

World FZO 5th Annual International Conference & Exhibition | Barcelona, 26-28 June 2019
Free Zone 4.0 meets Economy 4.0

Global Free Zones Outlook

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Forecasting Center



Outline

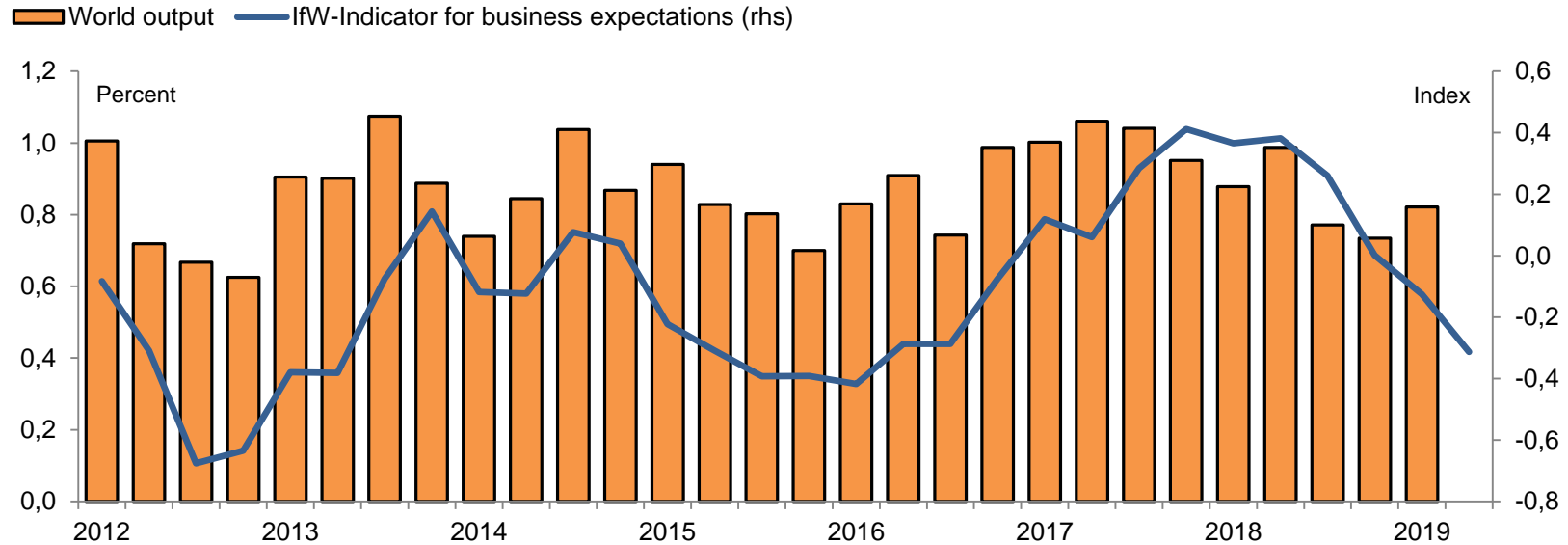
- Global Economic Outlook

- The World FZO's Business Excellence and Economic Contribution (BEEC) Survey
 - » Concept
 - » Preliminary results

- The Freezones World Economic Barometer (F-WEB)

Global growth remains sluggish, despite a temporary pick-up in world production at the start of the year

World Economic Activity

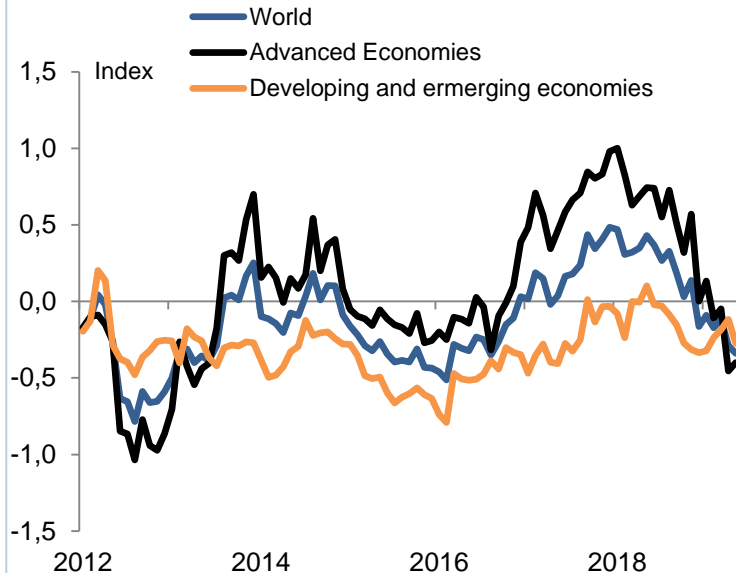


Quarterly data, seasonally adjusted. Indicator is based on business expectations in 42 economies. GDP: price adjusted, change over previous quarter.

Source: national sources, IfW calculations.

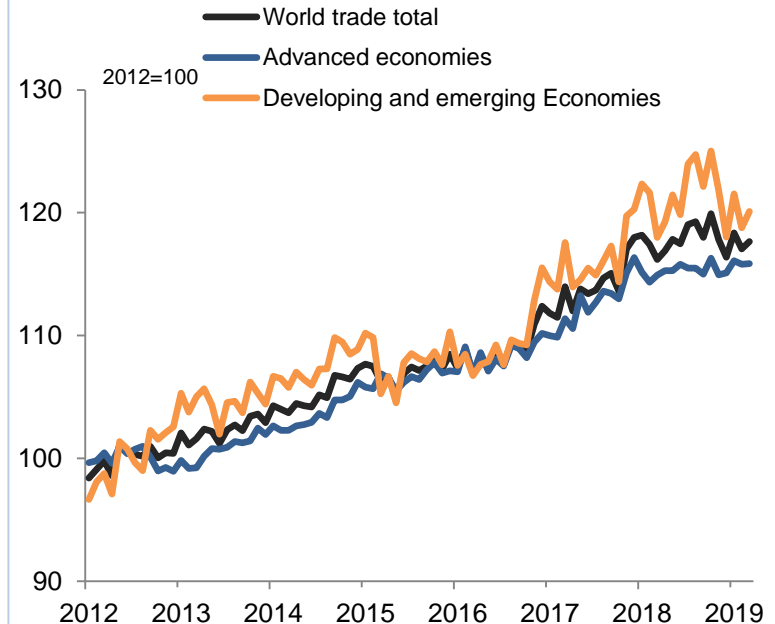
Sentiment has deteriorated and world trade is weak amid high global economic policy uncertainty

Business expectations by groups of countries



Monthly data, seasonally adjusted. Indicators are based on business expectations in 42 countries (34 advanced economies and 8 emerging economies).
Source: OECD, *Main Economic Indicators*; national sources; IfW calculations.

World Trade



Monthly data; seasonally and price adjusted.
Source: CPB, *World Trade Monitor*; IfW calculations.

Business Excellence and Economic Contribution (BEEC) Survey

What is the BEEC Survey?

- World FZO's free-of-charge annual survey open to all free zones around the globe
- Insights on economic developments in the Free Zones community
- Optional: Izdihar („Prosperity“) Index journey that helps Free Zones fulfill their own potential

How can I be part of the BEEC Survey?

- To participate, visit <https://www.worldfzo.org/BEEC-2019>
- Web-based questionnaire with questions on:
 - » Free Zone characteristics
 - » Incentives & business environment
 - » Key economic indicators

1 - Free Zone Characteristics

Name of Free Zone :*

Test Free Zone

Free Zone Address :*

135 Rue Des Entrepreneurs 7026 CITE EL HABIB (EL AZIB)

Country: *

Estonia

Website:

www.example.com

BEEC participation so far...

20+ Countries

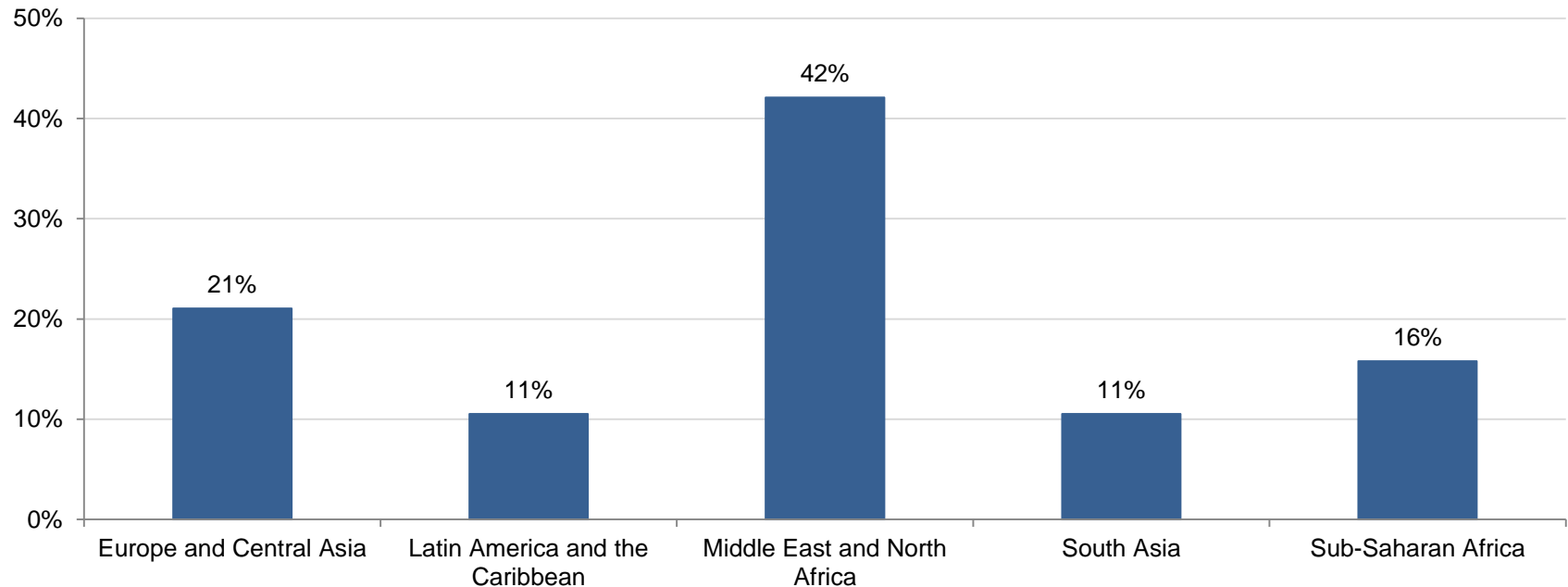
30 000+ Companies

40+ Free Zones

350 000+ Employees

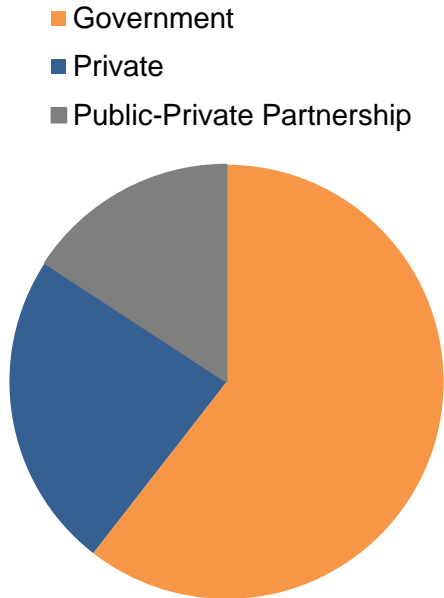
Global coverage, but some regions still under-represented

Regional distribution of BEEC participants

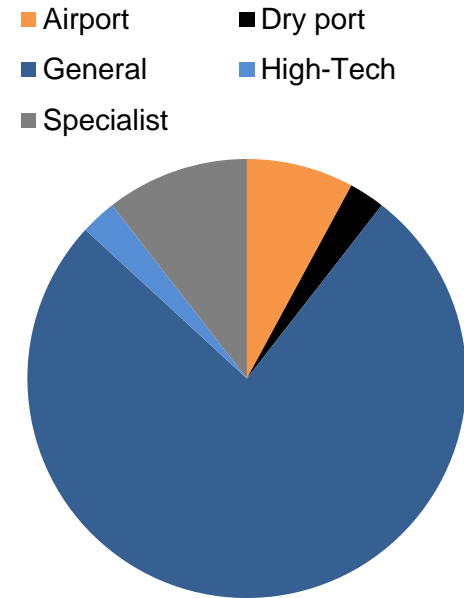


Public free zones and general-purpose zones are most represented in the BEEC survey until now

BEEC participants by ownership

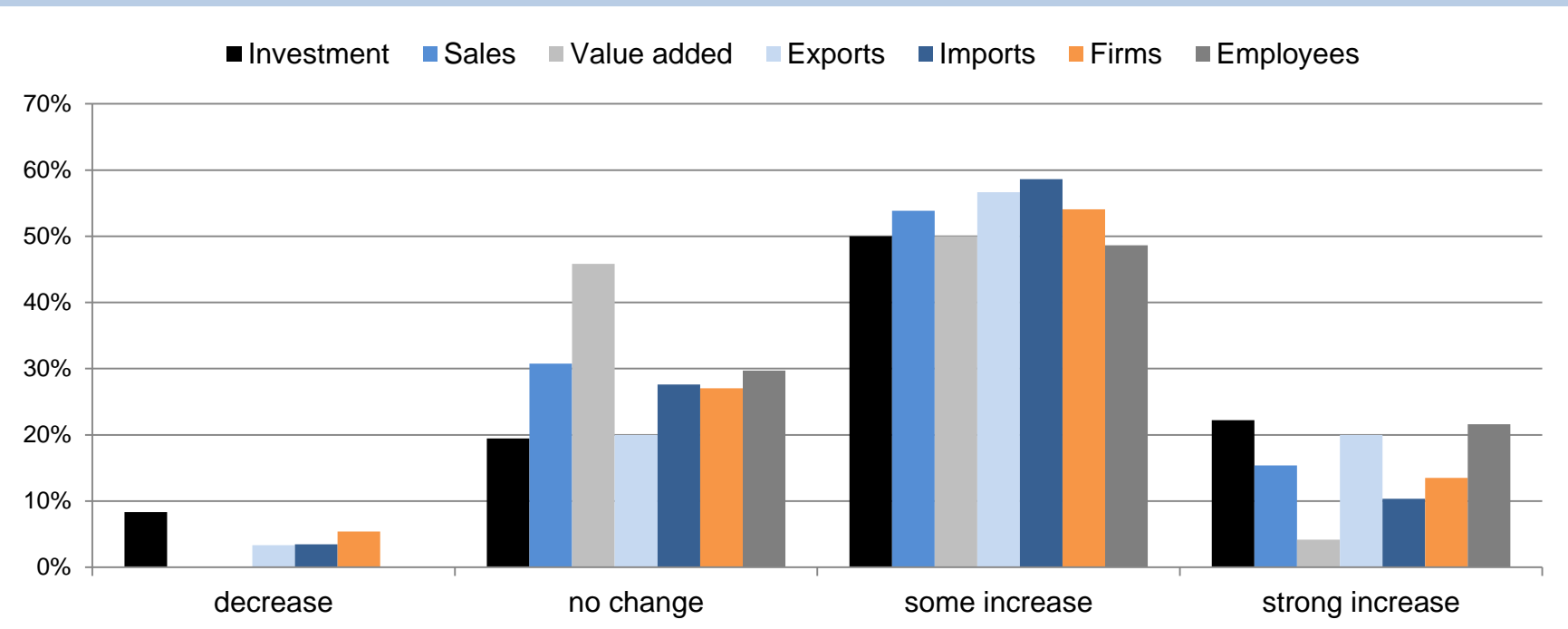


BEEC participants by type of zone



On average, BEEC participants report an increase in economic activity in 2018

Development of key economic indicators in Free Zones participating in the BEEC



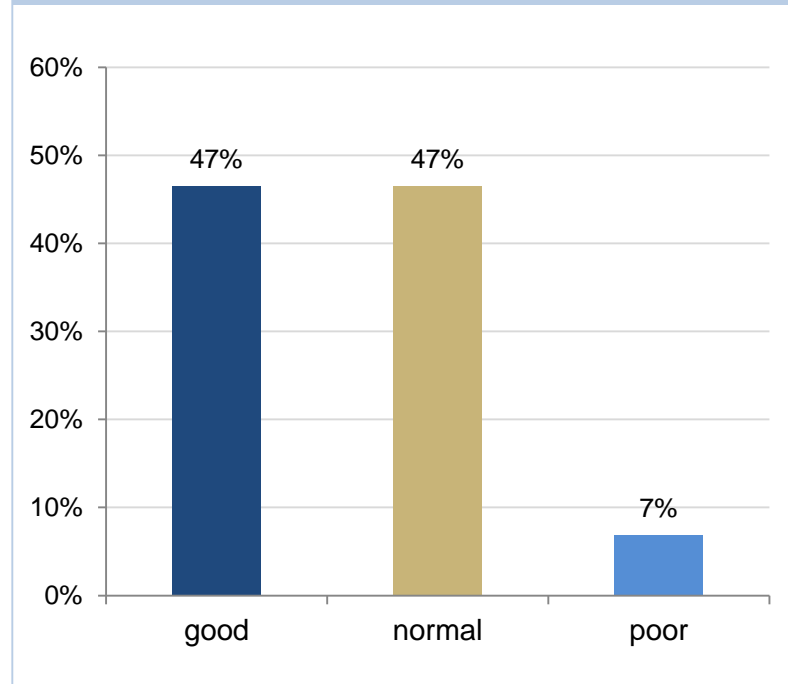
Free Zones World Economic Barometer (F-WEB)

What is the F-WEB?

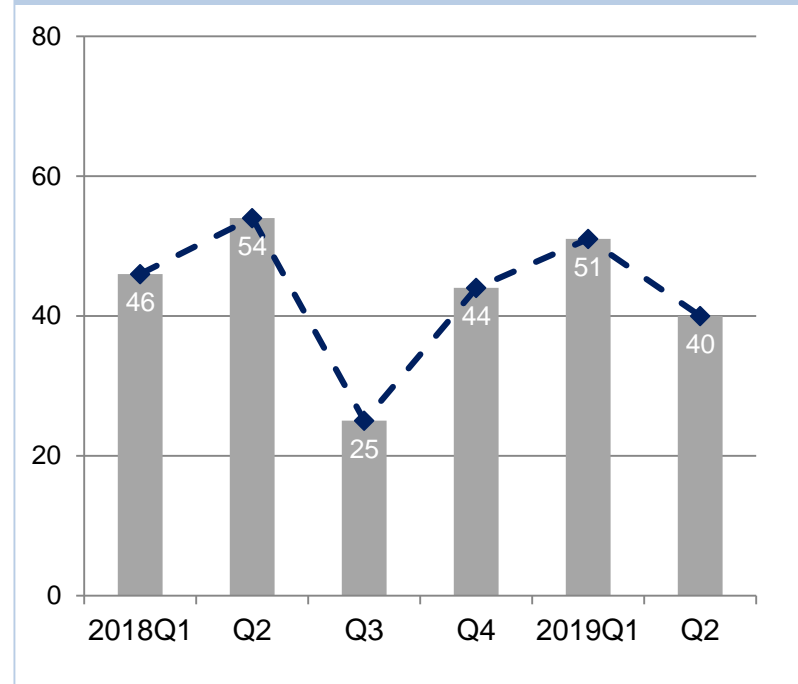
- Quarterly, survey-based sentiment indicator
 - » Based on qualitative, easy-to-answer questions (max. 10 minutes!)
- Benefits of regular participation:
 - » Get preferential access to detailed results and commentary
 - » Evaluate the relative performance of your Free Zone
- Web: www.ifw-kiel.de/FWEB
- Email: FWEB.worldfzo@ifw-kiel.de

Current economic conditions in free zones have deteriorated recently but remain positive overall

F-WEB: Current economic situation 2019Q2

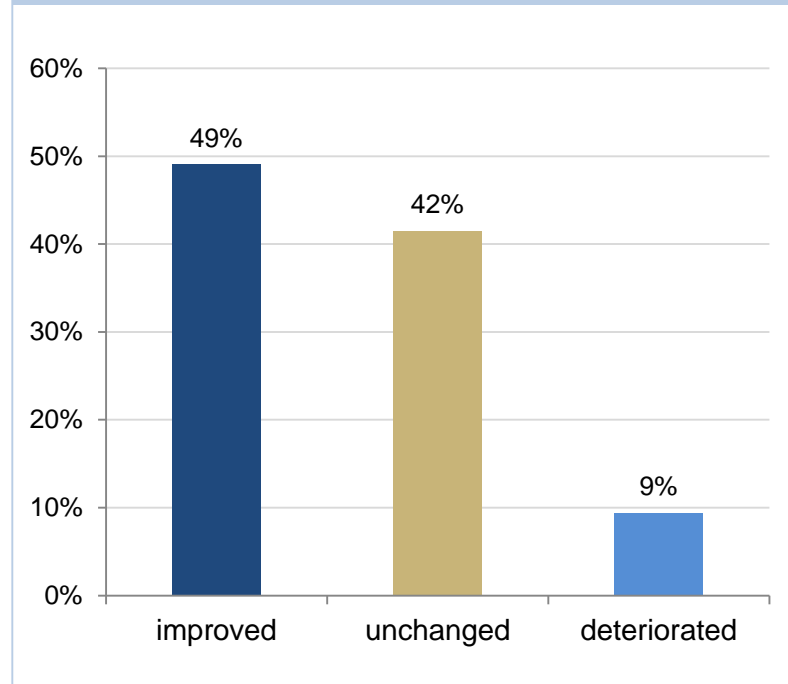


F-WEB indicator on current economic situation

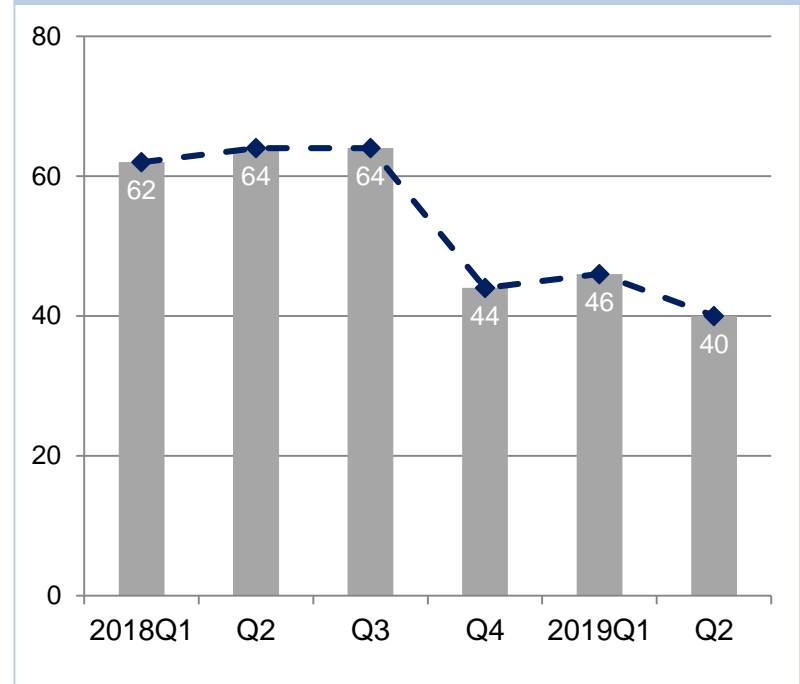


Expectations about future economic conditions in free zones have become less optimistic

F-WEB: Expected economic situation 2019Q2

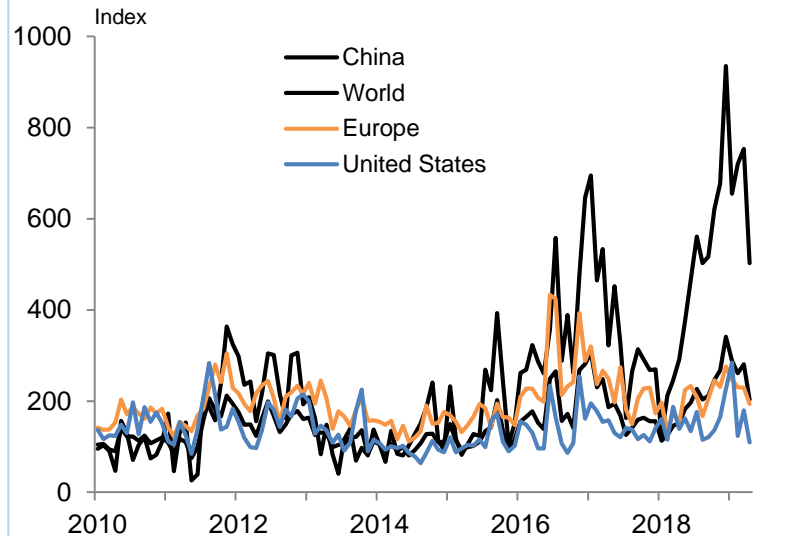


F-WEB indicator on expected economic situation



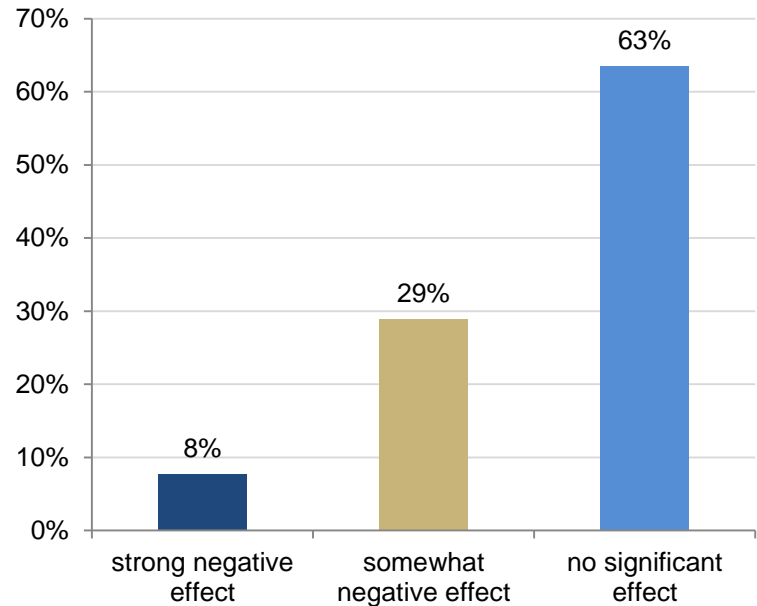
Elevated levels of global economic policy uncertainty affect activity in free zones

Global economic policy uncertainty



Monthly data. Measured by the Economic Policy Uncertainty Index constructed by Baker, Bloom and Davis based on news data. *Source:* www.policyuncertainty.com.

Special Question: Impact of global economic uncertainty on activity in free zones



Participation welcome!



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Back-up

What is the BEEC Survey? Part II

7 Sections:

- 1) Free Zone Characteristics
- 2) Business Excellence
- 3) Economic Contribution
- 4) Labor
- 5) Past performance
- 6) Incentives
- 7) Infrastructure and Facilities
- 8) Competitiveness

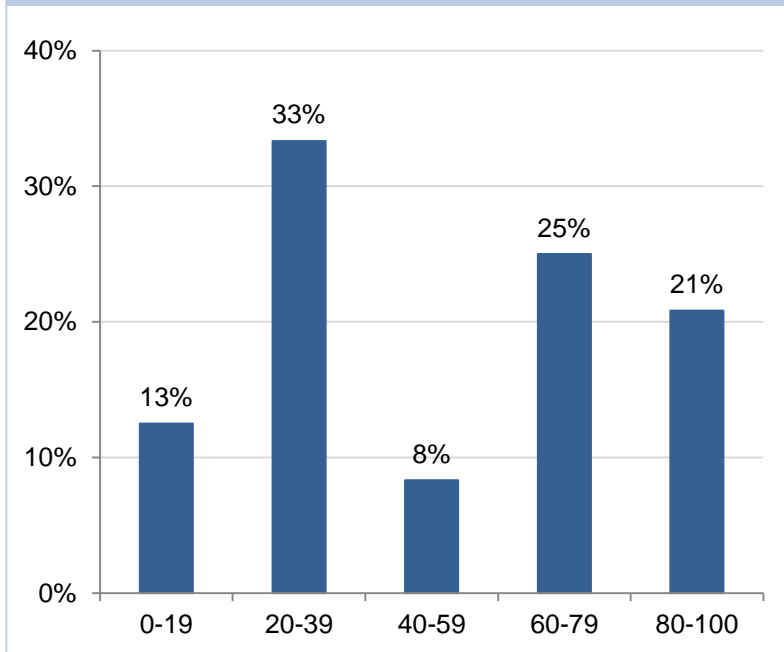
- Both quantitative and qualitative questions
- Participation possible even if not all data is available for your Free Zone
- NO ranking of participants due to heterogeneity of Free Zones

Benefits for BEEC participants

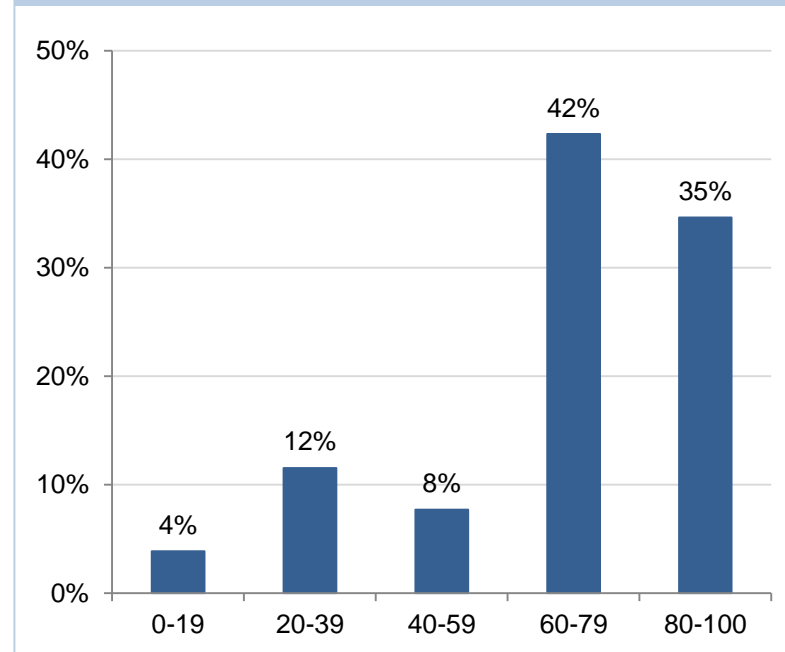
- **Automatic eligibility** to participate in the **Izdihar Index** of the World FZO
- Special incentives for participation:
 - » If you are not yet a member of the World FZO, you receive a **temporary guest access to exclusive WorldFZO content.**
 - » If you are already a member of the WorldFZO, you receive exclusive access to a dedicated online **Izdihar Index-based training seminar.**

Company size is heterogeneous within BEEC Free Zones, and investment dominated by foreign investors

BEEC participants by company size (% of large companies)

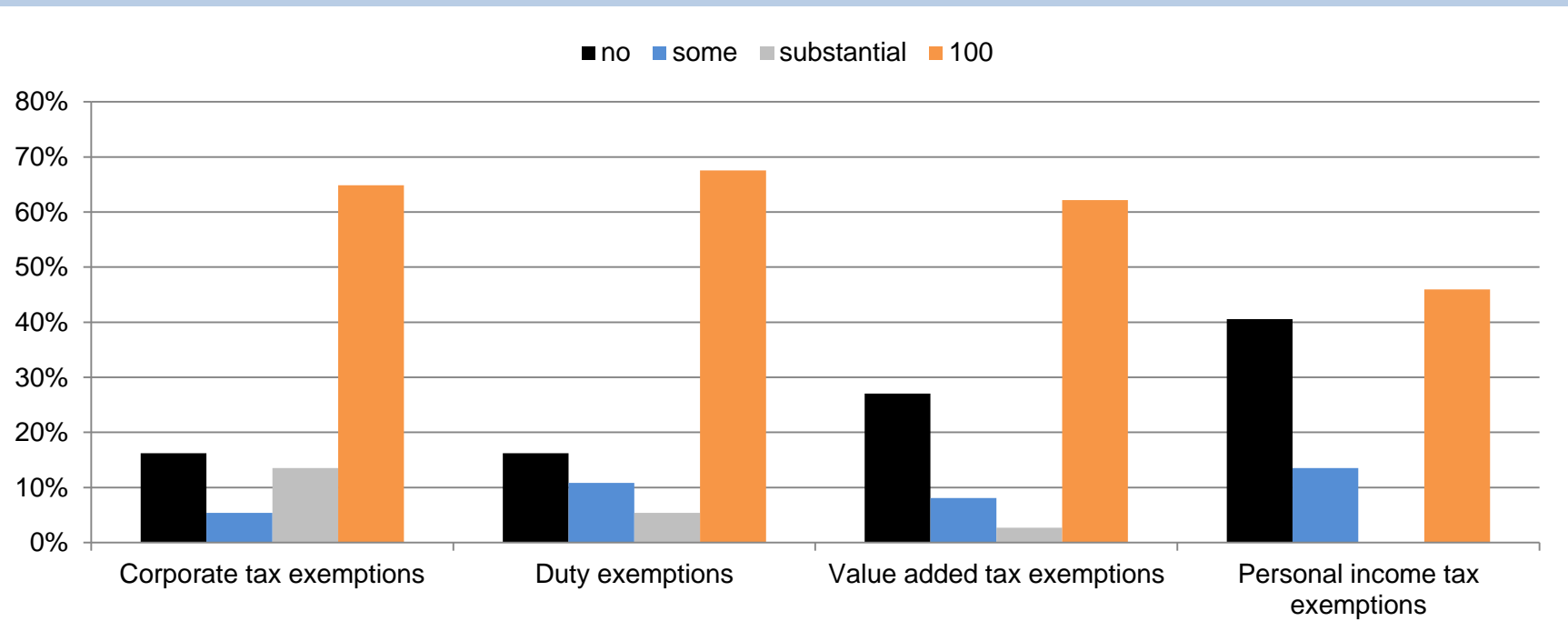


BEEC participants by origin of investment (% of investment by foreign companies)



BEEC Free Zones offer substantial fiscal incentives

Fiscal Incentives offered in Free Zones participating in the BEEC

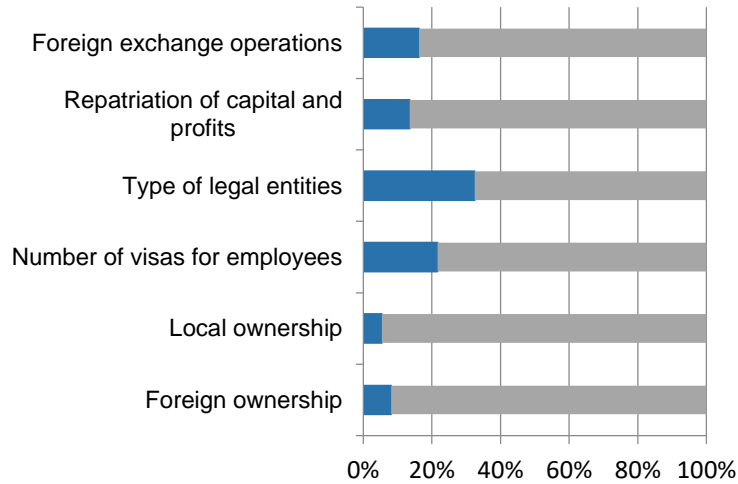


Companies face few restrictions within Free Zones and some benefit from special regulations

Business environment in BEEC Free Zones I

Are there any restrictions on the following...

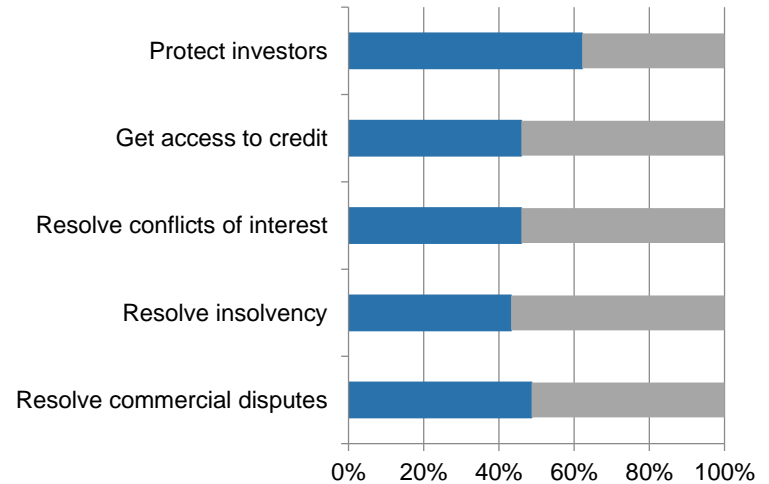
■ yes ■ no



Business environment in BEEC Free Zones II

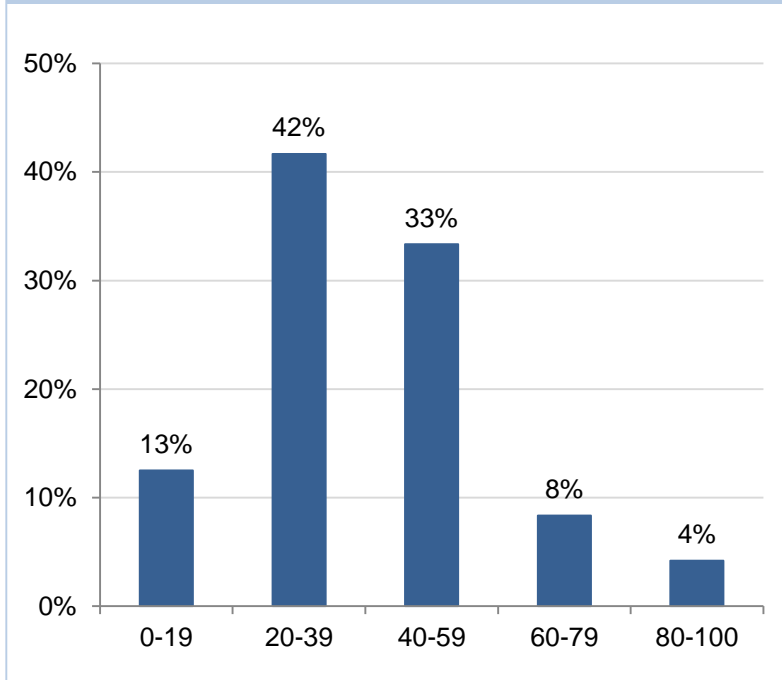
Are there any special regulations to...

■ yes ■ no

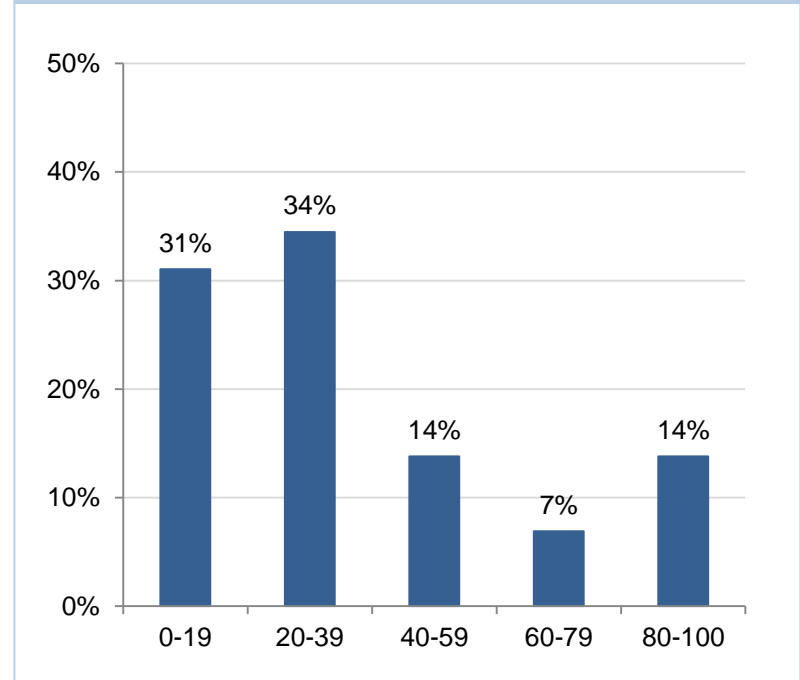


BEEC Free Zones are linked to their host economies to different degrees

Backward linkages in BEEC Free Zones I



Forward linkages in BEEC Free Zones II



F-WEB: Current and expected economic conditions by detailed economic dimensions

