



World Economy

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Clouded outlook for the world economy

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Global growth has slowed down recently. While the world economy should gradually regain pace over the coming quarters, overall growth momentum is expected to remain subdued. The recent drop in oil prices has not improved the outlook as it to a substantial degree signals weaker demand; additionally, lower prices will continue to be a drag on activity in oil-exporting countries. Increased uncertainty is also weighing on growth. Against this backdrop, our forecast for world economic growth in 2016 has been revised down by half a percentage point to 2.9 percent. For 2017 we forecast global GDP growth of 3.5 percent (December: 3.7 percent). Activity in advanced economies will be supported by rising income and expansive monetary policies. Emerging economies, however, face both structural and cyclical headwinds. Although the current dismal performance is expected to improve over the forecast horizon, growth will remain low by historical standards.

- **High uncertainty dominates the global outlook.** Oil prices fell to the lowest level in 12 years in early 2016, and global equities weakened substantially. In combination with unfavorable data readings from China and weak industrial production figures in some advanced economies this raised doubts about the state of the world economy. In the current environment a coordinated exit from the extremely expansionary monetary policy seems increasingly unlikely to happen any time soon and uncertainty over the course of future policy has increased.
- **Stimulating effects for global growth from lower oil prices, as usually suggested by macroeconomic models, have so far not been visible.** One reason is that the drop in oil prices to a large extent is due to weaker demand. This is the take from our decomposition sources of fluctuations in global oil prices using a new statistical procedure. Secondly, cheaper oil is a major drag on growth in oil-exporting countries. Also, even in countries that are net oil-importers, who stand to benefit from the huge redistribution of global income implied by the fall of oil prices, the production structure has to adapt to the new set of relative prices, which takes time and requires costly adjustment. Finally, in periods of structural change uncertainty tends to rise, dampening investment even further. It would thus appear that changes in oil prices have asymmetric effects: while higher oil prices depress activity, lower oil does not likewise stimulate activity as also in this case economic structures have to adjust.
- **Oil supply will remain ample, prices are expected to remain low for some time to come.** Oil prices recovered slightly in recent weeks, apparently in part due to an agreement between OPEC, Russia and Iran to contain production at January levels. It is, however, far from clear that the parties will actually stick to such an agreement. Even in that case, it would take demand until the end of the year to absorb the current excess supply and balance the oil market. Thanks to technological improvements, shale oil production in the US has declined much less rapidly than

anticipated and subdued drilling activity would suggest. As a result, we believe a meaningful recovery of oil prices will materialize only towards the end of the forecast horizon.

- **Despite very low headline inflation, deflation is not a serious risk in advanced economies.** The recent slide in consumer price indices is largely due to an improvement in the terms of trades as a result of cheaper commodities and an appreciation vis-à-vis many emerging economies. The fear that falling prices will raise the real burden of debt and lead consumers and investors to delay purchases leading to a deflationary spiral in this context is not a concern
- **Monetary policy in advanced economies remains expansionary across the board.** Central banks in the euro area and Japan have recently eased policy further and will continue to do so in the course of the year. At the same time, the Fed has grown more cautious and seems likely to delay further rate hikes for a couple of months implying a substantial extension of the period with extremely low interest rates. Given that the output gap is less open than usually assumed, according to our analysis, the risks associated with ultra-expansive monetary policies are going to rise.
- **Fiscal policy in advanced economies is no longer a drag on growth.** The period of fiscal consolidation between 2010 and 2013, in which structural deficits were substantially reduced, has come to a halt. Fiscal policy is thus expected to be more or less neutral in the coming years in advanced economies. An exception is Japan due to the scheduled second stage of the VAT increase. In the euro area fiscal consolidation, by contrast, is no longer a priority.
- **Outlook: With growth of 2.9 per cent we expect the world economy to remain sluggish in 2016 and accelerate modestly to increase by 3.5 per cent in 2017 (PPP-basis).** At market exchange rates, growth rates are expected to be roughly half a percentage point lower (see table). Growth in world trade will continue to lack momentum with trade volumes expanding by 2.5 per cent and 3.8 percent in 2016 and 2017, respectively.
- **Growth in the advanced economies will accelerate gradually.** We have significantly revised our US forecast down reflecting weaker than expected activity in the fourth quarter and the beginning of the year. We nevertheless still expect the economy to gather pace during the remainder of the forecast horizon resulting in annual growth of 2.3 per cent in 2016 and 2.8 percent in 2017. The Japanese economy is forecast to grow by 0.7 per cent - a similar pace as last year (0.5 per cent). As a result of the VAT increase we do not expect activity to pick up in 2017. GDP growth in the euro area will also stay largely unchanged in 2016 (1.5 per cent), though activity will gather pace in the course of the year. For 2017, we forecast a modest acceleration of growth with production increasing by 1.8 per cent. Due to the recent drop in oil prices inflation will remain low in the coming months and may even turn negative in some countries. Mainly due to base effects in energy prices, we see inflation to pick up in 2017. Unemployment will continue to decline despite relatively moderate growth.
- **A major risk for the world economy remains a Chinese hard landing.** Assessing the state of the Chinese economy is difficult, as the quality official growth figures can be put into question. Also, the ability of policy-makers to control the economy seems to have diminished markedly over the last few years. Thus, given high debt levels of firms and local governments the risk remains that a painful consolidation process cannot be avoided.

- **The lack of a credible exit strategy from the massive monetary expansion witnessed in recent years is raising uncertainty, weighing on growth and risks sowing the seeds of a new financial crisis.** A hesitant Fed illustrates the dilemma central banks in advanced economies face when they try to get monetary policy back on a “normal” course in an environment of continued monetary expansion by other major central banks: the risk of massive appreciation which would dampen activity and lead to the build-up of financial imbalances makes it difficult to exit from the current “expansionary spiral”. At the same time, continued monetary expansion is raising stability risks. Currently it is far from clear how central banks can escape this trade-off, while the lack of a credible exit scenario, and the uncertainty this creates, is reducing the desired expansionary effects of monetary policy.

Table 1:
Real GDP and consumer prices in selected countries and regions, 2015–2017

	Gross domestic product			Consumer prices		
	2015	2016	2017	2015	2016	2017
United States	2.4	2.3	2.8	0.1	1.5	2.4
Japan	0.5	0.7	0.5	0.8	0.2	1.4
Euro Area	1.5	1.5	1.9	0.0	0.2	1.3
United Kingdom	2.2	2.0	2.3	0.1	0.5	1.7
Advanced economies total	2.0	1.9	2.3	0.3	0.9	1.8
China	6.8	6.5	6.0	1.5	1.7	2.0
Latin America	-0.8	-0.9	1.2	10.6	12.8	9.7
India	7.3	7.2	7.2	5.0	5.5	5.5
East Asia	4.6	4.5	4.7	4.0	3.8	4.5
Russia	-3.5	-2.0	1.6	15.4	9.5	7.0
World economy total	2.9	2.9	3.5	3.6	3.7	4.0
<i>Addendum:</i>						
World trade volume	2.2	2.5	3.8	.	.	.
Oil price (Brent in US-\$)	52.7	37.9	45.5	.	.	.
World economy total (weighted according to GDP at market exchange rates)	2.4	2.4	3.0	2.6	2.9	3.4

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.

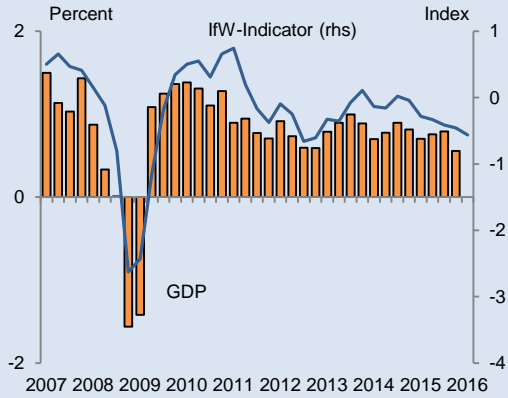
Data annex

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1. World economy

Figure 1.1:
World economic activity, 2007–2014



Quarterly data, seasonally adjusted. Indicator is based on business expectations in 42 economies. GDP: price adjusted, change over previous quarter.

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

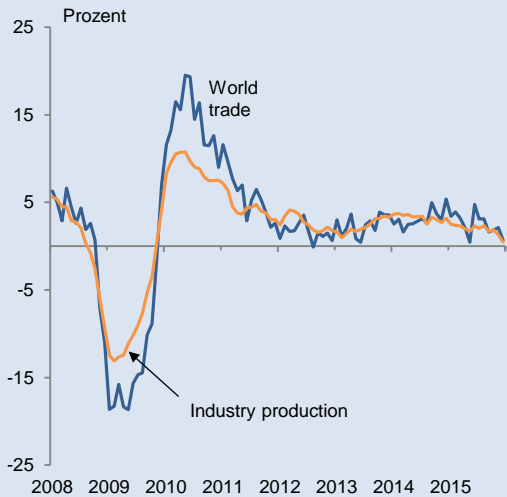
Figure 1.2:
Business expectations by groups of countries, 2007–2015



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; own calculations.

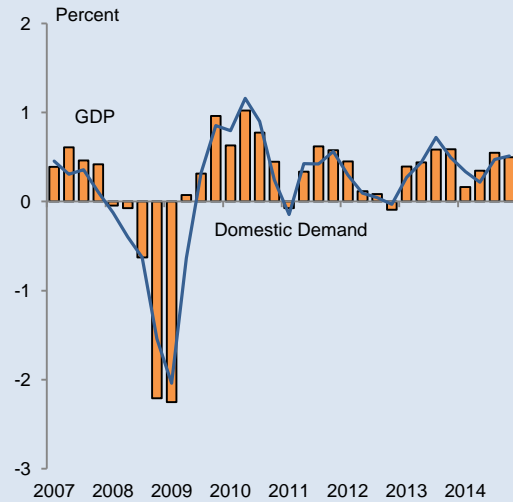
Figure 1.3:
World trade and industry production, 2008–2015



Monthly data; price- and seasonally adjusted, previous year rates.

Source: CPB, *World Trade Monitor*; own calculations.

Figure 1.4:
GDP and Domestic Demand in the G-7, 2007–2014

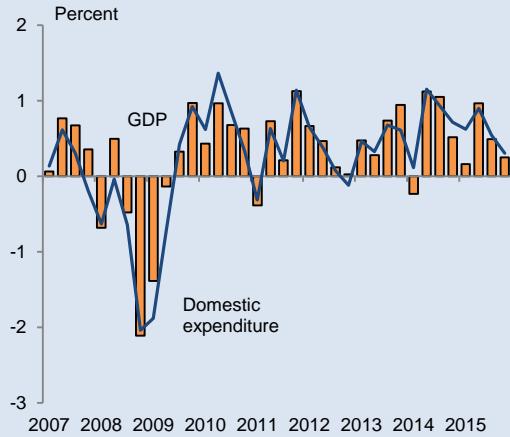


Price adjusted; seasonally adjusted; yoy change. G7 consists of USA, Japan, Canada, Germany, France, Italy and UK.

Source: OECD; own calculations.

2. United States

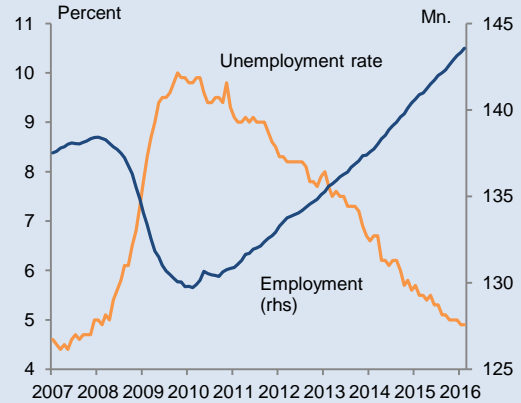
Figure 2.1:
GDP and domestic expenditure, 2007–2015



Quarterly data; volumes; seasonal adjusted, change over previous quarter.

Source: US Department of Commerce, *National Economic Accounts*.

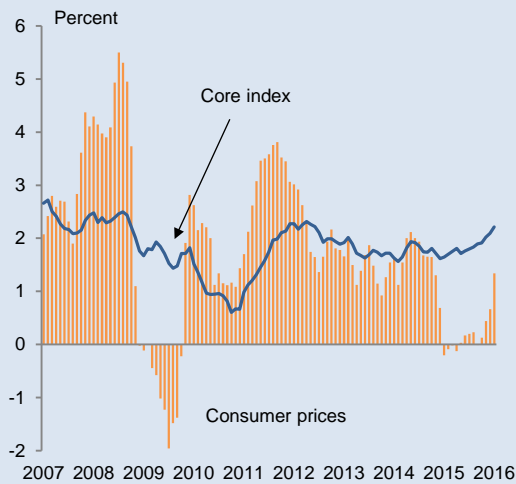
Figure 2.2:
Labor market, 2007–2016



Monthly data; seasonal adjusted.

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

Figure 2.3:
Consumer prices, 2007–2015



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 United States, 2014–2017

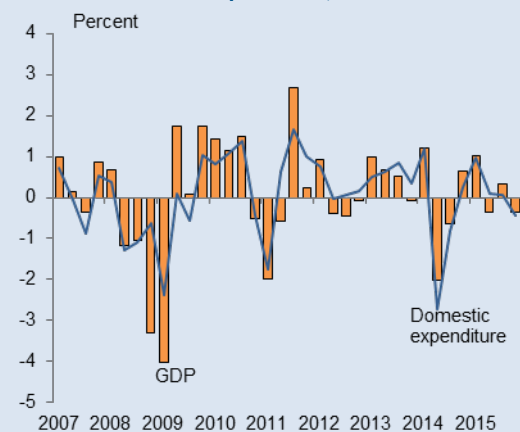
	2014	2015	2016	2017
Gross Domestic Product	2.4	2.4	2.3	2.8
Domestic expenditure	2.5	3.0	2.5	3.1
Private consumption	2.7	3.1	2.7	2.8
Government consumption	-0.6	0.8	1.5	1.8
Gross fixed capital formation	5.3	4.0	3.3	6.2
Machinery and equipment	5.8	3.1	3.1	4.6
Intellectual property rights	5.2	5.8	3.1	5.9
Structures	8.1	-1.5	-1.9	5.9
Residential investment	1.8	8.8	8.1	7.2
Inventories	0.1	0.2	-0.1	0.0
Net exports	-0.2	-0.7	-0.2	-0.2
Exports	3.4	1.1	2.1	5.6
Imports	3.8	5.0	3.2	6.5
Consumer prices	1.6	0.1	1.5	2.4
Unemployment rate	6.2	5.3	4.7	4.6
Current account balance	-2.2	-2.6	-2.4	-2.3
Government budget balance	-2.8	-2.5	-2.9	-2.9

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. 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*; own calculations; shaded: IfW forecast.

3. Japan

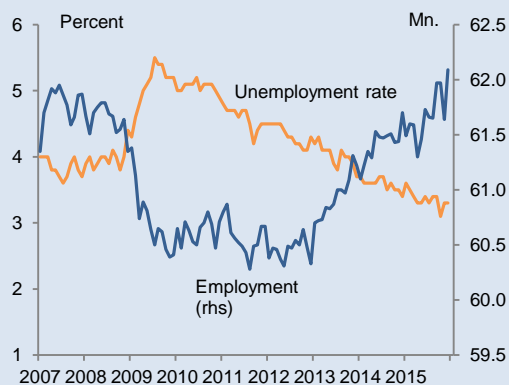
Figure 3.1:
GDP and domestic expenditure, 2007–2015



Quarterly data; volumes; seasonal adjusted; change over previous quarter.

Source: Cabinet Office, *Quarterly Estimates of GDP*.

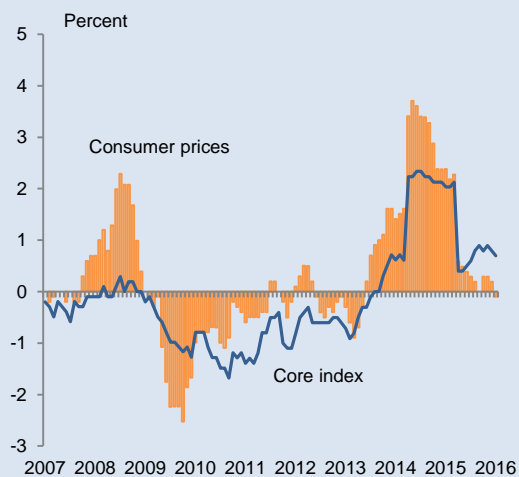
Figure 3.2:
Labor market, 2007–2015



Monthly data, seasonally adjusted

Source: Department of Labor, *Labor Force Survey*.

Figure 3.3:
Consumer prices, 2007–2016



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

Source: Statistics Bureau of Japan, *Consumer Price Index*.

Table 3.1:
Key indicators Japan, 2014–2017

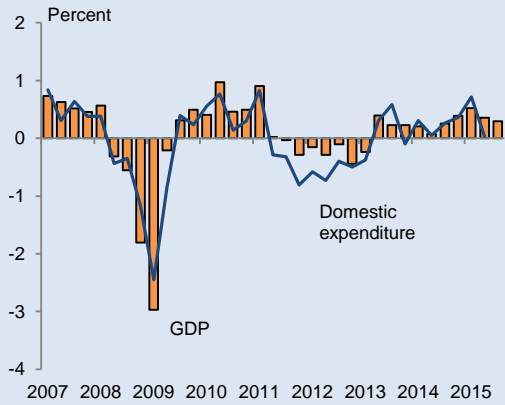
	2014	2015	2016	2017
Gross Domestic Product	-0.1	0.5	0.7	0.5
Domestic expenditure	-0.4	0.1	0.7	0.4
Private consumption	-1.0	-1.2	0.3	0.1
Government consumption	0.1	1.2	1.4	1.0
Gross fixed capital formation	1.2	0.2	1.5	0.7
Enterprises	2.8	1.5	2.9	0.8
Residential Investment	-5.0	-2.7	1.6	0.6
Public investment	0.2	-2.0	-2.9	0.2
Change in inventories	0.2	0.5	-0.1	0.0
Net exports	0.2	0.3	0.1	0.0
Exports	8.3	2.7	0.8	2.3
Imports	7.2	0.2	0.4	2.2
Consumer prices	2.7	0.8	0.2	1.4
Unemployment rate	3.6	3.4	3.3	3.2
Current account balance	0.5	3.0	3.2	2.6
Government budget balance	-7.3	-6.5	-6.0	-5.5

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: Cabinet Office, *National Accounts*; OECD, *Main Economic Indicators*; own calculations; shaded: IfW forecast.

4. Euro Area

Figure 4.1:
GDP and domestic expenditure, 2007–2015



Quarterly data; volumes; seasonal adjusted, change over previous quarter.

Source: Eurostat, *National Accounts*.

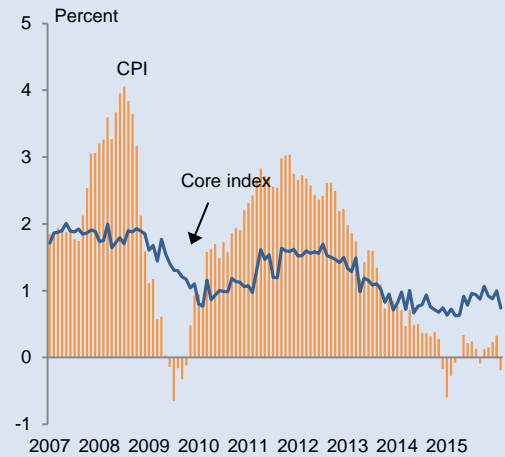
Figure 4.2:
Labor market, 2007–2016



Monthly data; seasonal adjusted.

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

Figure 4.3:
Consumer prices, 2007–2015



Monthly Data; yoy change. Core index: CPI without Energy and Food.

Quelle: Eurostat.

Table 4.1:
Key indicators Euro Area, 2014–2017

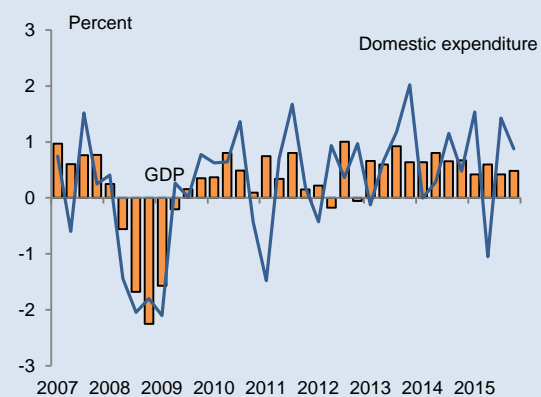
	2014	2015	2016	2017
Gross Domestic Product	0.9	1.5	1.5	1.9
Domestic expenditure	0.9	1.7	2.1	2.0
Private consumption	0.8	1.7	1.5	1.7
Government consumption	0.8	1.3	1.8	1.8
Gross fixed capital formation	1.4	2.6	3.2	3.2
Inventories	0.0	-0.1	0.1	-0.0
Net exports	0.0	-0.1	-0.5	-0.1
Exports	4.1	4.9	2.9	4.6
Imports	4.5	5.6	4.3	5.1
Consumer prices	0.4	0.0	0.2	1.3
Unemployment rate	11.6	10.9	10.1	9.6
Current account balance	2.4	3.0	3.2	3.1
Government budget balance	-2.6	-2.2	-2.1	-1.9

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*; own calculations; shaded: IfW forecast.

5. United Kingdom

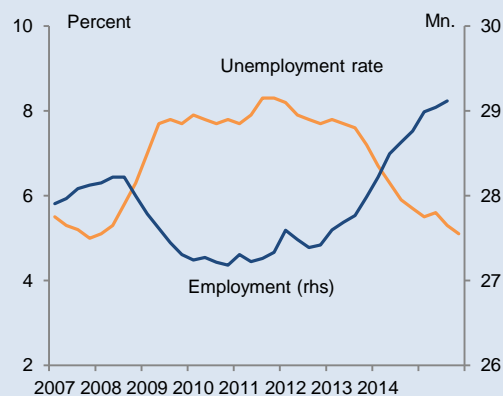
Figure 5.1:
GDP and domestic expenditure, 2007–2015



Quarterly data; volumes; seasonal adjusted; change over previous quarter.

Source: Office for National Statistics, *Economy*.

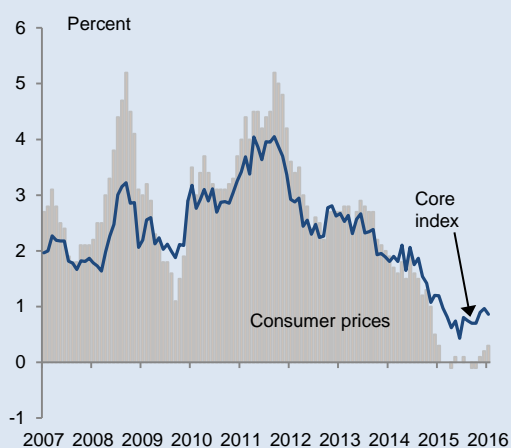
Figure 5.2:
Labor market, 2007–2015



Quarterly data, seasonally adjusted.

Source: Office of National Statistics.

Figure 5.3:
Consumer prices, 2007–2016



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, 2014–2017

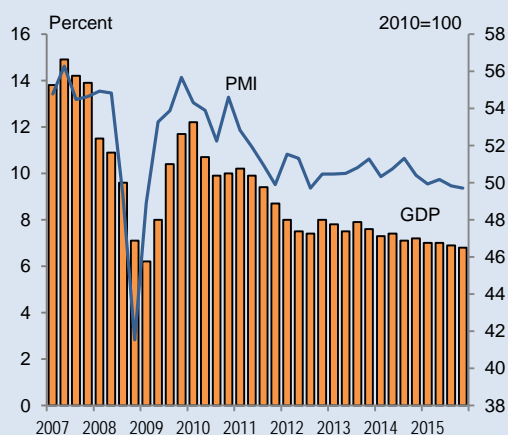
	2014	2015	2016	2017
Gross Domestic Product	3.0	2.2	2.0	2.3
Domestic expenditure	3.2	2.4	3.1	2.5
Private consumption	2.5	2.9	3.0	2.4
Government consumption	2.5	2.5	1.5	0.9
Gross fixed investment	7.3	4.6	4.5	5.0
Inventories	0.3	-0.8	0.2	0.0
Net exports	-0.3	-0.2	-0.8	-0.2
Exports	1.2	5.4	3.0	4.0
Imports	2.4	5.9	6.0	5.0
Consumer prices	1.4	0.1	0.5	1.7
Unemployment rate	6.2	5.4	5.0	4.9
Current account balance	-5.1	-4.1	-4.0	-4.2
Government budget balance	-5.8	-3.7	-3.1	-2.5

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: IfW forecast.

6. China

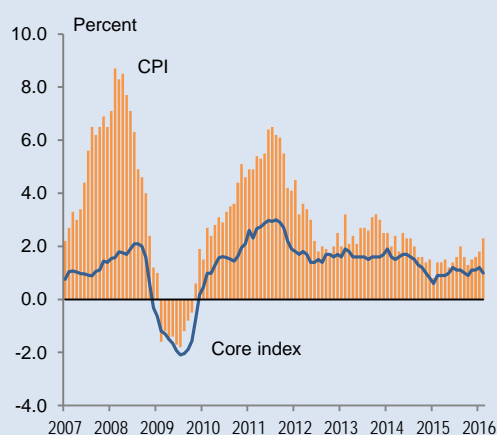
Figure 6.1:
GDP and PMI, 2007–2015



Quarterly data, seasonally and working-day adjusted; y-o-y growth rates.

Source: National Bureau of Statistics of China; own calculations.

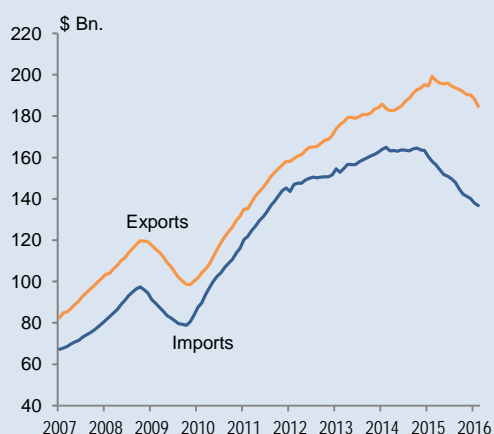
Figure 6.2:
Consumer prices, 2007–2016



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

Source: National Bureau of Statistics of China.

Figure 6.3:
Exports and imports, 2007–2016



Monthly data, 12-month moving average.

Source: China Customs, own calculations.

Table 6.1:
Key indicators for China, 2014–2017

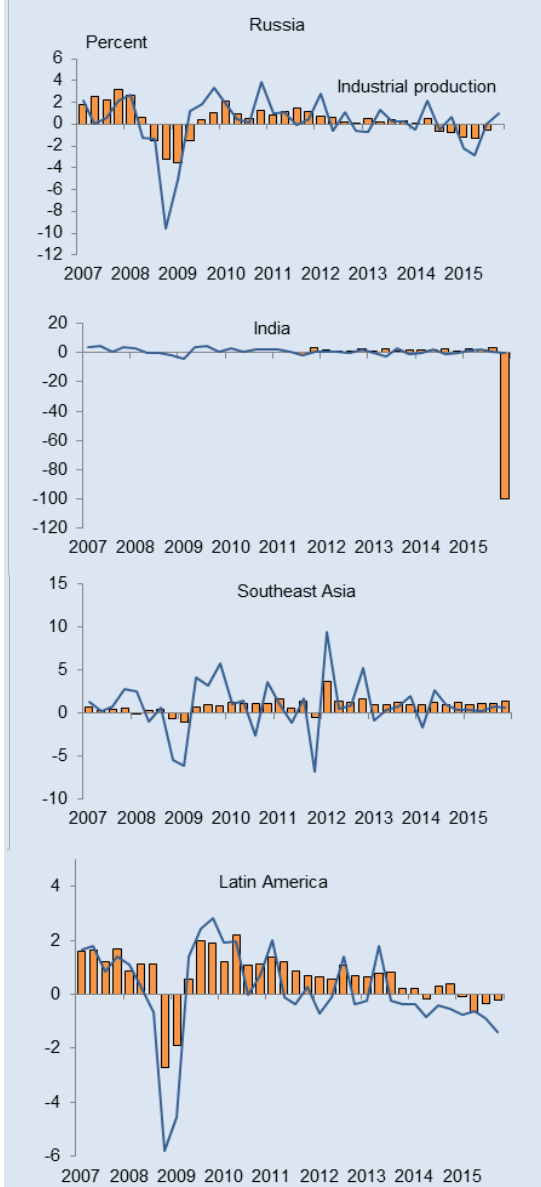
	2014	2015	2016	2017
Gross Domestic Product	7.3	6.9	6.5	6.0
Consumer prices	2.0	1.5	1.7	2.0
Unemployment rate	4.1	4.1	4.3	4.3
Current account balance	2.1	2.8	3.0	2.5
Government budget balance	-1.2	-2.5	-3.0	-2.5

GDP: volumes, change over previous year, percent. Consumer prices: index, change over previous year, percent. Unemployment rate: unemployed in relation to labor force, percent. Current account balance, government budget balance: percent of nominal GDP.

Source: IWF, *World Economic Outlook*, April 2015; shaded: IWF forecast.

7. Emerging Economies

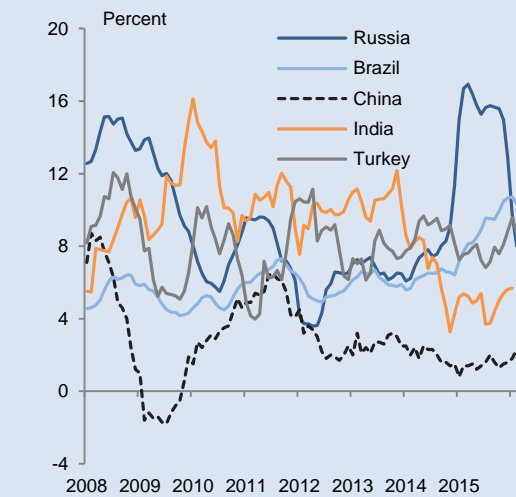
Figure 7.1:
GDP and industrial production, 2007–2015



Quarterly data; volumes; seasonal adjusted; change over previous quarter; Southeast Asia: GDP-weighted average of Indonesia, Thailand, Malaysia and the Philippines; Latin America: Q4 2014 and Q1 2015 partly estimated.

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

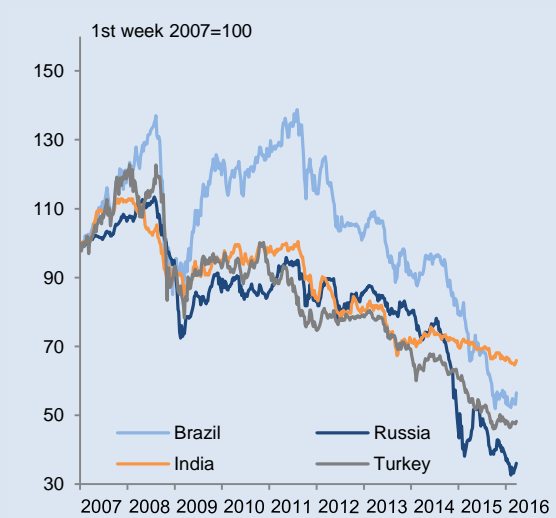
Figure 7.2:
Consumer prices, 2008–2015



Monthly data; change over previous year.

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

Figure 7.3:
US-dollar exchange rates, 2007–2016



Weekly data. Last value: December 15, 2014.

Source: Thomson Financial Datastream.

8. Forecast summary

Table 8.1:
Key assumptions, 2015–2017

	2015				2016				2017			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Key interest rate												
United States	0.0	0.0	0.0	0.3	0.3	0.3	0.5	0.8	0.8	1.0	1.0	1.3
Japan	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Euro area	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Exchange rates												
US-dollar/euro	1.13	1.10	1.12	1.09	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
Yen/US-dollar	119.1	122.2	122.3	121.5	114.8	113.0	113.0	113.0	113.0	113.0	113.0	113.0
Oil price (Brent, US-dollar)	54.1	62.1	49.9	44.6	34.5	38.0	39.0	40.0	41.0	44.0	47.0	50.0
HWWI-Index indust. commodities	76.2	74.2	67.5	62.2	62.8	63.5	65.0	67.6	69.7	71.8	73.9	76.1

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: IfW forecast or assumption.

Table 8.2:
Real gross domestic product, consumer prices and unemployment rate in advanced economies, 2015–2017

	Weights	Real GDP			Consumer prices			Unemployment rate		
		2015	2016	2017	2015	2016	2017	2015	2016	2017
European Union	40.8	1.8	1.8	2.2	0.1	0.4	1.4	9.4	8.7	8.3
Euro area	29.5	1.5	1.5	1.9	0.0	0.2	1.3	10.9	10.1	9.6
United Kingdom	6.6	2.2	2.0	2.3	0.1	0.5	1.7	5.4	5.0	4.9
Sweden	1.3	3.4	3.2	2.8	0.5	1.3	1.7	7.4	6.7	6.2
Poland	1.2	3.6	3.5	3.8	-0.7	0.4	1.1	7.6	6.6	6.0
Switzerland	1.5	0.8	1.3	1.5	-1.1	-0.4	0.6	4.5	4.5	4.3
Norway	1.1	1.2	1.0	1.8	2.1	2.4	2.2	4.3	4.6	4.6
United States	38.7	2.4	2.3	2.8	0.1	1.5	2.4	6.2	5.3	4.7
Canada	3.9	1.2	1.2	2.2	1.1	1.7	2.0	6.9	7.1	6.9
Japan	10.7	0.5	0.7	0.5	0.8	0.2	1.4	3.6	3.4	3.3
Australia	3.2	2.4	2.0	2.5	1.5	1.7	2.4	6.2	6.3	6.0
South Korea	2.9	2.6	2.8	3.4	0.7	1.0	1.6	3.7	3.6	3.4
Total	100.0	2.0	2.0	2.4	0.3	0.9	2.0	7.2	6.6	6.2

Based on GDP at prices and exchange rates of 2013 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 2013.

Source: Eurostat, *National Accounts*; OECD, *Main Economic Indicators*; IMF, *World Economic Outlook Database*; Statistics Canada, *Canadian Economic Account*; shaded: IfW forecast.

Table 8.3:
Real gross domestic product, consumer prices and unemployment rates in the European Union, 2015–2017

	Weights	Real GDP			Consumer prices			Unemployment rate		
		2015	2016	2017	2015	2016	2017	2015	2016	2017
Germany	20.9	1.5	1.9	2.4	0.1	0.4	1.6	4.6	4.2	3.9
France	15.3	1.1	1.2	1.4	0.1	0.2	1.3	10.4	10.2	10.0
Italy	11.6	0.6	0.9	1.4	0.1	0.2	1.3	11.9	11.2	10.4
Spain	7.5	3.2	2.6	2.2	-0.6	-0.2	1.0	22.1	19.7	18.6
Netherlands	4.7	1.9	1.0	1.5	0.2	0.3	1.4	6.9	6.4	6.1
Belgium	2.9	1.4	1.2	1.4	0.6	0.6	1.7	8.3	8.0	7.6
Austria	2.4	0.8	0.8	1.0	0.8	0.6	1.6	5.7	5.8	5.7
Finland	1.5	0.4	0.5	1.0	-0.2	-0.1	0.9	9.4	9.4	9.2
Greece	1.3	-0.3	0.2	1.6	-1.1	-0.4	0.7	25.0	24.6	23.7
Portugal	1.2	1.5	0.9	1.4	0.5	0.4	1.5	12.7	11.9	10.8
Ireland	1.4	6.9	4.2	3.6	-0.3	0.0	1.3	9.4	8.4	7.6
Slovak Republic	0.5	3.6	3.8	3.6	-0.4	0.0	1.2	11.5	9.9	8.5
Luxembourg	0.4	5.0	3.4	3.0	0.1	0.3	1.5	6.1	5.5	5.3
Slovenia	0.3	2.6	2.2	2.7	-0.6	-0.2	1.0	9.1	8.8	8.5
Latvia	0.3	1.6	2.4	3.2	-0.7	-0.2	1.1	9.1	7.9	7.1
Lithuania	0.2	2.6	2.1	3.2	0.2	0.3	1.5	9.9	9.0	8.5
Estonia	0.1	1.1	2.2	3.0	0.1	0.2	1.4	6.2	5.5	4.9
Cyprus	0.1	1.6	1.9	2.4	-1.6	-0.9	0.2	15.6	14.8	13.9
Malta	0.1	6.3	4.0	3.6	1.2	1.0	2.2	5.3	4.9	4.6
United Kingdom	16.1	2.2	2.0	2.3	0.1	0.5	1.7	5.4	5.0	4.9
Sweden	3.1	3.4	3.2	2.8	0.5	1.3	1.7	7.4	6.7	6.2
Poland	2.9	3.6	3.5	3.8	-0.7	0.4	1.1	7.6	6.6	6.0
Denmark	1.9	1.3	1.1	1.8	0.2	0.8	1.3	6.2	5.7	5.2
Czech Republic	1.1	4.4	2.8	3.0	0.3	0.5	1.5	5.1	4.2	3.9
Romania	1.1	3.8	3.8	4.0	-0.3	0.5	1.5	6.7	6.2	6.0
Hungary	0.7	2.6	2.8	3.0	-0.1	2.0	2.6	6.8	6.0	5.7
Croatia	0.3	1.9	2.7	2.2	-0.2	0.4	0.9	16.6	15.5	13.6
Bulgaria	0.3	2.7	2.8	3.0	-1.2	-0.3	0.5	9.4	8.2	7.5
European Union	100.0	1.8	1.8	2.2	0.1	0.4	1.4	9.4	8.7	8.3
<i>Addendum:</i>										
European Union 15	91.8	1.7	1.6	1.9	0.1	0.3	1.4	9.7	9.0	8.5
Accession countries	8.2	3.3	3.1	3.4	0.0	0.1	0.2	8.1	7.2	6.6
Euro Area	72.4	1.5	1.5	1.9	0.0	0.2	1.3	10.9	10.1	9.6
Euro Area without Germany	51.5	1.5	1.4	1.7	0.0	0.2	1.3	13.1	12.2	11.6

Based on GDP at prices and exchange rates of 2014 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 2013. Accession countries since 2004.

Source: Eurostat, *National Accounts*; shaded: IfW forecast.

Table 8.4:
Real gross domestic product and consumer prices in selected emerging market economies, 2014–2017

	Weights	Real GDP				Consumer prices			
		2014	2015	2016	2017	2014	2015	2016	2017
Indonesia	6.1	5.0	4.8	4.7	4.7	6.4	7.0	5.0	5.5
Thailand	2.2	0.9	2.8	3.2	3.7	1.9	-1.0	2.0	3.0
Philippines	1.6	6.1	5.8	5.5	5.7	4.2	1.5	2.5	3.5
Malaysia	1.7	6.0	4.9	4.5	4.8	3.2	2.5	3.0	3.5
Total	11.5	4.5	4.6	4.5	4.7	4.8	4.0	3.8	4.5
China	39.9	7.3	6.9	6.5	6.0	2.0	1.5	1.7	2.0
India	16.7	7.0	7.3	7.2	7.2	6.4	5.0	5.5	5.5
Asian countries	68.1	6.8	6.6	6.3	6.1	3.5	2.8	3.0	3.3
Brazil	7.4	0.1	-3.6	-3.8	0.1	7.2	9.0	10.5	9.5
Mexico	4.8	2.1	2.6	2.7	3.0	4.0	3.0	3.5	3.5
Argentina	2.1	0.5	0.5	-0.7	0.0	20.0	15.0	25.0	15.0
Colombia	1.4	4.6	3.1	2.9	3.2	2.9	4.4	7.0	6.0
Chile	0.9	1.8	2.3	2.5	3.0	4.4	4.4	5.0	3.5
Peru	0.8	2.4	3.2	3.0	3.2	3.2	3.5	4.5	3.5
Venezuela	1.2	-4.0	-10.0	-8.0	-3.0	57.0	60.0	60.0	40.0
Latin American countries total	18.8	0.9	-0.8	-0.9	1.2	10.4	10.6	12.8	9.7
Russia	8.1	0.4	-3.8	-2.0	1.6	7.8	15.4	9.5	7.0
Turkey	3.4	2.9	3.2	2.4	3.0	8.9	7.3	8.5	7.0
South Africa	1.6	1.5	1.3	1.5	2.0	6.1	4.6	5.8	6.0
Total	100.0	5.0	4.2	4.1	4.6	5.4	5.5	5.6	5.0

Based on 2014 GDP at purchasing power parities; in percent.

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