Industries in 2015

A special report from The Economist Intelligence Unit

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Contents

Overview

Europe's recovery and continued strong growth in the US have lifted the spirits of business executives, yet economic and political risks remain a concern.

Last year, in *Industries in 2014*, we made a number of predictions about developments in our six key industries—Automotive, Consumer goods and retail, Energy, Financial services, Healthcare and Telecommunications. Many of these came true:

- **We predicted the departure of senior auto managers.** Early in 2014, Peugeot's Philippe Varin gave way to Carlos Tavares, while Dan Akerson of General Motors passed on the baton to Mary Barra. Then in July, Alan Mulally of Ford moved on to Google and was succeeded by Mark Fields. As predicted, one person who did not quit in 2014 was Carlos Ghosn of Renault-Nissan.

- **We said that India would reverse its retail liberalisation.** Four months after coming to power in May 2014, the government of Norendra Modi declared that it would not allow foreign direct investment in multi-brand retailing. Although the legislation will not be reversed unless necessary, applications will be refused. Even so, India will remain a key market for retailers such as Tesco.

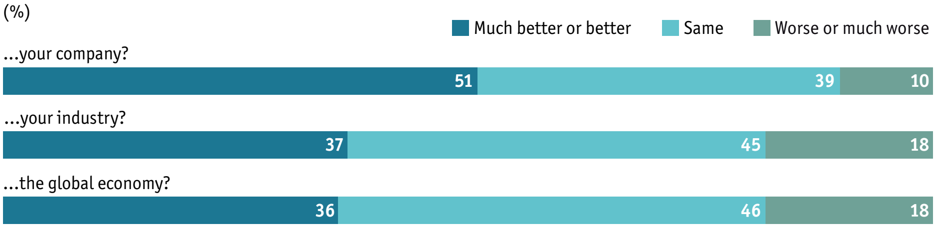
- **We expected the US to top Russia as the biggest hydrocarbons producer.** It already had. As final figures for 2013 emerged, it was clear that the US had already gained the lead thanks partly to fracking and shale gas production. American reliance on imports is now at half the level it reached in 2005. Yet other countries, such as Canada and the UK, are still encountering strong resistance as they try to follow the US example.

- **We forecast that tighter regulations would stabilise the banking sector.** They seem to have done so. During 2014, internationally active banks lifted their capital ratios another notch under Basel III, a global programme that runs until the start of 2019. In the US, implementation of the Dodd-Frank Act turned banks into something closer to regulated utilities. Stability may even come to the crisis-wracked EU, where most banks passed more stringent stress tests than had been conducted in the past.

- **We anticipated the rollout of health insurance in developing markets.** The most high-profile was Indonesia, which amalgamated its four health insurance funds into one during 2014, under plans to achieve universal coverage by 2019. The Philippines, too, brought senior citizens into its health insurance fund, while Dubai dubbed its new insurance scheme "Happiness" to reflect the joy it would bring. All eyes are now on India, where the new government may introduce radical reforms as early as January 2015.

- **We expected more mega-mergers in the telecoms sector.** We were right, sort of. In 2014 AT&T announced that it was acquiring DirecTV, a satellite television provider, for US$48.5bn, while Numericable agreed to pay US$17bn for SFR. Yet Sprint ended its long pursuit of T-Mobile, and nothing matched the US$130bn deal between Vodafone and Verizon in 2013. In total, therefore, M&A eased off despite the numerous deals.

What are your expectation of business conditions for...
(%)



Note. Answers from 1,474 respondents.
Source: The Economist Intelligence Unit.

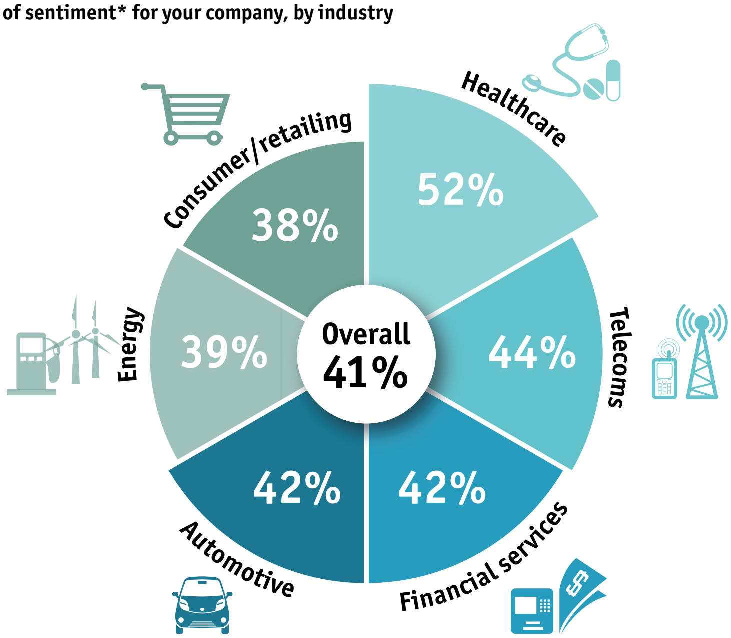
The year ahead

This year we have made more predictions, but the biggest is that business conditions will get easier for many companies. For the **automotive** industry, Europe will continue to revive, as will Brazil, although other developing markets may slow. **Healthcare** companies will also benefit from Europe's upturn, as well as the continued expansion in health spending elsewhere. For **retailers**, consumer confidence ought to strengthen in many markets, a trend that should also favour the **telecoms** and **financial services** sector. In the **energy** sector, global supplies look far more comfortable, and oil companies will be tapping shale reserves in the US.

Yet there are headwinds too. Developing market growth continues to moderate as the boom of recent years recedes and pent-up demand tails off. Chinese growth will remain crucial for most of our industries, and looks set to ease in most of them. India's economy is not yet strong enough to pick up the slack, while Brazil will recover only weakly from its recent setbacks. As for Russia, although the sanctions over its intervention in Ukraine may be lifted in 2015, the economic effects will linger. Russia and other oil producers will also feel the strain from lower global oil prices. Even where growth is faster, competition will be intense. That is particularly true in those industries, such as telecoms and automotive, where cheap Chinese products are making inroads globally.

As for developed markets, weak price and wage growth still threatens the recovery in the US and Europe. In the healthcare sector, European governments and insurance funds are still struggling to reduce deficits and cope with the additional demand generated by ageing populations. Financial stability in Europe and the US is far from assured; still-high debt levels mean that a sharp rise in interest rates could result in an equally sharp rise in insolvencies. And the implications of the tech revolution have not yet played out: bricks and mortar retailers have still not found a way of fending off the increasing competition.

Balance of sentiment* for your company, by industry
(%)



*Those expecting better business conditions minus those expecting worse. Answers from 1,474 respondents
Source: The Economist Intelligence Unit.

Overall, however, the outlook is slightly brighter than it was this time last year, and optimism is rising. The Economist Intelligence Unit conducts a regular survey of business leaders to gauge their opinions about prospects for the global economy, their industries and their own company. The latest survey, conducted in

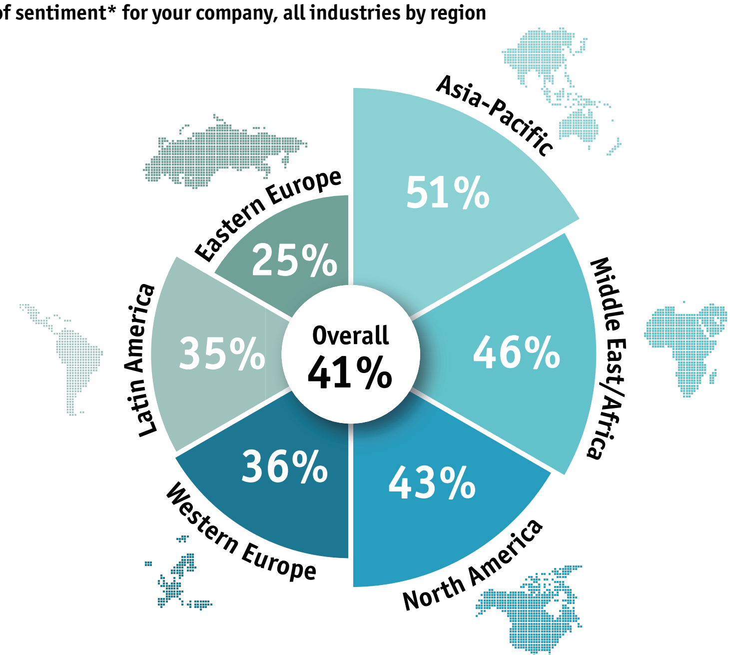
November 2014, found that fully 51% of respondents expected market conditions to be better or much better in 2015 for their company, while only 9.6% expected conditions to be worse (see chart page 3).

As in previous years, they are less positive about prospects for their industry and the global economy. Nevertheless, the pick-up in mood is remarkable, and nowhere more so than in healthcare and pharma. From being the gloomiest industry of all in 2014, this is now by far the most positive, as measured by the balance of sentiment (positive minus negative opinions). The easing of spending restrictions in many markets, combined with stronger product pipelines, an upturn in corporate results and a rise in deal-making, seems to have dispelled concerns that the healthcare model is broken.

Asked about their major concerns, most respondents pointed to market and economic risks, followed by political risks.

By contrast, respondents in the consumer goods and retail industry are the least optimistic, largely because a significant minority of retail respondents (19%) expect conditions to worsen for their company. This reflects the threat from the internet and the continual downward pressure on prices. The balance of sentiment in retailing is still positive, and expansion continues: nearly all the retail respondents said their company plans to enter at least one new market over the next six months. But far fewer said they would enter two or more.

Balance of sentiment* for your company, all industries by region
(%)



*Those expecting better business conditions minus those expecting worse. Answers from 1,474 respondents.
Source: The Economist Intelligence Unit.

Look at respondents by region, and the trouble spots are obvious. Sentiment in Asia, North America, Western Europe and Latin America has improved sharply since the end of 2013; the turnaround in the last two of these regions is particularly marked. But Eastern Europe has slipped far below the rest in terms of outlook. Equally in the Middle East and Africa, the balance of sentiment is far less rosy than last year, when it was the most optimistic region of all.

It is not hard to fathom why these regions have been singled out. When asked about their major concerns for the coming year, most respondents pointed to market and economic risks, followed by political risks. The Middle East, Russia and Ukraine are now the world's most vulnerable flashpoints. Other big concerns were the competition for talent and skills, and competition from new entrants in the marketplace.

Further survey questions revealed that most people expect the US to raise interest rates, oil prices to harden slightly and the recovery in Europe to stay tepid. They also don't think that Brazil gained much kudos from hosting the World Cup. Overall, though, the mood is lighter and most respondents are looking forward to a slightly better year.

The outlook is slightly brighter than it was this time last year, and optimism is rising.

About the survey

The Economist Intelligence Unit surveyed 1,501 executives in November 2014 on their expectations for business conditions in 2015. The survey sample was global, with 31% of respondents based in Western Europe, 22% in Asia-Pacific, 20% in North America, 11% from Latin America, 9% from the Middle East and Africa and 5% from Eastern Europe. The respondents were senior—48% hold C-suite positions. They work in organisations of varying sizes, with 46% working for companies with annual revenue of US$500m or more.

What do you see as the biggest worries for your business? (% of respondents*)							
	Auto	Consumer/ Retail	Energy	Financial Services	Healthcare	Telecoms	All
Political risk	44	35	62	51	40	33	44
Economic and market risk	63	52	52	64	48	47	53
Cyber attacks/information security breaches	7	7	9	19	6	7	11
Fraud and corruption	7	11	18	17	12	26	16
Industrial action/protests	7	6	5	1	5	0	3
Competition from new entrants	22	30	18	19	24	35	25
Supply chain risks	22	23	10	2	12	7	9
Inflation	7	18	8	11	9	14	10
Currency volatility	26	20	16	15	15	7	15
Protectionism	11	15	11	14	21	26	14
Availability of finance	7	10	28	12	26	16	19
Talent and skills shortages	37	24	34	24	42	40	35
Other	11	8	4	14	3	7	9
*Respondents select up to three							
Source: The Economist Intelligence Unit							

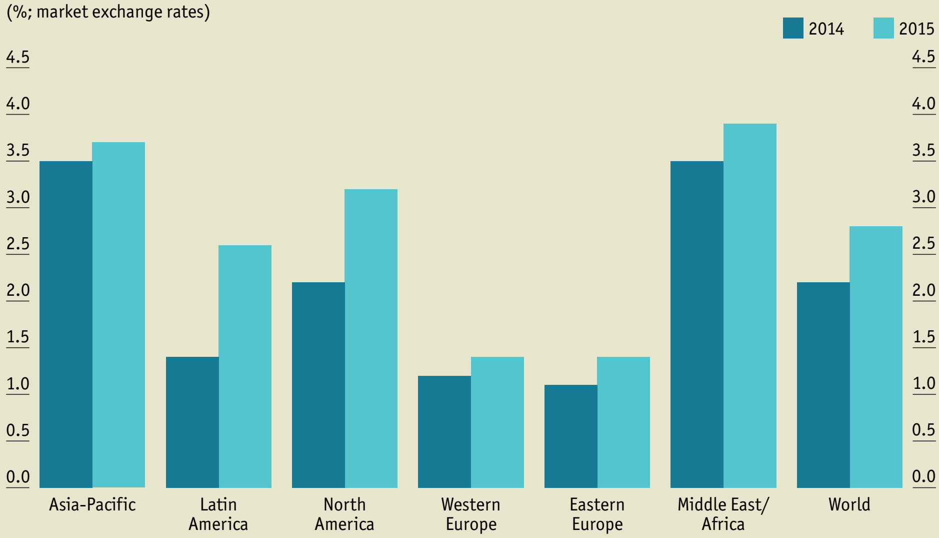
The global economy in 2015

As the US goes from strength to strength and a number of emerging markets, especially in Asia, regain their footing, 2015 will be a better year than 2014. As of November 2014, The Economist Intelligence Unit expects GDP to rise by 2.8% at market exchange rates and by 3.7% at purchasing power parity in 2015.

Even so, next year's outlook is much weaker than it was even a few months ago, and Europe, as ever, remains the biggest risk. Japan has also lost momentum, although recent stimulus by the Bank of Japan may restore some of the lustre to "Abenomics". China will avoid a crisis, but GDP will expand by just 7% next year—impressive for a US$10trn-plus economy, but less than businesses have come to expect.

Ironically, the prospect of stronger growth in the US poses another risk: an increase in interest rates by the Federal Reserve. Although this is unlikely until the latter half of the year, when it happens it will produce some turmoil in global financial markets and impact investment in emerging markets. On a more positive note, the fall in the price of oil, if it is sustained, could provide a fillip to world growth in 2015. We expect Brent prices to fall to US$86/barrel, their lowest level since 2010.

Real GDP growth
(%; market exchange rates)



Source: The Economist Intelligence Unit.

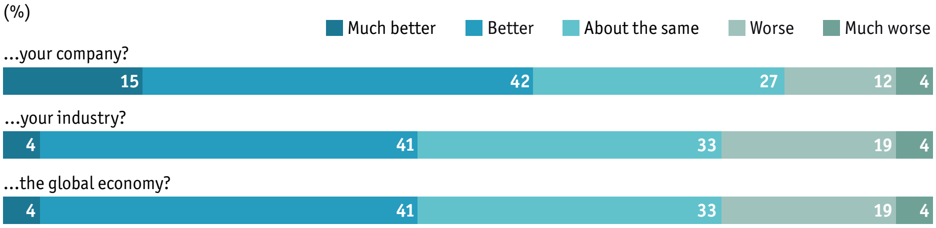
Automotive: A rebalanced world

US carmakers should benefit from strong domestic demand, while European companies have weathered the slump.

Europe's recovery has taken some of the pressure off the global auto industry, but investing for future growth will entail some tricky decisions.

2015 should be the year that Volkswagen overtakes Toyota as the world's largest vehicle-maker. The German giant has already edged ahead of General Motors and, with faster growth rates, is likely to end 2014 only slightly behind its Japanese rival. Volkswagen has reached its 2018 goal ahead of target largely because of its leadership in the booming Chinese market. Yet as China slows, and global auto sales rebalance between developed and developing markets, even Volkswagen faces a dilemma over where to find growth next.

What are your expectations of business conditions for...
(%)



Note. Answers from 27 respondents working in the automotive industry.
Source: The Economist Intelligence Unit.

Problem areas

Chasing growth in developing markets is no longer straightforward. Of the four major developing markets—Brazil, Russia, India and China (BRIC)—only China is delivering consistent growth. Brazil, along with Argentina, Chile and Venezuela, went into reverse in 2014 thanks to economic weaknesses, although 2015 should bring a mild recovery. Russia's annual car sales once looked set to top those in

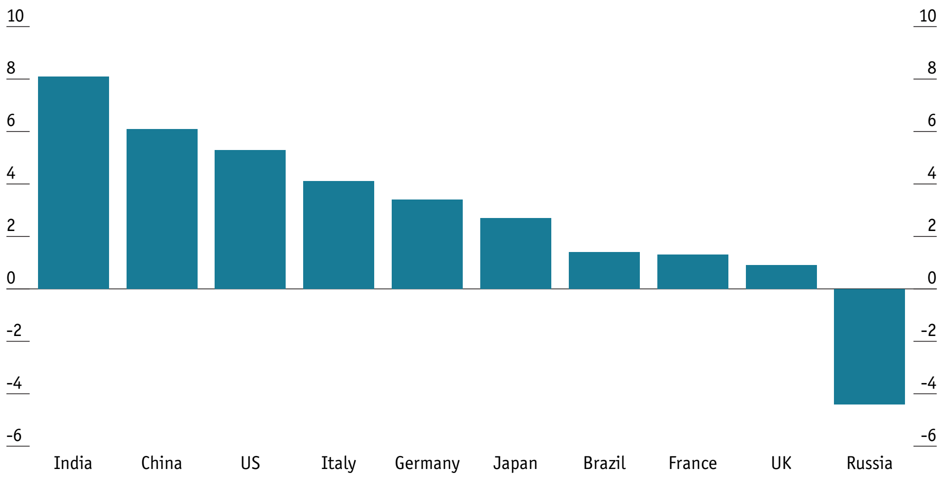
Germany, but have slipped sharply as sanctions over Ukraine bite. A government-backed scrappage scheme has stemmed the fall for now, but maintaining that will be a burden for state finances stretched by the oil price decline.

India is still on track to overtake Germany in terms of vehicle sales, but not until 2016. After a two-year slump, the auto industry is benefiting from the new government's support, and sales should perk up in 2015. Recovery could be derailed by policy missteps, but long-term trends (including demographics) are in its favour. In China, meanwhile, 2014 brought a slowdown in vehicle sales that is likely to last into 2015. Volkswagen itself is riding the downturn well, but can no longer count on booming sales.

As for smaller Asian markets, although some (such as Indonesia and the Philippines) are still delivering strong growth, government measures to cut fuel subsidies and reduce congestion mean that previous surges are unlikely to be repeated. In Japan, meanwhile, the expansionist policies of the premier, Shinzo Abe, are looking shaky and we expect the market to be tepid at best.

So Asia is slowing, Latin America is risky and Eastern Europe is in decline. The Middle East and Africa is in better shape, but established vehicle-makers face competition from Chinese upstarts for access to the expanding elite. Fortunately, offsetting all this, developed markets have rebounded. The US market is still delivering strong growth that will ease only slightly in 2015. Western Europe's sharp recovery in 2014 reflected how far it had fallen; as the base for comparison rises, growth will again moderate. The European crunch is over, however, with only a few car markets such as Norway trailing.

Car registrations in 2015
(% change)



Markets in order of projected 2015 unit sales.
Sources: The Economist Intelligence Unit; local sources.

Production shifts

The rebalancing of global demand has eased the pressure on vehicle-makers to shift production to fast-growing markets.

This rebalancing of global demand has eased the pressure on vehicle-makers to shift production to fast-growing markets. They continue to plan investment in emerging market plants, but the pace of openings will slow. Volkswagen, for example, plans to spend €86bn (US$107bn) on expansion in the next five years, not including €22bn to be spent by its joint venture in China. General Motors, its biggest rival in China, is planning five factories there over the next five years.

Investment in India and Brazil is more tentative, however, and the focus has turned to the ASEAN markets, particularly Thailand and Indonesia. At the end of 2015, the ASEAN Economic Community is scheduled to come into operation, liberalising trade, although it will take longer for informal trade barriers to fall. Another popular investment location is Mexico, where vehicle-makers are eyeing both local and US demand.

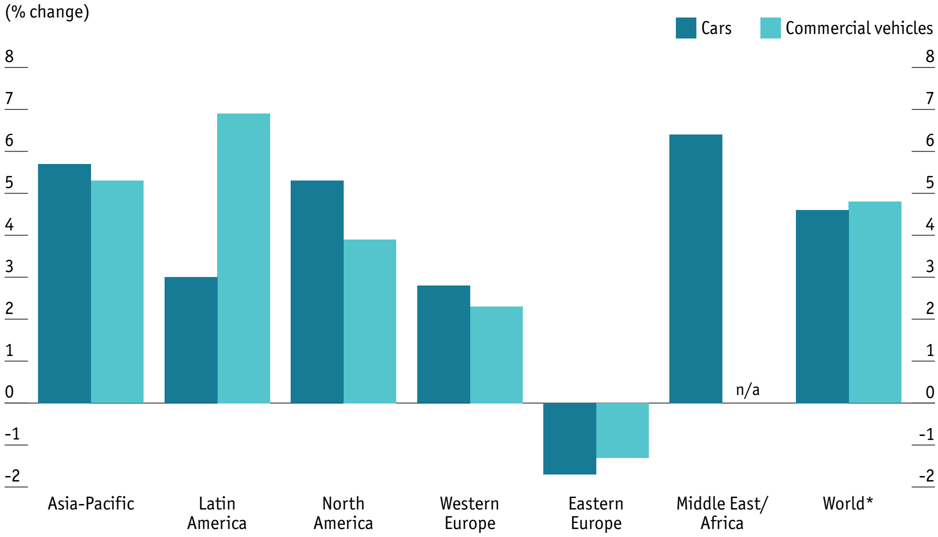
Yet what is most noticeable about Volkswagen's investment plans is that half of the money will be spent in Germany. Europe remains plagued by overcapacity but the need for job cuts has eased, not least because wages have softened. Production still needs rationalising: Ford, for example, plans to lay off 700 people in Romania as it restructures its European operations. Yet Europe's recovery may avert the need for plant closures in 2015.

Moreover, the slowdown in developing markets means they face overcapacity problems of their own. In China for example, production capacity could soon hit 30m, while car sales are not yet at 20m. Vietnam's plants, too, are running well under capacity. As for Russia and the Ukraine, their market slump has left many production lines idled. The 15,000 lay-offs announced by AvtoVAZ in 2014 are likely to go ahead by 2020 despite the short-term recovery in sales.

In China, many local vehicle-makers will react to slowing demand by focusing on exports. Chinese carmakers such as Geely sell mainly into the Middle East, Africa and Latin America, where safety and emission standards are less stringent. Yet trade talks, though slow-moving, raise the prospect of Chinese carmakers moving into developed markets too—not in 2015, but within the next five years.

In defence, some carmakers, such as Hyundai and Kia, are moving upmarket while others accelerate new model rollouts. Some, like Volkswagen and Renault-Nissan, are fighting back with their own low-cost brands. Consumers are becoming more demanding, though, when it comes to in-car technologies such as entertainment systems or safety devices. Providing these may push up costs without firming up sticker-prices. To cope, carmakers will continue to rationalise their production processes, yet the numerous product recalls in 2014 suggest that supply networks are already under strain.

Vehicle registrations in 2015
(% change)



*World=60 biggest economies only.
Sources: The Economist Intelligence Unit; local sources.

Life after oil

The need to shift away from oil-based vehicles brings additional costs. Although the hydrocarbons boom has eased some of the pressure, the industry faces tightening emissions and fuel-efficiency regulations. In Europe, for example, the 130g/km limit on CO2 emissions becomes fleet-wide in 2015. Nearly every carmaker has beaten the deadline, but the effort has been painful. Even lower limits will come into force in 2021.

In the past year, sales of electric cars have gathered pace but they may never live up to the early hype. Indeed, just as they begin to become mainstream, electrics face a new challenge in the form of hydrogen fuel cell vehicles. Hyundai launched its fuel cell version of the Tucson SUV in the spring of 2014. Toyota plans mass-market sales of its fuel cell Mirai in 2015. Sales will be pitifully low, but the technology has finally arrived.

All this will require huge investment during 2015. Nevertheless, the auto industry looks in better shape than it has done for years. After lurching from crisis to crisis, most major carmakers have found partners to give them the market size they need. In 2015, US carmakers should benefit from strong domestic demand, while European companies have weathered the slump. Time to take stock and ready themselves for the intense competition of 2016 and beyond.

Chasing growth in developing markets is no longer straightforward. Of the four major developing markets—Brazil, Russia, India and China (BRIC)—only China is delivering consistent growth.

What else to watch for

- **The end of fuel subsidies:** The easing of global oil prices has given governments that need to reduce fuel subsidies the leeway to do so. Indonesia made its move in late 2014, as did Malaysia. Venezuela is now under pressure, while India could well take another step towards price liberalisation in early 2015.

- **The shift to aluminium:** Already begun in 2014, the auto industry's shift from steel to aluminium bodies will gather pace in 2015. This brings weight-savings, making it easier to meet fuel and emission targets. Novales of the US, the biggest aluminium supplier, predicts that its global sales will rise five-fold by 2020, largely because of auto demand.

- **Progress on trade talks:** Big trade deals are in the offing, and although none is likely to become a done deal in 2015, progress should be considerable. Furthest forward is the Transatlantic Trade and Investment Partnership between the US and EU. ASEAN integration could give new impetus to the Regional Comprehensive Economic Partnership with the bloc's six partner countries. On a bilateral level, China-South Korea trade talks will impact the auto sector. The Trans-Pacific Partnership lies further ahead.

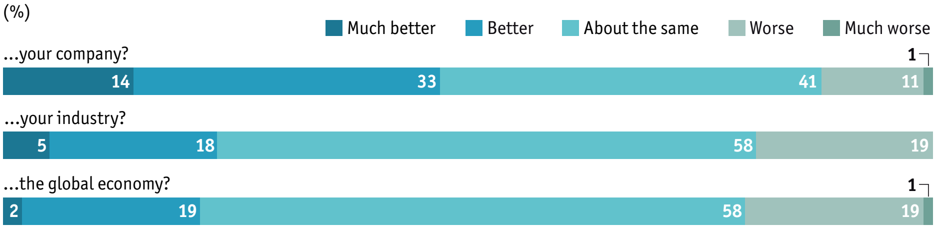
Consumer goods/retail: Slow progress

Despite a more hopeful outlook, the retail and consumer goods sector faces trying times as competition, regulation and consumer empowerment hurt profit margins.

2014 will go down as a year many retail and consumer firms would rather forget. Western Europe enjoyed a return to optimism and retail volume growth, but heightened competition, price cutting and uncertainty over Russia (due to sanctions imposed over its aggression in Ukraine) weighed on profitability. In Latin America, economic uncertainty and consumer weakness also undermined sales.

Asia, North America, and Africa and the Middle East were healthier, but faced their own challenges. Retailers in North America struggled with thin margins, while slower growth in China, weakness in Japan and the end of foreign multi-brand investment in India cast a cloud over Asia. In Africa, the outbreak of the Ebola virus brought not just humanitarian but also economic concerns for the affected countries.

What are your expectations of business conditions for...
(%)



Note. Answers from 84 respondents working in the consumer goods and retail industry.
Source: The Economist Intelligence Unit.

Our survey shows that respondents expect little change as we move into 2015. Given the turbulence of recent times, stability might prove a welcome change.

Groundhog Day

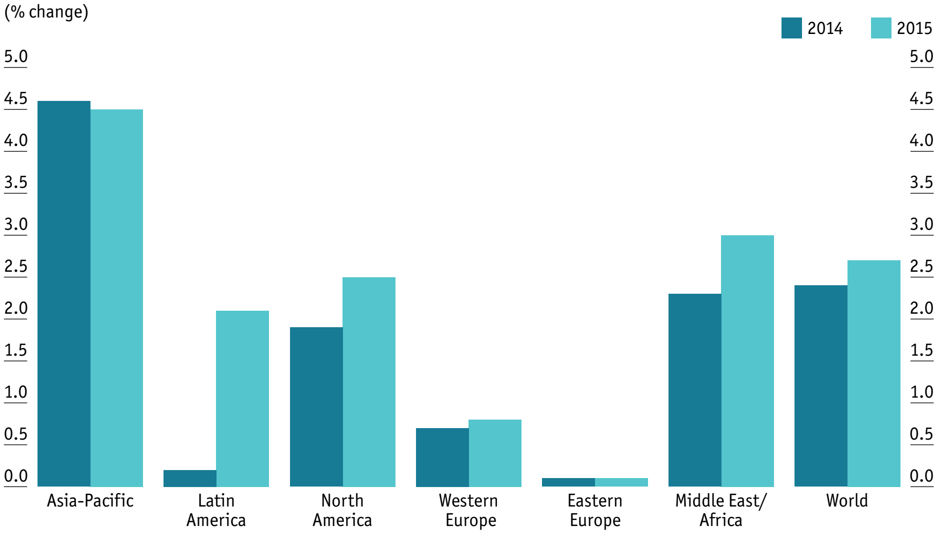
All the indications are that next year will bring more of the same. Our survey of retail and consumer goods executives shows that, despite foreseeing improvements for their own companies, respondents expect little change as we move into 2015.

Given the turbulence of recent times, even stability might prove a welcome change. In Western Europe it could mean the continuation of the current recovery, while in Latin America the outlook is even stronger. After an uneasy 2014, Mexico's prospects have brightened enough to justify its inclusion with Indonesia, Nigeria and Turkey in the latest acronym for growth markets: MINTs. And despite the slowdown afflicting the BRICs, they may have some surprises left in them: 2015 could be India's year.

Yet this brighter overall picture disguises some persistent weaknesses. In European markets like the UK, improvements have been soured by aggressive and damaging price wars, revelations about Tesco's accounting black holes, and slow wage growth. Germany and France, meanwhile, have only narrowly avoided recession. In the US, improving economic conditions have not been enough to erase steep losses. Even WalMart, the world's largest retailer, has seen a sales shortfall as consumers move online.

This is not just a Western problem. Fiscal stimulus in Japan had prompted a spike in spending, but a sales-tax rise in April pushed sales off a cliff. The government has returned to its expansionary policies, delaying 2015's sales tax increase, but sales growth is likely to remain modest. As for Latin America's recovery, concerns over Argentina and Venezuela will persist. Sanctions on Russia

Retail sales volumes by region
(% change)



Sources: The Economist Intelligence Unit; Planet Retail.

will not be lifted until July at the earliest and a return to confidence will take much longer. Brazil and China also give cause for concern.

In China, softening sentiment, a property bubble in some cities and an ongoing clampdown on conspicuous consumption mean that retail growth is likely to slow further in 2015. Much of the impetus for growth will come from China's rapidly evolving e-commerce sector. This is great news for its dominant online player, Alibaba, which recently enjoyed a record-breaking initial public offering (IPO), but not for bricks-and-mortar stores nor for those trying to enter a concentrated online marketplace.

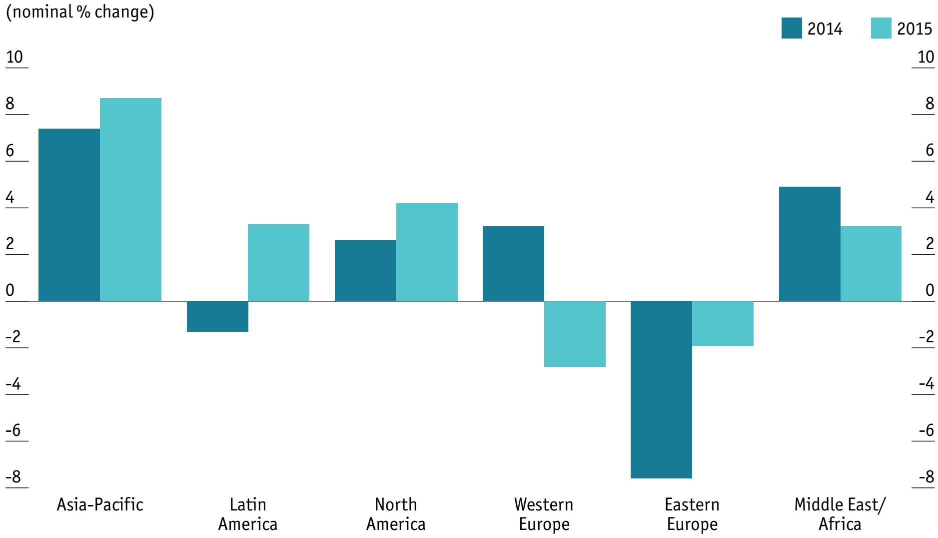
Beacons, mobile wallets and smartphone apps will push back the boundaries of retail engagement, as retailers try to preserve profit margins and gain their customers' attention.

A crowded market

Consumer goods firms face similar challenges on a global level. Smartphone and tablet markets, which elevated electronics giants such as Samsung and Apple, are becoming crowded as the likes of China's Huawei and Xiaomi launch low-cost alternatives. Upstarts are also undercutting leaders in many other subsectors: from appliances (in which China's Haier is increasingly dominant) to clothing (where Anglo-Irish brand Primark is due to expand into the US). For food and drink companies, regulation and geopolitical tensions add further complications. McDonald's, for example, has been affected by food safety concerns in China, anti-US sentiment in Russia, and efforts to reduce obesity in several countries.

These factors will continue into 2015, along with intensifying competition that will eat into overall profit margins. Yet there will be bright spots for those companies that have either invested in the right geographical locations, or whose business will be driven by product innovation. Consumers, especially, will benefit from the greater competition, as well as access to better technology and enhanced connectivity.

Consumer expenditure on clothing and footwear
(nominal % change)



Sources: The Economist Intelligence Unit; United Nations; Eurostat.

The next wave of innovation will include wearable technology, smart household appliances and 3D printers, although these technologies are unlikely to break into the mainstream just yet (see "What else to watch for"). Fast fashion has also picked up speed over the last 12 months and aggressive expansion from the likes of H&M, Inditex and Uniqlo will drive a new wave of consumption across emerging markets in 2015.

As for retailers, they will develop more tools to engage with consumers. Beacons, mobile wallets and smartphone apps will push back the boundaries of retail engagement, as retailers try to preserve profit margins and gain their customers' attention. Consumers will be able to use their smartphones to tap into special offers or pay for goods at, or merely passing by, their favourite retail outlets.

In India, meanwhile, e-commerce IPOs from the likes of Flipkart have provided a silver lining in a country where the government has halted the liberalisation of multi-brand retailing. Carrefour, for one, has decided to exit. By contrast, WalMart has opted to stay and is investing in both wholesale and e-commerce; the latter is attracting interest from a host of foreign players, including Amazon. India may also present a rare bright spot for Tesco: it was the only firm to gain approval for a multi-brand Indian retail venture before the door closed in 2014.

Gains in India in 2015 will therefore depend on positioning, as well as decisions by the new government, yet opportunities should open up as consumer confidence recovers. Globally, too, retailers are relying heavily on improved business conditions. Economic and business risks remain a major concern—cited by 52% of consumer goods and retail respondents in our survey—yet they are more sanguine about political risks than respondents in most other sectors (see page 7). If the economy grows as The Economist Intelligence Unit expects in 2015, then their own chances of success should be that much higher.

What else to watch for

- **Wearables:** Late 2014 saw the unveiling of a wide range of wearable products, notably the Apple watch, which launches in 2015. These seem unlikely to take off as smartphones have: one much-heralded device, Google Glass, has proved slow to sell. But in 2015, wearables will become increasingly visible consumer items.

- **3D printing:** According to Barack Obama, 3D printing "has the potential to revolutionise the way we make almost everything". In 2015, its development is likely to be evolutionary rather than revolutionary, but there will be solid gains: a 2014 survey by Tech Pro Research indicates that 60% of enterprises were using or evaluating 3D printing for their business, changing the nature of supply chains.

- **Indian e-commerce:** Although multi-brand retailing is restricted in India, e-commerce offers opportunities while completed single-brand retail investments will start yielding returns. For overseas investors, the Indian retail market is attractive partly because China is becoming more challenging. India's e-commerce legislation allows foreign firms to act only as "marketplaces" for domestic ones, however, and they will still need strong partners.

Energy: Cheaper and greener?

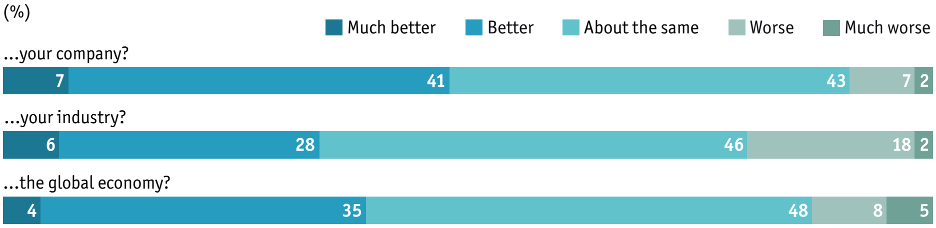
For energy producers, cheap energy will prompt greater caution in making new investments.

Energy companies will be buffeted by far lower oil prices, as the possibility of meaningful action on climate change nears.

In 2015, low energy prices will be a major focus for the energy industry. This will add to the motivation for Western oil majors to cut capital expenditure after years of bloat.

Governments' attempts to combat pollution will be another prominent feature of the year. Tighter environmental rules will come into effect, and throughout 2015 international efforts to create a successor to the Kyoto Protocol climate treaty will be in the spotlight. Optimism on this front is greater than it has been for years, although the chance of progress raises risks for producers of fossil fuels.

What are your expectations of business conditions for...
(%)



Note. Answers from 114 respondents working in the energy industry.
Source: The Economist Intelligence Unit.

Cheap energy

Oil prices have slid dramatically of late, and will remain low next year. Energy consumers, including net energy-importing countries, stand to gain from low energy costs. This perhaps explains why energy companies were more upbeat than many others when surveyed about their expectations for the global economy. (Political risk, by contrast, was their top concern, and a more pressing one than for companies in other industries.) For energy producers, though—whether companies or exporting nations—cheap energy will prompt greater caution in making new investments.

We forecast that the price of dated Brent blend, the international standard, will average US$86/barrel versus an estimated US$100/b in 2014. This outlook appears broadly in tune with views from the marketplace. Among participants in our recent survey, 57% expected global oil prices to increase slightly in the coming year, while 24% foresaw no change. Our average projected price for next year is higher than recent levels.

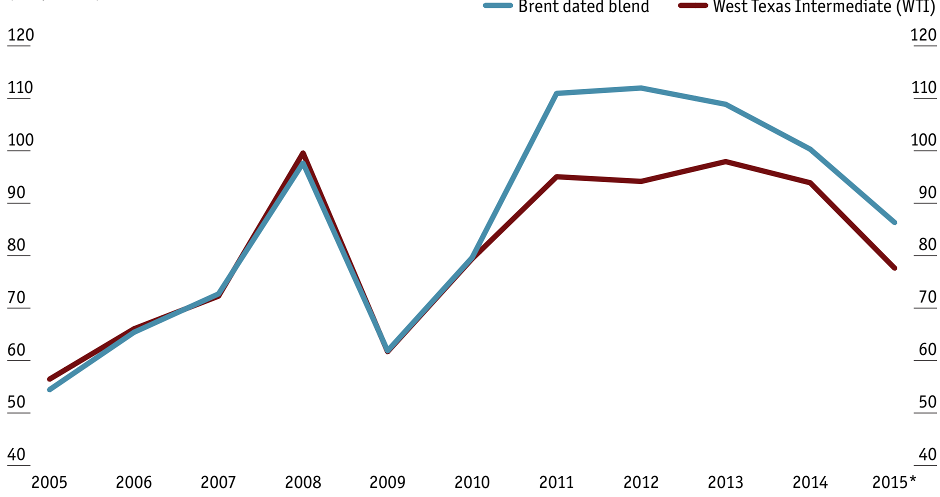
Dirty coal is going out of fashion as governments enforce tighter environmental rules.

The oil-price slide is, in part, a feature of weak demand. Emerging giants such as China and India will keep building up strategic reserves, but overall consumption growth will be anaemic, dragged down by Europe especially. As demand expands by just 1.3m barrels, meanwhile, supply will surge by 2.2m barrels.

Many see the reluctance of OPEC—particularly its most influential member, Saudi Arabia—to support prices by throttling back production as a ploy to stall the US-led "revolution" in extracting oil from shale rocks. Price hawks like Iran, Venezuela and Algeria will grumble, but low prices could undermine this relatively expensive enterprise, the theory goes, combatting the US's growing market power.

A more prosaic explanation for the cartel's inaction, however, is that it reflects its internal divisions. Even if, against the odds, the fractious group manages to act in unison next year to slash output, Iraq is not currently bound by OPEC quotas: its autonomous Kurdistan Regional Government (KRG) is also targeting a big

Oil prices
(US$/barrel)



*2015 forecasts.
Source: The Economist Intelligence Unit.

Chances have improved that developing nations will commit to stronger measures to avert global warming.

increase in exports to 500,000 barrels/day (b/d) by 2015. If OPEC slashed quotas, therefore, it could fail to shore up prices and instead cede market share to non-OPEC producers. Better by far to stress-test US shale producers.

Amid low prices and higher US interest rates, casualties among indebted shale drillers are certainly likely. Some will cut investment and US production will grow more slowly in 2015. Yet the impact on US drilling should not be overstated: many producers appear to have hedged 2015 output at above market prices. The global oil glut will thus swell.

In natural-gas markets the US is again pivotal thanks to the bounty being extracted from shale rock. Elsewhere, investment could take a hit from lower oil prices, but in the US investment and production are both set to rise in expectation of demand from exporters of liquefied natural gas (LNG): shipments from the US are likely to start in 2016. Global LNG supply will be further fuelled by surging Australian capacity, as US-based Chevron's Gorgon mega-project comes online in late 2015. Two further export facilities, drawing on Queensland's onshore coal-bed methane fields, will also come on stream. In total, Australia's LNG export capacity will reach nearly 40m tonnes a year, nearly double its size in 2011.

With bigger shale-gas resources than even those of the US, China is on course to hit its target of producing 6.5bn cubic metres (cu metres) of the gas by 2015. State-owned Sinopec has scored some success in the Sichuan Basin. Yet China's progress on shale will be obstructed by difficult geology and above-ground impediments. It recently halved its 2020 target, to 30bn cu metres.

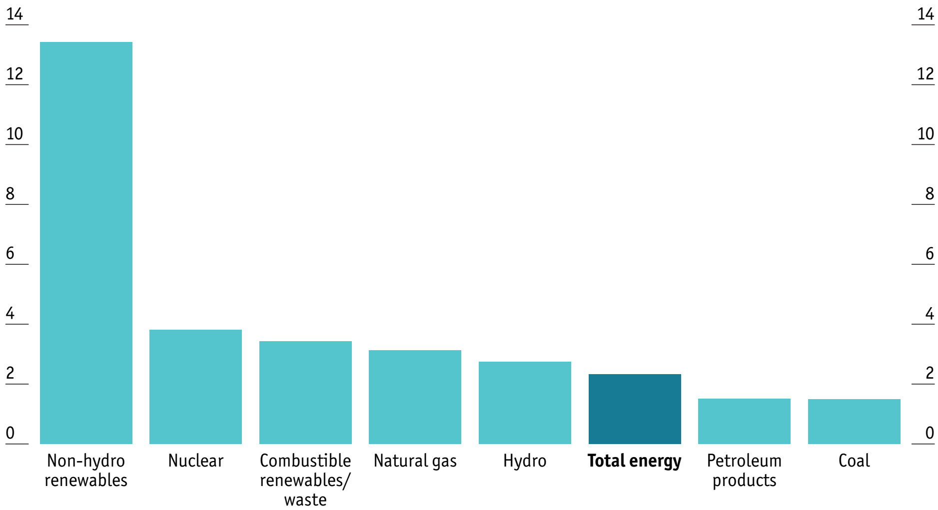
Even so, it is China's rapidly growing demand that is doing most to encourage gas producers to expand output. Its drive to align energy prices more closely with market fundamentals should help gas importers recoup losses: the government will roll out a new pricing system across the country by end-2015. Higher prices will also aid domestic drillers, lending momentum to China's own "shale-gas revolution".

Green leanings

Cheap, relatively clean-burning gas is increasingly a competitor in the US for coal, traditionally the most cost-effective option for power generation. Elsewhere, too, dirty coal is going out of fashion as governments enforce tighter environmental rules.

China consumes almost one-half of all the coal burnt each year, but urged by a desire to clean up its smoggy cities and international pressure to prevent global warming, it is redoubling its clean-up efforts. On January 1st, controls on use of low-quality coal, as well as revisions to China's environmental law allowing for tougher fines on polluters, will come into force. After an estimated fall in 2014, Chinese consumption will grow only slightly in 2015. Prices, already on a downward track, will slip further.

Global energy consumption growth* in 2015
(% change)



* 69 countries.
Source: The Economist Intelligence Unit.

The world's largest energy consumer is also pushing ahead with building power plants using non-fossil energy. In 2015, if not slightly before, China will hit its 100-gigawatt target for wind-power generating capacity. Solar installations, too, will spread apace in the world's biggest market for photovoltaic equipment. Globally, renewables growth will far outstrip the pace of energy consumption as a whole (see chart).

Chinese nuclear capacity will also surge. Asia will be crucial to the nuclear industry: South Korea is another stalwart, while Japan will begin restarting its atomic reactors. All of them have been mothballed in the wake of the Fukushima nuclear accident in 2011; their gradual return will dampen demand for fossil-fuel imports.

Despite these greenish glimmerings, non-fossil fuels lack the overarching policy support they need to make faster progress globally. In 2009, the world tried and failed to hammer out a replacement for the Kyoto Protocol. Following a recent US-China accord on carbon emissions in which China signed up to an emissions peak by 2030, chances have improved that other developing nations will commit to stronger measures to avert global warming.

Some form of new pact is indeed likely to be signed, perhaps incorporating voluntary, scalable targets for individual countries. Whether it will be equal to the task of keeping global warming within safe bounds is far more doubtful.

What else to watch for

- **Round One, Mexico:** Although Mexico has the thirteenth-largest oil reserves, production is slipping. Ground-breaking energy reforms have ended the monopoly of the state oil company, Petróleos Mexicanos (Pemex). Foreign investors are optimistic ahead of an initial tender of oil and gas blocks ("Round One") in 2015. But bidders must brace themselves for obstacles ranging from red tape to organised crime.

- **US compromise:** A Republican-dominated US Congress will assert itself in the realm of energy policy. Conservatives vow to open more public land for oil and gas drilling, and want the president to approve the Keystone XL pipeline. This would pump petroleum from the Canadian oil sands to refineries on the US Gulf Coast, but enrages environmentalists. Some Democrats are in fact sympathetic to Republicans on energy issues, leaving the door open for compromise.

- **Russian rebuff:** Sanctions biting Russian industry are likely to lapse in mid-2015, we forecast—but this is far from a sure bet. Intensified Russian involvement in the Ukraine conflict could stiffen Europe's resolve over sanctions. As thorny negotiations over Russian gas supplies to Ukraine resume, meanwhile, others will seek to escape similar dependence. LNG import terminals in Poland and Lithuania will start up next year.

Financial services: Positive signs

Financial firms are fighting free of the gloom that followed the crisis. However, they face a very different, and in many ways tougher, environment than before.

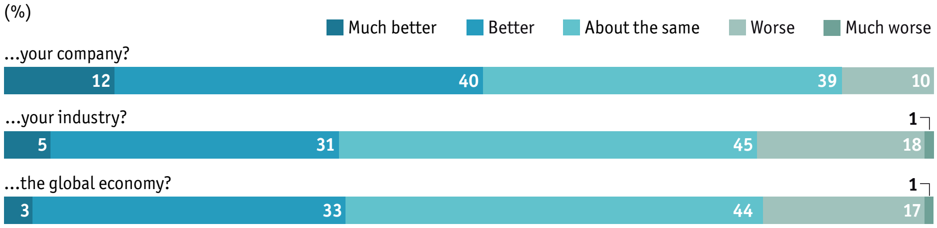
2015 is shaping up to be a promising year for financial firms around the world, at least compared with the bleak conditions most endured after the 2008-09 crisis. Companies will grow stronger and put legacy problems behind them as they begin to focus on new opportunities.

Many companies in the industry will continue to strengthen their financial positions. For some this has meant simply retaining profits but for others it requires a dramatic overhaul of balance sheets by selling assets, raising fresh capital and paying back state aid. Others are sharply shifting their business models or global footprints. Even in Europe, where the recovery of financial firms has lagged, recent stress tests appear to show a more robust industry.

A seemingly endless stream of fines and settlements has helped to put the legacy issues of the crisis back into the rear-view mirror. Among the investigations that continue, a fair number are unrelated to the subprime crash, including probes of insider trading, currency and interest-rate manipulation, and money laundering. The biggest bombs for the income statement appear to have exploded, or been disarmed.

Best of all, financial firms enjoy a global market that offers ample room for expansion, if they can devise the right ways to approach it. Only about half of

What are your expectations of business conditions for...
(%)



Note. Answers from 324 respondents working in the financial services industry.
Source: The Economist Intelligence Unit.

the world's adult population currently takes advantage of the convenience and security of saving, borrowing and making payments from a formal financial account. Much smaller proportions have basic insurance protections, pension plans and securities accounts. New, low-cost tools like mobile-phone accounts are needed to reach such clients.

Tough global environment

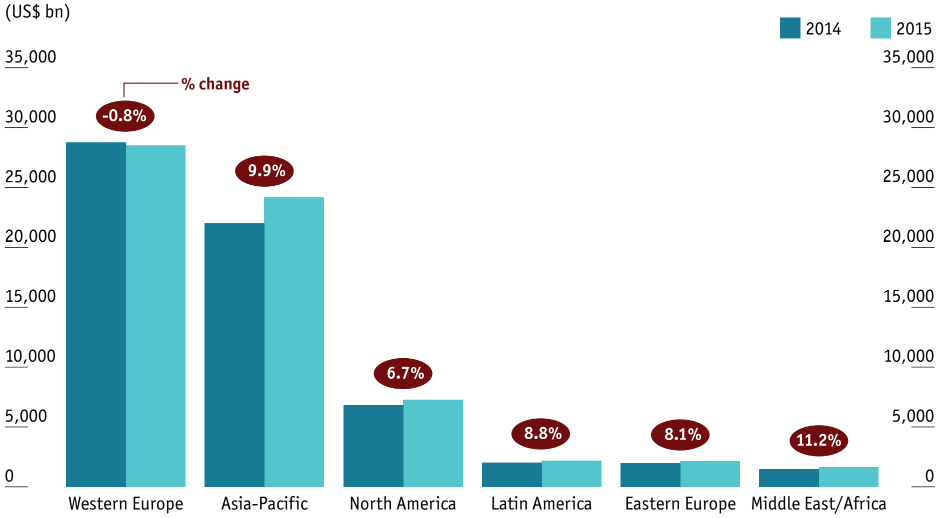
Financial firms enjoy a global market that offers ample room for expansion, if they can devise the right ways to approach it.

The world economy will remain lacklustre in 2015 and provide little positive pull for financial firms that rely on macroeconomic demand for expansion (as opposed to sophisticated new technology, for example). Heavy debt loads will continue to tilt governments and households away from additional borrowing, limiting opportunities for financial firms. Although corporates enjoy stronger positions, most remain reluctant to expand in an environment marked by limited final demand.

Perhaps most importantly for financial firms, post-crisis regulation is much tougher than before and is likely to remain so for many years. There are a few major global milestones in 2015, including mandatory bank reporting of leverage ratios and liquidity positions. In addition, during the year many provisions will come into effect from multi-year programmes like Basel III, EU banking union and the US limits on proprietary trading in the Dodd-Frank Act. These measures are designed to make the financial system more resilient in a crisis, but they are also making it less profitable in normal times.

Financial firms, and especially banks, are always walking on banana peels. Busts in housing markets (like the subprime shock) and sharp shifts in portfolio

Bank lending by region in 2015
(US$ bn)



Source: The Economist Intelligence Unit.

investment flows (such as in emerging markets in the 1980s and '90s) are constant dangers. Neither looks imminent at the moment, thankfully. Another risk is the resurgence of deflation and recession in Japan and Europe; in the case of the latter this could unravel the progress made towards financial sector recovery in recent years.

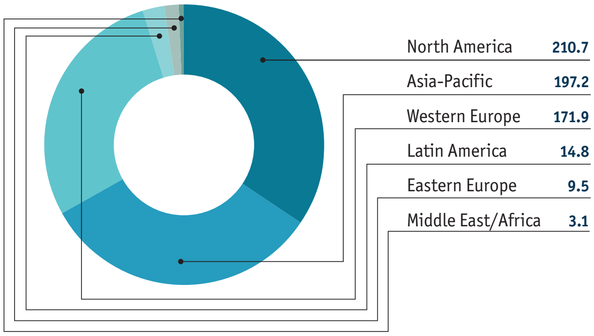
Tainted brands beat unknown ones

The travails of banks and traders have damaged their reputations in recent years, though this is less the case for insurers, fund managers and other financiers. Levels of trust are low and political opponents are loud. Nevertheless, big financial firms have managed to retain most of their customers, both among individuals and non-financial companies. Few have defected to credit unions and housing societies, and fewer still to upstart websites with funny names.

Meanwhile, the incumbents are making their own moves to adapt to the times: cutting costly branch networks, bolstering their internet and mobile presence, overhauling approval processes, and improving customer service and security. Finance has proved a difficult industry to disrupt.

In a positive sign, globalisation now appears to be moving forward again after a hiatus. Although some are retreating, a number of the West's sprawling financial firms still fly their flags in global capitals. However, they have now been joined by once-homebound rivals from emerging markets. The logo of a Chinese bank blazes from Buenos Aires's tallest tower. Stockmarkets are linking trading platforms in South-east Asia and South America. Malaysian, Brazilian and Colombian firms are all making cross-border acquisitions to expand their reach. Globalisation will resume in 2015, but now with a more diverse cast of actors.

Total financial assets in 2015
(US$ trn)



Source: The Economist Intelligence Unit.

The world economy will remain lacklustre in 2015 and provide little positive pull for financial firms that rely on macroeconomic demand for expansion.

What else to watch for

- **Corporate finance in Europe:** Observers will be monitoring the European markets for corporate stocks and bonds to see if they can expand to make up for an expected further decline in bank lending. The continent's economies are unlikely to achieve durable expansion without financing for its companies.
- **China's banking upstarts**: Five pioneering private banks have gained licences and are slated to begin operations in 2015. Internet companies are behind two of them: Alibaba is the main backer of Zhejiang MYbank, while Tencent has invested in Shenzhen-based Webank. The other ventures will operate in Shanghai, Tianjin and Wenzhou.
- **Scramble over retail payments**: PayPal (a division of eBay) and Alipay (a unit of Alibaba) are expected to make stockmarket debuts as they are spun out of their parent companies, both online retailers. The two firms already handle large volumes of transactions, unlike rival platforms such as Square and Apple Pay.

Healthcare: Asian expansion

Pricing and other pressures in the healthcare sector are still strong, but the outlook is getting brighter as health spending picks up again.

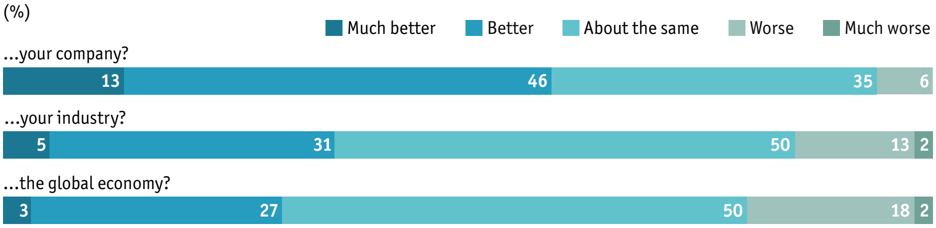
In the survey of business people conducted for our *Industries in 2014* report, respondents working in the healthcare sector were by far the gloomiest. This year, they are the most positive about prospects for their company and industry. Among the reasons for this are the recovery in European health spending, the expansion of Asian health insurance schemes and the improved profitability of many pharma companies.

Another major factor is that the Affordable Care Act in the US (Obamacare), the biggest expansion of the US healthcare system for decades, looks increasingly good for the industry. The process of rolling out the Health Insurance Marketplace in 2013-14 was plagued by glitches and there have been concerns over pricing and coverage. Yet in the end, some 8m people used the marketplace to take out policies to beat the March 2014 deadline for individuals. The company mandate, obliging firms with over 50 employees to provide them with health insurance, will come into force in January 2015, although for smaller companies that has been delayed until 2016.

Obamacare is proving profitable for many companies. Insurers such as Humana, United Health, Aetna and Cigna have seen their share prices soar and they are now likely to resist any Republican efforts to reverse the reforms. Several for-profit hospital chains, such as HCA, have also seen revenue and profits rise in

Obamacare is proving profitable for many companies.

What are your expectations of business conditions for...
(%)



Note. Answers from 66 respondents working in the healthcare industry.
Source: The Economist Intelligence Unit.

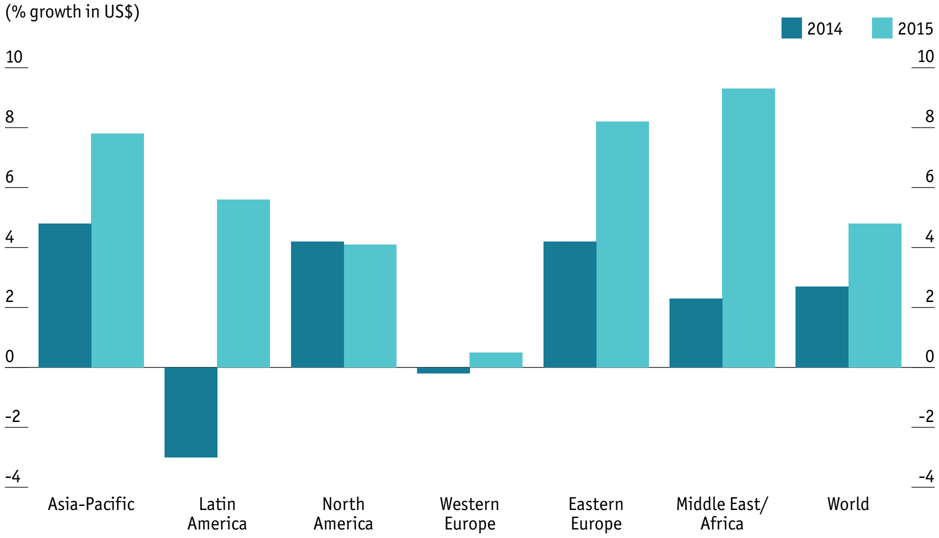
recent months. Although providers remain under pressure to reduce costs, they too benefit from a wider customer base. The same is likely to be true of pharma companies. Overall, The Economist Intelligence Unit expects US healthcare spending to rise by around 5% in nominal terms in 2015, and pharma sales to rise by about 6%.

Most of the rest of the world is likely to see even faster growth (see chart). In Asia, several governments, including China, Indonesia and the Philippines, are well on their way to meeting their goal of universal health insurance coverage. In India, the new government is expected to set a similar target under reforms to be unveiled in 2015. Even poor nations like Bangladesh are investing heavily in healthcare, and many countries in the Middle East are following suit. In Latin America, universal coverage is already the norm, but countries such as Brazil are now devoting more attention to the quality of care. In Africa, meanwhile, reforms are afoot but infectious diseases like Ebola will continue to expose the weaknesses of healthcare systems in 2015 and beyond.

The global trend towards value-based healthcare is likely to gather pace.

In Western Europe, the focus is on improving the efficiency of the region's expensive healthcare systems. Yet even here, a recovering (if still vulnerable) economy is allowing countries to loosen the reins on health spending slightly. As a result, whereas we estimate that health spending per head fell in 2014, we expect it to rise slightly in 2015. That may not be enough to compensate for population ageing, but it may make 2015 a slightly less turbulent year than 2014 for the region's healthcare systems. Nevertheless, the wage squeeze in the sector will continue, and companies will be under pressure to prove the value of their products and services.

Health spending per head
(% growth in US$)



*World=60 biggest countries only.
Sources: The Economist Intelligence Unit; World Health Organisation.

Indeed, the global trend towards value-based healthcare is likely to gather pace. In the US, 2015 will see the introduction of outcomes-based physician pay. In China, the National Health and Family Planning Commission (which has subsumed the Ministry of Health) is rolling out pilot programmes as it tries to introduce a more rational approach to healthcare. The UK, for its part, intends to conduct a thorough review of its health technology assessment methods in 2015, after a period of intense debate.

International competition

All this will impinge on pharma companies as well as hospitals and other providers. The regulatory hurdles patented pharma companies have to jump in order to sell their products are likely to rise still further in 2015. Moreover, after a slight lull in 2014, the coming year will see a pick-up in patent expiries, exposing products such as Novartis's cancer drug, Gleevec/Glivec, and Otsuka's antipsychotic, Abilify, to competition from generics firms. Compounding matters, even biotech drugs are getting less immune to copying. There are signs that the market for biosimilars (generic versions of biotech drugs) may finally take off as technical and legal problems are overcome.

The regulatory hurdles patented pharma companies have to jump in order to sell their products are likely to rise still further in 2015.

Many pharma companies have already undergone extensive restructuring, cutting costs to cope with the threat to revenue, while mergers and acquisitions in the pharma sector also picked up strongly in 2014. The effect may not last into 2015, however, now that the US and European governments are clamping down on the potential tax savings from such deals. AbbVie (US) has already walked away from a potential takeover of Shire (Ireland/UK) because of US tax changes; Pfizer (US) is looking less likely to mount another bid for AstraZeneca (UK).

Even so, pharma companies will remain under pressure to find efficiency savings or new sources of revenue. Several pharma companies are starting to benefit from the restructuring of their research and development efforts. AstraZeneca, one of the companies hit hardest by patent expiry, is now boasting about the strength of its late-stage pipeline. A stream of new products is likely to emerge from companies such as Sanofi, Merck & Co and Johnson & Johnson. Nevertheless, they will find it hard to persuade governments and insurers to pay for them unless they can demonstrate value.

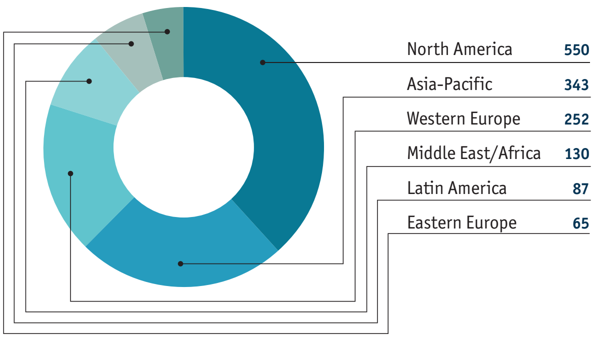
There are some unexpected bright signs for patented pharma companies in Asia, however. In India, where successive governments have long been more interested in access to medicines than in protecting innovation, regulators recently backed away from sweeping price controls on drugs. In China, a new government proposal may see price controls lifted for all drugs that are outside

Pharma companies will remain under pressure to find efficiency savings or new sources of revenue.

the state reimbursement system, as part of the efforts to introduce health technology assessments.

These two Asian giants may be modifying their confrontational approach to pharma patents partly because of the growing trade opportunities on offer. India is already a major exporter of generics, but safety clampdowns in the US have threatened its revenue. Although access to medicines will be important to the new government's policy, it may also push to reduce both official and unofficial trade barriers in order to bolster the economy. China, too, looks to its pharma industry as a source of growth, and is increasingly aware that to thrive it must abide by international rules. Global competition may well get more intense in 2015, yet with health spending accelerating, the industry's prospects still look brighter.

Pharma spending by region in 2015
(US$ bn)



*World=60 biggest countries only.
Source: The Economist Intelligence Unit.

What else to watch for

- **EU public procurement regulations:** In early 2014, the European Parliament passed a directive on public procurement that is likely to be implemented in most member states in 2015. It will change the way that healthcare services are procured, in an effort to create a more competitive and transparent market.
- **Millennium Development Goals:** The end of 2015 is the target date for the eight goals set by the United Nations in 2000, which included an end to extreme poverty and improvements in child and maternal health. During 2015, the UN and other bodies will try to build on the momentum as they formulate new goals.
- **Dengue vaccine:** Sanofi is now close to commercial launch of the first vaccine for this deadly disease, which affects around 400m people a year, mainly in Africa and Asia. Meanwhile, several vaccines for Ebola are undergoing trials under an accelerated process, and should be ready for wider trials in the affected countries in 2015.

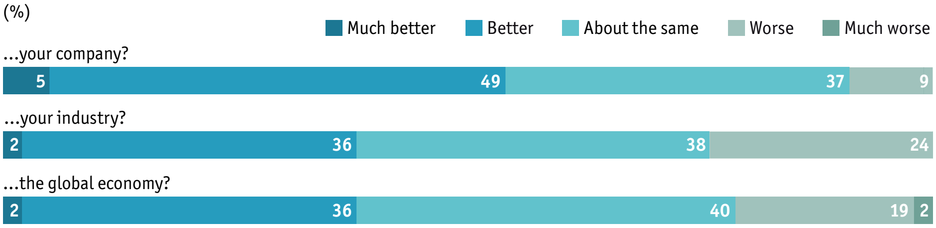
Telecoms: Connectivity problems

Operators, governments and internet providers are under pressure to ensure investment is directed at upgrading outmoded infrastructure.

Consumers' hunger for data will force operators to spend heavily on infrastructure, but connected devices, big data and cloud computing will open up opportunities.

The telecoms sector is undergoing rapid and transformative change. Internet usage is growing quickly and connectivity is being incorporated into ever more affordable mobile devices. Speed and quality of access to information, video and audio data are becoming pressing demands from consumers. The result is that telecoms operators, governments and internet providers are under pressure to ensure investment is directed at upgrading outmoded infrastructure.

What are your expectations of business conditions for...
(%)



Note. Answers from 43 respondents working in the telecoms industry.
Source: The Economist Intelligence Unit.

Mounting pressures on operators

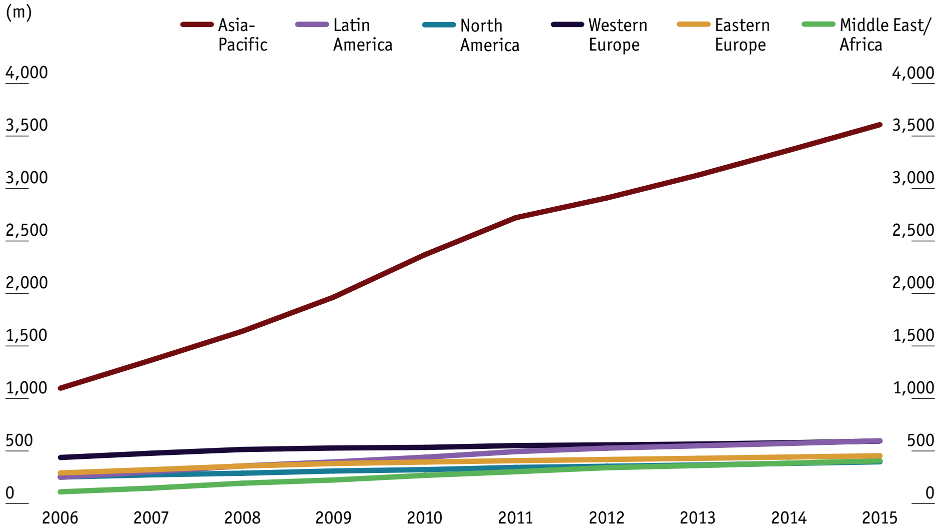
Operators, above all, are feeling the stress. Upcoming spectrum auctions—which are likely to be contested especially hotly in some emerging markets, such as India and Thailand—will demand sizable investments on their part. But carriers are already struggling with narrow profit margins from traditional revenue streams such as mobile-voice and text services. This combination will cause many to run up higher debts.

Part of the solution may lie in bundling TV, broadband, fixed line and mobile services, which promises to cut costs for operators while offering consumers more convenience. The approach of BT, the incumbent UK fixed-line provider, is a case in point: as it looks for ways to increase the scope of its offering, it is considering buying back O2, a mobile carrier it owned until 2001. Another strategy open to telecoms providers is to lobby governments to reduce licence fees and spectrum-usage charges. But consumers may also soon feel the impact of operators' difficulties as, with debts mounting, they are forced to raise prices.

What is certain is that the underlying reason for the industry shake-up will only become more pressing: that is, the increasing affordability and take-up of smartphones worldwide, and the enhanced digital connectivity that this brings. The Economist Intelligence Unit forecasts that internet penetration will hit 50 users per 100 people in 2015. Plenty of them will continue to access the internet primarily via traditional broadband connections on computers, at home and at work. But smartphones are becoming ubiquitous in many countries, and across all income groups, as the capabilities of connected devices improve.

Apple's latest device, the iPhone 6, demonstrates the possibilities. These will become clearer in the coming year as the range of apps available on the Apple Store grows and smartphones take a step closer to replacing credit cards and cash. Following its recent launch in the US, the Apple Pay system, which allows users to make payments with their iPhones or (in the near future) Apple Watches, is expected to reach Europe in 2015.

Mobile subscriptions
(m)



Sources: The Economist Intelligence Unit; Pyramid.

Heating up: the net-neutrality debate

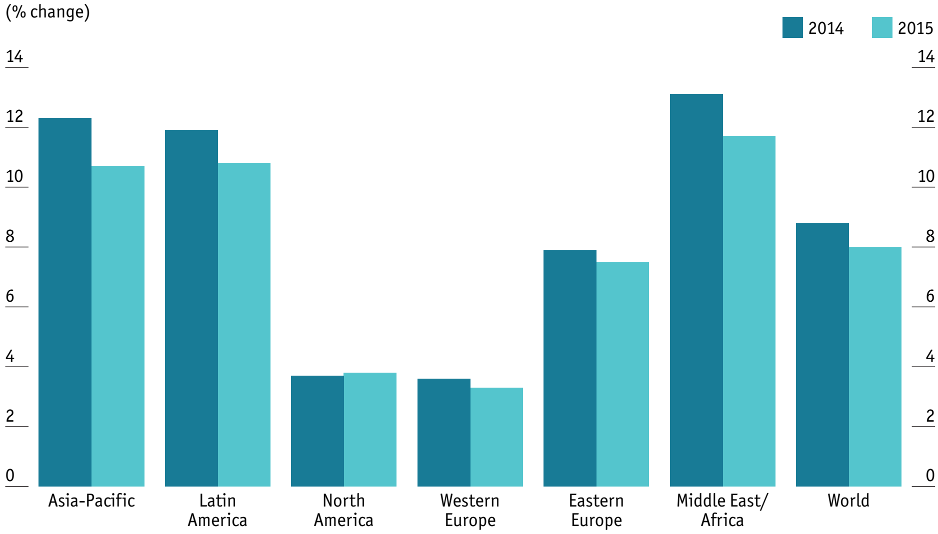
Telecoms providers will need to respond to consumers' demands for more and faster data provision. But even as they expand network capacity, the notion of affordable access will come under threat.

Whether to preserve "net neutrality"—the principle that all data on the internet should be treated equally—is the subject of divisive debate. Major operators, for their part, want to adopt a model where content providers can pay for "fast-lane" provision. Consumer advocacy groups, by contrast, fear this would raise the price of internet services and exclude the poor and those living in remote areas.

The debate is especially laboured in the US, where the president, Barack Obama, recently asked the US telecoms authority, the Federal Communications Commission (FCC), to reclassify the internet as a public utility. This will accord it the same level of regulatory oversight given to water and electricity. Indeed, Mr Obama's rhetoric suggests that internet access should be treated as something bordering on a human right. But in 2015, discussions will heat up outside the US as well.

The Cellular Operators Association of India (COAI), for instance, hopes to discuss with the government ways to monetise services via revenue-sharing between internet companies and telecoms carriers. The EU, meanwhile, is discussing strict net-neutrality rules drawn up by the European Parliament, which now need to clear the Council of Ministers. Yet until now, only Slovenia and the Netherlands have enforced net-neutrality regulation, and there is a danger that other European countries may drag their feet. In Latin America, only Brazil and Chile have passed net-neutrality laws. Critics argue, moreover, that Brazil's rules hide imperfections that fuel privacy concerns and grant providers leeway to slow down user access.

Fixed-line broadband subscriptions
(% change)



Sources: The Economist Intelligence Unit; Pyramid.

What else to watch for

● **The China threat.** Xiaomi, nicknamed "China's Apple", posted triple-digit year-on-year growth in the third quarter of 2014, propelling it to third place in global smartphone shipments. The company has prospered mainly at the expense of Samsung, eating into its dominance of the Chinese market. However, sustaining its success will depend on conquering overseas markets: Xiaomi plans to begin making phones in India within two years.

● **Fifth-generational warfare:** Fourth-generation (4G) connectivity is the focus of current battles between operators, but 5G will be the battleground of the future. In 2015, discussions and trials of competing technologies will gain momentum. A UK "test-bed" involving BT, EE, Huawei, Samsung, Vodafone and others is expected to be complete and operational by September 2015. Several other initiatives, many university-led, are also in place across the EU, China, Japan, South Korea and the US.

● **The internet of things:** Big data gleaned from a variety of consumer habits and preferences will be used to design new connected devices involving everything from household appliances to power plants. Such machines will be able to communicate with each other efficiently and sustainably, storing data in the cloud. Driverless cars and smart thermostats, for instance, have already undergone extensive research and testing. Still, dreams of creating a comprehensive "smart grid" remain distant.

Calendar of events, 2015

AUTOMOTIVE

January

7: AUTOSYMPO- Resume, Prague

12-25: North American International Auto Show, Detroit

16-25: European Motor Show, Brussels

February

12-22: Chicago Auto Show

13-22: Canadian International Auto Show

March

3-15: Geneva International Motor Show

10-11: APAC 18, Melbourne

12-17: Cairo International Motor Show

19-29: Belgrade International Motor Show

26-27: 3rd Annual China Electric Vehicle Infrastructure Summit 2015

April

1-12: New York International Auto Show

2-12: Seoul International Motor Show

14-16: UK Commercial Vehicle Show

22-29: Auto Shanghai 2015

23-24: Transmission Symposium, China

May
7-8: International Vienna Motor Symposium
7-17: Barcelona International Motor Show
21-31: Istanbul International Motor Show
27-31: Kiev International Motor Show
29-June 6: Lisbon International Motor Show

June
18-28: Buenos Aires International Motor Show

September
15-17: Electric and Hybrid Vehicle Technology Expo, Michigan, USA
17-27: IAA Cars, Frankfurt
TBD: Jakarta Indonesian International Motor Show

October
TBD: Mondial de l'Automobile, Paris
9-18: Bucharest International Motor Show
14-25: Johannesburg International Motor Show
16-25: Sofia International Motor Show
28-Nov 8: Tokyo Motor Show

November
21-24: COMVEX, Istanbul Commercial Vehicles, Buses and Components Expo
Nov 19-30: Los Angeles Auto Show

CONSUMER GOODS/RETAIL

January
1-Feb 1: Dubai shopping festival
6-9: International Consumer Electronics Show (CES), Las Vegas
Luxottica and Michael Kors to launch first joint eyewear collection

February
12-19: New York Fashion Week
19: WalMart reports 2014 results
20-24: London Fashion Week
25-March 3: Milan Fashion Week

March
4-11: Paris Fashion Week
Work to begin on The Mall of the World in Dubai
Westfield to reopen stores at New York's World Trade Centre

April
22: Tesco reports 2014 results
The Apple watch launch is expected
Onitsha shopping mall in Nigeria to be completed

May
4-11: Next Generation Retail Summit, Houston

June
15-17: The Global Consumer Goods Forum, Cape Town

September
10-17: New York Fashion Week
18-22: London Fashion Week
23-29: Milan Fashion Week
29-Oct 1: The World Retail Congress, Milan
30-Oct 7: Paris Fashion Week
Mall of Qatar to open

October
19: Metro trading statement for 2015 financial year

November
Launch of Occulus Rift, a virtual reality headset, expected

December
Primark to open Boston store, its first in the US

ENERGY

January
29: Royal Dutch Shell reports 2014 results
28-Feb2: ExxonMobil reports 2014 results (estimate)
29-Feb 2: Chevron reports 2014 results (estimate)

February
3: BP reports 2014 results
12: Total reports 2014 results

March
12: The Arctic Summit, Economist Conferences, Oslo

May
4-7: Offshore Technology Conference, Houston

June
1-5: World Gas Conference, Paris
9-11: Global Petroleum Show, Calgary
9-11: Renewable Energy World Conference and Expo Europe, Amsterdam

September
8-11: SPE Offshore Europe Conference and Exhibition, Aberdeen
30-Oct 2: World Energy Engineering Congress, Orlando

November
30-Dec 11: UN climate change conference ("COP 21"), Paris

FINANCIAL SERVICES

January
Congress to discuss abolition of consumer protection agency set up under the Dodd-Frank Act
Banks required to include leverage ratios in financial statements.

February
10: The Buttonwood Gathering, Economist Conferences, New York

March
3: Insurance 2015, Economist Conferences, London
10: The Future of Banking, Economist Conferences, Paris
Mexico to join MILA trading system (early 2015)

April
New regulator to oversee the UK's payment systems

May
Aequitas, a new Canadian stock exchange, to start taking new listings

June
Saudi Arabia’s stockmarket, Tadawul, to open to foreign investors (first half of 2015)
China Re to raise up to US$2bn through an IPO in Hong Kong (first half of 2015)

October
US retailers to take responsibility for financial fraud, after switch to chip-and-pin.

December
New US rules on higher loss absorbency come into force (year-end)

HEALTHCARE

January
1: Corporate mandate kicks in under US Affordable Care Act
27: Novartis reports 2014 results
28: Roche reports 2014 results

February
4: GlaxoSmithKline reports 2014 results
5: Sanofi reports 2014 results
24-25: 2015 European Pharma CI Conference, Amsterdam
26: The Pharma Summit, Economist Conferences, London
Sanofi faces patent expiry for Lantus

March
20: Healthcare in Asia 2015, Economist Conferences, Hong Kong

April
Otsuka faces patent expiry for Abilify

May
16-20: ISPOR 20th Annual International Meeting, Philadelphia
Pfizer faces patent expiry for Zyvox
World Health Assembly, Geneva

June
10-12: World Pharma Congress, Boston
23-24: 3rd Annual Global Healthcare Conference in Singapore

July
Novartis faces patent expiry for Glivec/Gleevec
September
3-5: ISPOR 5th Latin America Conference, Santiago
November
7-11: ISPOR 18th Annual European Congress, Milan
December
Pfizer faces patent expiry for Celebrex

TELECOMS

January
1: New EU tax rules for telecoms, broadcasting and electronic services come into force
Google's Project Ara, a modular smartphone, scheduled for release
Zain plans Iraq 3G launch
February
India plans 2G and 3G spectrum auctions
Apple to open flagship store in Dubai
March
2-5: Mobile World Congress, Barcelona
Launch of Samsung Galaxy S6 smartphone expected
April
Canada plans spectrum auction
May
17: World Information Society Day
Germany plans spectrum auction in Q2
September
Thailand plans 4G spectrum auction
October
20-22: Broadband World Forum, London
Apple's iPad Air 3/iPad 7 launch rumoured

The Economist Intelligence Unit

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