



Osservatorio GEI

Economia Globale Tra Rallentamento e Incertezze



Emilio Rossi

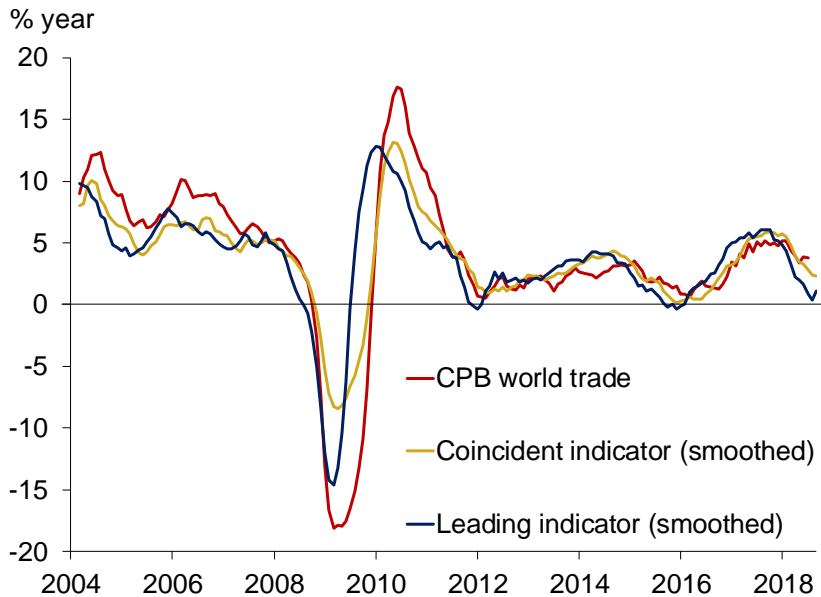
Senior Advisor, Oxford Economics
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Signs that growth is starting to slow

World trade and world trade indicators



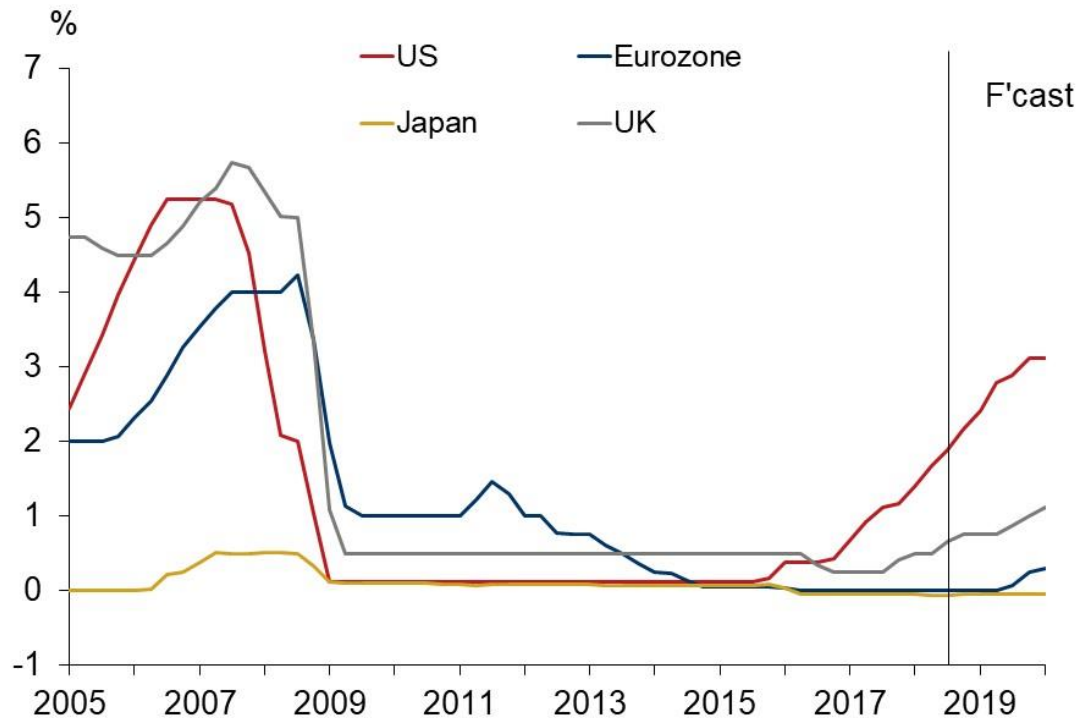
World: GDP & PMI



- Most indicators still consistent with fairly healthy GDP growth, but...
- ...Trade indicators have lost momentum...
- ...PMI still weak on a near-two-year low, despite slight improvement in October...
- ...accommodative monetary policies and US/Japan fiscal boosts have time limits
- Global growth slowing from 3,1% in 2018 to 2.8% in 2019

Baseline is for gradual policy normalisation

World: Policy rate



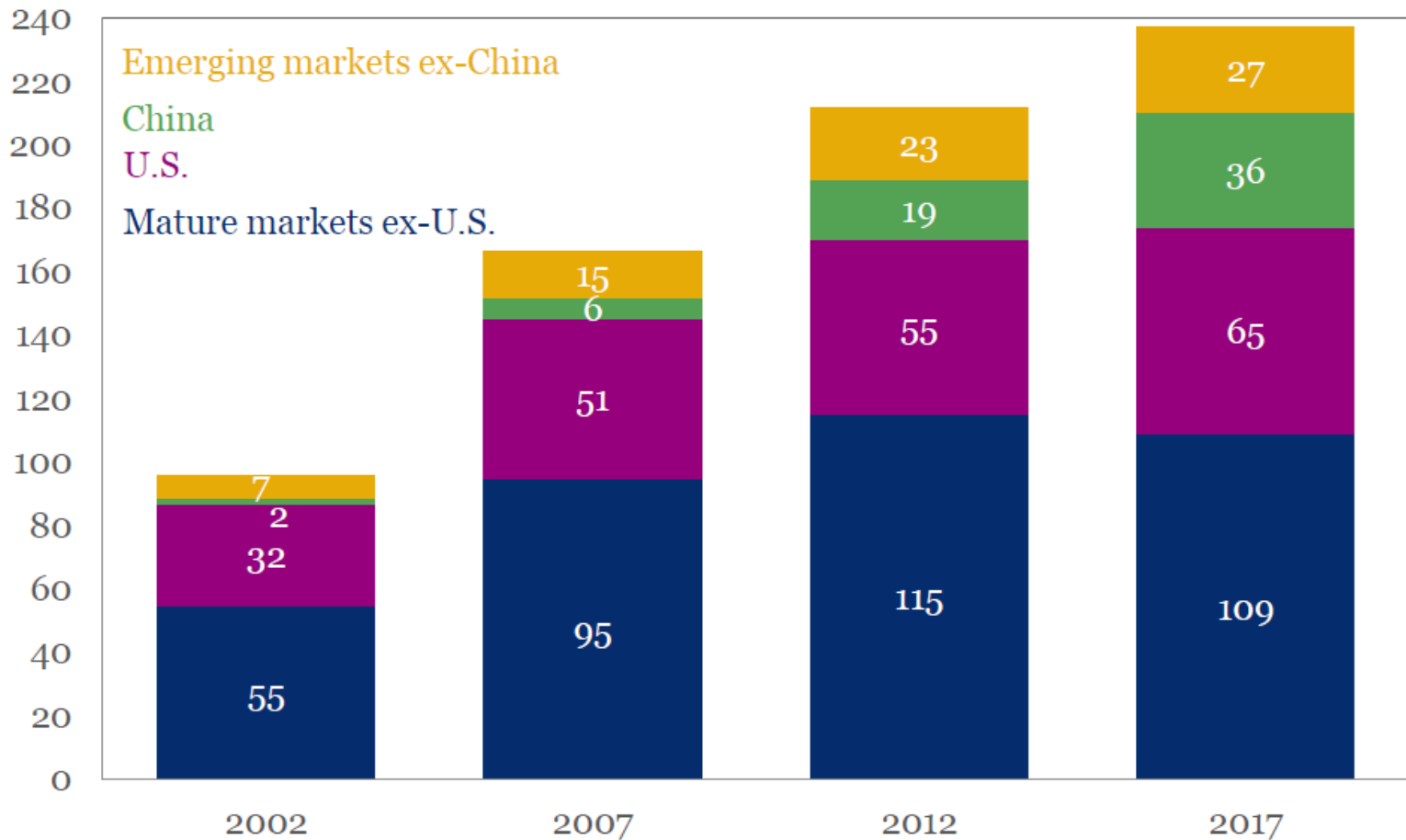
Source : Oxford Economics/Haver Analytics

- Further rate hikes in 2019 and beyond, inflationary pressures may lead to excessive tightening
- A potential risk is the link between protectionism, rising inflation and interest rates in a highly indebted global environment – will Central Banks tighten too quickly?

High level of global debt a constraint to growth

Total Global Debt (all sectors)

\$ trillion, Q4 of each year

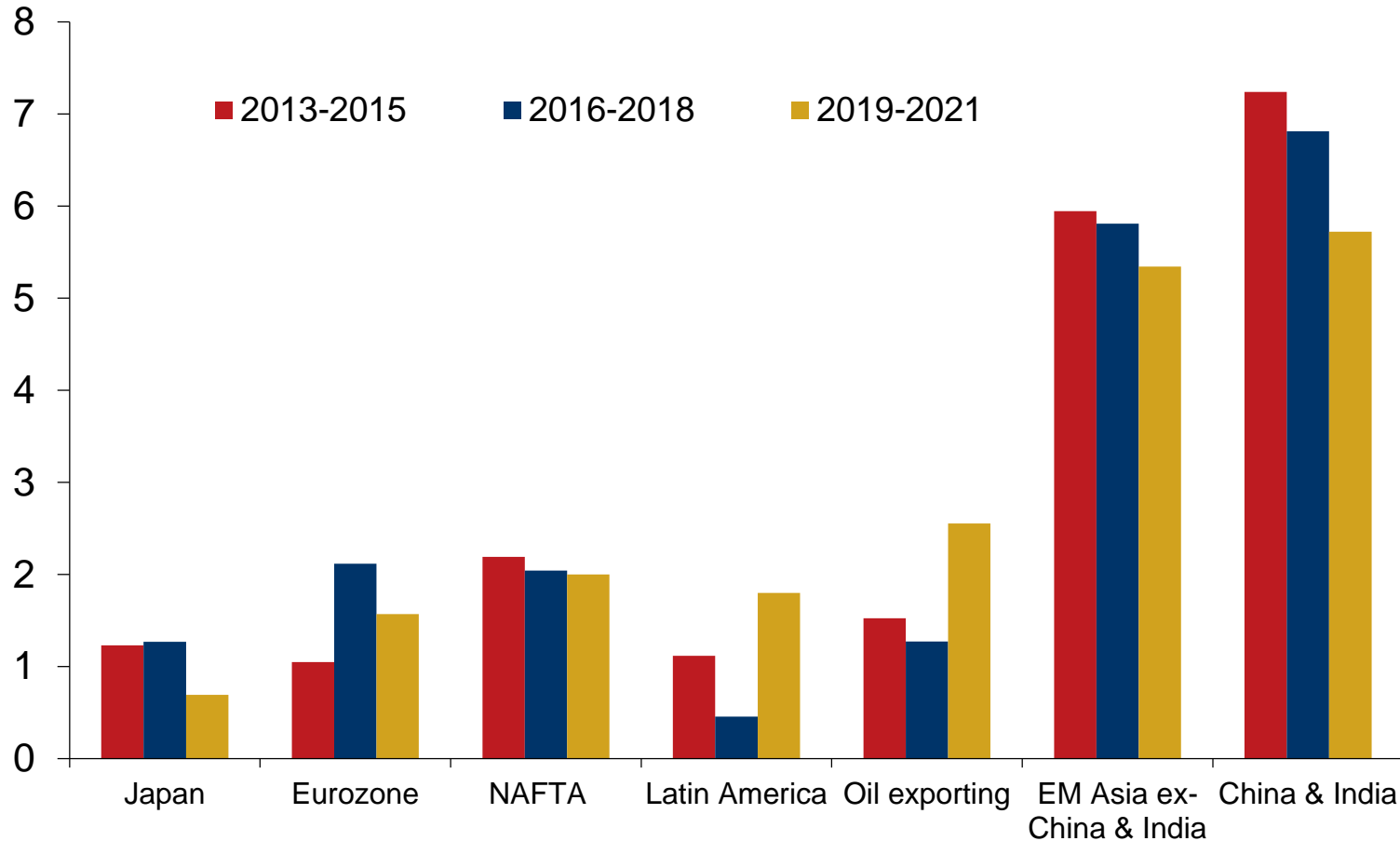


Source: IIF Global Debt Monitor

Slowdown expected in both Advanced and Asia

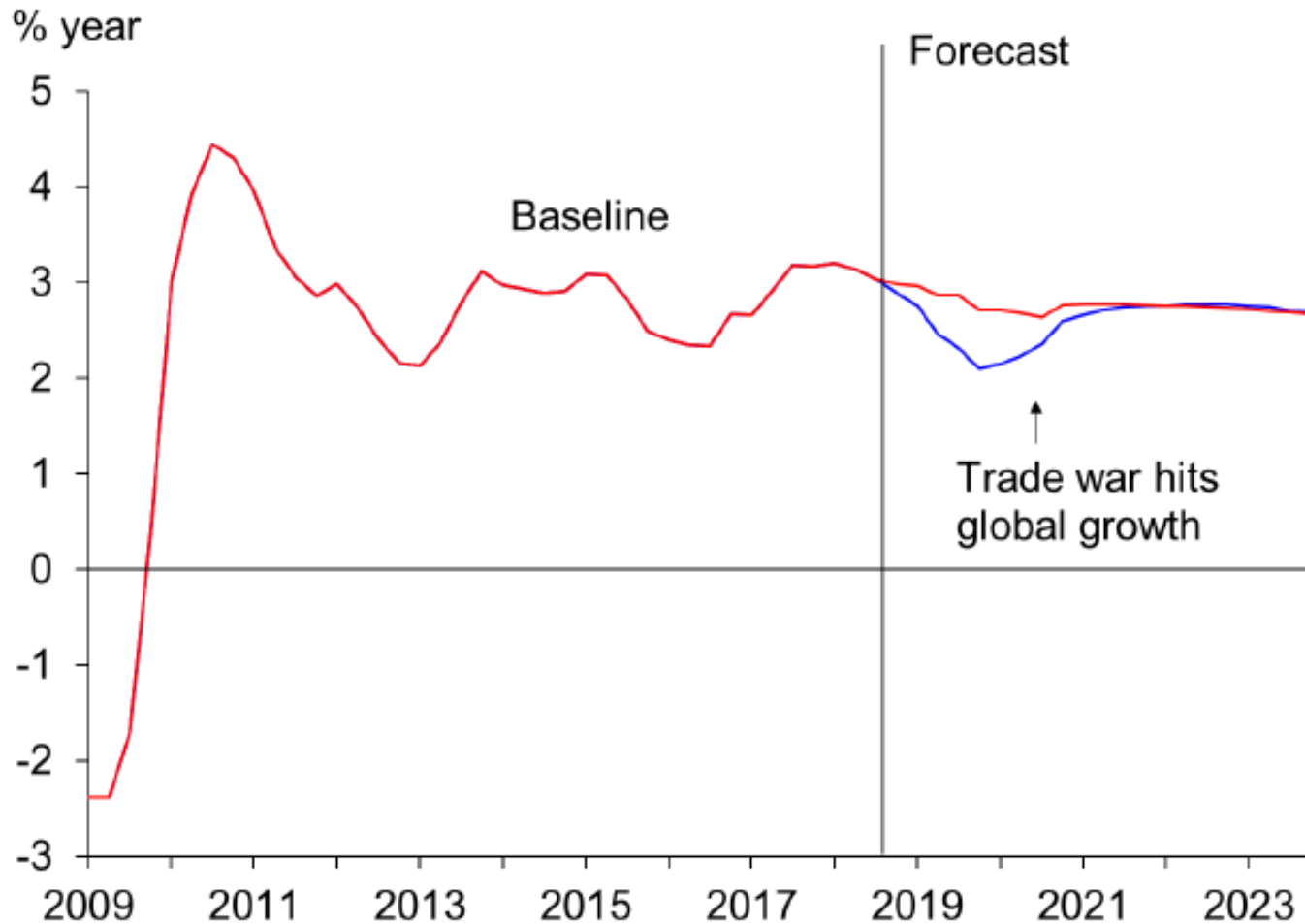
World: Real GDP growth

Compound average growth rate, in %



Protectionism - significant effect on world growth

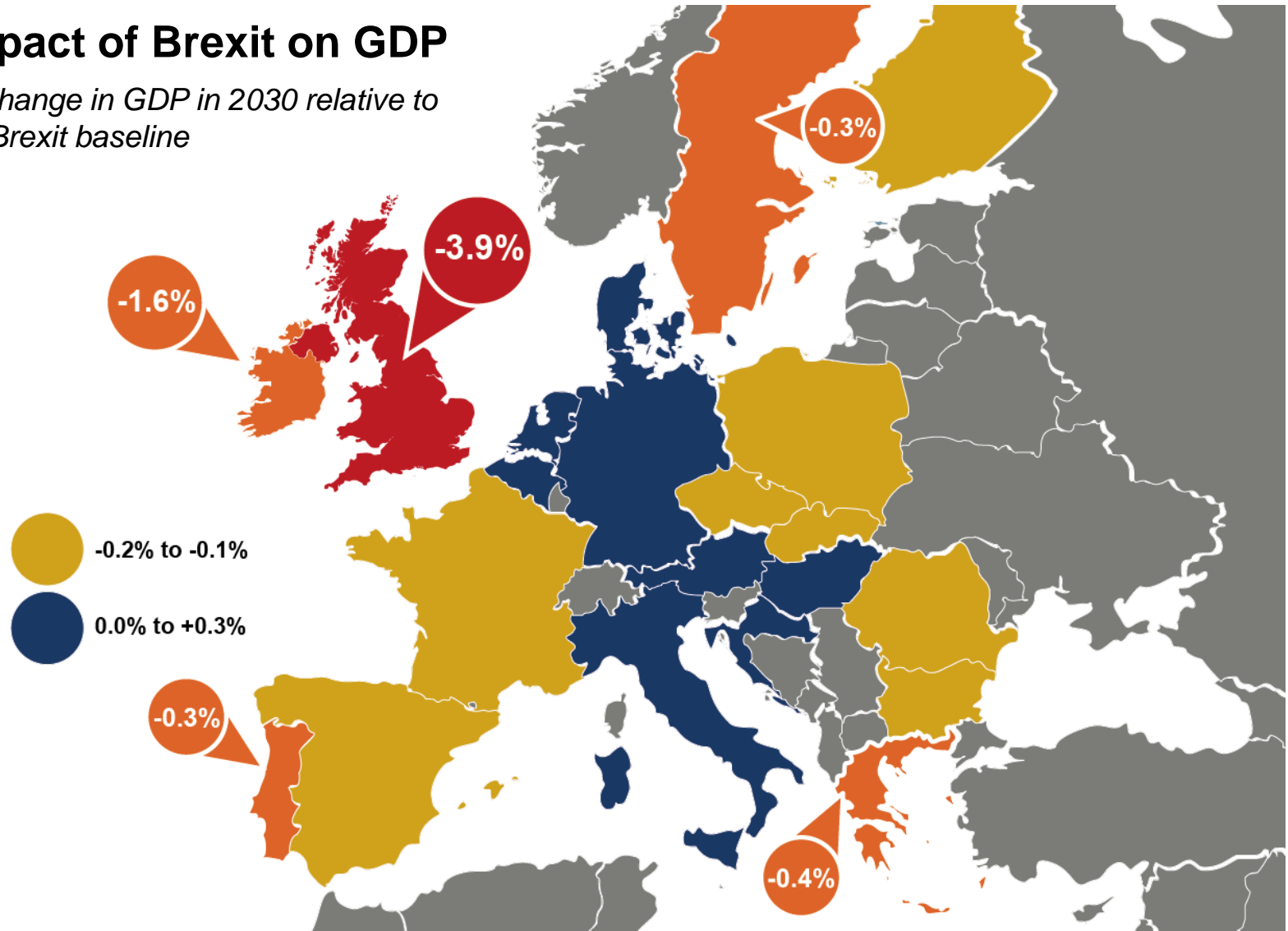
World: GDP



Cost of BREXIT mainly hits the UK

Impact of Brexit on GDP

% change in GDP in 2030 relative to no Brexit baseline



Gradual slowdown into 2020

World GDP growth						
% change on previous year						
	2016	2017	2018	2019	2020	2021
Real GDP						
North America						
United States	1.6	2.2	2.9	2.5	1.7	1.7
Canada	1.4	3.0	2.1	1.7	1.5	1.6
Europe						
Eurozone	1.9	2.5	1.9	1.6	1.6	1.4
Germany	2.2	2.5	1.6	1.6	1.5	1.3
France	1.1	2.3	1.6	1.7	1.7	1.6
Italy	1.3	1.6	1.0	0.6	0.8	0.8
UK	1.8	1.7	1.3	1.7	2.0	2.2
EU27	2.0	2.5	2.0	1.8	1.8	1.7
Asia						
Japan	1.0	1.7	1.0	1.2	0.1	0.9
Emerging Asia, excl Japan	6.0	6.0	6.0	5.6	5.4	5.2
China	6.7	6.9	6.5	6.0	5.7	5.4
India	7.9	6.2	7.6	7.2	7.0	6.8
World	2.4	3.0	3.1	2.8	2.7	2.8
World 2005 PPPs	3.3	3.7	3.7	3.4	3.5	3.5
World trade	2.1	6.4	5.1	3.9	3.7	3.7
Commodity Prices						
Brent Oil (\$/bl)	43.5	54.2	74.1	76.5	73.0	73.5



Grazie



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