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**Article**

## World Economy Summer 2016 - World Economy with somewhat more steam

Kiel Institute Economic Outlook, No. 19

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# KIEL INSTITUTE **ECONOMIC OUTLOOK**

**World Economy**  
Summer 2016

Finalized June 15, 2016



**No. 19 (2016|Q2)**

*Jens Boysen-Hogrefe, Klaus-Jürgen  
Gern, Philipp Hauber, Stefan Kooths  
and Ulrich Stolzenburg*

# **WORLD ECONOMY WITH SOMEWHAT MORE STEAM**

*Jens Boysen-Hogrefe, Klaus-Jürgen Gern, Philipp Hauber,  
Stefan Kooths and Ulrich Stolzenburg*

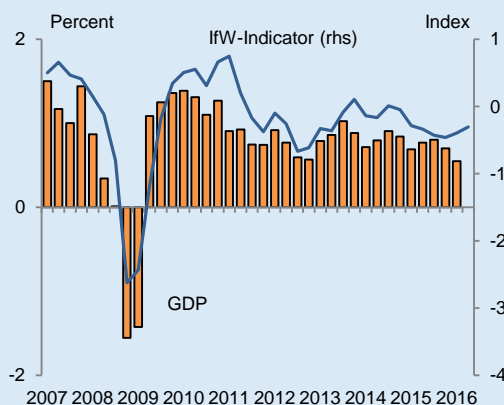
*The world economy seems to have stabilized in the first months of the year. The underlying growth dynamics, however, remain weak although we expect growth to accelerate somewhat going forward. This year, global output (at PPP exchange rates) will expand by 3.1 percent, which is close to last year's pace. In 2017, we expect a modest acceleration to 3.5 percent. Growth in advanced economies remains tepid. It is becoming clearer and clearer that structural rather than cyclical factors are holding back advanced economies which cannot be healed by ever more expansionary monetary policies or fiscal stimulus. The impulse from cheaper oil to real disposable incomes is fading out in advanced economies, while at the same time prospects in many emerging economies have improved with the partial recovery in commodity prices. However, also in this group of countries structural impediments to growth stand in the way of a swift recovery.*

- **After decelerating during the winter, the world economy has gained traction in the spring of 2016.** While first quarter world GDP growth was slow at an estimated rate of just 0.6 percent—the lowest rate since 2009—recent months have seen increasing signs of a pick-up, including the rebound of commodity prices which hit bottom in January. While the moderate recovery in advanced economies remained on track, emerging economies appear to have passed the cyclical trough.
- **Further marked increases in crude oil prices are unlikely.** Prices have risen substantially, from \$30 to 50 pbb. According to our analysis, further significant gains are not to be expected for the time being, given that OPEC countries cannot agree on cutting supply. Furthermore, at current price levels, investment in shale-oil extraction is starting to get profitable again. We base our forecast on oil prices of \$45 and 53 on average in 2016 and 2017, respectively.
- **The normalization of monetary policy in advanced economies will be further delayed.** We expect the Federal Reserve to continue to emphasize both global and domestic risks to the US economy and raise rates only gradually to 1 percent until the end of 2017. The ECB has even increased its monetary stimulus recently in an attempt to raise inflation and revitalize growth. But further monetary expansion seems to be more and more impotent. Currently even the exchange rate channel—formerly the most important channel of transmission of looser monetary policy into higher economic activity—appears to be impaired. At the same time, the risk of unintended side effects is increasing.
- **The fiscal policy stance will be broadly neutral.** Consolidation of government budgets appears to have come to a halt. The improvement in structural primary balances already stalled last year. Over the forecast horizon, fiscal policy might even become slightly expansionary.
- **Global GDP will expand by 3.1 percent in 2016 and accelerate modestly to 3.5 percent in 2017.** The increase in world trade is expected to remain low by historical standards at 2.5

and 3.5 percent, respectively, partly in response to a structural slowdown in the trade intensity of growth in emerging economies.

- **In the advanced economies activity is expected to pick up slightly in the remainder of this year and in 2017.** Acceleration will be gradual, however, despite the fact that monetary policy remains highly accommodative, as another credit-based surge in private demand is not likely to happen few years after the global financial crisis. While the boost to households resulting from lower commodity prices will fade out over the forecast horizon, demand in emerging economies should pick up providing an additional impulse to advanced economies. For the US economy, we expect growth of 2 percent this year and 2.6 percent in 2017. The recovery in the euro area is expected to gain traction although persistent structural impediments in some parts of the currency union prevent a more substantial acceleration of growth: output is expected to expand by 1.9 percent in 2017 after 1.7 percent in 2016 and 1.6 percent in 2015. Inflationary pressures will remain subdued but with the impact of lower oil prices fading out the headline inflation will accelerate in the months to come.
- **The recovery in emerging economies will strengthen gradually over the forecast horizon, but low commodity prices and structural problems continue to hold back growth.** For China we expect growth rates of 6.5 and 6.2 percent in 2016 and 2017, respectively. Sustained policy interventions would add to already high debt levels of corporations and local governments, thus raising concerns about medium-term stability. Although the level of commodity prices remains low, the recent partial recovery has provided some relief for countries heavily dependent on commodity revenues. Brazil and Russia are expected to emerge from recession only slowly.
- **Brexit would raise uncertainty and dampen activity markedly.** A risk to our forecast is the outcome of the British referendum on its EU membership. In the case of a decision to leave the EU, even though this would effectively not be implemented before 2018, we expect considerable short-term impacts on activity both in the UK and the EU. The negative fallout would be particularly high if, in addition to uncertainty around the precise terms of a Brexit, anti-EU sentiments in other countries would surge and the integrity of the whole EU would be increasingly called into question. Such a scenario could have repercussions for the world economy as a whole, particularly if it led to repeated episodes of turbulence on financial markets. But even in a calmer scenario, the economic costs of Brexit could be substantial—especially for the UK.

**Figure 1:**  
World economic activity, 2007–2016



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.

**Table 1:**  
Real GDP and consumer prices in selected countries and regions, 2015–2017

	Gross domestic product			Consumer prices		
	2015	2016	2017	2015	2016	2017
United States	2.4	2.0	2.6	0.1	1.5	2.4
Japan	0.6	0.6	1.1	0.8	0.2	0.7
Euro Area	1.6	1.7	1.9	0.0	0.2	1.3
United Kingdom	2.3	1.8	2.1	0.1	0.6	1.7
<b>Advanced economies total</b>	1.9	1.8	2.2	0.2	0.8	1.8
China	6.9	6.5	6.2	1.4	1.8	2.0
Latin America	-0.6	-0.7	1.3	15.7	14.7	12.5
India	7.3	7.5	7.2	4.9	5.4	5.5
East Asia	4.6	4.7	4.9	3.7	2.6	3.7
Russia	-3.5	-1.2	1.3	15.5	9.0	7.0
<b>World economy total</b>	3.1	3.1	3.5	3.8	3.5	3.9
<i>Addendum:</i>						
World trade volume	2.6	2.5	3.5	.	.	.
Oil price (Brent in US-\$)	52.7	44.8	52.9	.	.	.
World economy total (weighted according to GDP at market exchange rates)	2.5	2.5	2.9	2.9	2.9	3.4

Weighted according to GDP at PPP rates. East Asia: Emerging Asia excluding China and India.

Source: Forecast of the Kiel Institute for the World Economy; shaded: IfW forecast.

**Data annex**

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## 1. World Economy

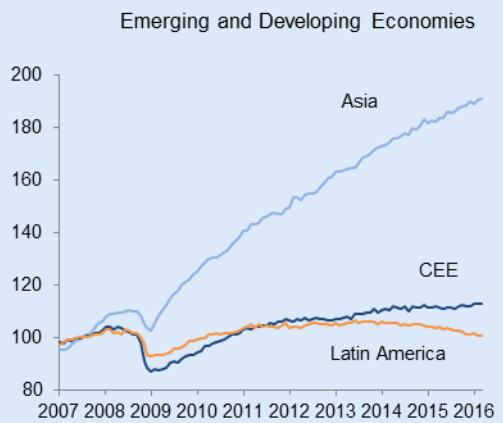
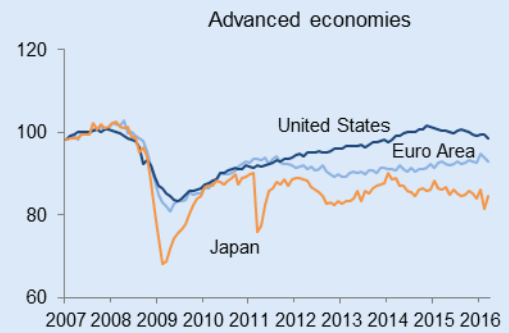
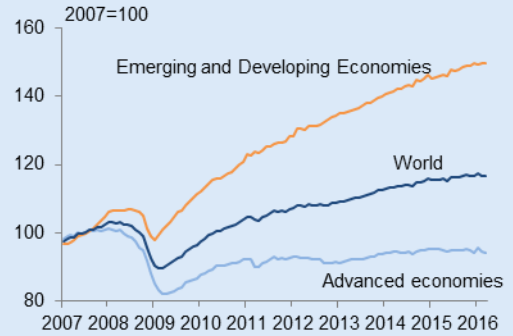
**Figure 1.1:**  
Business expectations by groups of countries, 2007–2015



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.

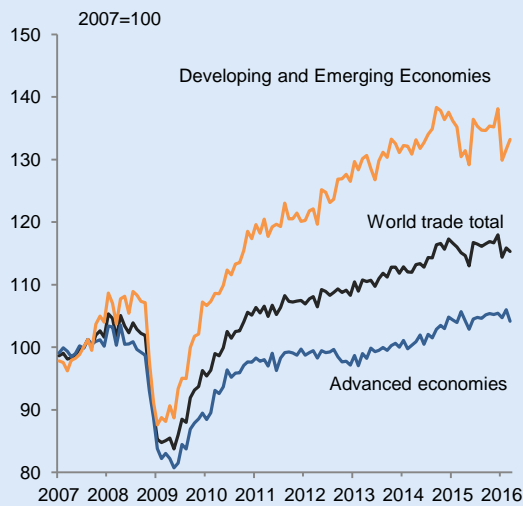
**Figure 1.2:**  
Industrial production by groups of countries and regions, 2007–2016



Monthly data.

Source: CPB, *World Trade Monitor*.

**Figure 1.3:**  
World economic activity, 2007–2016

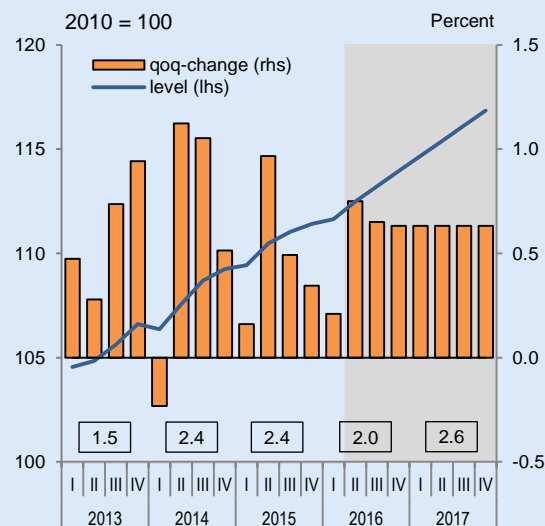


Monthly data.

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

## 2. United States

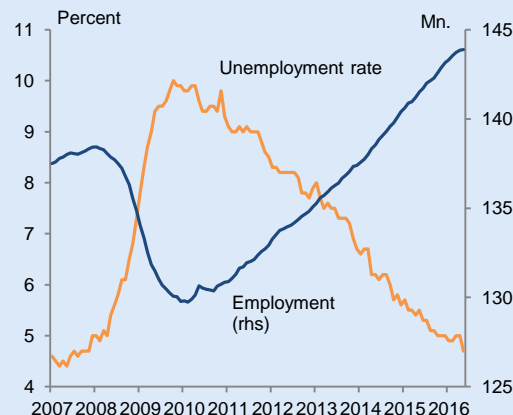
**Figure 2.1:**  
GDP, 2013–2017



Quarterly data, price, seasonally and calendar adjusted, qoq-change. Annual data: price adjusted, annual rate of change (boxes).

Source: US Department of Commerce, *National Economic Accounts*; shaded: IfW forecast.

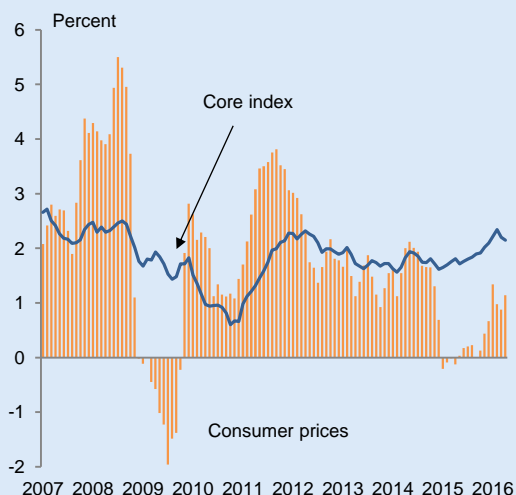
**Figure 2.2:**  
Labor market, 2007–2016



Monthly data; seasonal adjusted.

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

**Figure 2.3:**  
Consumer prices, 2007–2016



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

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

**Table 2.1:**  
Key indicators United States, 2014–2017

	2014	2015	2016	2017
Gross Domestic Product	2.4	2.4	2.0	2.6
Domestic expenditure	2.5	3.0	2.1	2.8
Private consumption	2.7	3.1	2.5	2.5
Government consumption	-0.6	0.8	1.4	1.8
Gross fixed capital formation	5.3	4.0	2.2	6.0
Machinery and equipment	5.8	3.1	0.6	4.6
Intellectual property rights	5.2	5.8	1.9	5.6
Structures	8.1	-1.5	-3.7	5.6
Residential investment	1.8	8.8	10.4	7.1
Inventories	0.1	0.2	-0.2	-0.1
Net exports	-0.2	-0.7	-0.1	-0.2
Exports	3.4	1.1	0.8	5.4
Imports	3.8	5.0	1.5	5.9
Consumer prices	1.6	0.1	1.5	2.4
Unemployment rate	6.2	5.3	4.8	4.6
Current account balance	-2.2	-2.6	-2.4	-2.3
Government budget balance	-2.8	-2.5	-2.9	-2.9

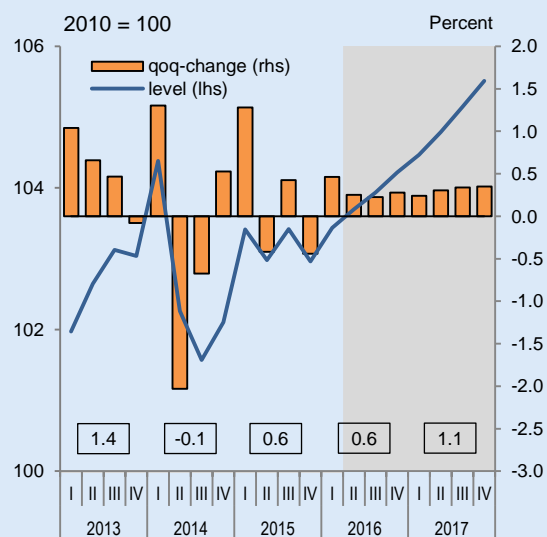
GDP: volumes, change over previous year, percent. Net exports, inventories: contribution to growth, percentage points. Unemployment rate: unemployed in relation to labor force, percent. Current account balance, government budget balance: percent of nominal GDP. Budget balance: fiscal year.

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

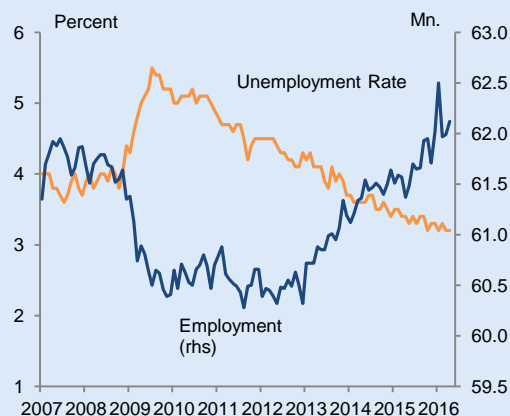
**Figure 3.1:**  
GDP, 2013–2017



Quarterly data, price adjusted and seasonally adjusted, qoq-change (RHS). Annual data: price adjusted, annual rate of change (boxes).

Source: Cabinet Office, *National accounts*; shaded: Ifw forecast.

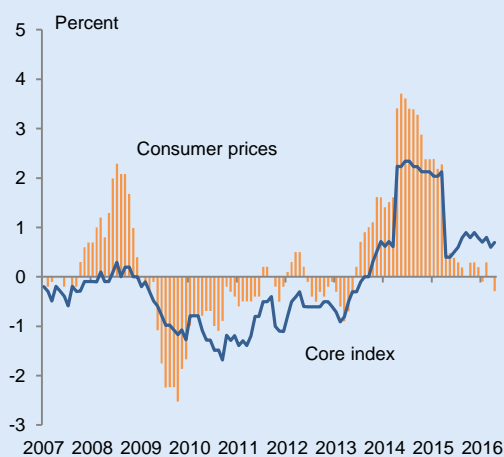
**Figure 3.2:**  
Labor market, 2007–2016



Monthly data; seasonally adjusted.

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

**Figure 3.3:**  
Consumer prices, 2007–2016



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, 2014–2017

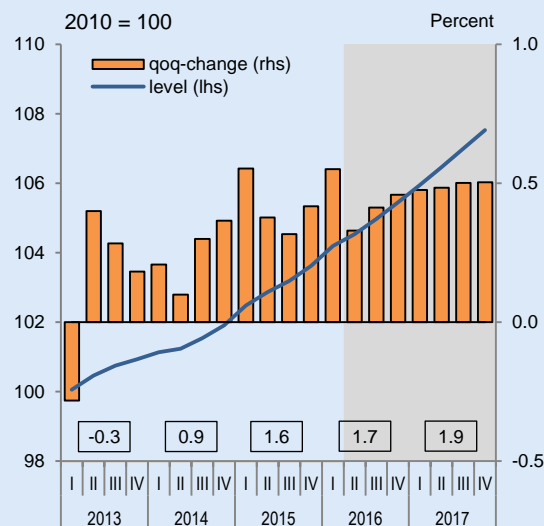
	2014	2015	2016	2017
Gross Domestic Product	-0.1	0.6	0.6	1.1
Domestic expenditure	-0.4	0.2	0.5	1.1
Private consumption	-0.9	-1.2	0.5	1.0
Government consumption	0.1	1.2	2.1	1.3
Gross fixed capital formation	1.2	0.4	-0.5	1.3
Enterprises	2.8	1.6	0.3	1.6
Residential Investment	-5.0	-2.7	0.2	2.5
Public investment	0.2	-1.9	-3.6	-0.2
Change in inventories	0.2	0.5	-0.2	0.0
Net exports	0.2	0.3	0.1	0.0
Exports	8.3	2.8	0.6	2.4
Imports	7.2	0.3	-0.2	2.7
Consumer prices	2.7	0.8	0.2	0.7
Unemployment rate	3.6	3.4	3.2	3.0
Current account balance	0.5	3.0	3.5	3.6
Government budget balance	-6.2	-5.4	-5.5	-5.0

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

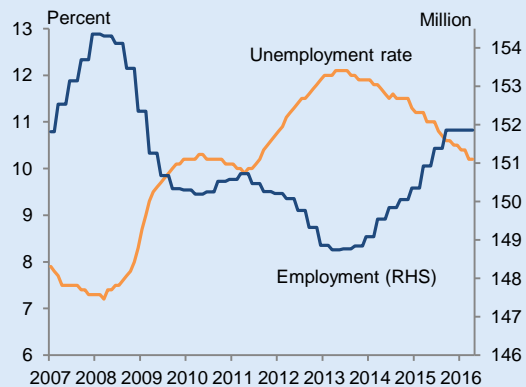
**Figure 4.1:**  
GDP, 2013–2017



Quarterly data, price, seasonally and calendar adjusted, qoq-change. Annual data: price adjusted, annual rate of change (boxes).

Source: Federal Statistical Office, *Fachserie 18, Series 1.3*; shaded: IfW forecast.

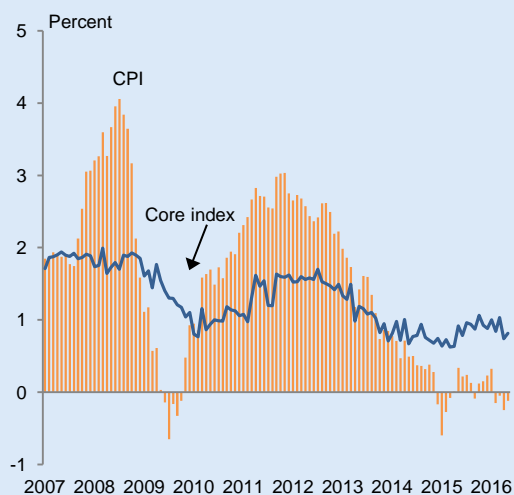
**Figure 4.2:**  
Labor market, 2007–2016



Monthly data; seasonal adjusted.

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

**Figure 4.3:**  
Consumer prices, 2007–2016



Monthly data; yoy change. Core index: CPI without Energy and Food.

Source: Eurostat, *Price Statistics*.

**Table 4.1:**  
Key indicators Euro Area, 2014–2017

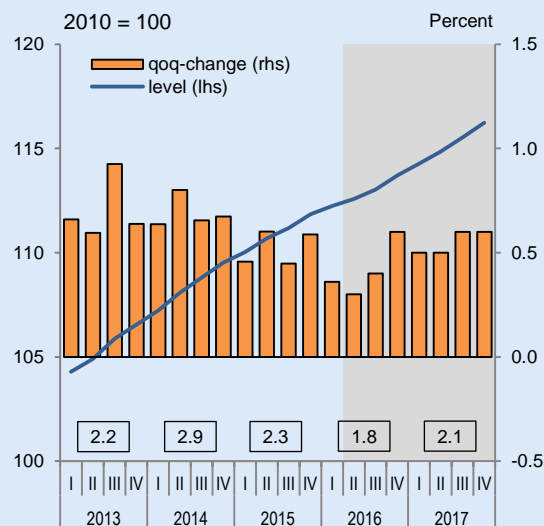
	2014	2015	2016	2017
Gross Domestic Product	0.9	1.6	1.7	1.9
Domestic expenditure	0.9	1.7	2.2	2.0
Private consumption	0.8	1.7	1.7	1.7
Government consumption	0.8	1.3	1.7	1.8
Gross fixed capital formation	1.3	2.7	3.1	3.2
Inventories	0.0	-0.1	0.2	-0.0
Net exports	0.0	-0.1	-0.4	-0.0
Exports	4.1	5.1	2.8	4.3
Imports	4.5	5.9	4.0	4.8
Consumer prices	0.4	0.0	0.2	1.4
Unemployment rate	11.6	10.9	10.1	9.6
Current account balance	2.5	3.2	3.3	3.2
Government budget balance	-2.6	-2.1	-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

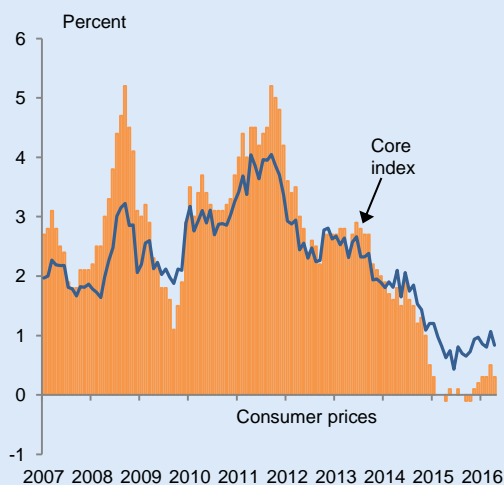
**Figure 5.1:**  
GDP, 2013–2017



Quarterly data, price, seasonally and calendar adjusted, qoq-change. Annual data: price adjusted, annual rate of change (boxes).

Source: Federal Statistical Office, *Fachserie 18, Series 1.3*, shaded: ifw forecast.

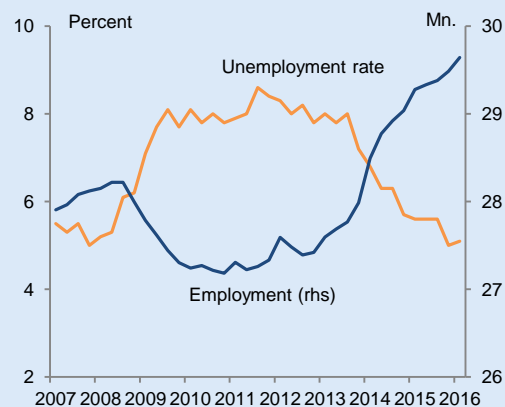
**Figure 5.3:**  
Consumer prices, 2007–2016



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

Source: Office for National Statistics, *Economy*.

**Figure 5.2:**  
Labor market, 2007–2015



Quarterly data, seasonally adjusted.

Source: Office of National Statistics, *Economy*.

**Table 5.1:**  
Key indicators United Kingdom, 2014–2017

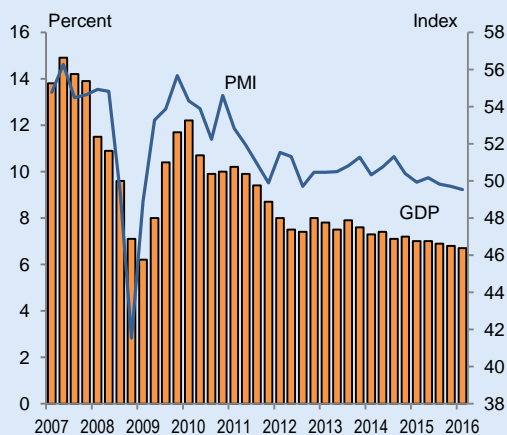
	2014	2015	2016	2017
Gross Domestic Product	1.7	3.0	2.9	2.6
Domestic expenditure	1.0	1.7	3.3	2.8
Private consumption	1.5	2.2	2.7	2.3
Government consumption	0.9	1.0	0.2	0.3
Gross fixed investment	1.4	8.0	7.5	7.9
Inventories	0.0	0.4	0.1	0.0
Net exports	0.1	0.0	-0.1	0.0
Exports	0.8	-1.2	1.0	2.5
Imports	0.4	-1.6	1.5	2.2
Consumer prices	0.0	0.0	0.0	0.0
Unemployment rate	0.0	0.0	0.0	0.0
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

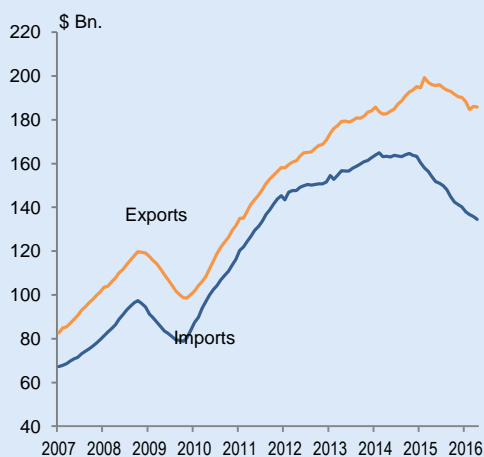
**Figure 6.1:**  
GDP and PMI, 2007–2016



Quarterly data, seasonally and working-day adjusted; year-to-year growth rates.

Source: National Bureau of Statistics; IfW calculations.

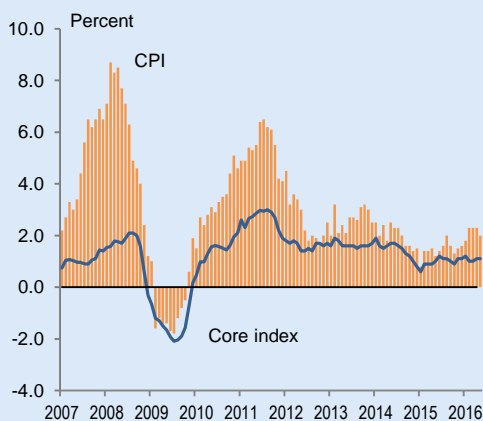
**Figure 6.2:**  
Exports and imports, 2007–2016



Monthly data, 12-month moving average.

Source: General Administration of Customs, IfW calculations.

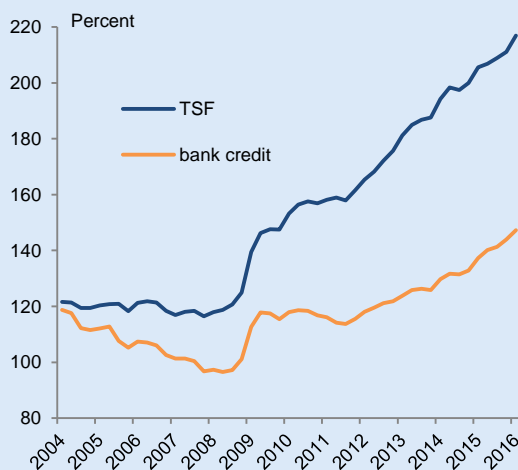
**Figure 6.3:**  
Consumer prices, 2007–2016



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

Source: National Bureau of Statistics.

**Figure 6.4:**  
Outstanding credit in China, 2004–2016

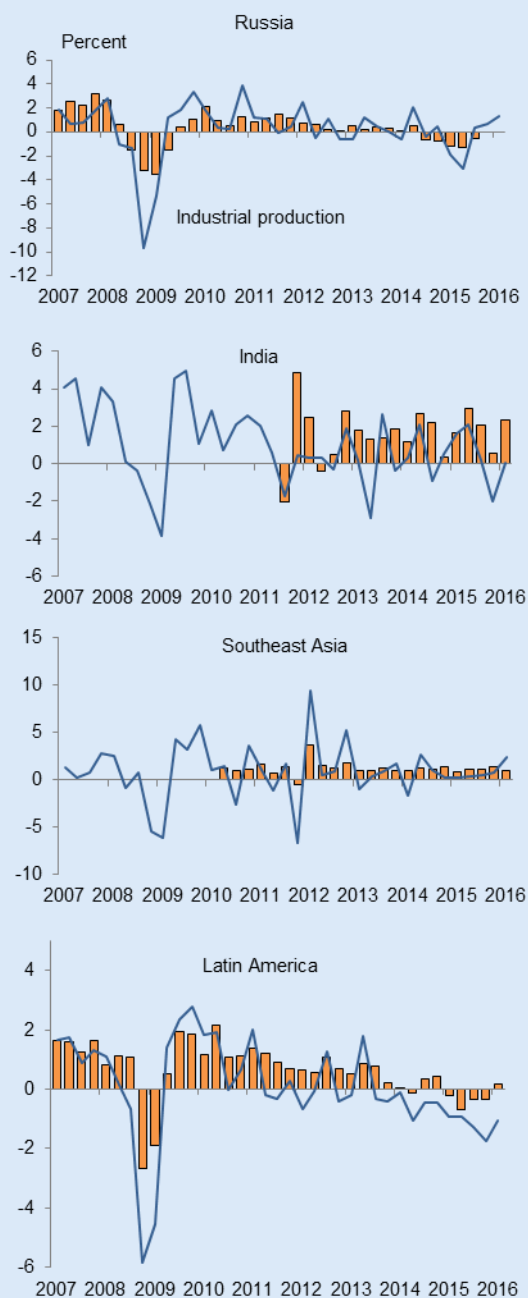


Quarterly data. As a percentage of nominal gross domestic product.

Source: People's Bank of China (PBOC) via Thomson Financial Datastream; IfW calculations.

## 7. Emerging Economies

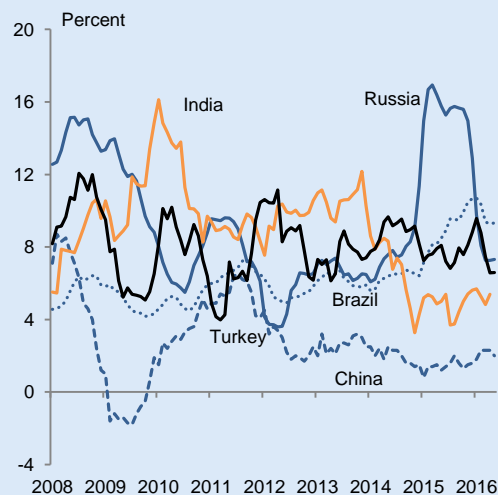
**Figure 7.1:**  
GDP and industrial production, 2007–2016



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, 2008–2016



Monthly data; change over previous year.

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

**Figure 7.3:**  
US-dollar exchange rates, 2007–2016



Weekly data. Last value: June 13, 2016.

Source: Thomson Financial Datastream.

## 8. Forecast summary

**Table 8.1:**  
Key assumptions, 2015–2017

	2015				2016				2017			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Key interest rate												
United States	0.0	0.0	0.0	0.3	0.3	0.3	0.5	0.8	0.8	1.0	1.0	1.3
Japan	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Euro area	0.1	0.1	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	1.13	1.10	1.12	1.09	1.09	1.09	1.09	1.09	1.09	1.09	1.09	1.09
Yen/US-dollar	119.1	122.2	122.3	121.5	114.8	113.0	113.0	113.0	113.0	113.0	113.0	113.0
Oil price (Brent, US-dollar)	54.1	62.1	49.9	44.6	34.5	38.0	39.0	40.0	41.0	44.0	47.0	50.0
HWWI-Index indust. commodities	76.2	74.2	67.5	62.2	62.8	63.5	65.0	67.6	69.7	71.8	73.9	76.1

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, 2015–2017

	Weights	Real GDP			Consumer prices			Unemployment rate		
		2015	2016	2017	2015	2016	2017	2015	2016	2017
European Union	40.8	1.9	1.9	2.0	0.0	0.3	1.4	9.4	8.7	8.2
Euro area	29.5	1.6	1.7	1.8	0.0	0.3	1.3	10.9	10.1	9.5
United Kingdom	6.6	2.3	1.8	2.1	0.1	0.6	1.7	5.3	5.0	4.9
Sweden	1.3	3.9	3.4	3.1	0.7	1.2	1.7	7.4	6.7	6.2
Poland	1.2	3.6	2.8	3.5	-0.7	-0.2	1.1	7.5	6.3	6.0
Switzerland	1.5	0.9	1.1	1.4	-0.8	-0.5	0.4	4.3	4.7	4.6
Norway	1.1	1.2	1.0	1.8	2.0	3.3	2.8	4.3	4.6	4.6
United States	38.7	2.4	2.0	2.6	0.1	1.5	2.4	5.3	4.8	4.6
Canada	3.9	1.2	1.4	2.2	1.1	1.7	2.0	6.9	7.1	6.9
Japan	10.7	0.6	0.6	1.1	0.8	0.2	0.7	3.6	3.4	3.2
Australia	3.2	2.5	2.5	2.8	1.5	1.4	2.2	6.1	5.8	5.6
South Korea	2.9	2.6	2.8	3.2	0.7	1.0	1.6	3.6	3.5	3.4
Total	100.0	2.1	1.9	2.3	0.3	0.9	2.0	6.9	6.4	6.1

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, 2015–2017**

	Weights	Real GDP			Consumer prices			Unemployment rate		
		2015	2016	2017	2015	2016	2017	2015	2016	2017
Germany	20.9	1.5	1.9	2.1	0.1	0.5	1.6	4.6	4.0	3.6
France	15.3	1.2	1.6	1.5	0.1	0.2	1.2	10.4	10.0	9.6
Italy	11.6	0.6	0.9	1.2	0.1	0.1	1.2	11.9	11.5	10.7
Spain	7.5	3.2	2.9	2.2	-0.6	-0.4	0.9	22.1	19.7	18.9
Netherlands	4.7	2.0	1.4	1.6	0.2	0.4	1.4	6.9	6.3	5.9
Belgium	2.9	1.4	1.4	1.5	0.6	1.3	1.9	8.5	8.4	8.3
Austria	2.4	0.8	1.5	1.5	0.8	0.8	1.7	5.7	5.8	5.7
Finland	1.5	0.7	1.7	1.7	-0.2	0.2	1.1	9.4	9.2	8.8
Greece	1.3	-0.3	-0.8	1.5	-1.1	-0.1	0.9	25.0	24.6	23.7
Portugal	1.2	1.5	1.1	1.4	0.5	0.6	1.5	12.7	11.9	10.8
Ireland	1.4	7.8	5.5	3.8	-0.3	-0.3	1.4	9.4	8.3	7.6
Slovak Republic	0.5	3.6	3.7	3.7	-0.4	-0.1	1.4	11.5	9.9	8.5
Luxembourg	0.4	4.9	4.3	3.1	0.1	0.1	1.6	6.5	6.0	5.5
Slovenia	0.3	2.6	2.2	2.7	-0.6	0.3	1.4	9.0	8.8	8.5
Latvia	0.3	1.6	2.7	3.3	-0.7	0.5	1.4	9.1	7.9	7.1
Lithuania	0.2	2.6	1.5	3.3	0.2	-0.2	1.4	9.9	9.7	9.0
Estonia	0.1	1.2	1.5	2.7	0.1	0.3	1.4	6.2	6.0	5.7
Cyprus	0.1	1.6	2.8	2.5	-1.6	-1.2	0.4	15.0	11.5	10.0
Malta	0.1	6.4	3.6	3.1	1.2	1.0	2.2	5.4	4.9	4.6
United Kingdom	16.1	2.3	1.8	2.1	0.1	0.6	1.7	5.3	5.0	4.9
Sweden	3.1	3.9	3.4	3.1	0.7	1.2	1.7	7.4	6.7	6.2
Poland	2.9	3.6	2.8	3.5	-0.7	-0.2	1.1	7.5	6.3	6.0
Denmark	1.9	1.2	1.1	1.7	0.2	0.3	1.0	6.2	5.9	5.6
Czech Republic	1.1	4.3	2.4	2.9	0.3	0.5	1.5	5.1	4.2	3.8
Romania	1.1	3.8	4.1	4.0	-0.4	-1.5	1.5	6.7	6.2	6.0
Hungary	0.7	2.6	2.8	3.0	0.1	0.9	2.0	6.8	5.6	5.5
Croatia	0.3	1.6	1.9	2.2	-0.3	-0.1	0.9	16.3	15.0	13.6
Bulgaria	0.3	2.7	2.8	3.0	-1.1	-0.5	0.8	9.2	7.5	7.0
European Union	100.0	1.9	1.9	2.0	0.0	0.3	1.4	9.4	8.7	8.2
<i>Addendum:</i>										
European Union 15	91.8	1.8	1.8	1.9	0.1	0.4	1.4	9.7	9.0	8.5
Accession countries	8.2	3.3	2.8	3.2	0.0	0.0	0.2	8.0	7.0	6.5
Euro Area	72.4	1.6	1.7	1.9	0.0	0.2	1.3	10.9	10.1	9.5
Euro Area without Germany	51.5	1.6	1.7	1.8	0.0	0.2	1.2	13.1	12.3	11.6

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, 2014–2017

	Weights	Real GDP				Consumer prices			
		2014	2015	2016	2017	2014	2015	2016	2017
Indonesia	6.1	5.0	4.8	5.0	5.2	6.4	6.4	3.5	4.3
Thailand	2.2	0.8	2.8	3.4	3.6	1.9	-0.9	0.8	2.6
Philippines	1.6	6.2	5.9	6.0	6.2	4.2	1.4	1.9	3.0
Malaysia	1.7	6.0	5.0	4.3	4.6	3.1	2.1	2.4	3.4
Total	11.5	4.5	4.6	4.7	4.9	4.7	3.7	2.6	3.7
China	39.9	7.3	6.9	6.5	6.2	2.0	1.4	1.8	2.0
India	16.7	7.3	7.3	7.5	7.2	5.9	4.9	5.4	5.5
Asian countries	68.1	6.9	6.6	6.4	6.2	3.4	2.6	2.8	3.2
Brazil	7.4	0.1	-3.9	-3.1	0.1	6.3	9.0	9.2	6.1
Mexico	4.8	2.2	2.5	2.6	2.8	3.2	2.4	3.0	3.0
Argentina	2.1	0.5	1.2	-1.0	2.8	21.4	25.0	25.0	19.9
Colombia	1.4	4.4	3.1	2.2	2.8	2.9	5.0	7.7	4.4
Chile	0.9	1.8	2.1	2.2	2.6	4.4	4.3	4.0	3.1
Peru	0.8	2.4	3.3	3.7	4.0	3.2	3.5	3.9	3.1
Venezuela	1.2	-3.9	-5.7	-8.0	-4.5	62.2	121.7	.	.
Latin American countries total	18.8	1.0	-0.6	-0.7	1.3	10.4	15.7	14.7	12.5
Russia	8.1	0.4	-3.5	-1.2	1.3	7.8	15.5	9.0	7.0
Turkey	3.4	2.9	3.8	3.0	2.8	8.9	7.6	7.0	8.0
South Africa	1.6	1.5	1.3	0.5	1.4	6.1	4.6	5.8	6.0
Total	100.0	5.0	4.2	4.3	4.7	5.3	6.3	5.8	5.4

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.