



The Global Macroeconomic Scenario

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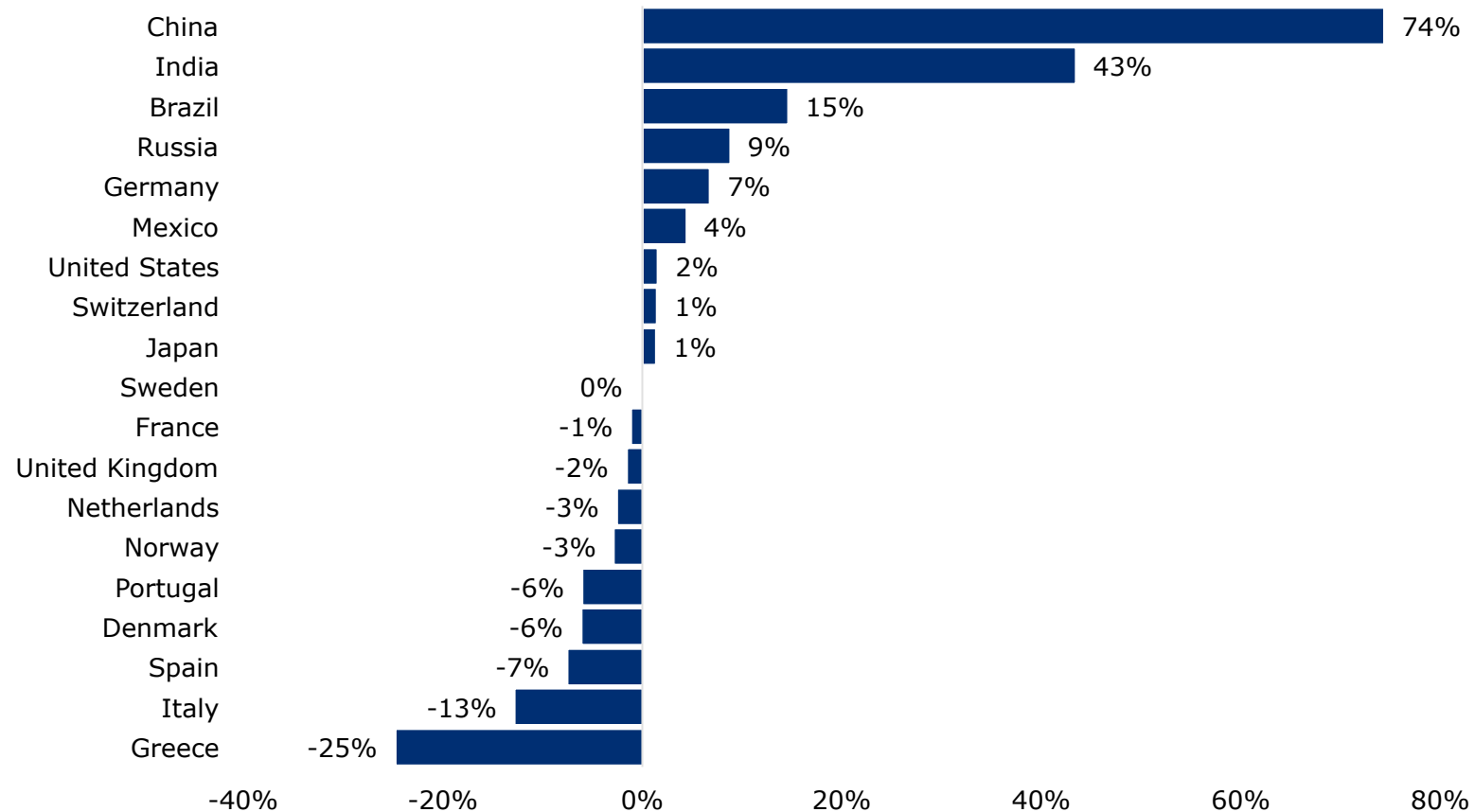
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The Current Economic Scenario: EMs Turmoil and Monetary Policies

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The Impact of The Great Recession

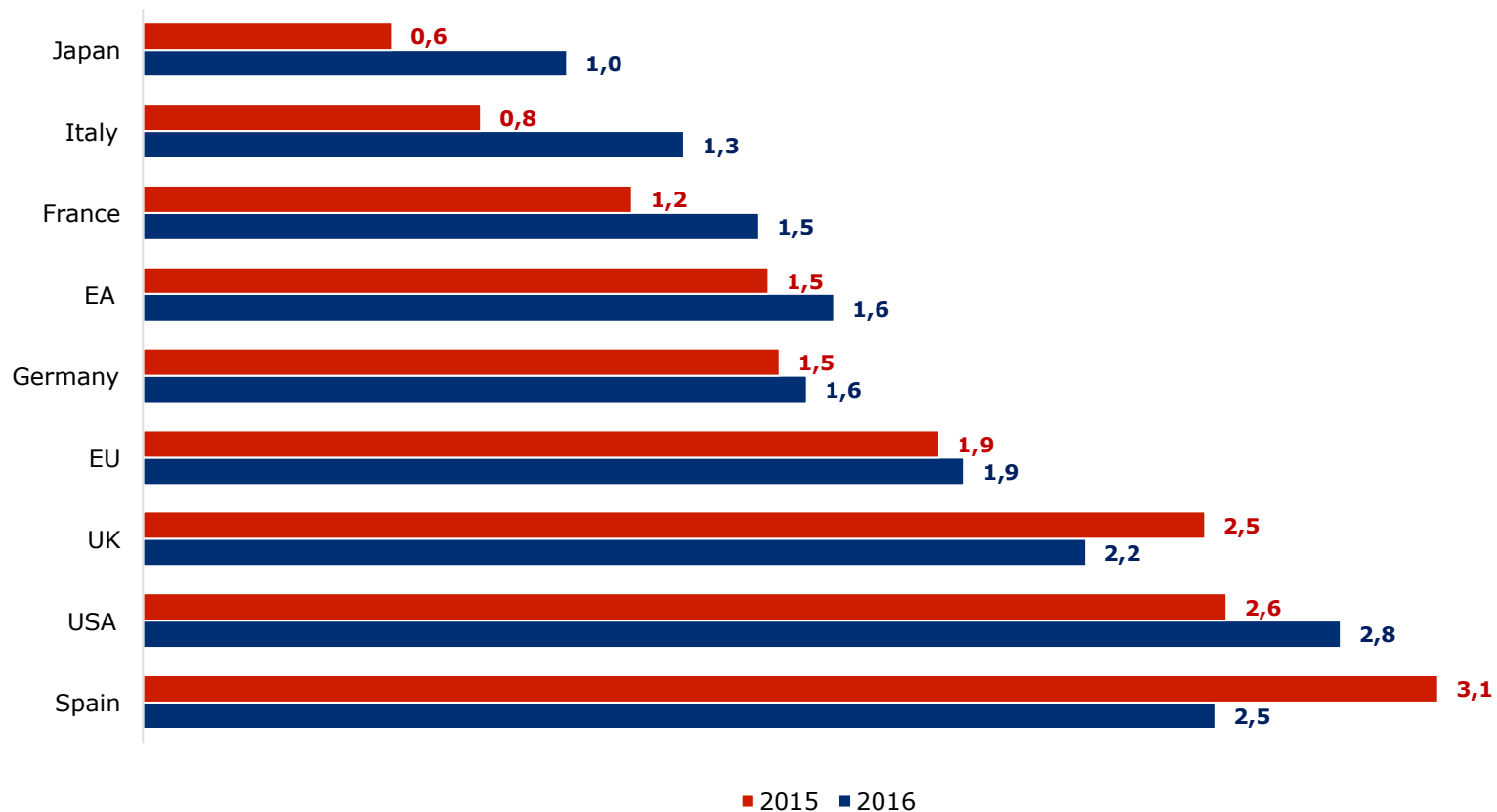
Real per-capita GDP, cumulative change over the period 2007 – 2014:



Source: IMF's World Economic Outlook, October 2015

Economic Forecasts

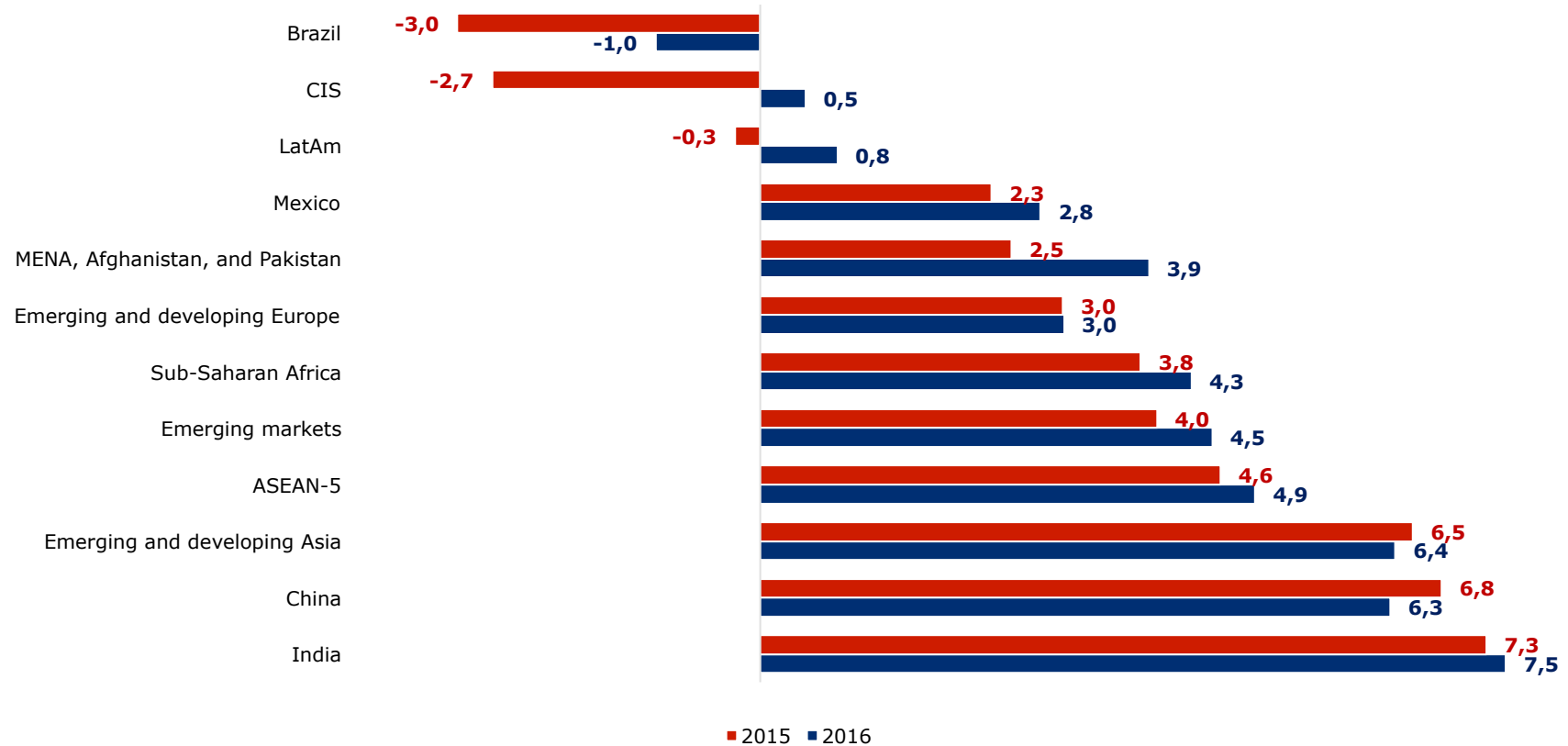
Real GDP Growth rate forecast, high per capita income countries, (annual % change), 2015 – 2016:



Source: IMF's World Economic Outlook, October 2015

Economic Forecasts

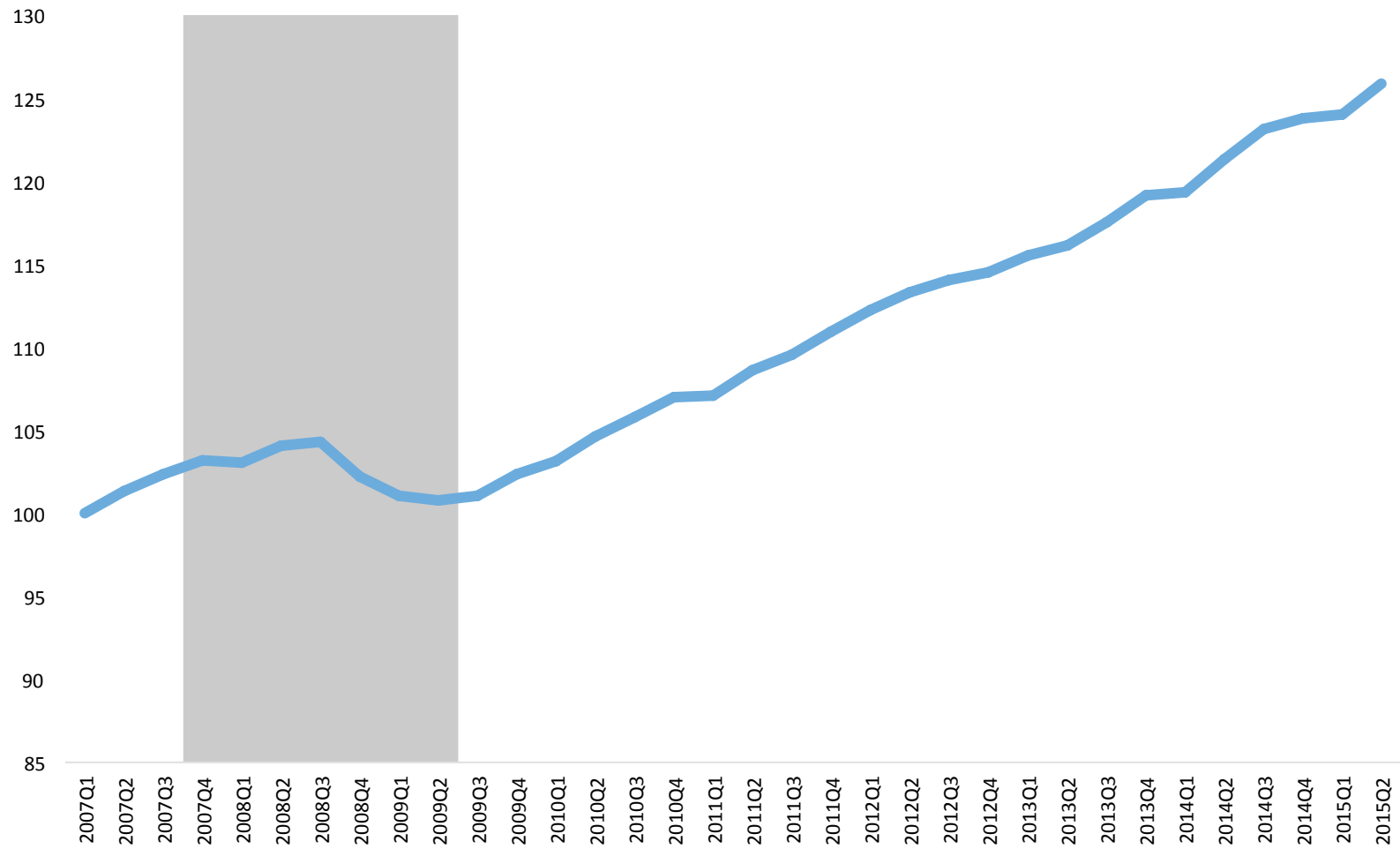
Real GDP Growth rate forecast, emerging market economies, (annual % change), 2015 – 2016:



Source: IMF's World Economic Outlook, October 2015

The US: Back on Track

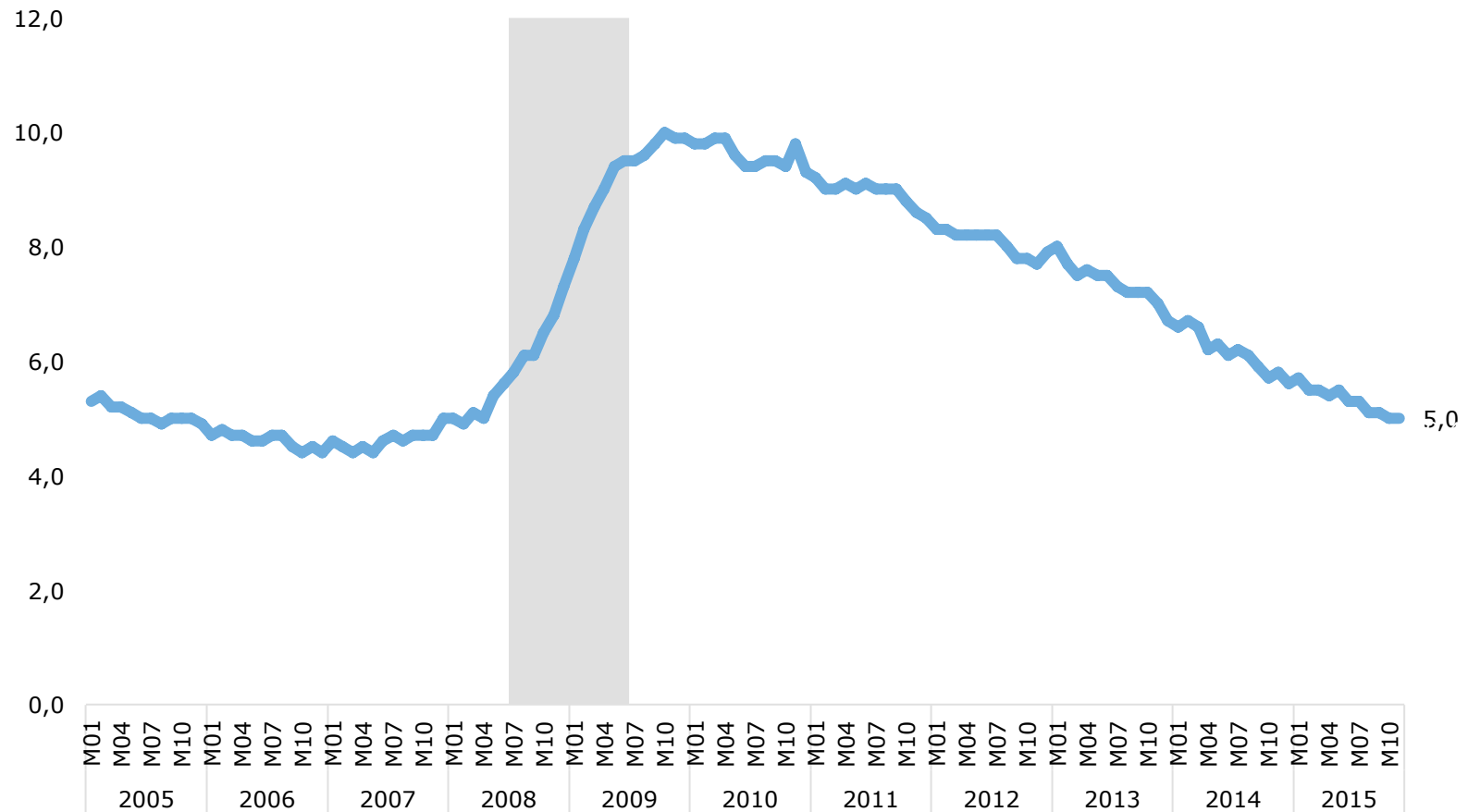
US Real GDP (2007Q1=100), 2007Q1 – 2015Q2:



Source: Fred St. Louis, December 2015. US recession in grey

The US: Back on Track

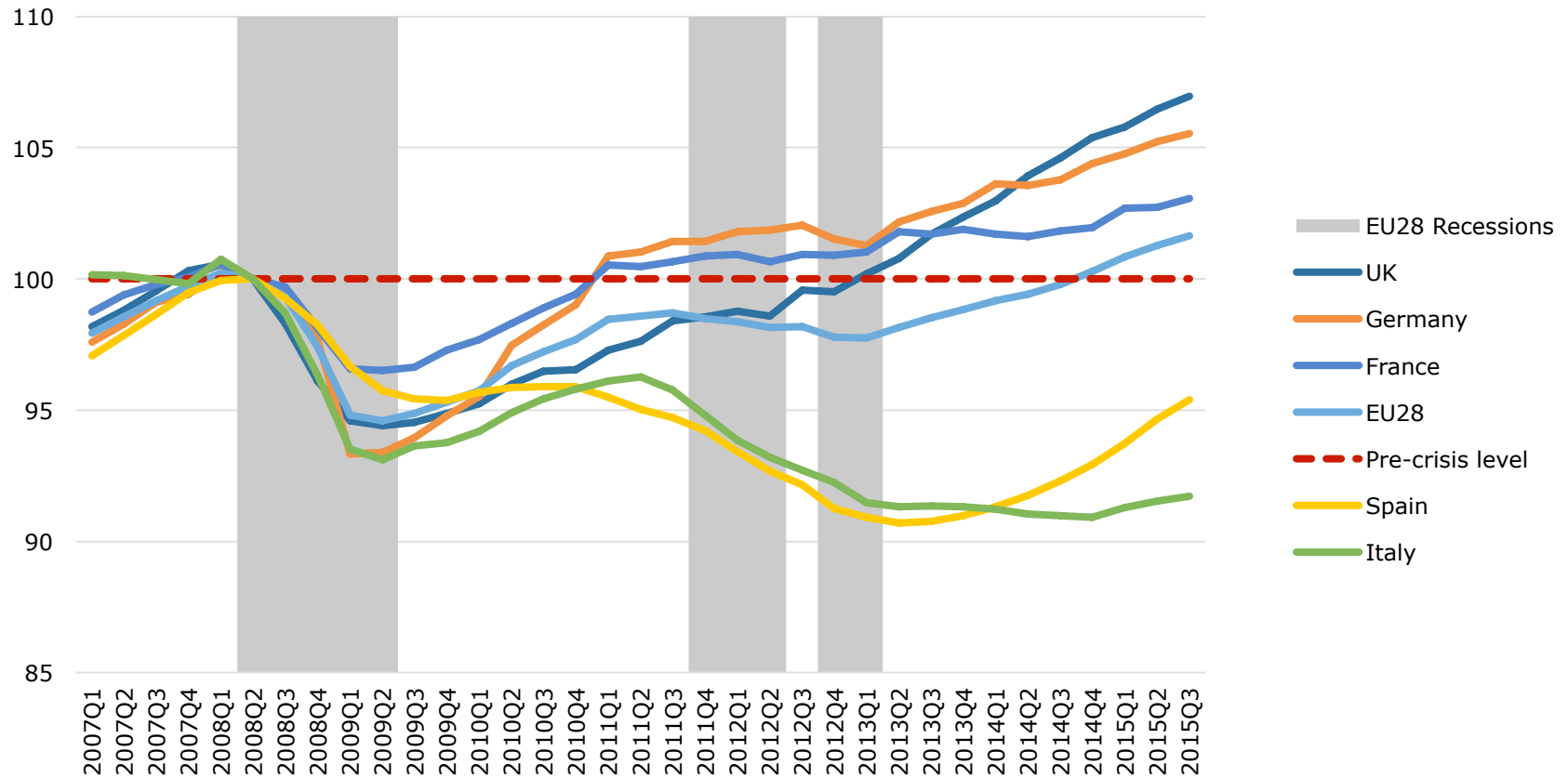
US Total Unemployment Rate (%), Jan 2005 – Nov 2015:



Source: Bureau of Labor Statistics, December 2015. US recession in grey.

The EU: a Fragile Recovery

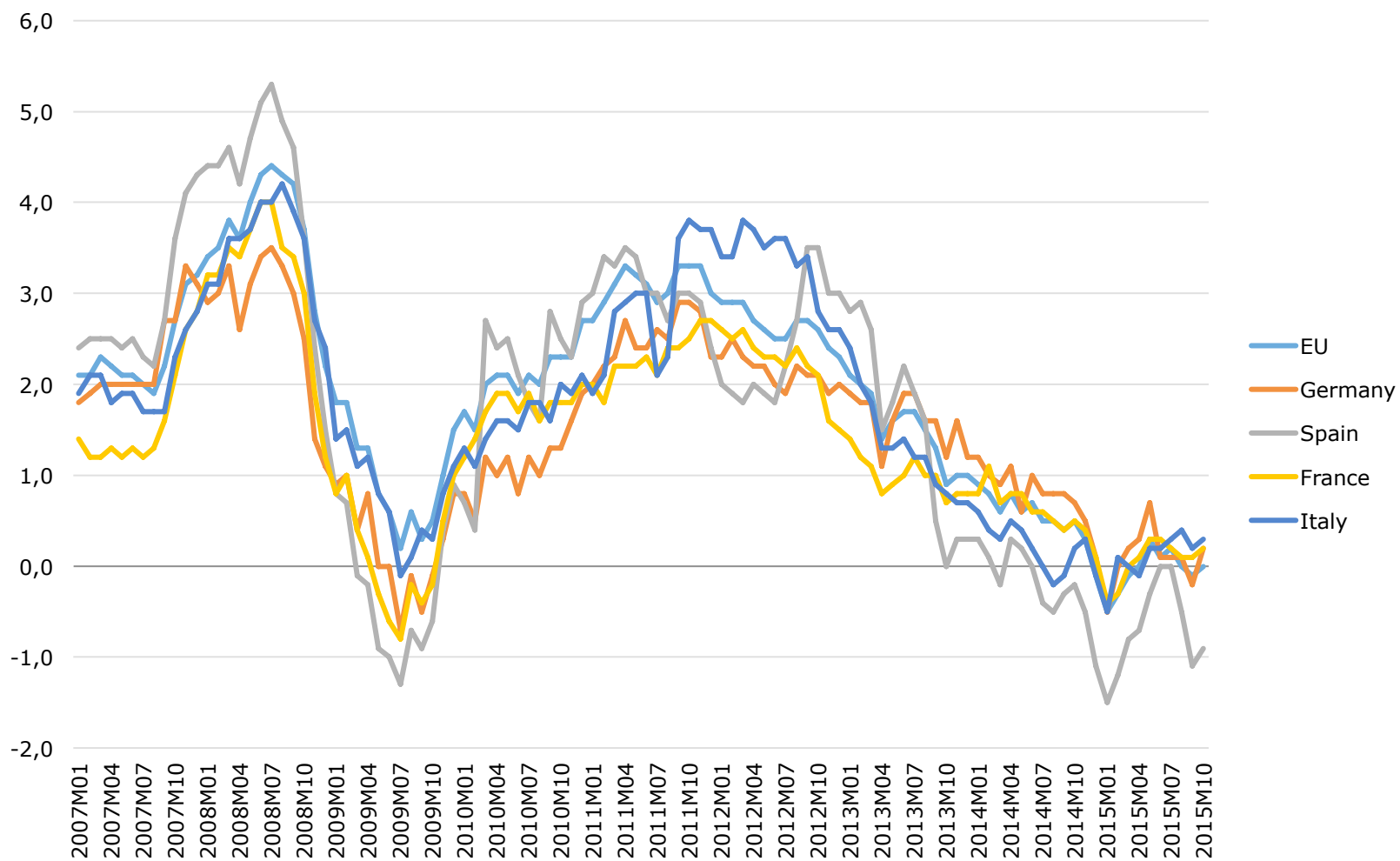
Real GDP for a selected group of countries (2008Q2 = 100), 2007Q1 – 2015Q3:



Source: Eurostat, December 2015

The EU: a Fragile Recovery

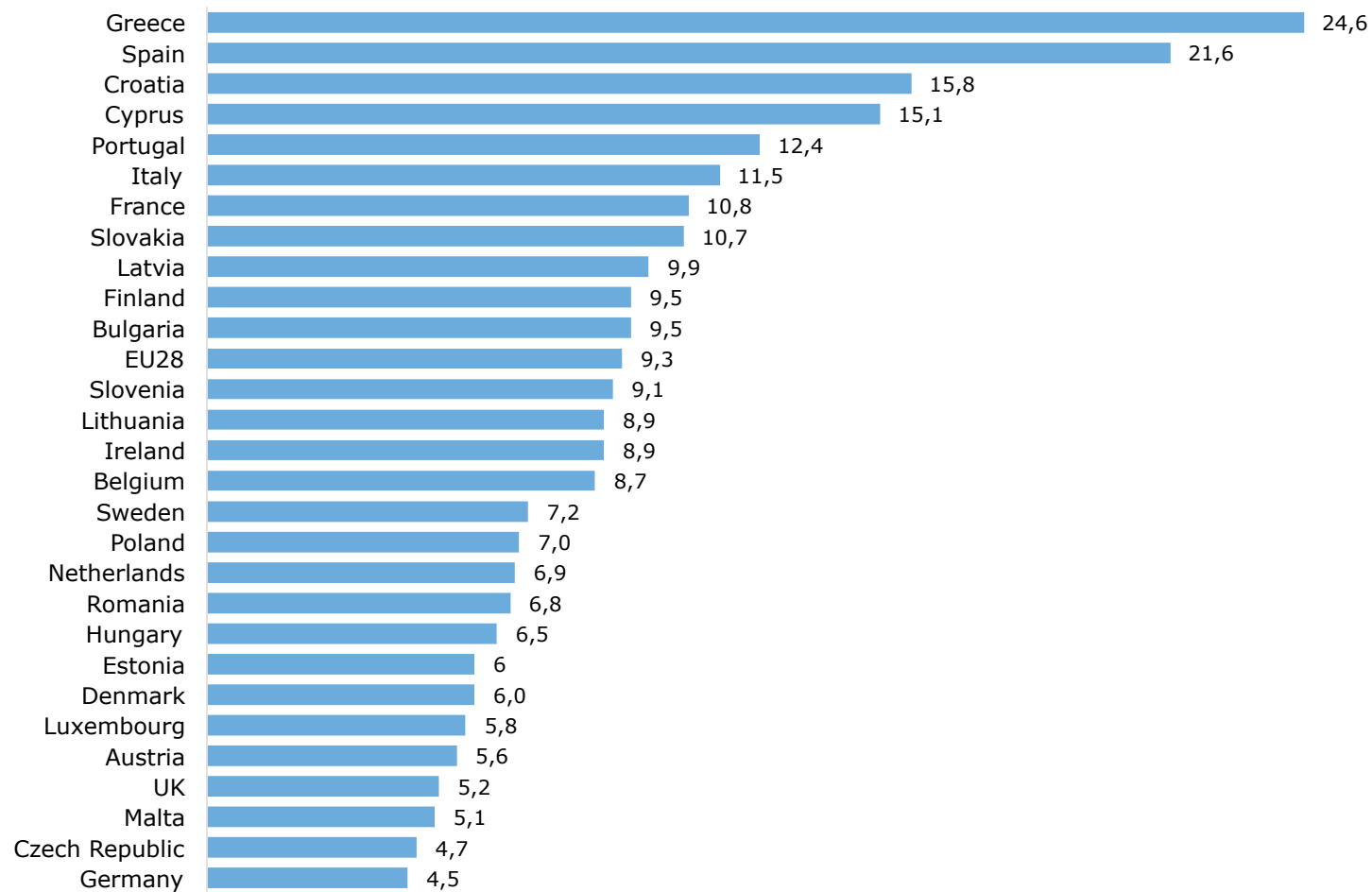
Annual rate of change of Harmonized CPI, monthly data, Jan. 2007 – Oct. 2015:



Source: Eurostat, December 2015

The EU: a Fragile Recovery

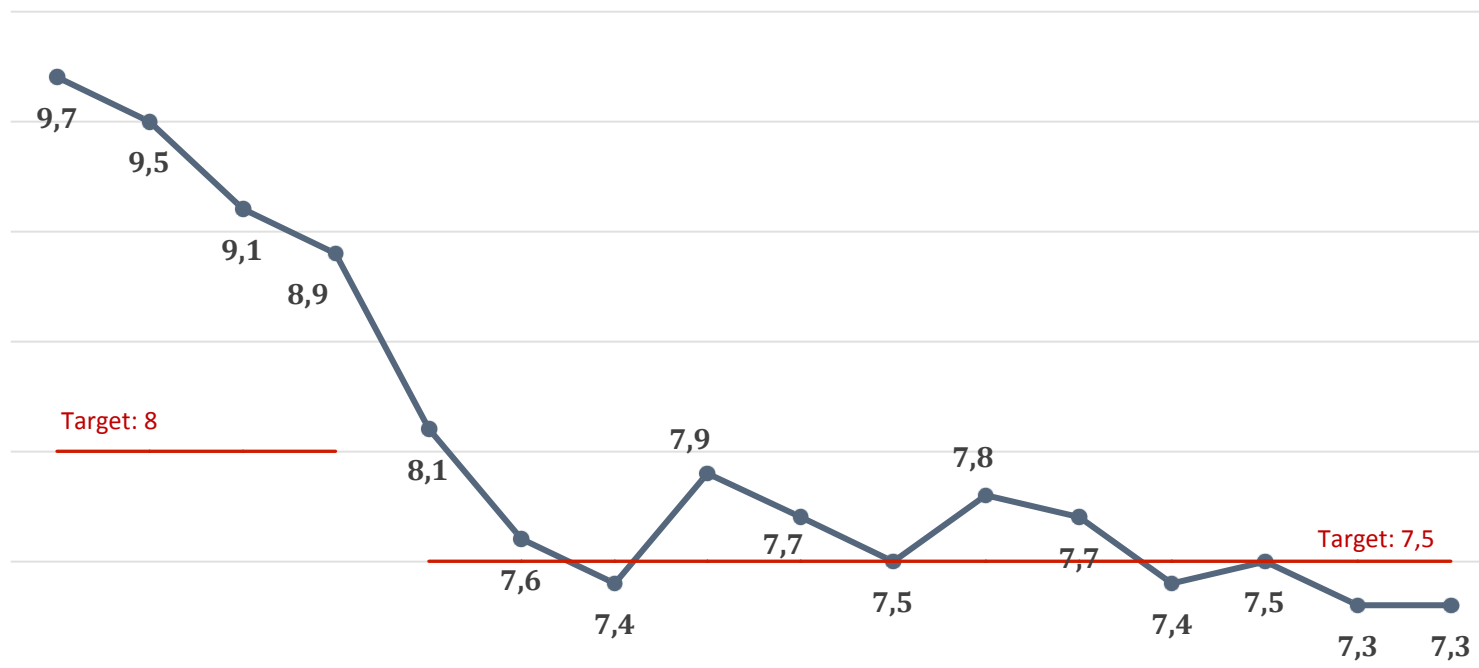
Unemployment Rates (%), October 2015



Source: Eurostat, December 2015. Data for Estonia, Hungary are up to September. Data for UK and Greece are up to August 2015

The Chinese Economic Slowdown ...

China's GDP (annual % change), 2011Q1 – 2014Q4:

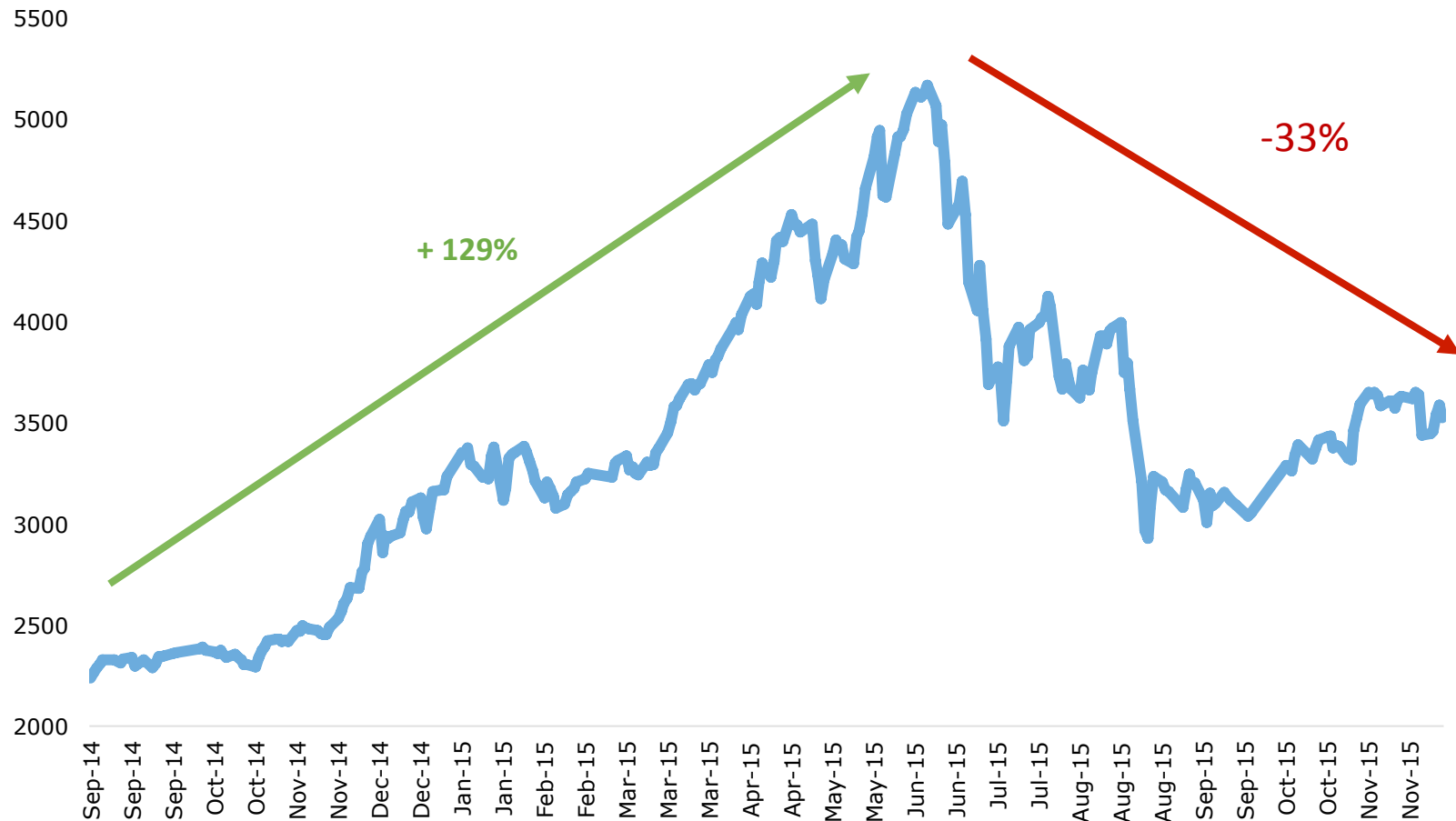


Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2011				2012				2013				2014			

Source: National Bureau of Statistics of China (NBS), March 2015

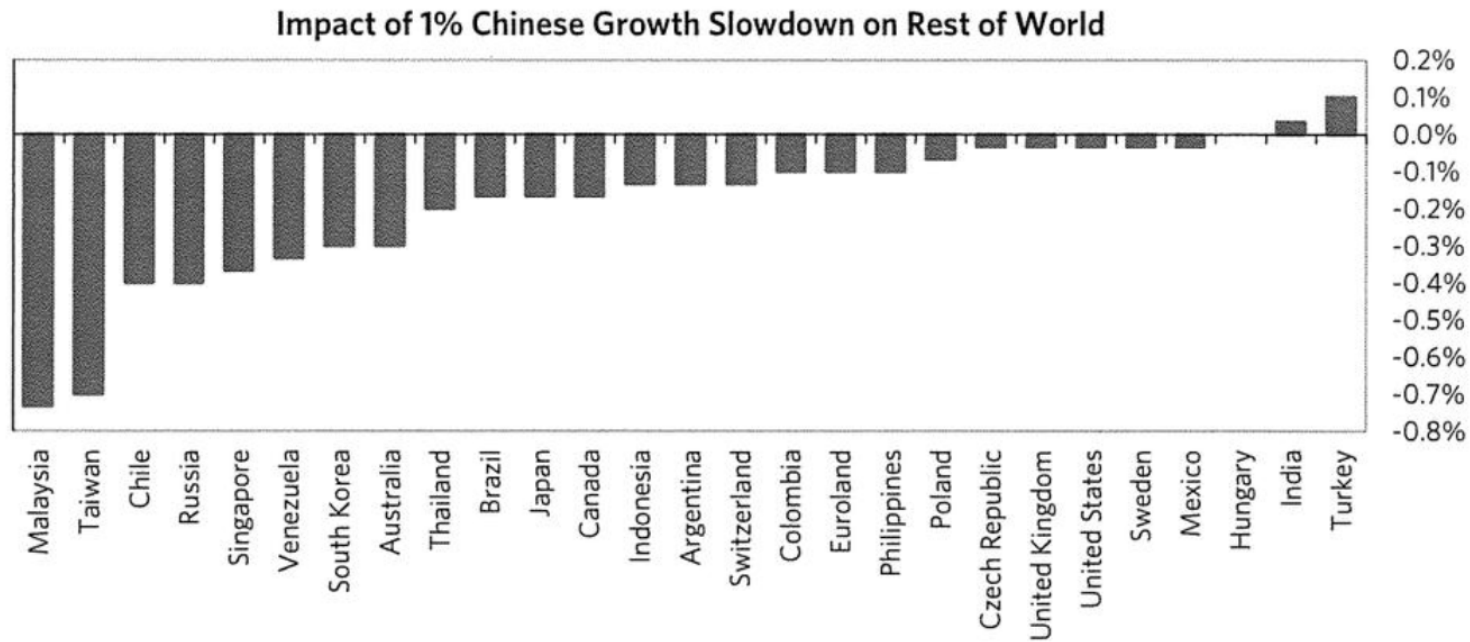
The Chinese Economic Slowdown ...

Shanghai Composite Index, daily data (close value), Sept 2014 – Dec 2015:



Source: Yahoo Finance, December 2015

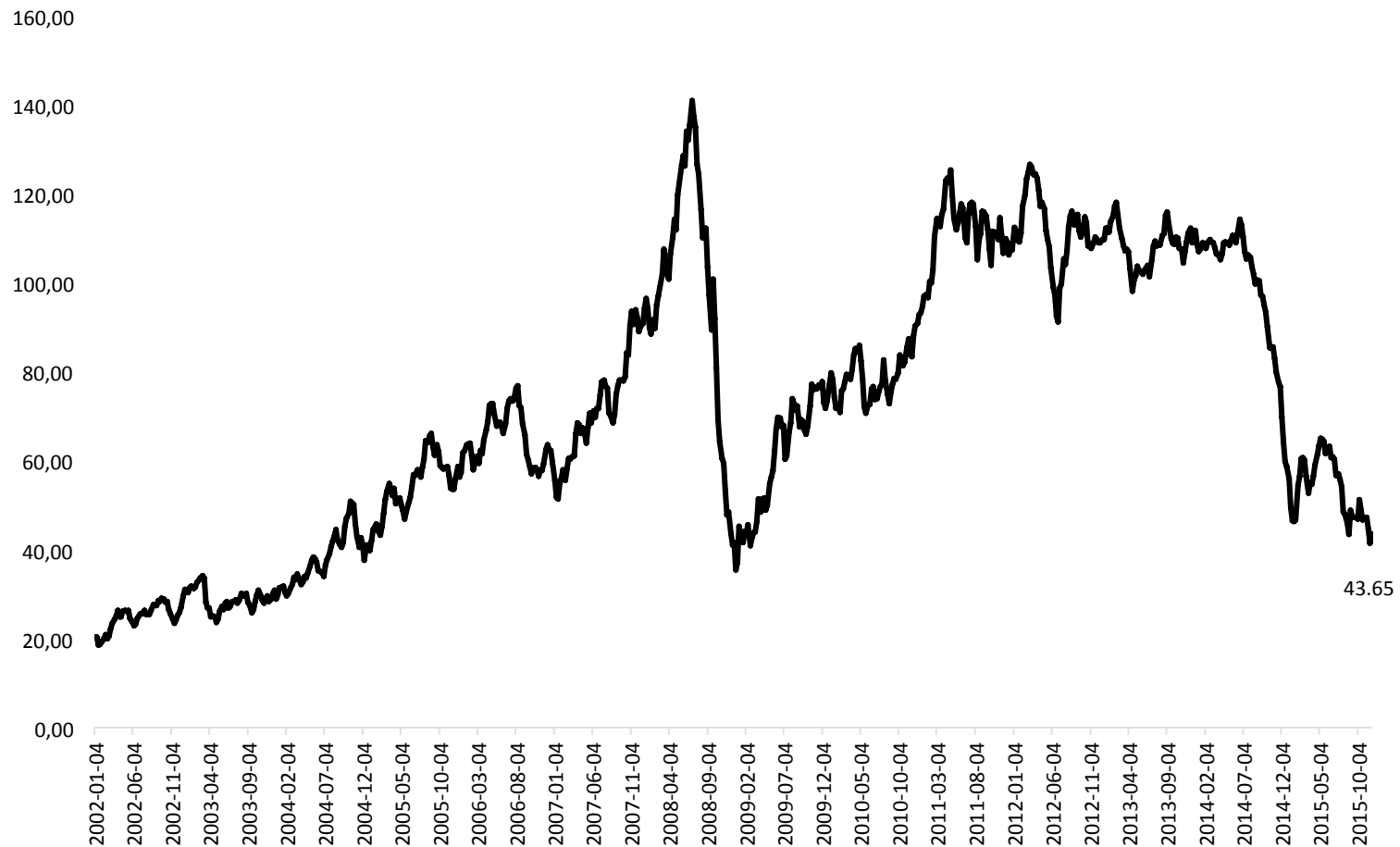
... and its effects on the World Economy



Source: Bridgewater

... and its effects on the World Economy

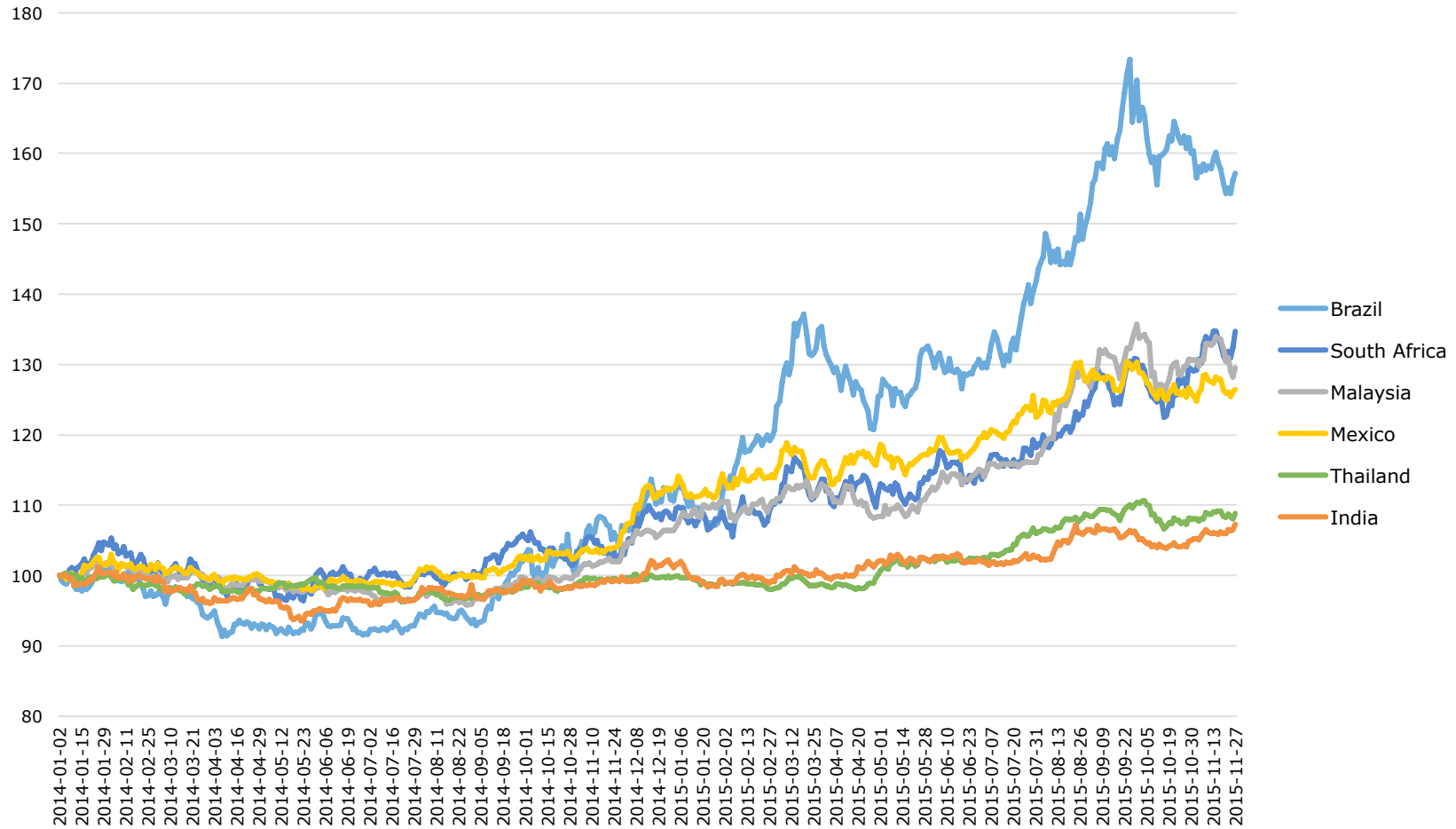
Brent Crude Oil, Weekly Average (US\$ per Barrel), Jan 2002 - Nov 2015



Source: FRED St Louis, December 2015

... and its effects on the World Economy

Spot exchange rates of selected emerging market economies versus US\$ (Jan 2014 = 100, price of 1 USD in LCU), Jan 2014 – Dec 2015:



Source: Federal Reserve Systems, December 2015

Main Findings

1. The Great Recession began as a financial crisis triggered by the banks' behavior with derivatives. It spread worldwide through a highly connected financial system and ultimately caused a sharp slowdown of the real economy, itself tightly connected through international trade
2. The consequences of The Great Recession have been, and still are, very negative, resulting in sharp contraction in per capita and overall real GDP - in particular in high per capita income countries - and skyrocketing unemployment rates (especially among the young)
3. The global economy is not recovering despite decent rates of growth in the Us and and apparent end to recession in Europe, However, he road to a full economic recover is still long and bumpy.
4. Turmoil and macroeconomic adjustments from emerging market economies, especially from China and its closest trading partners, could weaken the scenario further thus prolonging the waiting time to full recovery.