

# **World Economic Situation and Prospects 2016**

United Nations Economic and Social Commission for Asia and the  
Pacific (UN ESCAP)

# Outline

- ▶ Key macroeconomic trends and outlook
- ▶ Headwinds impeding global growth
- ▶ Macroeconomic enablers to support a mild improvement in growth outlook
- ▶ Policy challenges and way forward



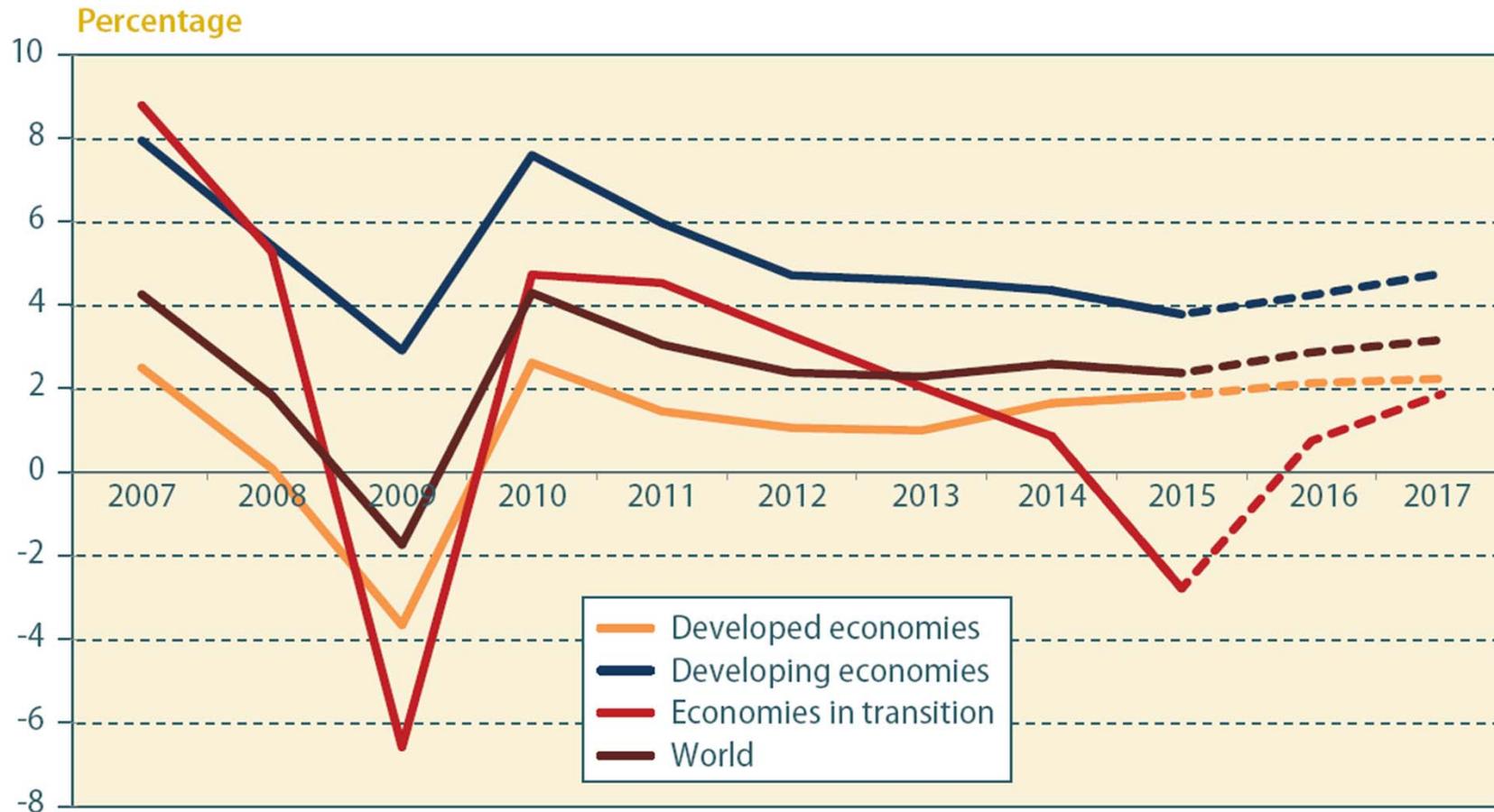
# Global growth stumbles in 2015

- ▶ Global growth slowdown estimated from 2.6 per cent in 2014 to 2.4 per cent in 2015
- ▶ Slowdown more pronounced in developing countries and EITs
- ▶ Contributing factors:
  - Weak aggregate demand
  - Sharp declines in commodity prices and global trade
  - Increasing volatility in capital flows and exchange rates
- ▶ Tepid employment growth amid low inflation of 2.6 per cent in 2015
- ▶ Moderately improved global growth projected at 2.9 per cent in 2016 and 3.2 per cent in 2017



# Global growth: 2007-2017

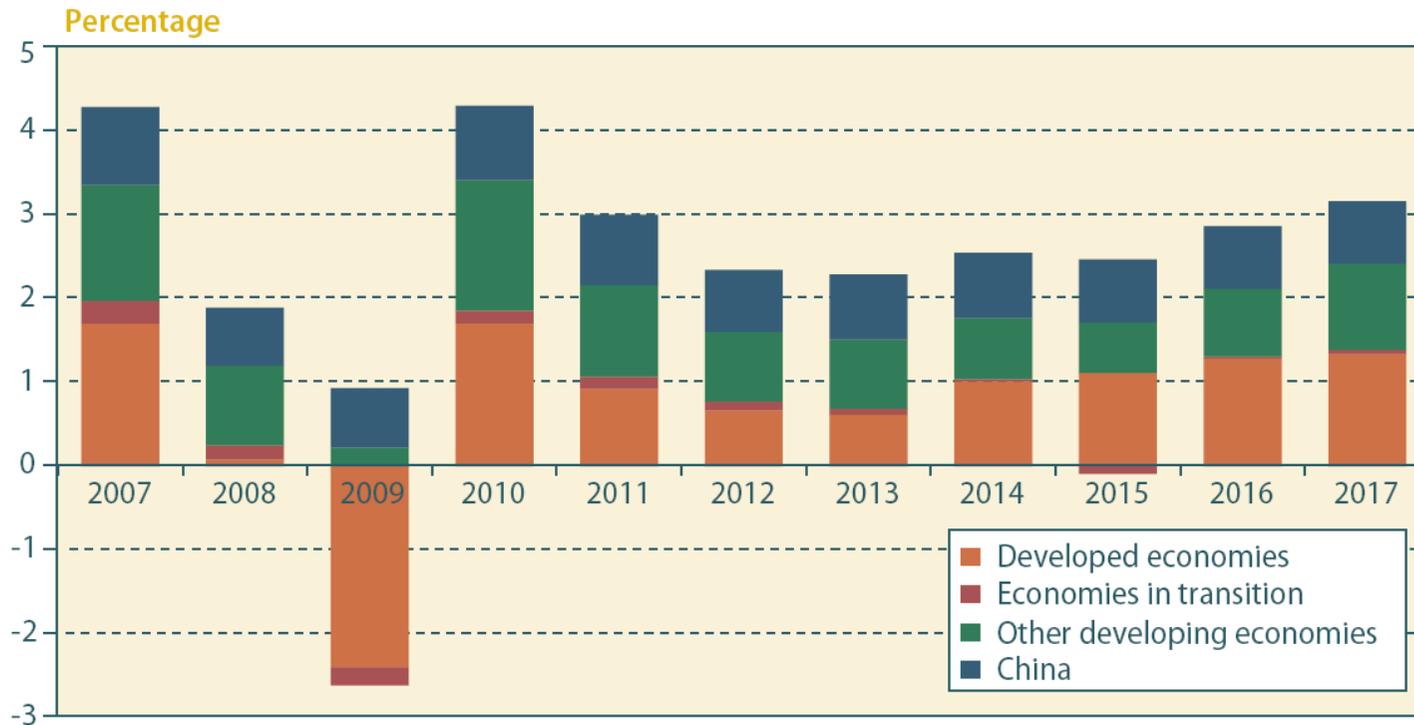
Growth of world gross product and gross domestic product by country grouping, 2007-2017



Source: UN/DESA

# Contribution to global growth

Contribution to global growth, 2007–2017

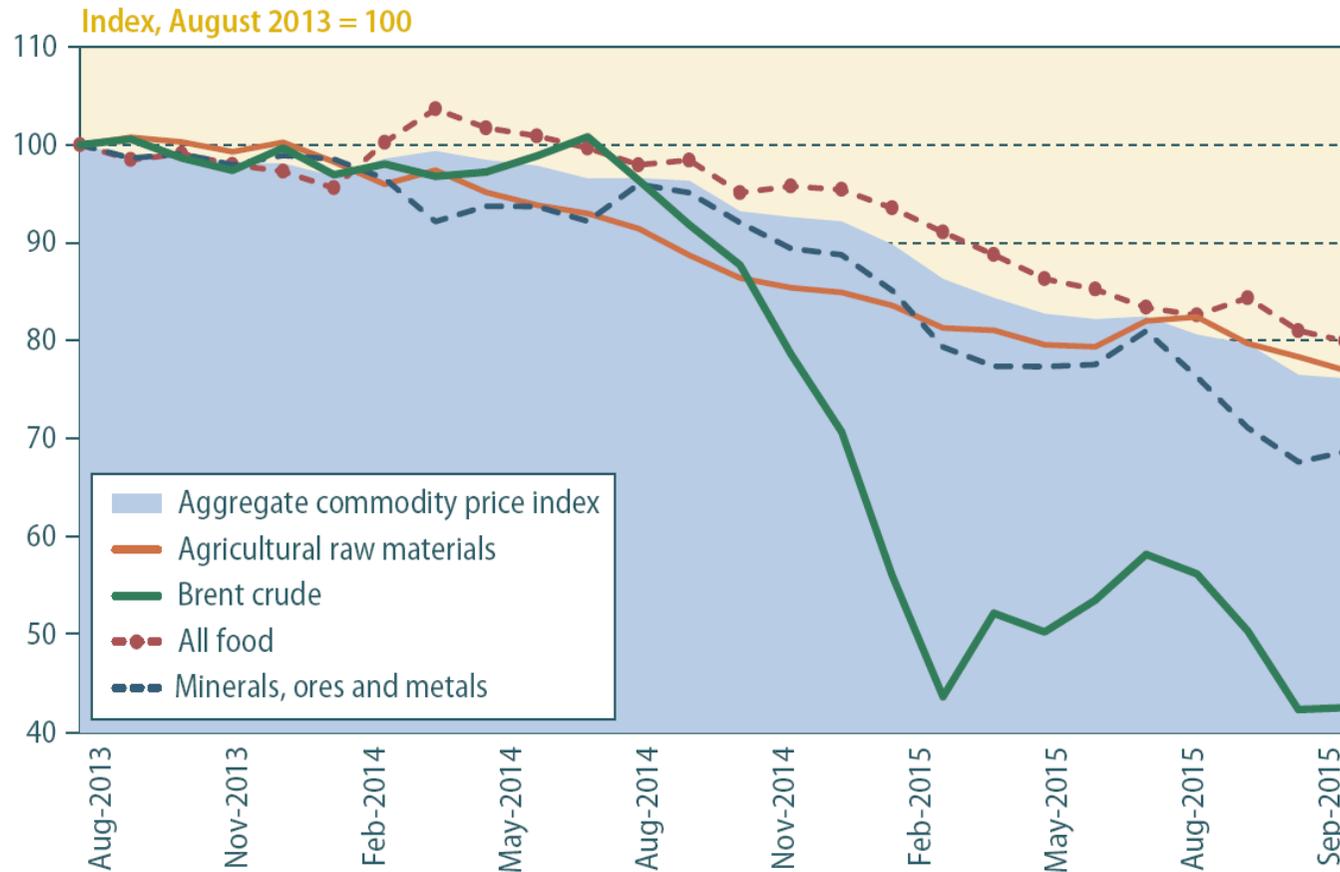


Source: UN/DESA

- ▶ Growth in developed economies will gain momentum in 2016, surpassing the 2 per cent mark for the first time since 2010
- ▶ Developed countries are expected to contribute more to global growth during 2015–17

# Sharp declines in commodity prices

Price indices of selected groups of commodities, August 2013–September 2015

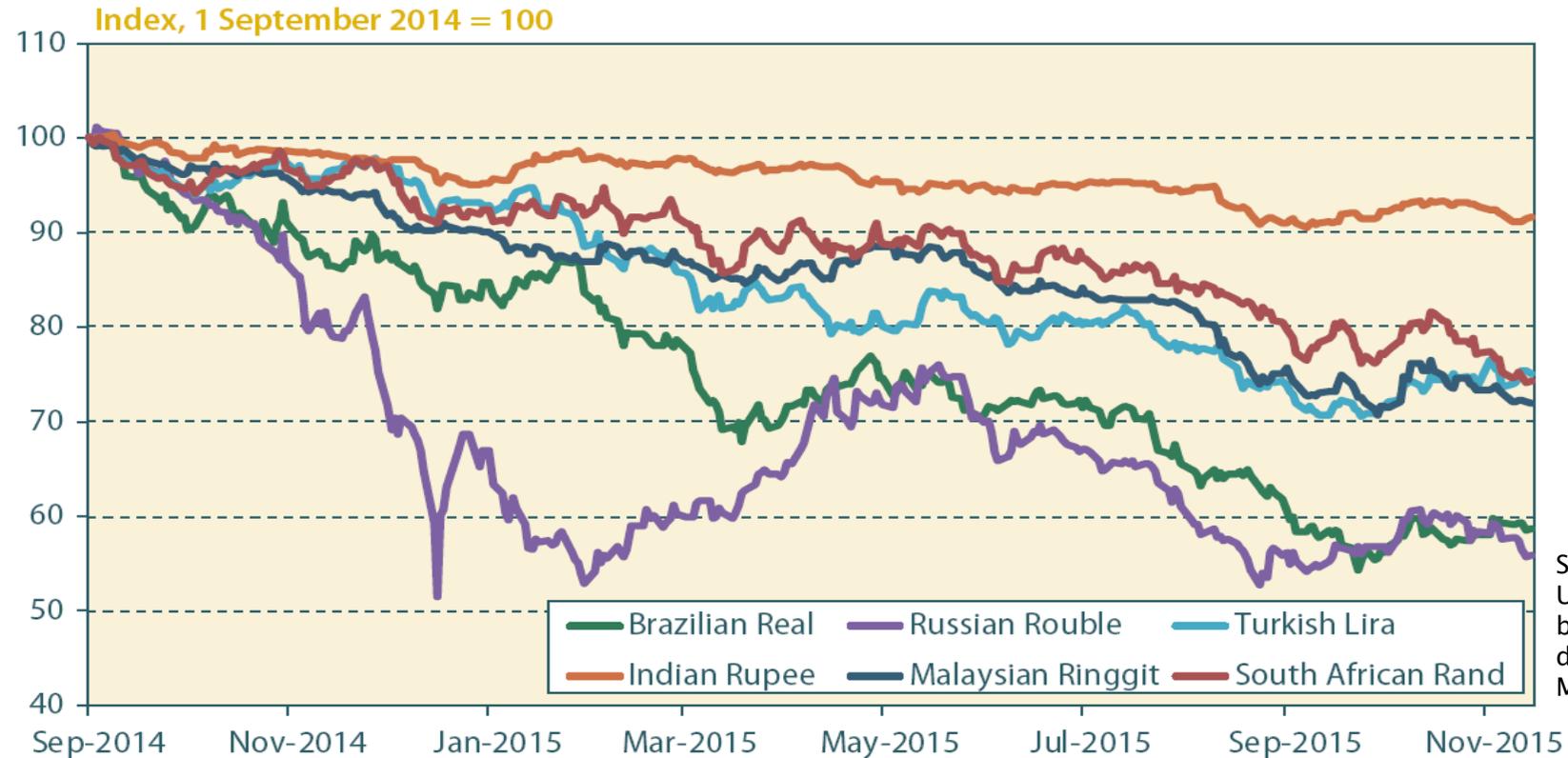


Source: UNCTADStat

- ▶ Global commodity price fell over 20 % since July 2014
- ▶ Oil price dropped over 70 % since July 2014

# Exchange rate movements

Exchange rates of selected emerging market currencies vis-à-vis the US dollar, 1 September 2014–23 November 2015



Source: UN/DESA based on data from JP Morgan

- ▶ Many developing countries' exchange rates experienced sharp depreciations amid falling commodity prices and capital outflows

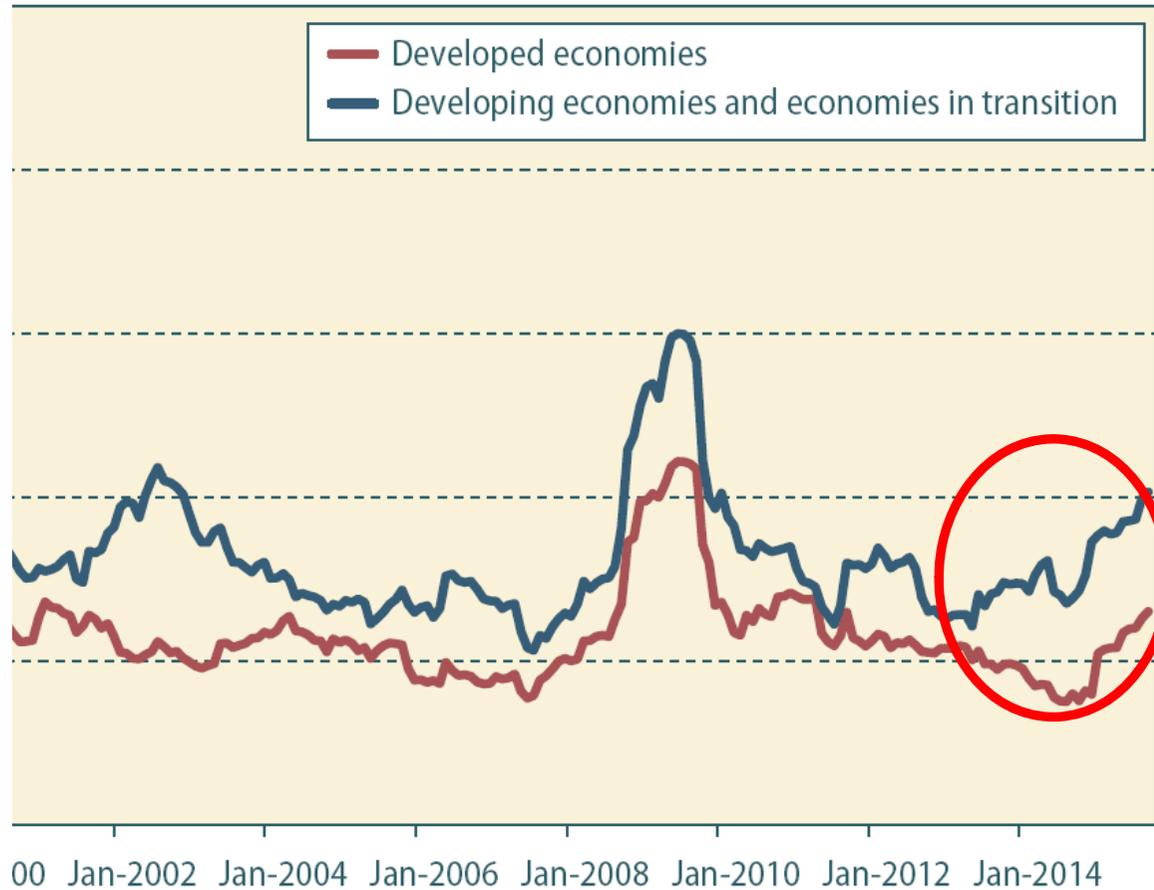
[https://www.yunbaogao.cn/report/index/report?reportId=5\\_3643](https://www.yunbaogao.cn/report/index/report?reportId=5_3643)

预览已结束，完整报告链接和二维码如下：



# Interest rate volatility

Interest rate volatility, January 1996–September 2015



Source: UN/DESA based on data from Bank of International Settlement (BIS)

Interest rate volatility has increased visibly in recent months