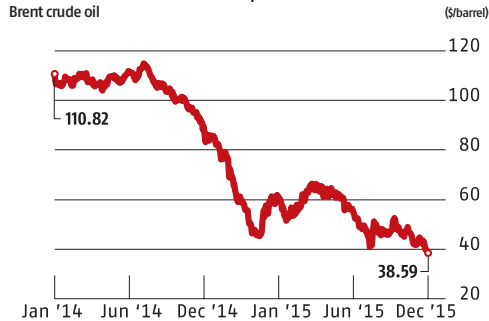


# How the fall in commodity prices have affected economies worldwide

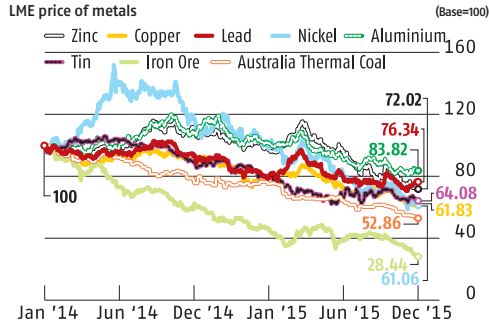
AS TABLE 1 shows, the price of oil has dropped below \$40 a barrel – capping a long slide down from \$115 a barrel in June last year. The secular downward trend is seen in many other commodities – gold, in Table 2, has been more volatile but has also been trending downwards. As Table 3 shows, the prices of major metals and ores have dipped since the beginning of 2014 – coal is half the price it was then, and iron ore less than a third. Many agricultural commodities, too, have seen prices decline in the same period, as shown in Table 4.

The effects on worldwide economies have been stark. While India – a net commodities importer – has shown easy growth, a recovery in its current account deficit (CAD) and fiscal consolidation, its BRICS peers and even first-world commodities exporters like Australia have suffered. Brazil and Russia are contracting, and South Africa has stagnated, and most are struggling to control twin deficits.

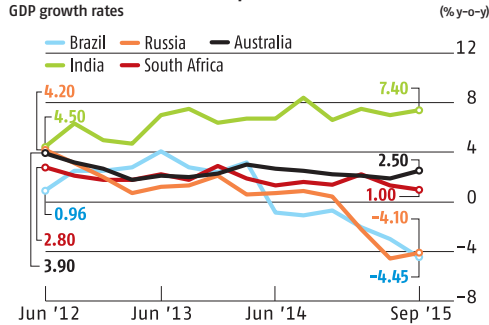
## 1: OIL HAS DROPPED BELOW \$40 A BARREL



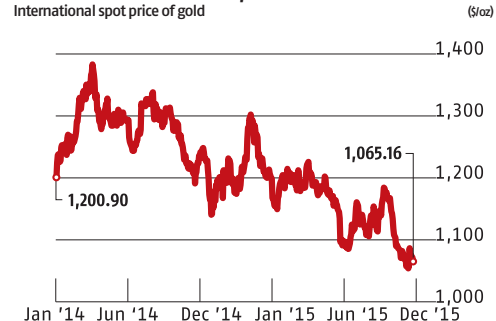
## 3: METAL & ORE PRICES HAVE DIPPED SINCE EARLY 2014



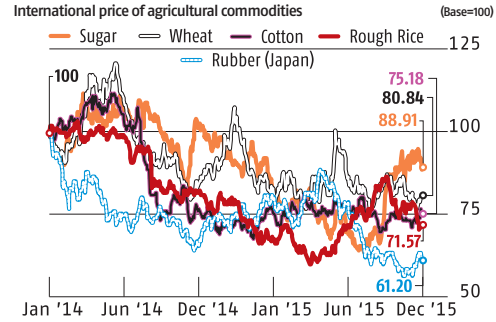
## 5: EASY GROWTH FOR INDIA, A NET COMMODITY IMPORTER



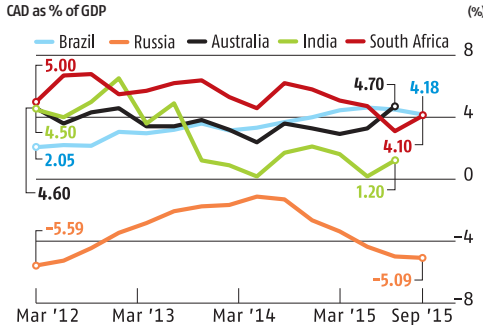
## 2: GOLD HAS BEEN VOLATILE, BUT TRENDING DOWNWARDS



## 4: AGRI COMMODITY PRICES HAVE DIPPED AS WELL



## 6: BUT COMMODITY EXPORTERS HAVE SUFFERED



## 7: UNLIKE THE REST, INDIA HAS DEFICIT UNDER CONTROL

