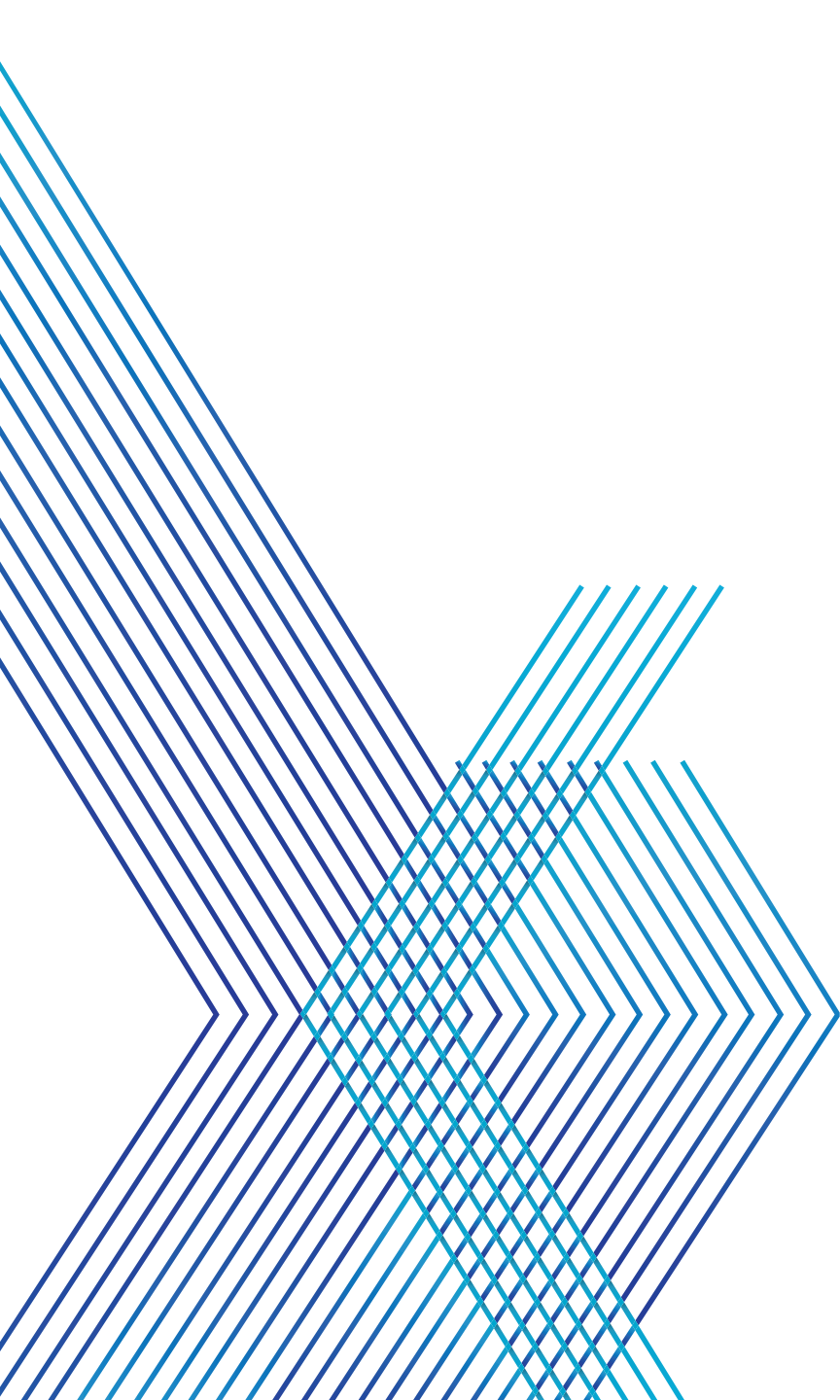




Global Economic Forecasts

Q3 2021



This is an extract of the full '[Global Economic Forecasts: Q3 2021](#)' report.

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The data included in this document is accurate according to Passport, Euromonitor International's market research database, at time of publication: August 2021

INTRODUCTION



Euromonitor International Analytics offers precise answers to vital business questions in an increasingly fast-paced and uncertain world. Our Macro Model provides regularly updated forecasts and “what-if” scenarios for core macroeconomic variables, including GDP, growth and unemployment. Its global scope ensures our macro forecasts and scenarios reflect the economically inter-connected world in which we live.

The Global Economic Forecasts report focuses on quarterly macro changes for the world’s key economies and what these mean to our view of the likely, optimistic and pessimistic scenarios

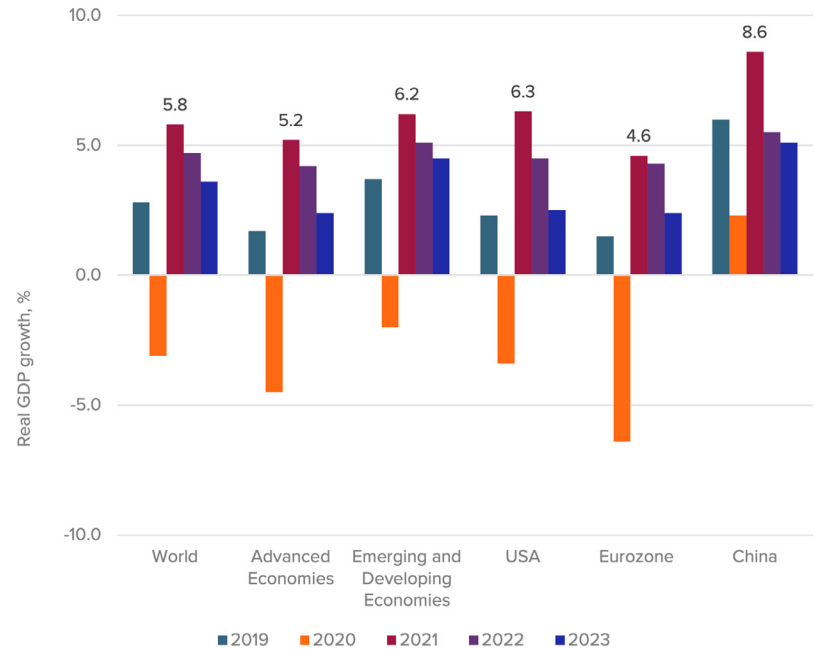
for the global economy. Ultimately, we help businesses stay ahead of risks and opportunities as they emerge on a macroeconomic basis.

The global real GDP growth forecast for 2021 has remained roughly unchanged over the last quarter, at 5.8% (with a range of 5–6.3%), with a forecast of 4.7% real GDP growth in 2022 (with a range of 4–5.3%). The overall stable global outlook for 2021 combines major upwards revisions to the Eurozone, Brazil and Mexico, countered by substantial downgrades to the outlook in India and other Asia Pacific economies.

The strong economic recovery in the baseline forecast would still leave global real GDP more than 2% below the pre-pandemic forecast level in 2022. Furthermore, the momentum of the recovery in 2021 is likely to have peaked due to the spread of the highly infectious Delta coronavirus variant, slowdown in vaccination campaigns in advanced economies and low vaccination rates in developing economies.

The recovery is stronger in advanced economies, where real GDP is expected to increase by 5.2% in 2021 (with a range of 4.6–5.6%) and by 4.2% in 2022 (with a range of 3.6–4.6%). In the baseline forecast, advanced economies’ real GDP level will slightly exceed their pre-pandemic forecast level in 2022. Developing economies’ real GDP is expected to rise by 6.2% in 2021 (with a range of 5.2–6.8%) and by 5.1% in 2022 (with a range of 4.1–5.7%). This would leave developing economies’ output level almost 3% below the pre-pandemic forecast in 2022.

Global Real GDP Growth Baseline Forecast 2019–2023



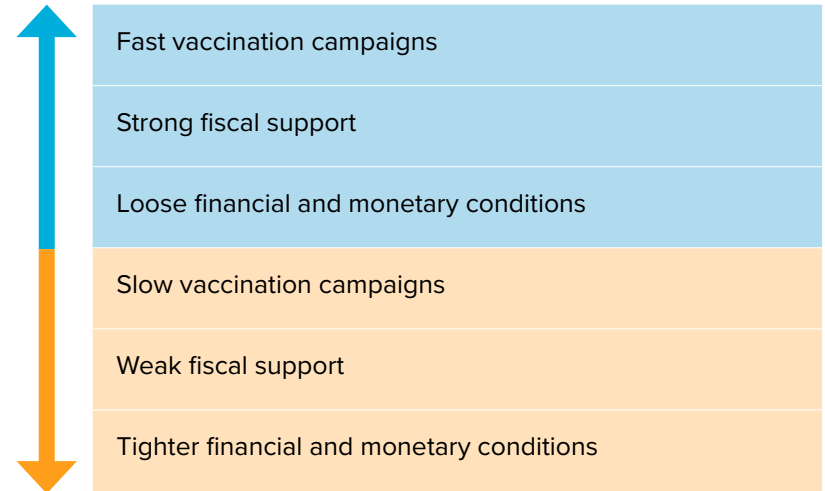
Source: Euromonitor International Macro Model
 Note: Data from 2021 are forecasts.

The diverging recoveries of advanced and developing economies mainly reflect two factors:

1. Coronavirus vaccination rates have increased much faster in advanced economies than in developing economies. In the baseline forecast, vaccination rates above 70% are attained in advanced economies in Q3–Q4 2021. Vaccines would reach widespread availability in developing economies by the end of 2022, with their vaccination rates remaining far below 50% until 2023. This leaves developing economies much more vulnerable to ongoing coronavirus waves.
2. Fiscal support in advanced economies continues to be strong in 2021–2022 with almost as much COVID-19-related spending as in 2020. In contrast, developing economies' COVID-19-related fiscal support spending is estimated to decline by more than 90% in 2021–2022 relative to 2020, reflecting those countries' much more limited fiscal space and concerns about potential increases in country sovereign risk premia.

Developing economies are also more vulnerable to rising global interest rates and risk premia as central banks start reducing quantitative easing programmes and raising monetary policy rates during the recovery.

Factors Affecting Speed of Pandemic Recovery

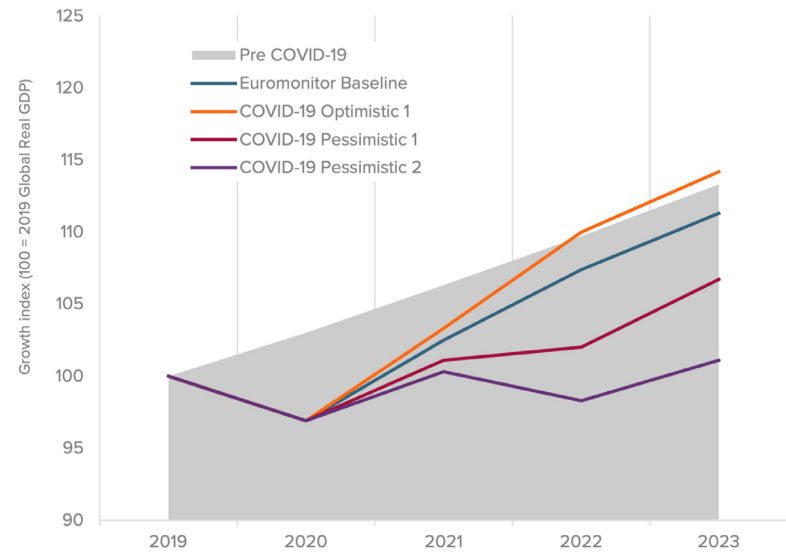


The main global downside risk factor is the emergence of new, more infectious, or vaccine-resistant coronavirus variants. The current Delta variant is 2.5–3 times more infectious than the variants in the first half of 2020, requiring 85–100% immunisation rates to achieve herd immunity. The current vaccines remain highly effective in preventing severe illness from the Delta variant, however even in advanced economies a substantial part of the population remains unvaccinated. Further COVID-19 outbreaks in partially vaccinated populations may encourage development of new variants that are resistant to current vaccines.

Recent coronavirus waves have had much milder economic effects due to better targeting of social distancing restrictions and better private sector adaptation. A high proportion of vaccinated individuals should facilitate more targeted restrictions, and there are strong incentives for more people to get vaccinated to avoid restrictions. The economic effects of the Delta coronavirus variant are expected to be moderate in advanced economies, disrupting the recovery more significantly in developing economies.

The baseline forecast is now assigned around 69% probability. However, there is a probability of around 27% of more pessimistic pandemic scenarios in which new virus variants make current vaccines ineffective delaying a more complete global recovery into 2023–2024, and only 4% assigned to the optimistic scenario.

Global Real GDP Index, Baseline and Alternative Scenarios 2019–2023



Source: Euromonitor International Macro Model
Note: Data from 2021 are forecasts.

COVID-19 SCENARIOS SUMMARY

GLOBAL ECONOMIC FORECASTS Q3 2021

	COVID-19 BASELINE / MOST LIKELY	COVID-19 PESSIMISTIC 1	COVID-19 PESSIMISTIC 2	COVID-19 OPTIMISTIC 1
2021 Global GDP growth	[5%, 6.3%]	[3.5%, 5.0%]	[3.0%, 4.0%]	[6.2%, 6.8%]
2022 Global GDP growth	[4%, 5.3%]	[0%, 2%]	[-2.7%, -1.3%]	[6.0%, 7.0%]
Probability	64–74%	18–28%	2–6%	2–6%

ASSUMPTIONS

Number of COVID-19 waves in 2021–2022	2–3 global pandemic wave in 2021	3–5 global pandemic waves in 2021–2022	3–6 global pandemic waves in 2021–2022	2–3 global pandemic wave in 2021
Business and consumer confidence indices over one-year horizon	Return to historic averages by Q3 2021	10–30% below baseline forecast	30–60% below baseline forecast	Return to historic averages by Q2 2021
Global stock prices over one-year horizon	0–30% growth in 2021	Down by 10–40% relative to baseline	Down by 40–60% relative to baseline	Up by 10–40% above baseline
Risky borrowing rates (private sector or emerging market economies) relative to safest government bond interest rates over one-year horizon	Close to historic average	Rise by 1–4 percentage points above baseline	Rise by 2–6 percentage points above baseline	Close to historic average

GDP GROWTH FORECASTS & REVISIONS FROM LAST QUARTER GLOBAL ECONOMIC FORECASTS Q3 2021

ADVANCED ECONOMIES

COUNTRY / REGION	2020	2021	2022	2023	2024–2028 AVERAGE (F)	2021 FORECAST REVISION	2022 FORECAST REVISION
% Percentage points							
Advanced Economies	-4.5	5.2	4.2	2.4	1.5	0.2 ▲	0.4 ▲
US	-3.4	6.3	4.5	2.5	1.6	-0.4 ▼	0.2 ▲
Canada	-5.3	6.2	4.2	2.5	1.8	0.0	0.0
Eurozone	-6.4	4.6	4.3	2.4	1.3	0.7 ▲	0.4 ▲
Germany	-4.9	3.3	4.2	2.0	1.1	0.2 ▲	0.4 ▲
France	-8.0	5.9	4.0	2.3	1.4	0.6 ▲	0.5 ▲
Italy	-8.9	5.2	4.3	2.2	0.8	1.5 ▲	0.3 ▲
Spain	-10.8	6.2	5.8	3.0	1.4	0.9 ▲	0.4 ▲
UK	-9.9	6.3	5.5	2.5	1.5	0.8 ▲	0.3 ▲
Japan	-4.7	2.3	2.7	1.8	0.7	-0.7 ▼	0.4 ▲
South Korea	-0.8	4.2	3.3	2.7	2.1	0.8 ▲	0.3 ▲

Source: Euromonitor International Macro Model

GDP GROWTH FORECASTS & REVISIONS FROM LAST QUARTER GLOBAL ECONOMIC FORECASTS Q3 2021

EMERGING AND DEVELOPING ECONOMIES

COUNTRY / REGION	2020	2021	2022	2023	2024–2028 AVERAGE (F)	2021 FORECAST REVISION	2022 FORECAST REVISION
% Percentage points							
Emerging and Developing Economies	-2.0	6.2	5.1	4.5	4.2	-0.3 ▼	0.0
China	2.3	8.6	5.5	5.1	4.5	0.0	0.0
India	-7.0	8.7	7.1	6.1	6.0	-0.7 ▼	-0.5 ▼
Indonesia	-2.0	3.5	6.0	5.6	5.0	-1.0 ▼	0.5 ▲
Brazil	-4.4	4.7	2.5	2.4	2.4	1.7 ▲	0.2 ▲
Mexico	-8.5	5.8	3.0	2.5	2.3	1.1 ▲	-0.2 ▼
Russia	-2.9	3.3	2.5	2.3	1.6	0.5 ▲	-0.1 ▼
Turkey	1.6	5.0	3.8	3.5	3.2	0.3 ▲	0.1 ▲

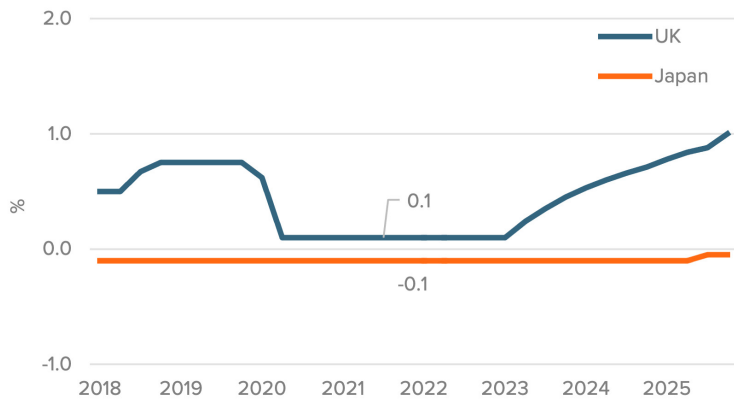
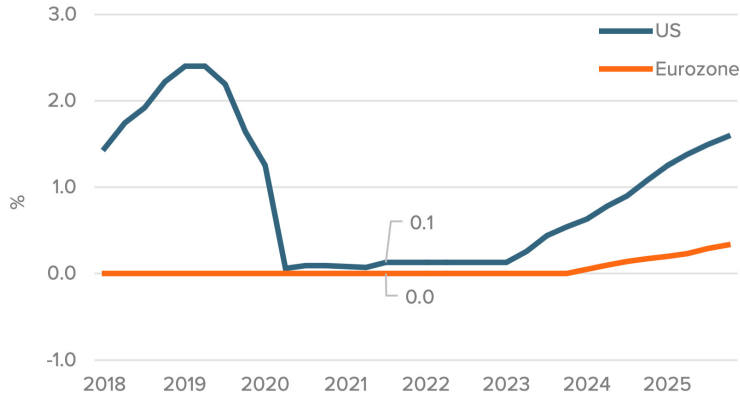
INFLATION QUARTERLY FORECASTS

GLOBAL ECONOMIC FORECASTS Q3 2021

COUNTRY / REGION	2020	2021	2022	2023	2024–2028 AVERAGE (F)	2021 FORECAST REVISION	2022 FORECAST REVISION
% Percentage points							
Advanced Economies	0.7	2.5	2.1	2.0	1.9	0.8 ▲	0.3 ▲
USA	1.3	3.6	2.8	2.4	2.0	0.8 ▲	0.4 ▲
Eurozone	0.3	1.8	1.6	1.6	1.8	0.5 ▲	0.2 ▲
Germany	0.5	2.5	1.8	1.7	1.8	0.5 ▲	0.3 ▲
UK	0.9	2.0	2.3	2.2	2.0	0.3 ▲	0.1 ▲
Japan	0.0	0.0	0.4	0.7	1.0	0.0	0.0
Emerging and Developing Economies	3.3	3.4	3.8	3.5	3.3	0.6 ▲	0.3 ▲
China	2.4	1.5	2.4	2.5	2.5	-0.2 ▼	0.0
India	5.6	5.3	5.0	4.8	4.4	0.3 ▲	0.3 ▲
Brazil	3.2	6.3	4.3	3.8	3.5	0.8 ▲	0.3 ▲
Russia	3.4	5.5	4.2	3.8	3.8	0.7 ▲	0.2 ▲

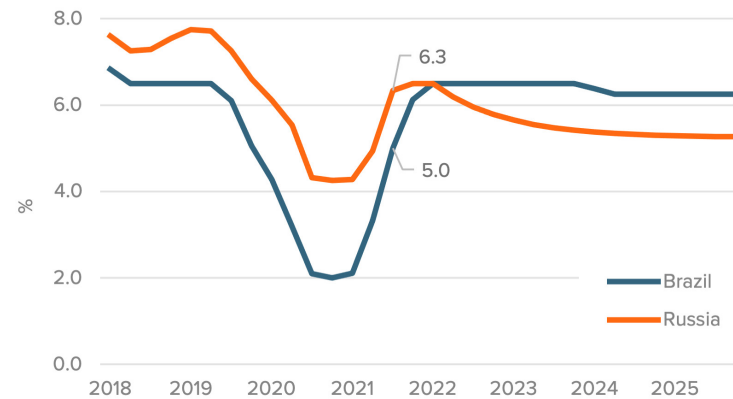
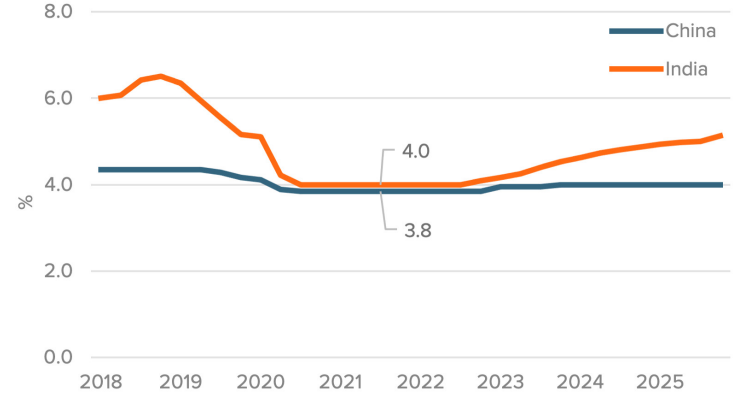
CENTRAL BANK INTEREST RATE FORECASTS

Advanced Economies Interest Rate Forecast



Source: Euromonitor International Macro Model

Developing and Emerging Economies Interest Rate Forecast



Source: Euromonitor International Macro Model

INDICATOR	2020 %	2021 %	2022 %	2023 %	2024–2028 AVERAGE (F) %	2021 FORECAST REVISION % Percentage points	2022 FORECAST REVISION % Percentage points
Real GDP Growth	-3.4	6.3	4.5	2.5	1.6	-0.4 ▼	0.2 ▲
Inflation	1.3	3.6	2.8	2.4	2.0	0.8 ▲	0.4 ▲
Federal Funds Rate	0.4	0.1	0.1	0.3	1.8	0.0	0.0

General outlook

In the baseline forecast, US real GDP is expected to increase by 6.3% in 2021 (with a range of 5.7–6.7%) and by 4.5% in 2022 (with a range of 3.9–4.9%). The strong economic recovery during the first half of 2021 was sustained by a fast initial increase in the vaccination rate, rapid reopening of high social contact sectors and new

fiscal stimulus spending under President Biden of around 9% of GDP. As a result, real GDP attained its pre-pandemic level in Q2 2021.

However, recovery momentum appears to have peaked during the summer due to the rapid spread of the new highly infectious Delta coronavirus variant. Vaccination campaigns have also decelerated in the US more significantly than in other advanced economies, due to greater vaccine scepticism and lower government coordination of vaccination efforts. As a result, 2021 real GDP growth has been downgraded by 0.4 percentage points relative to the Q2 forecast. Baseline forecast probability: 64–74%.

INDICATOR	2020 %	2021 %	2022 %	2023 %	2024–2028 AVERAGE (F) %	2021 FORECAST REVISION % Percentage points	2022 FORECAST REVISION % Percentage points
Real GDP Growth	2.3	8.6	5.5	5.1	4.5	0.0	0.0
Inflation	2.4	1.5	2.4	2.5	2.5	-0.2 ▼	0.0
Central Bank Policy Rate	3.9	3.9	3.9	4.0	4.0	0.0	0.0

General outlook

In the baseline forecast, China's economy is expected to grow by 8.6% in 2021 (with a range of 8–9%) and by 5.5% in 2022 (with a range of 4.9–5.9%). The 2021 forecast mainly reflects base effects relative to the sharp economic

contraction in the first half of 2020. Chinese economic activity dynamics in mid-2021 show moderate economic growth, with the bulk of the recovery from the pandemic having occurred in 2020. During the second half of 2021 and in 2022, China's economy is expected to move towards trend growth of 5–5.5%.

The government's priorities have shifted from sustaining the recovery to controlling the continuing fast credit growth, reducing financial system risks and increasing control over the private sector in key sectors. However, the recovery in consumer spending and services continue to lag behind investment and manufacturing, giving those sectors more growth potential in 2021–2022.

China's government has increased regulatory restrictions and raised controls over China's private sector in 2021. In August, China introduced a new 5-year plan for tighter regulation of business in areas related to national security, technology and monopoly power. The new regulations and controls are likely to worsen the business environment for China's private sector, and they may significantly reduce China's long-term economic growth potential.



Shanghai, China

INDICATOR	2020 %	2021 %	2022 %	2023 %	2024–2028 AVERAGE (F) %	2021 FORECAST REVISION % Percentage points	2022 FORECAST REVISION % Percentage points
Real GDP Growth	-7.0	8.7	7.1	6.1	5.9	-0.7 ▼	-0.5 ▼
Inflation	5.6	5.3	5.0	4.8	4.4	0.3 ▲	0.3 ▲
Central Bank Rate	4.3	4.0	4.0	4.3	5.1	0.0	0.0

General outlook

India's real GDP growth under the baseline scenario for 2021 has been revised down for the second quarter in a row, influenced by the country's contracting economic performance during the second quarter of the year.

Nevertheless, economic performance should pick up somewhat in Q3 and real GDP growth will reach 3.9% compared to the previous quarter. As a result, India's overall real GDP is still set to increase substantially by 8.7% in 2021 and a further 7.1% in 2022.

Average inflation has been revised up by 0.3 percentage points to 5.3% for 2021, as India recorded rising food prices during Q2 2021. The growth in food inflation was mainly a result of an uptick in prices for edible oils, pulses, eggs, milk, vegetables and prepared meals. Meanwhile, rising prices for fossil fuels in May–June further increased the upward drive of India’s overall inflation levels for the year. Consumer price growth sustains momentum into Q3 2021, however it is set to start subsiding by the end of the year.

Unemployment levels are recovering and are set to stand at 6.0% in Q3 2021, compared to the annual average of 5.4% in 2019. Gradual withdrawal of a partial lockdown and stable numbers of new COVID-19 infections during summer months has had a positive effect on India’s labour market. Nevertheless, the low overall vaccination rate remains a prevalent concern for the stability of the country’s employment rate, in case of a new virus wave at the end of the year.



Mumbai, India

INDICATOR	2020 %	2021 %	2022 %	2023 %	2024–2028 AVERAGE (F) %	2021 FORECAST REVISION % Percentage points	2022 FORECAST REVISION % Percentage points
Real GDP Growth	-4.7	2.3	2.7	1.8	0.7	-0.7 ▼	0.4 ▲
Inflation	0.0	0.0	0.4	0.7	1.0	0.0	0.0
BoJ Policy Rate	-0.1	-0.1	-0.1	-0.1	0.0	0.0	0.0

General outlook

In Q3 2021, Japan’s real GDP growth forecasts for 2021 have been downgraded, but upgraded slightly for 2022. The Japanese economy is projected to grow by 2.3% in 2021 (0.7 percentage points lower than the previous Q2 forecast) and by 2.7% in 2022 (0.4 percentage points higher than the previous Q2 forecast). This baseline scenario is assigned a 64–74% probability.

While exports and industrial production have continued to increase steadily in Japan amid the recovering global economic outlook, activity in the services sector has remained sluggish due to an extension of coronavirus emergency curbs, weighing on consumption and business confidence. Additionally, the Tokyo Olympic Games provided limited economic benefits as spectators were banned from attending events.

*Kyoto City, Japan*

Spread of the highly infectious Delta variant and pandemic fatigue have contributed to a surge in coronavirus cases in Japan, where only a quarter of the population had been fully vaccinated as of 1 August. To curb the rapid spread of the Delta variant, the government decided to extend the current state of emergency until at least mid-September, delaying economic recovery.

Over the medium term, increasing external demand, accommodative financial conditions, fiscal stimulus measures and accelerating vaccinations are expected to support economic recovery. Despite rising international commodity prices, inflation expectations remain unchanged. Inflation is forecast to rise gradually in coming years, underpinned by improving economic activity and higher energy prices.

INDICATOR	2020 %	2021 %	2022 %	2023 %	2024–2028 AVERAGE (F) %	2021 FORECAST REVISION % Percentage points	2022 FORECAST REVISION % Percentage points
Real GDP growth	-6.4	4.6	4.3	2.4	1.3	0.7 ▲	0.4 ▲
Inflation	0.3	1.8	1.6	1.6	1.8	0.5 ▲	0.2 ▲
ECB Refinancing Rate	0.0	0.0	0.0	0.0	0.6	0.0	0.0

General outlook

Eurozone real GDP is expected to increase by 4.6% in 2021 (with a range of 4–5%) and by 4.3% in 2022 (with a range of 3.7–4.7%). The forecast upgrade relative to Q2 reflects better than expected progress in vaccinations and the reopening of high social contact sectors during

the spring and summer, and a milder than expected economic contraction in Q1's pandemic wave. The strong expected economic recovery of 2021–2022 is sustained by relatively fast relaxation of pandemic restrictions, a high level of household savings to spend combined with a large increase in consumer confidence, and significant fiscal stimulus from the EU Recovery and Resilience Facility. Recovery and Resilience Facility funds are expected to boost EU economic output levels by 1.2% at the end of 2022.

*Berlin, Germany*

The spread of the highly infectious Delta variant has raised the prospect of another pandemic wave in the second half of 2021. The existing vaccines are highly effective against the Delta variant, but as of mid-August more than 45% of the EU population remains unvaccinated. A mismatch between speed of vaccination campaigns and the spread of the new COVID-19 variant is likely to reduce the

speed of the recovery at the end of 2021. Several Eurozone countries have started implementing stronger restrictions on access to several high social contact sectors for non-vaccinated individuals. The arrival of the Delta variant and various government and private sector incentives are likely to provide a significant boost to vaccination campaigns.

INDICATOR	2020 %	2021 %	2022 %	2023 %	2024–2028 AVERAGE (F) %	2021 FORECAST REVISION % Percentage points	2022 FORECAST REVISION % Percentage points
Real GDP growth	-9.9	6.3	5.5	2.5	1.5	0.8 ▲	0.3 ▲
Inflation	0.9	2.0	2.3	2.2	2.0	0.3 ▲	0.1 ▲
Bank Rate	0.2	0.1	0.1	0.3	1.2	0.0	0.0

General outlook

Despite the spread of the Delta coronavirus variant, the impact of the pandemic on the British economy has been diminishing. According to the latest estimates from the UK Office for National Statistics (ONS), UK real GDP increased by 4.8%

in Q2 2021. Rising private and government consumption have been among key drivers behind this growth, following a successful vaccine roll-out and gradual relaxation of COVID-19 restrictions. Under our baseline scenario, real GDP is expected to see 6.3% growth in 2021, up by 0.8 percentage points from the Q2 forecast, followed by 5.5% growth in 2022. The baseline forecast is assigned a 64–74% probability.

The inflation rate has been revised up by 0.3 percentage points to 2% in 2021, as surging demand and soaring input costs continue to fuel inflationary pressures. According to the Bank of England, the CPI could temporarily reach 4% in 2021, due to rising prices of energy and goods, before falling back to the 2% target. As the increase is expected to be transitory, the central bank is likely to keep its stimulus programme in place and interest rate unchanged.

Driven by the ongoing economic recovery, the jobless rate dropped to 4.7% in Q2 2021, according to the ONS. Although unemployment remains higher than pre-pandemic, the positive dynamics in the labour market are likely to justify further downward revisions to the UK unemployment rate forecast. Under the baseline scenario, unemployment is set to reach 5% in 2021. However, with a substantial number of people still on furlough, the risk of a rise in unemployment remains, after the furlough scheme ends in September 2021.



Birmingham, England, UK

INDICATOR	2020 %	2021 %	2022 %	2023 %	2024–2028 AVERAGE (F) %	2021 FORECAST REVISION % Percentage points	2022 FORECAST REVISION % Percentage points
Real GDP growth	-2.9	3.3	2.5	2.3	1.6	0.5 ▲	-0.1 ▼
Inflation	3.4	5.5	4.2	3.8	3.8	0.7 ▲	0.2 ▲
Bank Rate	5.1	5.5	6.1	5.5	5.3	0.4 ▲	0.7 ▲

General outlook

An accelerating vaccination campaign, improving private sector confidence and rising global oil and gas prices will help achieve stronger-than-previously-anticipated Russian economic recovery in 2021. According to the baseline forecast scenario, given a 64–74% probability,

in 2021 Russian real GDP is expected to rebound by 3.3%, up by 0.5 percentage points, compared to the previous revision. We expect the Russian economy to reach 2019 levels at the end of 2021, as opposed to early 2022 as previously anticipated. On top of the growing oil and gas prices, the output from the recovering manufacturing sector and the country's stimulus package of around 2.6% of GDP will facilitate additional support for local pandemic-torn businesses.

As the macroeconomic drivers help to boost economic activity in the country, we expect stronger inflation levels than previously forecasted, up by 0.7 percentage points in 2021 compared to the previous quarter. Nevertheless, the sustainability of recovery remains concerning, due to the upcoming cold season and potentially strong spread of coronavirus, as slow vaccination rates persist in Q3 2021.

The Central Bank of Russia has increased its monetary rate by 100 basis points since our previous 2021 Q2 global economic forecasts report. The Central Bank emphasised further expectations about accelerating inflation amid recovery in consumer demand, following the improving retail and leisure facilities visits. Therefore, we anticipate that bank rates in Russia will rise further over 2021–2022, in order to stabilise inflation close to the Central Bank's target rate of 4%.



Saint Petersburg, Russia

INDICATOR	2020 %	2021 %	2022 %	2023 %	2024–2028 AVERAGE (F) %	2021 FORECAST REVISION % Percentage points	2022 FORECAST REVISION % Percentage points
Real GDP growth	-4.4	4.7	2.5	2.4	2.4	1.7 ▲	0.2 ▲
Inflation	3.2	6.3	4.3	3.8	3.5	0.8 ▲	0.3 ▲
Central Bank Rate	2.9	4.1	6.5	6.5	6.3	0.5 ▲	1.1 ▲

General outlook

The severe and prolonged third wave of COVID-19 persists, yet expanding vaccination rates offer hope for a swifter economic recovery. We project real GDP growth to reach 4.7% in 2021, while our baseline forecast for 2022 has been upgraded to 2.5%. This baseline scenario is assigned a 64–74% probability.

With accelerating vaccinations, Brazil is expected to see faster economic recovery, as deaths and hospitalisations drop significantly in most vaccinated towns. For example, after almost all adults were vaccinated in Serrana, deaths fell by 95% and hospitalisations dropped by 86%. Symptomatic cases also dropped by 80%, allowing restrictions to be lifted and Brazilians to return to normal life. As of the beginning of August, over half of the Brazilian population had received at least one COVID-19 vaccine shot, while only around 20% of the population was fully vaccinated.

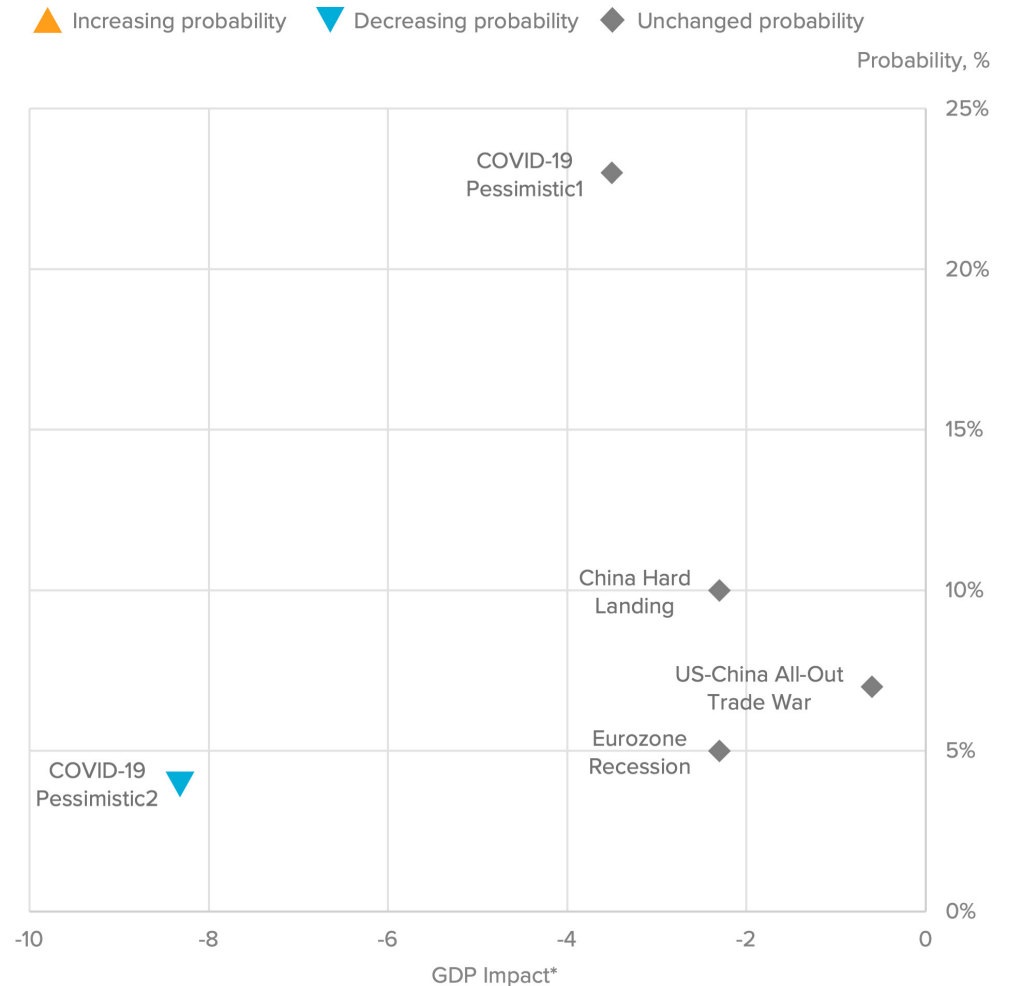
*Salvador, Brazil*

With ongoing vaccination and recovering visits to grocery stores, retail, recreation and work places, Brazilian consumption is picking up, stimulating economic recovery. Nonetheless, the unemployment rate remains elevated, limiting consumption potential.

Inflation in Brazil is surging, as a robust rise in consumption elevated commodity prices, accelerated by growing global fuel prices. We adjusted our inflation forecast to reach 6.3% in 2021.

Summary

The probabilities of global risk scenarios have remained roughly stable relative to the Q2 outlook. The rise of the Delta coronavirus variant and the slowdown in vaccination campaigns in several key economies in mid-2021 have led to a lower probability assigned to the optimistic scenario and a remaining high probability of pessimistic coronavirus scenarios, despite the rise in global vaccination rates in Q2–Q3.



Source: Euromonitor International
 Note: *Impact is measured as world GDP change over three years compared to baseline scenario, in percentage points.

Euromonitor International Global Risk Index, August 2021

Euromonitor International's Global Risk Index provides a convenient summary of the impact and likelihood of different negative global scenarios. This allows you to rank major risks to the global economy and prioritise those that are more significant for business and financial stress-testing.

SCENARIO	GLOBAL RISK INDEX	GLOBAL GDP IMPACT %	PROBABILITY %
COVID-19 Pessimistic 1	2.7	-3.5	23.0
COVID-19 Pessimistic 2	1.1	-8.3	4.0
China Hard Landing	0.8	-2.3	10.0
Eurozone Recession	0.4	-2.3	5.0
US-China All-Out Trade War	0.1	-0.6	7.0

Source: Euromonitor International Macro Model
 Note: Global Risk Index ranks scenarios by the expected global GDP impact, calculated as the 3-year cumulative global real GDP impact relative to baseline of the scenario multiplied by its one-year probability, relative to the average global downside risks probability. The Index is based on 62 of the world's major economies (representing more than 90% of global GDP at PPP). COVID-19 Pessimistic scenarios are mutually exclusive among each other. Other scenarios may overlap.

ABOUT EUROMONITOR INTERNATIONAL



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The Macro Model is an interactive and highly visual dashboard that places the client in the driver's

seat. The Macro Model can help your business plan for shifts in economic environments, pressure test strategic plans and track changing forecast expectations over time, enabling your business to examine risks and vulnerabilities of economies in order to support critical decision-making.

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Definitions

- » All GDP and GDP components growth rates are in real (inflation adjusted) terms, unless stated otherwise.
- » All annual GDP and GDP component growth rates are for the January–December calendar year, unless stated otherwise.
- » All quarterly GDP and GDP components growth rates are year on year, unless stated otherwise.

For further insight, do not hesitate to contact us at analytics@euromonitor.com