



With huge job losses in the Oil and Gas industry last year, most experts are expecting the start of 2016 to be cautious and the industry as a whole will be battenning down its hatches somewhat. The Chinese economy has also taken a beating recently, with sharp stock market falls. Some of the factors leading to these falls appear to be a decline in manufacturing activity.

The last quarter of 2015 saw the Federal Reserve increase its base rate for the first time in almost a decade. By raising the interest rate by a quarter percent, it effectively marked the end of near-zero borrowing costs. This may well have a knock-on effect to industries globally – particularly those that have borrowed against the US dollar so readily in the past. However, investors generally seemed to be okay with the clarity this decision brought, especially as any further increases are likely to be slow and steady.

The World Bank has predicted that global economic growth will pick up in 2016 and emerging economies will grow more rapidly than last year. South Asia, led by India is described as a 'bright spot' although BRICS countries may have a slower year, particularly as China, Russia and Brazil look set to remain in recession.

Some positive news comes from the International Monetary Fund who forecasts a growth of .5% to 4.5% for emerging and developing economies. This will be music to the ears of some of our featured companies this issue. Bhutan Telecom is one such company that has installed telecommunication and internet services to this mountainous country and has plans to develop further.

AAP - based in Malaysia - is also a company that has big plans for this year and despite some setbacks, including switching from local Malaysian Ringgit to trading in US\$, continues to

remain upbeat. Another Malaysian company, KPC, has set its sights high too and has plans to develop ports overseas and become the leading maritime trade and logistics service centre in its chosen region by 2020. So, industries on the front line seem to be optimistic.

In fact, whilst the fall in oil prices has been bad for some, for others it is proving to be a good thing. Particularly those who are using the oil; for example, businesses that have goods to transport, the petrochemical industry or those using raw material made from refined oil. Certainly farmers in the UK are happy to see the price of oil drop.

We spoke to Etimaad, a company based in Pakistan and now in its eighth year of operation, the company has been steadily making a name for itself by successfully handling various projects that provide turnkey solutions and maintenance turnarounds for its clients in Pakistan and the Middle East. It has certainly benefitted from cheaper oil.

The final word on 2016 has to come from Kaushik Basu, Chief Economist and Senior Vice President of The World Bank who, in its flagship report Global Economic Prospects writes 'Global ripples from China's slowdown are expected to be greatest but weak growth in Russia sets back activity in other countries in the region... In the current environment, developing countries need to brace for possible shock by building resilience to risks to growth...'

Joanne Jeyes
Managing Editor