

# KIEL INSTITUTE **ECONOMIC OUTLOOK**

**World Economy**  
Spring 2021

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Business Cycles and Growth

# WORLD ECONOMY IN SPRING 2021: RECOVERY STAYS ON TRACK

*Klaus-Jürgen Gern, Philipp Hauber, Stefan Kooths, and Ulrich Stolzenburg*

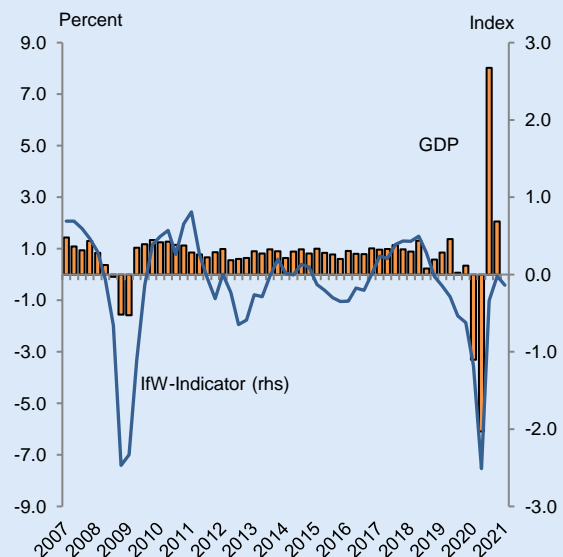
*The global economy continued to recover in the winter semester 2020/2021, despite the number of new infections with the coronavirus rising sharply and containment measures tighter again in many countries. Industrial production and world trade have already fully caught up with their pre-pandemic levels and appear to be little affected by the second wave of Covid-19. While the European economy did slip into recession again, the decline in GDP is not expected to be dramatic and should be followed by a strong recovery from spring onward, provided that progress in vaccination allows a substantial and sustained relaxation of measures designed to suppress the virus. In the course of this year, the global upturn will thus increasingly extend to economic sectors that remain severely impeded for the time being, such as tourism and entertainment, and to economies that are particularly geared to these activities. On a purchasing power parity basis, global output is expected to increase by 6.7 percent in 2021 and by 4.7 percent in 2022, thus progressively closing the gap to the pre-crisis path of activity. We have raised our December forecast by 0.6 percent for both this year and next, with a particularly strong improvement in the outlook for the United States on the back of another large fiscal stimulus. World trade in goods is expected to grow by 7.5 percent this year. With growth of 3.7 percent next year, world trade towards the end of the forecast horizon will be even higher than we expected before the crisis.*

**The world economy continued to recover despite another increase in the number of Covid-19 infections.** Following a rebound in economic activity over the summer, global GDP increased in the fourth quarter of 2020 despite higher infection and death rates as well as a renewed tightening of measures to contain the virus. World production expanded by a solid 2 percent and approached its pre-pandemic level (Figure 1). In the year 2020 as a whole, however, global GDP fell by 3.3 percent.

**Industrial production and international trade in goods have almost completely recovered at the global level.** The global production of goods rebounded quickly over the summer, while activity in the services sectors is still tepid in the face of continued measures by the authorities to limit the spread of the virus as well as persistent changes in consumer behavior. In line with global industrial production, world trade in goods has also completely recovered from the pandemic-induced slump, with trade in December up by 1.3 percent year-on-year. In contrast, trade in services, especially related to international travel, remains depressed.

**The European economies have been particularly affected by the second wave of the pandemic.** The impact of the rise in infections on economic activity was much less pronounced over the course of the winter than during the first phase of the pandemic: Industrial activity was hardly affected and the drop in mobility was largely limited to Europe (Figure 2). While GDP in Europe is likely to have

**Figure 1:**  
World Economic Activity



Quarterly data, seasonally adjusted. Indicator is based on business expectations in 42 economies. GDP: price adjusted, change over previous quarter, 46 countries, weighted by purchasing power parities.

Source: OECD, Main Economic Indicators; national sources; Kiel

contracted over the winter semester, production in the United States and the emerging economies continued to expand, albeit at a slower pace.

**Savings have increased sharply amid government transfers, lockdowns and changes in consumer behavior.** During the pandemic, private consumption dropped substantially and has not fully recovered yet. At the same time, large falls in personal income were avoided due to government support measures such as short-time work schemes (euro area, UK) or transfers (US). As a result, household savings increased sharply (Figure 3). A rapid unwinding of this pent-up purchasing power is an upward risk for GDP but also inflation, as production capacity would soon be exhausted in such a scenario.

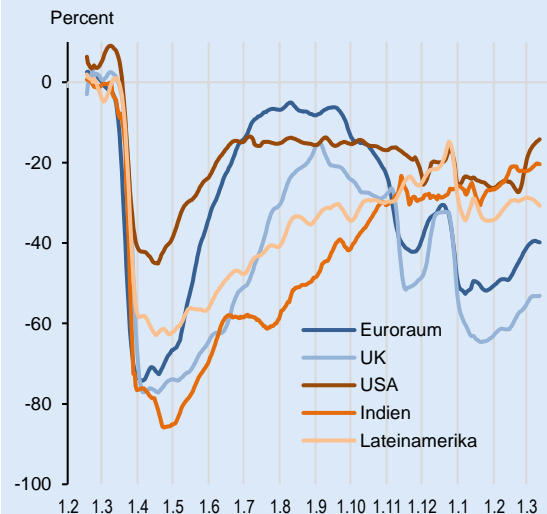
**Inflation has picked up but is unlikely to exceed central bank targets for the time being.** Consumer prices increased markedly at the start of the year, to a large extent owing to rising energy prices. The price of crude oil (Brent) has recently reached the level of 70 US-Dollar per barrel that prevailed before the crisis. Higher non-energy commodity prices and shortages of certain intermediate products, such as semi-conductors, have also contributed to higher input prices. Consumer price developments are nevertheless not alarming so far, as inflation rates are still below central banks' targets and the acceleration appears to be largely driven by temporary factors.

**Monetary policy will remain accommodative in the coming years.** Central banks in advanced economies have extended their expansive measures taken at the start of the pandemic and communicated that monetary policy will remain accommodative for a prolonged period of time. While interest rates were lowered further in only a few emerging economies, they generally remain at historically low levels. An effective depreciation of the US dollar has also contributed to more favorable financing conditions.

**A structural consolidation of fiscal policy is not on the horizon.** In order to soften the economic fallout from the pandemic, governments around the world have increased spending and deferred tax payments. Together with a cyclical drop in revenue, this has led to a sharp rise in budget deficits and government debt. In the current year, fiscal policy remains expansionary, particularly in the United States. As activity recovers, fiscal measures to mitigate the recession will be faded out, but governments are unlikely to take further steps over the forecast horizon to reduce the debt burden in the longer term.

**The recovery of the world economy will gather steam in the course of 2021 as the risks of infections decrease.** Amid vaccination proceeding progressively, a complete normalization of activity is on the horizon. In our forecast, we expect that large steps in this direction will take place already during the summer of the current year. To the extent that the pandemic cannot be controlled that quickly,

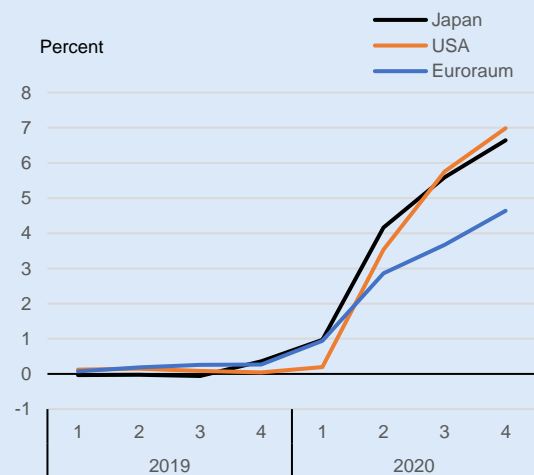
**Figure 2:**  
Mobility data in selected countries



Daily data, Retail trade and recreation, deviation from same weekday in January and February.

source: Google Covid-19 Mobility Report.

**Figure 3:**  
Excess savings (in % of GDP)



Annual data, calendar and seasonally adjusted. Cumulative deviation of savings from a benchmark calculated on the basis of the average savings rate in 2016–2019.

Sources: Eurostat, national accounts; Cabinet Office Japan; Bureau of Economic Analysis Personal Income and Outlays; OECD.

the recovery will be delayed. The growth profile would, however, remain the same, provided production capacities can be maintained and immunity is not jeopardized by new mutants of the virus.

**Global GDP is expected to increase by 6.7 percent this year, followed by an expansion of 4.7 in 2022.** After a drop in global production – measured at purchasing power parities – of 3.3 percent in the previous year, we expect the world economy to grow rapidly over the forecast horizon (6.7 and 4.7 percent in 2021 and 2022, respectively). At market exchange rates, the increases in production this year and next will reach 6.4 and 4.5 percent, respectively (Table 1); International trade in goods is set to grow by 7.5 in 2021 and 3.7 percent in 2022.

**Output in the advanced economies will expand rapidly, particularly in the United States.** GDP is expected to increase by 5.4 and 3.9 percent this year and next. On the back of another large fiscal stimulus, the US economy will grow by 6.5 percent this year, followed by 4.1 percent in 2022. Activity in the euro area and Japan is also likely to increase by more than the production potential. Unemployment will continue to decline, closing in on pre-crisis levels in the coming year. Against the backdrop of the recovery and rising capacity utilization, we expect inflation to pick up although, on the whole, price pressures will likely stay moderate.

**Activity in the emerging economies will also continue to recover.** GDP is set to increase by 8 percent in 2021, driven to a large extent by the statistical carry-over stemming from the rapid recovery in the second half of the previous year. GDP in China has even completely recovered already. Growth prospects in emerging economies for the coming year are also bright, as domestic activity continues to normalize buoyed by rising demand from advanced economies and accommodative policies. We expect growth of 5.4 percent next year for the country group as a whole.

**Rising public debt and deteriorated corporate balance sheets are important risks to the outlook.** The crisis has taken a heavy toll on parts of the economy. While firms have been supported by government transfers and credit guarantees, equity is still likely to have taken a hit at many companies, and it remains to be seen how robust corporate balance sheets are when temporary debt moratoria are terminated. Rising government debt bears the risk that fiscal space dries up if financial conditions deteriorate markedly, particularly in highly-indebted emerging economies.

**Table 1:**  
Real GDP and consumer prices in selected countries and regions

	Gross domestic product			Consumer prices		
	2020	2021	2022	2020	2021	2022
United States	-3.5	6.6	4.1	1.2	2.8	2.3
Japan	-4.9	3.9	2.2	0.2	1.0	0.8
Euro Area	-6.8	4.8	4.3	0.3	1.7	1.5
United Kingdom	-9.9	5.6	4.7	0.9	1.8	2.3
<b>Advanced economies total</b>	<b>-4.8</b>	<b>5.4</b>	<b>3.9</b>	<b>0.8</b>	<b>2.1</b>	<b>1.9</b>
China	2.1	9.7	5.8	2.5	0.9	2.3
Latin America	-7.1	5.0	3.4	8.2	9.4	6.9
India	-7.0	11.9	8.0	6.6	3.7	4.8
East Asia	-4.5	6.4	5.7	1.1	2.6	2.8
Russia	-3.1	2.8	2.5	3.6	4.7	4.0
Africa	-1.8	3.6	4.2	7.9	7.6	7.8
<b>World economy total</b>	<b>-3.3</b>	<b>6.7</b>	<b>4.7</b>	<b>3.3</b>	<b>3.4</b>	<b>3.6</b>
<i>Addendum: World trade volume</i>	-5.4	7.5	3.7	.	.	.
Oil price (Brent in US\$)	41.8	67.7	70.8	.	.	.
World economy total (weighted according to GDP at market exchange rates)	-4.0	6.4	4.5	2.4	3.0	2.9

Weighted according to GDP at PPP rates. — East Asia: Emerging Asia excluding China and India. — Shaded: IfW forecast.

Source: Forecast of the Kiel Institute for the World Economy.

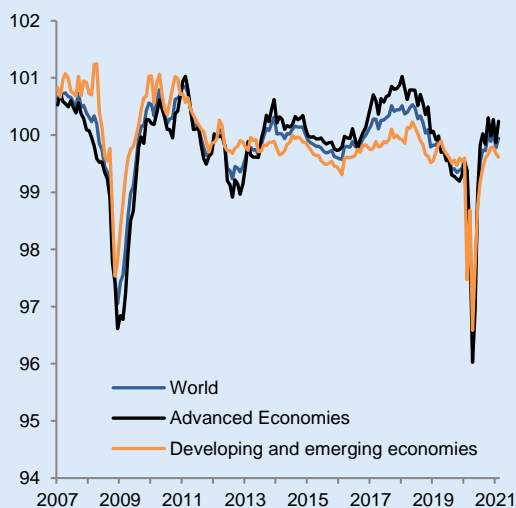
**Data annex**

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## 1. World Economy

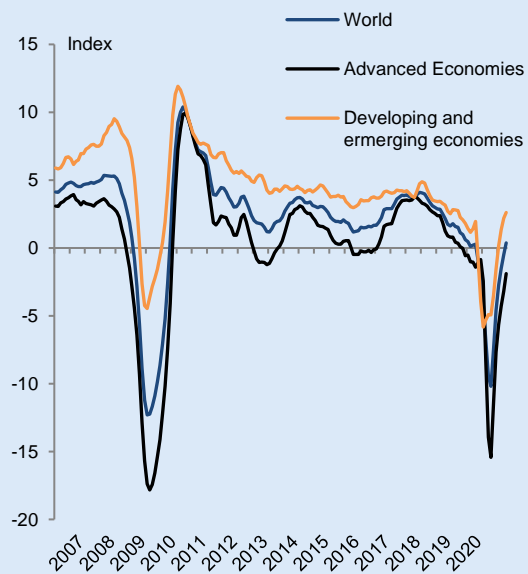
**Figure 1.1:**  
Business expectations by groups of countries



Monthly data, seasonally adjusted. Indicators are based on business expectations in 42 countries (34 advanced economies and 8 emerging economies).

Source: OECD, *Main Economic Indicators*; national sources; Kiel Institute calculations.

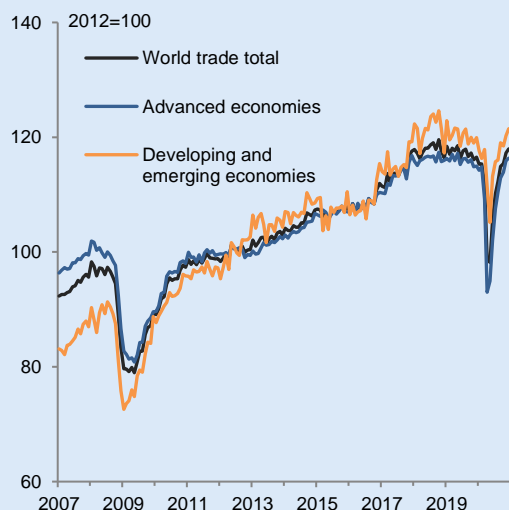
**Figure 1.2:**  
Industrial production by groups of countries and regions



Monthly data, seasonally adjusted, previous year's rate, quarterly average.

Source: CPB, Kiel Institute calculations.

**Figure 1.3:**  
World Trade

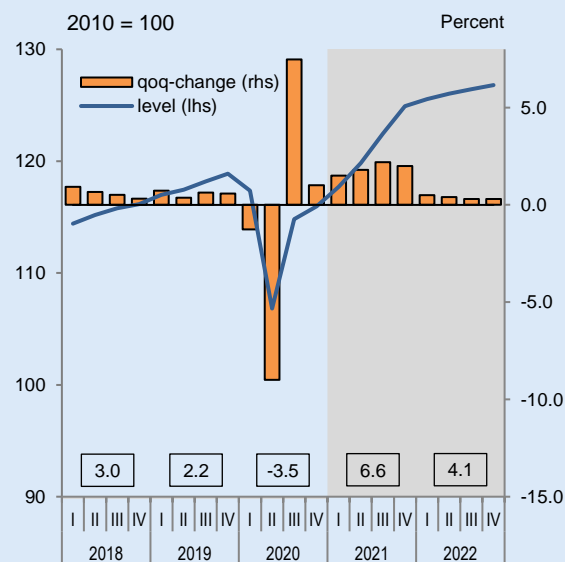


Monthly Data.

Source: CPB, *World Trade Monitor*; Kiel Institute calculations.

## 2. United States

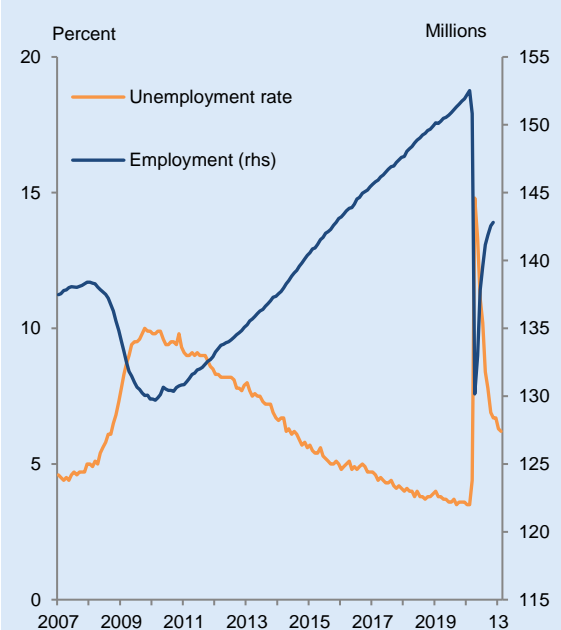
**Figure 2.1:**  
GDP



Quarterly data, price, seasonally and calendar adjusted, qoq-change; annual rate of change (boxes).

Source: Bureau of Economic Analysis; shaded: Kiel Institute forecast.

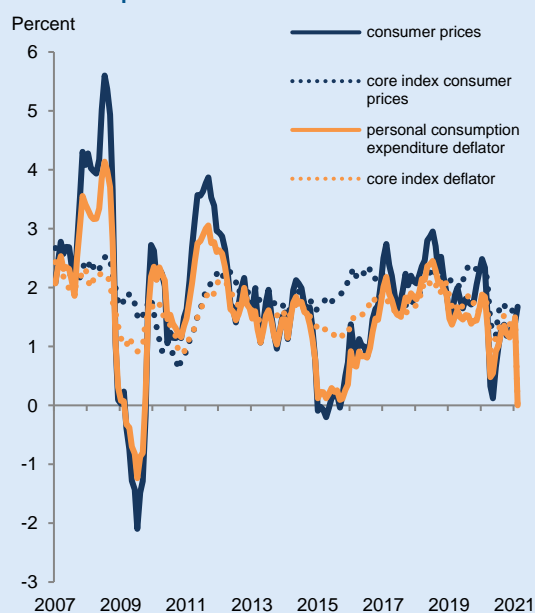
**Figure 2.2:**  
Labor market



Monthly data; seasonally adjusted.

Source: US Department of Labor, *Employment Situation*.

**Figure 2.3:**  
Consumer prices



Monthly data; change over previous year. Core index: consumer prices excluding energy and food.

Source: US Department of Labor, *Consumer Price Index*.

**Table 2.1:**

**Key indicators for the United States 2019–2022**

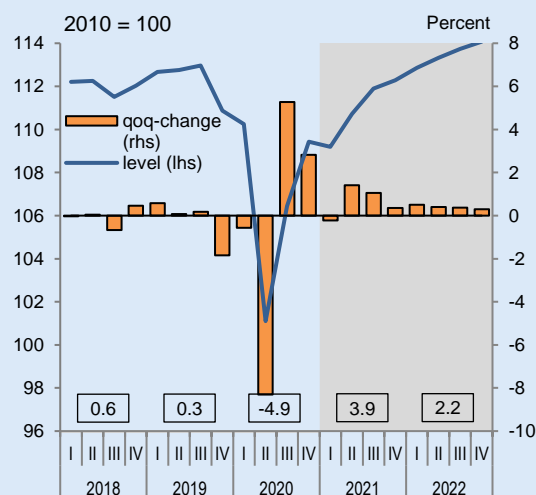
	2019	2020	2021	2022
Gross Domestic Product	2.2	-3.5	6.6	4.1
Domestic expenditure	2.3	-3.3	6.9	3.7
Private consumption	2.4	-3.9	7.5	4.5
Government expenditure	2.3	1.1	0.4	1.6
Gross fixed capital formation	1.9	-1.8	9.2	3.8
Machinery and equipment	2.1	-5.0	15.1	4.5
Intellectual property rights	6.4	1.6	5.0	3.6
Structures	-0.6	-10.6	-1.5	3.1
Residential Investment	-1.7	6.0	13.2	3.6
Change in inventories	0.0	-0.6	0.4	-0.2
Net exports	-0.1	-0.2	-0.3	0.4
Exports	-0.1	-13.0	10.1	7.6
Imports	1.1	-9.3	11.7	3.8
Consumer prices	1.8	1.2	2.8	2.3
Unemployment rate	3.7	8.1	5.4	4.1
Current account balance	-2.2	-2.3	-2.6	-2.1
Government budget balance	-4.6	-14.8	-14.9	-9.8

Percent. GDP: volumes, change over previous year, percent. — Net exports, inventories: contribution to growth, percentage points. — Unemployment rate: unemployed in relation to labor force. — Current account balance, government budget balance: percent of nominal GDP. — Budget balance: fiscal year.

Source: US Department of Commerce, *National Economic Accounts*; US Department of Labor, *Employment Situation and Consumer Price Index*; US Department of the Treasury, *Monthly Treasury Statement*; Kiel Institute calculations; shaded: Kiel Institute forecast.

### 3. Japan

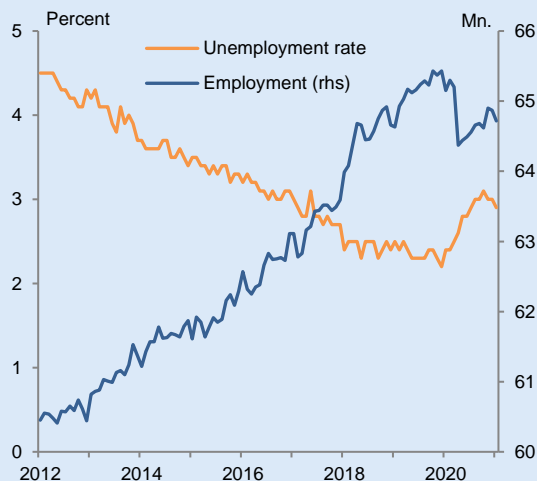
**Figure 3.1:**  
GDP



Quarterly data, price, seasonally and calendar adjusted, qoq-change; annual rate of change (boxes).

Source: Cabinet office, *National Accounts*; shaded: Kiel Institute forecast.

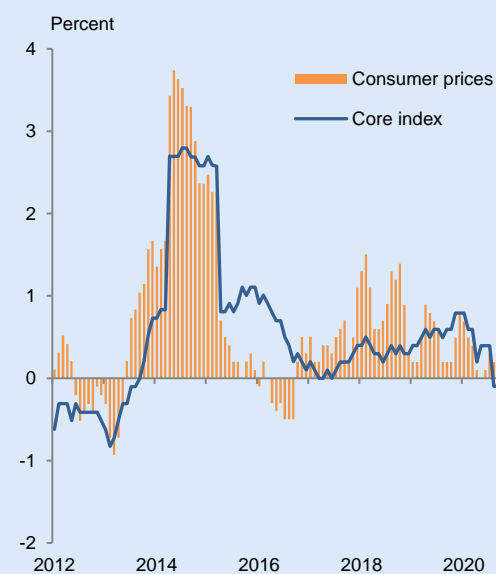
**Figure 3.2:**  
Labor market



Monthly data; seasonally adjusted.

Source: Department of Labor.

**Figure 3.3:**  
Consumer prices



Monthly data; change over previous year. Core index: consumer prices excluding energy and fresh food.

Source: Statistics Bureau of Japan.

**Table 3.1:**  
Key indicators Japan

	2019	2020	2021	2022
Gross Domestic Product	0.3	-4.9	3.9	2.2
Domestic expenditure	0.5	-3.8	2.6	2.2
Private consumption	-0.2	-6.0	1.8	2.1
Government consumption	1.9	2.7	4.4	1.7
Gross fixed capital formation	0.8	-0.4	-1.6	2.7
Enterprises	0.1	-6.0	2.2	3.3
Residential Investment	3.9	-7.0	-1.7	2.2
Public investment	1.1	3.7	5.3	1.3
Change in inventories	0.0	-0.2	0.2	0.0
Net exports	-0.1	-0.7	1.0	0.0
Exports	-1.4	-12.4	9.6	4.4
Imports	-0.3	-6.8	1.7	4.3
Consumer prices	0.5	0.2	1.0	0.8
Unemployment rate	2.4	2.8	2.7	2.5
Current account balance	3.6	3.2	3.5	3.5
Government budget balance	-2.6	-12.5	-8.5	-6.0

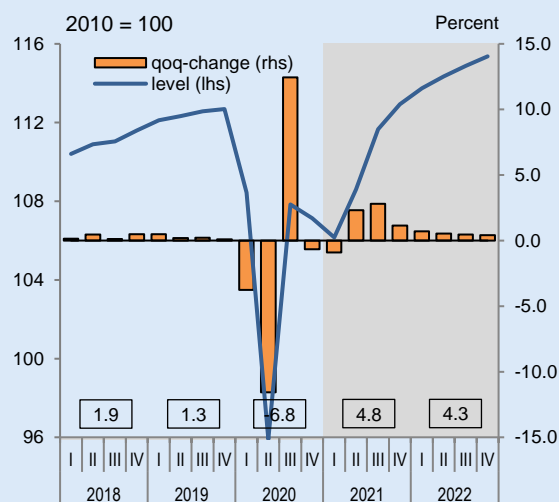
Percent. GDP: volumes, change over previous year, percent. Net exports, inventories: contribution to growth, percentage points. Unemployment rate: unemployed in relation to labor force. Current account balance, government budget balance: percent of nominal GDP.

Source: Cabinet Office, *National Accounts*; OECD, *Main Economic Indicators*; Kiel Institute calculations; shaded: Kiel Institute forecast.



## 4. Euro Area

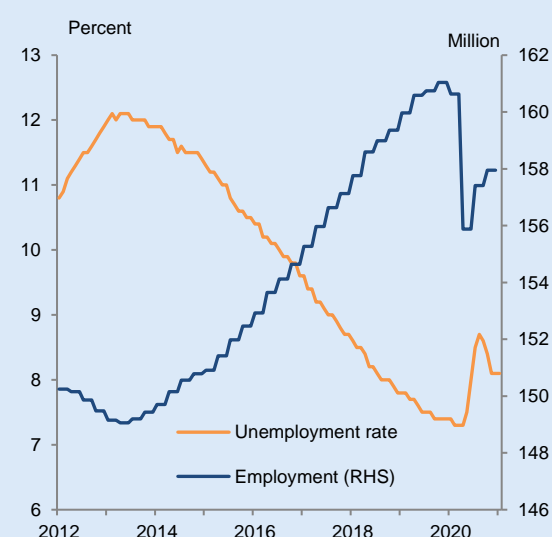
**Figure 4.1:**  
GDP



Quarterly data, price, seasonally and calendar adjusted, qoq-change. Annual data: price adjusted, annual rate of change (boxes).

Source: Federal Statistical Office, Fachserie 18, Series 1.3; shaded: IfW forecast.

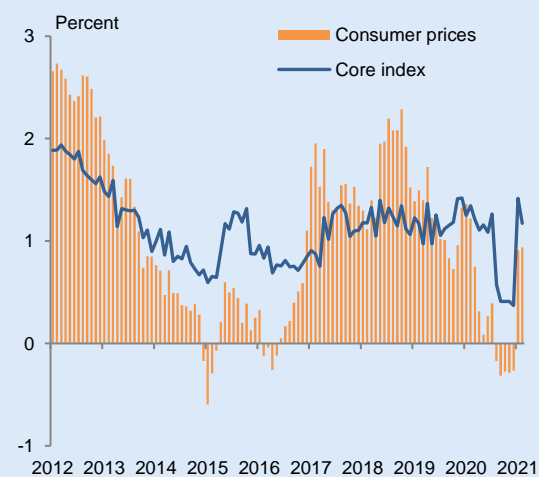
**Figure 4.2:**  
Labor market



Monthly data; seasonally adjusted.

Source: Eurostat, *Labor Statistics*; ECB, *Monthly Bulletin*.

**Figure 4.3:**  
Consumer prices, 2012–2019



Monthly data; y-o-y change. Core index: HICP without energy and unprocessed food.

Source: Eurostat, *Price Statistics*.

**Table 4.1:**  
Key indicators Euro Area, 2018–2021

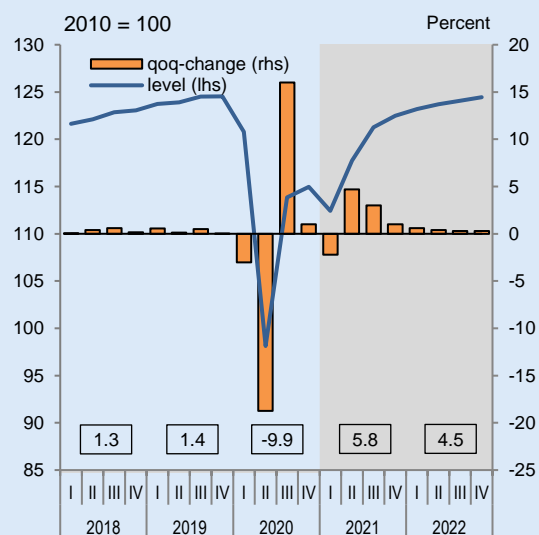
	2019	2020	2021	2022
Gross Domestic Product	1.3	-6.8	4.8	4.3
Domestic expenditure	1.9	-6.5	3.7	5.0
Private consumption	1.3	-8.1	3.0	6.7
Government consumption	1.8	1.1	3.5	0.7
Gross fixed capital formation	5.6	-8.5	6.7	5.2
Inventories	-0.5	-0.3	-0.2	0.0
Net exports	-0.5	-0.5	1.2	-0.5
Exports	2.5	-9.8	10.5	5.5
Imports	3.9	-9.3	8.6	6.9
Consumer prices	1.2	0.3	1.7	1.5
Unemployment rate	7.5	7.9	8.0	7.2
Current account balance	2.3	2.0	2.4	2.0
Government budget balance	-0.6	-7.8	-6.4	-4.1

GDP: volumes, change over previous year, percent. Net exports, inventories: contribution to growth, percentage points. Unemployment rate: unemployed in relation to labor force, percent. Current account balance, government budget balance: percent of nominal GDP.

Source: Eurostat, *National Accounts*; Kiel Institute calculations; shaded: Kiel Institute forecast.

## 5. United Kingdom

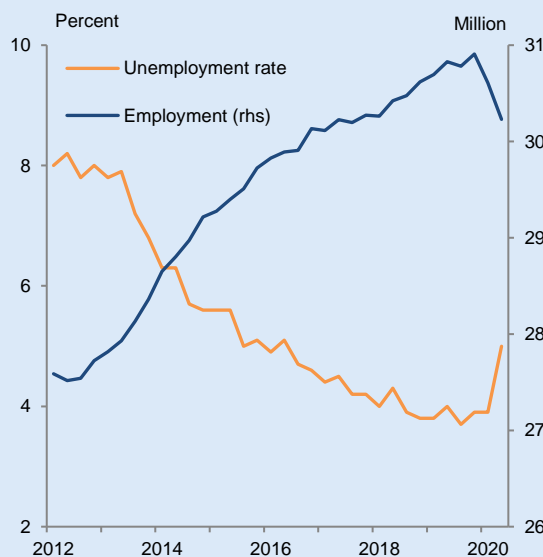
**Figure 5.1:**  
GDP



Quarterly data, price, seasonally and calendar adjusted, qoq-change; annual rate of change (boxes).

Source: Cabinet office, *National Accounts*; shaded: IfW forecast.

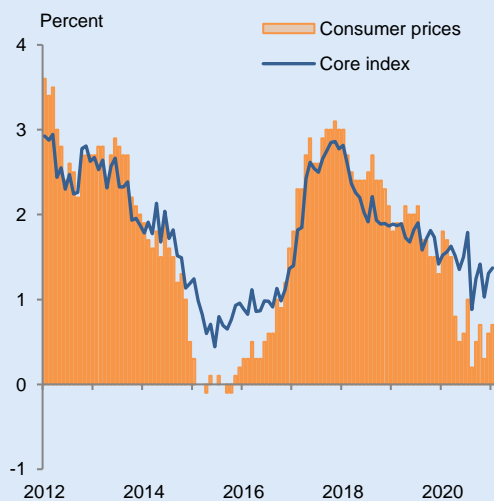
**Figure 5.2:**  
Labor market



Quarterly data, seasonally adjusted.

Source: Office for National Statistics, *Economy*.

**Figure 5.3:**  
Consumer prices



Monthly data, change over previous year. Core rate: consumer prices excluding energy and fresh food.

Source: Office for National Statistics, *Economy*.

**Table 5.1:**  
Key indicators United Kingdom

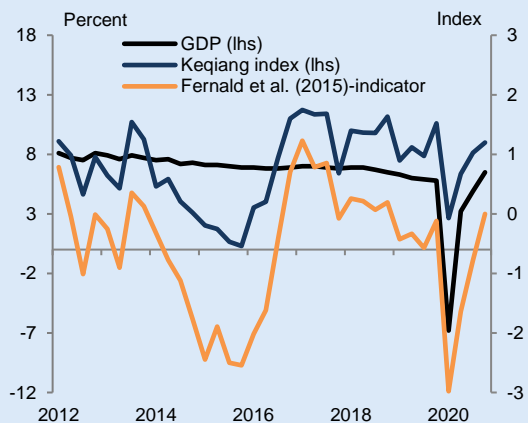
	2019	2020	2021	2022
Gross Domestic Product	1.5	-9.9	5.6	4.7
Domestic expenditure	1.5	-9.9	6.8	4.0
Private consumption	1.0	-12.5	7.8	4.5
Government consumption	3.4	-9.1	6.5	2.9
Gross fixed investment	0.7	-11.2	8.0	5.5
Inventories	0.1	-0.3	0.4	0.1
Net exports	0.1	2.0	-1.2	0.1
Exports	5.0	-13.5	6.8	5.5
Imports	4.6	-19.0	10.2	4.8
Consumer prices	1.8	0.9	1.8	2.3
Unemployment rate	3.8	4.2	5.3	4.8
Current account balance	-4.0	-3.1	-3.8	-4.0
Government budget balance	-2.1	-14.8	-10.5	-6.5

Percent. GDP: volumes, change over previous year, percent. Net exports, inventories: contribution to growth, percentage points. Unemployment rate: unemployed in relation to labor force. Current account balance, government budget balance: percent of nominal GDP.

Source: Office for National Statistics, *Economy*; shaded: Kiel Institute forecast.

## 6. China

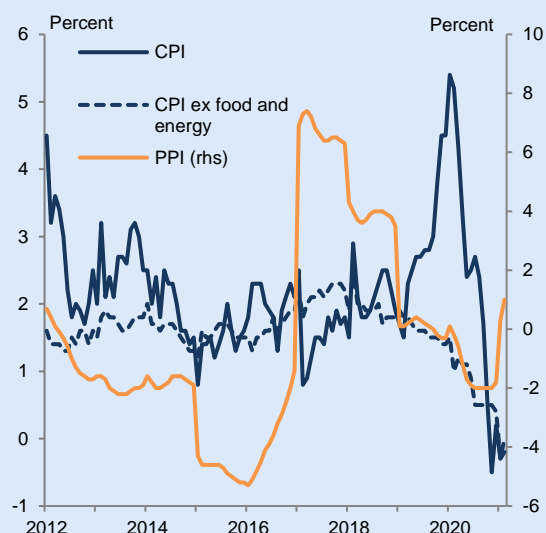
**Figure 6.1:**  
GDP



Quarterly data. GDP: year-on-year percentage change; Keqiang-index: arithmetic mean of the year-on-year growth rates of bank lending, electricity consumption and freight cargo; Fernald et al. (2015)-indicator: first principal component of the year-on-year growth rates of electricity production, railway cargo, retail sales and raw material prices (see Fernald et al. (2015). *Is China Fudging its Figures? Evidence from Trading Partner Data*. Federal Reserve Bank of San Francisco, Working Paper 2015-12).

Source: National Bureau of Statistics; People's Bank of China; Kiel Institute calculations.

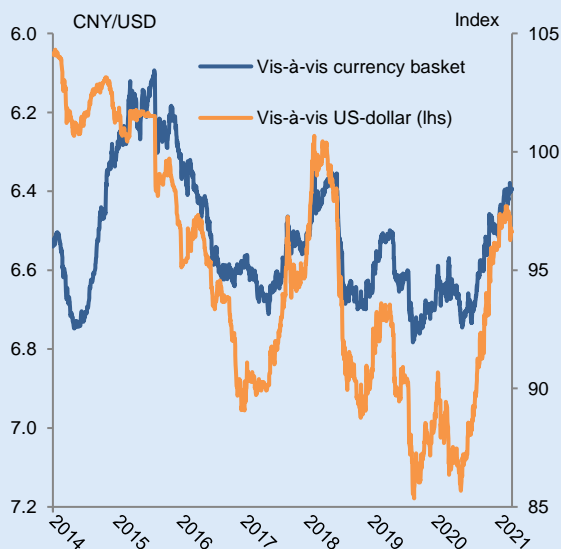
**Figure 6.2:**  
Inflation



Monthly data; y-o-y growth rate. Core index: CPI excluding food and energy.

Source: National Bureau of Statistics.

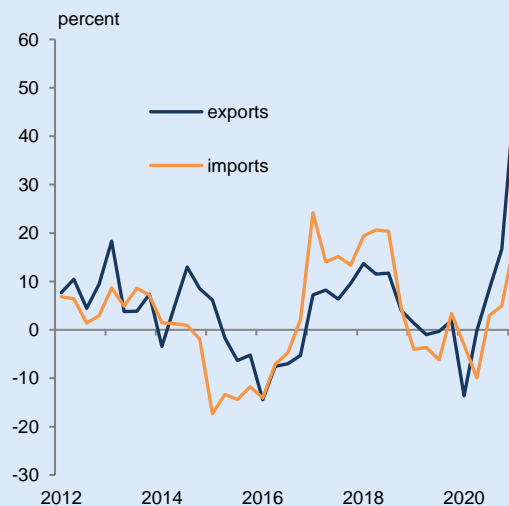
**Figure 6.3:**  
Exchange rates



Daily data.

Source: Thomson Reuters; China Foreign Exchange Trade System; Kiel Institute calculations.

**Figure 6.4:**  
Exports and imports

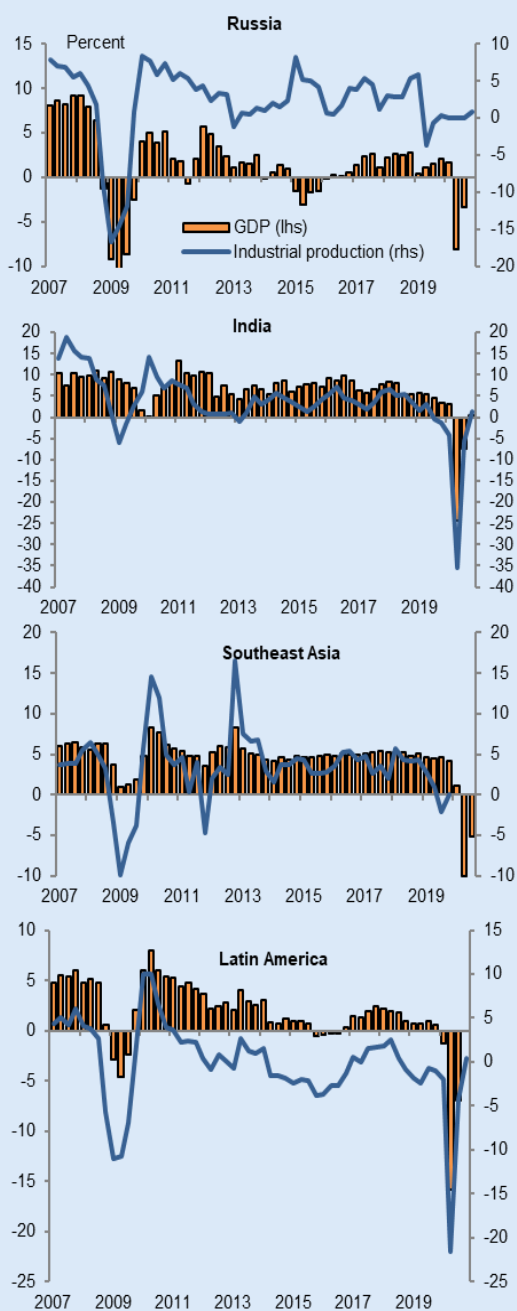


Change on a year earlier based on quarterly averages. 2021Q1: average of January and February.

Source: General Administration of Customs China

## 7. Emerging Economies

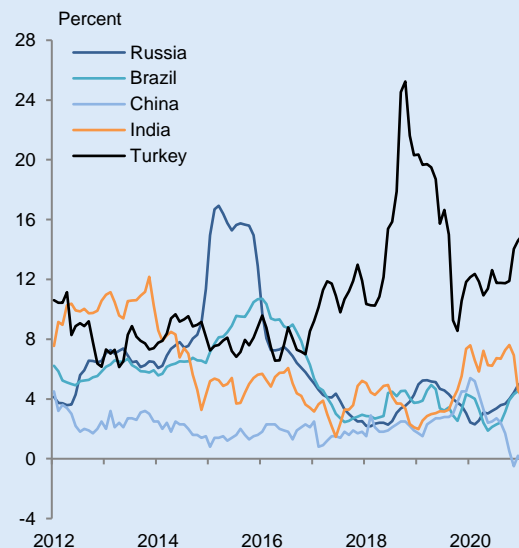
**Figure 7.1:**  
GDP and industrial production in emerging economies



Quarterly data; volumes; seasonally adjusted; change over previous year; Southeast Asia: GDP-weighted average of Indonesia, Thailand, Malaysia and the Philippines; Latin America: GDP-weighted average of Argentina, Brasil, Chile, Colombia, Mexico and Peru.

Source: IMF, *International Financial Statistics*; national statistical offices; Kiel Institute calculations.

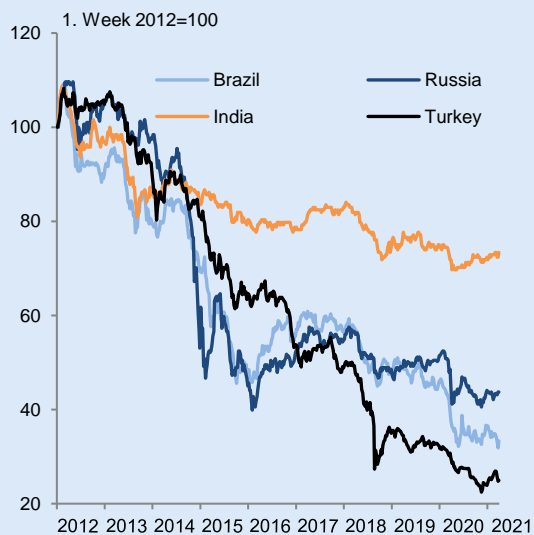
**Figure 7.2:**  
Consumer prices, 2012–2020



Monthly data; change over previous year.

Source: Federal State Statistics Service, *Russia*; IBGE, *Brazil*; National Bureau of Statistics, *China*; Labour Bureau, *India*.

**Figure 7.3:**  
US-dollar exchange rates, 2012–2020



Weekly data.

Source: Thomson Reuters Datastream

## 8. Forecast summary

**Tabelle 8.1:**

**Key Assumptions for the Forecast**

	2020				2021				2022			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Key interest rate												
United States	1.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Japan	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10
Euro area	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Exchange rates												
US-dollar/euro	1.10	1.10	1.17	1.19	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21
Yen/US-dollar	109.0	107.5	106.1	104.5	105.4	108.0	108.0	108.0	108.0	108.0	108.0	108.0
Oil price (Brent, US dollar)	50.4	29.3	43.0	44.3	62.0	69.2	69.6	69.9	70.3	70.6	71.0	71.3
HWWI-Index for industrial commodities	119.1	112.7	139.4	152.8	181.3	184.9	186.8	188.6	189.6	190.5	191.5	192.4

Key interest rate: Fed Funds Rate (United States, since December 2008 between 0 to 0.25 percent; overnight rate (Japan); main refinancing operations (euro area)).

Source: HWWI, Commodity Price Index; IMF, International Financial Statistics; Federal Reserve Bank, Intended Federal Funds Rate; ECB, Monthly Bulletin; shaded area: IfW forecast or assumption.

**Table 8.2:**

**Real gross domestic product, consumer prices and unemployment rate in advanced economies**

	Weights	Real GDP			Consumer prices			Unemployment rate		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
European Union	36.1	-6.3	4.6	4.3	0.7	1.9	1.9	7.5	7.7	6.8
Euro area	29.3	-6.8	4.8	4.3	0.3	1.7	1.5	7.9	8.0	7.2
Sweden	1.0	-3.0	2.9	3.5	0.8	1.2	1.7	8.3	8.2	6.8
Poland	2.3	-2.7	2.9	4.5	3.6	3.8	4.2	3.2	3.2	3.0
United Kingdom	5.7	-9.9	5.6	4.7	0.9	1.8	2.3	4.2	5.3	4.8
Switzerland	1.1	-3.0	3.8	1.9	-0.7	0.1	0.5	5.4	4.8	4.5
Norway	0.6	-1.3	2.6	2.4	1.3	2.2	2.1	4.5	4.0	3.7
United States	37.4	-3.5	6.6	4.1	1.2	2.8	2.3	8.1	5.4	4.1
Canada	3.3	-5.4	6.0	3.9	0.8	2.0	1.7	9.2	7.5	6.6
Japan	9.5	-4.9	3.9	2.2	0.2	1.0	0.8	2.8	2.7	2.5
South Korea	4.0	-0.9	3.3	3.2	0.5	1.2	1.3	4.2	3.8	3.6
Australia	2.3	-2.4	5.7	3.3	0.8	1.6	1.7	6.9	6.4	6.1
Total	100.0	-5.1	5.5	4.1	0.9	2.2	2.0	6.7	5.9	5.1

Based on GDP at prices and exchange rates of 2019 in percent. Change over previous year in percent. European Union and Norway: Harmonized Index of Consumer Prices (HICP). Standardized unemployment rate in percent (ILO); country groups weighted according to the size of the labor force in 2019.

Source: Eurostat, VGR; OECD, Main Economic Indicators; IMF World Economic Outlook Database; Statistics Canada, Canadian Economic Account; shaded: Kiel Institute forecast.

**Table 8.3:**  
**Real gross domestic product, consumer prices and unemployment rates in the European Union, 2019–2021**

	Weights	Real GDP			Consumer prices			Unemployment rate		
		2019	2020	2021	2019	2020	2021	2019	2020	2021
Germany	24.8	0.6	-0.4	2.3	1.4	1.2	2.0	3.2	3.3	3.4
France	17.4	1.3	-0.9	2.0	1.3	1.1	1.7	8.5	8.7	8.5
Italy	13.1	0.3	-3.7	2.8	0.6	0.2	0.9	10.0	10.2	10.2
Spain	8.9	2.0	-1.2	2.4	0.8	0.5	1.2	14.1	14.5	14.2
Netherlands	5.7	1.7	-0.4	2.0	2.7	2.0	2.6	3.4	3.6	3.5
Belgium	3.4	1.4	-0.4	1.6	1.3	0.8	1.3	5.4	5.7	5.6
Austria	2.9	1.5	-0.8	2.1	1.5	1.2	1.8	4.5	4.6	4.6
Ireland	2.4	5.8	2.0	3.4	0.9	1.2	1.4	5.0	4.8	4.8
Finland	1.7	1.4	-0.5	2.2	1.1	1.0	1.7	6.7	6.7	6.6
Portugal	1.5	2.2	0.3	2.3	0.3	0.4	1.0	6.6	7.1	7.3
Greece	1.4	2.0	-1.2	2.1	0.5	0.5	1.2	17.3	16.6	16.5
Slovak Republic	0.7	2.3	0.8	2.8	2.8	2.2	2.9	5.8	5.8	5.7
Luxembourg	0.4	2.6	2.2	2.8	1.7	1.2	1.9	5.6	5.7	5.6
Slovenia	0.3	2.4	0.8	2.3	1.7	1.5	2.2	4.6	4.7	4.7
Latvia	0.3	3.6	1.9	3.4	2.2	1.7	2.5	6.3	6.9	7.1
Lithuania	0.2	2.2	1.1	3.1	2.7	1.9	2.6	6.3	6.5	6.6
Estonia	0.2	4.4	2.3	3.2	2.3	1.6	2.3	4.4	4.4	4.5
Cyprus	0.2	3.2	0.2	2.2	0.6	0.4	1.1	7.1	6.3	6.3
Malta	0.1	4.4	1.7	3.4	1.5	1.3	2.0	3.4	3.4	3.4
Sweden	3.5	1.3	1.0	2.3	1.7	1.3	1.7	6.8	7.0	7.0
Poland	3.7	4.1	2.3	3.6	2.1	3.0	3.5	3.3	3.0	3.0
Denmark	2.2	2.2	0.8	2.3	0.7	0.4	0.8	5.1	5.1	5.0
Czech Republic	1.5	2.4	0.8	2.7	2.6	2.8	3.0	2.0	2.2	2.1
Romania	1.5	4.2	2.9	3.3	3.9	3.7	3.8	3.9	4.2	4.3
Hungary	1.0	4.9	2.2	3.0	3.4	3.5	4.0	3.5	3.6	3.6
Bulgaria	0.4	3.7	2.6	3.3	2.4	2.6	3.0	4.3	4.4	4.4
Croatia	0.4	3.0	0.9	3.4	0.8	0.7	1.4	6.7	6.3	6.3
European Union	100.0	1.5	-0.6	2.4	1.4	1.2	1.9	7.0	7.2	7.1
<i>Addendum:</i>										
European Union 15	89.5	1.2	-0.9	2.3	1.2	0.9	1.5	8.0	8.2	8.1
Accession countries	9.0	4.3	2.2	3.8	2.5	2.9	3.3	3.8	3.8	3.8
Euro Area	85.7	1.2	-1.0	2.3	1.2	0.9	1.6	7.5	7.7	7.6
Euro Area without Germany	60.9	1.5	-1.2	2.3	1.1	0.8	1.5	9.0	9.2	9.1

Based on GDP at prices and exchange rates of 2018 in percent. Change over previous year in percent. Harmonized Index of Consumer Prices (HICP). Standardized unemployment rate in percent (ILO); country groups weighted according to the size of the labor force in 2018. Accession countries since 2004.

Source: Eurostat, *National Accounts*; shaded: Kiel Institute forecast.

**Table 8.4:**

Real gross domestic product and consumer prices in selected emerging market economies									
	Weights	Real GDP				Consumer prices			
		2019	2020	2021	2022	2019	2020	2021	2022
Indonesia	5.7	5.0	-2.1	6.6	5.6	2.8	2.0	2.5	3.2
Thailand	2.3	2.3	-6.2	3.8	4.3	0.7	-0.8	1.1	2.3
Malaysia	1.6	4.3	-5.6	7.2	6.3	0.7	-1.1	2.8	2.4
Philippines	1.7	6.0	-9.3	8.9	7.1	2.5	2.6	4.8	2.6
<b>Total</b>	<b>11.3</b>	<b>4.5</b>	<b>-4.5</b>	<b>6.4</b>	<b>5.7</b>	<b>2.0</b>	<b>1.1</b>	<b>2.6</b>	<b>2.8</b>
China	39.8	6.1	2.1	9.7	5.8	2.9	2.5	0.8	2.3
India	16.2	4.7	-7.0	11.9	8.0	3.7	6.6	3.7	4.8
<b>Asia total</b>	<b>67.3</b>	<b>5.5</b>	<b>-1.2</b>	<b>9.7</b>	<b>6.3</b>	<b>3.0</b>	<b>3.3</b>	<b>1.8</b>	<b>3.0</b>
Brazil	5.5	1.4	-4.4	4.3	2.6	3.7	3.2	5.5	3.1
Mexico	4.5	0.0	-8.5	5.7	3.9	3.6	3.4	4.4	3.2
Argentina	1.8	-2.1	-10.6	4.3	3.9	53.5	45.0	45.0	35.0
Colombia	1.3	3.3	-6.8	6.9	3.7	3.5	2.5	2.4	3.0
Venezuela	0.3	-35.0	-25.0	-10.0	-5.0	-	-	-	-
Chile	0.8	1.0	-7.0	4.0	3.7	2.3	3.0	3.2	2.4
Peru	0.8	2.2	-11.1	5.5	4.6	2.1	1.8	2.4	2.4
<b>Latin America total</b>	<b>14.9</b>	<b>0.7</b>	<b>-7.1</b>	<b>5.0</b>	<b>3.4</b>	<b>9.5</b>	<b>8.2</b>	<b>9.4</b>	<b>6.9</b>
Egypt	2.1	5.6	3.5	2.8	5.0	13.9	5.7	6.2	7.9
Nigeria	1.8	2.2	-3.2	1.5	2.5	11.4	12.9	12.7	11.2
South Africa	1.3	0.2	-7.0	7.5	3.5	4.1	3.3	4.0	5.0
Algeria	0.9	0.8	-5.5	3.2	2.6	2.0	3.5	3.8	4.5
Ethiopia	0.4	9.0	1.9	0.0	8.9	15.8	20.2	11.5	8.0
<b>Africa total</b>	<b>6.5</b>	<b>3.2</b>	<b>-1.7</b>	<b>3.2</b>	<b>3.9</b>	<b>9.8</b>	<b>7.9</b>	<b>7.6</b>	<b>7.8</b>
Russia	7.0	1.3	-3.1	2.8	2.5	3.7	3.6	4.7	4.0
Turkey	4.2	0.9	1.0	6.0	4.0	15.2	12.2	13.5	11.0
<b>Total</b>	<b>100.0</b>	<b>4.2</b>	<b>-2.1</b>	<b>7.9</b>	<b>5.4</b>	<b>4.9</b>	<b>4.7</b>	<b>4.0</b>	<b>4.3</b>

In percent. Weights: According to 2019 GDP at purchasing power parities. — GDP: price adjusted; changes compared to the previous year. — Consumer prices: changes compared to the previous year. — Asia total, Latin America total: based on listed countries.

Source: IMF, *International Financial Statistics*; OECD, *Main Economic Indicators*; national statistics; Kiel Institute calculations; shaded: Kiel Institute forecast.