

# Osservatorio GEI

## Economia Globale Tra Rallentamento e Incertezze

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**Emilio Rossi**

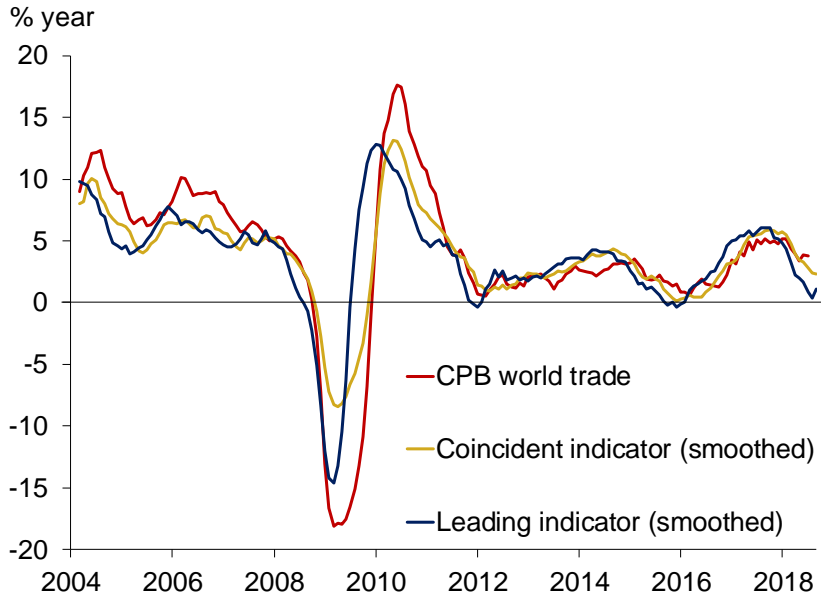
Senior Advisor, Oxford Economics  
President, EconPartners



**9 Novembre 2018**

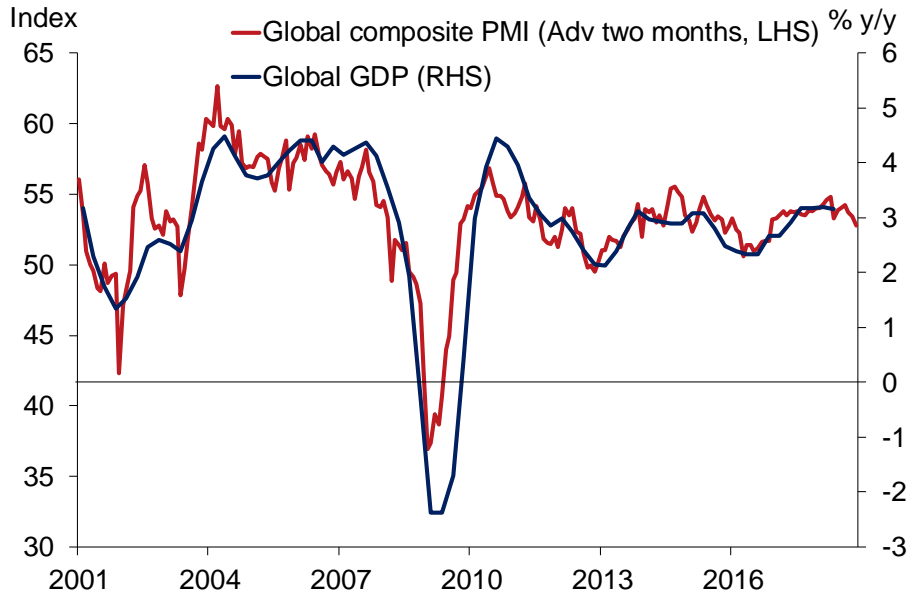
# Signs that growth is starting to slow

## World trade and world trade indicators



Source : Oxford Economics/Nederland CPB

## World: GDP & PMI

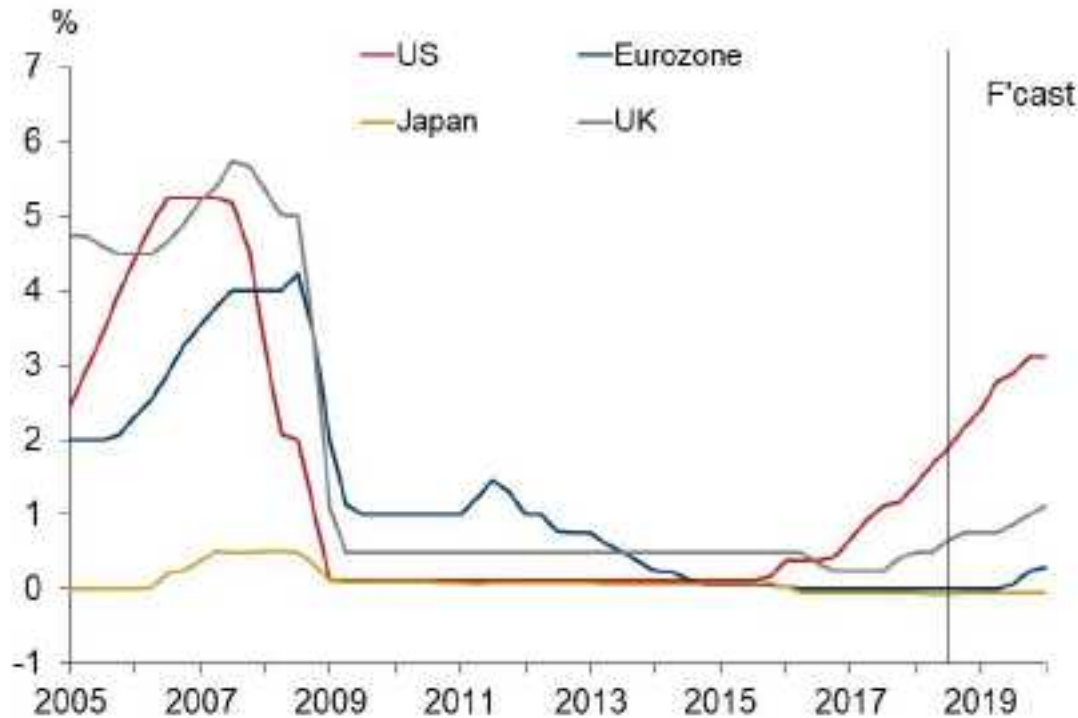


Source : Oxford Economics/Haver Analytics/Markit

- 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**



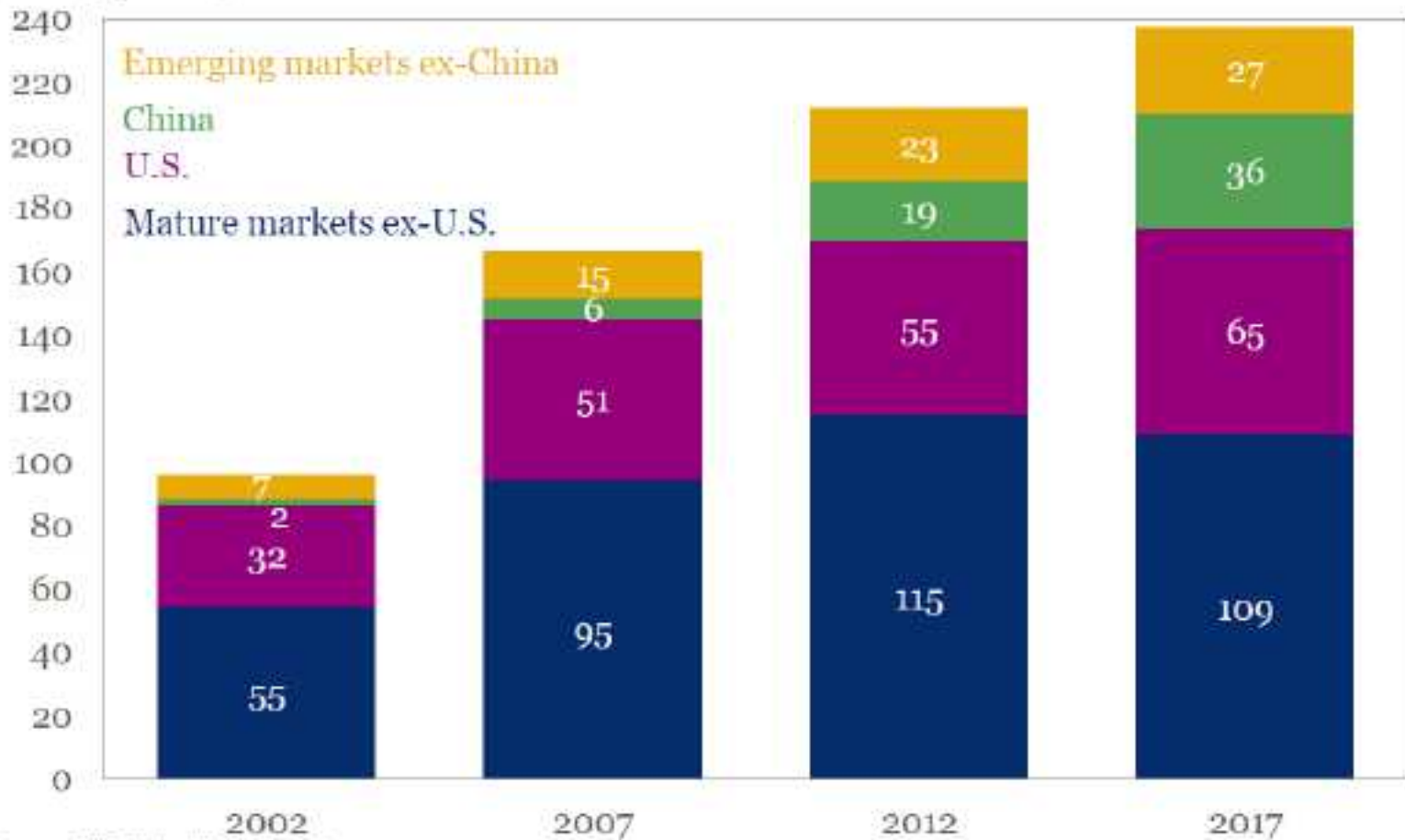
Source : Oxford Economics/Haver Analytics

- 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

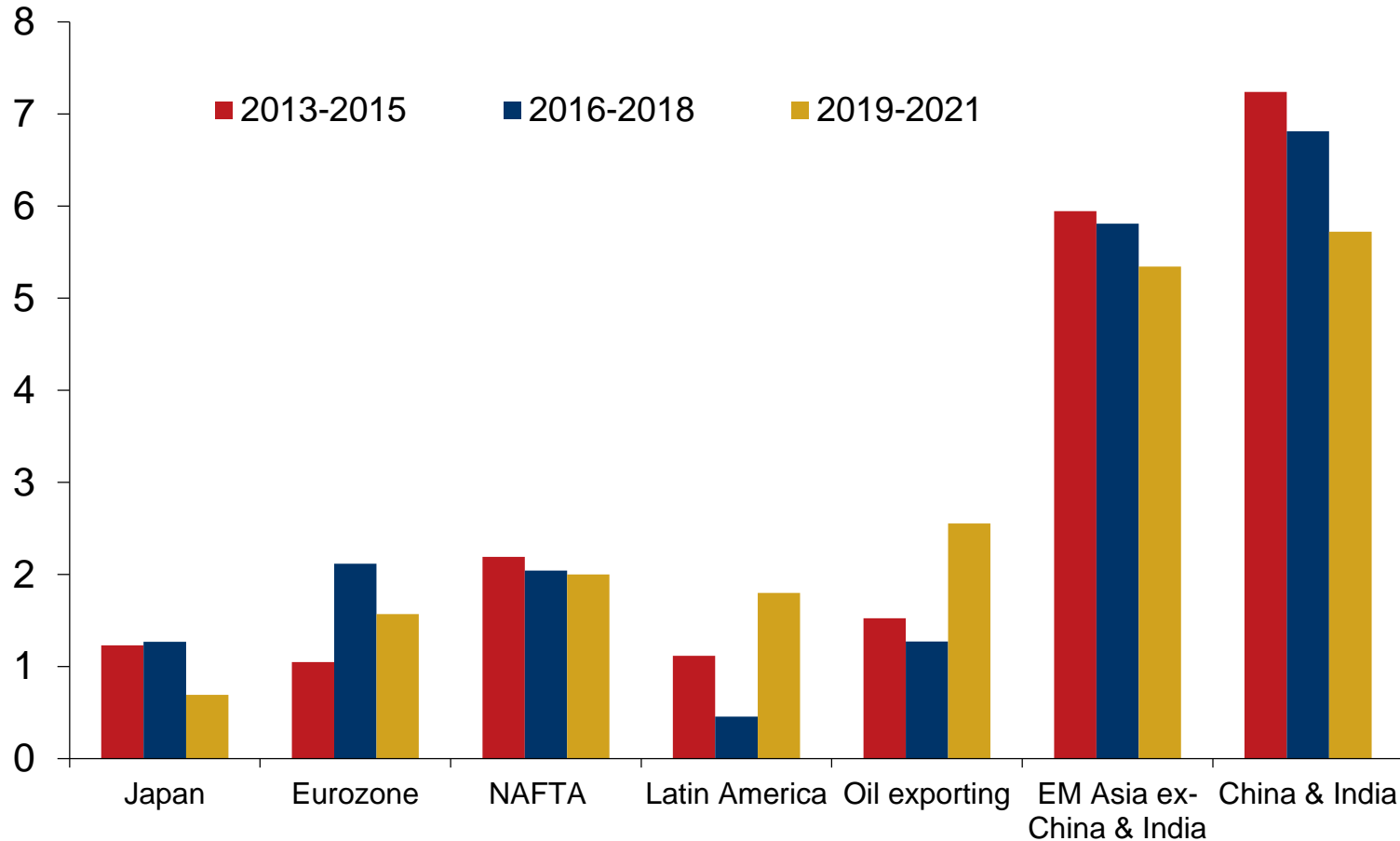


Source: IIF Global Debt Monitor

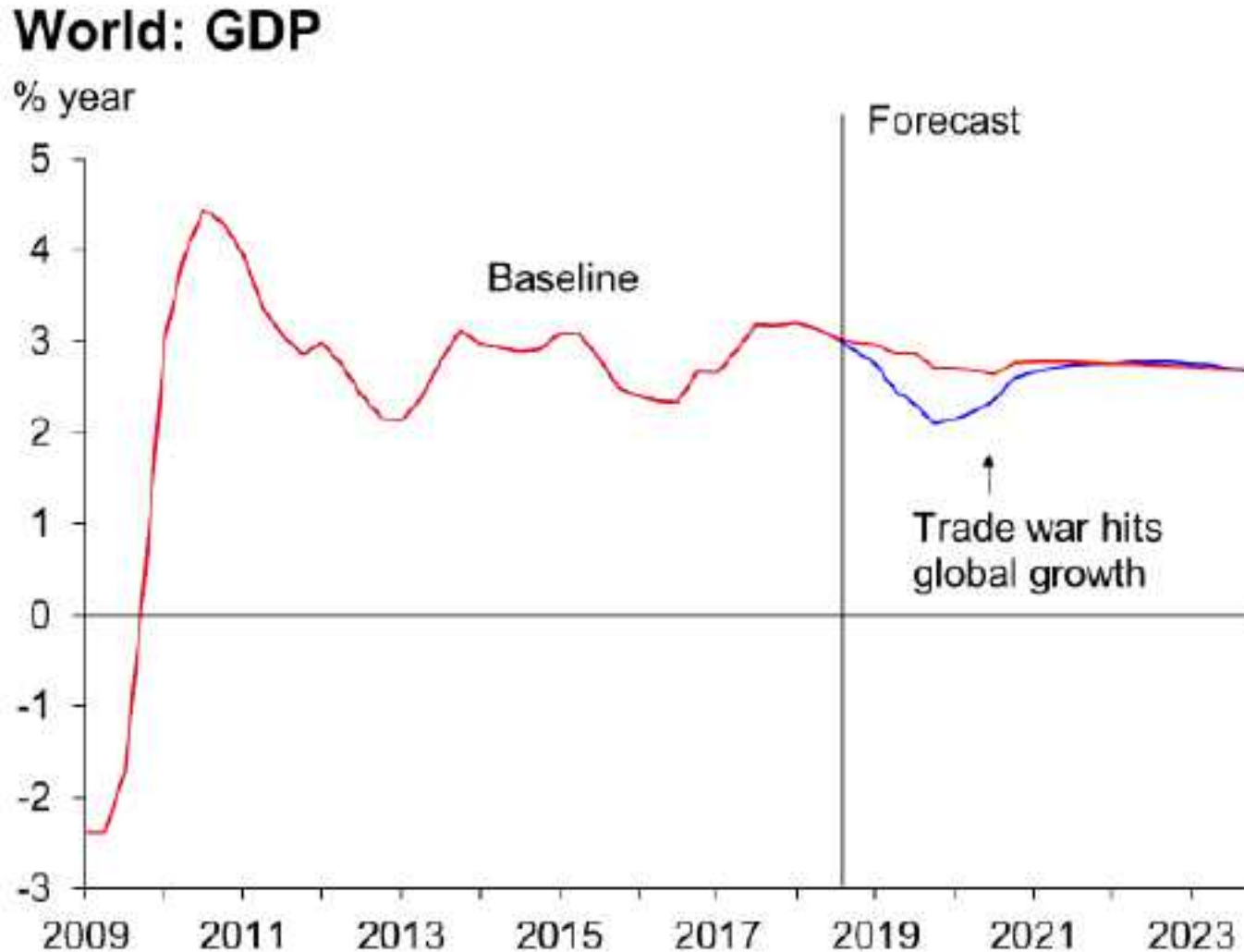
# Slowdown expected in both Advanced and Asia

## World: Real GDP growth

Compound average growth rate, in %



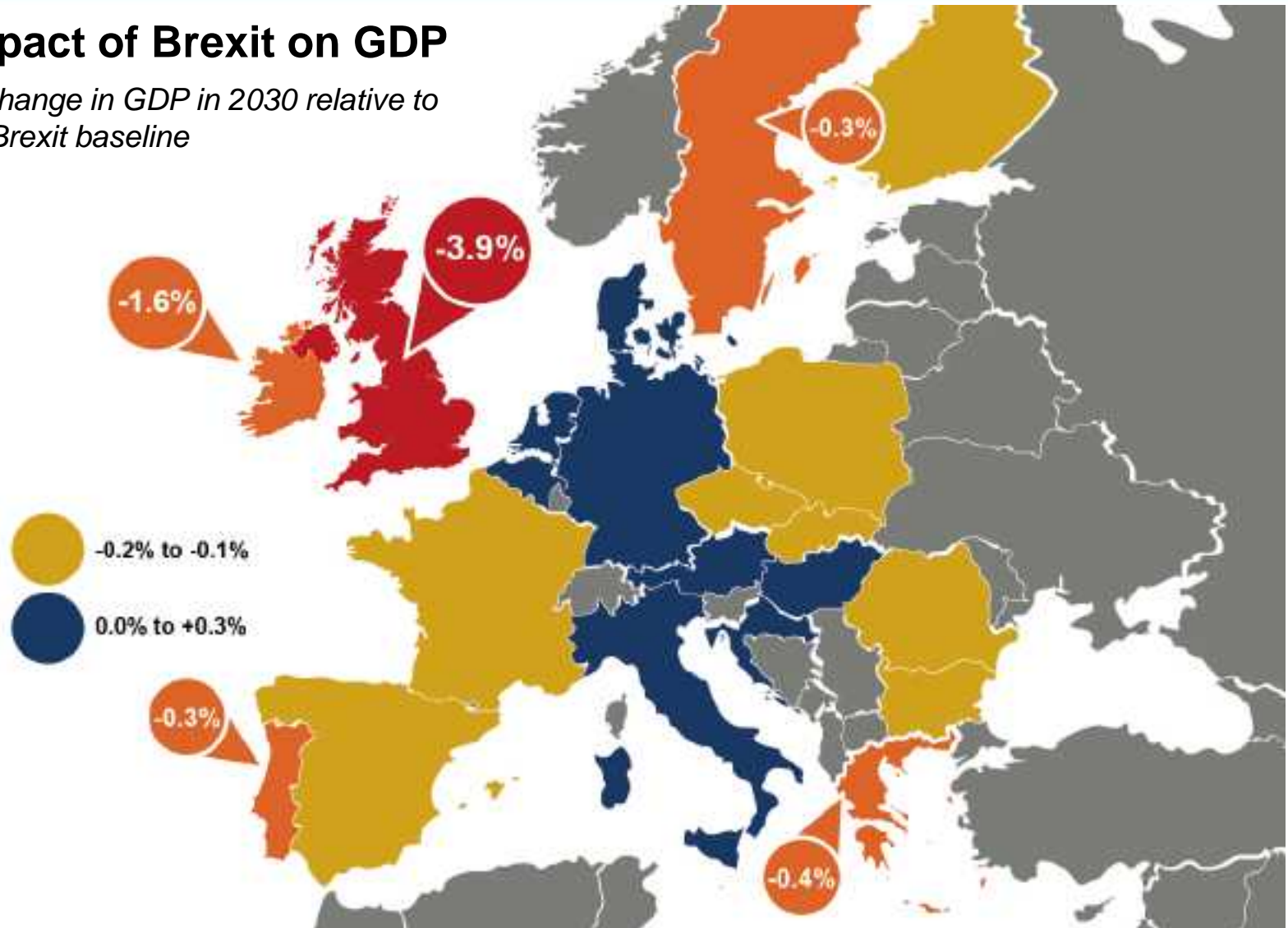
# Protectionism - significant effect on world growth



# 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

<b>World GDP growth</b>						
<b>% change on previous year</b>						
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Real GDP</b>						
<b>North America</b>						
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
<b>Europe</b>						
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
<b>Asia</b>						
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
<b>World</b>	2.4	3.0	3.1	2.8	2.7	2.8
<b>World 2005 PPPs</b>	3.3	3.7	3.7	3.4	3.5	3.5
<b>World trade</b>	2.1	6.4	5.1	3.9	3.7	3.7
<b>Commodity Prices</b>						
Brent Oil (\$/bl)	43.5	54.2	74.1	76.5	73.0	73.5





# Grazie

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Senior Advisor, Oxford Economics  
Presidente, EconPartners

[erossi@oxfordeconomics.com](mailto:erossi@oxfordeconomics.com)

[emilio.rossi@econpartners.it](mailto:emilio.rossi@econpartners.it)

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