

Fiedler, Salomon et al.

Article

World Economy Summer 2015 - Faltering recovery of the world economy

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World Economy

Summer 2015

Kiel Institute Economic Outlook No. 7 (2015|Q2)

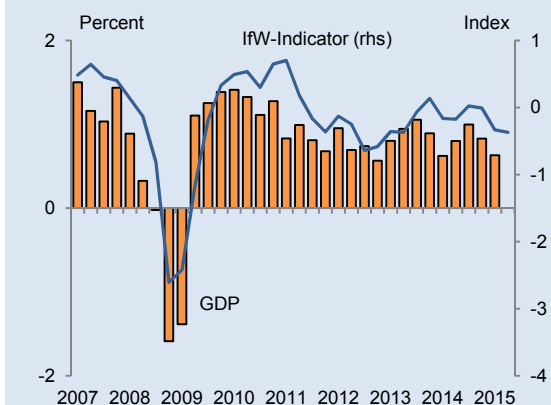
Faltering Recovery of the World Economy

Salomon Fiedler, Klaus-Jürgen Gern, Philipp Hauber, Nils Jannsen, Stefan Kooths, Stefan Reitz, Tim Schwarzmüller and Maik Wolters

Following a weak start into 2015, the global economy is expected to pick up again in the course of this year. Average annual world output growth will nevertheless remain sluggish at 3.4 percent on a purchasing power parity weighted basis, before accelerating modestly to 3.8 percent next year. The improvement will be driven by stronger growth in the advanced economies where ultra-low interest rates and continued monetary expansion are expected to increasingly gain traction given that private sector deleveraging has gone a long way in a number of important economies. By contrast, we do not expect a significant acceleration of output growth for the emerging economies where structural impediments abound and lower commodity prices have reduced export revenues in many countries.

Global growth has slowed in the beginning of 2015. GDP growth has weakened in both advanced economies and emerging economies (Figure 1). World trade has even significantly declined in the first three months, with external trade in the emerging economies having been particularly sluggish. The slowdown in the advanced economies has been largely due to a disappointing performance of the US economy which can, however, partly be explained by temporary factors. By contrast, the deceleration in the emerging economies seems to be due to more fundamental factors, including a structural slowdown in Chinese growth and lower revenues for commodities exporters.

Figure 1:
World economic activity, 2007–2015



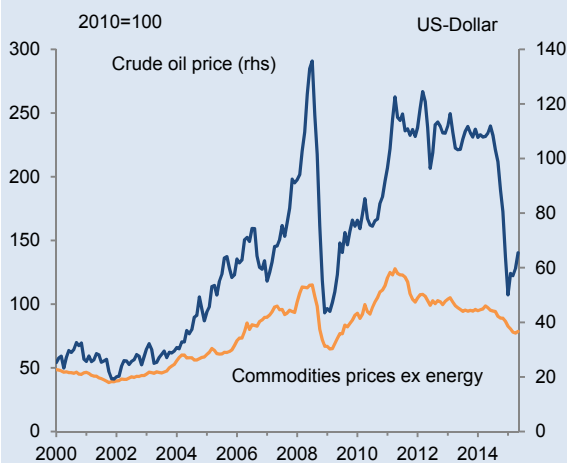
Quarterly data, seasonally adjusted. Indicator is based on business expectations in 42 economies. GDP: price adjusted, change over previous quarter.

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

Lower oil prices should support the global economy, although stimulative effects have so far not been clearly visible. Despite a slight recovery in recent months the oil price is still

substantially below the levels that prevailed between 2011 and mid-2014 (Figure 2) and is expected to remain so over the forecast horizon. Empirical evidence incorporated in current macro models suggests that gains for net oil importers should outweigh the losses that accrue to net oil exporters, particularly in a situation where the lower oil price is due to increased supply as is currently the case. Therefore, the apparent weakness of the world economy in the first quarter—when oil prices hit a multi-year low—has been surprising. It is, however, likely that the stimulative effects will become more visible in the coming months.

Figure 2:
Commodities, 2000–2015



Monthly data; Commodity prices: HWWI-Index in US\$ terms; oil price: spot price Brent crude oil.

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

Monetary policy in the advanced economies has started to diverge, but will remain expansive everywhere. While the US Fed has discontinued its asset purchase program (QE3) in autumn last year and has prepared the financial markets for a gradual increase in interest rates in the course of this year, the ECB and the Bank of Japan have made their policy stance more expansive. In March 2015, the ECB has started to buy large amounts of securities on a monthly basis. The program is currently scheduled to last until September 2016. Policy intervention rates are expected to

start being raised slowly in the US beginning after the summer and in the UK around the turn of the year but remain extremely low by historical standards over the forecast horizon.

The differentiation of monetary policy has led to significant exchange rate realignments. The euro has lost 20 percent against the US dollar since mid-2014 and devalued by 12 percent in real effective terms. The weaker currency is the most important channel by which the ECB's asset purchase program is expected to impact demand and inflation in the euro area.

Fiscal policy in the advanced economies ceases to be restrictive. While the fiscal situation is still far from satisfactory in most advanced economies, we expect fiscal policy to be more or less neutral in 2015 and 2016 following a number of years of significant restraint. In the EU, the European Commission's interpretation of the fiscal compact now allows for an explicit consideration of the cyclical position implying less rigorous consolidation needs for most countries for the time being.

The increase of world output will remain sluggish at 3.4 percent on a purchasing power parity weighted basis, before accelerating modestly to 3.8 percent next year. The improvement will be driven by stronger growth in the advanced economies where ultra-low interest rates and continued monetary expansion are expected to increasingly gain traction given that private sector deleveraging has gone a long way in a number of important economies. US growth will rise from 2.2 percent this year to 3.2 percent in 2016 (Table 1). The recovery in the euro area is expected to gradually firm with GDP increasing by 1.5 percent and 1.8 percent in 2015 and 2016, respectively. By contrast, we do not expect a significant acceleration of output growth for the emerging economies. This year, GDP growth in this group of countries will even be lower than in 2014. Structural impediments abound and lower commodity prices have reduced export revenues in many countries.

rise upon a potential Grexit and the perception of an additional exchange rate risk could again increase financial fragmentation within Europe hurting the economic recovery in peripheral countries in particular. In addition, the risk remains that rate hikes in the US trigger financial turbulences and reversal of capital flows leading to substantial losses given the unusually high valuations of a number of asset classes.

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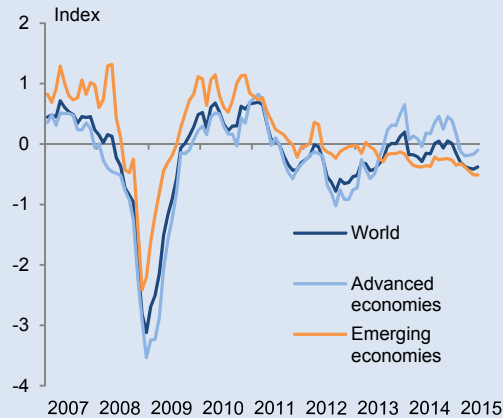
Data annex

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1. World economy

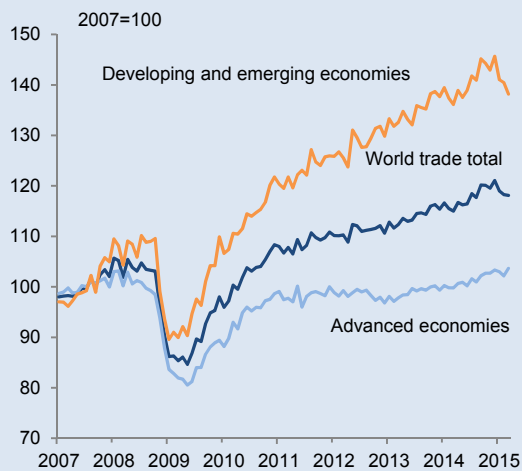
Figure 1.1:
Business expectations by groups of countries, 2007–2015



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

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

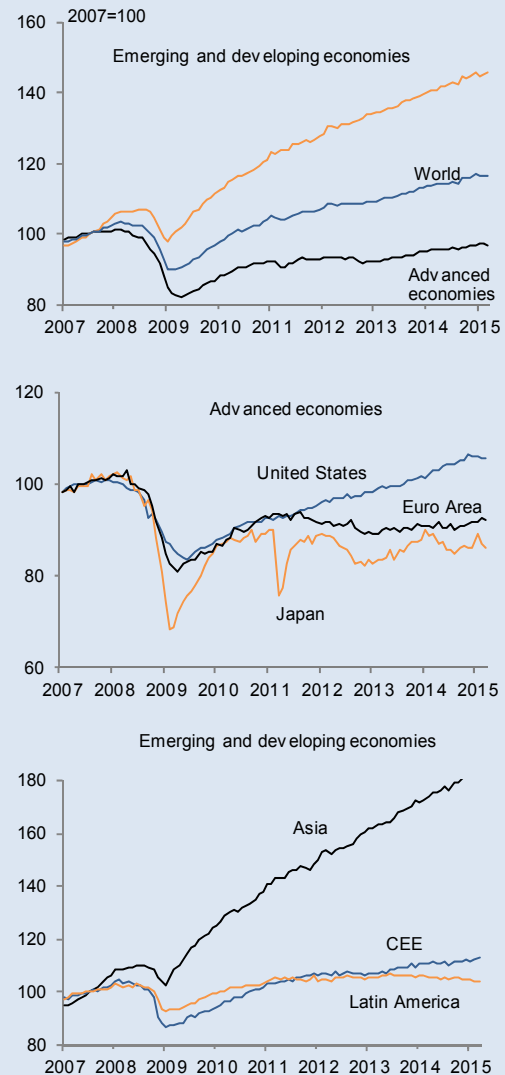
Figure 1.3:
World economic activity, 2007–2015



Monthly Data.

Source: CPB, *World Trade Monitor*; own calculations.

Figure 1.2:
Industrial production by groups of countries and regions, 2007–2015

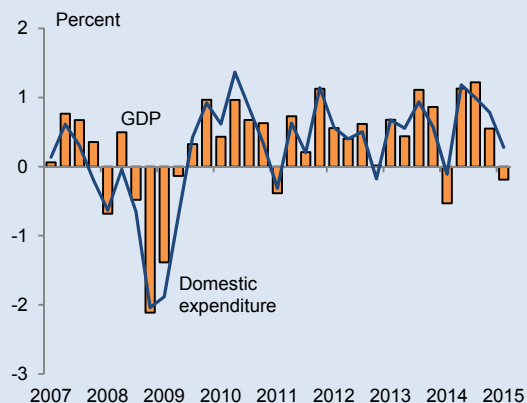


Monthly Data.

Source: CPB, *World Trade Monitor*.

2. United States

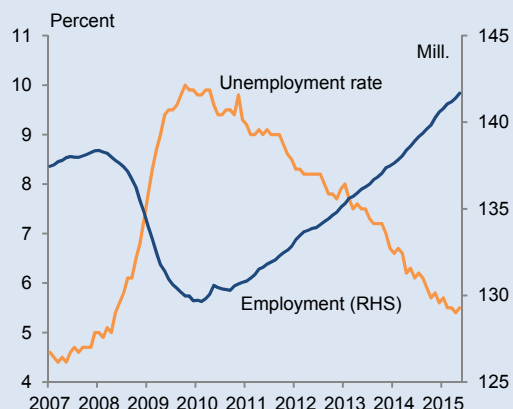
Figure 2.1:
GDP and domestic expenditure, 2007–2015



Quarterly data; volumes; seasonal adjusted, change over previous quarter.

Source: US Department of Commerce, *National Economic*

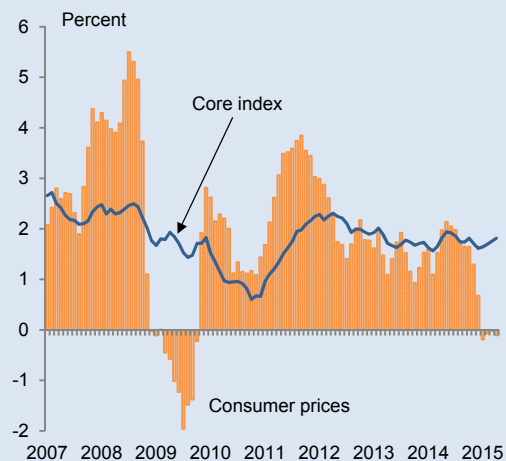
Figure 2.2:
Labor market, 2007–2015



Monthly data; seasonal adjusted.

Source: US Department of Labor, *Employment Situation*.

Figure 2.3:
Consumer prices, 2007–2015



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

Source: US Department of Labor, *Consumer Price Index*.

Table 2.1:
Key indicators United States, 2013–2016

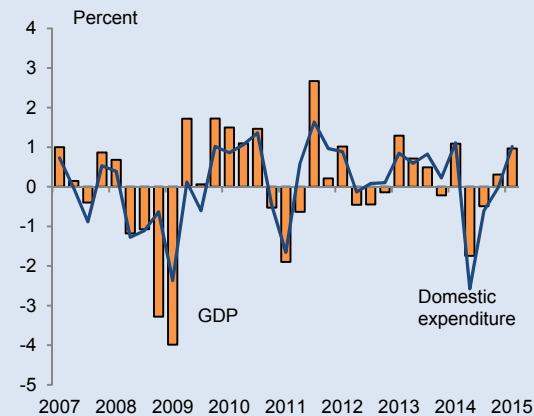
	2013	2014	2015	2016
Gross Domestic Product	2.2	2.4	2.2	3.2
Domestic expenditure	1.9	2.5	2.9	3.3
Private consumption	2.4	2.5	2.8	3.1
Government consumption	-2.0	-0.2	0.8	1.7
Gross fixed capital formation	4.7	5.3	4.2	6.1
Machinery and equipment	4.6	6.4	4.7	5.4
Intellectual property rights	3.4	4.8	6.1	5.0
Structures	-0.5	8.2	-1.0	7.0
Residential investment	11.9	1.6	5.6	8.1
Inventories	0.1	0.1	0.2	0.0
Net exports	0.2	-0.2	-0.6	-0.1
Exports	3.0	3.2	1.9	5.1
Imports	1.1	4.0	5.6	5.3
Consumer prices	1.5	1.6	0.2	2.5
Unemployment rate	7.4	6.2	5.3	5.0
Current account balance	-2.4	-2.4	-2.8	-3.0
Government budget balance	-4.1	-2.8	-2.8	-2.9

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*; own calculations; shaded: IfW forecast.

3. Japan

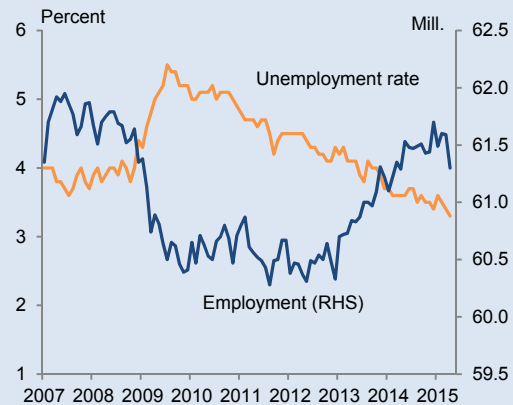
Figure 3.1:
GDP and domestic expenditure, 2007–2015



Quarterly data; volumes; seasonal adjusted; change over previous quarter.

Source: Cabinet Office, *Quarterly Estimates of GDP*.

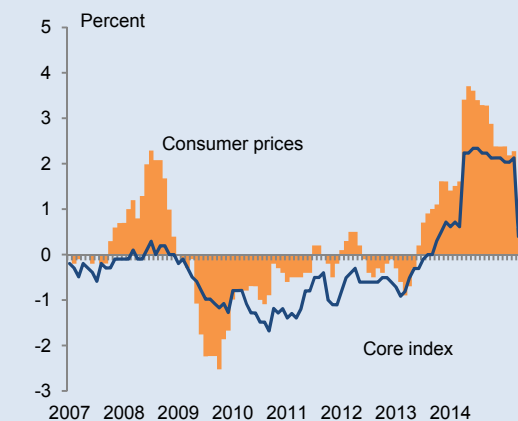
Figure 3.2:
Labor market, 2007–2015



Monthly data; seasonal adjusted.

Source: Department of Labor, *Labor Force Survey*.

Figure 3.3:
Consumer prices, 2007–2015



Monthly data. Change over previous year. — Core index: consumer prices excluding energy and fresh food.

Source: Statistics Bureau of Japan, *Consumer Price Index*.

Table 3.1:
Key indicators Japan, 2013–2016

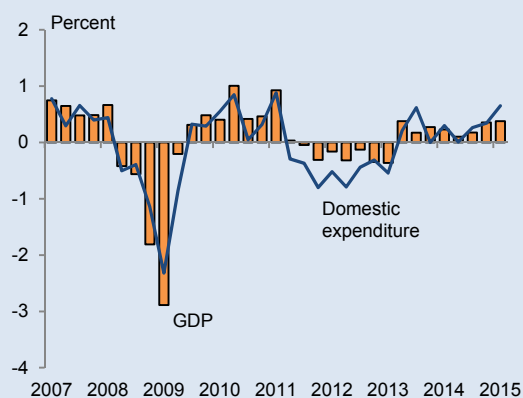
	2013	2014	2015	2016
Gross Domestic Product	1.6	-0.1	1.2	1.4
Domestic expenditure	1.9	-0.4	0.5	1.1
Private consumption	2.1	-1.3	0.0	1.0
Government consumption	1.9	0.3	0.7	0.5
Gross fixed capital formation	3.1	2.5	0.4	1.9
Enterprises	0.6	3.6	2.7	3.9
Residential Investment	8.7	-4.9	-4.3	2.0
Public investment	7.9	3.8	-4.1	-4.9
Change in inventories	-0.4	0.1	0.3	0.0
Net exports	-0.4	0.2	0.4	0.2
Exports	1.1	8.4	7.5	4.1
Imports	3.0	7.4	4.2	2.8
Consumer prices	0.4	2.7	0.9	1.2
Unemployment rate	4.0	3.6	3.5	3.4
Current account balance	0.7	0.5	2.6	2.5
Government budget balance	-8.5	-7.7	-7.0	-6.2

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*; own calculations; shaded: IFW forecast.

4. Euro Area

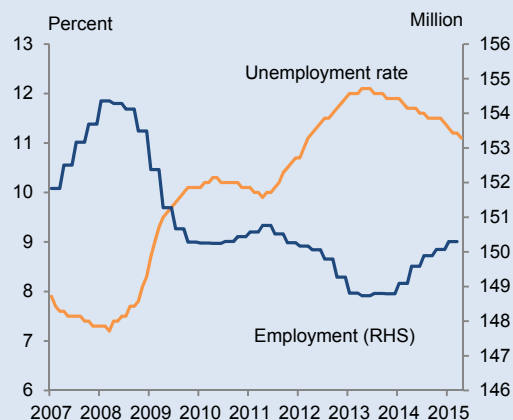
Figure 4.1:
GDP and domestic expenditure, 2007–2015



Quarterly data; volumes; seasonal adjusted, change over previous quarter.

Source: Eurostat, *National Accounts*.

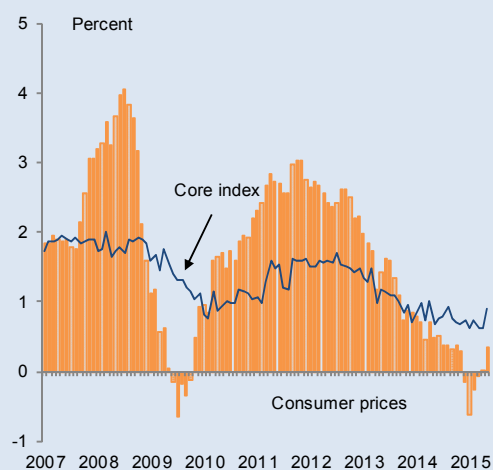
Figure 4.2:
Labor market, 2007–2015



Monthly data; seasonal adjusted.

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

Figure 4.3:
Consumer prices, 2007–2015



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

Source: Eurostat, *Price Statistics*.

Table 4.1:
Key indicators Euro Area, 2013–2016

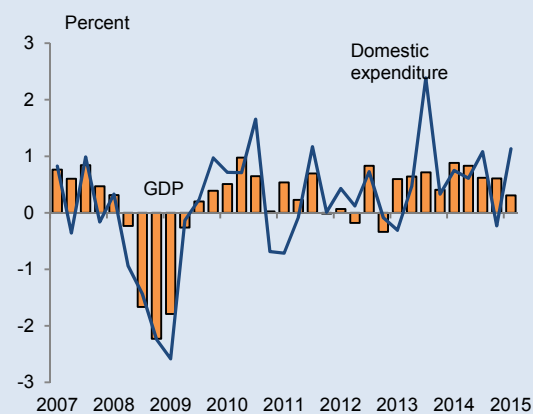
	2013	2014	2015	2016
Gross Domestic Product	-0.3	0.9	1.5	1.8
Domestic expenditure	-0.7	0.9	1.4	1.4
Private consumption	-0.6	1.0	1.5	1.4
Government consumption	0.2	0.6	1.0	0.8
Gross fixed capital formation	-2.3	1.1	1.8	2.7
Inventories	0.0	-0.1	0.0	-0.2
Net exports	0.4	0.0	0.1	0.5
Exports	2.1	3.7	3.9	5.3
Imports	1.3	4.0	4.2	4.5
Consumer prices	1.3	0.4	0.3	1.3
Unemployment rate	11.9	11.6	11.1	10.5
Current account balance	2.2	2.4	2.8	3.0
Government budget balance	-3.0	-2.5	-2.1	-1.9

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*; own calculations; shaded: IfW forecast.

5. United Kingdom

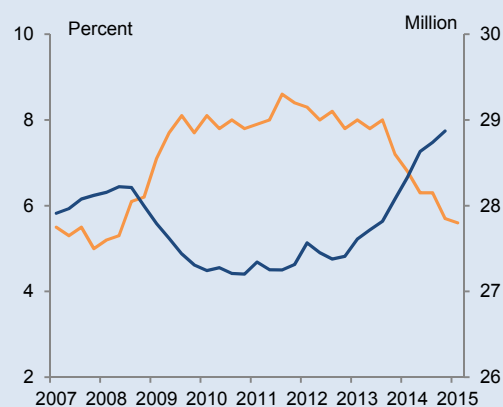
Figure 5.1:
GDP and domestic expenditure, 2007–2015



Quarterly data; volumes; seasonal adjusted; change over previous quarter.

Source: Office for National Statistics, *Economy*.

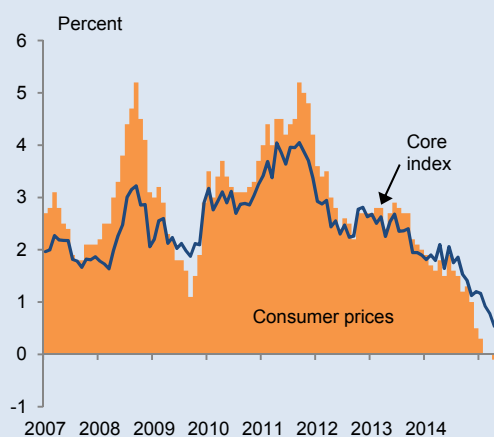
Figure 5.2:
Labor market, 2007–2015



Quarterly data; seasonal adjusted.

Source: Office of National Statistics, *Economy*.

Figure 5.3:
Consumer prices, 2007–2015



Monthly data. Change over previous year. Core rate: consumer prices excluding energy and fresh food.

Source: Office for National Statistics, *Economy*.

Table 5.1:
Key indicators United Kingdom, 2013–2016

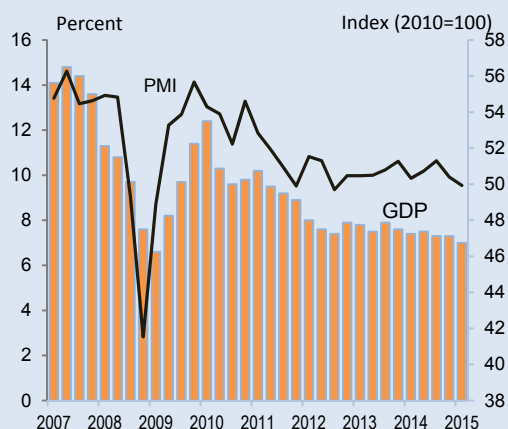
	2013	2014	2015	2016
Gross Domestic Product	1.7	3.0	2.9	2.6
Domestic expenditure	1.0	1.7	3.3	2.8
Private consumption	1.5	2.2	2.7	2.3
Government consumption	0.9	1.0	0.2	0.3
Gross fixed investment	1.4	8.0	7.5	7.9
Inventories	0.0	0.4	0.1	0.0
Net exports	0.1	0.0	-0.1	0.0
Exports	0.8	-1.2	1.0	2.5
Imports	0.4	-1.6	1.5	2.2
Consumer prices	2.6	1.5	0.6	1.5
Unemployment rate	7.6	6.2	5.0	4.5
Current account balance	-4.2	-4.7	-4.3	-4.1
Government budget balance	-5.6	-5.3	-4.6	-3.9

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: Office for National Statistics, *Economy*; shaded: IfW forecast.

6. China

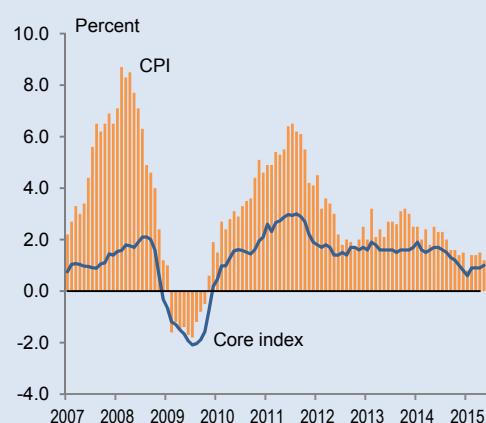
Figure 6.1:
GDP and PMI, 2007–2015



Quarterly data, y-o-y growth rates.

Source: National Bureau of Statistics of China; own calculations.

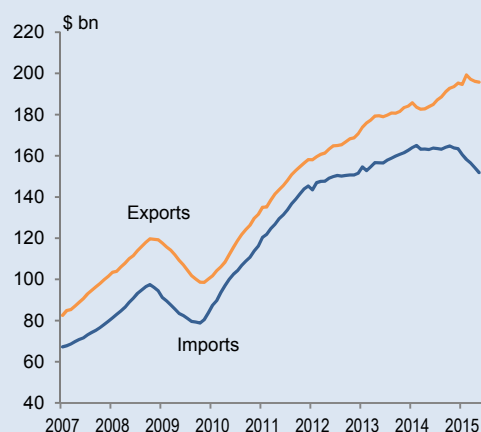
Figure 6.2:
Consumer prices, 2007–2015



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

Source: National Bureau of Statistics of China.

Figure 6.3:
Exports and imports, 2007–2015



Monthly data, 12-month moving average

Source: China Customs; own calculations.

Table 6.1:
Key indicators for China, 2013–2016

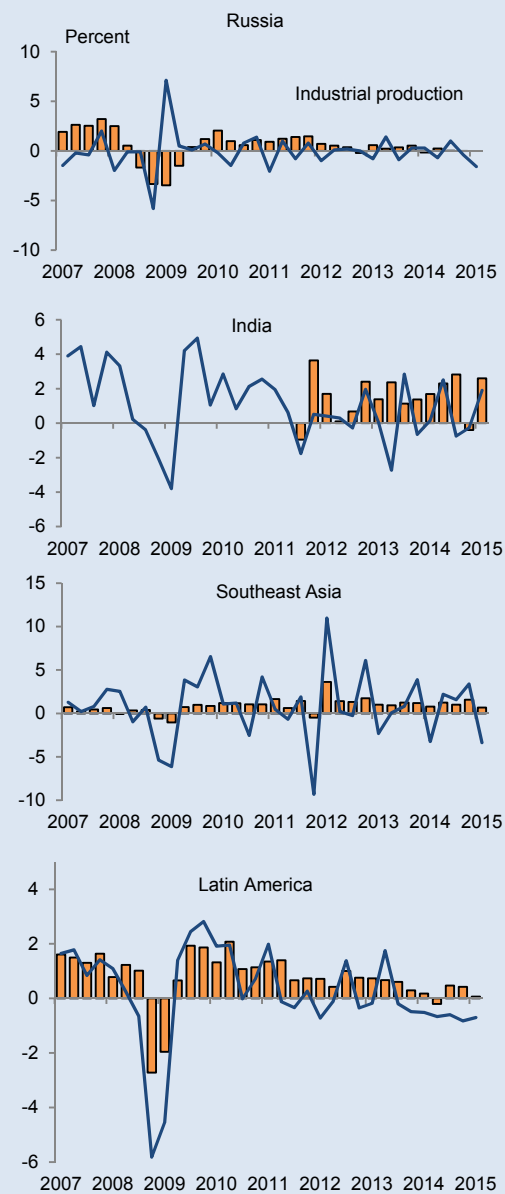
	2013	2014	2015	2016
Gross Domestic Product	7.8	7.4	6.6	6.3
Consumer prices	2.6	2.0	1.5	2.0
Unemployment rate	4.1	4.1	4.1	4.1
Current account balance	1.9	2.0	2.8	3.0
Government budget balance	-1.1	-1.1	-2.5	-2.5

GDP: volumes, change over previous year, percent. Consumer prices: index, change over previous year, percent. Unemployment rate: unemployed in relation to labor force, percent. Current account balance, government budget balance: percent of nominal GDP.

Source: IWF, *World Economic Outlook*, April 2015; shaded: IWF forecast.

7. Emerging Economies

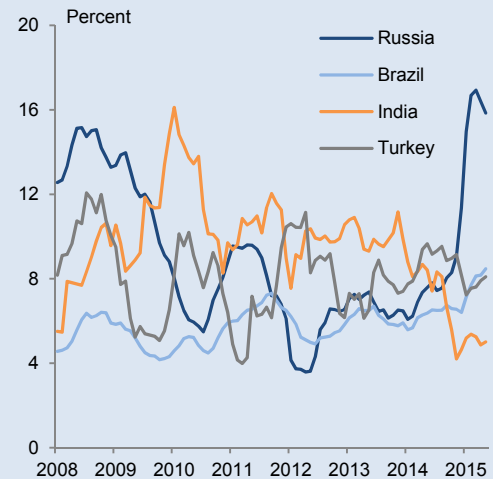
Figure 7.1:
GDP and industrial production, 2007–2015



Quarterly data; volumes; seasonal adjusted; change over previous quarter; Southeast Asia: GDP-weighted average of Indonesia, Thailand, Malaysia and the Philippines; Latin America: Q4 2014 and Q1 2015 partly estimated.

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

Figure 7.2:
Consumer prices, 2008–2015



Monthly data; change over previous year.

Source: Federal State Statistics Service, *Russia*; IBGE, *Brazil*; National Bureau of Statistics, *China*; Labour Bureau, MOPSI, *India*.

Figure 7.3:
US-dollar exchange rates, 2007–2015



Weekly data. Last value: June 15, 2015.

Source: Thomson Financial Datastream.

8. Forecast summary

Table 8.1:
Key assumptions, 2014–2016

	2014				2015				2016			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Key interest rate												
United States	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.5	0.8	1.0	1.3	1.8
Japan	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Euro area	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Exchange rates												
US-dollar/euro	1.37	1.37	1.33	1.25	1.13	1.11	1.11	1.11	1.11	1.11	1.11	1.11
Yen/US-dollar	102.5	102.5	103.2	114.4	119.1	122.2	122.0	122.0	122.0	122.0	122.0	122.0
Oil price (Brent, US-dollar)	107.9	109.8	102.1	76.0	54.1	62.1	68.0	71.0	73.0	74.0	75.0	75.0
HWWI-Index indust. commodities	91.1	90.0	90.5	85.6	84.7	86.0	87.3	89.1	90.8	92.6	95.0	97.3

Key interest rate: Fed Funds Rate (United States, since December 2008 between 0 to 0.25 percent; overnight rate (Japan); main refinancing operations (euro area).

Source: HWWI, *Commodity Price Index*; IMF, *International Financial Statistics*; Federal Reserve Bank, *Intended Federal Funds Rate*; ECB, *Monthly Bulletin*; shaded: IfW forecast or assumption.

Table 8.2:
Real gross domestic product, consumer prices and unemployment rate in advanced economies, 2014–2016

	Weights	Real GDP			Consumer prices			Unemployment rate		
		2014	2015	2016	2014	2015	2016	2014	2015	2016
European Union	40.8	1.3	1.8	2.0	0.6	0.3	1.3	10.2	9.6	9.0
Euro area	29.6	0.9	1.5	1.8	0.4	0.3	1.3	11.6	11.1	10.5
United Kingdom	6.5	2.8	2.5	2.5	1.5	0.6	1.5	6.2	5.0	4.5
Sweden	1.3	2.1	2.7	2.8	0.1	0.4	1.2	7.9	7.7	7.4
Poland	1.2	3.4	3.2	3.5	0.2	-0.6	0.9	9.0	7.6	6.5
Switzerland	1.5	2.0	1.3	2.1	0.0	-0.7	0.0	4.5	4.5	4.3
Norway	1.1	2.2	1.4	1.2	2.0	1.5	2.1	3.5	3.8	3.7
United States	38.7	2.4	2.2	3.2	1.6	0.2	2.5	6.2	5.3	5.0
Canada	3.9	2.4	1.7	2.5	1.9	1.2	2.2	6.9	6.7	6.5
Japan	10.7	-0.1	1.2	1.4	2.7	0.9	1.2	3.6	3.5	3.4
Australia	3.2	2.9	2.5	2.5	2.5	1.7	2.4	6.1	6.3	6.0
South Korea	2.9	3.6	3.9	4.0	1.3	1.5	2.2	3.5	3.3	3.2
Total	100.0	1.9	2.1	2.7	1.4	0.5	2.0	7.5	7.0	6.6

Based on GDP at prices and exchange rates of 2013 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 2013.

Source: Eurostat, *National Accounts*; OECD, *Main Economic Indicators*; IMF, *World Economic Outlook Database*; Statistics Canada, *Canadian Economic Account*; shaded: IfW forecast.

Table 8.3:
Real gross domestic product, consumer prices and unemployment rates in the European Union, 2014–2016

	Weights	Real GDP			Consumer prices			Unemployment rate		
		2014	2015	2016	2014	2015	2016	2014	2015	2016
Germany	20.9	1.6	1.8	2.1	0.9	0.6	1.7	5.0	4.7	4.3
France	15.3	0.2	1.1	1.4	0.6	0.3	1.1	10.3	10.5	10.3
Italy	11.6	-0.4	0.6	1.1	0.2	0.2	1.0	12.7	12.7	12.5
Spain	7.6	1.4	2.8	2.5	-0.2	-0.1	1.1	24.5	22.3	20.8
Netherlands	4.7	0.9	2.0	1.7	0.3	0.0	1.2	7.4	7.0	6.6
Belgium	2.9	1.1	1.0	1.8	0.5	0.0	1.3	8.5	8.4	8.0
Austria	2.4	0.3	0.8	1.9	1.5	0.9	1.8	5.6	5.5	5.0
Finland	1.5	-0.1	0.5	1.6	1.2	0.5	1.4	8.7	9.5	9.2
Greece	1.3	0.8	-1.0	1.0	-1.4	-1.0	0.6	26.6	26.5	25.0
Portugal	1.2	0.9	1.2	1.5	-0.2	0.1	1.0	14.1	12.8	11.7
Ireland	1.3	4.8	3.0	3.5	0.3	-0.1	1.1	11.3	9.3	7.5
Slovak Republic	0.5	2.4	3.3	4.0	-0.1	0.1	1.5	13.2	11.8	10.9
Luxembourg	0.3	3.4	2.5	3.3	0.7	0.0	1.4	5.9	5.7	5.7
Slovenia	0.3	2.6	2.5	3.0	0.4	-0.2	0.4	9.7	9.4	8.5
Latvia	0.3	2.9	2.0	3.0	0.2	-0.6	0.6	10.7	9.0	8.0
Lithuania	0.2	2.4	2.6	3.5	0.7	0.3	1.6	10.9	10.0	9.0
Estonia	0.1	2.1	2.3	3.4	0.5	-0.1	1.2	7.4	5.9	5.0
Cyprus	0.1	-2.3	-0.5	1.0	-0.3	-0.2	0.5	16.1	15.6	14.5
Malta	0.1	3.5	3.6	3.2	0.8	0.9	1.7	5.9	5.8	5.6
United Kingdom	16.0	2.8	2.5	2.5	1.5	0.6	1.5	6.2	5.0	4.5
Sweden	3.1	2.1	2.7	2.8	0.1	0.4	1.2	7.9	7.7	7.4
Poland	3.0	3.4	3.2	3.5	0.2	-0.6	0.9	9.0	7.6	6.5
Denmark	1.8	1.1	1.8	2.0	0.3	0.2	1.3	6.5	6.0	5.5
Czech Republic	1.1	2.0	2.8	2.8	0.4	0.5	1.5	6.1	5.7	5.0
Romania	1.1	2.8	3.0	4.0	1.4	1.1	2.3	6.8	6.5	6.2
Hungary	0.7	3.6	2.6	2.0	0.0	-0.4	2.5	7.7	7.3	7.1
Croatia	0.3	-0.4	0.4	1.0	0.2	-0.2	0.8	17.4	17.0	16.0
Bulgaria	0.3	1.7	2.5	2.5	-1.6	-1.1	0.7	11.4	10.0	9.4
European Union	100.0	1.3	1.8	2.0	0.6	0.3	1.3	10.2	9.6	9.0
<i>Addendum:</i>										
European Union 15	91.8	1.2	1.7	1.9	0.6	0.3	1.3	10.4	9.8	9.3
Accession countries	8.2	2.7	2.7	3.1	0.0	0.0	0.2	9.0	8.3	7.6
Euro Area	72.6	0.9	1.5	1.8	0.4	0.3	1.3	11.6	11.1	10.5
Euro Area without Germany	51.7	0.6	1.3	1.7	0.3	0.2	1.1	14.0	13.4	12.7

Based on GDP at prices and exchange rates of 2014 in percent. Change over previous year in percent. Harmonized Index of Consumer Prices (HICP). Standardized unemployment rate in percent (ILO); country groups weighted according to the size of the labor force in 2013. Accession countries since 2004.

Source: Eurostat, *National Accounts*; shaded: IFW forecast.

Table 8.4:
Real gross domestic product and consumer prices in selected emerging market economies, 2013–2016

	Weights	Real GDP				Consumer prices			
		2013	2014	2015	2016	2013	2014	2015	2016
Indonesia	6.1	5.6	5.0	5.0	5.0	6.4	6.4	6.6	4.9
Thailand	2.2	2.9	0.7	3.5	4.0	2.2	1.9	-0.3	2.0
Philippines	1.6	7.2	6.1	6.0	5.5	2.9	4.2	2.1	3.5
Malaysia	1.7	4.7	6.0	5.0	5.0	2.1	3.2	2.2	3.6
Total	11.5	5.2	4.5	4.8	4.9	4.5	4.8	4.0	4.0
China	39.9	7.8	7.4	6.6	6.3	2.6	2.0	1.5	2.0
India	16.7	6.9	7.2	7.4	7.4	10.9	6.4	4.5	5.5
Asian countries	68.1	7.1	6.9	6.5	6.3	5.0	3.5	2.7	3.2
Brazil	7.4	2.7	0.1	-0.5	1.0	6.2	7.2	8.3	6.0
Mexico	4.8	1.4	2.1	2.5	3.0	3.8	4.0	3.0	3.0
Argentina	2.1	2.9	0.5	-1.0	0.0	10.6	20.0	20.0	20.0
Colombia	1.4	4.9	4.6	3.5	4.0	2.0	2.9	4.4	3.0
Chile	0.9	4.3	1.8	2.5	3.3	1.8	4.4	4.1	3.0
Peru	0.8	5.8	2.4	3.0	4.2	2.8	3.2	3.5	3.0
Venezuela	1.2	1.3	-4.0	-4.0	-1.0	40.6	57.0	60.0	60.0
Latin American countries total	18.8	2.7	0.9	0.6	1.8	7.6	10.4	10.9	9.8
Russia	8.1	1.3	0.4	-3.0	0.5	6.8	7.8	15.0	8.0
Turkey	3.4	4.1	2.9	2.8	3.4	7.5	8.9	7.0	7.5
South Africa	1.6	1.9	1.5	2.0	2.5	5.8	6.1	5.0	5.5
Total	100.0	5.6	5.0	4.4	4.8	5.7	5.4	5.4	5.0

Based on 2014 GDP at purchasing power parities; in percent.

Source: IMF, *International Financial Statistics*; OECD, *Main Economic Indicators*; national statistics; own calculations; shaded: IfW forecast.