

# KIEL INSTITUTE **ECONOMIC OUTLOOK**

**World Economy**  
Winter 2019

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*Klaus-Jürgen Gern, Philipp Hauber, Stefan Kooths,  
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# GLOBAL GROWTH REMAINS SLUGGISH FOR THE TIME BEING

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

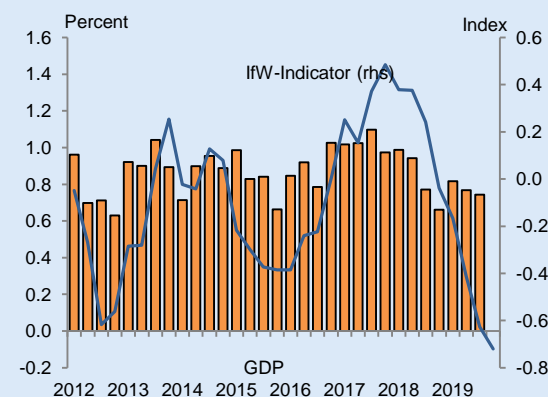
World output growth has slowed further in the course of 2019. However, most recently signs of stabilization appeared, especially in emerging economies where expectations seem to have started to improve. Growth is supported by more expansive monetary policies in the advanced economies and – on the back of lower US interest rates – many emerging economies. Against this backdrop, we expect the world economy to gradually gain traction going forward. Growth is projected to remain modest, however, as the US economy will continue to lose momentum in 2020 and the trend of a gradual slowdown in China will persist. World output, measured at purchasing power parities, is forecast to decline to 3.0 percent in 2019, the lowest rate of growth since the Great Recession in 2009, and increase only slightly to 3.1 percent in 2020. Thus we have revised downwards our forecasts for both this year and next by 0.1 percentage point compared with our September report. For 2021 we continue to expect growth of 3.4 percent. Substantially lower growth could result in the case of a further significant deterioration of the international trade environment leading to an additional slowdown of investment. Downward risks to the forecast rise with the degree to which the weakness in industrial production feeds through into the services sector of the economy, which has so far been relatively resilient.

**Global growth has slowed over the course of the year.** In the third quarter, world GDP expanded by 0.8 per cent compared to the previous quarter and our global activity index—based on sentiment indicators in 42 countries—suggests a further deceleration at the end of the year (Figure 1). The slowdown was particularly pronounced in advanced economies, while output growth in emerging economies stabilized, with sentiment in these countries even improving at the current edge. On the whole, we expect the world economy to grow by 3 per cent this year after an expansion of 3.7 in 2018.

**Global industrial production and trade have been particularly subdued, with growing signs of spillovers to other sectors.** After slowing for some time, industrial production stagnated over the course the year according the CPB World Trade Monitor. Production even shrank in advanced economies, while it still increased in emerging economies largely owing to China. Similarly, world trade has also decreased over the year. Data for the third quarter, however, indicate stabilizing trade volumes. Against the backdrop of a global industrial recession, investment activity slowed markedly. More recently, there are growing signs that the slowdown is spreading to other areas of the economy as the services sector reports falling orders and global consumption growth has lost steam.

**Monetary policy has become more expansionary across the globe.** The Federal Reserve has cut interest rates by a total of 75 basis points since July and we expect another step to follow in the next year. In September, the ECB unveiled a package of measures to increase the degree of monetary accommodation including a resumption of asset purchases. As interest rates in the United States fell,

**Figure 1:**  
World Economic Activity, 2012–2019



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; own calculations.

capital flows to emerging economies rebounded. In the context of a stabilization of exchange rates and subdued inflation, central banks in many emerging economies followed suit and eased policy as well.

**Trade policy uncertainty remains elevated and is weighing on the prospects for global growth.** Headwinds emanating from the trade conflict between the United States and China have slowed the expansion of the world economy this year. While additional tariffs seem off the table for the time being amid ongoing negotiations about a trade deal, a successful conclusion of the trade talks is far from certain. At the same time, trade tensions with Europe have increased as the US has raised tariffs in response to illegitimate EU-subsidies for Airbus following a WTO ruling in October. Further protectionist measures have been proposed as a reaction to a planned digital tax by the French government. While the Trump administration so far has not followed through on its threat to impose tariffs on automobiles and auto parts from Europe, uncertainty around this issue remains as well.

## Outlook

**Global growth is likely to pick up over the forecast horizon but remains subdued compared to previous years.** A bottoming-out in global trade and industrial production as well as improved sentiments in some countries are signs of stabilization. Easier monetary policies across the globe support the expansion. Against this backdrop, we expect the world economy to gradually gain traction going forward. Growth is projected to remain modest, however, as the US economy will continue to lose momentum in 2020 and the trend of a gradual slowdown in China will persist. World output, measured at purchasing power parities, is forecast to decline to 3.0 percent in 2019, the lowest rate of growth since the Great Recession in 2009 (Table 1). For the next two years we expect growth to pick up somewhat to 3.1 and 3.4 percent, respectively. Substantially lower growth could result in the case of a further significant deterioration of the international trade environment leading to an additional slowdown of investment. Downward risks to the forecast rise with the degree to which the weakness in industrial production feeds through into the services sector of the economy, which has so far been relatively resilient.

**Table 1:**  
Real GDP and consumer prices in selected countries and regions, 2019–2021

	Gross domestic product			Consumer prices		
	2019	2020	2021	2019	2020	2021
United States	2.3	1.5	1.7	1.8	2.2	2.2
Japan	1.0	0.6	1.1	0.8	1.4	0.9
Euro Area	1.2	1.2	1.5	1.2	1.2	1.3
United Kingdom	1.3	0.6	1.4	1.8	2.2	2.1
<b>Advanced economies total</b>	1.8	1.4	1.7	1.5	1.7	1.8
China	6.2	5.9	5.7	2.9	3.4	2.3
Latin America	-0.5	0.8	2.1	8.6	7.5	7.4
India	5.0	6.3	6.6	3.3	4.2	4.5
East Asia	4.5	4.7	4.7	2.2	2.6	2.9
Russia	0.8	1.3	1.8	4.4	3.5	3.5
<b>World economy total</b>	3.0	3.1	3.4	3.6	3.7	3.6
<i>Addendum:</i>						
World trade volume	-0.4	1.1	2.3	.	.	.
Oil price (Brent in US\$)	63.9	62.4	63.7	.	.	.
World economy total (weighted according to GDP at market exchange rates)	2.5	2.5	2.8	2.9	3.1	3.0

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

Source: Own calculations; shaded: IfW forecast.

**Growth in advanced economies will remain subdued.** The US economy is set to increase more slowly as fiscal stimulus fades, while growth in the Euro area is expected to pick up somewhat supported by a strong labor market. Amid continued uncertainty regarding Brexit, the UK economy has lost steam but growth should pick up over the forecast horizon as we expect a long transition phase towards a new trade arrangement with the EU. On the whole, we expect the advanced economies to grow by 1.8 this year, followed by 1.4 and 1.7 percent in the years 2020 and 2021, respectively.

**The expansion in emerging economies is likely to strengthen gradually.** Output growth is expected to recover in many countries that in 2018/19 have experienced slow growth or even recession. At the same time China's economy will continue to slow gradually in the coming years, owing partly to falling trend growth. Though fiscal and monetary policies have been eased, the degree of accommodation is smaller compared to previous downturns as policy makers are aware of the risk of a further rapid build of debt. The recovery in Latin America is likely to continue though growth is expected to remain constrained by structural impediments. Growth in India has slowed substantially this year as the economy struggles with the fall-out from a shadow banking crisis and a rise in unemployment. The robust expansion in South-East Asian economies is expected to remain on track. All in all, after a marked reduction of growth in emerging economies from 5 percent in 2018 to 4.1 percent this year, we expect a modest recovery for the coming two years, with growth rates of 4.5 and 4.8 percent, respectively.

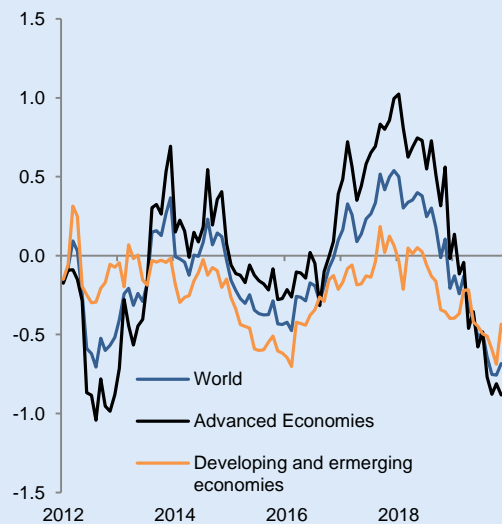
**Data annex**

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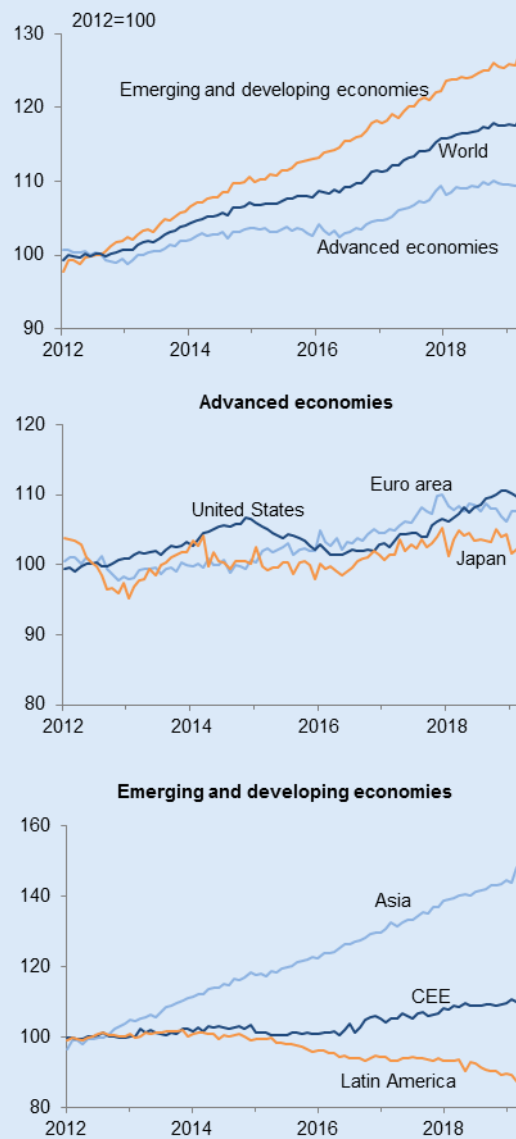
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## 1. World Economy

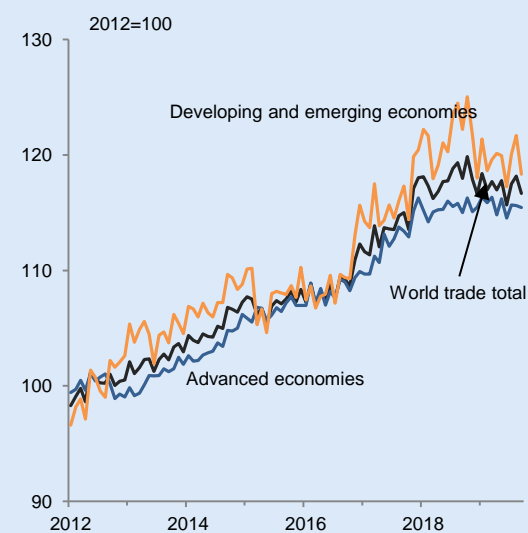
**Figure 1.1:**  
Business expectations by groups of countries, 2012–2019



**Figure 1.2:**  
Industrial production by groups of countries and regions, 2012–2019

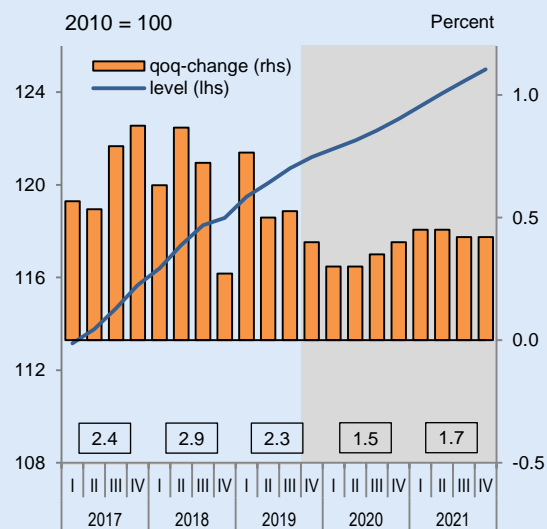


**Figure 1.3:**  
World trade, 2012–2019



## 2. United States

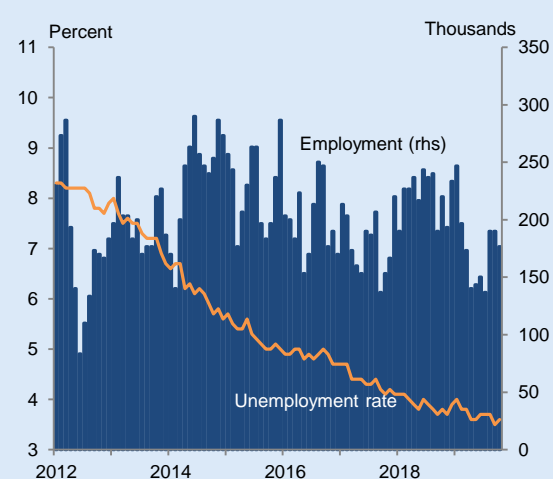
**Figure 2.1:**  
GDP, 2017–2021



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

Source: Bureau of Economic Analysis; shaded: IfW forecast.

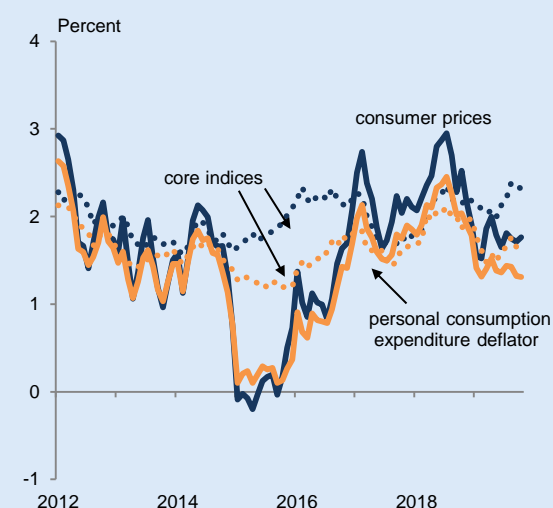
**Figure 2.2:**  
Labor market, 2012–2019



Monthly data; seasonally adjusted. Employment: 3-month moving average of monthly change in employment.

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

**Figure 2.3:**  
Consumer prices, 2012–2019



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, 2018–2021

	2018	2019	2020	2021
Gross Domestic Product	2.9	2.3	1.5	1.7
Domestic expenditure	3.1	2.5	1.7	1.7
Private consumption	3.0	2.5	1.7	1.5
Government expenditure	1.7	2.3	1.8	1.6
Gross fixed capital formation	4.6	1.4	1.8	2.8
Machinery and equipment	6.8	1.6	0.8	2.2
Intellectual property rights	7.4	7.6	3.5	3.2
Structures	4.1	-4.0	-0.1	2.9
Residential investment	-1.5	-1.7	2.6	2.8
Inventories	0.1	0.2	-0.1	0.0
Net exports	-0.3	-0.2	-0.2	0.0
Exports	3.0	-0.1	1.1	2.7
Imports	4.4	1.7	2.6	2.8
Consumer prices	2.4	1.8	2.2	2.2
Unemployment rate	3.9	3.7	3.8	3.8
Current account balance	-2.4	-2.4	-2.6	-2.7
Government budget balance	-3.8	-4.5	-4.5	-4.5

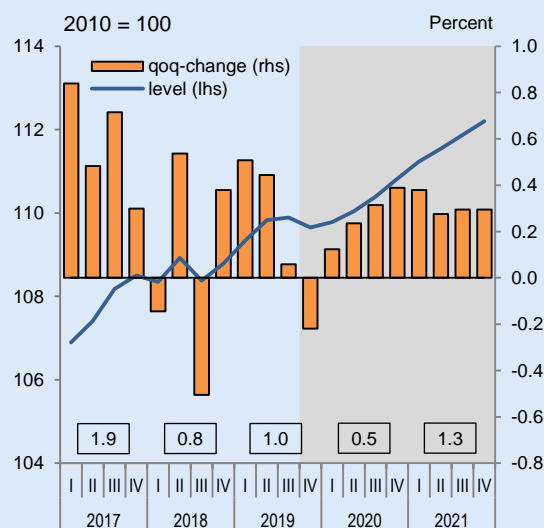
GDP: volumes, change over previous year, percent. Net exports, inventories: contribution to growth, percentage points. Unemployment rate: unemployed in relation to labor force, percent. Current account balance, government budget balance: percent of nominal GDP. Budget balance: fiscal year.

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

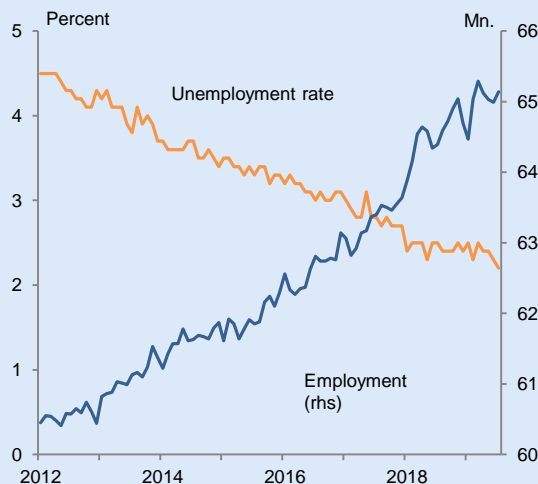
**Figure 3.1:**  
GDP, 2017–2021



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

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

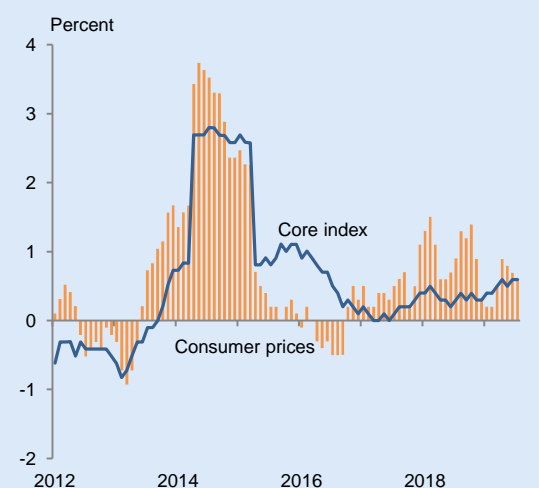
**Figure 3.2:**  
Labor market, 2012–2019



Monthly data; seasonally adjusted.

Quelle: Department of Labor.

**Figure 3.3:**  
Consumer prices, 2012–2019



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, 2018–2021

	2018	2019	2020	2021
Gross Domestic Product	0.5	1.2	0.8	1.1
Domestic expenditure	0.3	1.5	0.8	1.1
Private consumption	0.1	0.9	0.8	1.0
Government consumption	0.8	1.9	1.4	1.2
Gross fixed capital formation	0.6	2.4	1.1	1.1
Enterprises	2.3	2.2	0.6	2.0
Residential Investment	-7.2	3.0	1.9	1.2
Public investment	0.1	2.6	2.0	-1.8
Change in inventories	0.0	0.1	-0.1	0.0
Net exports	0.0	-0.2	0.0	0.8
Exports	3.4	-1.7	1.1	2.6
Imports	3.3	-0.1	1.2	2.7
Consumer prices	1.0	0.8	1.4	0.9
Unemployment rate	2.4	2.4	2.3	2.3
Current account balance	3.5	3.4	3.2	3.2
Government budget balance	-2.4	-2.7	-2.5	-2.1

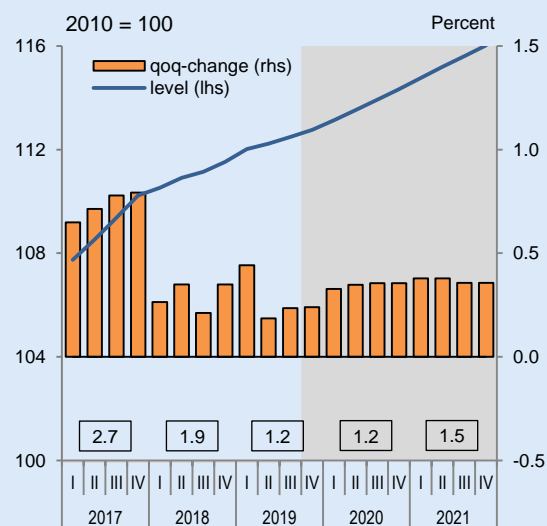
Percent. GDP: volumes, change over previous year, percent. Net exports, inventories: contribution to growth, percentage points. Unemployment rate: unemployed in relation to labor force. Current account balance, government budget balance: percent of nominal GDP.

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



## 4. Euro Area

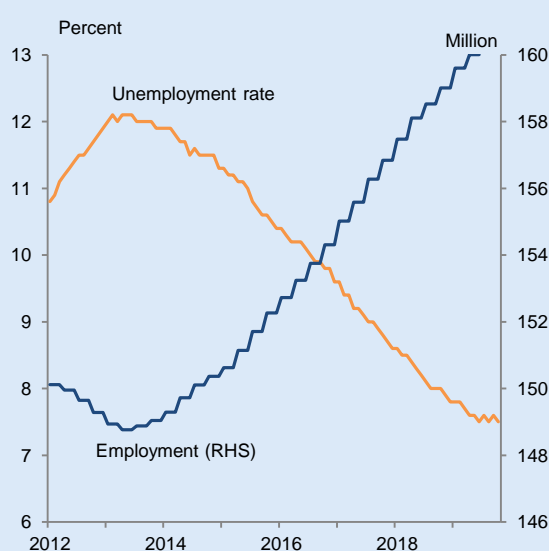
**Figure 4.1:**  
GDP, 2017–2021



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.

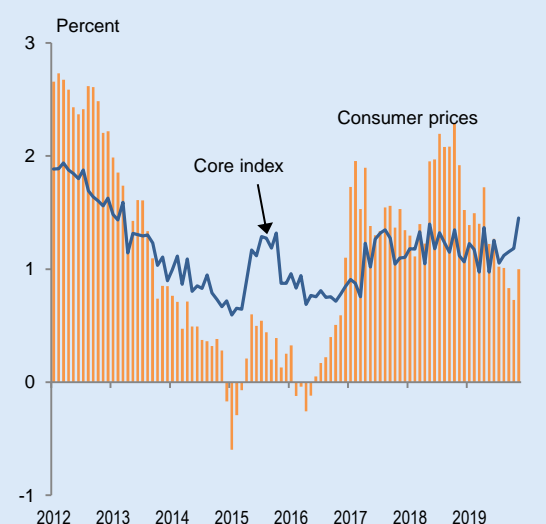
**Figure 4.2:**  
Labor market, 2012–2019



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

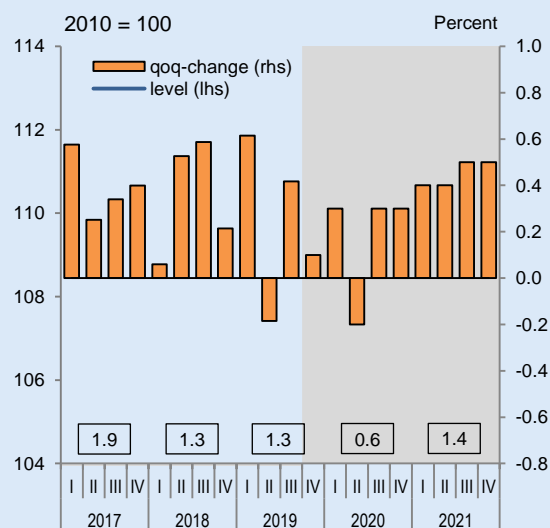
	2018	2019	2020	2021
Gross Domestic Product	1.9	1.2	1.2	1.5
Domestic expenditure	1.6	1.6	1.2	1.6
Private consumption	1.4	1.3	1.4	1.5
Government consumption	1.1	1.6	1.6	1.5
Gross fixed capital formation	2.4	4.5	0.6	2.0
Inventories	0.0	-0.4	0.0	0.0
Net exports	0.4	-0.3	0.1	-0.1
Exports	3.3	2.4	2.3	3.1
Imports	2.7	3.4	2.3	3.5
Consumer prices	1.7	1.2	1.2	1.3
Unemployment rate	8.2	7.6	7.2	7.0
Current account balance	2.9	2.6	2.3	2.0
Government budget balance	-0.5	-0.8	-1.0	-1.1

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*; own calculations; shaded: IfW forecast.

## 5. United Kingdom

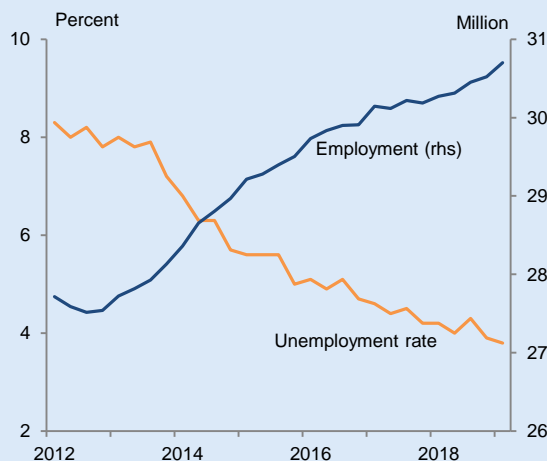
**Figure 5.1:**  
GDP, 2017–2021



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

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

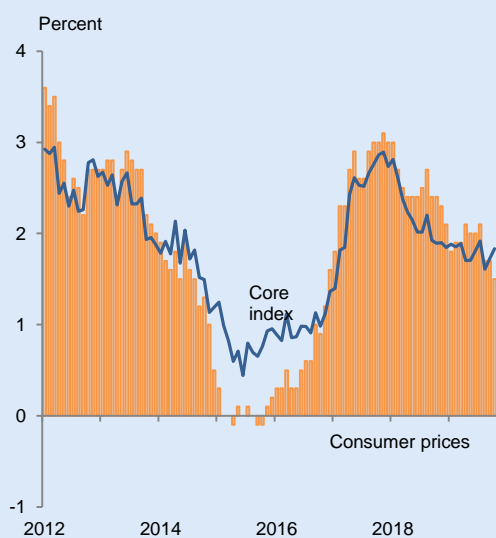
**Figure 5.2:**  
Labor market, 2012–2019



Quarterly data, seasonally adjusted.

Source: Office for National Statistics, *Economy*.

**Figure 5.3:**  
Consumer prices, 2012–2019



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, 2018–2021

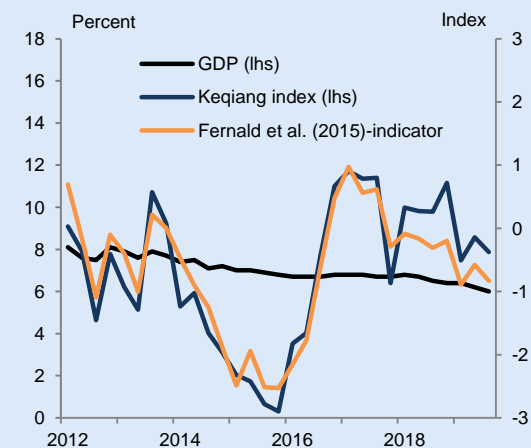
	2018	2019	2020	2021
Gross Domestic Product	1.4	1.3	0.6	1.4
Domestic expenditure	1.4	1.6	-0.4	1.6
Private consumption	1.6	1.2	0.8	1.1
Government consumption	0.6	3.4	2.5	2.4
Gross fixed investment	-0.1	-0.3	-1.0	1.2
Inventories	0.3	0.4	-1.0	0.3
Net exports	-0.2	-0.7	0.7	-0.1
Exports	-0.9	-0.1	0.7	1.2
Imports	0.7	2.3	-1.5	1.5
Consumer prices	2.5	1.9	2.5	2.1
Unemployment rate	4.1	3.7	3.9	4.0
Current account balance	-3.9	-5.2	-3.5	-3.2
Government budget balance	-1.6	-2.3	-3.0	-3.0

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: Office for National Statistics, *Economy*; shaded: IfW forecast.

## 6. China

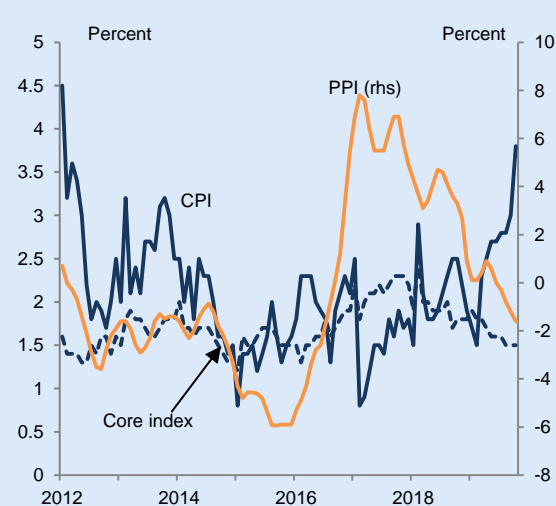
**Figure 6.1:**  
GDP and alternative activity measures, 2012–2019



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; own calculations.

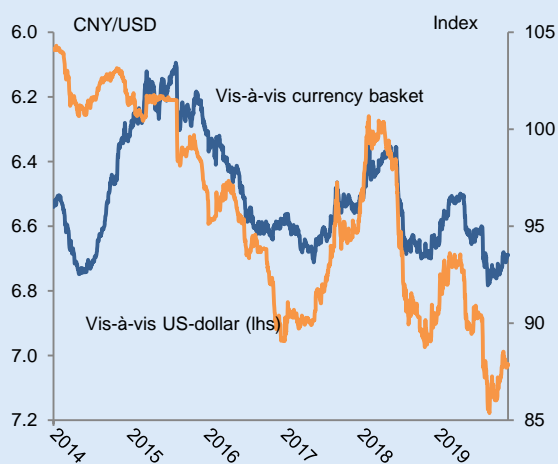
**Figure 6.2:**  
Inflation, 2012–2019



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

Source: National Bureau of Statistics.

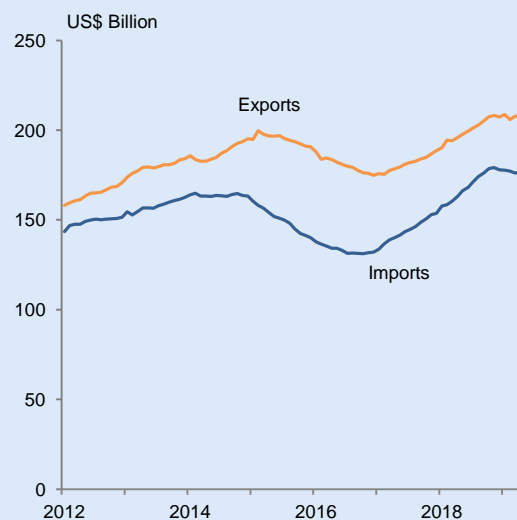
**Figure 6.3:**  
Exchange rate, 2014–2019



Daily data.

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

**Figure 6.4:**  
Exports and imports, 2012–2019

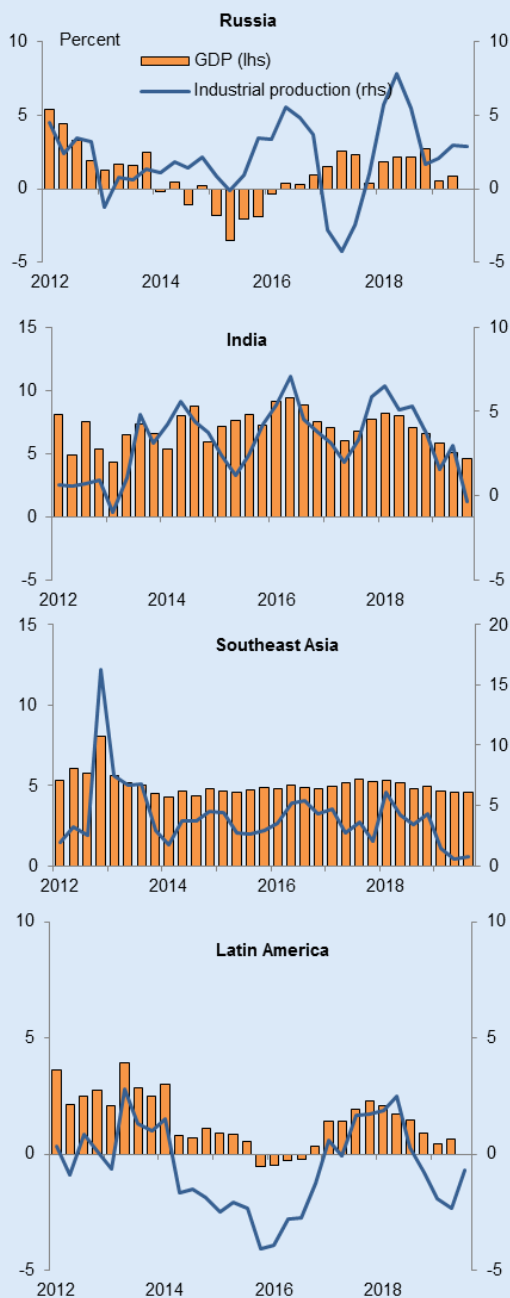


Monthly data, 12-month moving average.

Source: General Administration of Customs; own calculations.

## 7. Other emerging Economies

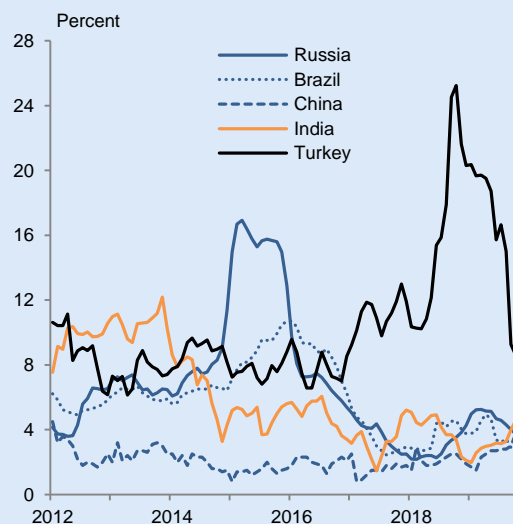
**Figure 7.1:**  
GDP and industrial production in emerging economies 2012–2019



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; own calculations.

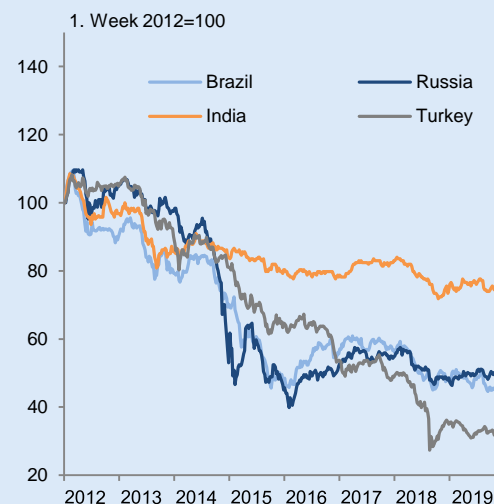
**Figure 7.2:**  
Consumer prices, 2012–2019



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, 2012–2019



Weekly data. Last observation: 09.12.2019.

Source: Thomson Reuters Datastream.

## 8. Forecast summary

**Table 8.1:**  
Key assumptions, 2019–2021

	2019				2020				2021			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Key interest rate												
United States	2.3	2.3	1.8	1.5	1.5	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Japan	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Euro area	0.0	0.0	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3
Exchange rates												
US-dollar/euro	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Yen/US-dollar	110.2	109.9	107.3	107.0	107.0	107.0	107.0	107.0	107.0	107.0	107.0	107.0
Oil price (Brent, US-dollar)	63.2	68.9	61.8	61.6	61.9	62.2	62.6	62.9	63.2	63.5	63.8	64.1
HWWI-Index indust. commodities	123.6	126.4	126.2	123.7	123.4	123.2	123.7	124.3	125.0	125.8	126.5	127.3

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, 2019–2021

	Weights	Real GDP			Consumer prices			Unemployment rate		
		2019	2020	2021	2019	2020	2021	2019	2020	2021
European Union	36.7	1.4	1.1	1.6	1.6	1.7	1.7	6.5	6.4	6.3
Euro area	26.6	1.2	1.2	1.5	1.2	1.2	1.3	7.4	7.2	6.9
United Kingdom	5.9	1.1	0.2	1.5	1.9	2.5	2.1	3.7	4.0	4.0
Sweden	1.1	1.4	1.0	2.1	1.8	1.4	1.7	6.5	7.0	7.1
Poland	1.1	4.0	2.3	2.9	2.0	2.5	2.7	3.5	3.4	3.5
Switzerland	1.4	0.9	1.2	1.5	0.4	0.5	0.9	4.7	4.4	4.3
Norway	0.8	0.9	0.9	1.8	2.3	1.9	2.1	4.2	3.8	3.7
United States	41.2	2.3	1.5	1.7	1.8	2.2	2.2	3.9	3.8	3.8
Canada	3.5	1.7	1.4	1.5	1.9	1.8	2.0	5.8	5.9	6.0
Japan	10.3	1.2	0.8	1.1	0.8	1.4	0.9	2.4	2.4	2.3
South Korea	3.2	1.8	2.4	2.8	0.4	0.6	1.1	3.9	4.1	4.0
Australia	2.8	1.8	1.5	2.4	1.9	1.6	1.8	5.4	5.4	5.3
Total	100.0	1.8	1.4	1.7	1.6	1.9	1.9	5.0	4.9	4.8

Based on GDP at prices and exchange rates of 2018 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 2017.

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, 2019–2021

	Weights	Real GDP			Consumer prices			Unemployment rate		
		2019	2020	2021	2019	2020	2021	2019	2020	2021
Germany	21.1	0.5	0.7	1.6	1.3	1.3	1.5	3.1	3.0	2.9
France	14.8	1.3	1.4	1.4	1.3	1.3	1.4	8.6	8.3	8.0
Italy	11.1	0.2	0.6	0.8	0.7	0.7	0.7	10.0	9.5	8.8
Spain	7.6	2.0	1.7	1.5	0.8	1.0	1.1	14.2	14.0	13.9
Netherlands	4.9	1.7	1.6	1.6	2.7	2.3	2.4	3.4	3.5	3.5
Belgium	2.8	1.4	1.5	1.4	1.3	1.3	1.4	5.6	5.5	5.4
Austria	2.4	1.5	1.0	1.2	1.4	1.4	1.5	4.6	4.6	4.6
Ireland	2.0	5.5	2.6	2.3	0.9	1.2	1.5	5.0	4.7	4.6
Finland	1.5	1.7	1.9	1.5	1.2	1.3	1.4	6.7	6.6	6.5
Portugal	1.3	2.0	1.7	1.5	0.3	0.6	0.7	6.5	6.4	6.4
Greece	1.2	2.3	2.6	2.4	0.4	0.9	1.2	17.2	15.2	13.4
Slovak Republic	0.6	2.4	2.9	3.2	2.7	2.6	3.0	5.7	5.2	4.6
Luxembourg	0.4	3.3	3.3	2.8	1.7	1.8	2.1	5.5	5.2	5.1
Slovenia	0.3	2.4	2.1	2.4	1.7	1.9	2.2	4.3	4.1	4.0
Lithuania	0.3	3.8	3.5	3.3	2.2	2.4	2.9	6.2	6.3	6.3
Latvia	0.2	2.2	2.3	3.2	2.8	2.8	3.2	6.4	6.1	6.0
Estonia	0.2	4.1	3.1	3.2	2.5	2.4	2.8	4.5	4.3	4.2
Cyprus	0.1	3.5	3.1	2.8	0.5	0.9	1.3	7.2	6.3	5.5
Malta	0.1	4.6	4.2	3.3	1.5	2.0	2.4	3.4	3.2	3.1
United Kingdom	15.1	1.3	0.6	1.4	1.8	2.2	2.1	3.8	4.0	4.0
Sweden	2.9	1.2	1.4	2.1	1.8	1.5	1.7	6.7	7.0	7.0
Poland	3.1	4.3	3.1	3.0	1.9	2.4	2.8	3.4	3.2	3.2
Denmark	1.9	2.0	1.7	1.9	0.6	0.7	0.9	5.0	5.0	4.9
Czech Republic	1.3	2.5	2.1	2.8	2.4	2.8	3.0	2.1	2.1	2.1
Romania	1.3	3.8	2.9	2.9	3.9	3.7	3.5	4.0	4.1	4.2
Hungary	0.8	4.9	3.1	3.0	3.3	3.5	3.8	3.4	3.4	3.5
Bulgaria	0.3	3.6	3.0	3.2	2.4	2.0	2.3	4.3	4.2	4.2
Croatia	0.3	2.7	2.0	2.4	0.8	0.8	1.1	6.9	6.3	6.2
European Union	100.0	1.4	1.2	1.6	1.5	1.6	1.7	6.6	6.5	6.3
<i>Addendum:</i>										
European Union 15	91.3	1.2	1.1	1.5	1.3	1.4	1.4	6.9	6.7	6.5
Accession countries	8.7	3.8	2.9	3.0	3.4	3.7	4.1	5.1	5.0	4.9
Euro Area	72.8	1.2	1.2	1.5	1.2	1.2	1.3	7.5	7.2	7.0
Euro Area without Germany	51.7	1.5	1.4	1.4	1.1	1.2	1.3	9.0	8.7	8.4

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: IfW forecast.

**Table 8.4:**  
Real gross domestic product and consumer prices in selected emerging market economies, 2018–2021

	Weights	Real GDP				Consumer prices			
		2018	2019	2020	2021	2018	2019	2020	2021
Indonesia	6.0	5.2	5.1	5.1	5.0	3.2	3.1	3.5	3.5
Thailand	2.2	4.1	2.4	2.8	3.3	1.1	0.7	1.1	1.5
Malaysia	1.7	4.7	4.5	4.3	4.5	1.0	0.7	2.0	2.7
Philippines	1.6	6.3	5.6	6.0	6.0	5.2	2.3	1.8	3.2
Total	11.6	5.1	4.5	4.7	4.7	2.7	2.2	2.6	2.9
China	43.1	6.6	6.2	5.9	5.7	2.1	2.9	3.4	2.3
India	17.9	6.8	5.0	6.3	6.6	3.4	3.3	4.2	4.5
Asian countries	72.5	6.4	5.6	5.8	5.8	2.5	2.9	3.4	2.9
Brazil	5.7	1.1	0.9	2.0	2.3	3.7	3.6	3.0	4.0
Mexico	4.4	2.0	0.1	0.5	1.5	4.9	3.6	3.0	3.1
Argentina	1.6	-2.5	-3.0	-1.2	2.6	30.0	52.0	45.0	40.0
Colombia	1.3	2.6	3.1	3.0	3.5	3.2	3.5	3.5	3.5
Venezuela	0.5	-17.0	-30.0	-15.0	-5.0	-	-	-	-
Chile	0.8	4.0	2.5	2.0	3.4	2.7	2.3	2.6	3.0
Peru	0.8	4.0	2.7	3.4	3.5	1.3	2.3	2.0	2.4
Latin American countries total	15.1	0.8	-0.5	0.8	2.1	6.6	8.6	7.5	7.4
Russia	7.2	2.2	0.8	1.3	1.8	3.7	4.4	3.5	3.5
Turkey	3.9	2.8	0.0	2.5	3.5	16.3	14.5	9.0	7.5
South Africa	1.3	0.8	0.6	1.0	1.2	4.4	4.3	4.5	5.0
Total	100.0	5.0	4.1	4.5	4.8	3.8	4.3	4.3	3.9

Based on 2018 GDP at purchasing power parities; in percent.

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