

KIEL INSTITUTE **ECONOMIC OUTLOOK**

World Economy
Winter 2020

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GLOBAL ECONOMIC RECOVERY PROGRESSES OVERALL

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

In the third quarter of 2020, the global economy rebounded strongly from the steep fall in output suffered in the first half of the year amid the covid-19 pandemic. Currently, the recovery is being slowed down by another wave of infections and policy measures to contain it, but on aggregate global economy is likely remain on an upward trajectory. While GDP in Europe is likely to decline again in the fourth quarter, output should continue to rise in most of the rest of the world, with economic momentum in China being actually quite high. Unlike in spring, manufacturing output, international trade in goods, and raw material prices have apparently been hardly affected so far. Economic activity is likely to recover in the course of the first quarter even where it is currently depressed, as the wave of infection is expected to subside. In the remainder of the year, with the population increasingly being vaccinated, a progressive normalization of the economic environment can be expected, including for the particularly contact-intensive sectors of the economy. We have reduced our forecast for global growth from September by 0.2 percentage points for 2020 and by 0.6 percentage points for 2021. We now expect world output (measured on a purchasing power parity basis) to increase by 6.1 percent in 2021, following a 3.8 percent drop in the current year. In 2022, global economic activity is projected to increase by 4.5 percent. While this is again stronger than the medium-term trend, production will nevertheless remain well below the level that had been expected before the crisis. For world trade in goods, we expect an increase of 8.8 percent, following a decline of 5.4 percent this year.

The global economy recovered swiftly until autumn, but economic momentum has weakened recently. World production increased by almost 9 percent in the third quarter, reducing the loss of output to only 2 percent compared to the pre-crisis level. However, business sentiment deteriorated significantly in November following the sharp rise in infection rates and renewed restrictions on social and economic activity in many countries.

Significant effects of the second wave of the pandemic have so far been visible especially in Europe. A timely indicator of the severity of the measures and their effect on economic activity is the effect on mobility in the population, based on Google data. A significant decline in mobility in recent weeks is evident mainly in Europe, while mobility has hardly decreased in America or Asia (Figure 1). The decline in Europe is, however, less pronounced than in the spring and lasted shorter; in many countries - such as France and the United Kingdom - restrictions were relaxed again after a few weeks, and mobility has already recovered significantly.

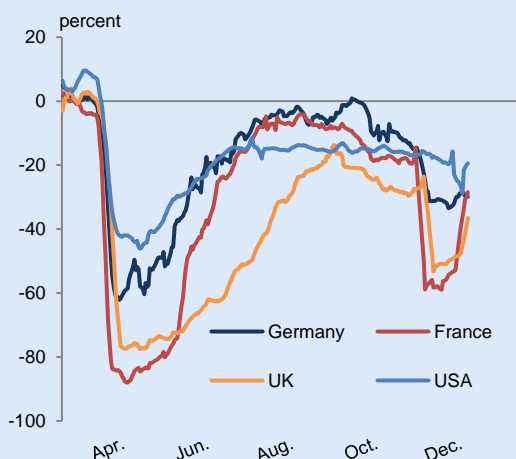
The labor market has picked up, but the impact of the covid-19 crisis remains clearly visible. Headline unemployment does not adequately reflect the situation on the labor market in many countries, as generous short-time work schemes allowed companies to forgo layoffs. Where this was not the case and unemployment jumped to historically high levels in spring, such as in the US, it was still well above pre-crisis levels in autumn. A similar picture emerges in the European countries with regard to the figures for short-time workers: although they have fallen considerably, they remained at high levels until recently.

Inflation in the advanced economies has stabilized at a low level. Headline price inflation picked up somewhat after the sharp fall in spring, mainly due to a recovery in oil prices. At the same time, core inflation, which excludes energy and food prices, remained basically unchanged.

Monetary policy remains strongly expansionary. Central banks in the advanced economies have for the most part further extended the expansionary measures introduced in response to crisis or pushed back expectations for the timing of tightening. In the emerging markets, financial conditions are generally quite favorable, helped by an effectively depreciating US dollar.

Figure 1:
Mobility developments in selected countries, 2020

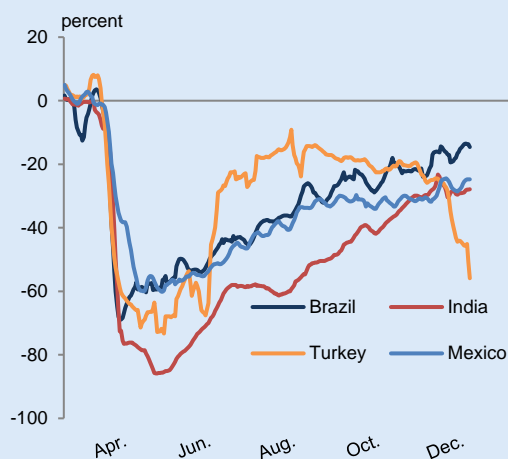
Advanced economies



Daily data, retail and recreation, deviation from baseline (median between January 3rd and February 6th 2020).

Source: Google Covid-19 Mobility Report.

Emerging economies



Daily data, retail and recreation, deviation from baseline (median between January 3rd and February 6th 2020).

Source: Google Covid-19 Mobility Report.

Fiscal stimulus remains strong for the time being. Extensive fiscal measures introduced to mitigate the economic consequences of the crisis will be extended or followed on by new support programs in view of the still incomplete normalization of economic activity and, in some cases, significant renewed constraints. Structural deficits will not substantially decline before 2022. By international standards, the fiscal stimulus in the euro area is relatively small, especially in countries with elevated levels of government debt and high structural deficits already before the crisis.

Financial markets reflect expansionary economic policies and an improved outlook with respect to the pandemic. On the stock markets, the second wave of covid-19 has only temporarily depressed prices as sentiment was lifted by reports of several companies that they had successfully developed effective vaccines. In the United States, share prices even reached historic highs. Rising commodity prices point to a robust outlook for industrial production. Long-term bond yields remain very low on the back of extensive purchases by central banks. In the US, they have increased gradually since August, when the Fed announced a change in the interpretation of its inflation target, accompanied by a significant depreciation of the US dollar in recent months.

With the new US administration the trade policy climate could improve, while the impact of Brexit remains a downside risk to the forecast. Global trade tensions took a back seat this year due to covid-19, but have still not been resolved. Although the new US administration can be expected to still press for national interests in trade policy issues, it is likely to pursue a more multilateral approach and to seek an understanding with its European partners on a common position in the existing trade policy conflicts with China. Meanwhile, uncertainty about the future framework for economic relations between the EU and the UK after the end of the transition period on December 31, 2020 persists as negotiations on a comprehensive trade deal are still ongoing.

Outlook

After a decline of historic dimensions in 2020, we expect strong growth of the global economy in 2021, even if the rebound will not be complete before the end of the year. While the momentum of the global economic recovery has slowed in recent months due to the second wave of the pandemic, the upward trend has only been interrupted in some countries, particularly in Europe. In the course of the first quarter, economic activity is likely to recover where it had fallen noticeably in recent weeks as the wave of infection subsides and the measures taken to contain the pandemic are withdrawn. For the remainder of the year, with vaccination coverage increasing, a sustained reduction in the risk of infection and a progressive normalization of conditions can also be expected for the particularly contact-intensive sectors of the economy. Supported by low interest rates and income-supporting fiscal policy measures, private consumption should increase strongly as soon as pent-up demand can be met. Provided the vaccination programs are implemented rapidly and widely as currently expected, economic uncertainty will ease and investment activity will pick up. All in all, we expect world output (measured on a purchasing power parity basis) to rise by 6.1 percent in 2021, following a 3.8 percent contraction in the current year (See table 1). Based on market exchange rates, rates of change in global output are -4.2 percent this year, followed by 5.6 percent next year.

Table 1:
Real GDP and consumer prices in selected countries and regions, 2020–2022

	Gross domestic product			Consumer prices		
	2020	2021	2022	2020	2021	2022
United States	-3.6	3.7	3.5	1.2	2.2	2.1
Japan	-5.2	3.7	2.0	0.2	0.5	0.8
Euro Area	-7.2	4.9	4.0	0.3	1.7	1.4
United Kingdom	-11.3	6.5	4.0	0.9	1.8	2.3
Advanced economies total	-5.1	4.3	3.4	0.8	1.7	1.8
China	1.8	9.2	5.9	2.7	2.0	2.3
Latin America	-7.6	4.4	3.4	8.7	7.6	7.6
India	-7.9	11.6	8.8	6.9	7.3	4.8
East Asia	-4.4	6.5	5.6	1.1	2.2	2.7
Russia	-3.0	4.2	1.8	3.6	4.7	4.0
World economy total	-3.8	6.1	4.5	3.2	3.5	3.6
<i>Addendum:</i>						
World trade volume	-5.4	8.8	4.4	.	.	.
Oil price (Brent in US\$)	41.6	51.8	54.4	.	.	.
World economy total (weighted according to GDP at market exchange rates)	-4.2	5.6	4.2	2.5	3.0	3.0

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

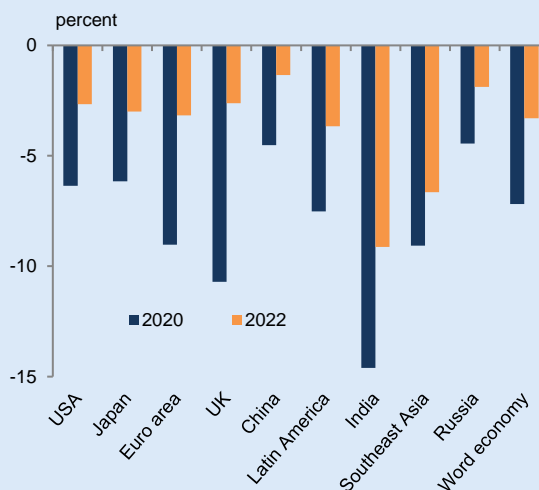
Source: Own calculations; shaded: IfW forecast.

Despite the strong recovery, the longer-term impact of the Corona crisis is considerable. In 2022, with growth rates of 4.5 and 4.2 percent (based on purchasing power parities and market exchange rates, respectively), global growth is again expected to be higher than the medium-term trend. Nonetheless, the level of global output is likely to remain well below the path we expected at the beginning of this year for some time to come, due to the loss of income as a result of the covid-19 crisis and a sustained reduction of investment reflecting lower sales expectations and a reduced equity position in many companies (Figure 2). Particularly in developing and emerging economies, the crisis could set back development progress made in recent years.

Risks to the outlook result from uncertainty about the evolution of the pandemic and from the extraordinary size of the shock and the economic policy response. This forecast is based on the assumption that the current containment measures will be effective and sustainably reduce the number

of infections. In the event of further waves of infection in the coming months with renewed extensive lockdowns, the recovery of the global economy in the coming year would be weaker. The expected gradual normalization of economic activity in the contact-intensive sectors would also be delayed if vaccination of the population were to be more difficult or take longer than expected. On the other hand, a more rapid deployment of the vaccine could lead to higher economic momentum than projected. Another upside risk is the huge amount of additional savings that are the result of consumers foregoing spending on contact-intensive services while at the same time disposable incomes - not least due to government support programs - have in many cases fallen only slightly or, as in the US, have even risen. A swift and substantial release of the pent-up savings once the pandemic is over could not only lead to a stronger increase in output, but also to a stronger rise in prices given limited capacities. In such a scenario, central banks would likely respond with tighter monetary policy. Given the sharp rise in government debt as result of the crisis, higher borrowing costs could lead to a loss of confidence on international financial markets and capital flight from vulnerable countries, putting pressure on the global economic recovery from the financial side.

Figure 2:
Change in the level of GDP compared to the Kiel Institute's forecast in autumn 2019



Source: Kiel Institute forecasts and calculations.

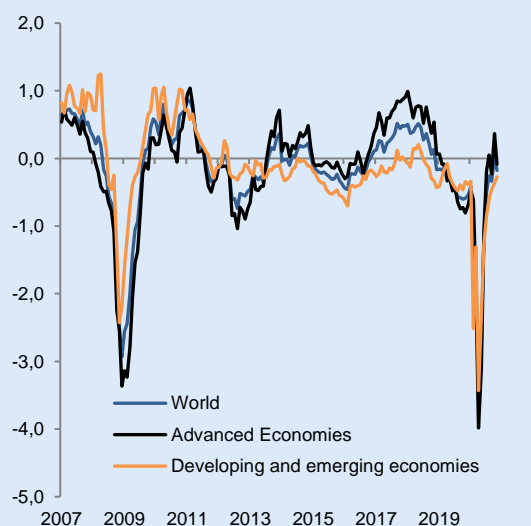
Data annex

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1. World Economy

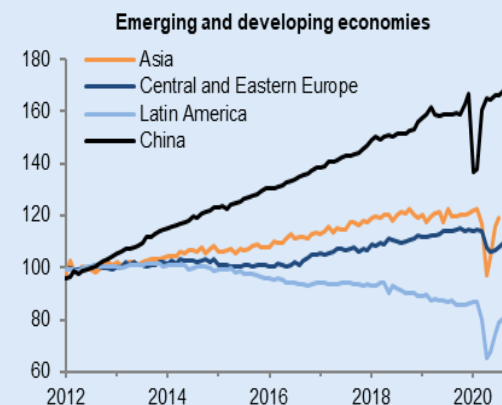
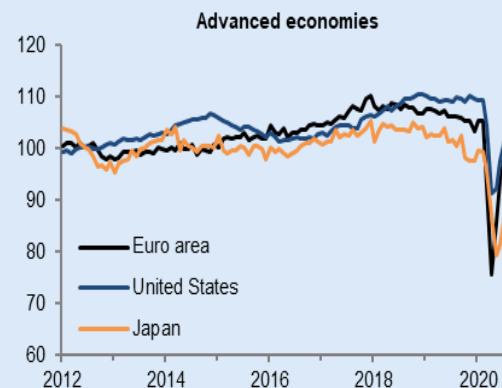
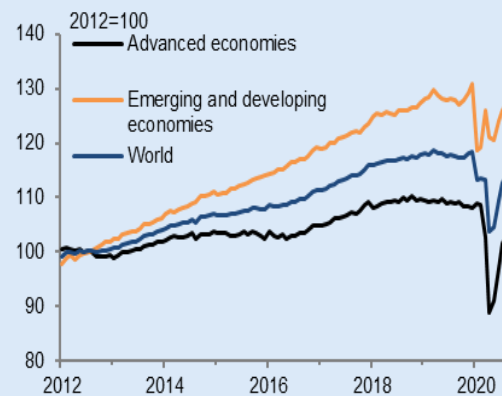
Figure 1.1:
Business expectations by groups of countries,
2012–2019



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.

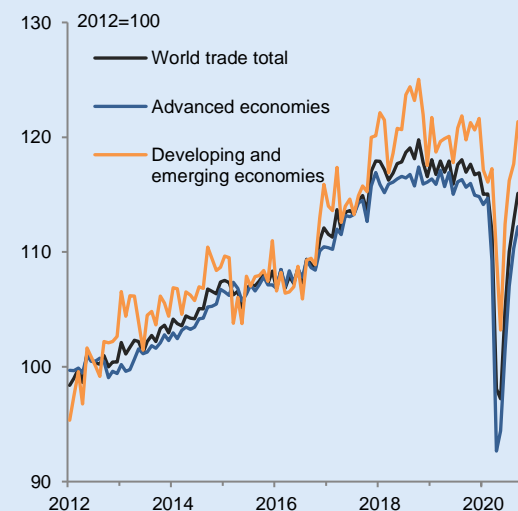
Figure 1.2:
Industrial production by groups of countries and re-
gions, 2012–2020



Monthly data. Last value: June 2020.

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

Figure 1.3:
World trade, 2012–2020

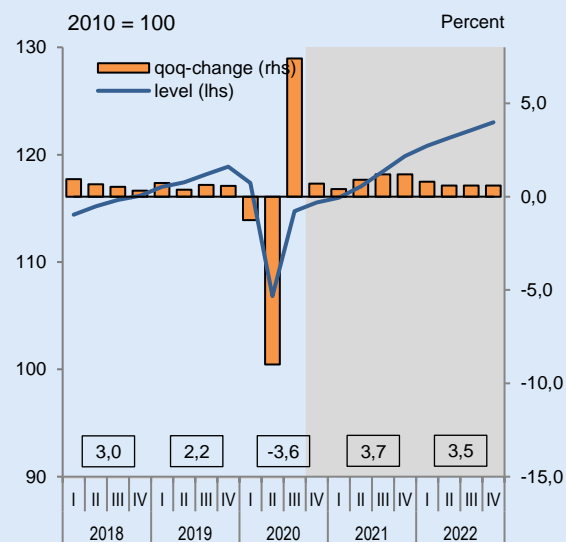


Monthly Data.

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

2. United States

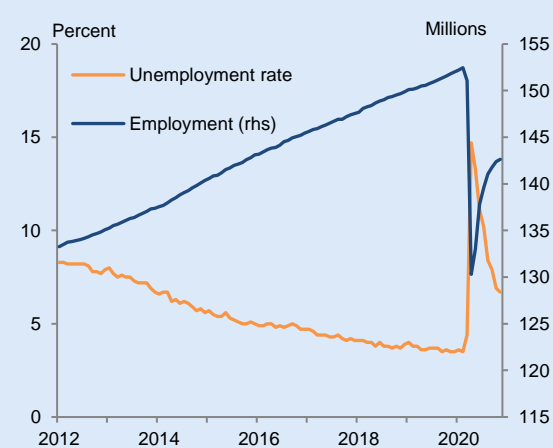
Figure 2.1:
GDP, 2018–2022



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

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

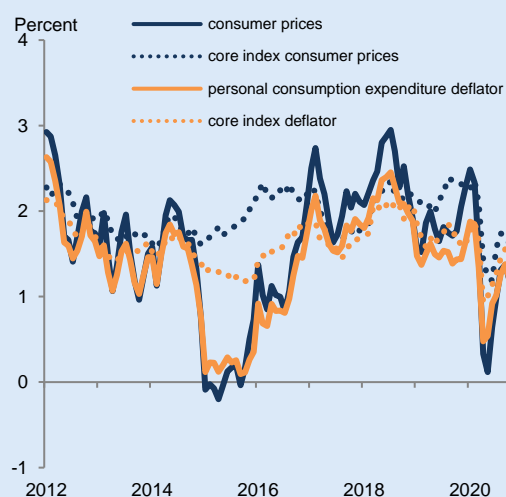
Figure 2.2:
Labor market, 2012–2020



Monthly data; seasonally adjusted.

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

Figure 2.3:
Consumer prices, 2012–2020



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

Source: US Department of Labor, *Consumer Price Index*, Bureau of Economic Analysis *Personal Income and Outlays*.

Table 2.1:
Key indicators United States, 2019–2022

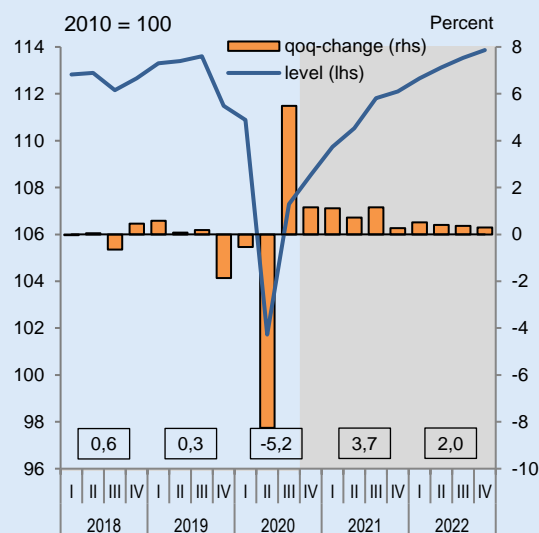
	2019	2020	2021	2022
Gross Domestic Product	2.2	-3.6	3.7	3.5
Domestic expenditure	2.3	-3.5	3.9	3.4
Private consumption	2.4	-3.9	4.0	3.1
Government expenditure	2.3	1.2	1.3	1.5
Gross fixed capital formation	1.9	-2.5	5.2	3.9
Machinery and equipment	2.1	-6.0	8.0	4.3
Intellectual property rights	6.4	1.1	3.4	3.8
Structures	-0.6	-10.4	-1.7	4.6
Residential investment	-1.7	4.5	8.5	3.2
Inventories	0.0	-0.7	0.2	0.5
Net exports	-0.1	-0.1	-0.2	0.0
Exports	-0.1	-13.3	8.0	7.6
Imports	1.1	-10.4	8.8	6.3
Consumer prices	1.8	1.2	2.2	2.1
Unemployment rate	3.7	8.1	5.7	5.1
Current account balance	-2.2	-2.2	-2.4	-2.3
Government budget balance	-4.6	-15.8	-9.3	-5.8

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

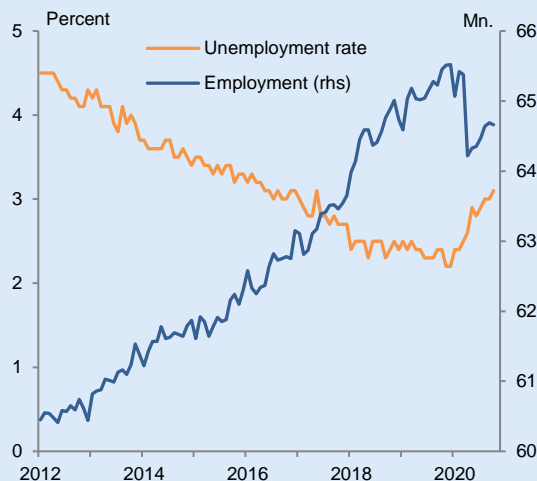
Figure 3.1:
GDP, 2018–2022



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

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

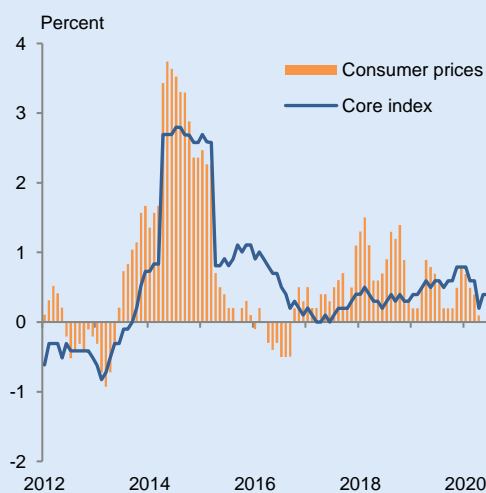
Figure 3.2:
Labor market, 2012–2020



Monthly data; seasonally adjusted.

Source: Department of Labor.

Figure 3.3:
Consumer prices, 2012–2020



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, 2019–2021

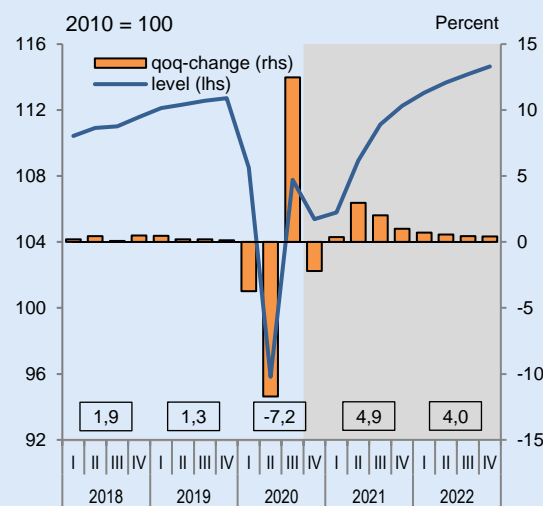
	2019	2020	2021	2022
Gross Domestic Product	0.3	-5.2	3.7	2.0
Domestic expenditure	0.5	-3.8	3.2	1.8
Private consumption	-0.2	-6.2	3.3	1.7
Government consumption	1.9	2.4	3.3	1.5
Gross fixed capital formation	0.8	-4.3	3.1	2.4
Enterprises	0.1	-6.4	2.9	3.1
Residential Investment	3.9	-6.2	2.5	1.7
Public investment	1.1	3.8	4.2	1.0
Change in inventories	0.0	0.0	-0.1	0.0
Net exports	-0.1	-0.9	0.4	0.2
Exports	-1.4	-13.9	6.6	4.6
Imports	-0.3	-6.6	3.5	3.4
Consumer prices	0.5	0.2	0.5	0.8
Unemployment rate	2.4	2.8	2.9	2.5
Current account balance	3.6	3.2	3.7	3.6
Government budget balance	-2.6	-10.5	-7.0	-4.0

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*; own calculations; shaded: Ifw forecast.

4. Euro Area

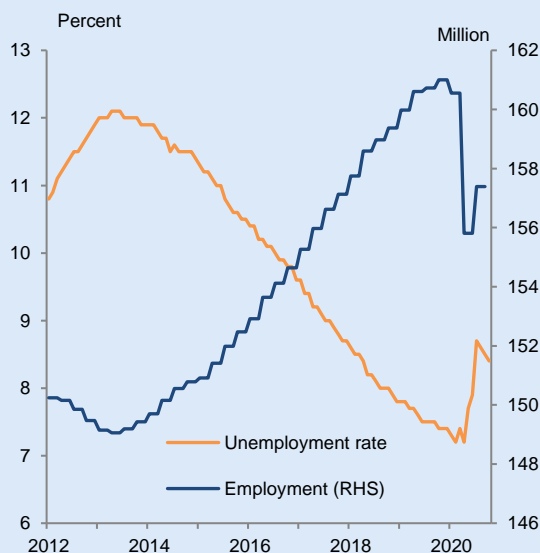
Figure 4.1:
GDP, 2018–2022



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.

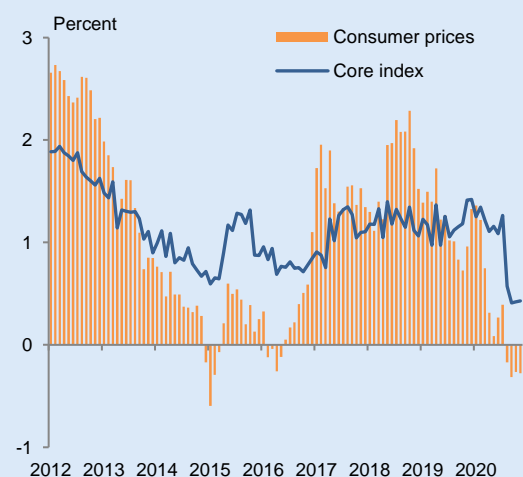
Figure 4.2:
Labor market, 2012–2020



Monthly data; seasonally adjusted.

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

Figure 4.3:
Consumer prices, 2012–2020



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, 2019–2022

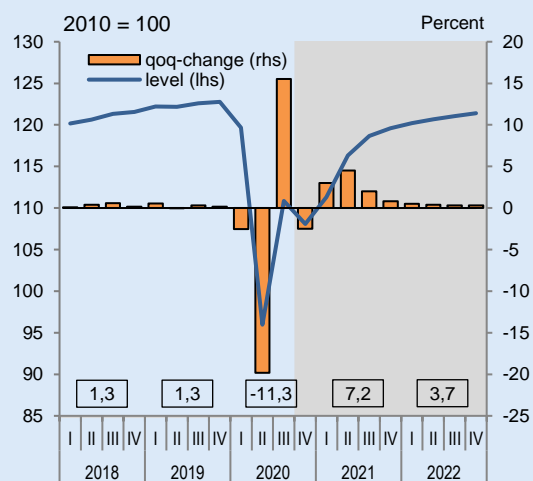
	2019	2020	2021	2022
Gross Domestic Product	1.3	-7.2	4.9	4.0
Domestic expenditure	1.9	-6.8	4.7	4.2
Private consumption	1.4	-8.3	5.1	5.3
Government consumption	1.9	0.8	2.6	0.8
Gross fixed capital formation	5.7	-8.4	8.5	4.8
Inventories	-0.5	-0.5	-0.6	-0.0
Net exports	-0.5	-0.6	0.4	-0.1
Exports	2.5	-9.9	10.3	5.6
Imports	3.9	-9.3	10.1	6.0
Consumer prices	1.2	0.3	1.7	1.4
Unemployment rate	7.5	7.9	8.3	7.2
Current account balance	2.3	2.0	2.3	2.4
Government budget balance	-0.6	-8.6	-5.6	-3.6

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

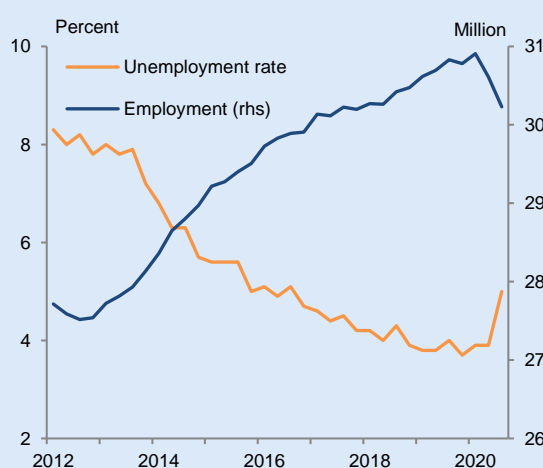
Figure 5.1:
GDP, 2018–2022



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

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

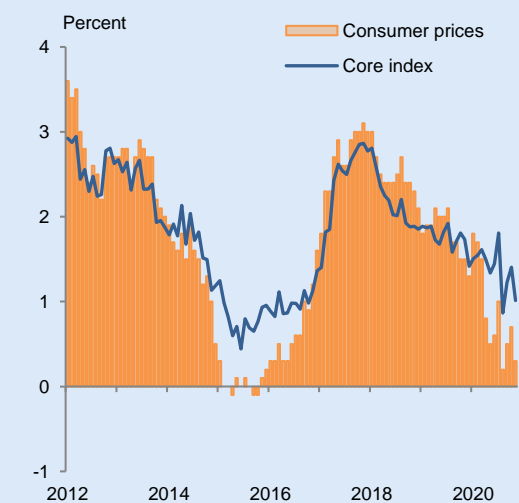
Figure 5.2:
Labor market, 2012–2020



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, 2019–2022

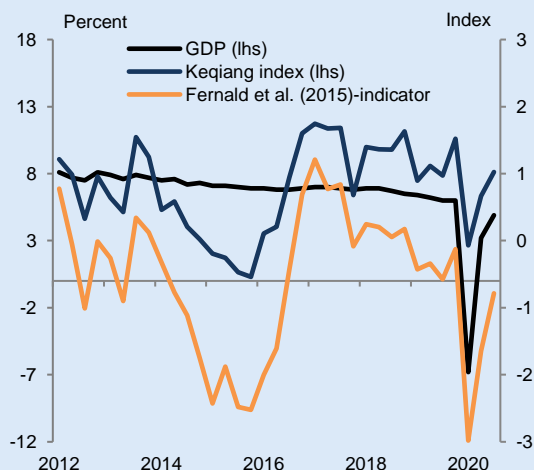
	2019	2020	2021	2022
Gross Domestic Product	1.3	-11.3	6.5	4.0
Domestic expenditure	1.6	-13.3	7.8	4.8
Private consumption	0.9	-14.5	7.0	3.4
Government consumption	4.1	-9.0	6.8	1.5
Gross fixed investment	1.5	-12.6	7.2	3.2
Inventories	-0.1	-0.3	0.5	-0.1
Net exports	-0.2	2.0	-0.6	-0.3
Exports	2.8	-13.5	8.0	3.5
Imports	3.3	-19.0	9.5	4.4
Consumer prices	1.8	0.9	1.8	2.3
Unemployment rate	3.8	4.2	5.3	4.8
Current account balance	-4.3	-2.9	-3.5	-3.5
Government budget balance	-2.4	-16.0	-11.5	-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: Office for National Statistics, *Economy*; shaded: IFW forecast.

6. China

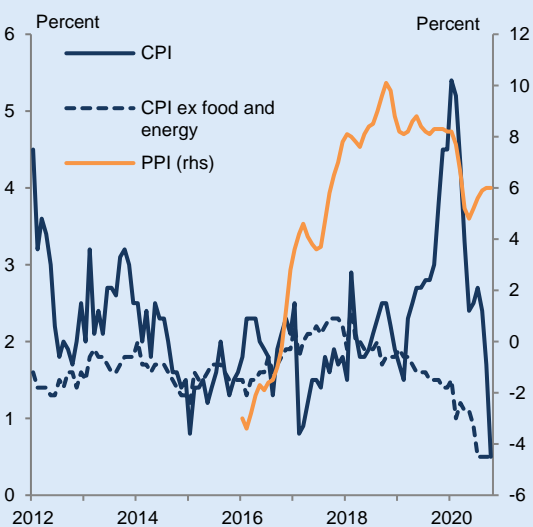
Figure 6.1:
GDP and alternative activity measures, 2012–2020



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.

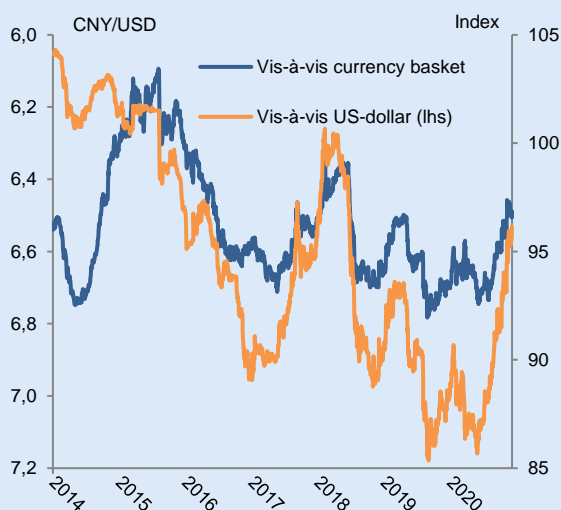
Figure 6.2:
Inflation, 2012–2020



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

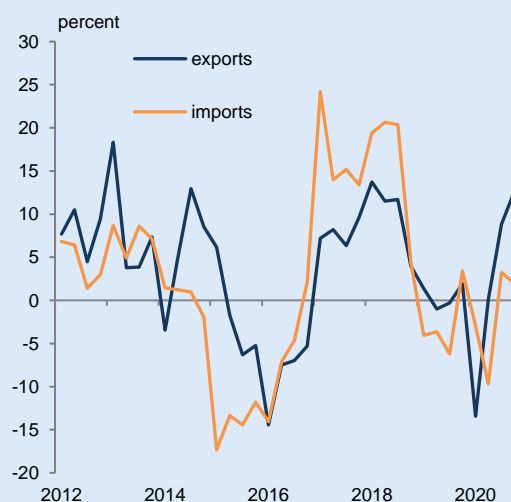
Source: National Bureau of Statistics.

Figure 6.3:
Exchange rate, 2014–2020



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

Figure 6.4:
Exports and imports, 2012–2020

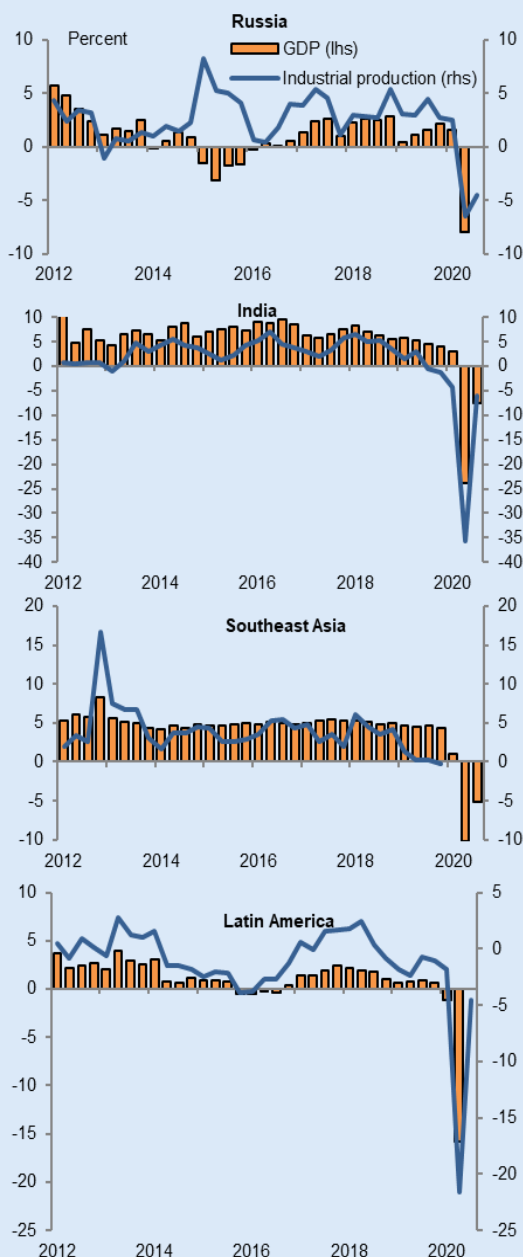


Change on a year earlier based on quarterly averages. 2020Q3: average of July and August.

Source: General Administration of Customs China

7. Other emerging Economies

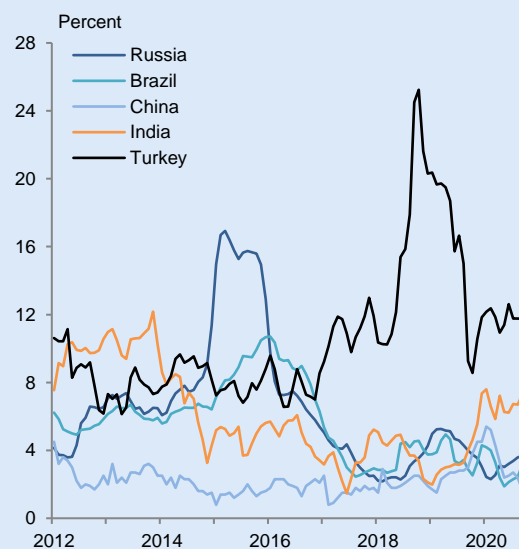
Figure 7.1:
GDP and industrial production in emerging economies
2012–2020



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

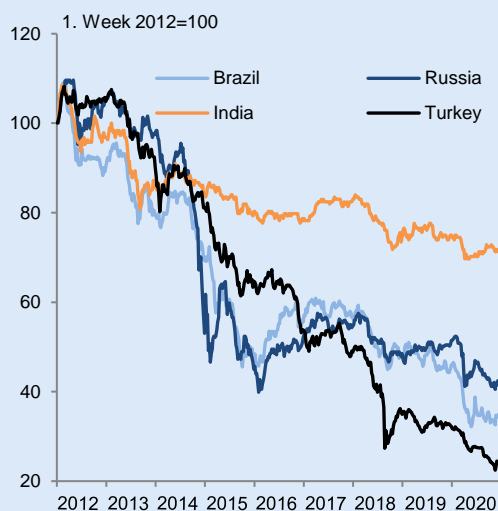
Figure 7.2:
Consumer prices, 2012–2020



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



Weeklyly data.

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	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Exchange rates												
US-dollar/euro	1.1	1.1	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Yen/US-dollar	109.0	107.5	105.8	104.4	104.0	104.0	104.0	104.0	104.0	104.0	104.0	104.0
Oil price (Brent. US-dollar)	50.4	29.4	43.0	43.5	48.9	51.2	53.3	53.8	54.0	54.3	54.6	54.8
HWWI-Index indust. commodities	119.1	112.7	134.9	148.3	151.3	152.8	154.3	155.9	156.7	157.4	158.2	159.0

Key interest rate: Fed Funds Rate (United States, since March 2020 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, 2020–2022

	Weights	Real GDP			Consumer prices			Unemployment rate		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
European Union	36.1	-6.7	4.7	3.9	0.7	1.9	1.8	7.6	7.9	6.8
Euro area	29.3	-7.2	4.9	4.0	0.3	1.7	1.4	7.9	8.3	7.2
Sweden	1.0	-2.9	3.3	2.8	0.8	1.2	1.7	8.3	8.0	6.8
Poland	2.3	-2.6	3.4	4.0	3.6	3.8	4.2	3.3	3.5	3.2
United Kingdom	5.7	-11.3	6.5	4.0	0.9	1.8	2.3	4.2	5.3	4.8
Switzerland	1.1	-2.9	3.7	1.9	-0.8	0.6	0.6	5.4	4.8	4.5
Norway	0.6	-1.4	2.8	2.4	1.4	2.0	2.3	4.5	4.0	3.7
United States	37.4	-3.6	3.7	3.5	1.2	2.2	2.1	8.1	5.7	5.1
Canada	3.3	-5.6	5.0	3.1	0.6	1.2	1.5	9.2	7.5	6.6
Japan	9.5	-5.2	3.7	2.0	0.2	0.5	0.8	2.8	2.9	2.5
South Korea	4.0	-1.0	3.1	3.2	0.5	0.9	1.1	4.2	3.8	3.6
Australia	2.3	-3.0	3.8	3.0	0.7	1.6	2.0	6.9	6.4	6.1
Total	100.0	-5.4	4.4	3.6	0.9	1.8	1.8	6.8	6.1	5.4

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, 2020–2022

	Weights	Real GDP			Consumer prices			Unemployment rate		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Germany	24.9	-5.6	3.1	4.6	0.4	2.5	1.7	4.2	4.8	4.1
France	17.5	-9.0	6.3	3.6	0.6	1.5	1.4	8.2	9.0	8.0
Italy	12.9	-9.2	5.3	3.6	-0.2	1.4	1.2	9.3	9.6	9.0
Spain	9.0	-11.0	8.3	4.4	-0.3	1.3	1.1	15.6	15.1	13.0
Netherlands	5.8	-4.1	3.1	2.9	1.1	1.8	1.6	3.9	4.2	3.4
Belgium	3.4	-7.0	4.5	3.4	0.4	1.5	1.3	5.1	5.3	5.1
Austria	2.9	-7.0	4.5	3.8	1.4	1.8	1.6	5.3	5.3	4.5
Ireland	2.6	1.9	5.6	4.5	0.8	-0.2	1.4	6.0	6.8	5.1
Finland	1.7	-3.4	2.2	2.6	0.4	1.3	1.0	7.8	7.7	6.7
Portugal	1.5	-8.3	6.2	3.8	-0.1	1.3	1.3	7.1	6.9	6.5
Greece	1.3	-8.9	5.6	4.8	-1.2	0.4	1.3	16.6	16.9	14.3
Slovak Republic	0.7	-6.2	6.1	4.0	1.9	2.1	1.9	6.6	6.6	5.8
Luxembourg	0.5	-3.9	2.7	3.5	0.0	0.9	0.8	6.7	6.4	5.5
Slovenia	0.3	-6.9	5.9	3.9	-0.3	0.8	0.7	4.9	4.6	4.0
Lithuania	0.4	-2.0	2.7	3.7	1.1	1.5	1.3	8.9	9.6	7.0
Latvia	0.2	-4.2	4.2	3.4	0.1	0.9	0.8	8.2	7.6	6.3
Estonia	0.2	-2.9	4.6	4.3	-0.7	0.5	0.5	7.0	7.0	5.0
Cyprus	0.2	-5.7	4.1	3.9	-1.2	0.5	0.4	8.3	9.6	6.2
Malta	0.1	-8.7	7.9	4.8	0.8	1.9	1.7	4.0	3.7	3.5
Sweden	3.4	-2.9	3.3	2.8	0.8	1.2	1.7	8.3	8.0	6.8
Poland	3.6	-2.6	3.4	4.0	3.6	3.8	4.2	3.3	3.5	3.2
Denmark	2.2	-3.9	2.8	2.2	0.4	0.8	1.3	5.6	5.7	5.0
Czech Republic	1.5	-6.2	3.2	3.3	3.4	3.5	3.8	2.6	2.7	2.0
Romania	1.5	-5.1	3.2	4.1	2.6	2.4	3.5	5.0	4.9	4.0
Hungary	1.0	-5.1	5.3	4.1	3.4	3.5	4.0	4.3	4.5	3.5
Bulgaria	0.4	-3.5	3.7	4.0	1.4	1.0	2.5	5.5	5.6	4.4
Croatia	0.4	-8.5	4.3	5.0	0.1	0.4	2.0	7.6	7.8	6.0
European Union	100	-6.7	4.7	3.9	0.7	1.9	1.8	7.6	7.9	6.8
<i>Addendum:</i>										
European Union 14	89.6	-7.0	4.8	3.9	0.3	1.6	1.4	8.5	8.8	7.7
Accession countries	8.9	-5.2	4.6	4.6	2.8	2.9	3.5	4.5	4.6	3.8
Euro Area	86.1	-7.2	4.9	4.0	0.3	1.7	1.4	7.9	8.3	7.2
Euro Area without Germany	61.2	-7.9	5.7	3.7	0.3	1.4	1.3	9.3	9.5	8.4

Based on GDP at prices and exchange rates of 2019 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 2019. 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, 2019–2022

	Weights	Real GDP				Consumer prices			
		2019	2020	2021	2022	2019	2020	2021	2022
Indonesia	6.0	5.0	-1.8	6.6	5.5	2.8	2.0	2.6	3.2
Thailand	2.4	2.6	-6.4	4.3	4.3	0.7	-0.8	1.1	1.4
Malaysia	1.7	4.3	-5.2	8.3	6.3	0.7	-1.1	1.3	2.1
Philippines	1.8	6.0	-9.8	7.3	7.1	2.5	2.6	3.3	3.1
Total	11.9	4.6	-4.4	6.5	5.6	2.0	1.1	2.2	2.7
China	42.0	6.1	1.8	9.2	5.9	2.9	2.7	2.0	2.3
India	17.1	4.9	-7.9	11.6	8.8	3.7	6.9	7.3	4.8
Asian countries	71.0	5.5	-1.6	9.3	6.5	3.0	3.4	3.3	3.0
Brazil	5.8	1.4	-4.6	3.9	3.1	3.7	3.0	3.1	3.4
Mexico	4.7	0.0	-8.9	4.4	3.4	3.6	3.4	3.6	3.1
Argentina	1.9	-2.1	-12.3	4.8	2.9	53.5	50.0	40.0	40.0
Colombia	1.4	3.3	-8.0	5.0	3.9	3.5	2.5	1.9	3.0
Venezuela	0.4	-35.0	-25.0	-10.0	-5.0	-	-	-	-
Chile	0.9	1.0	-6.9	4.1	4.3	2.3	3.1	3.2	3.0
Peru	0.8	2.2	-11.5	6.1	4.6	2.1	1.8	2.3	2.4
Latin American countries total	15.8	0.7	-7.6	4.4	3.4	9.5	8.7	7.6	7.6
Russia	7.4	1.3	-3.0	4.2	1.8	3.7	3.6	4.7	4.0
Turkey	4.4	0.9	-5.5	6.0	4.0	15.2	12.2	13.5	11.0
South Africa	1.4	0.2	-7.5	7.0	3.5	4.1	3.3	4.0	5.0
Total	100.0	4.2	-2.9	8.0	5.5	4.6	4.7	4.6	4.2

Based on 2019 GDP at purchasing power parities; in percent.

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