KIEL INSTITUTE ECONOMIC OUTLOOK

World Economy
Summer 2021

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Research Center
Business Cycles and Growth

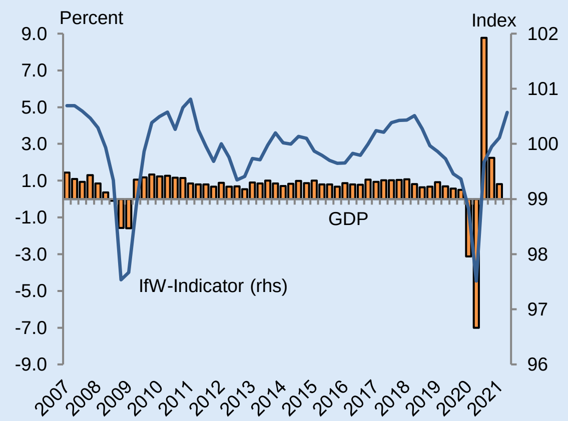
POST-CORONA-BOOM UNDERWAY

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

The global economy remained on track in the first months of 2021, despite surging covid-19 infections and renewed containment measures in many countries. The impact of the pandemic was largely confined to the service sectors. Meanwhile, the pronounced upturn in industrial production and global trade continued until spring, but has started to falter recently as a result of supply bottlenecks and logistical problems. The tensions in the global economic fabric are reflected not least in sharp price increases for raw materials, intermediate goods and transportation services, which have already contributed to a noticeable rise in consumer prices. Continued highly expansionary monetary policy and considerable fiscal policy stimulus, notably in the United States but also in the euro zone, are fueling economic activity this year and next. We expect global output (measured on a purchasing power parity basis) to increase by 6.7 percent in 2021 and by 4.8 percent in 2022, which is still substantially above medium-term trend growth. In view of the high economic momentum and higher inflation risks, we expect the Federal Reserve to start tightening earlier than previously expected. This is associated with the risk of a significant deterioration in financing conditions going forward, particularly for some emerging economies.

The world economy continued to expand at the start of the year, albeit at a slower pace. On a seasonally adjusted basis, global GDP grew 0.8 percent compared to the previous quarter, roughly in line with the average growth rate prior to the pandemic (Figure 1). However, regional heterogeneity was quite pronounced. Production fell markedly in the UK or Japan and growth slowed in China, while the expansion in the rest of Asia continued at a high pace and economic momentum even increased in the United States. The drop in GDP of 0.3 percent in the EU as a whole also masks considerable differences across member states.

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.

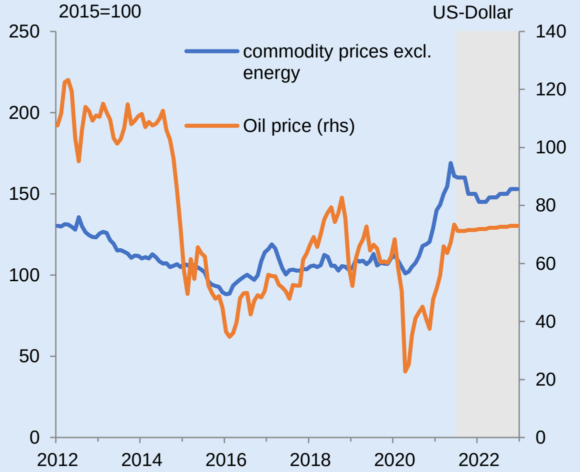
Source: OECD, Main Economic Indicators; national sources; Kiel Institute calculations.

Global activity has gathered pace in spring as measures to contain the virus have been lifted. While the number of daily registered Covid-19 cases remained high at the beginning of the second quarter, they have since dropped considerably in many countries. As a result, restrictions on economic activity to contain the pandemic are being lifted and activity in contact intensive sectors such as hospitality is rebounding in the euro area and the UK, following a pattern already witnessed in the US during the first quarter. Across the globe, however, the pandemic is far from over as shown by a dramatic rise in infections and deaths associated with Covid-19 in April and May in India.

The upturn of industrial production and world trade has started to falter amid supply-side bottlenecks and logistical problems. By March 2021, global industrial production had surpassed its pre-crisis level by more than 2 percent according to figures of the CPB. Since then, however, growth has slowed amid supply-side bottlenecks (semiconductors) and logistical problems particularly in maritime transport. Against this backdrop, the increase in world trade is likely to have paused in the second quarter after strong growth in the first three months of the current year.

Commodity prices have increased 0n the back of robust global industrial production and reduced supply. The HWWI-index of commodity prices has more than doubled over the last 12 months. While the increase in the second half of the previous year was largely driven by rising oil prices, more recently industrial commodities and food prices have accelerated (Figure 2), in some cases even surpassing the historical highs reached a decade ago. There is some indication that high prices for industrial commodities will persist for an extended period of time, whereas ample supply is likely to keep oil prices far below its historical peak of more than 100 USD per barrel.

Figure 2:
Commodity Prices



Monthly data; commodity prices: HWWI-Index, US-Dollar basis; Oil price: Spot price Brent. Shaded: Kiel Institute.

Source: International Petroleum Exchange via Refinitiv Datastream; HWWI, *Commodity Price Index*.

Risks to price stability remain high. Inflation in advanced economies has picked up markedly in recent months, after initial declines in price levels at the beginning of the crisis. Partly, this is due to base effects related to energy prices, but prices have been rising more rapidly at the current data edge as well. Insofar current inflationary pressures reflect temporary supply-side bottlenecks, price pressures should moderate somewhat as they subside going forward. Nevertheless, there are considerable upside risks to inflation from the combination of highly expansionary monetary and fiscal policies and the rebound of economic activity in sectors which have been depressed by covid-19 containment measures so far.

Monetary policy remains expansionary, but the Federal Reserve is likely to begin tightening sooner than previously expected. Against the backdrop of a second wave of covid-19 in autumn last year, central banks in advanced economies have stepped up expansionary measures or announced that interest rates will stay low for longer. However, long-term interest rates in the US have recovered and medium-term inflation expectations are on the rise. We therefore except the Federal Reserve to taper its bond purchases over the course of this year and start raising interest rates in 2022, albeit slowly. In the euro area, policy rates will remain at their current level over the forecast horizon, reflecting a weaker economic recovery.

Additional fiscal impulses are expected throughout the recovery. Budget deficits increased drastically in the previous year as governments responded to the pandemic and its economic fallout. Deficits remain high in the current year owing to continued fiscal support that has already been enacted. In the coming year, fiscal policy will be less expansionary as pandemic-related measures run out in light of the economic recovery, but discretionary measures to improve the budget will be the exception. By contrast, planned or already enacted multi-year spending programs with the aim of boosting infrastructure or decarbonizing the economy such as the “Next Generation EU”-program, however, continue to provide a fiscal boost. Similarly, governments in emerging economies will put off consolidation for the time being provided that interest rates remain low.

OUTLOOK: STRONG EXPANSION AHEAD

After the historic drop in activity last year, the world economy will increase strongly in 2021 and 2022. Due to another wave of the pandemic, the global recovery slowed at the start of 2021. Output, however, declined only in a few countries, mostly in Europe. As the pandemic recedes and containment measures are lifted, economic activity is likely to rebound in those sectors that were particularly hard-hit. For 2021 we expect global output (at purchasing power parity) to increase by 6,7 percent, following a drop of 3,2 percent in the previous year (Table 1). In the coming year, we expect growth of 4,6 percent, again substantially above the trend growth observed in recent years. At market exchange rates, the corresponding growth rates for 2021 and 2022 are 6,5 and 4,6 percent, respectively. World trade is expected to increase almost 10 percent this year, followed by a rise of 3,3 percent in 2022. Despite the fall of more than 5 percent in 2020 world trade will be higher at the end of the forecast horizon than we had expected prior to the pandemic.

The outlook in the advanced economies has improved since spring, while we have lowered our forecast for emerging economies. Our forecasts for global GDP are largely unchanged compared to our March forecasts. However, we now see somewhat higher growth this year in the advanced economies (5,7 compared to 5,3 percent in March), mostly because the impact of the pandemic in Europe was less severe than expected. At the same time, we have lowered our growth forecast for the emerging economies (7,6 compared to 8,0 percent in March), reflecting weaker growth dynamics in Asia owing to a rise in infections and tighter restrictions on economic activity. Also, GDP in China disappointed in the first quarter. Growth prospects in Africa and Latin America by contrast have improved.

US growth will be strong over the forecast horizon and inflation significantly higher than in previous years. Helped by falling new Covid-19 cases, the recovery in the United States is continuing rapidly. A projected return of the savings rate to normal levels will boost growth. We expect GDP to increase by 6,7 and 4,1 percent in 2021 and 2022, respectively, and the unemployment rate to fall to the low levels recorded prior to the pandemic. While the current jump in inflation is to a large extent due to transitory factors such as base effects and extremely strong price increases of a few goods related to the reopening of specific sectors, underlying price pressures is expected to increase markedly over the forecast horizon and risks to inflation are clearly tilted to the upside.

The Chinese economy will expand moderately in the coming years. After production reached its pre-crisis trend already at the end of 2020, we expect moderate growth going forward. As activity normalizes also in those sectors that have still not fully recovered from the pandemic, economic policy is likely to gradually tighten as attention of policymakers shifts back to financial stability concerns. GDP growth of 8,7 percent this year is followed by 5,7 percent in the coming year.

Economic activity in the euro area is set to expand rapidly over the summer and reach its pre-crisis level at the end of 2021. After two quarters of decline, GDP in the first quarter of 2021 was around 5 percent lower than at the end of 2019 before the crisis started. Activity, however, looks set to rebound in the coming quarters with pandemic restrictions progressively lifted. On an annual basis, we expect GDP to grow by 5,2 percent this year, followed by 4,2 percent in 2022. By the end of 2022, the economy will largely have normalized with growth rates close to potential growth.

The British economy is bouncing back, but headwinds from Brexit remain. Notwithstanding a recent pick-up in infections, we still expect that economic activity continues to normalize over the summer. At the same time, the economic repercussions of the UK's exit from the European common market continue to weigh on the economy contribute to a relatively slow return of output to pre-crisis levels. GDP is forecast to grow by 6,8 percent this year and 4,6 percent next year.

The risks to our outlook are largely balanced. Downside risks relate to the pandemic as new variants of the virus could lead to another wave of infections and subsequent restrictions on economic activity. In addition, supply-side bottlenecks might dampen the expansion in production for longer than we currently expect. Downside risks also stem from the financial consequences of the crisis, which has made public debt increase across the globe. On the other hand, unusually high household savings accumulated during the crisis pose an upside risk to our projection. As savings fall and investment rises, interest rates look set to increase, particularly if the recent surge in inflation leads to a significant increase in inflation expectations. In such a scenario, monetary policy would have to be tightened sooner and quicker than is embedded in our forecast. As sustainability of government debt hinges crucially on low real interest rates, this could pose a dilemma for central banks who could be forced to choose between maintaining price stability and maintaining fiscal space, particularly in highly indebted 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	6.7	4.1	1.2	4.0	2.7
Japan	-4.7	2.7	2.2	0.0	0.5	0.8
Euro Area	-6.7	5.3	4.4	0.3	2.0	1.7
United Kingdom	-9.8	6.8	4.6	0.9	1.7	1.9
Advanced economies total	-4.7	5.7	3.9	0.8	2.7	2.1
China	2.3	8.7	5.7	2.5	1.3	2.3
Latin America	-7.0	6.3	3.6	8.1	10.2	7.1
India	-7.0	11.0	8.6	6.6	5.2	5.7
East Asia	-4.5	5.2	6.2	1.1	2.4	2.6
Russia	-2.6	2.7	2.3	3.6	4.7	4.0
Africa	-1.1	4.2	4.5	7.9	9.4	8.9
World economy total	-3.2	6.7	4.8	3.3	4.1	3.9
Addendum: World trade volume	-5.3	9.9	3.3	.	.	.
Oil price (Brent in US$)	41.8	67.9	72.5	.	.	.
World economy total (weighted according to GDP at market exchange rates)	-3.8	6.5	4.6	2.4	3.6	3.2

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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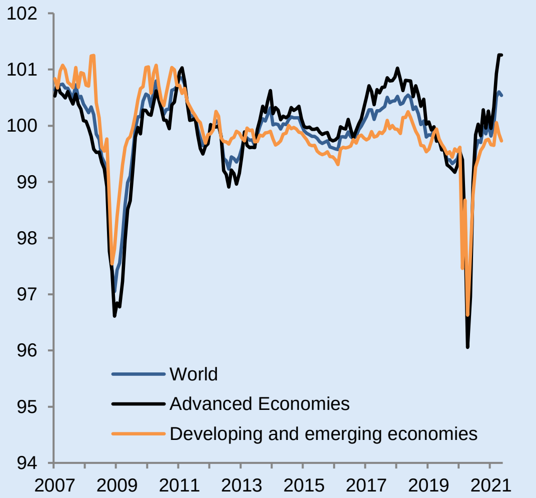
1. World Economy

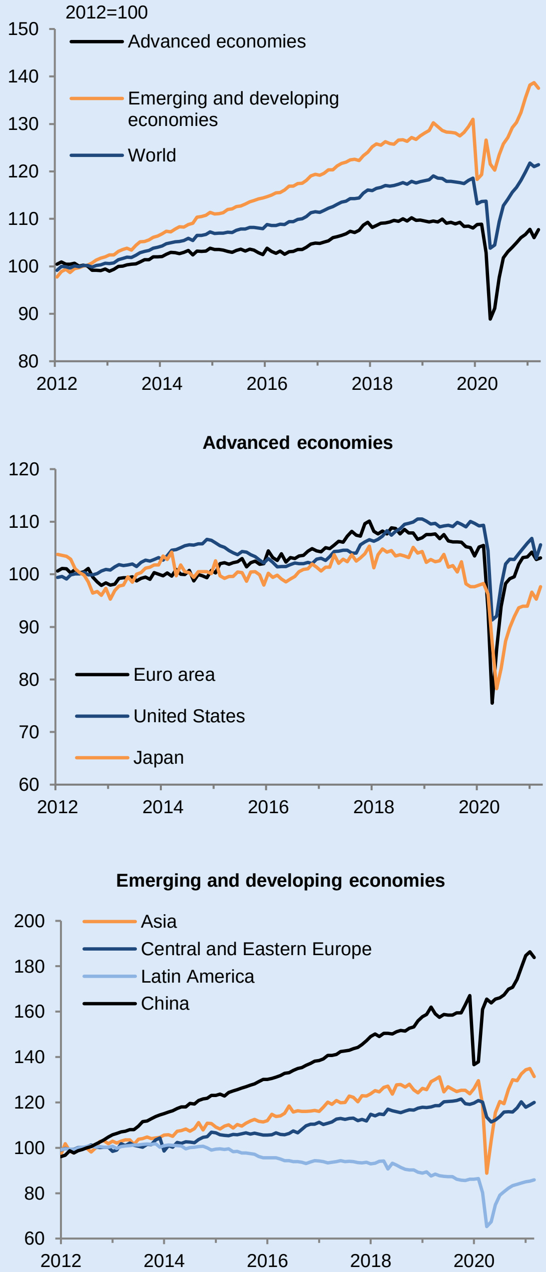
Figure 1.1:
Business expectations by groups of countries



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

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

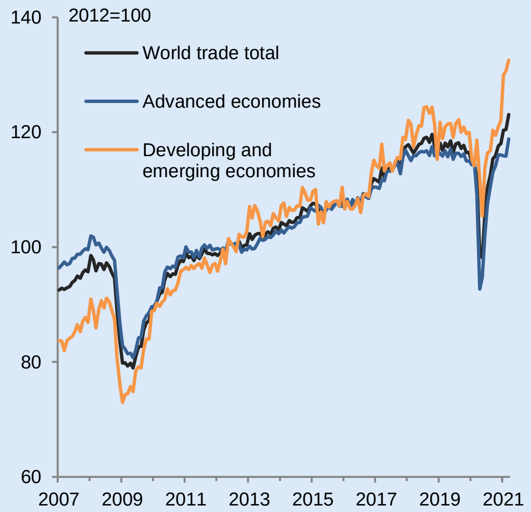
Figure 1.2:
Industrial production by groups of countries and regions



Monthly data. Last value: June 2020.

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

Figure 1.3:
World Trade

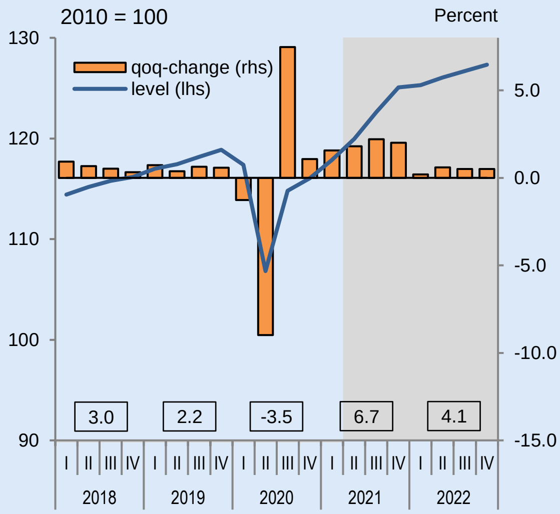


Monthly Data.

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

2. United States

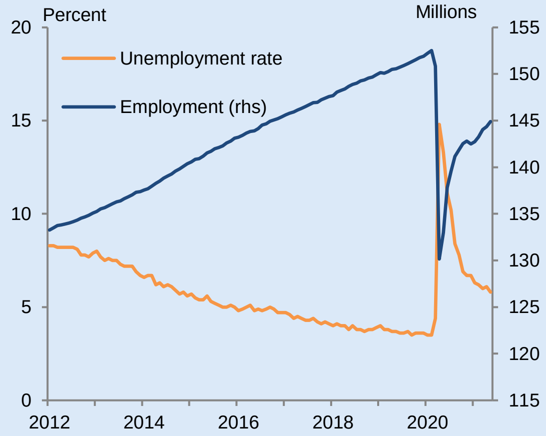
Figure 2.1:
GDP



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.*

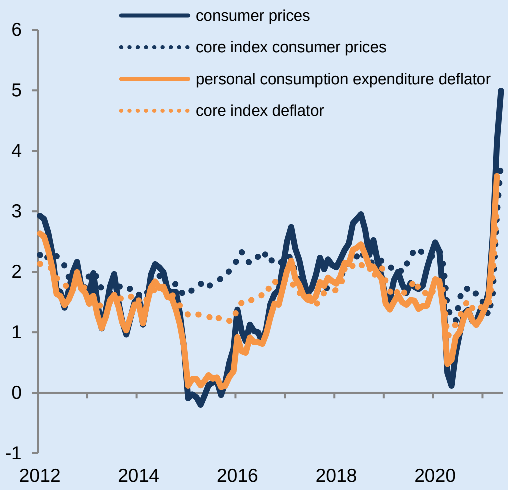
Table 2.1:
Key indicators United States

	2020	2021	2022
Gross Domestic Product	-3.5	6.7	4.1
Domestic expenditure	-3.3	7.4	3.7
Private consumption	-3.9	8.4	4.5
Government consumption	1.1	1.7	1.6
Gross fixed capital formation	-1.8	9.8	3.8
Machinery and equipment	-5.0	15.3	4.5
Intellectual property rights	1.7	8.3	3.6
Structures	-11.0	-6.2	3.1
Residential investment	6.1	15.0	3.6
Inventories	-0.6	-0.1	-0.2
Net exports	-0.2	-0.7	0.4
Exports	-12.9	6.7	7.6
Imports	-9.3	12.5	3.8
Consumer prices	1.2	4.0	2.7
Unemployment rate	8.1	5.3	4.1
Current account balance	-2.5	-2.8	-2.3
Government budget balance	-14.8	-14.8	-9.6

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. Budget balance: fiscal year.

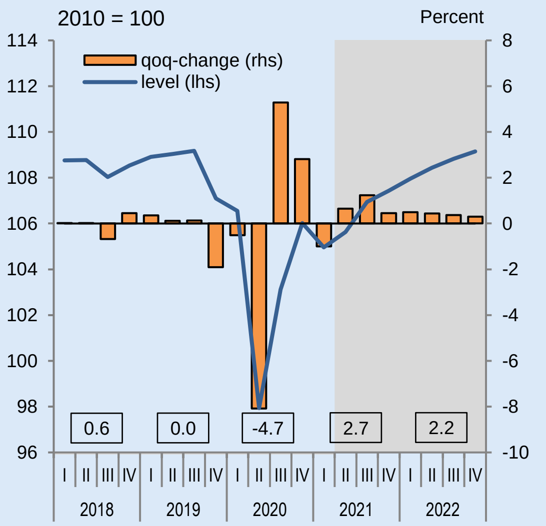
Source: US Department of Commerce, *National Economic Accounts;* US Department of Labor, *Employment Situation and Consumer Price Index;* US Department of the Treasury, *Monthly Treasury Statement;* Kiel Institute calculations; shaded: Kiel Institute forecast.

Figure 2.3:
Consumer prices



3. Japan

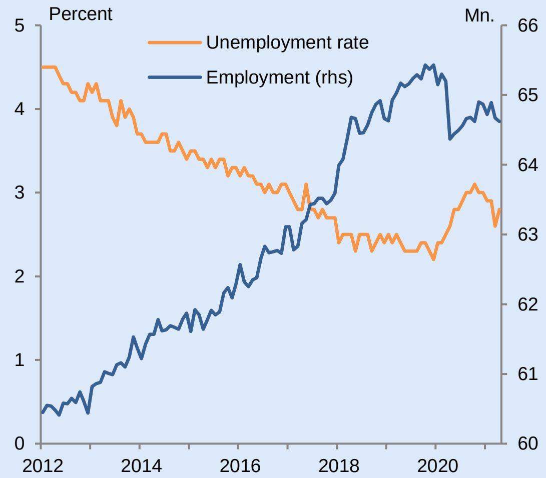
Figure 3.1:
GDP



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

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

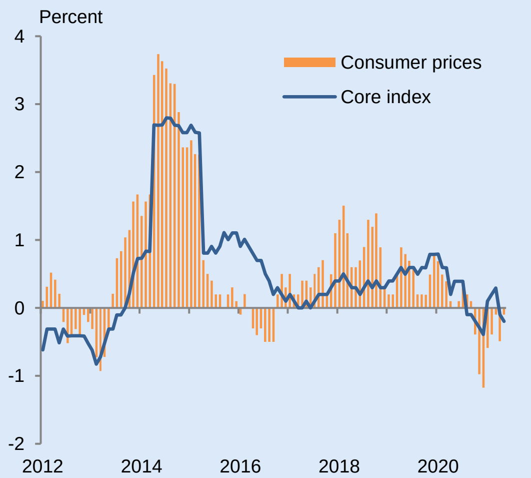
Figure 3.2:
Labor market



Monthly data; seasonally adjusted.

Source: Department of Labor.

Figure 3.3:
Consumer prices



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

Source: Statistics Bureau of Japan.

Table 3.1:
Key indicators Japan, 2018–2021

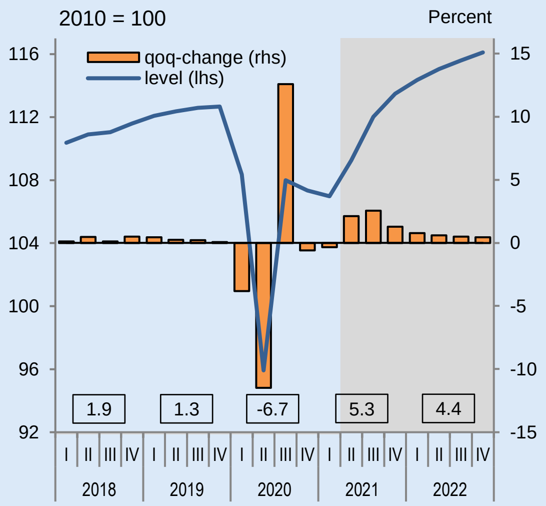
	2019	2020	2021	2022
Gross Domestic Product	0.0	-4.7	2.7	2.2
Domestic expenditure	0.5	-3.9	1.9	2.2
Private consumption	-0.2	-6.0	1.9	2.2
Government consumption	1.9	2.7	2.6	1.7
Gross fixed capital formation	0.8	-0.4	-2.1	2.7
Enterprises	0.1	-6.2	1.2	3.3
Residential Investment	3.9	-7.0	-0.2	2.6
Public investment	1.1	3.7	5.1	1.3
Change in inventories	0.0	-0.1	0.1	0.0
Net exports	-0.3	-0.6	0.6	0.0
Exports	-1.5	-11.8	11.2	4.1
Imports	1.1	-7.3	6.2	4.3
Consumer prices	0.5	0.0	0.5	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	-10.1	-7.0	-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*; Kiel Institute calculations; shaded: Kiel Institute forecast.

4. Euro Area

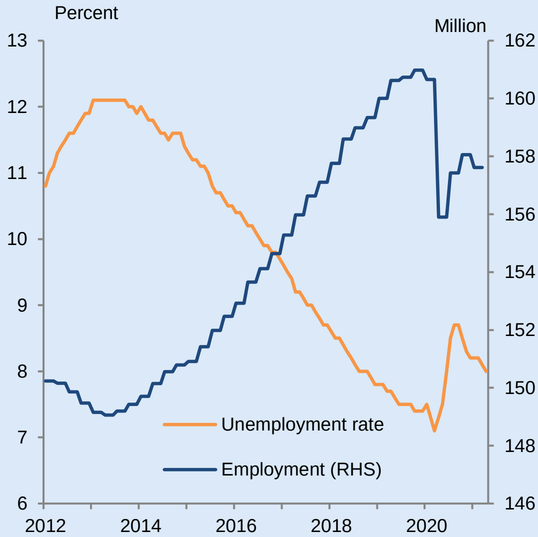
Figure 4.1:
GDP



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.

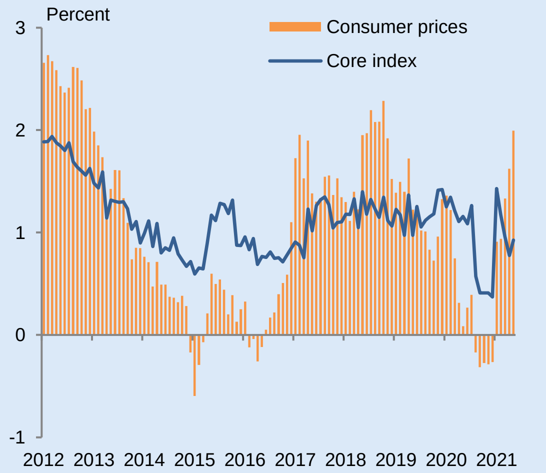
Figure 4.2:
Labor market, 2012–2020



Monthly data; seasonally adjusted.

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

Figure 4.3:
Consumer prices



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

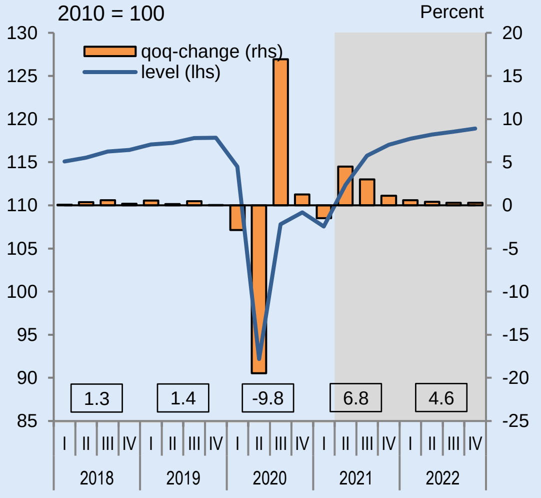
	2019	2020	2021	2022
Gross Domestic Product	1.3	-6.7	5.3	4.4
Domestic expenditure	1.9	-6.4	4.9	4.8
Private consumption	1.3	-8.0	4.6	6.3
Government consumption	1.8	1.4	2.9	0.6
Gross fixed capital formation	5.7	-8.4	6.1	5.2
Inventories	-0.5	-0.3	0.3	0.0
Net exports	-0.5	-0.6	0.5	-0.2
Exports	2.5	-9.6	9.8	5.5
Imports	3.9	-9.1	9.4	6.4
Consumer prices	1.2	0.3	2.0	1.6
Unemployment rate	7.5	8.0	8.0	7.1
Current account balance	2.4	2.1	2.4	2.2
Government budget balance	-0.6	-7.3	-6.8	-3.5

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.

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

5. United Kingdom

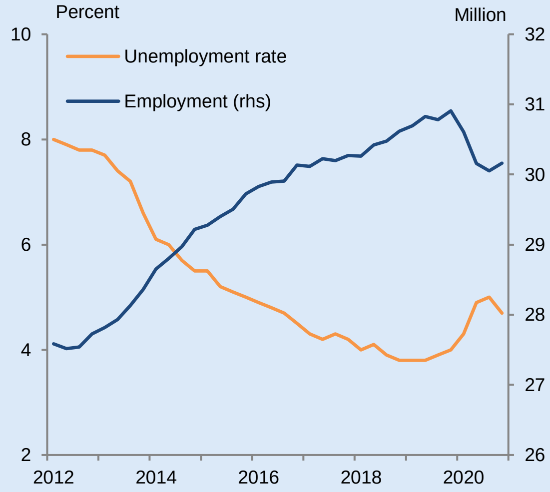
Figure 5.1:
GDP



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

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

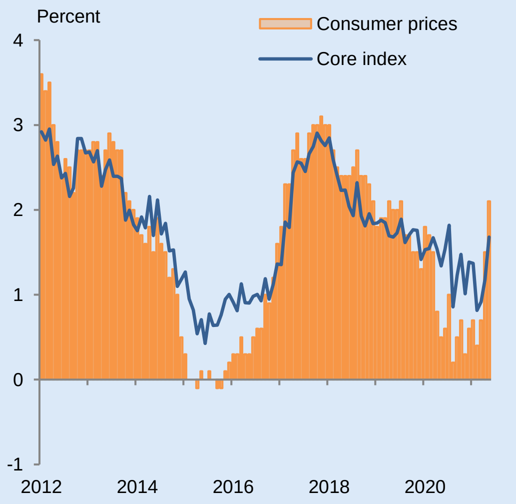
Figure 5.2:
Labor market



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
Key Indicators United Kingdom

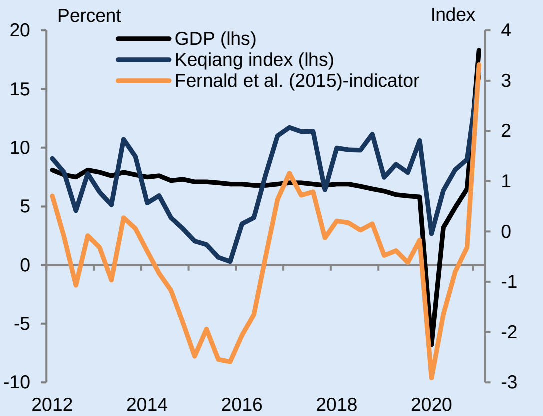
	2019	2020	2021	2022
Gross Domestic Product	1.4	-9.8	6.8	4.6
Domestic demand	1.7	-10.5	7.7	4.0
Private consumption	1.1	-11.0	8.6	4.5
Government consumption	4.0	-6.5	7.0	2.9
Gross fixed investment	1.5	-8.8	8.5	5.5
Inventories	0.0	-0.6	0.4	0.1
Net exports	-0.1	0.8	-0.9	0.1
Exports	2.7	-15.8	8.1	5.5
Imports	2.7	-17.8	10.6	4.9
Consumer prices	1.8	0.9	1.7	1.9
Unemployment rate	3.8	4.2	5.3	4.8
Current account balance	-4.0	-3.1	-3.8	-4.0
Fiscal balance	-2.4	-12.8	-9.5	-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, fiscal balance: percent of nominal GDP.

Source: Office for National Statistics, *Economy.* Shaded area: IfW forecast.

6. China

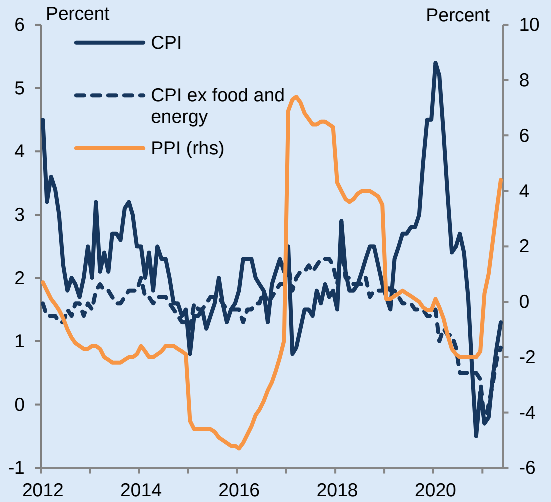
Figure 6.1:
GDP



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.

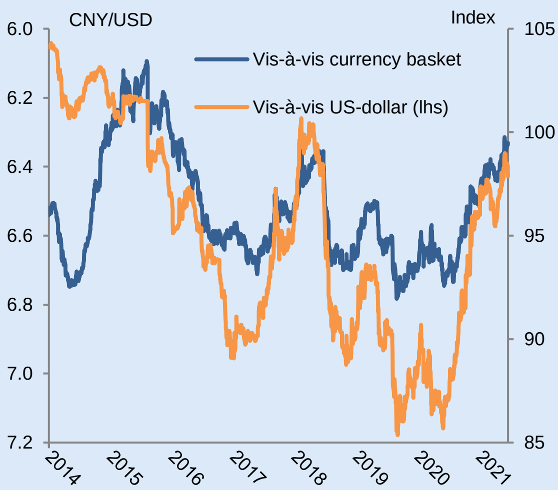
Figure 6.2:
Inflation



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

Source: National Bureau of Statistics.

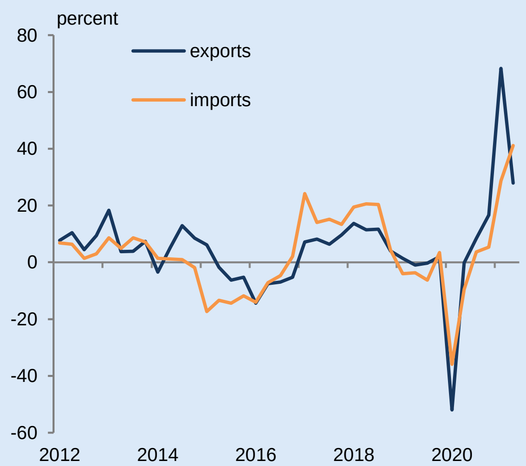
Figure 6.3:
Exchange rates



Daily data.

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

Figure 6.4:
Exports and imports

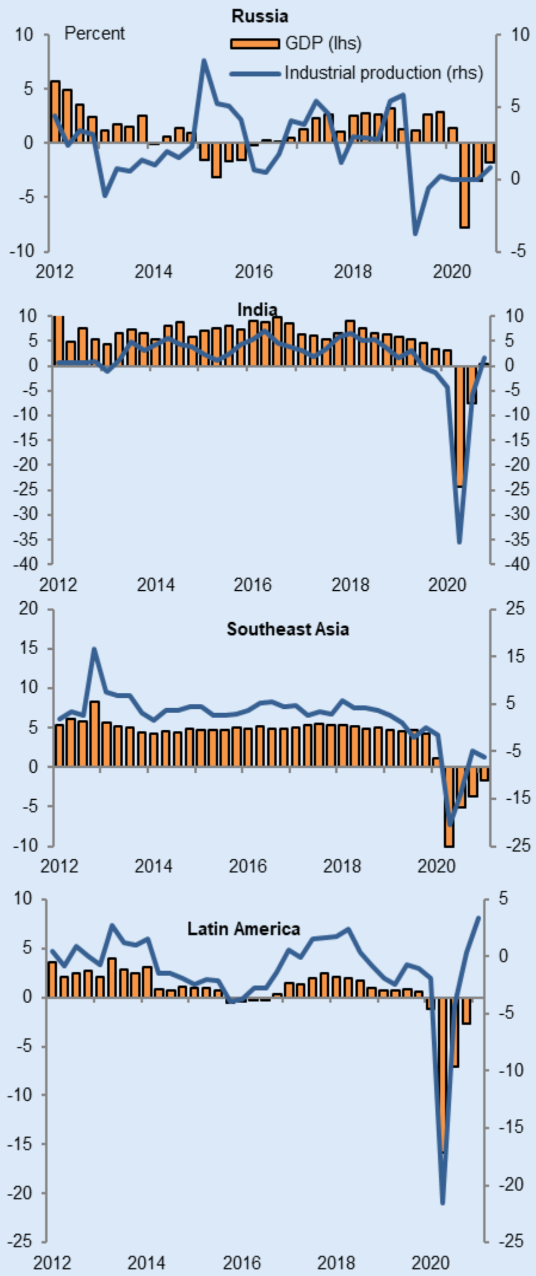


Change on a year ealier based on quarterly averages. 2020Q3: average of July and August.

Source: General Administration of Customs China

7. Emerging Economies

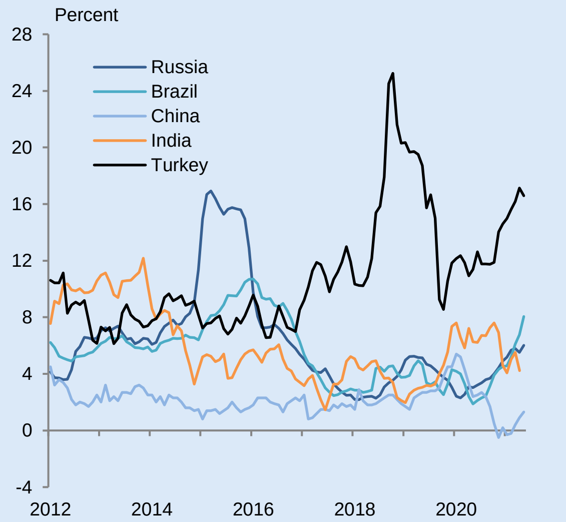
Figure 7.1:
GDP and industrial production in emerging economies



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 Argentinia, Brasil, Chile, Colombia, Mexico and Peru.

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

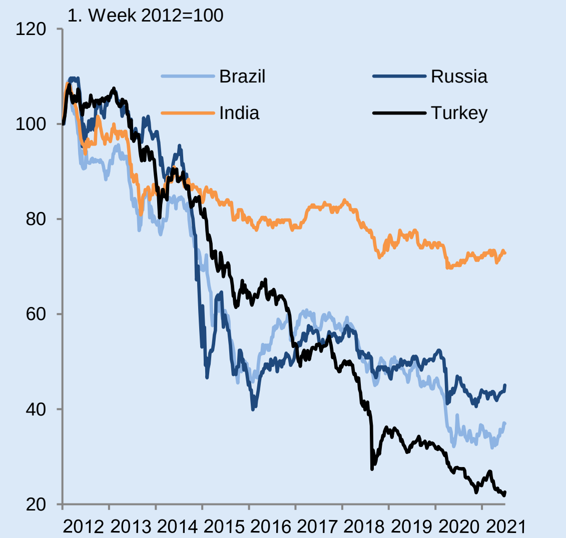
Figure 7.2:
Consumer prices



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



Weekly data.
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Source: Thomson Reuters Datastream

8. Forecast summary

Table 8.1:
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	36.0	-6.2	5.2	4.3	0.7	2.1	2.0	7.6	7.6	6.7
Euro area	29.2	-6.7	5.3	4.4	0.3	2.0	1.7	7.9	8.0	7.1
Sweden	1.0	-2.9	4.3	3.3	0.8	1.2	1.7	8.3	8.5	7.1
Poland	2.3	-2.7	4.6	4.3	3.6	3.8	4.2	3.2	3.0	2.8
United Kingdom	5.6	-9.8	6.8	4.6	0.9	1.7	1.9	4.2	5.3	4.8
Switzerland	1.1	-2.7	3.6	1.9	-0.8	0.5	1.0	5.4	4.8	4.5
Norway	0.6	-1.3	2.7	2.4	1.2	3.0	1.8	4.5	4.0	3.7
United States	37.3	-3.5	6.7	4.1	1.2	4.0	2.7	8.1	5.3	4.1
Canada	3.4	-5.3	6.4	3.9	0.7	3.0	2.5	9.2	7.5	6.6
Japan	9.6	-4.7	2.7	2.2	0.0	0.5	0.8	2.8	2.7	2.5
South Korea	4.0	-0.9	4.4	3.5	0.5	2.3	1.7	4.2	3.8	3.6
Australia	2.3	-2.4	5.6	3.3	0.8	2.8	2.1	6.9	6.4	6.1
Total	100.0	-5.0	5.8	4.1	0.9	2.8	2.2	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 8.2:

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	6.0	6.0	2.8	2.0	2.2	3.1
Thailand	2.3	2.3	-6.2	2.8	5.0	0.7	-0.8	1.1	1.6
Malaysia	1.6	4.4	-5.7	6.2	6.5	0.7	-1.1	3.0	2.4
Philippines	1.7	6.0	-9.4	4.9	8.5	2.5	2.6	4.1	2.4
Total	11.3	4.5	-4.5	5.2	6.2	2.0	1.1	2.4	2.6
China	39.7	6.1	2.3	8.7	5.7	2.9	2.5	1.3	2.3
India	16.3	4.8	-7.0	11.0	8.6	3.7	6.6	5.2	5.7
Asia total	67.2	5.5	-1.1	8.7	6.5	3.0	3.3	2.4	3.2
Brazil	5.5	1.4	-4.4	5.2	3.2	3.7	3.2	6.3	3.5
Mexico	4.5	-0.2	-8.5	5.7	3.9	3.6	3.4	5.0	3.3
Argentina	1.8	-2.1	-9.9	6.7	3.9	53.5	45.0	47.0	35.0
Colombia	1.3	3.3	-6.8	8.8	3.5	3.5	2.5	3.7	3.6
Venezuela	0.3	-35.0	-25.0	-10.0	-5.0	-	-	-	-
Chile	0.8	0.9	-6.0	7.8	2.7	2.3	3.0	3.5	2.5
Peru	0.8	2.2	-11.1	10.5	5.2	2.1	1.8	2.8	2.5
Latin America total	15.0	0.7	-7.0	6.3	3.6	9.5	8.1	10.2	7.1
Egypt	2.1	5.6	3.6	3.5	5.7	13.9	5.7	5.0	6.5
Nigeria	1.8	2.2	-1.8	3.5	3.0	11.4	13.2	17.5	15.0
South Africa	1.3	0.2	-7.0	6.0	4.0	4.1	3.3	4.5	4.5
Algeria	0.9	0.8	-6.0	4.5	3.0	2.0	2.4	5.0	5.0
Ethiopia	0.4	9.0	6.1	4.0	9.0	15.8	20.4	20.0	15.0
Africa total	6.5	3.2	-1.1	4.2	4.5	9.8	7.9	9.4	8.9
Russia	7.1	1.8	-2.6	2.7	2.3	3.7	3.6	4.7	4.0
Turkey	4.2	0.9	1.6	9.2	4.0	15.2	12.2	16.0	14.0
Total	100.0	4.2	-2.0	7.6	5.5	4.9	4.7	4.8	4.7

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.