Global economic outlook: A European perspective

The Dallas Committee on Foreign Relations and the Federal Reserve Bank of Dallas – a joint event, August 19, 2019
Global growth has been slowing down, especially in advanced economies

GDP growth

Source: IMF, World Economic Outlook.

World Output
2019: 3.2% (-0.1)
2020: 3.5%

Advanced Economies
2019: 1.9% (+0.1)
2020: 1.7%

Emerging Market and Developing Economies
2019: 4.1% (-0.3)
2020: 4.7% (-0.1)

Sharp fall in the growth of global trade

Source: CPB, Macrobond.
Sharply lower bond yields do signal concerns about the global economy

10-year Government Bond Yield

Source: Macrobond.

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Euro area manufacturing: weaker outlook since 2018

Purchasing Managers’ Index (manufacturing)

- France
- Germany
- Italy
- Spain
- Euro area

Sources: Markit ja Macrobond.

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Euro area unemployment: at almost all-time low

* 12 month moving average.
Sources: Eurostat and ECB.
Inflation expectations have declined in the euro area

Market expectations derived from inflation swaps. SPF = ECB survey of professional forecasters.
Sources: ECB, Bloomberg and calculations by the Bank of Finland.