

Global Economic Forecasts

17 October 2019

Forecasts key indicators

17/10/2019	GDP (%yoy)				Inflation (%yoy)				Unemployment (%)					
	2018	2019e	previous forecast	2020e	previous forecast	2018	2019e	previous forecast	2020e	previous forecast	2017	2018	2019e	2020e
US	2.9	2.2		1.3		2.4	1.8		2.0		4.4	3.9	3.6	3.6
Japan	0.8	1.0		0.3		1.0	1.1		1.6		2.8	2.4	2.2	2.2
Eurozone	1.9	0.8		0.6		1.8	1.1		0.9		9.1	8.2	7.7	8.3
Germany	1.5	0.4		0.7		1.9	1.4		1.0		3.8	3.4	3.2	3.7
France	1.7	1.0		0.8		2.1	1.1		0.9		9.4	9.1	8.7	9.1
Italy	0.7	-0.1		0.0		1.3	0.7		0.5		11.3	10.6	10.1	11.0
Spain	2.6	2.1		1.5		1.7	1.2		1.1		17.2	15.3	14.0	13.5
The Netherlands	2.5	1.6		1.0	↑ (0.9)	1.6	2.6		1.5		4.9	3.8	3.4	3.7
Belgium	1.4	0.7		0.3		2.3	1.6		1.1		7.1	6.0	5.7	5.9
Austria	2.7	1.1		0.6		2.1	1.7		1.6		5.5	4.9	4.7	5.2
Finland	1.7	1.1		0.5		1.2	1.0		0.9		8.6	7.4	6.7	7.2
Greece	1.9	1.2		1.3		0.8	0.4		0.3		21.5	19.4	17.9	18.1
Portugal	2.1	1.2		0.7		1.2	0.5		0.4		9.0	7.0	6.7	7.2
Ireland	8.3	3.0		2.0		0.7	0.8		0.7		6.7	5.8	4.7	5.0
UK	1.4	1.2		1.2		2.4	1.9		1.8		4.4	4.0	3.9	3.9
Sweden	2.5	1.5	↓ (16)	1.4	↓ (16)	2.2	1.7		1.6		6.5	6.4	6.5	6.7
Denmark	1.0	1.7		1.6		1.2	0.9		1.1		4.2	3.9	4.2	4.2
Switzerland	2.8	1.1		1.2		1.0	0.6		0.7		3.0	2.7	2.5	2.5
Norway	2.4	2.0		1.8		2.4	2.2		2.0		4.2	3.9	3.4	3.4
Canada	2.2	1.2		2.5		2.4	1.7		1.8		6.5	6.0	5.9	6.0
Australia	3.0	1.8		2.2		2.1	1.4		1.7		5.5	5.5	5.2	5.2
New Zealand	2.8	2.2		2.3		1.6	1.5		1.6		4.7	4.6	4.4	4.5
World	3.5	2.9		2.9		3.4	3.6		3.3					
World trade	3.3	0.0		1.0										

	Current account (% GDP)					Budget balance (% GDP)					Government debt (% GDP)			
	2016	2017	2018	2019e	2020e	2016	2017	2018	2019e	2020e	2017	2018	2019e	2020e
US	-2.4	-2.6	-2.8	-3.0	-3.0	-3.1	-3.5	-4.1	-5.2	-5.0	75	76	78	79
Japan	3.9	4.0	3.6	3.9	4.0	-3.7	-4.3	-3.7	-2.8	-2.8	238	238	237	236
Eurozone	3.5	3.9	3.4	3.0	2.8	-1.6	-1.0	-0.5	-1.2	-1.4	87	86	85	85
Germany	8.7	8.2	7.4	6.8	6.6	0.9	1.0	1.7	0.8	0.7	65	61	59	58
France	-0.8	-0.6	-0.8	-0.8	-0.8	-3.5	-2.8	-2.5	-3.2	-2.5	98	98	99	100
Italy	2.5	2.5	2.1	2.0	2.0	-2.5	-2.4	-2.1	-3.0	-3.2	131	132	134	135
Spain	2.2	1.9	0.9	0.8	0.8	-4.5	-3.1	-2.5	-2.6	-2.7	98	97	96	97
The Netherlands	8.1	10.8	10.9	9.8	9.0	0.0	1.3	1.5	1.4	0.0	57	52	49	48
Belgium	-0.4	0.9	0.1	0.0	-0.2	-2.4	-0.8	-0.7	-1.5	-1.8	103	102	102	102
Austria	2.6	2.1	2.4	2.4	2.5	-1.6	-0.8	0.1	-0.3	-0.5	78	74	72	71
Finland	-0.8	-0.3	-1.9	-1.5	-1.6	-1.7	-0.8	-0.7	-0.8	-1.0	61	59	59	59
Greece	-1.2	-1.1	-1.4	-1.0	-0.8	0.5	0.7	1.1	0.1	-0.5	176	181	176	174
Portugal	0.1	0.2	-1.0	-1.2	-1.2	-2.0	-3.0	-0.5	-0.8	-1.0	125	122	122	122
Ireland	-4.2	8.5	9.1	8.5	7.9	-0.7	-0.3	0.0	-0.2	-0.5	69	65	63	61
UK	-5.2	-3.8	-3.5	-3.2	-3.2	-2.3	-1.9	-1.9	-1.5	-1.5	85	86	85	84

Source: Thomson Reuters Datastream, EIU, ABN AMRO Group Economics

Summary emerging markets and commodities

17/10/2019	GDP (%yoy)					Inflation (%yoy)				
	2018	2019e	previous forecast	2020e	previous forecast	2018	2019e	previous forecast	2020e	previous forecast
Emerging Asia	6.1	5.6		5.5		2.6	2.8		2.9	
Emerging Europe	3.1	1.3		2.2		6.3	7.0		5.3	
Latin America	0.6	-0.1		1.9		7.5	9.5		8.3	
EM Total	4.4	3.8		4.2		4.3	5.0		4.5	
Eurozone	1.9	0.8		0.6		1.8	1.1		0.9	
US	2.9	2.2		1.3		2.4	1.8		2.0	
World	3.5	2.9		2.9		3.4	3.6		3.3	
Emerging economies*										
China	6.6	6.2		5.8		1.9	2.5		2.5	
India	6.8	6.5		7.0		3.9	3.5		4.0	
Turkey	2.8	-1.5		2.5		16.3	16.5		10.0	
Russia	2.2	1.0		1.5		2.9	4.5		4.0	
Brazil	1.1	1.0		2.0		3.7	4.0		3.5	

	Current account (%GDP)					Budget balance (%GDP)				
	2016	2017	2018	2019e	2020e	2016	2017	2018	2019e	2020e
Emerging Asia	1.9	1.4	0.3	0.5	0.5	-3.2	-3.2	-3.4	-3.5	-3.5
Emerging Europe	-0.1	-0.6	1.6	2.5	2.0	-2.2	-1.3	0.4	-0.5	-0.5
Latin America	-2.1	-1.4	-1.9	-2.0	-2.0	-6.1	-5.7	-5.1	-4.5	-4.5
Eurozone	3.5	3.9	3.4	3.0	2.8	-1.6	-1.0	-0.5	-1.2	-1.4
US	-2.4	-2.6	-2.8	-3.0	-3.0	-3.1	-3.5	-4.1	-5.2	-5.0
Emerging economies*										
China	1.8	1.6	0.4	0.5	0.5	-3.8	-3.8	-4.2	-4.5	-4.5
India	-0.5	-1.4	-2.4	-1.5	-1.0	-3.5	-3.5	-3.5	-3.5	-3.5
Turkey	-3.8	-5.6	-3.6	0.0	-0.5	-1.1	-1.5	-2.0	-4.0	-3.0
Russia	1.9	2.1	6.9	7.0	6.5	-3.4	-1.4	2.6	2.0	1.5
Brazil	-1.3	-0.4	-0.8	-1.0	-1.5	-7.5	-8.9	-6.9	-6.0	-4.5

* 2019 and 2020 for GDP growth, current account and budget deficit are rounded.

Source: Thomson Reuters Datastream, EIU, ABN AMRO Group Economics

Latin America and world inflation without Venezuela

Commodities	end of period						
	2016	2017	2018	2019e	2020e		
Brent	56.82	66.87	53.80	60	70	Energy	USD/bbl
WTI	53.72	60.45	45.41	55	65	Energy	USD/bbl
Natural gas	3.72	2.95	2.94	3.00	2.75	Energy	USD/mmBtu
Gold	1,147	1,303	1,282	1,400	1,600	Metals	USD/oz
Silver	15.92	16.93	15.49	15.50	18.00	Metals	USD/oz
Aluminum	1,704	2,268	1,863	1,742	1,835	Metals	USD/t
Copper	5,523	7,247	5,949	6,112	6,650	Metals	USD/t
Steel (HRC)	533	662	552	447	500	Metals	USD/t
Iron ore	80	71	72	91	80	Metals	USD/t
Wheat	440	427	511	497	505	Agri	USDc/bu
Corn	350	351	383	407	418	Agri	USDc/bu
Arabica coffee	139	129	105	102	106	Agri	USDc/lb
Cocoa	2,350	1,892	2,449	2,460	2,525	Agri	USD/t
Sugar	18.00	15.16	12.1	12.57	13.33	Agri	USDc/lb

Source: Thomson Reuters Datastream, ABN AMRO Group Economics

Interest and exchange rates

17/10/2019	Official policy rate (% eop)				3m interbank rate (% eop)					
	2018	2019e	previous	2020e	previous	2018	2019e	previous	2020e	previous
US	2.50	1.50		1.50		2.8	1.4		1.6	
Japan	-0.10	-0.10		-0.10		0.0	-0.1		-0.1	
Eurozone	-0.40	-0.60		-0.60		-0.3	-0.6		-0.6	
UK	0.75	0.75		0.75		0.7	0.8		0.8	
Sweden	-0.25	-0.25		-0.25		-0.1	-0.2		-0.2	
Denmark	-0.65	-0.85		-0.85		-0.6	-0.9		-0.9	
Switzerland	-0.75	-1.00		-1.00		-0.7	-1.0		-1.0	
Norway	0.75	1.50		1.50		1.3	1.5		1.5	
Canada	1.75	1.50		1.50		1.7	1.5		1.5	
Australia	1.50	0.75		0.50		2.0	0.8		0.5	
New Zealand	1.75	0.75		0.75		2.0	0.8		0.8	

	10y government bond yields (% eop)				Spread versus Bunds (bp)						
	2018	2019e	previous	2020e	previous	2018	2019e	previous		2020e	previous
US	3.0	1.5		1.5		45	20		20		France
Japan	0.0	-0.1		0.0		289	250		250		Italy
Eurozone (Bunds)	0.2	-0.8		-0.8		120	50		50		Spain
UK	1.3	0.3		0.3		14	5		5		The Netherlands
Sweden	0.5	-0.5		-0.5		49	30		30		Belgium
Denmark	0.2	-0.8		-0.8		27	20		20		Austria
Switzerland	-0.3	-1.3		-1.3		30	20		20		Finland
Norway	1.8	1.0		1.0		398	230		230		Greece
Canada	2.0	1.0		1.0		155	60		60		Portugal
Australia	2.3	0.8		0.8		66	40		35		Ireland
New Zealand	2.4	1.0		1.0							

	Exchange rates (versus USD, eop)*				Exchange rates (versus EUR, eop)*						
	2018	2019e	previous	2020e	previous	2018	2019e	previous		2020e	previous
						1.15	1.12		1.15		EUR/USD
USD/JPY	110	104		100		126	116		115		EUR/JPY
USD/EUR	0.87	0.89		0.87							
GBP/USD	1.27	1.24		1.30		0.90	0.90		0.88		EUR/GBP
USD/SEK	8.88	9.8		9.9		10.17	11.0		11.4		EUR/SEK
USD/DKK	6.51	6.7		6.5		7.45	7.5		7.5		EUR/DKK
USD/CHF	0.98	1.0		1.0		1.13	1.1		1.1		EUR/CHF
USD/NOK	8.65	8.9		8.7		9.90	10.0		10.0		EUR/NOK
USD/CAD	1.36	1.34		1.36		1.56	1.5		1.6		EUR/CAD
AUD/USD	0.70	0.7		0.6		1.63	1.7		1.8		EUR/AUD
NZD/USD	0.68	0.6		0.6		1.68	1.8		1.9		EUR/NZD
USD/CNY	6.85	7.2		7.5		7.85	8.1		8.6		EUR/CNY
USD/INR	69.79	71		72		79.93	80		83		EUR/INR
USD/TRY	5.27	6.0		6.2		6.03	6.7		7.1		EUR/TRY
USD/RUB	69.47	66		67		79.56	74		77		EUR/RUB
USD/BRL	3.87	4.0		4.3		4.44	4.5		4.9		EUR/BRL

*2019 and 2020 are rounded figures

Source: Thomson Reuters Datastream, EIU, ABN AMRO Group Economics

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Emerging Markets

Update: 17/10/19

Nominal GDP EUR bn	GDP growth (% yoy)				Inflation (CPI, % yoy avg)				Govt balance (% GDP)				
	Forecast**:				Forecast:				Forecast**:				
	2018	2019	previous	2020	previous	2018	2019	previous	2020	previous	2018	2019	2020
China	23111	6.6	6.2		5.8	1.9	2.5		2.5		-4.2	-4.5	-4.5
Hong Kong	456	3.0	0.5		1.5	2.4	2.5		2.5		2.4	0.5	0.5
India	9595	6.8	6.5		7.0	3.9	3.5		4.0	↓ (4.5)	-3.5	-3.5	-3.5
Indonesia	3250	5.2	5.0		5.0	3.2	3.0		3.5		-1.8	-2.0	-2.0
Malaysia	946	4.7	4.5		4.0	1.0	1.0		2.0		-3.7	-3.5	-3.5
Philippines	876	6.2	6.0		6.0	5.5	3.5		3.0		-3.0	-2.5	-2.5
Singapore	542	3.1	0.5	↓ (1.0)	1.5	0.4	1.0		1.5		0.4	-0.5	-0.5
South Korea	2120	2.7	2.0		2.0	1.5	0.5		1.0		1.5	0.5	0.0
Taiwan	1189	2.6	2.0		2.0	1.4	1.0		1.5		0.0	-1.0	-1.0
Thailand	1240	4.1	3.0		3.0	1.1	1.0		1.5		-2.5	-3.0	-2.5
Czech Rep	403	2.9	2.5		2.5	2.2	2.5		2.5		1.0	0.0	0.0
Hungary	281	5.0	4.0		3.0	2.5	3.0		3.0		-2.2	-1.5	-2.0
Poland	1137	5.0	4.0		3.0	1.5	2.0		2.5		-0.5	-2.0	-2.0
Romania	521	4.0	3.5		3.5	3.0	4.5		5.5		-3.0	-3.5	-3.5
Russia	3781	2.0	1.0		1.5	3.0	4.5		4.0		2.6	2.0	1.5
Turkey	2278	2.8	-1.5		2.5	16.3	16.5		10.0		-2.0	-4.0	-3.0
Argentina	977	-2.5	-1.5		2.0	34	53		45		-5.0	-3.5	-5.0
Brazil	3255	1.0	1.0		2.0	3.5	4.0		3.5		-6.9	-6.0	-4.5
Chile	448	4.0	2.5		3.0	2.5	2.5		3.0		-1.7	-1.5	-1.0
Colombia	709	2.6	3.0		3.0	3.2	3.5		3.0		-2.5	-2.5	-2.5
Mexico	2423	2.0	0.5		1.5	5.0	3.5		3.5		-2.0	-2.5	-2.5
Peru	383	4.0	3.5		3.5	1.5	2.0		2.0		-2.5	-2.0	-1.5
South Africa	766	0.8	1.0		1.5	4.5	4.5		5.0		-5.0	-5.0	-4.5

Macroeconomic forecasts and exchange rates (year end)

	Government debt (% GDP)			Current account (% GDP)			Exchange rate against USD:			Exchange rate against EUR:		
	2018	2019	2020	2018	2019	2020	Recent 17/10/2019	Forecast**: 2019	2020	Recent 17/10/2019	Forecast**: 2019	2020
China	15	19	22	0.4	0.5	0.5	7.10	7.2	7.5	7.85	8.1	8.6
Hong Kong	43	41	41	4.3	4.0	2.0	7.84	7.8	7.8	8.67	8.7	8.9
India	48	47	47	-2.5	-1.5	-1.0	71	71	72	79	80	83
Indonesia	34	31	31	-3.0	-3.0	-2.5	14169	14500	15000	15657	16250	17250
Malaysia	51	52	53	2.1	2.5	2.5	4.20	4.3	4.2	4.64	4.8	4.8
Philippines	42	41	41	-2.4	-2.0	-2.5	52	53	54	57	59	62
Singapore	111	115	115	17.9	16.0	16.0	1.37	1.4	1.5	1.52	1.6	1.7
South Korea	41	41	41	4.4	4.0	4.0	1188	1250	1300	1313	1400	1500
Taiwan	30	30	31	12.2	11.5	11.0	30.69	33	34	33.92	36	39
Thailand	42	45	48	7.0	7.0	7.5	30.40	32	32	33.59	35	37
Czech Rep	33	32	31	0.4	0.0	0.0	23	23	23	26	26	27
Hungary	71	70	68	0.4	0.5	0.5	301.60	300	310	333.28	330	350
Poland	49	48	47	-0.6	-0.5	-0.5	3.88	3.8	3.8	4.29	4.3	4.4
Romania	35	36	37	-4.5	-4.5	-4.0	4.30	4.0	4.1	4.75	4.5	4.5
Russia	10	10	9	6.9	7.0	6.5	64.15	66	67	70.89	74	77
Turkey	29	31	32	-3.6	0.0	-0.5	5.88	6.0	6.2	6.50	6.7	7.1
Argentina	86	99	95	-5.3	-1.5	0.5	58.34	70	84	64.47	79	97
Brazil	77	82	83	-0.8	-1.0	-1.5	4.17	4.0	4.3	4.61	4.5	4.9
Chile	26	26	26	-3.1	-2.5	-2.0	719	720	750	795	810	860
Colombia	56	57	57	-3.9	-4.5	-4.5	3459	3400	3350	3823	3800	3850
Mexico	47	48	51	-1.8	-1.5	-2.0	19.22	21	21	21.23	23	24
Peru	26	26	27	-1.6	-2.0	-1.5	3.37	3.4	3.3	3.73	3.8	3.8
South Africa	57	58	60	-3.6	-4.5	-5.0	14.96	15.5	16.0	16.54	17.5	18.5

**Forecasts for GDP growth, govt balance, current account and FX are rounded

Source: ABN AMRO Group Economics, EIU, European Commission

Exchange rate EUR/USD 1.12 1.15
Exchange rate USD/EUR 0.89 0.87