

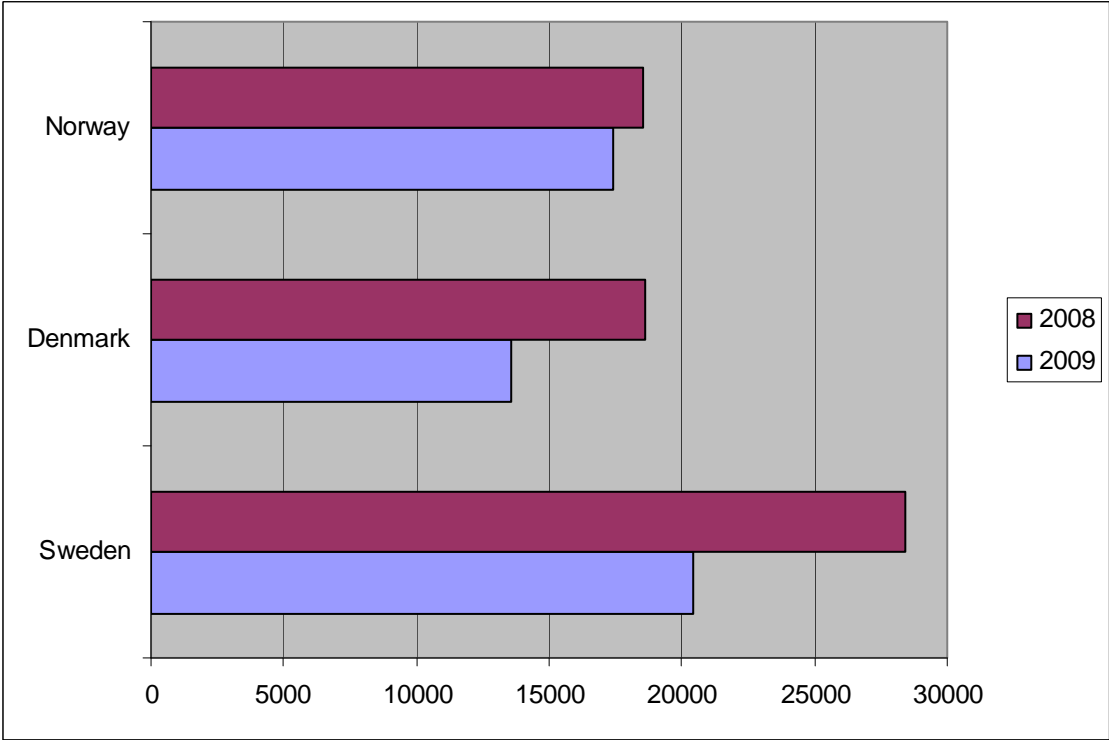
# Scandinavian Air Cargo Trade Index

## First quarter 2009

### Highlights

- CASS-tonnage in Sweden and Denmark down 30 % in Q1.
- Increased volumes of Norwegian salmon to North America due to problems at the salmon farms in Chile.
- Norway least affected by the general fall in yields and volumes in Q1.

### CASS outbound tonnage from Scandinavia 2009 vs 2008



## IATA-CASS Tradeindex

January – March 2009

### Sweden

Region	Turnover (SEK)			Weight (Kilo)		
	Market	Bdwn	Index Last Year	Market	Bdwn	Index Last Year
North America	46,546,467	25.8	52.4	5,166,414	25.3	62.9
Central America + Caribb	8,180,132	4.5	37.4	470,381	2.3	38.9
South America	24,252,474	13.5	49.6	1,268,454	6.2	55.8
Europe	8,217,582	4.6	62.6	825,395	4.0	64.8
Middle East	14,534,199	8.1	52.8	1,648,040	8.1	62.9
Africa	18,341,621	10.2	100.2	1,419,936	6.9	105.4
South East Asia	12,570,942	7.0	74.4	2,165,346	10.6	84.7
South Asian Subcontinent	8,661,052	4.8	45.2	1,913,833	9.4	61.3
Japan	5,523,356	3.1	51.4	979,140	4.8	66.2
South West Pacific	21,330,826	11.8	71.1	1,283,136	6.3	76.6
Korea	2,124,020	1.2	57.7	520,334	2.5	73.4
China	9,940,757	5.5	81.3	2,756,037	13.5	90.0
Domestic	66,192		33.1	29,621	0.1	241.7
<b>Total</b>	<b>180,290,323</b>	<b>100.0</b>	<b>57.9</b>	<b>20,446,209</b>	<b>100.0</b>	<b>69.2</b>

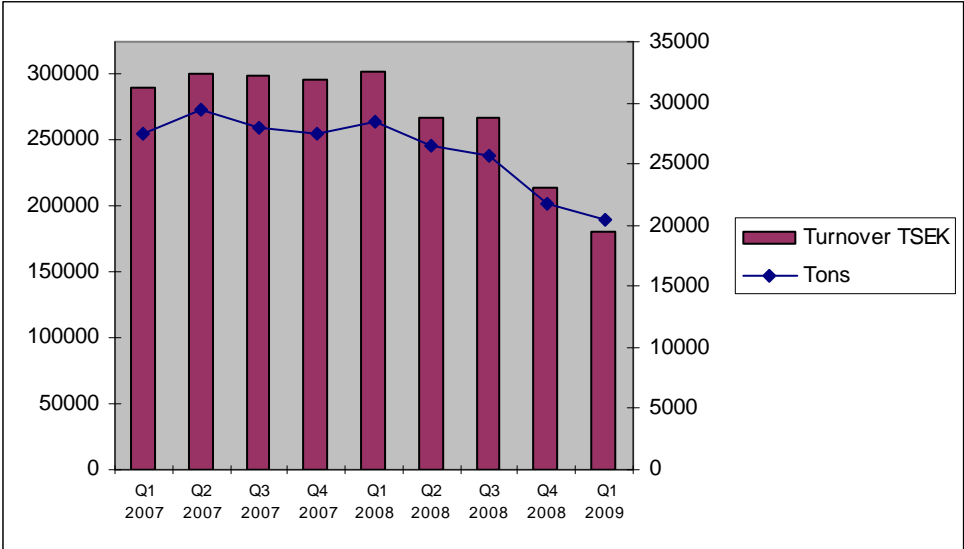
### Denmark

Region	Turnover (DKK)			Weight (Kilo)		
	Market	Bdwn	Index Last Year	Market	Bdwn	Index Last Year
North America	20,884,717	21.6	52.0	3,269,021	24.1	58.4
Central America + Caribb	4,190,564	4.3	127.5	330,451	2.4	152.6
South America	10,215,348	10.6	80.0	739,999	5.5	87.8
Europe	9,424,987	9.7	76.5	795,182	5.9	71.7
Middle East	10,170,594	10.5	93.6	1,762,196	13.0	89.2
Africa	12,940,966	13.4	89.8	992,092	7.3	82.1
South East Asia	6,032,001	6.2	67.4	1,262,126	9.3	74.6
South Asian Subcontinent	3,383,005	3.5	83.4	663,488	4.9	93.1
Japan	3,362,128	3.5	50.4	670,232	4.9	59.9
South West Pacific	8,324,046	8.6	50.3	667,571	4.9	53.6
Korea	2,075,081	2.1	53.3	640,393	4.7	70.2
China	5,524,364	5.7	75.1	1,755,192	12.9	72.0
Domestic	205,963	0.2	107.0	5,856		71.7
<b>Total</b>	<b>96,782,471</b>	<b>100.0</b>	<b>68.4</b>	<b>13,557,884</b>	<b>100.0</b>	<b>71.1</b>

### Norway

Region	Turnover (NOK)			Weight (Kilo)		
	Market	Bdwn	Index Last Year	Market	Bdwn	Index Last Year
North America	16,902,094	16.3	96.6	2,253,281	12.2	119.7
Central America + Caribb	1,080,315	1.0	78.0	79,646	0.4	84.0
South America	4,016,520	3.9	63.5	189,707	1.0	66.6
Europe	8,765,489	8.5	89.1	742,281	4.0	86.6
Middle East	7,650,204	7.4	118.8	1,361,155	7.4	124.7
Africa	6,240,501	6.0	93.2	464,420	2.5	84.2
South East Asia	11,999,105	11.6	89.2	2,020,048	11.0	86.4
South Asian Subcontinent	1,886,804	1.8	93.4	230,269	1.2	80.8
Japan	13,751,629	13.3	80.9	4,192,227	22.7	99.1
South West Pacific	2,378,094	2.3	82.5	123,498	0.7	87.2
Korea	5,839,301	5.6	83.7	1,403,927	7.6	85.5
China	13,568,955	13.1	106.7	4,319,103	23.4	80.5
Domestic	9,485,916	9.2	86.5	1,055,217	5.7	88.5
<b>Total</b>	<b>103,564,929</b>	<b>100.0</b>	<b>90.7</b>	<b>18,434,776</b>	<b>100.0</b>	<b>92.4</b>

Sweden

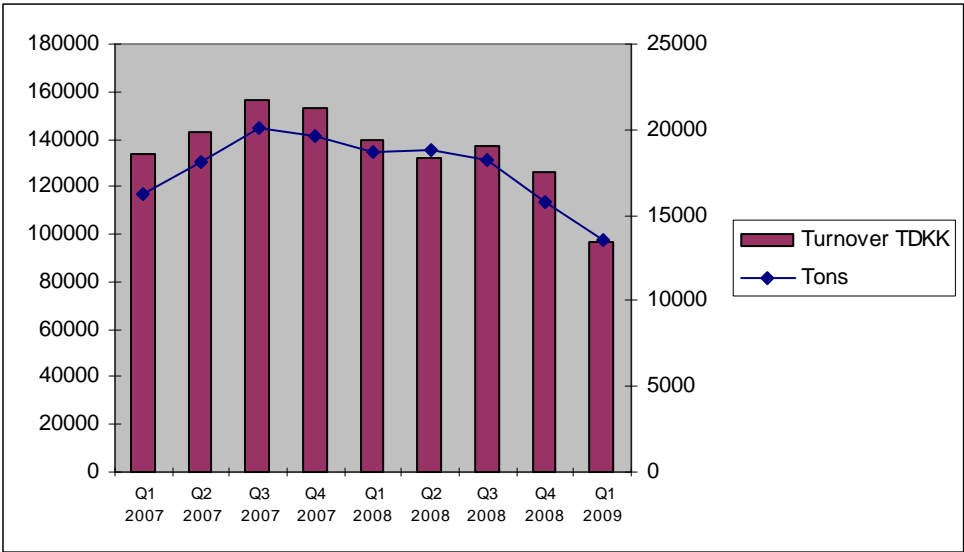


The Swedish CASS export in the first quarter was only 70 percent of the volumes during the same period last year. The turnover was down even more, reflecting an overcapacity in the market.

Looking at certain markets, the only market that has grown compared to last year is the African market which also gained a seven percent market share all Swedish CASS export compared to less than five percent a year ago. The North American market continues to loose market share, both regarding tonnage and turnover.

Among the large export markets from Sweden, the Chinese market has coped with the downturn much better than other countries and regions. Even though the downward pressure on yields, the Chinese market share has increased from ten percent a year ago to almost fourteen percent. Also South East Asia is among the markets that has gained market share during the downturn.

**Denmark**



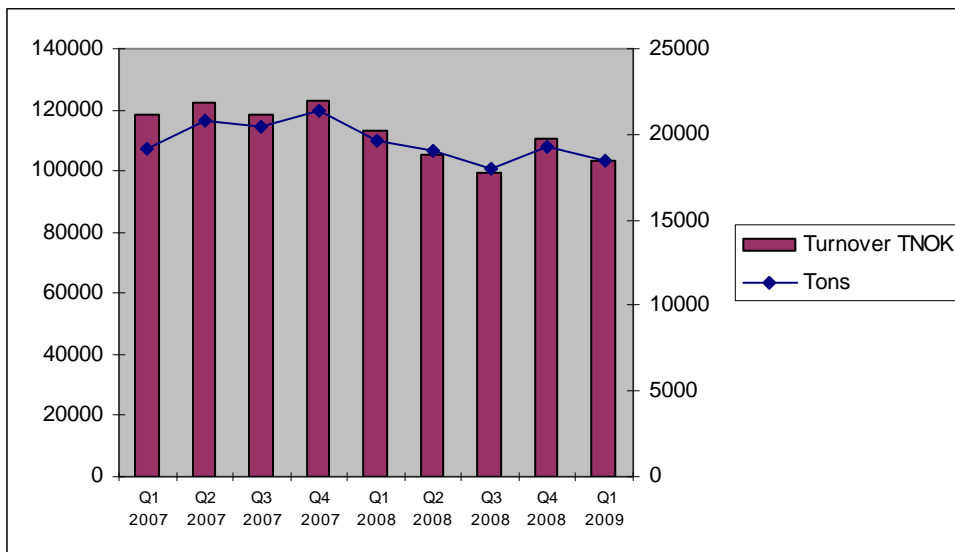
The overall development in Denmark is similar to Sweden regarding volumes. Looking at turnover and yield, the Danish market has been stronger during the first quarter with turnover and tonnage decreasing approximately the same.

North America, South West Pacific and Japan are the markets that have recorded the major decreases in CASS export during the first quarter compared to last year. The market share for North American export decreased with five percentage points and is now below 25 percent with an even higher drop in turnover.

Even though export volumes from Denmark to the Middle East haven't increased in line with the global trend, that market has gained considerable market share and also increasing yield and was, during the first quarter, the second largest export market from Denmark.

China is the third largest Export market and seems to be struggling at the moment. The positive sign is that yield, in line with the overall Danish CASS export is keeping up.

## Norway



Norway is very dependent on export to Japan. Despite the downward pressure on yield, volumes to Japan was about the same during the first quarter 2009 compared to 2008.

Two of the other major export markets from Norway, North America and the Middle East, has actually experienced increasing volumes during the first quarter. To the Middle East, turnover has also increased as much as volumes. One reason why the North American market has increased CASS-volumes is that the salmon farms in Chile, which usually supplies the US with salmon, have been hit by disease. This means that the fish exporters in Norway are trying to fill this gap in demand.

The major export market is still China, but with volumes decreasing twenty percent during the first quarter, the Chinese market share dropped almost five percentage points compared to last year.

With the overall Norwegian CASS export market keeping up very good compared to Sweden, Denmark and the global air freight development all markets except North America have managed to keep yield steadily. Chinese CASS export has even recorded turnover increasing much more than volumes.

**Macroeconomic summary**

*The global economy has been in recession during the first quarter. There are now signs that the recession has reached a floor but a robust recovery remains uncertain.*

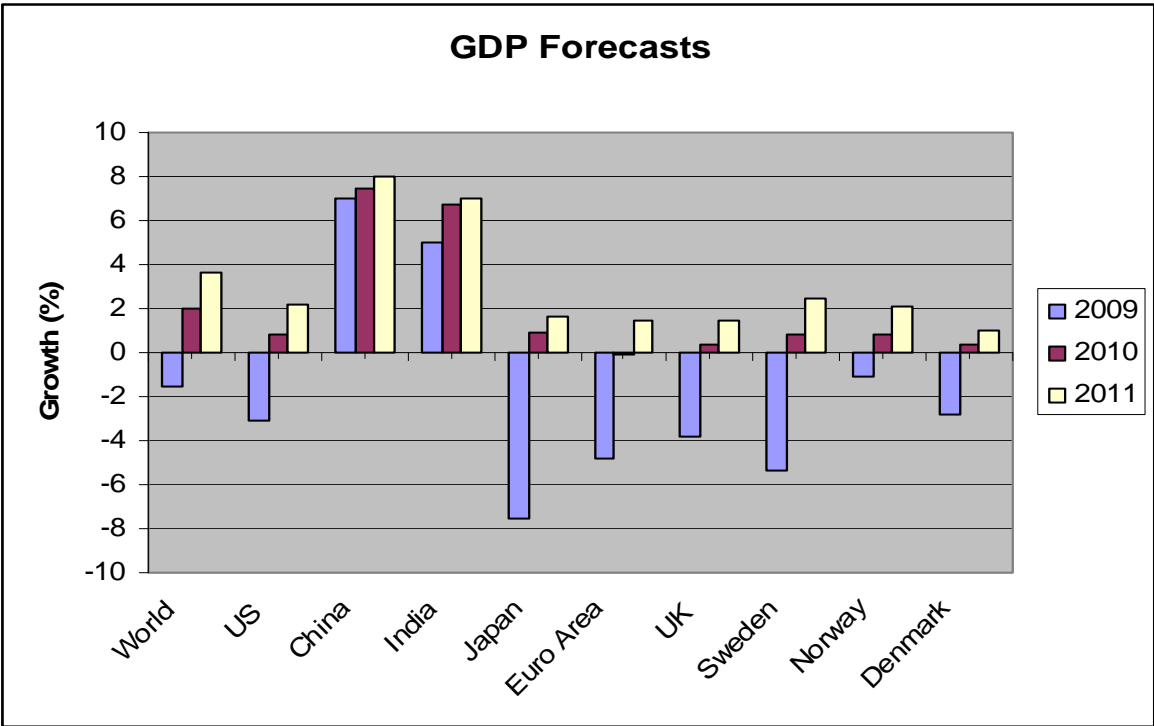
During the second quarter, there are now signs that the GDP in many countries has stopped to decrease any further. The stimulus from central banks and governments seems to be getting the banks and financial markets working again. However, with asset prices down more than 30 percent in many markets a recovery in spending and overall demand will take time and probably be slow. This will also hamper a recovery in air freight.

The crisis will probably create structural change in some markets, for example in countries which have traditionally had a strong automotive industry. This is predicted to hold back some of the growth in the OECD area. The import in OECD countries is forecasted to decrease ten percent during 2009.

More than 50 percent of Swedish GDP is generated by export. This is a very high share and a lot of the Swedish production is focused towards markets and industries with dramatic downturns since last autumn.

Interest rates in most countries have decreased sharply. A too expansive financial policy could bring interest rates up and further hamper spending and investments. This year, both UK and the US will have double digit budget deficits as a percentage of GDP.

As is shown below, forecasts expect output to decrease sharply this year (but move sideways during the rest of the year) and to increase in a very weak and fragile way during 2010. As demand increase and inventory is rebuilt there will probably be a more robust growth from 2011.



National Institute for Economic Research. June 2009.