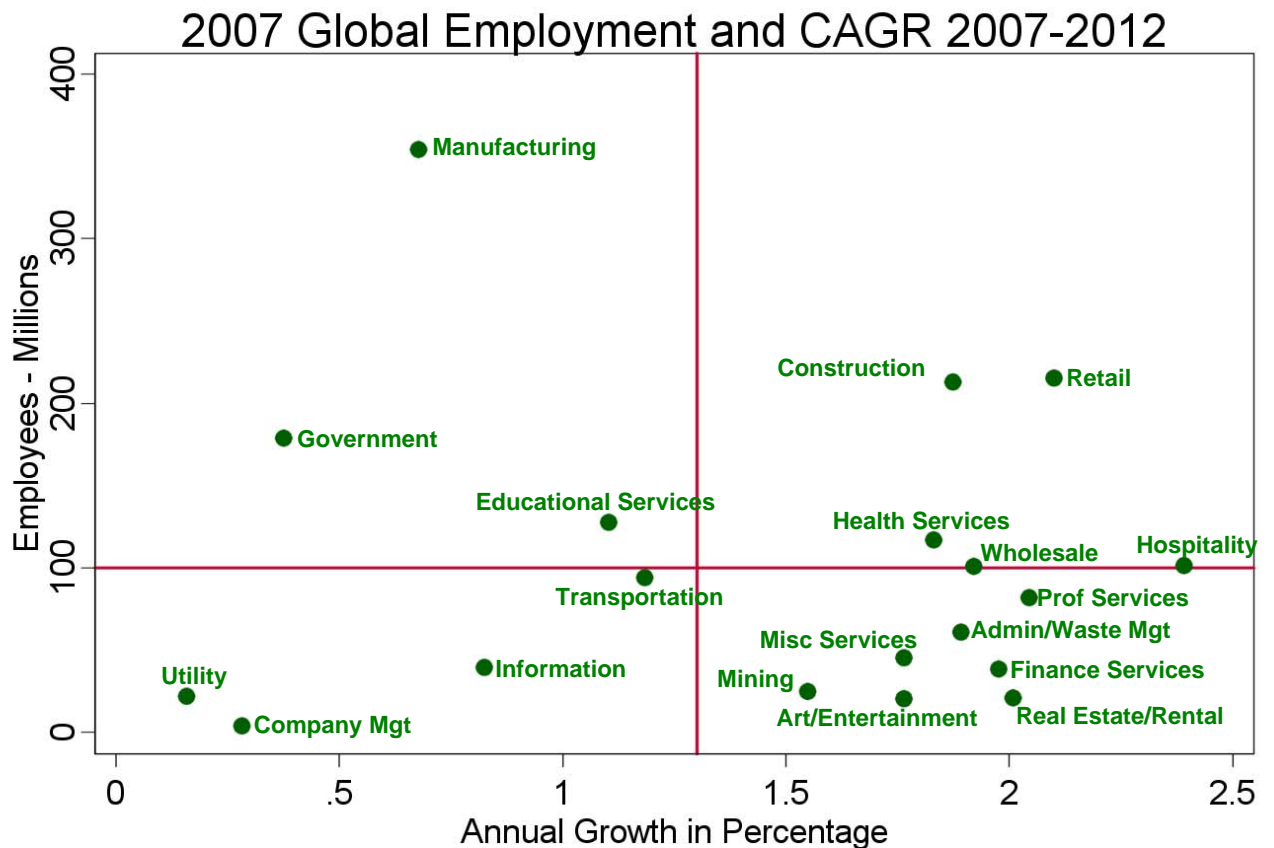
In which countries will most of these jobs be created? RDA Global estimates job creation for each of the 100 countries in its database for the period 2007-2012. These forecasts are based on econometric models that have been customized for each country.



- Four countries in the world dominate job creation. China and India will be by far the biggest incubators for new jobs: India will create 50 million over the next six years followed by China that will generate 45 million. Brazil and the U.S. are the other two leading job-creators each expected to create about 12.5 million jobs during this 2007-2012 period.
- The laggards in the world are the aging slow growth economies of Western Europe and Japan. Demographics – an aging population and limited immigration – plus labor market regulations that have not been favorable to job creation translate into limited job creation in Western Europe – 10 Million jobs over six year period. Demographics and decreasing labor force have had a similar impact in Japan.

Industry segmentation: high employment versus employment growth

RDA Global provides analyses of employment trends as part of its business-to-business metrics. In the following graph we have segmented the world market into four quadrants based on the median employee size of the industry segment (about 100 million employees) and the median CAGR for employment growth (about 1.3 percent).



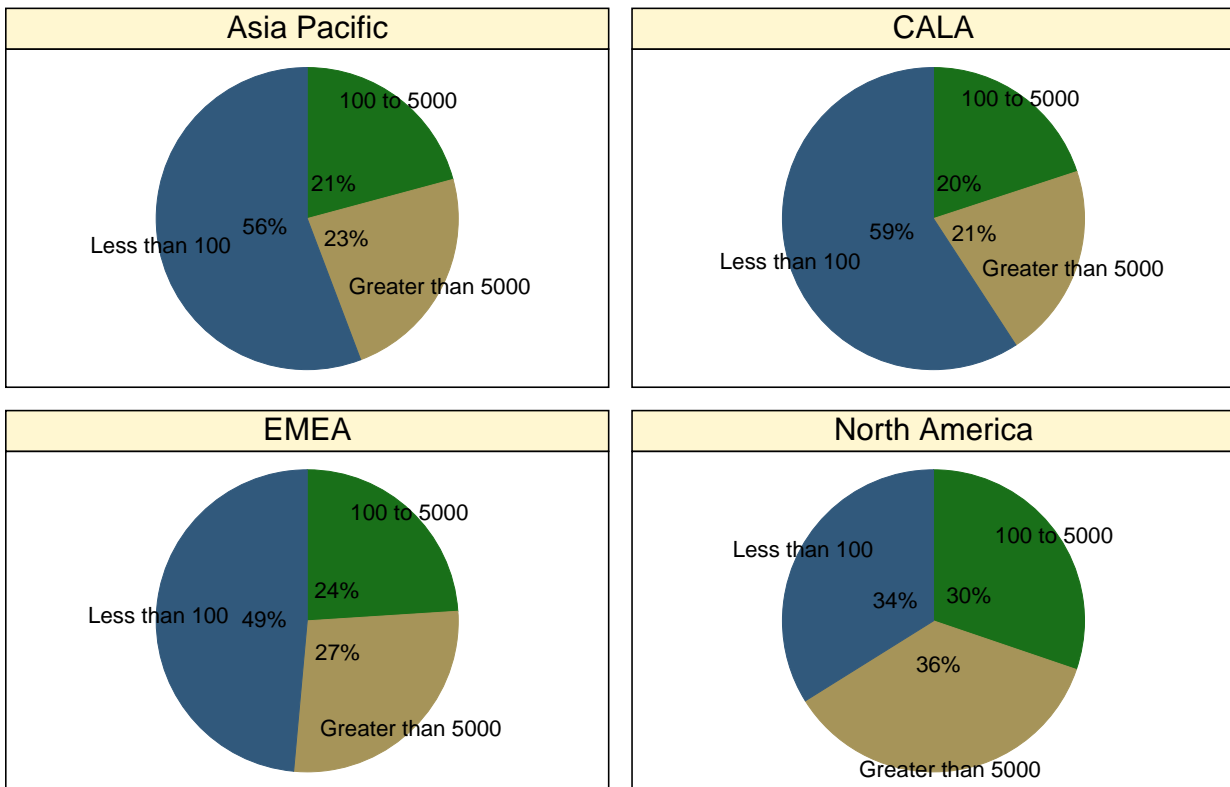
- The upper right quadrant represents for many the most attractive global markets for business-to-business products. Here we find the industry sectors with the highest overall employment and with the fastest rates of employment growth: construction, retail, health services, the wholesale sector, and the hospitality sector.
- The lower right hand quadrant includes those sectors with high rates of employment growth but with relatively smaller overall numbers of employees. These include mostly service industry sectors: Professional Services, Administrative/Waste Management Services, Real Estate/Leasing, Finance, Arts and Entertainment, and Mining.
- Those sectors with low employment growth can be divided into the two upper and lower left hand quadrants. Employment in the Government, Educational Services and Manufacturing is expected to grow at a relatively slow pace, although for business-to-business marketers this is offset by the sheer size of these three sectors – world wide they each employ more than 100 million people.
- Sectors that are both small and low growth are in the south-west quadrant – they include Utilities, Management Services, Information and Transportation.

Global Firms and Employment

The small and medium-size enterprise firms make up the largest segment of the firm space world wide

- RDA Global develops a firm view of the world. A firm is a business entity which may be composed on one or many domestic establishments under common ownership or control. For example, McDonalds restaurant chains are a single firm
- Small and medium sized firms (SMEs) which are defined as those with less than 100 employees account for most of the world's labor force.
- In Asia Pacific and CALA SMEs employ about 60 percent of the labor force.
- In North America about one-third of employees work for SMEs – and in Europe and Middle East region the ratio is closer to one-half.
- North America has the most even distribution of firm size – about a third of the region's employees are employed in SMEs (less than 100 employees); in firms with 100-5000 employees; and in firms with greater than 5000 employees.

Employment Distribution By Firm Size - 2007



RDA Global Proprietary 2007

RDA Global provides statistics on a number of business indicators in the RDA Economics Database. Details of this database are included below.

RDA GLOBAL ECONOMICS DATABASE

The screenshot shows a Microsoft Excel spreadsheet titled 'RDA_Global_Economics_Database'. The spreadsheet is organized into a table with columns for years from 2005 to 2010. The rows are categorized by region and country. The regions listed include North America (USA, Canada), Latin America (Mexico, Central America, Caribbean, South America), and EMEA (United Kingdom, Ireland, Netherlands, Belgium, France, Germany, Spain). The data points are numerical values representing economic indicators, likely related to employment, business establishments, and value-added as mentioned in the text.

PRODUCT DESCRIPTION

Oxford University Economics Professor Dr. Ray Duch develops a global economic forecast updated on a monthly basis. The RDA Global Business Economics Database is the only fully-integrated global and local forecast of the economy available today. The database contains robust market segmentation of demand fundamentals for business expansion and spending including forecasts of:

- **Gross Domestic Product Forecasts**
- **Employment Forecasts**
- **Business Establishment Forecasts**
- **Forecasts of Businesses (or “Firms”)**
- **Value-Added to GDP (Revenues)**
- **Wage Forecasts**
- **Gross Fixed Capital Formation Forecasts (Capital Expenditures)**

The RDA Global Forecasts of employment, business establishments, firms, value-added (revenues) and gross fixed capital formation (capital expenditures) are segmented by a common set of criteria:

Global Geographic Coverage

- Global regions
- 140 countries
- Over 600 world-wide metro-areas
- Counties and local areas
- Zip codes (USA).

Industry Coverage includes

- Twenty (20) 2-Digit NAICS categories (see listing)
- Ninety Eight (98) 3-Digit NAICS industry segments (see listing)
- Industry Classifications are standardized globally

Large, Mid-Sized & Small Business Coverage

- We segment business opportunity into 12 business size categories ranging from self-employed individuals to firms with over 5,000 employees.

PRODUCT FORMATS

The Economics Database is provided in a database format including full forecast detail. Excel pivot table summaries are also provided to facilitate easy analysis of the forecast.

A full forecast methodology is included including estimation of standard error of the forecast and a list of sources.

PRICING

For pricing information, please contact:

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