



The GLOBAL and the EUROPEAN Economic Outlook

Dublin, 17th January 2020



Policy & Trade uncertainty

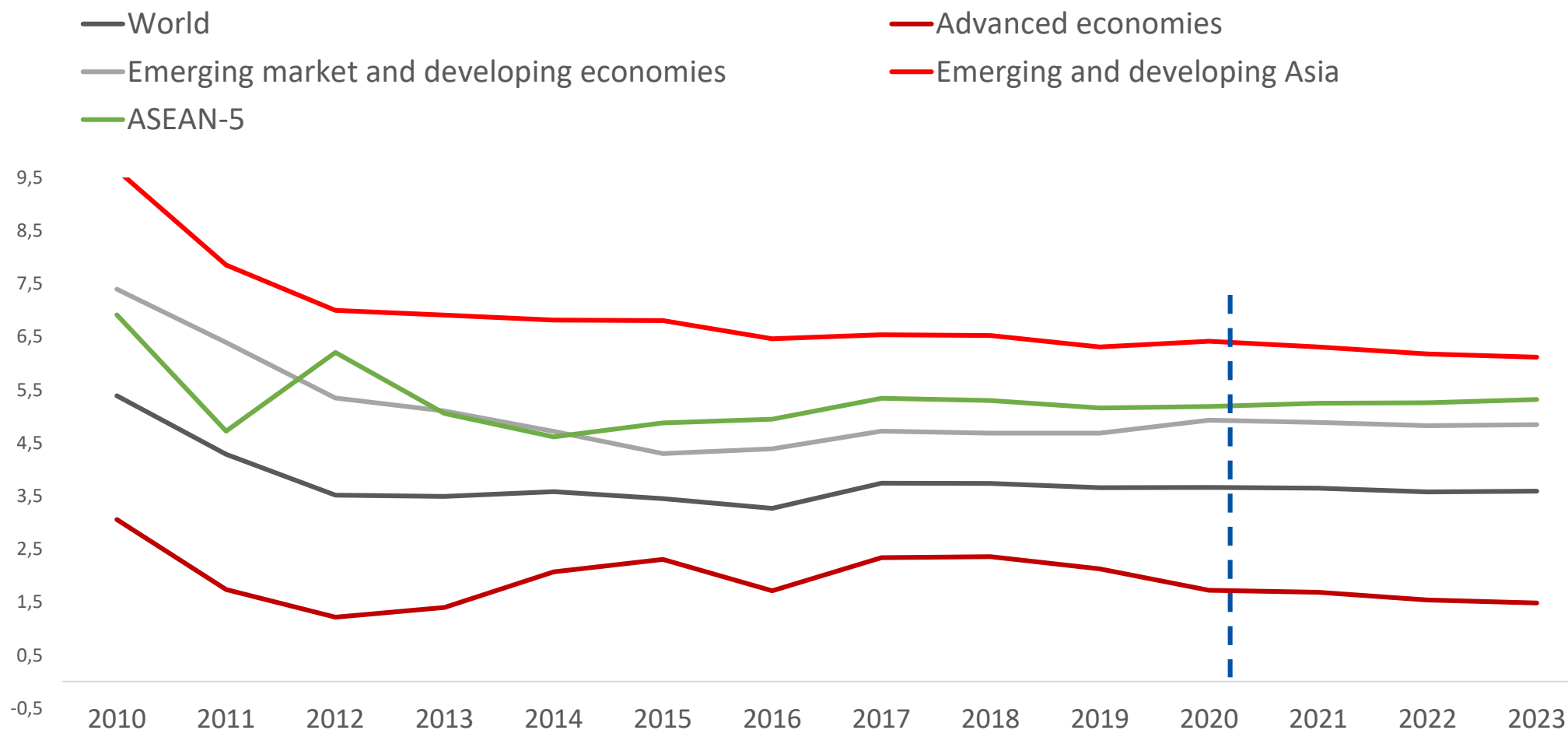


- Uncertainty linked to geopolitical tensions, e.g. US-Iran
- US election 3rd Nov 2020
- Protectionism and nationalism, trade barriers
- Abrupt moves in oil prices
- Financial markets and currencies
- Development of raw material prices
- Climate & Cybersecurity



- New EU commission
- Brexit
- Elections 2019 and 2020
- Political uncertainties
- Weak growth
- Public debt levels
- Ongoing expansionary monetary policy

GDP growth, yoy in %

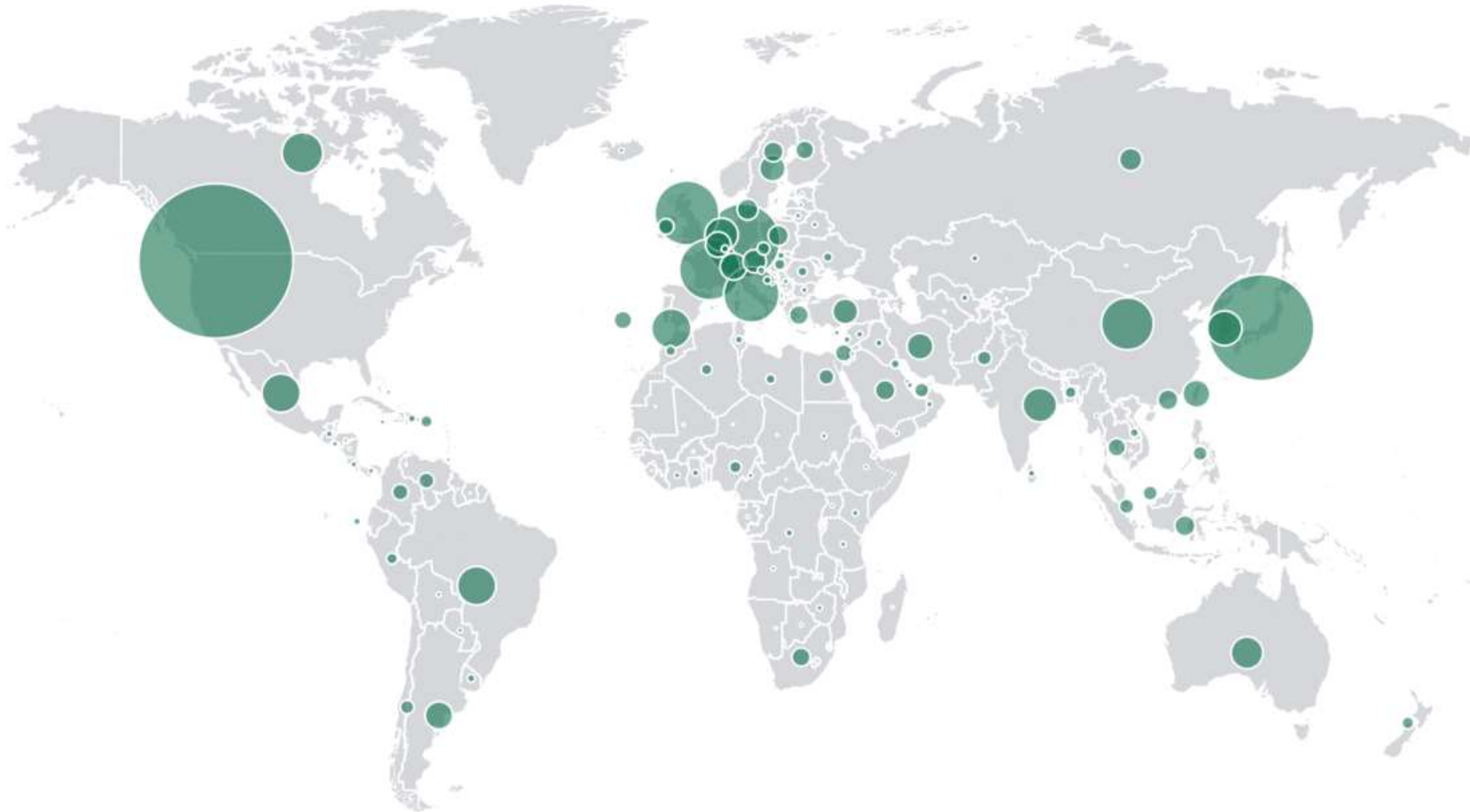


- Emerging market and developing economies are growing strongly
- Advanced economies: gap between the United States and Euro Area

Asia on the rise since 1999

IMF DataMapper

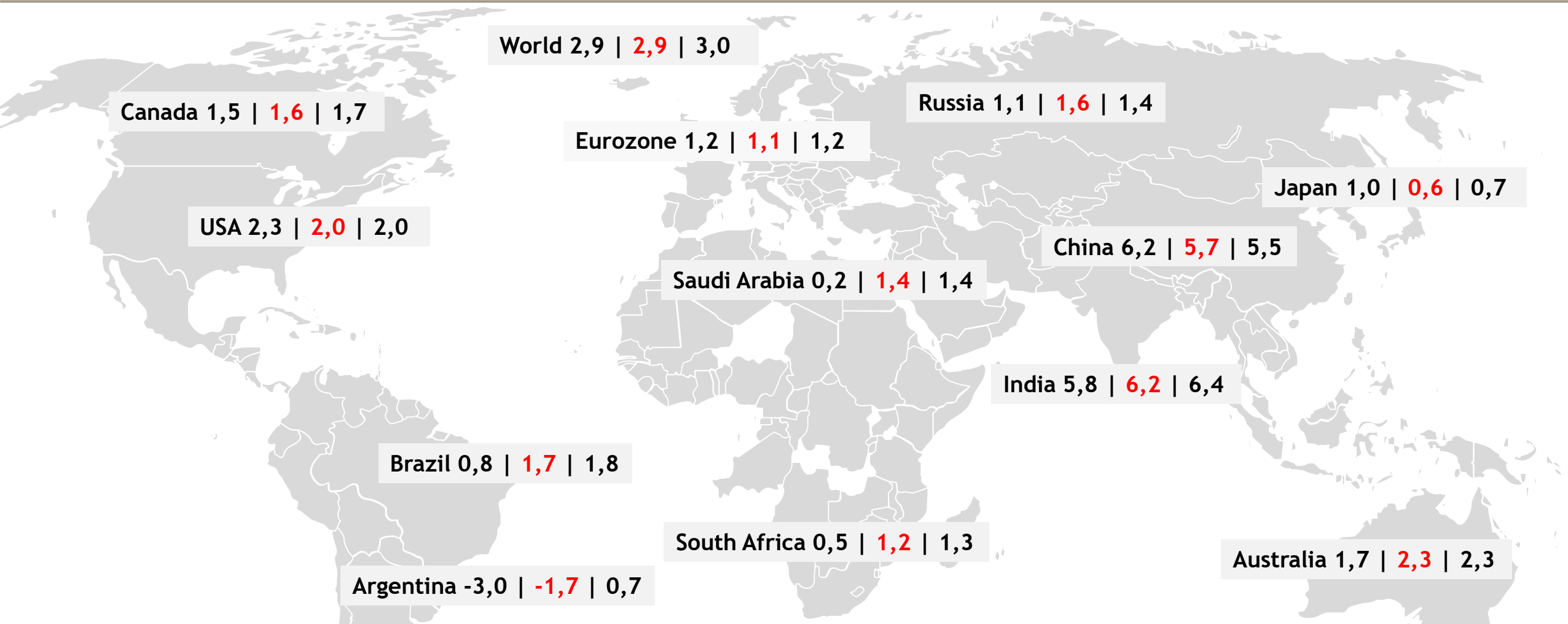
GDP, current prices (Billions of U.S. dollars, 1999)



©IMF, 2019, Source: World Economic Outlook (April 2019)

GDP Growth forecast

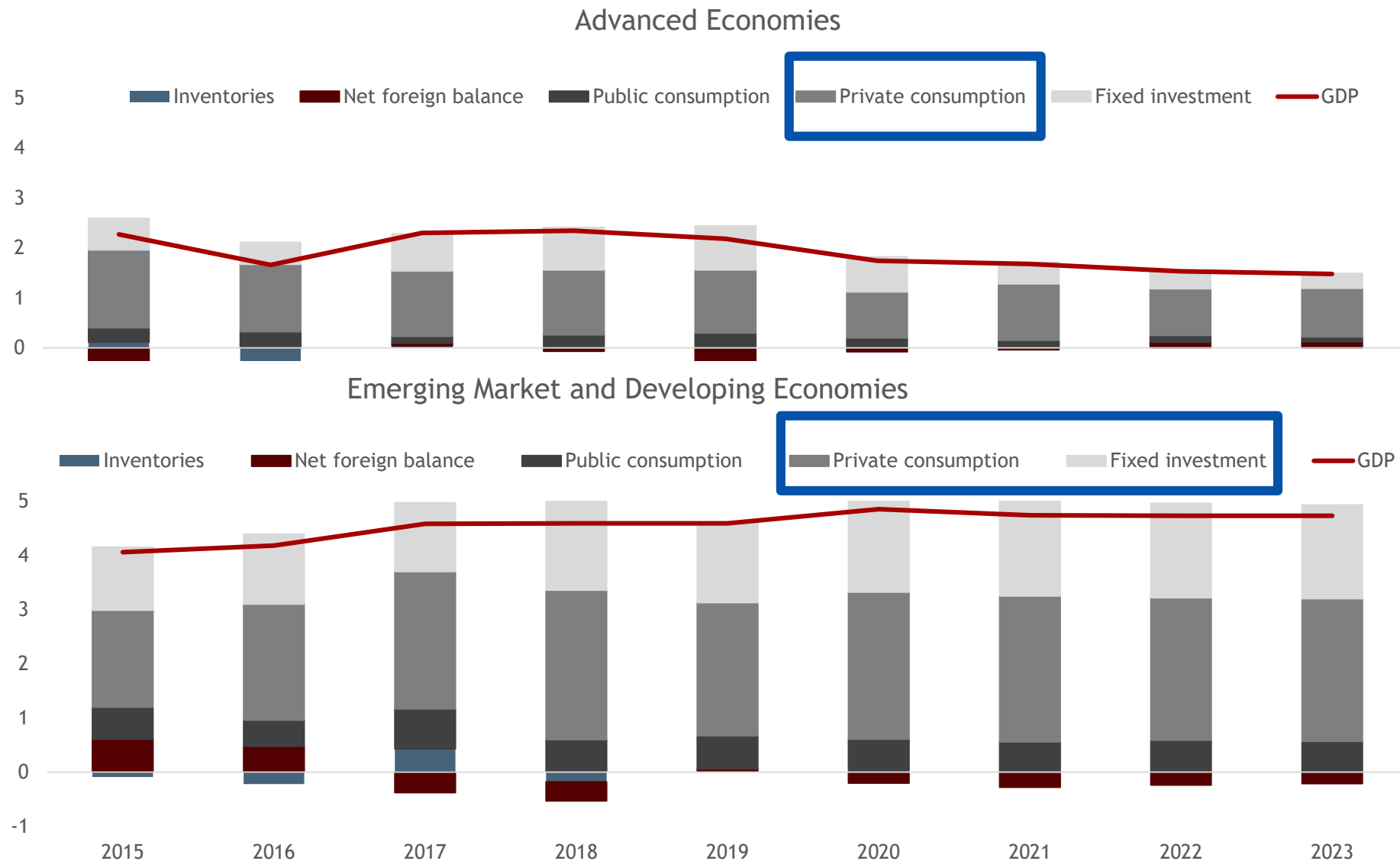
2019, **2020** and 2021



World GDP growth will fall to 2.9% - lowest rate since the financial crisis - and is expected to remain at 3%

- Policy uncertainty remains high
- Trade barriers between US and China as well as between US and EU
- Brexit

Contributions to GDP growth (percent)



Annual GDP Forecasts in Europe 2020

% of GDP

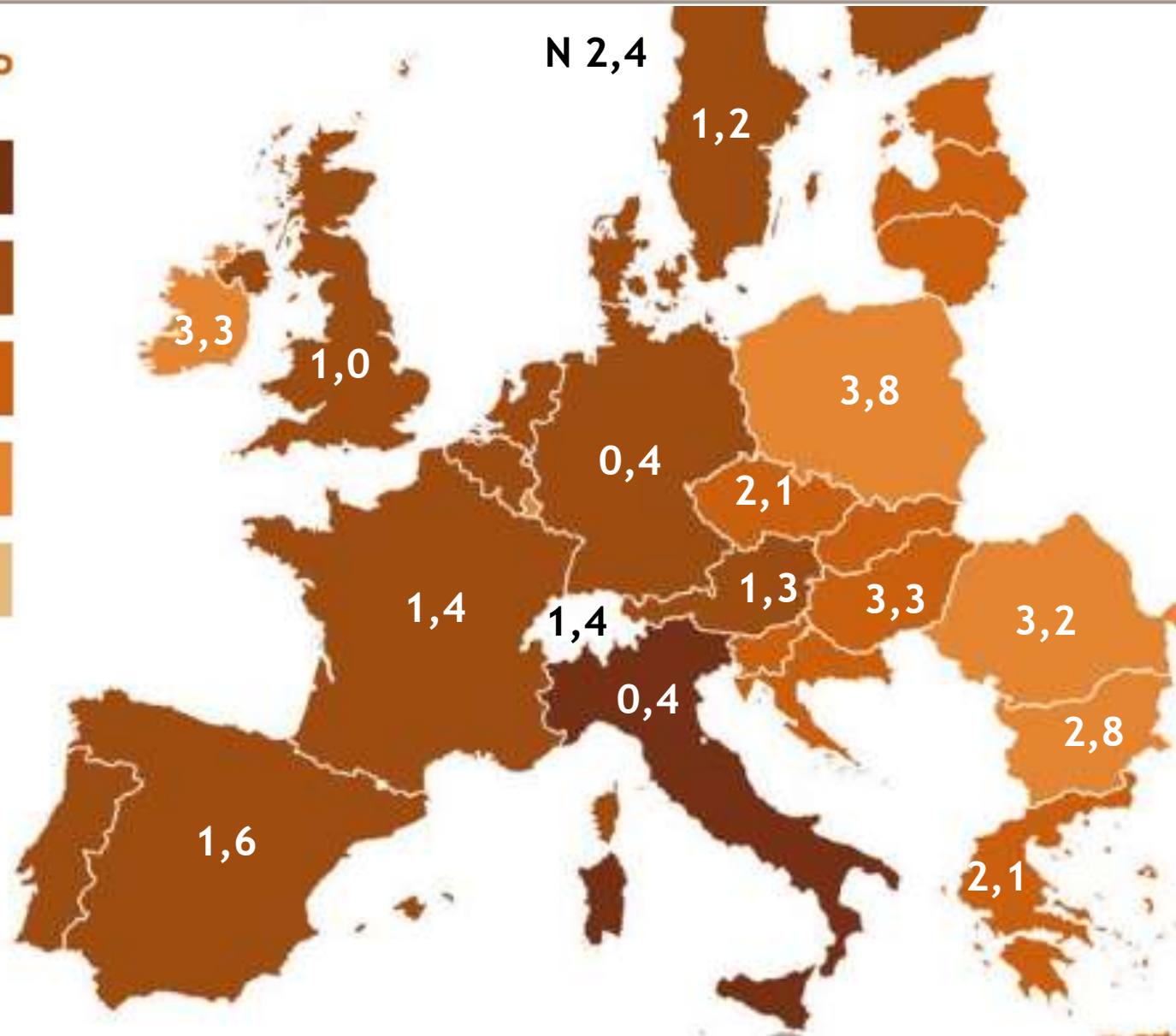
< 1 %

≥ 1 %

≥ 2 %

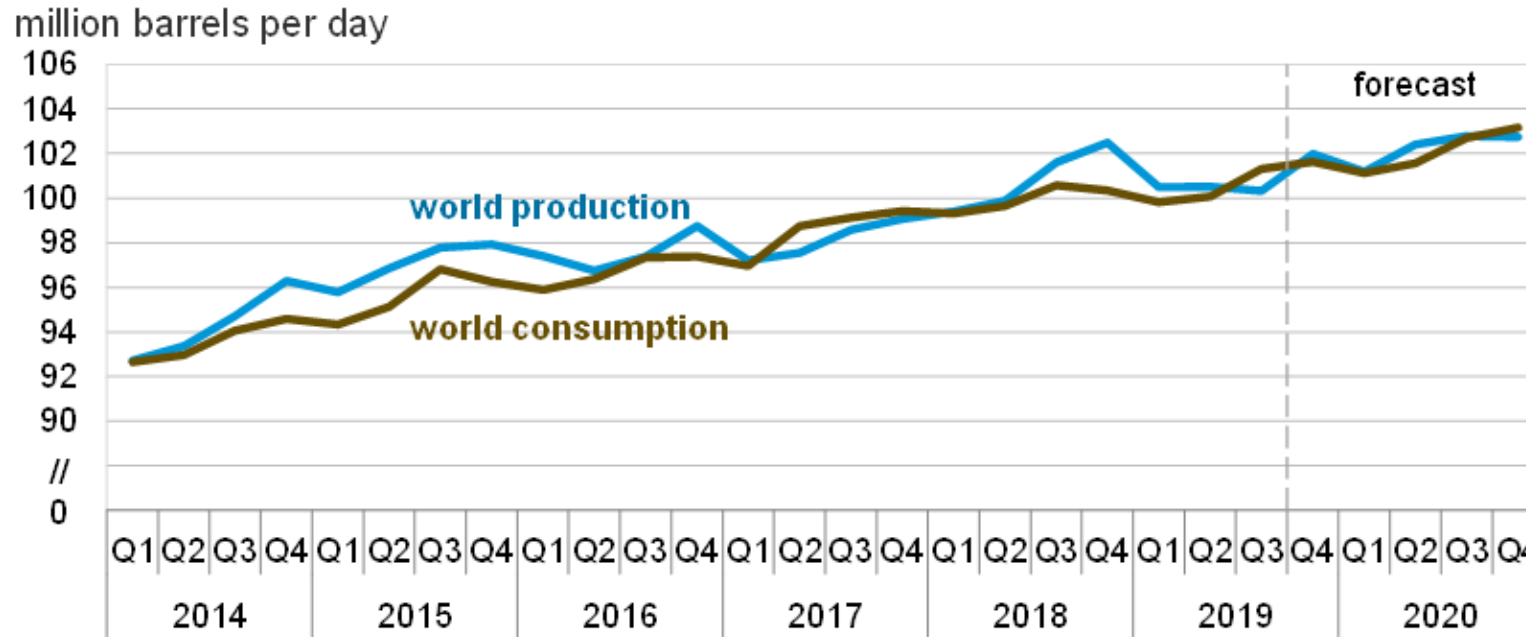
≥ 3 %

≥ 4 %



Weaker growth performance!

- Eastern European countries and Ireland with higher growth rates
- France, Austria, Spain and Greece stable, rising employment, stronger consumption
- Lowest growth rates in Germany as well as in Italy and UK (Brexit)



Oil price in \$ per barrel

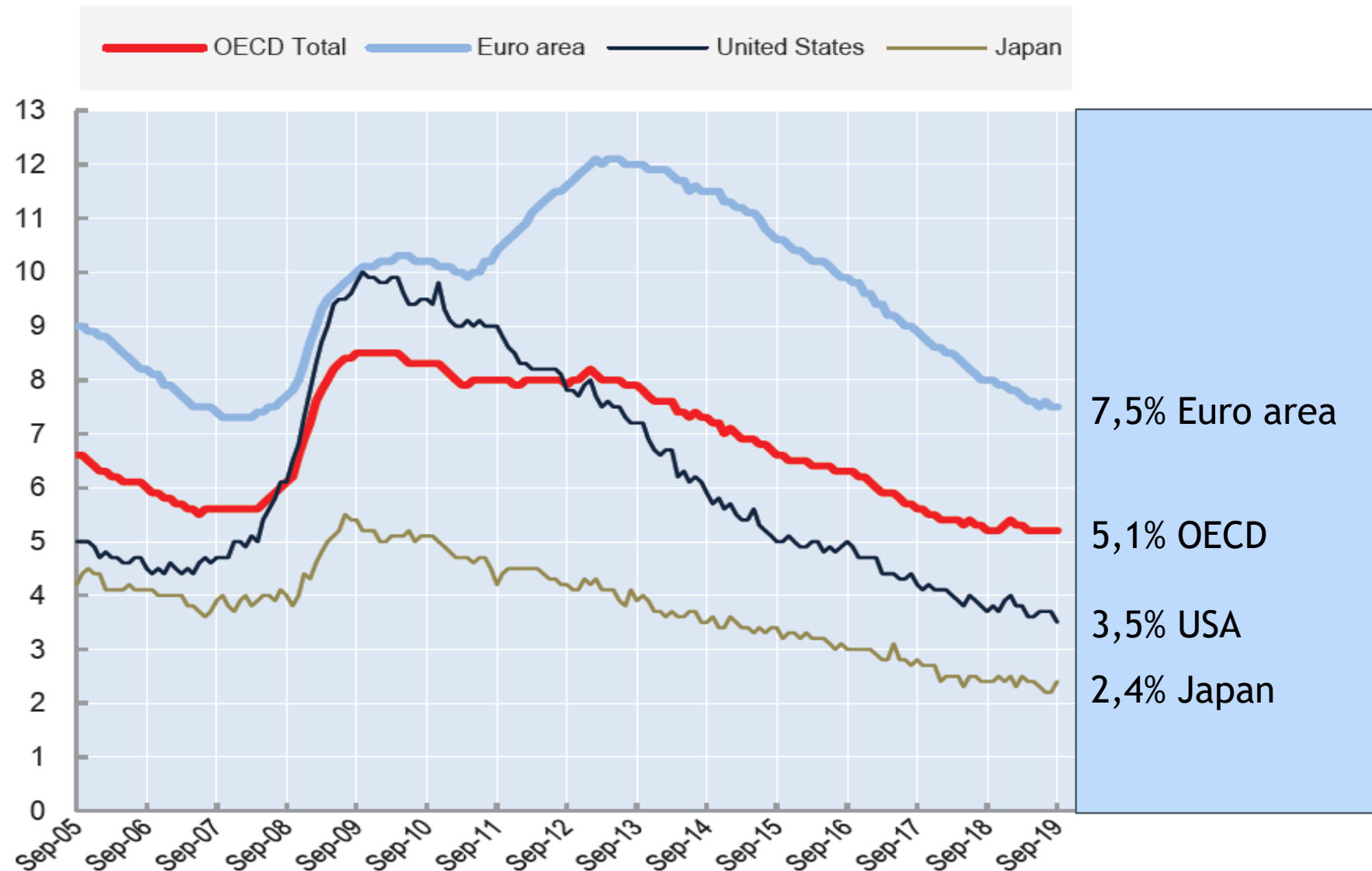


- Reduction of the oil production in OPEC countries
- Production:
 - US 16%
 - Saudia Arabia 13%
 - Russia 12%
 - Canada 5,5%
 - Iran 5%
 - Iraq 5%
 - UAE 4%
 - China 4%
 - Kuwait 3%
- Political tension US-Iran
- Influence the supply of Gulf region, Uncertainty



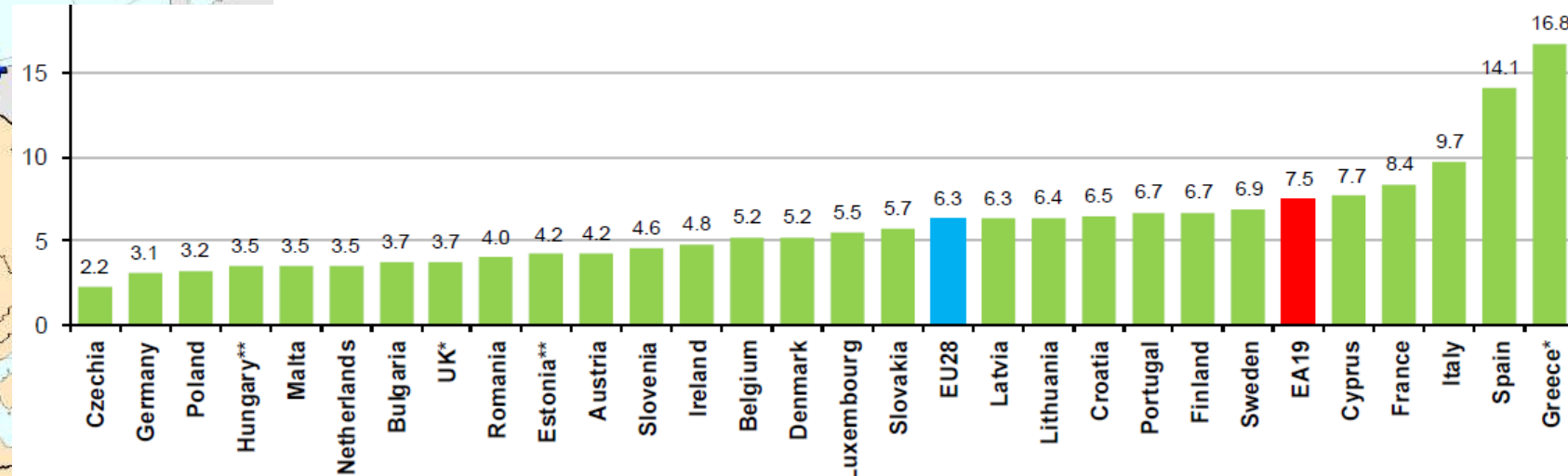
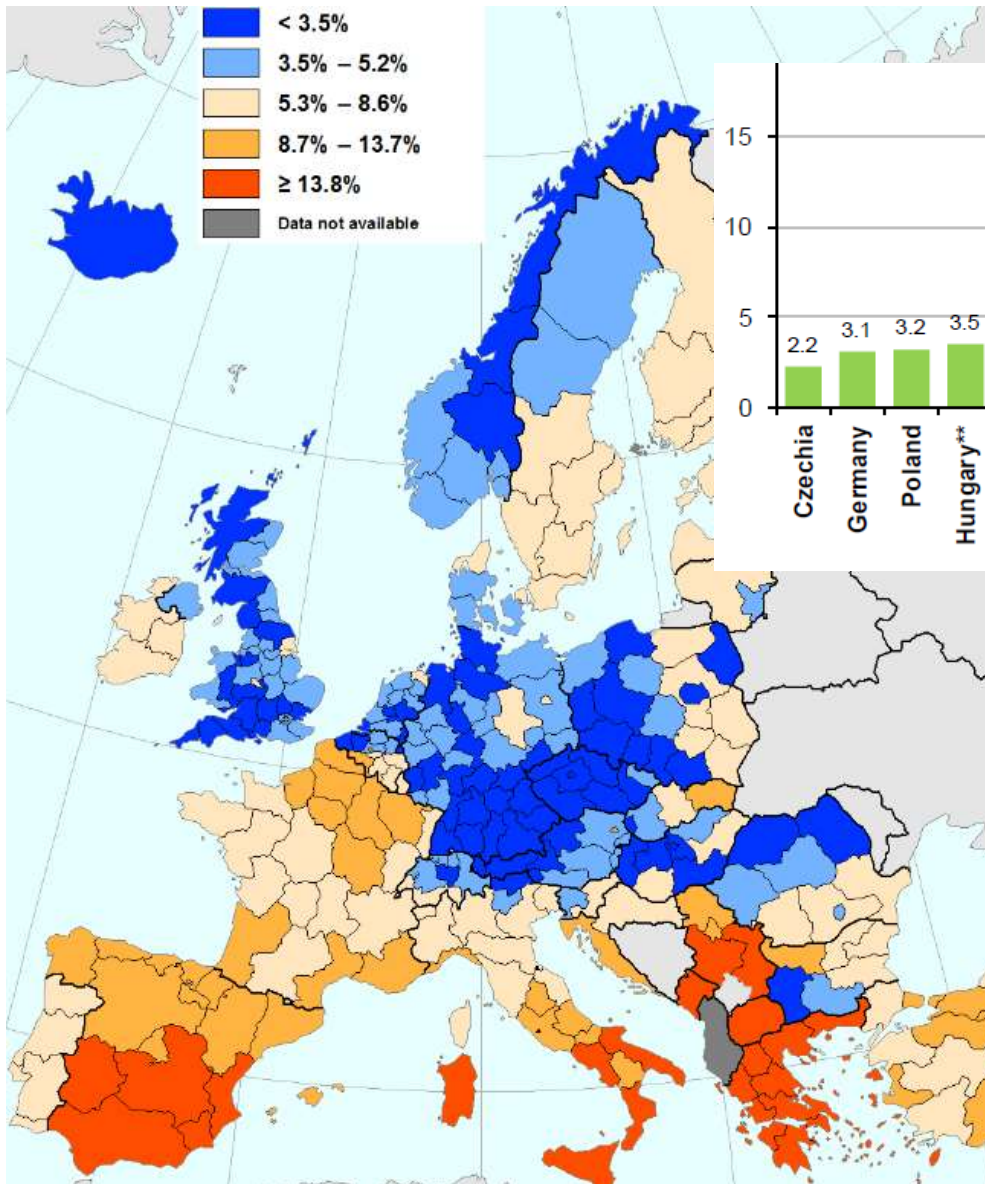
Euro becoming weaker

- Euro in US Dollar | 1,11
- Euro in British Pound | 0,86



Unemployment falls

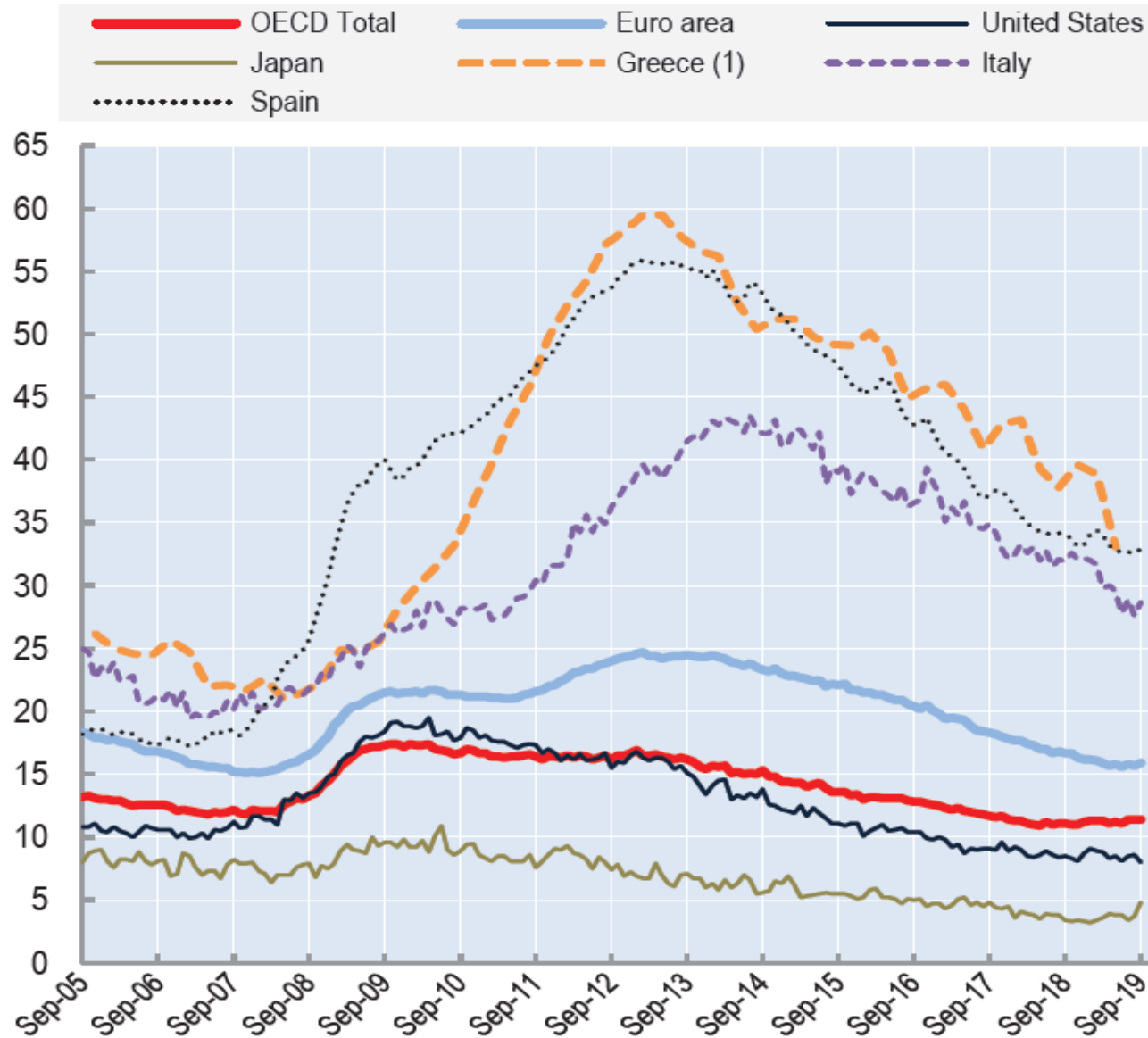
November 2019



Eurostat estimates

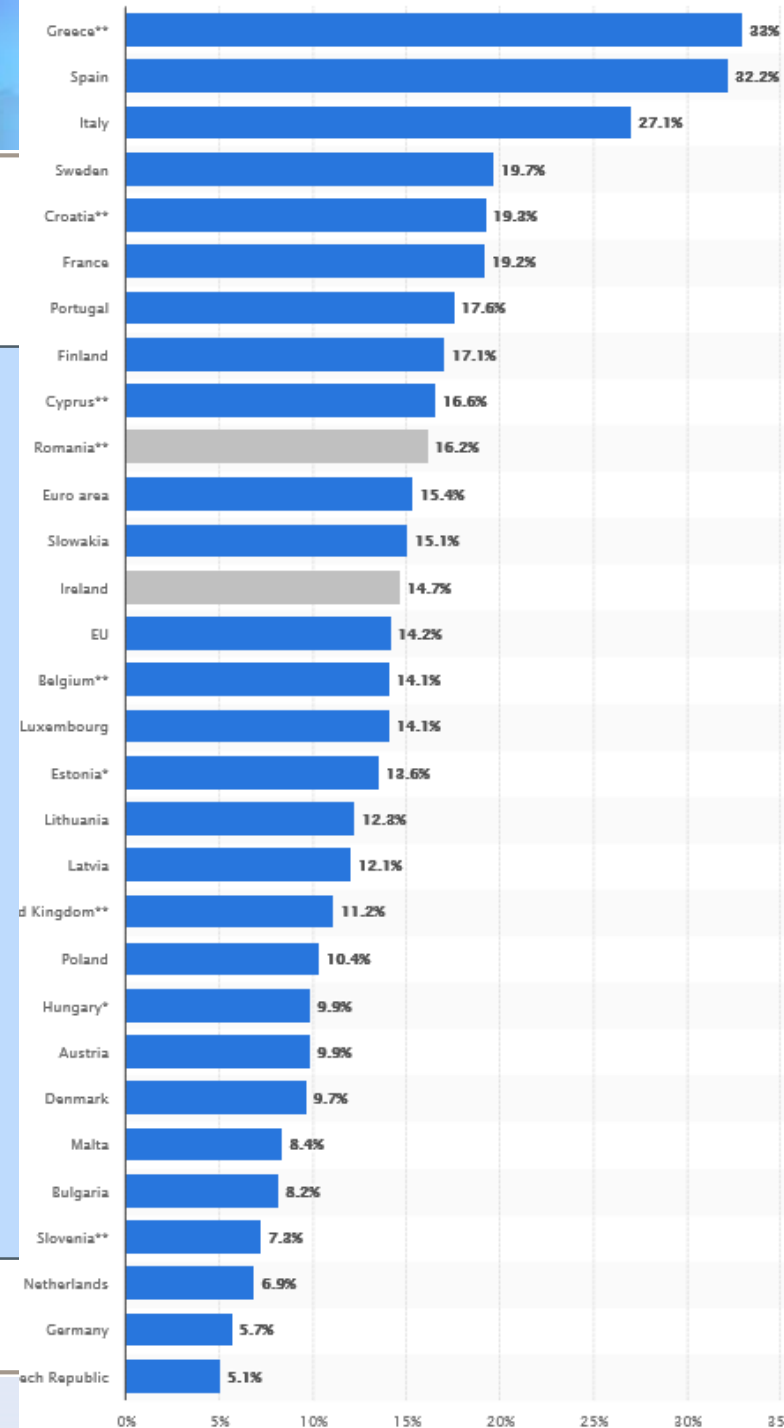
- that 15,6 million MEN and WOMEN in the EU28, of whom 12,3 million in the euro area, were unemployed in November 2019.
- that 3,2 million YOUNG PERSONS (under 25) were unemployed in the EU28, of whom 2,6 million were in the euro area.

Youth Unemployment rate, up to 25 years

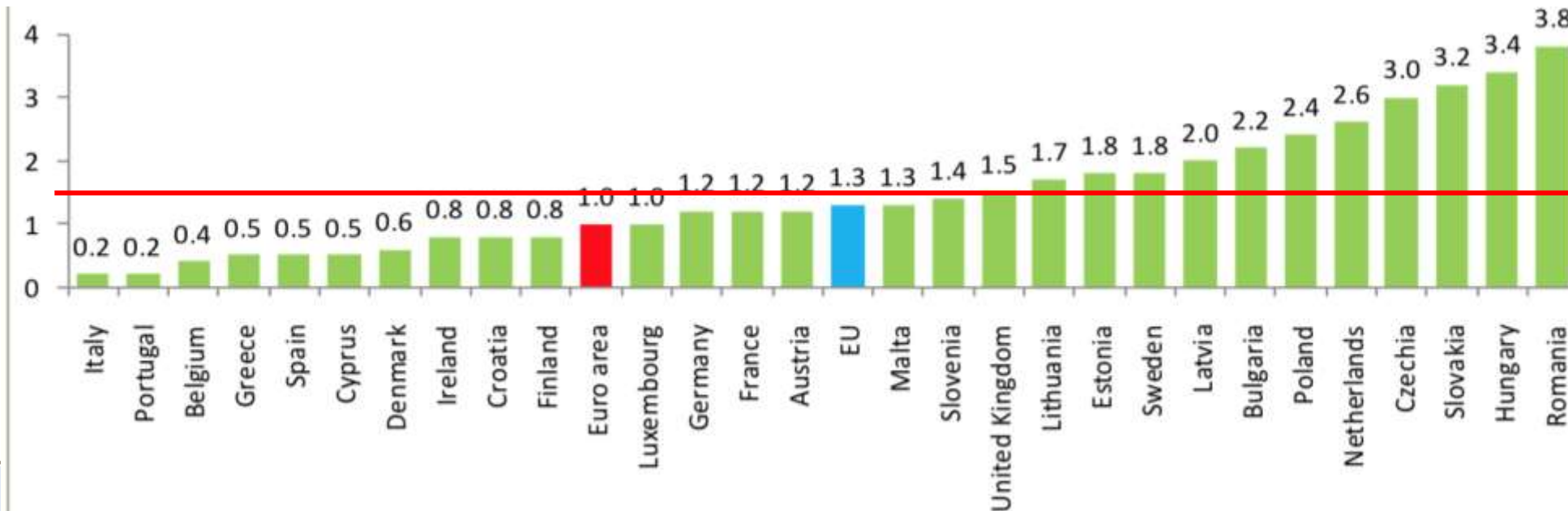
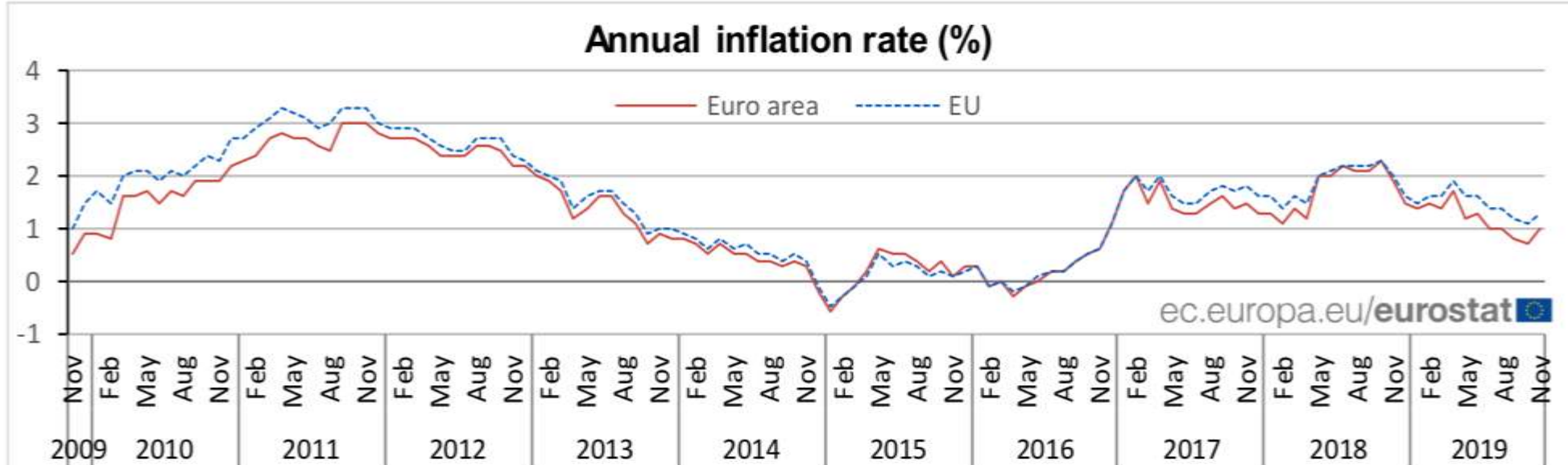


33% Greece
32% Spain
27% Italy

15% Euro area
11% OECD
8% USA
5% Japan



Falling inflation in the euro area

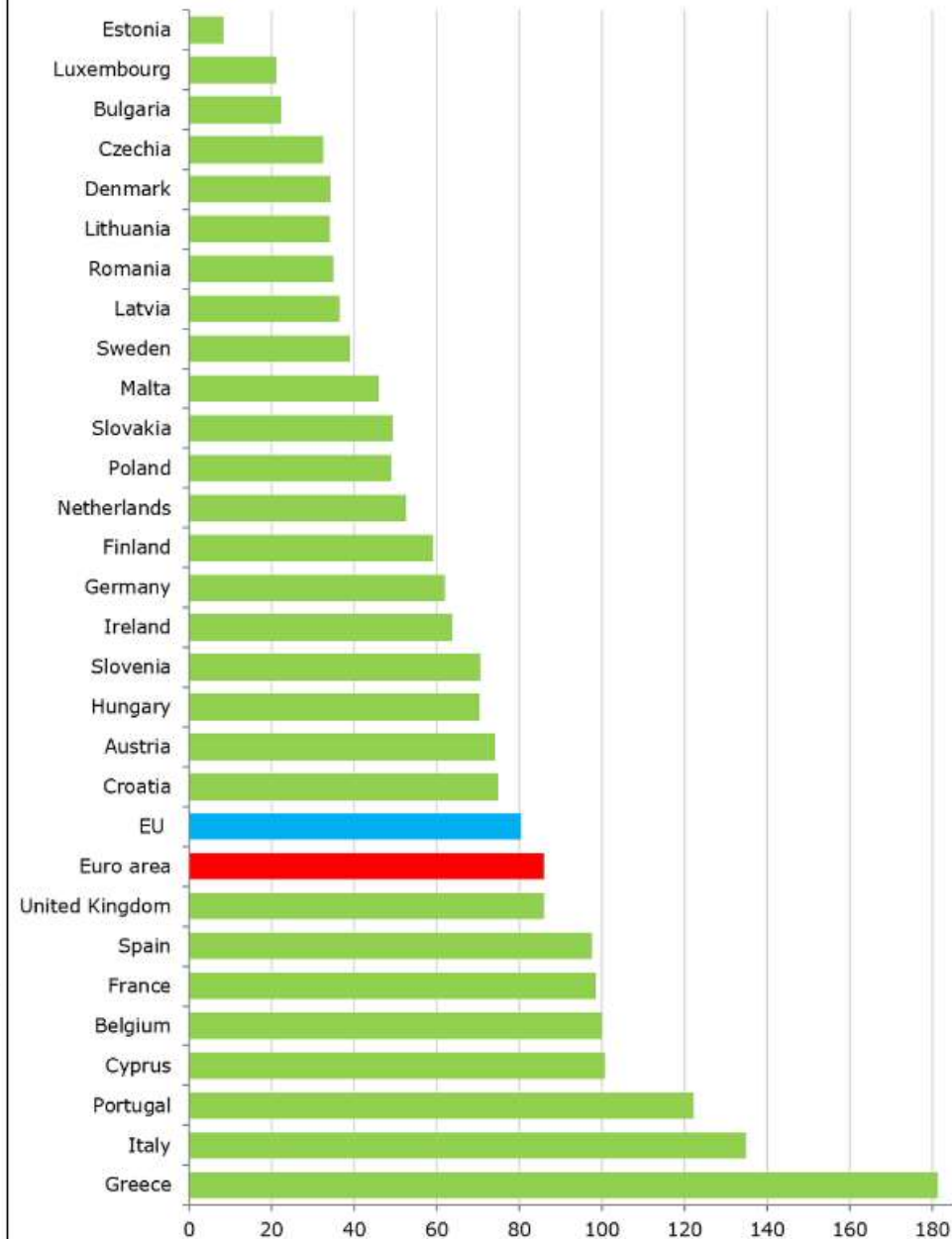
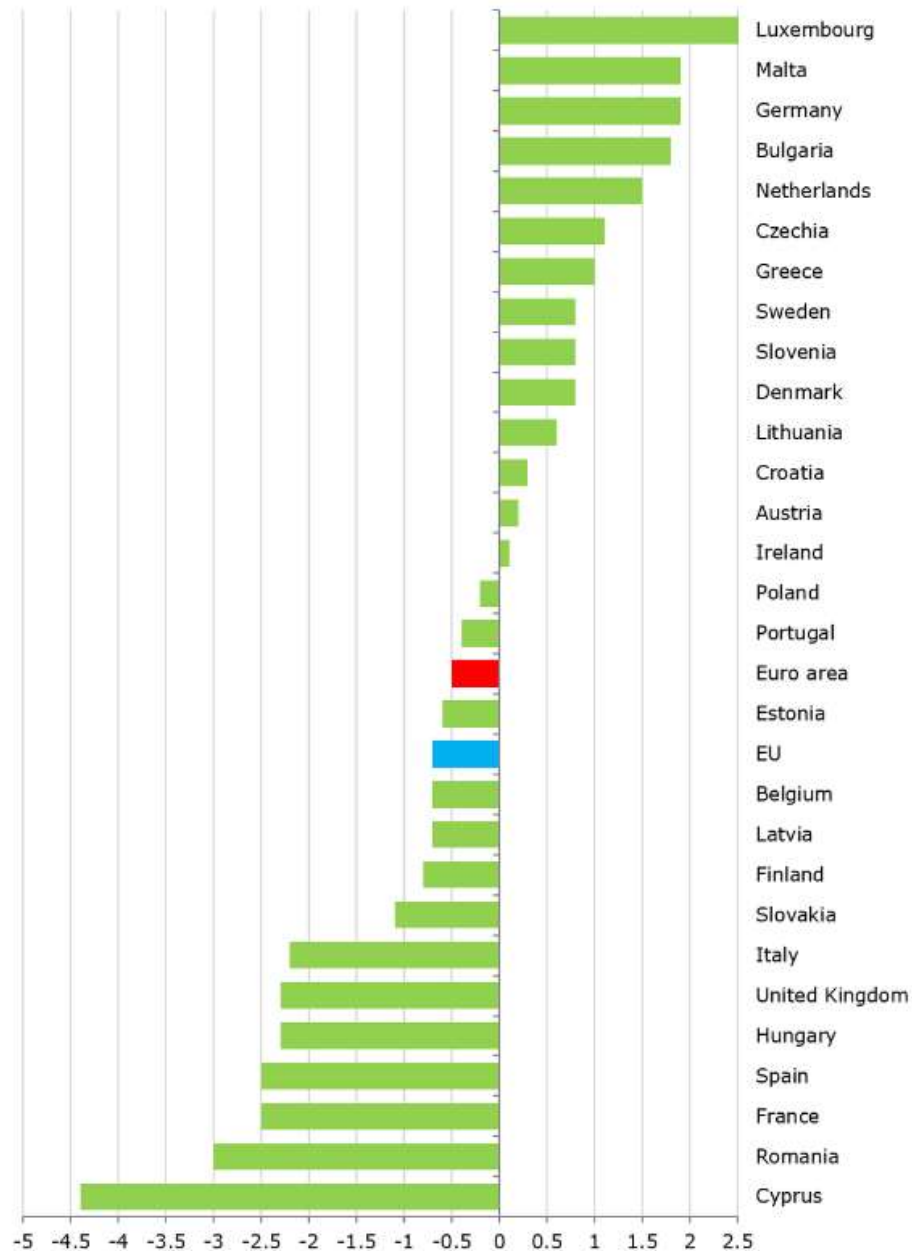


- food, alcohol & tobacco have the highest rate (2%)
- services (1,8%)
- non-energy industrial goods (0,4%)
- energy (0,2%)

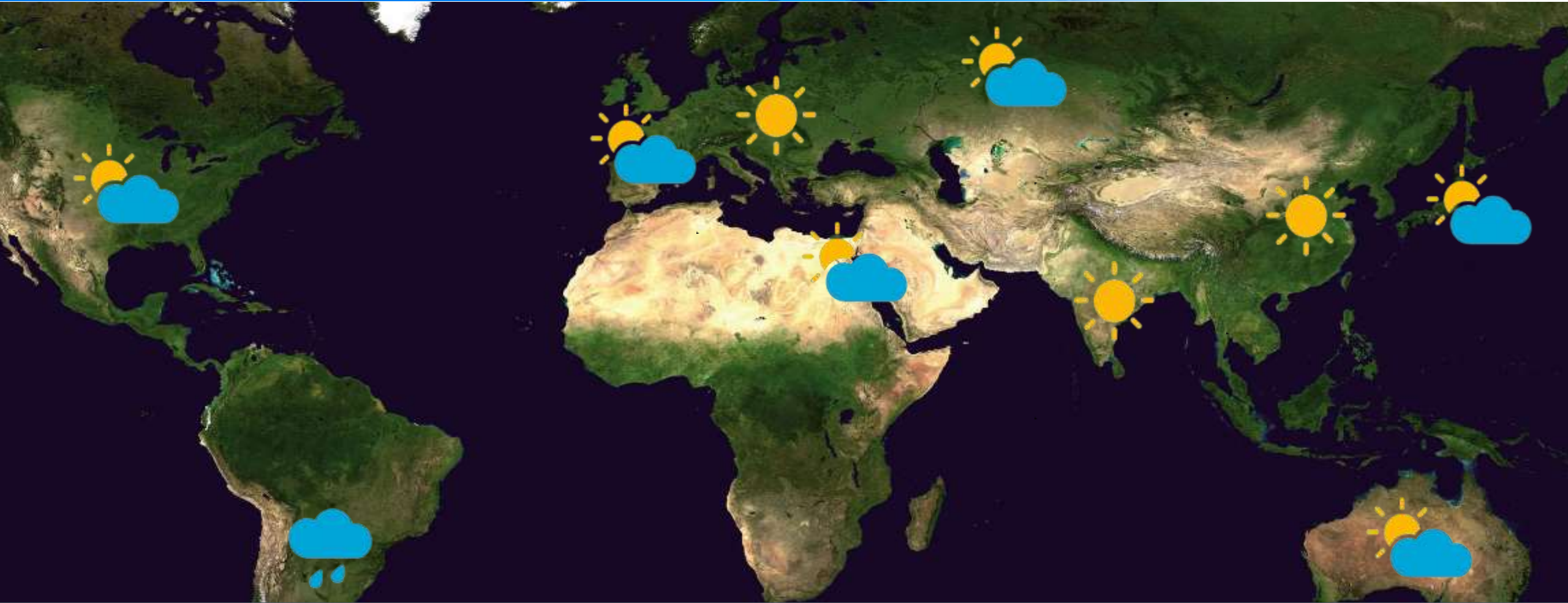
Maastricht criteria for Euro 1,5%

Government deficit compared to GDP 2018 in %

Debt in % of the GDP 2018



Weather forecast ... for 2020



- The global economy is expected to grow at a rate of 2,9% in 2020
- US President causes uncertainty worldwide
- Europe is also in a period of political uncertainty and faces challenges
- China is less of a global growth engine
- SUMMARY: Growth is at lowest level since financial crisis in 2008/09