



World Economy: IMF update of the World Economic Outlook (July 2014)

Slow but Steady Global Recovery in need of strong policy Support.

In the opinion of IMF, with the latest World Economic Outlook published in July, Global growth decelerated more than expected in the first quarter of 2014, largely because of temporary setbacks, including a sharp correction to an earlier inventory buildup and the effects of a harsh winter on domestic demand in the United States.

Growth also disappointed in China as policies were tightened to dampen credit growth and housing market activity. Growth moderated in other emerging markets due to softer external demand and also because of slower-than-expected investment growth.

The WEO Update projects that global growth will rebound as the temporary constraints recede and recent policy actions to support expansion gain ground. For example, in China, limited stimulus measures have been deployed to support demand.

Global growth is projected to rise from 3.2 percent in 2013 to 3.4 percent in 2014 and 4.0 percent in 2015. The forecast is 0.3 percent weaker for 2014 relative to the April 2014 WEO (see table), reflecting actual first-quarter outcomes and a slower domestic demand path in emerging markets. For 2015, the forecast is unchanged from the April WEO, as stronger growth in some advanced economies is expected to offset weaker growth in emerging markets.

For other details please refer to the IMF chart published below.

Latest IMF projections

The global recovery is proceeding at an uneven pace.
(percent change)

	Projections				Difference from April 2014 WEO projections	
	2012	2013	2014	2015	2014	2015
World Output	3.5	3.2	3.4	4.0	-0.3	0.0
Advanced Economies	1.4	1.3	1.8	2.4	-0.4	0.1
United States	2.8	1.9	1.7	3.0	-1.1	0.1
Euro Area	-0.7	-0.4	1.1	1.5	0.0	0.1
Germany	0.9	0.5	1.9	1.7	0.2	0.1
France	0.3	0.3	0.7	1.4	-0.3	-0.1
Italy	-2.4	-1.9	0.3	1.1	-0.3	0.0
Spain	-1.6	-1.2	1.2	1.6	0.3	0.6
Japan	1.4	1.5	1.6	1.1	0.3	0.1
United Kingdom	0.3	1.7	3.2	2.7	0.4	0.2
Canada	1.7	2.0	2.2	2.4	-0.1	0.0
Other Advanced Economies	2.0	2.3	3.0	3.2	0.0	0.0
Emerging and Developing Economies	5.1	4.7	4.6	5.2	-0.2	-0.1
Commonwealth of Independent States	3.4	2.2	0.9	2.1	-1.0	-1.1
Russia	3.4	1.3	0.2	1.0	-1.1	-1.3
Excluding Russia	3.6	4.2	2.4	4.4	-0.6	-0.6
Emerging and Developing Asia	6.7	6.6	6.4	6.7	-0.2	-0.1
China	7.7	7.7	7.4	7.1	-0.2	-0.2
India ¹	4.7	5.0	5.4	6.4	0.0	0.0
ASEAN-5 ²	6.2	5.2	4.6	5.6	-0.4	0.2
Emerging and Developing Europe	1.4	2.8	2.8	2.9	0.4	0.0
Latin America and the Caribbean	2.9	2.6	2.0	2.6	-0.5	-0.3
Brazil	1.0	2.5	1.3	2.0	-0.6	-0.6
Mexico	4.0	1.1	2.4	3.5	-0.6	0.0
Middle East, North Africa, Afghanistan, and Pakistan	4.9	2.5	3.1	4.8	-0.2	0.2
Sub-Saharan Africa	5.1	5.4	5.4	5.8	0.0	0.2
South Africa	2.5	1.9	1.7	2.7	-0.6	0.0

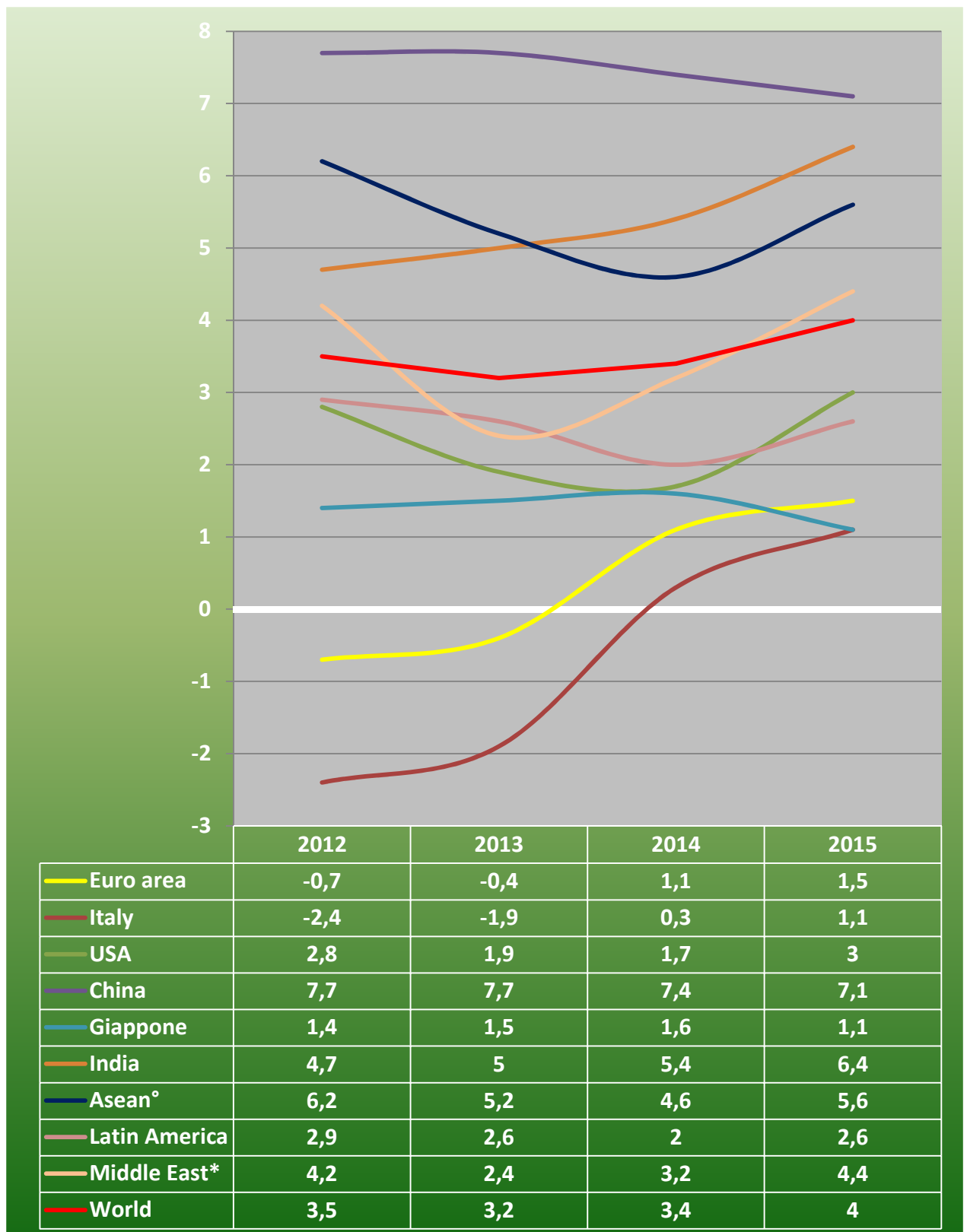
Source: IMF, *World Economic Outlook*, July 2014.

¹For India, data and forecasts are presented on a fiscal year basis and output growth is based on GDP at market prices. Corresponding growth rates for GDP at factor cost are 4.5, 4.7, 5.4, and 6.4 percent for 2012/13, 2013/14, 2014/15, and 2015/16, respectively.

²Indonesia, Malaysia, Philippines, Thailand, and Vietnam.

<http://www.imf.org/external/pubs/ft/survey/so/2014/NEW072414A.htm>

To complete the analysis below please find a graph of the GDP values foreseen by IMF in the major countries and regions of the world, for a visual comparison of the different trends.



*Middle East + Nord Africa, Afghanistan, Pakistan

°Asean: Indonesia, Malaysia, Philippines, Thailand, Vietnam

To conclude we put together the outlook of the major European countries, underlining that, compared to the previous Outlook improve those of U.K., Germany and Spain, both for the current year and for 2015. Worsen those of France and Italy.

For the Euro area last April's outlook is confirmed, with only a tiny +0.1% progress next year.

