

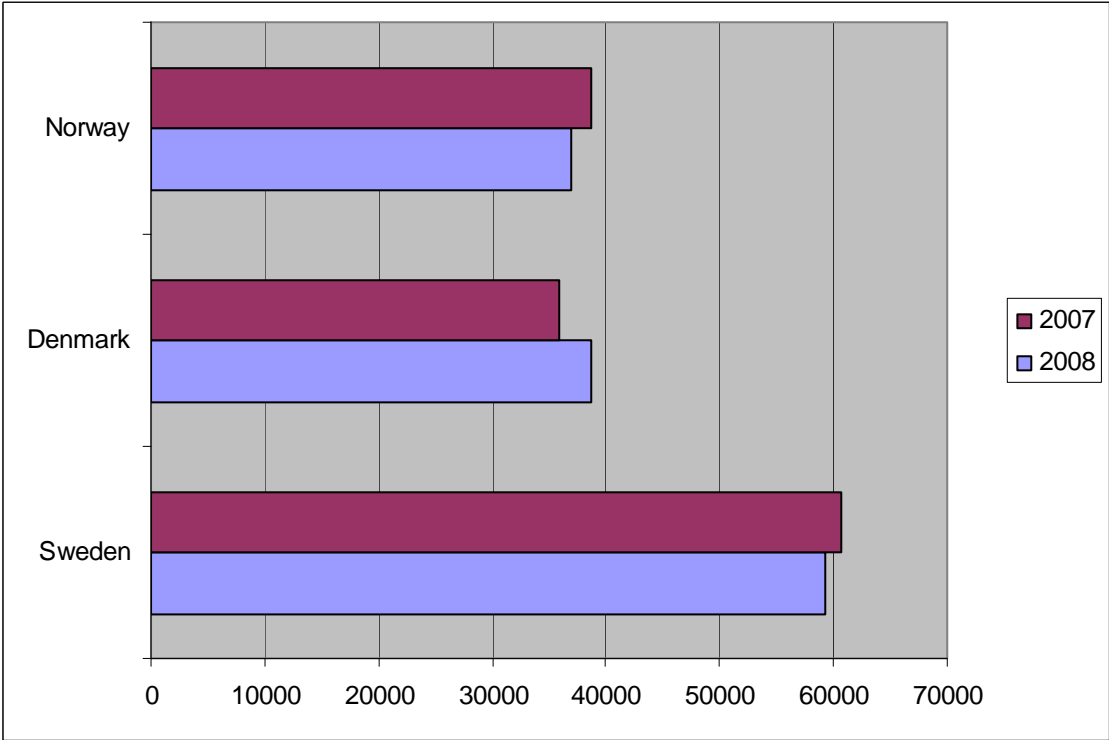
Scandinavian Air Cargo Trade Index

Second quarter 2008

Highlights

- The global economic slowdown is starting to affect the Scandinavian air cargo market
- Yield is under a lot of pressure in Denmark
- Strong tonnage growth in Denmark, despite a general downward trend in Scandinavia

CASS outbound tonnage from Scandinavia 2008 vs 2007



IATA-CASS Tradeindex
January – June 2008

Sweden

Region	Turnover (SEK)			Weight (Kilo)		
	Market	Bdwn	Index Last Year	Market	Bdwn	Index Last Year
North America	168,552,215	27.9	95.0	15,674,588	26.5	97.4
Central America + Caribb	44,388,022	7.4	98.7	2,496,519	4.2	105.5
South America	84,541,063	14.0	112.2	3,982,399	6.7	105.4
Europe	26,545,963	4.4	84.2	2,604,466	4.4	92.3
Middle East	51,394,872	8.5	84.1	4,999,472	8.4	74.9
Africa	37,891,994	6.3	85.9	2,862,658	4.8	94.4
South East Asia	36,064,659	6.0	96.3	5,537,606	9.4	98.7
South Asian Subcontinent	38,010,750	6.3	69.2	6,428,866	10.9	85.9
Japan	19,958,833	3.3	71.8	2,784,355	4.7	81.6
South West Pacific	62,826,063	10.4	138.8	3,603,242	6.1	157.7
Korea	8,159,196	1.4	101.4	1,726,218	2.9	124.0
China	24,691,048	4.1	87.7	6,501,777	11.0	100.1
Domestic	343,929	0.1	98.5	21,271		121.9
Total	603,369,289	100.0	94.8	59,223,498	100.0	96.4

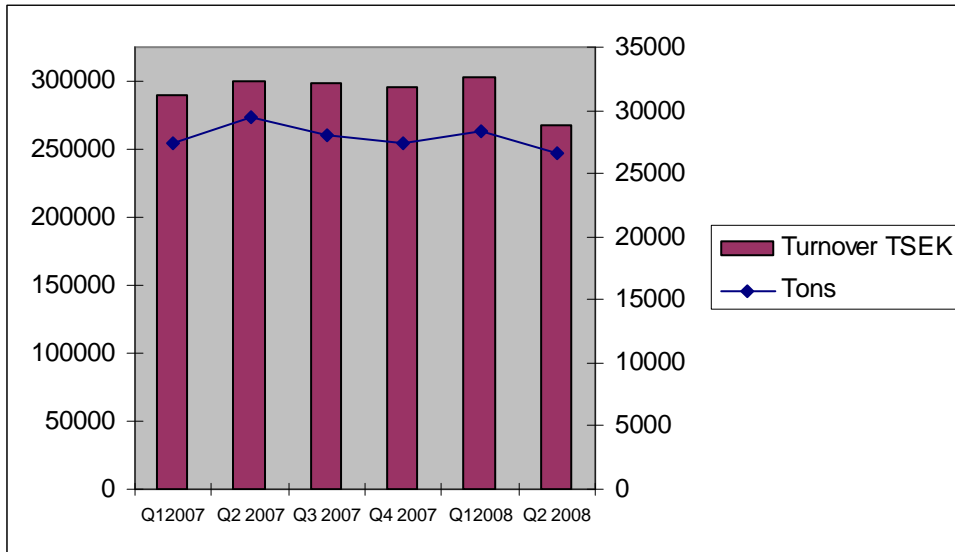
Denmark

Region	Turnover (DKK)			Weight (Kilo)		
	Market	Bdwn	Index Last Year	Market	Bdwn	Index Last Year
North America	77,211,991	27.7	93.5	10,693,554	27.6	100.8
Central America + Caribb	7,968,800	2.9	142.2	591,510	1.5	158.4
South America	24,883,681	8.9	106.6	1,642,346	4.2	108.7
Europe	25,574,739	9.2	95.3	2,304,939	5.9	94.0
Middle East	21,051,660	7.6	93.3	3,918,474	10.1	111.3
Africa	27,426,214	9.9	105.9	2,245,461	5.8	109.7
South East Asia	18,256,886	6.6	103.0	3,481,456	9.0	111.0
South Asian Subcontinent	7,658,447	2.8	81.7	1,427,806	3.7	98.2
Japan	13,053,719	4.7	87.7	2,254,679	5.8	101.4
South West Pacific	30,630,726	11.0	86.0	2,285,351	5.9	84.4
Korea	8,101,980	2.9	91.0	2,233,073	5.8	128.8
China	16,230,826	5.8	98.8	5,702,379	14.7	123.5
Domestic	340,865	0.1	97.6	12,387		108.7
Total	278,391,849	100.0	96.0	38,793,555	100.0	106.6

Norway

Region	Turnover (NOK)			Weight (Kilo)		
	Market	Bdwn	Index Last Year	Market	Bdwn	Index Last Year
North America	32,753,391	14.7	85.9	3,532,780	9.0	88.9
Central America + Caribb	2,534,311	1.1	112.7	167,087	0.4	105.5
South America	11,249,862	5.0	110.0	480,890	1.2	107.6
Europe	21,428,879	9.6	95.4	1,843,588	4.7	94.3
Middle East	13,282,516	6.0	107.0	2,234,917	5.7	111.0
Africa	11,738,388	5.3	101.2	972,742	2.5	113.3
South East Asia	28,163,874	12.6	105.3	4,752,451	12.1	108.0
South Asian Subcontinent	3,742,591	1.7	141.2	497,108	1.3	165.0
Japan	31,575,393	14.2	62.8	8,310,832	21.1	75.2
South West Pacific	6,193,727	2.8	91.4	306,340	0.8	88.7
Korea	13,905,744	6.2	108.4	3,335,933	8.5	107.6
China	24,141,068	10.8	91.8	10,506,071	26.7	102.8
Domestic	22,131,142	9.9	89.3	2,436,643	6.2	93.1
Total	222,961,136	100.0	90.1	39,381,082	100.0	95.0

Sweden

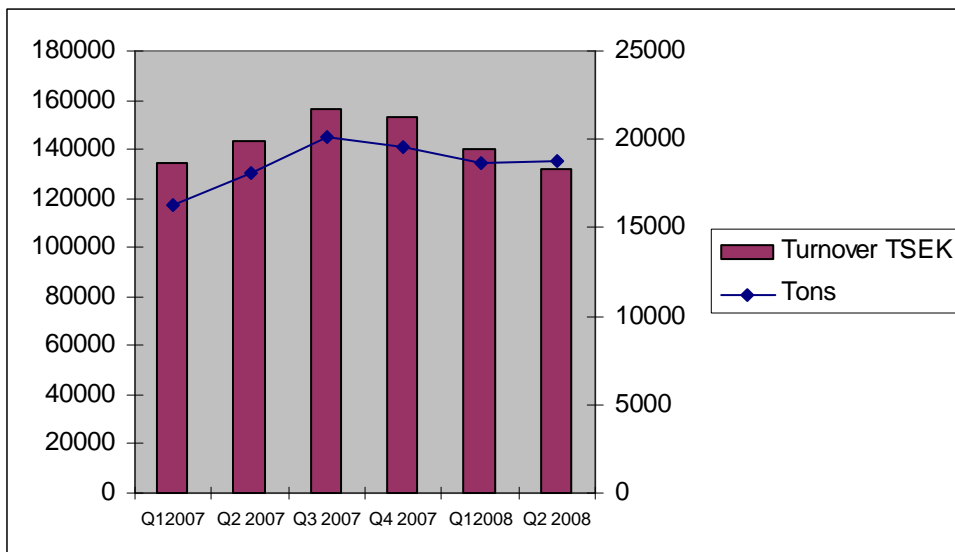


The second quarter 2008 has shown decreasing tonnage and turnover compared to 2007. Last year both tonnage and turnover increased during the second quarter. This year has shown a different tendency with both tonnage and turnover falling sharply during the second quarter.

Looking at different markets, North America, Central America and South America has shown stable figures during 2008. The strengthened US dollar has probably helped to support the freight volumes to these markets. Among some of the larger export markets, the Middle East and the South Asian Subcontinent have had the weakest development during the year.

Looking at turnover, the yield pressure is not evident since the decrease in turnover is just slightly higher than the decrease in tonnage. Even though the economic downturn has a negative impact on freight volumes, the effect so far during 2008 is not dramatic when it comes to Swedish CASS export.

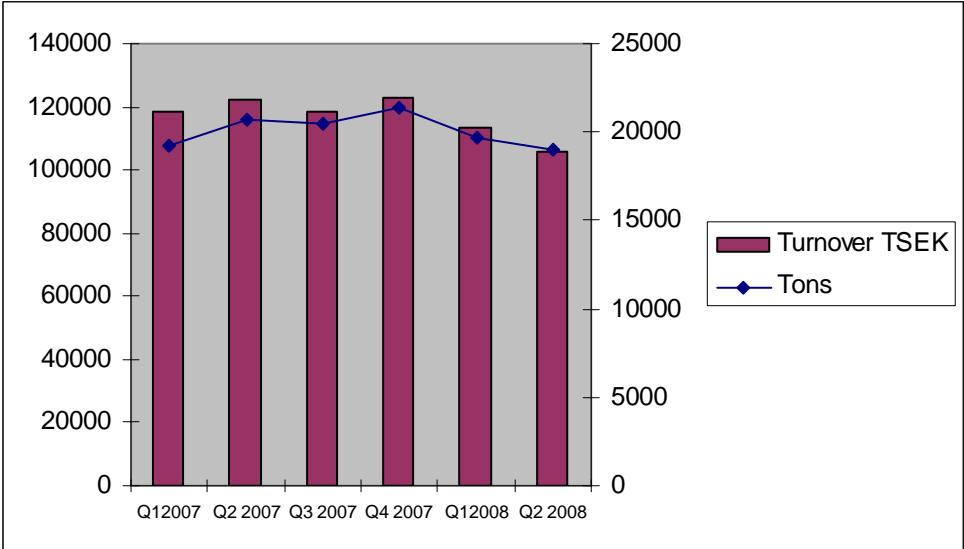
Denmark



Compared to last year the Danish market has experienced a slight growth in tonnage and a similar decline in turnover. The trend is similar to Sweden and Norway, with a weaker second quarter compared to the first quarter. The pressure on yields is most evident on the Danish CASS export to China and Korea.

When it comes to tonnage, the growth is impressive given the economic downturn in many of the major Danish export markets. The important North American market, with over a quarter of all Danish CASS export, seems stable so far this year. Together with tonnage growth in the large export to Middle East, South East Asia, and China the Danish freight volumes seem stable at the moment.

Norway



The trend in Norway seems to be slightly declining both when it comes to tonnage and turnover. With last year recording a strong second quarter, this year showed a weak second quarter both compared to the first quarter and compared to last year. Still, the decrease is relatively small given the economic turbulence in many of the important Norwegian export markets.

The market shares are stable with China still by far the largest export market. The North American CASS export is now less than ten percent of the total, making the Norwegian market less dependent on the economic development in the US but on the other hand more dependent on the development in Asia. The once again weakening Japanese economy will probably further decrease some important freight volumes from Norway.

Macroeconomic outlook

The economic downturn is deeper than earlier forecasted. As shown in the figures on the next page, the GDP forecasts have been revised downwards constantly during the last year. Only since the last forecast in March, there are remarkable shifts downwards in the forecasts for many countries. Most major economies are now well below a forecasted two percent growth rate for next year. This is also well below the historical average annual growth rate in most countries which means we are entering a period with very modest growth, if any. There are also signs of a longer period with lower growth which means that 2010 very well may also be a weak year in terms of growth in many of the important export markets from Scandinavia.

Sweden is beginning to get affected by the financial turbulence in the US. The number of companies giving notice of weakening order stock and plans to decrease its workforce has increased heavily during the second quarter. One of the major short term threats to the Swedish economy is the slowdown in exports. This is due to the economic slowdown in many Swedish export markets and also the strong Swedish Krona. Together with much more cautious households and thereby sharply decreasing demand, the GDP growth is forecasted to be low at least during the two coming years. Since Sweden is one of the countries in the western world that is most dependent on export, the global development will be crucial.

In **Denmark**, growth is now forecasted to be very low the coming years. Just like in Sweden, many of Denmark's most important export markets are experiencing declining growth. In Denmark, unemployment is still very low but more expensive credits for companies and households have decreased the domestic demand sharply.

Norway has the strongest growth among the Scandinavian countries at the moment. Still, the growth is forecasted to decrease the coming years. Norway's high dependency on Asia in its exports means that the country is vulnerable for a downturn in that region. Asia is predicted to experience decreasing growth rate but still at high levels. This means that Norway seem to be in a pretty good position compared to many other European countries. This is also shown in recent figures showing that the growth during 2008 will probably be well above the growth in Sweden and Denmark.

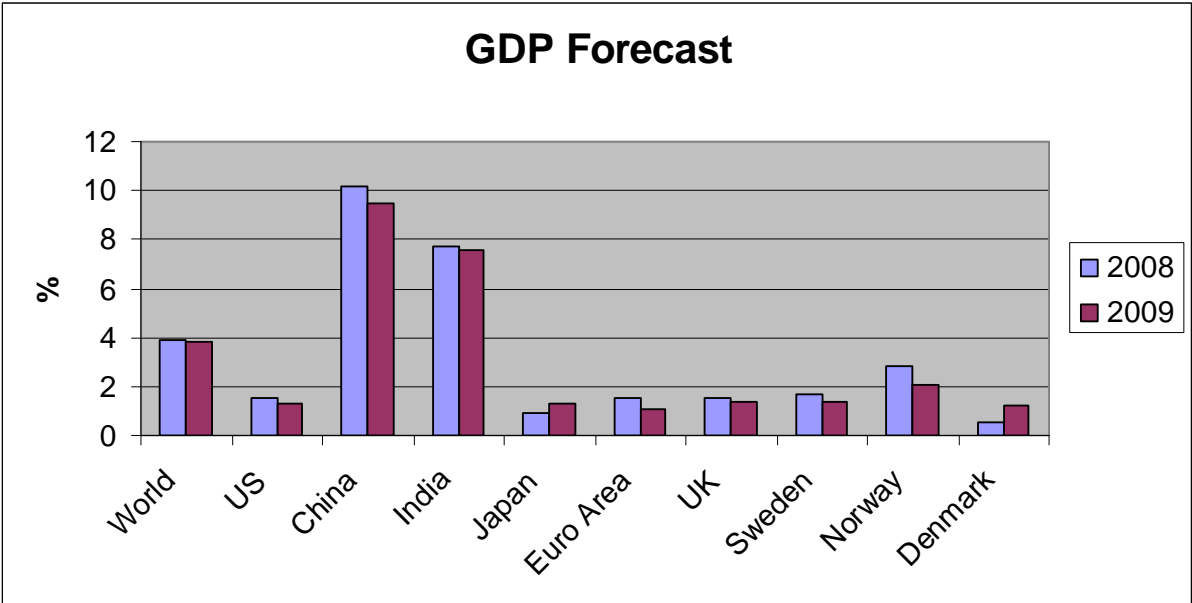
The **Euro Area** is negatively affected by the financial turmoil, high energy prices and weaker demand in major export countries but also by weaker demand within Europe. This means that the Euro Area is predicted to experience slow growth the coming years. The strong, and possibly stronger, Euro is predicted to further decrease the growth, especially in exports. The development in the major export markets outside the Euro Area will be crucial for how deep the downturn will be.

In the **UK**, the economy is forecasted to enter a recession the coming years. The UK's high dependency on the financial market has caused severe problems during the last months. The UK, as the rest of Europe, is also highly dependent on the development and demand in both the US and Asia.

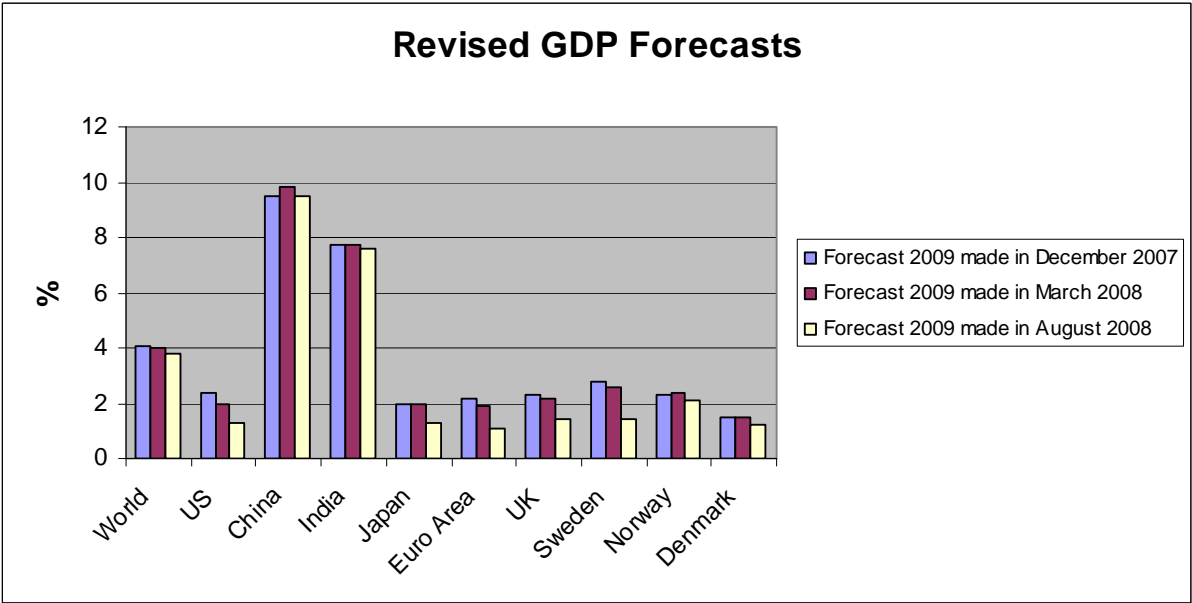
The **US** financial crisis is one of the main explanations to the forecasted economic slowdown in most western countries. The crisis has caused asset values to decrease all over the world and also had a negative impact on domestic demand in the US. A one time stimulation package helped to increase domestic demand during the second quarter but the effect from this is not predicted to have a lasting effect. At the moment the downturn is predicted to last at least during 2009. The US economy is energy intensive and therefore very dependent on energy prices. If oil prices stay above 100 USD the upturn in the US economy will be slower than predicted so far. The most important action to increase domestic demand in the US is probably the expansive monetary policy which can help to shorten the recession.

Among the **Asian** countries, Japan is once again forecasted to have a very modest growth both 2008 and 2009. The weak yen and relatively strong demand in the rest of Asia helps Japanese exports but domestic demand is predicted to stay at very low levels. China has experienced a decreased growth in export to US and Europe but high domestic demand and increasing investments in infrastructure means that China is still a very important and growing export market for many Scandinavian companies.

Globally, the major risks pointed out are a further decline in the US, different unbalances (both social and financial) at emerging markets, a slower than forecasted decrease in growth in China and India and an underestimation of the risk for high global inflation.



National Institute for Economic Research, August 2008



National Institute for Economic Research, January 2008