

2012 Annual Conference

ISHC  
INTERNATIONAL SOCIETY OF  
HOSPITALITY CONSULTANTS

THE HEAT IS ON!  
A New World Competition

**New World Rising**

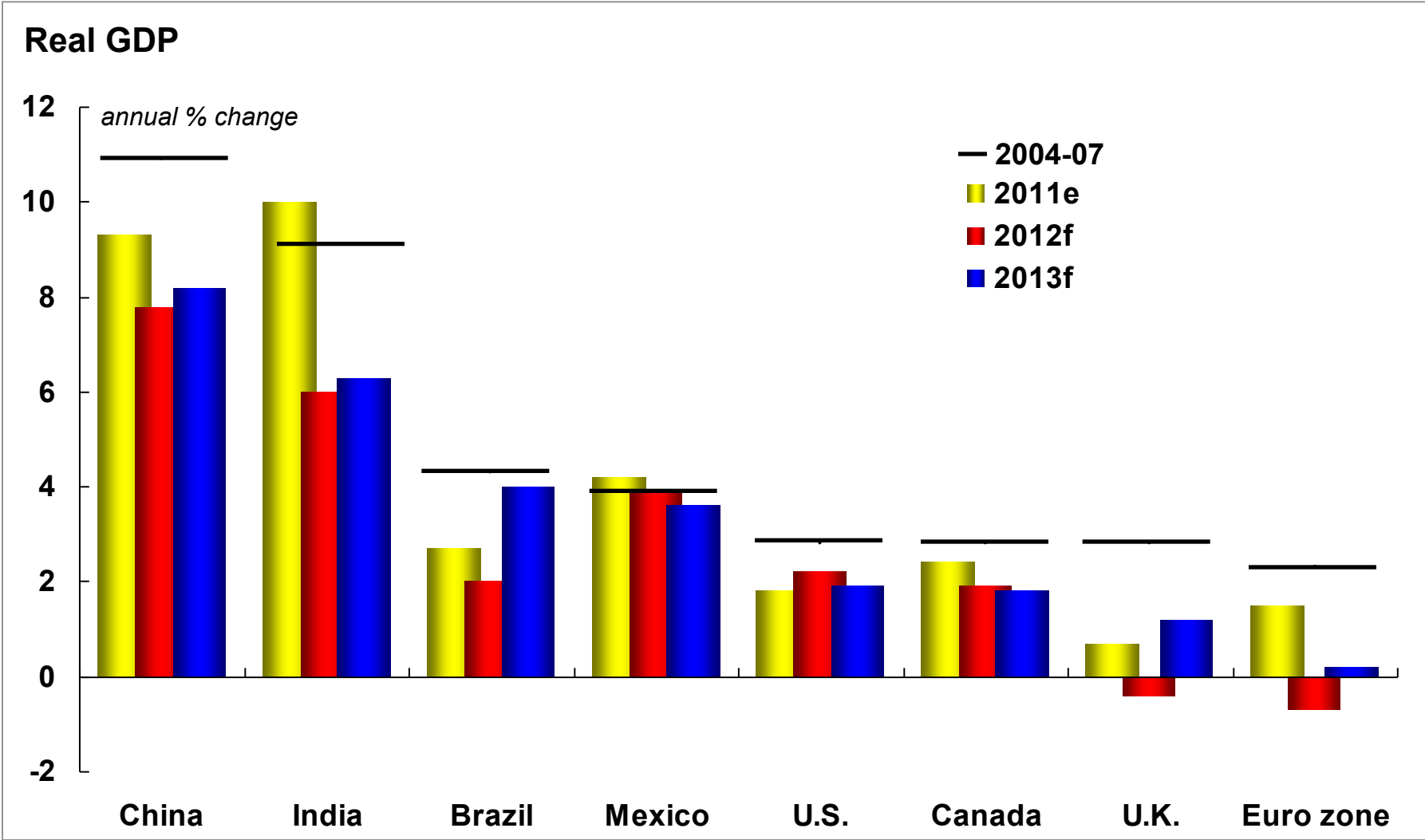
Warren Jestin  
Chief Economist  
Scotiabank



InterContinental Buckhead Atlanta, Georgia

September 20-23, 2012

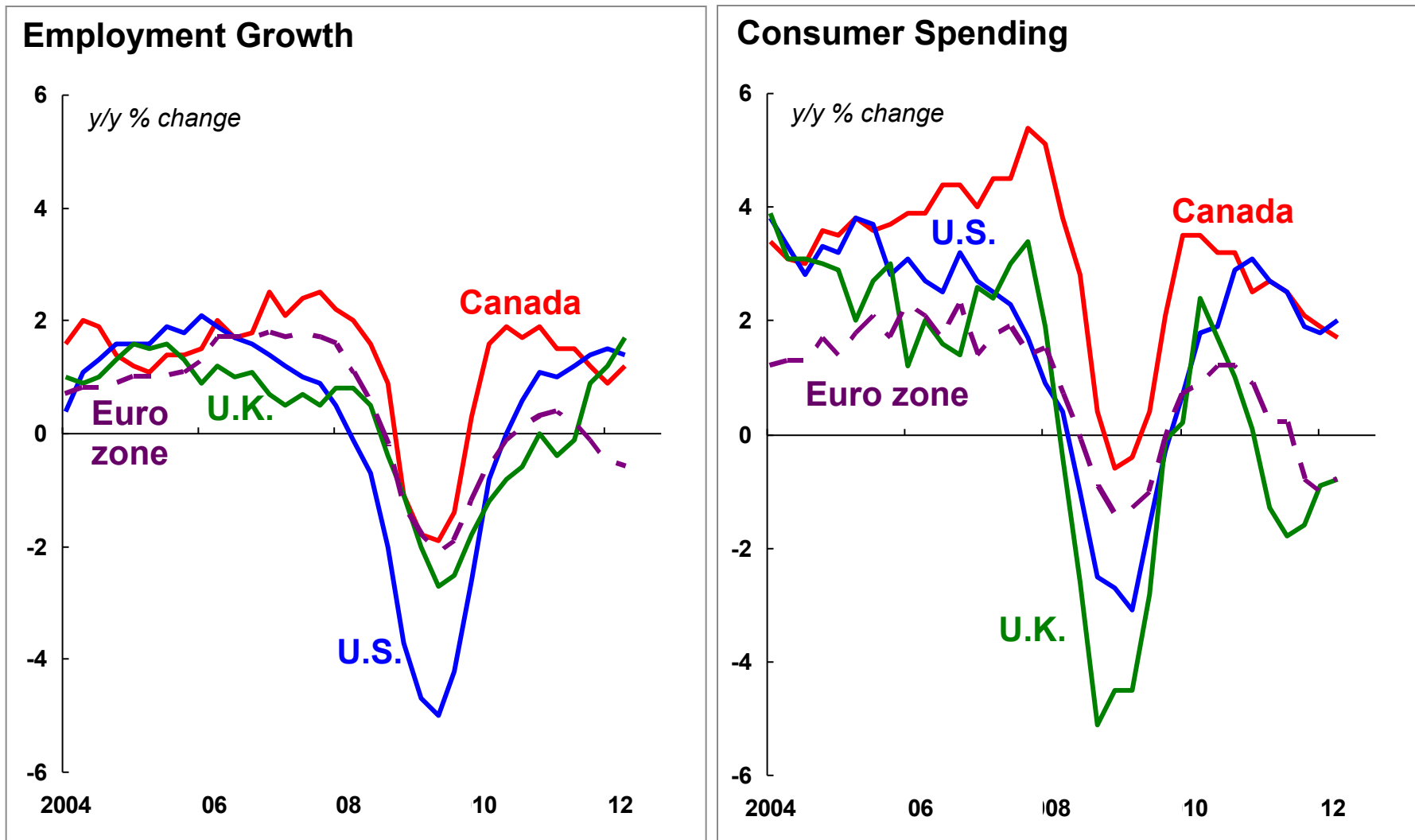
# Global Growth Has Lost Momentum



Source: Bloomberg, BEA, Statistics Canada, Eurostat, Scotia Economics.

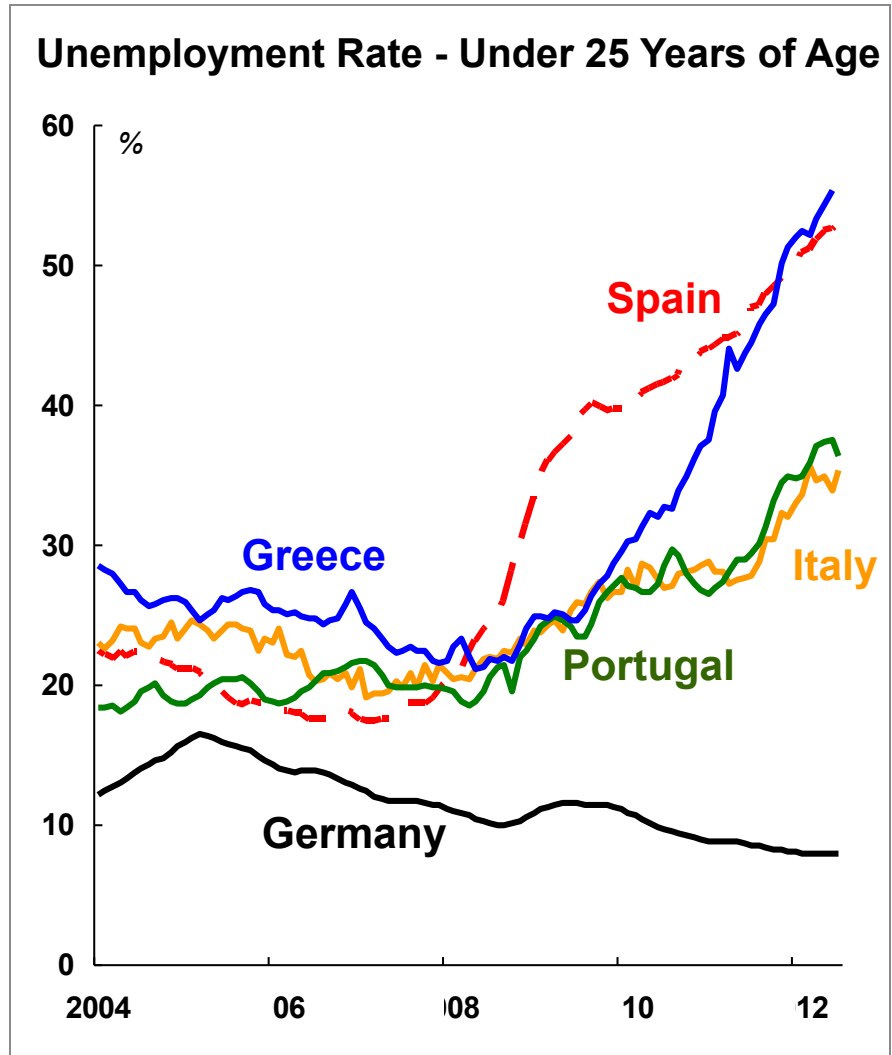
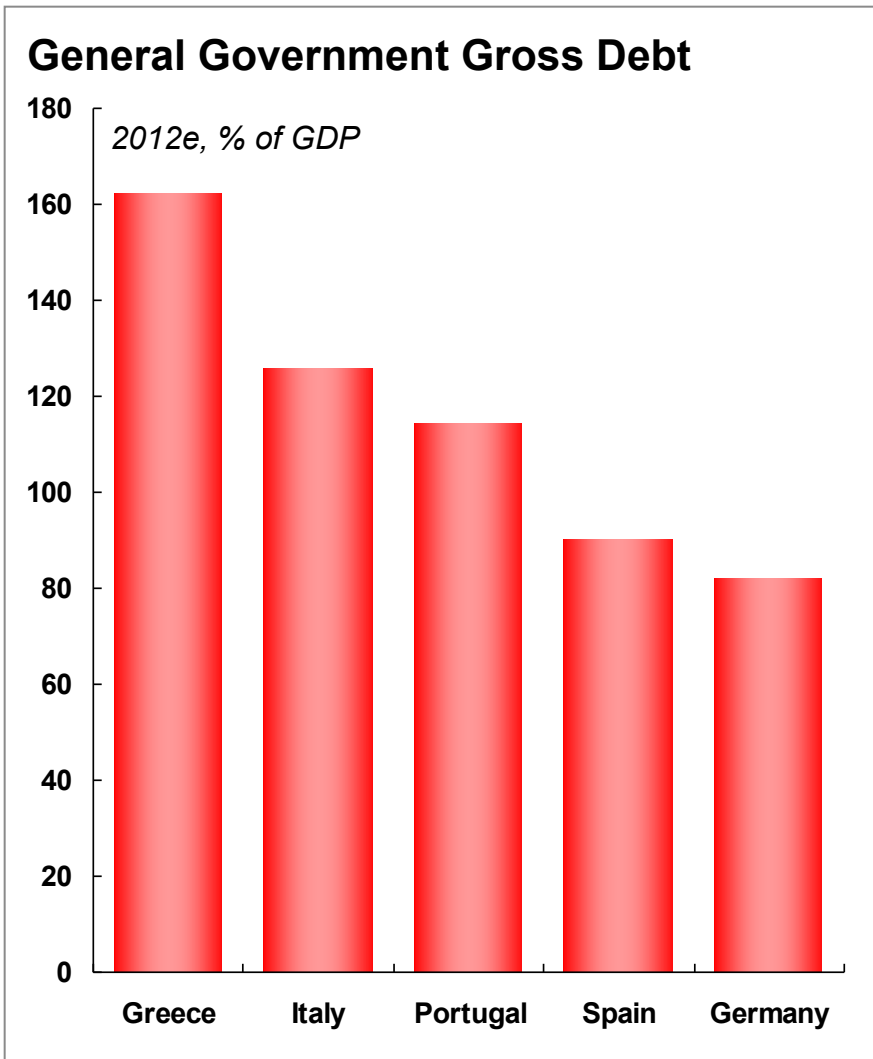
Forecasts at August 30, 2012

# Developed Nations Hit by Economic, Fiscal & Financial Headwinds



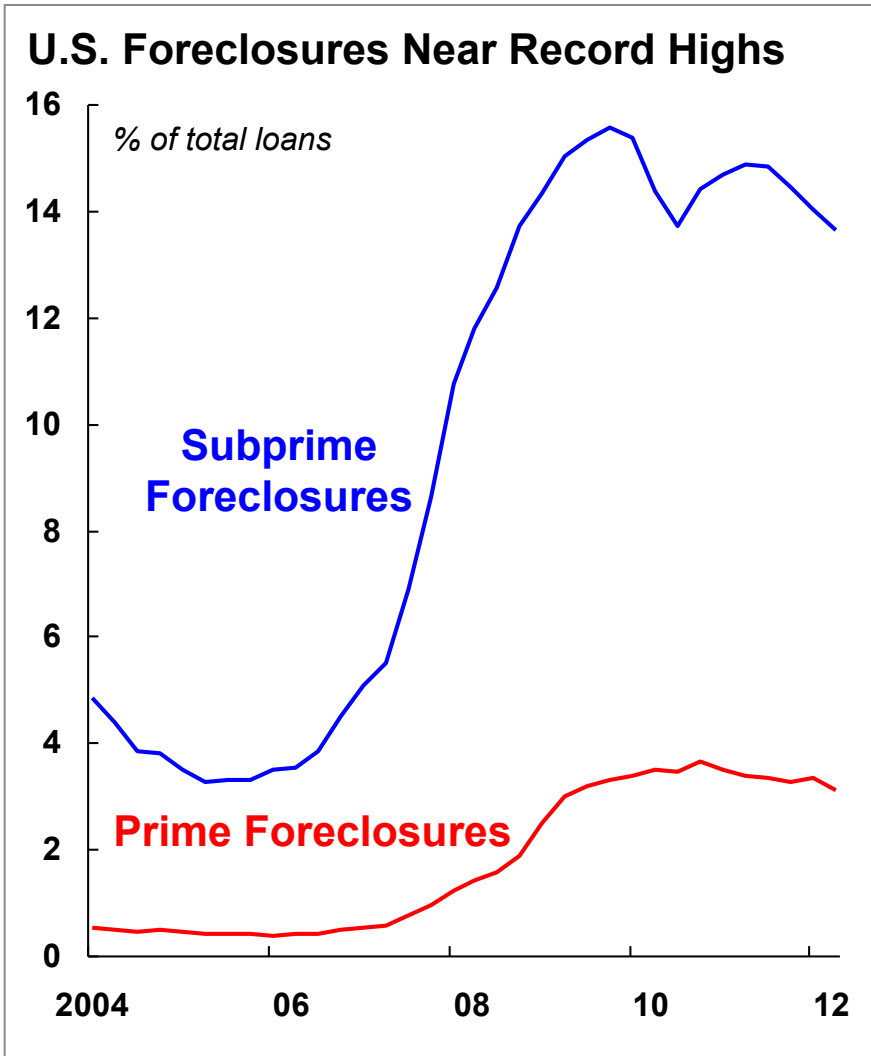
Source: Statistics Canada, BEA, Eurostat, Scotia Economics.

# European Debt Concerns will continue to Fuel Market Volatility

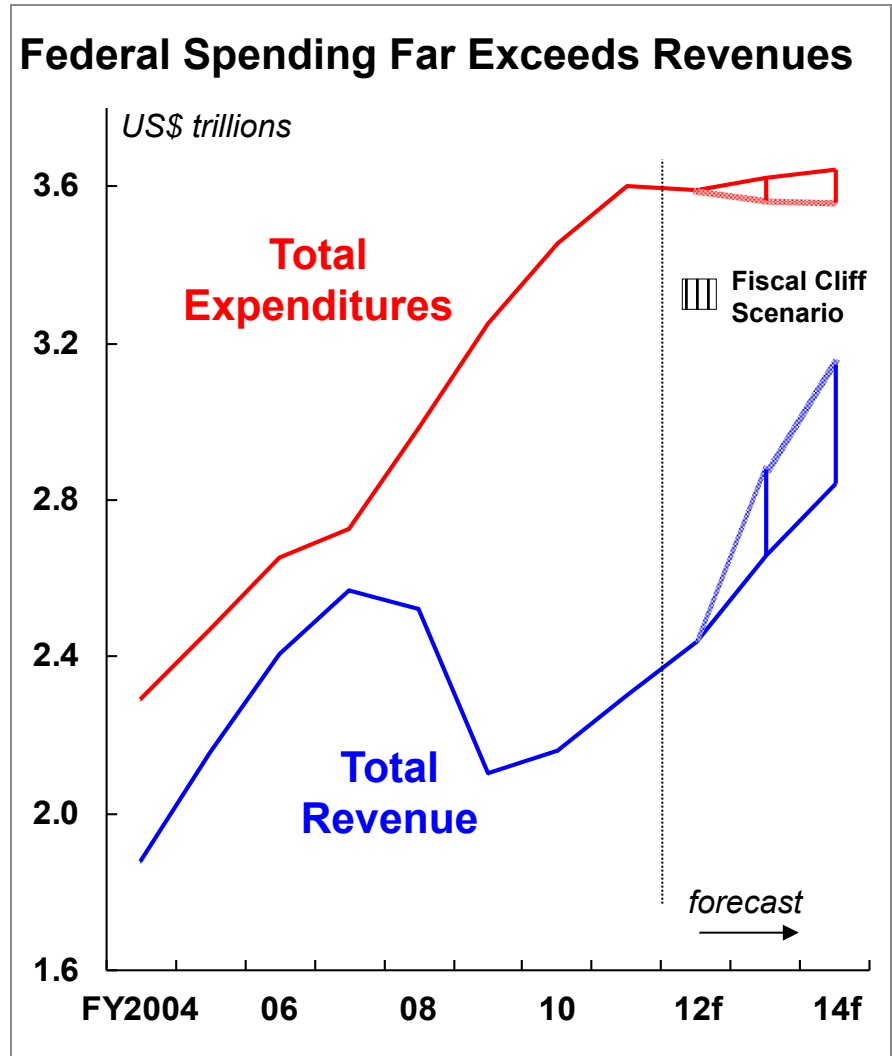


Source: IMF, Eurostat, Scotia Economics.

# Financial Strains & Fiscal Cliff Cloud U.S. Economic Prospects

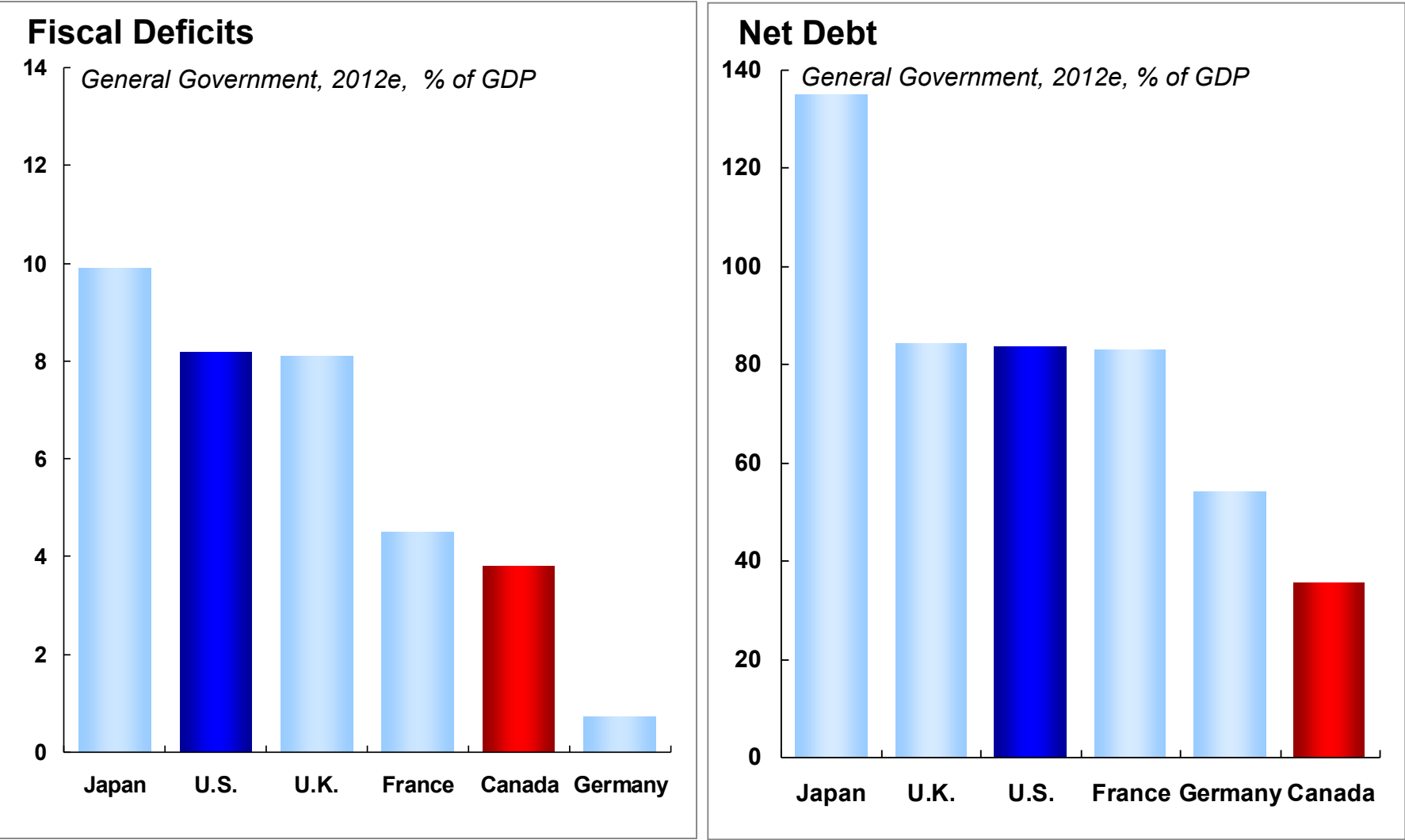


Source: Bloomberg, Scotia Economics.



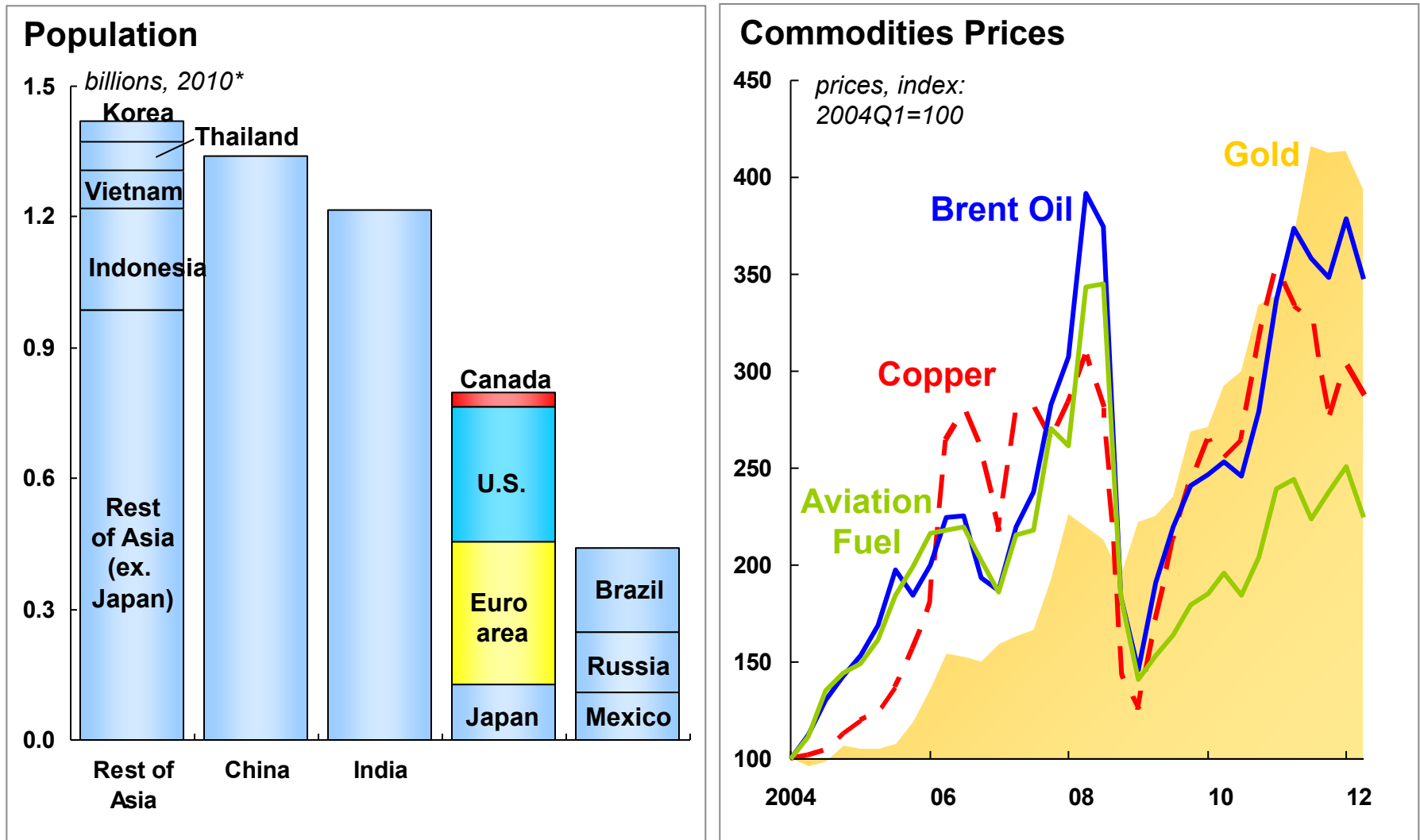
Source: U.S. Treasury, Congressional Budget Office, Scotia Economics.

# Fiscal Repair Will Temper Growth Well Beyond Mid-Decade



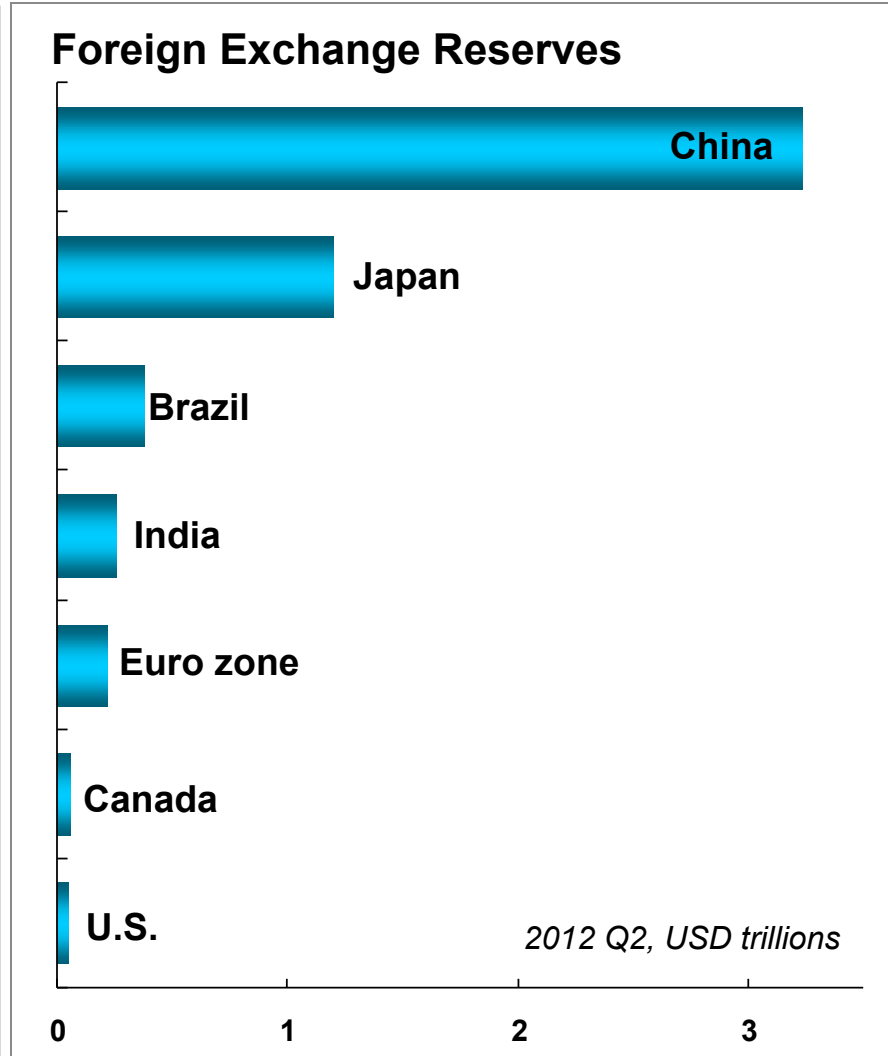
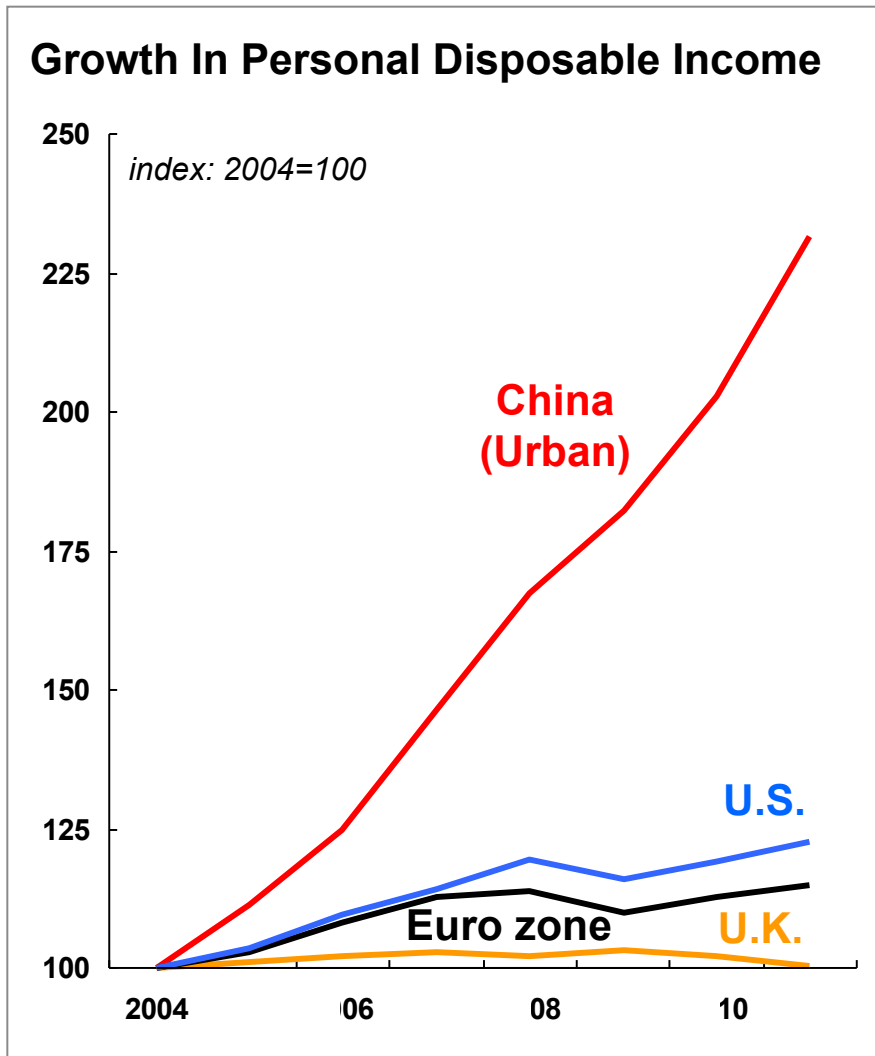
Source: IMF, Scotia Economics.

# Emerging Markets are Driving Global Growth...



\* 2010 IMF forecast. Source: IMF, Bloomberg, Canadian Grain Commission, Scotia Economics.

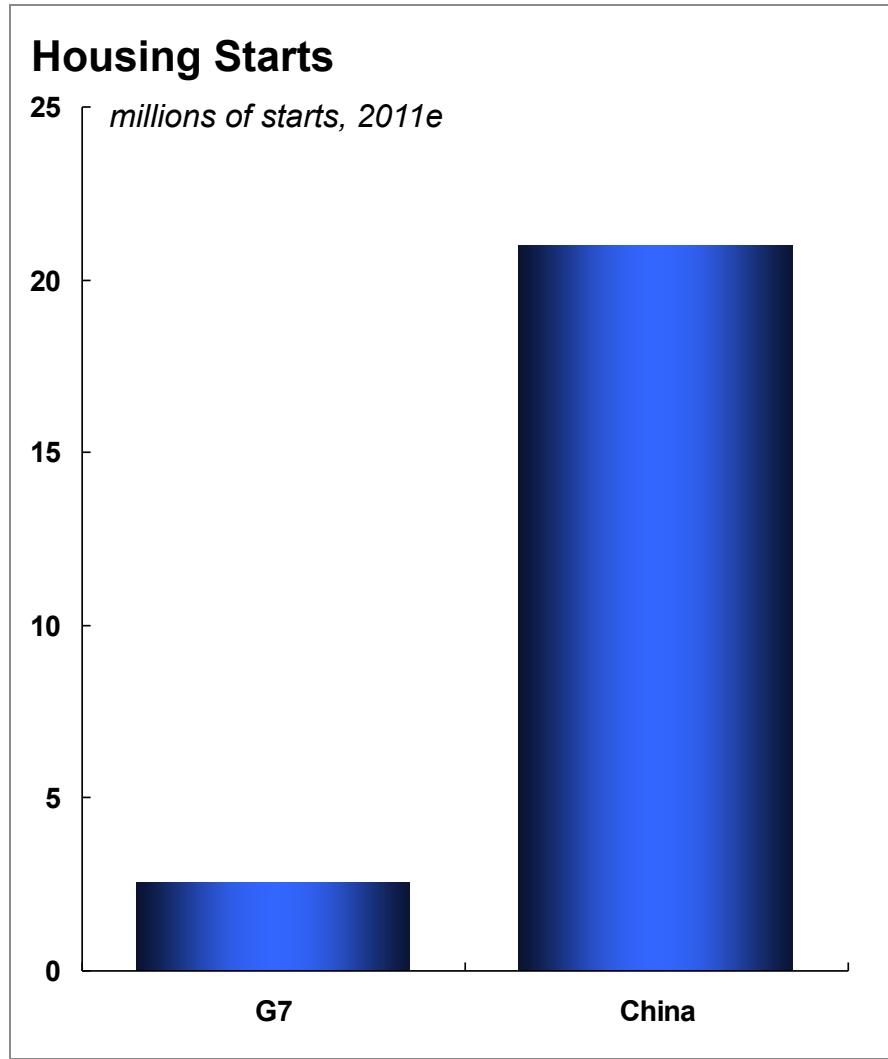
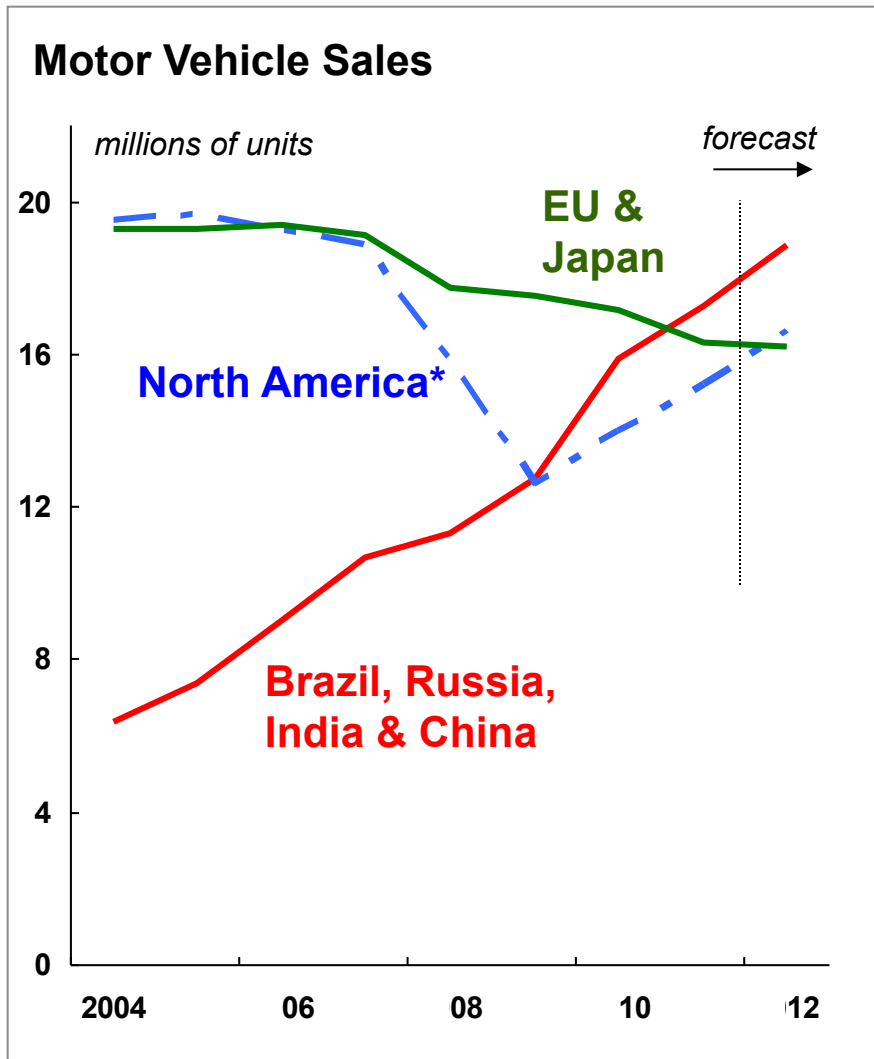
## ... Have Significant Financial Resources ...



Source: IMF, Bloomberg, Scotia Economics.



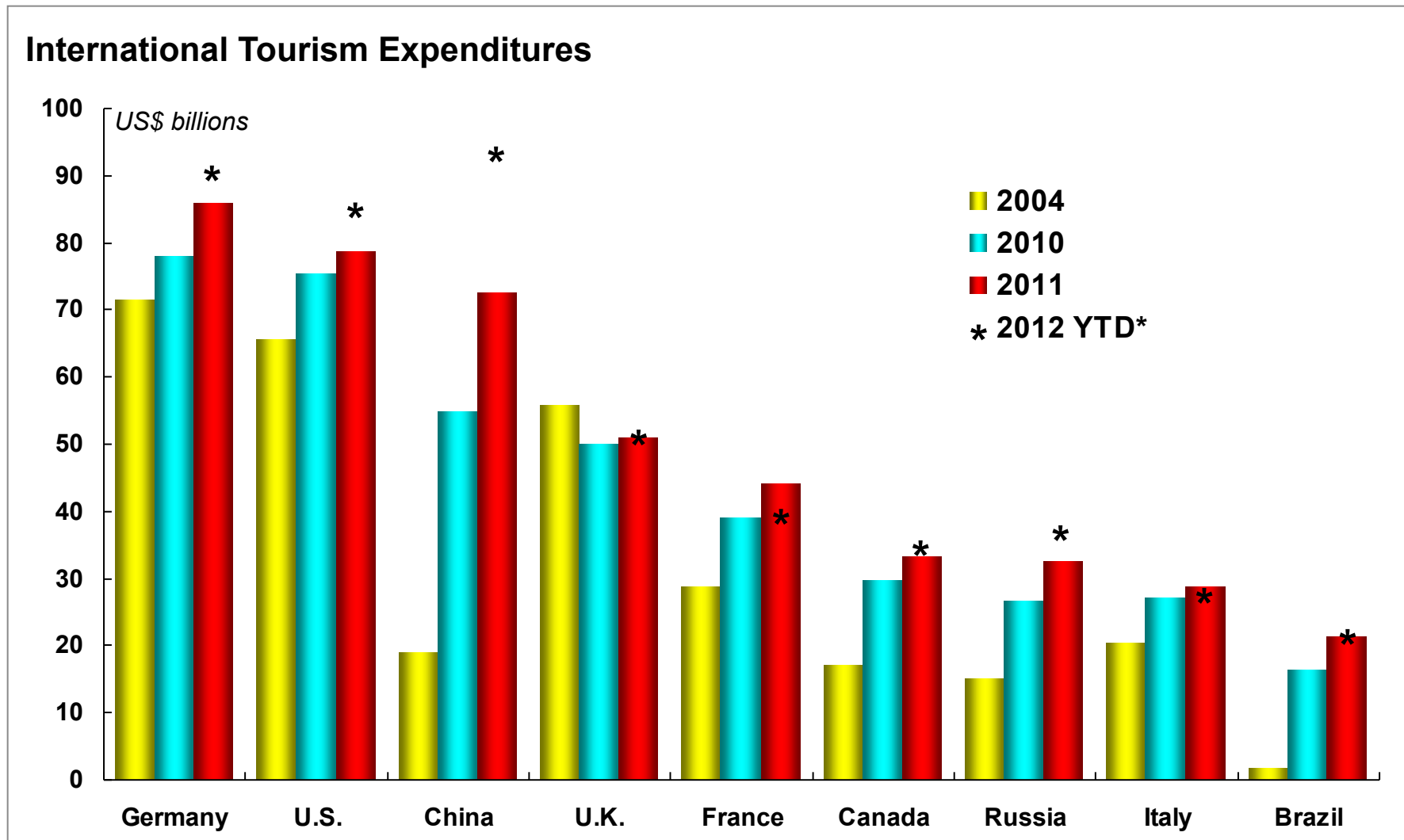
# ... Are Supported By Strong Domestic Demand...



\*Includes light trucks in North America. Source: Ward's Automotive, IMF, Bloomberg, Scotia Economics.

Forecasts at August 30, 2012

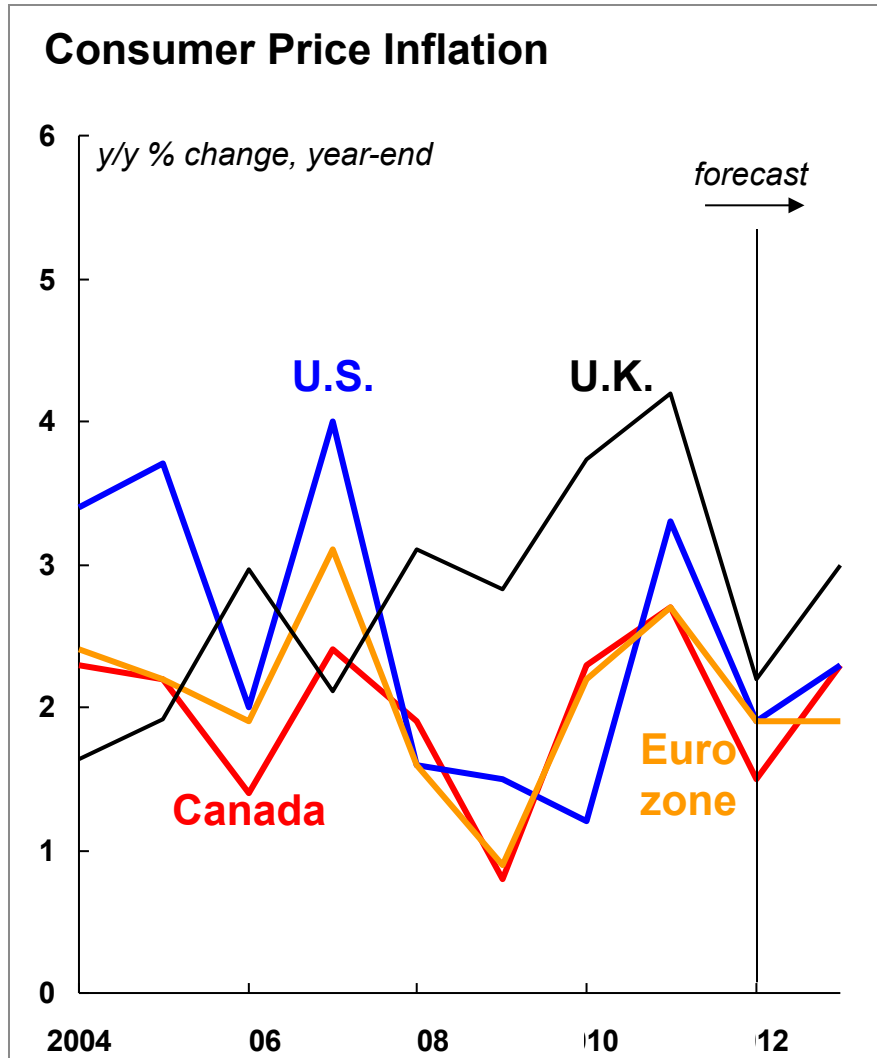
## ...& Have Become a Key Source of Revenue for Tourism



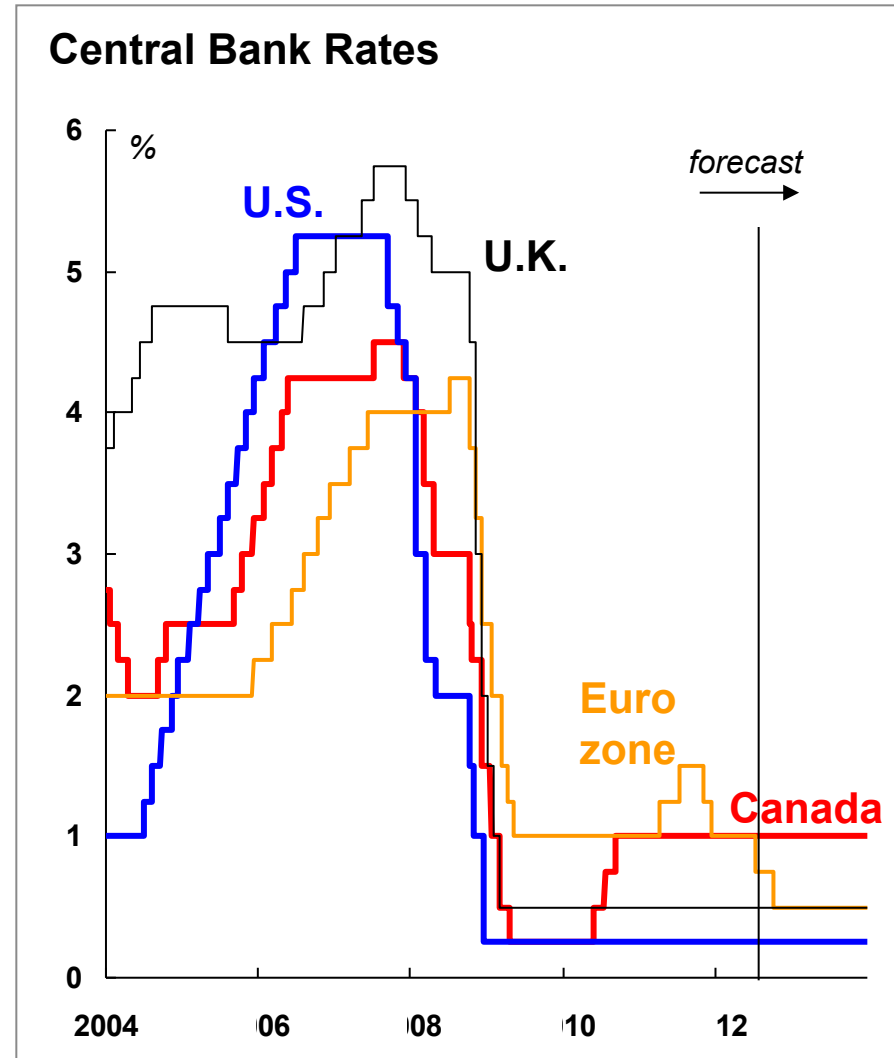
\* 2012 YTD based on year to date over same period a year earlier.

Source: UNWTO World Tourism Barometer; September 2012, Scotia Economics.

# Monetary Policies Will Remain Geared to Reviving Growth



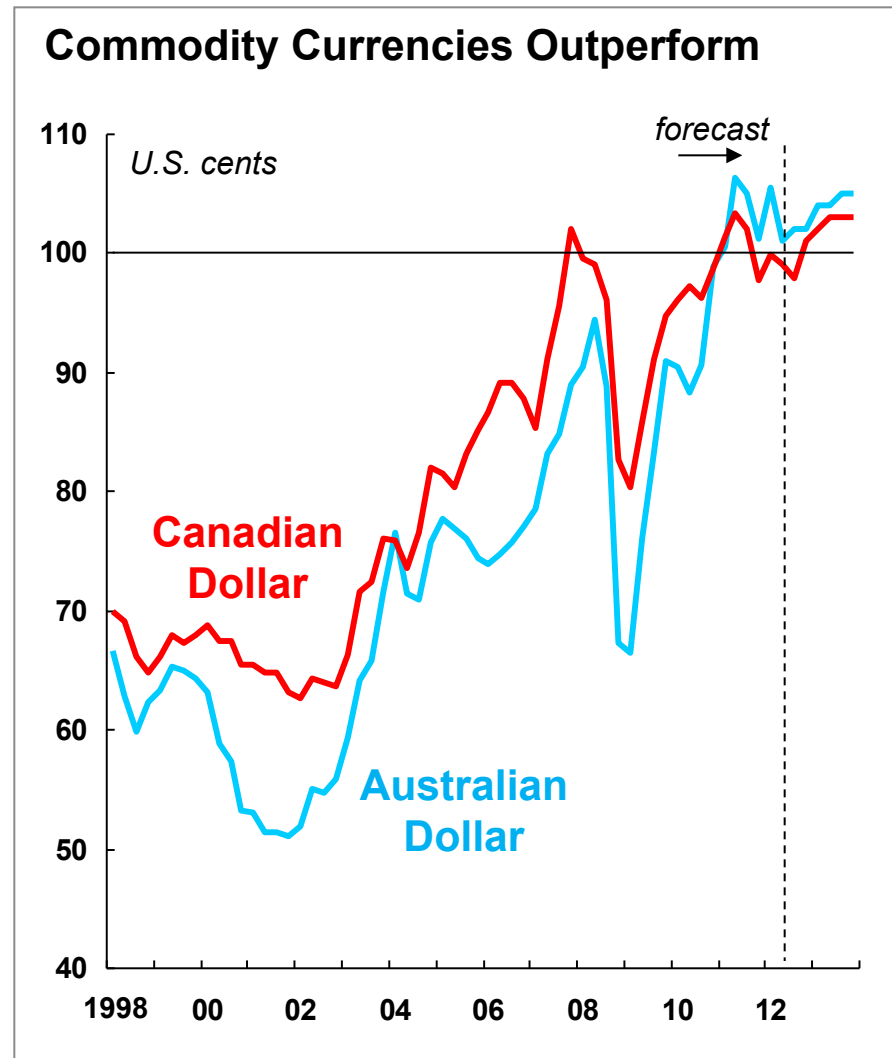
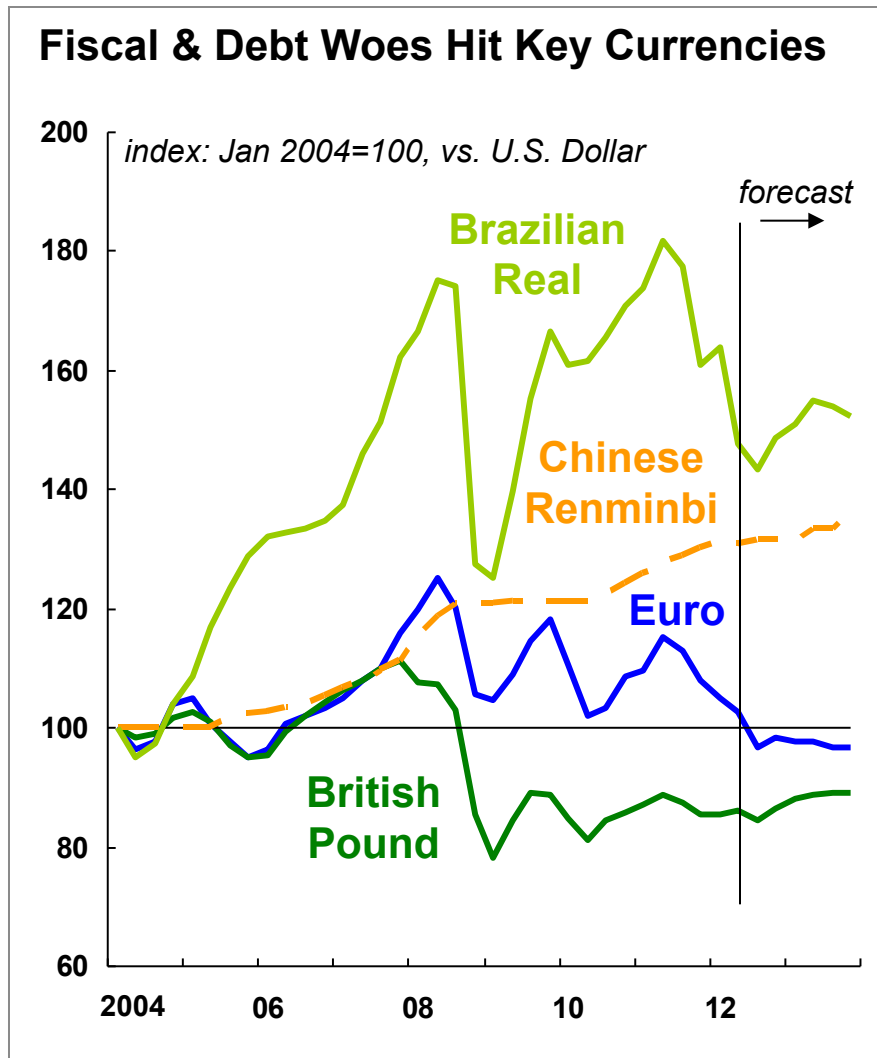
Source: Statistics Canada, BLS, Bloomberg, Scotia Economics.



Source: Bank of Canada, U.S. Federal Reserve, European Central Bank, Bank of England, Scotia Economics.

Forecasts at August 30, 2012


























# U.S. Dollar & Euro Volatility Will Continue



Source: Bloomberg, Scotia Economics.

Forecasts at August 30, 2012

# 2012-13 Economic & Market Outlook

ECONOMIC OUTLOOK				MARKET OUTLOOK					
		11e	12f	13f		11	12f	13f	
<b>REAL GDP, annual average</b>				<b>CURRENCY, end of period</b>					
U.S.		1.8	2.2	1.9	Canadian Dollar (USDCAD)		1.02	0.99	0.97
Canada		2.4	1.9	1.8	Canadian Dollar (CADUSD)		0.98	1.01	1.03
U.K.		0.7	-0.4	1.2	Brazilian Real (USDBRL)		1.87	1.95	1.90
Euro zone		1.5	-0.7	0.2	Euro (EURUSD)		1.30	1.23	1.21
Brazil		2.7	2.0	4.0	Mexican Peso (USDMXN)		13.9	13.1	13.4
Mexico		4.2	3.9	3.6	Chinese Renminbi (USDCNY)		6.30	6.30	6.10
China		9.3	7.8	8.2	<b>3-MONTH T-BILLS, end of period</b>				
India		10.0	6.0	6.3	Canada		0.86	0.95	1.10
<b>INFLATION, end of period</b>				<b>10-YEAR BONDS, end of period</b>					
U.S.*		3.3	1.9	2.3	Canada		1.93	1.75	2.40
Canada*		2.7	1.5	2.3	U.S.		1.83	1.60	2.50
U.K.		4.2	2.2	3.0	<b>COMMODITIES, annual average</b>				
Euro zone		2.7	1.9	1.9	WTI Oil (US\$/bbl)		95	95	100
Brazil		6.5	5.0	5.5	NYMEX Natural Gas (US\$/mmbtu)		4.03	2.75	3.00
Mexico		3.8	4.2	4.0	Gold, London PM Fix (US\$/oz)		1,569	1,665	1,650
China		4.1	4.0	4.4					
India		7.7	6.5	6.8					

\* Annual averages. Source: Bloomberg, Scotia Economics.

Forecasts at August 30, 2012

# Disclaimer

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