

Olli Rehn, Governor, Bank of Finland

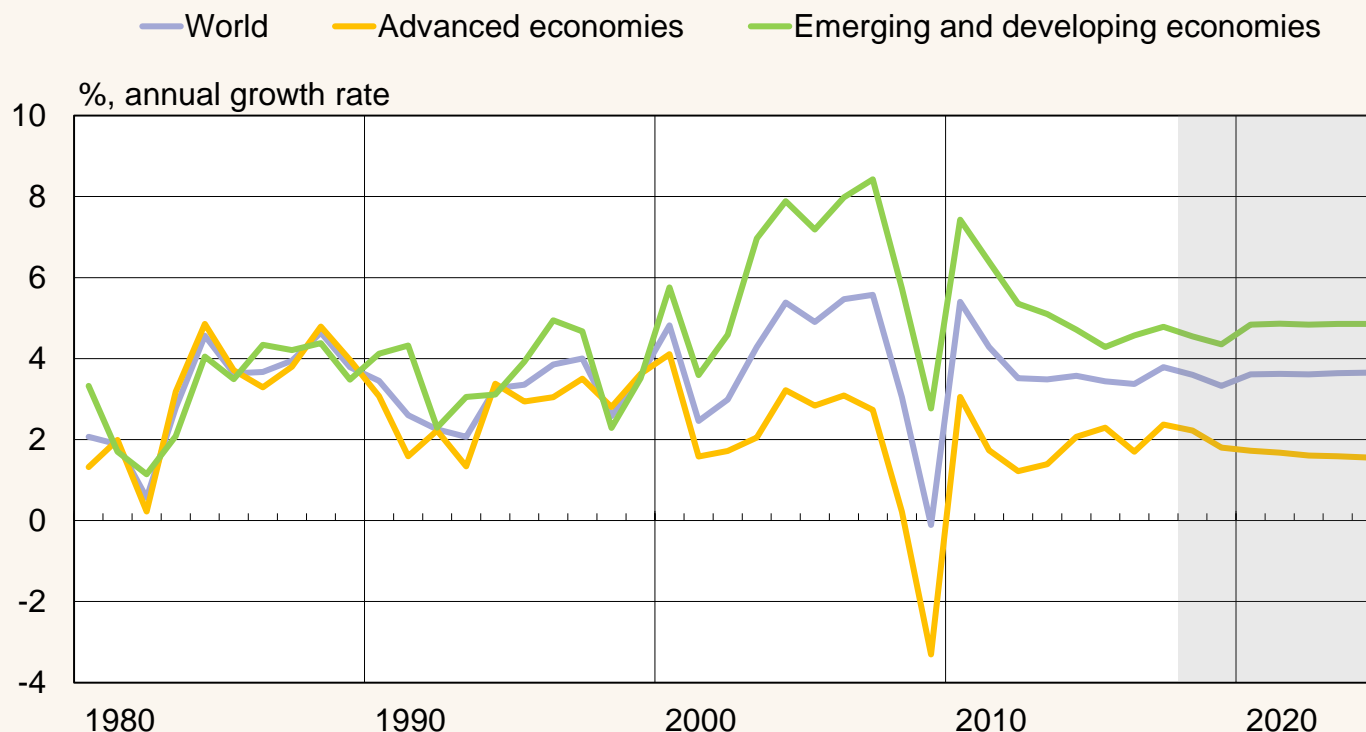
Global economic outlook: A European perspective

The Dallas Committee on Foreign Relations and
the Federal Reserve Bank of Dallas
– a joint event, August 19, 2019



Global growth has been slowing down, especially in advanced economies

GDP growth



Source: IMF, World Economic Outlook.
32427@IMF(en)

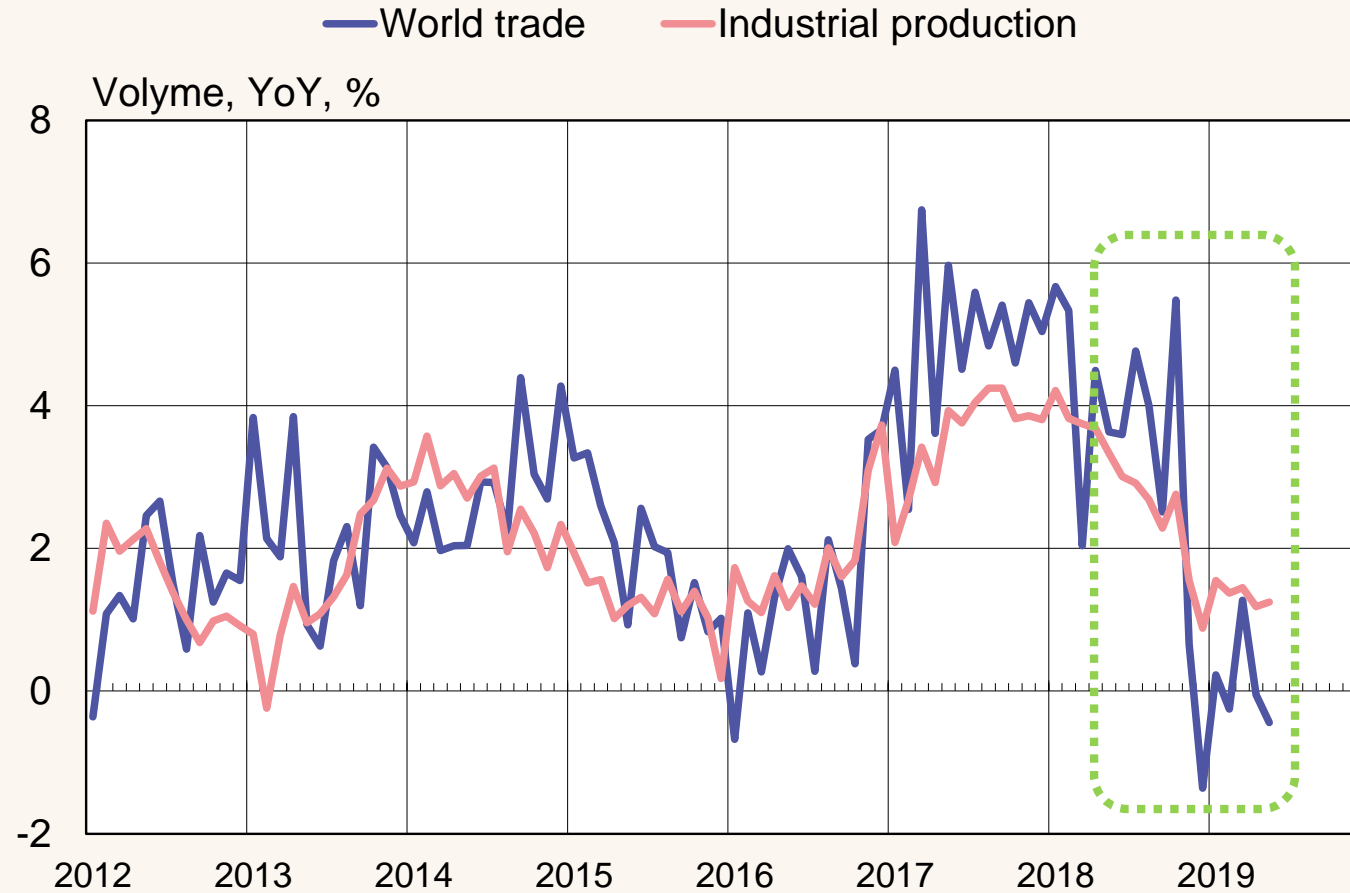
World Output
2019: 3.2% (-0.1)
2020: 3.5%

Advanced Economies
2019: 1.9% (+0.1)
2020: 1.7%

Emerging Market and Developing Economies
2019: 4.1% (-0.3)
2020: 4.7% (-0.1)

Source: IMF WEO update, July 2019.

Sharp fall in the growth of global trade

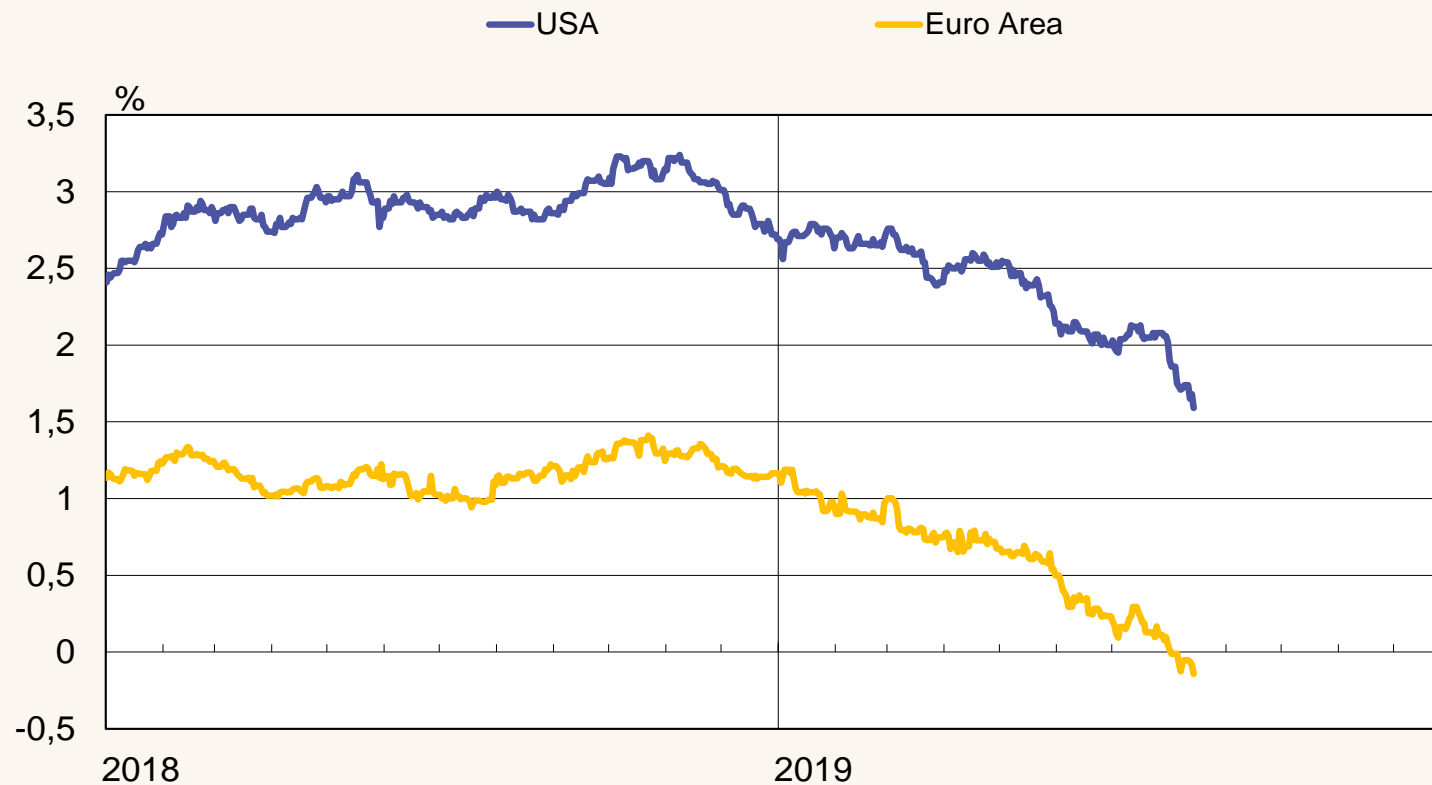


Source: CPB, Macrobond.

37072@mkteol%

Sharply lower bond yields do signal concerns about the global economy

10-year Government Bond Yield



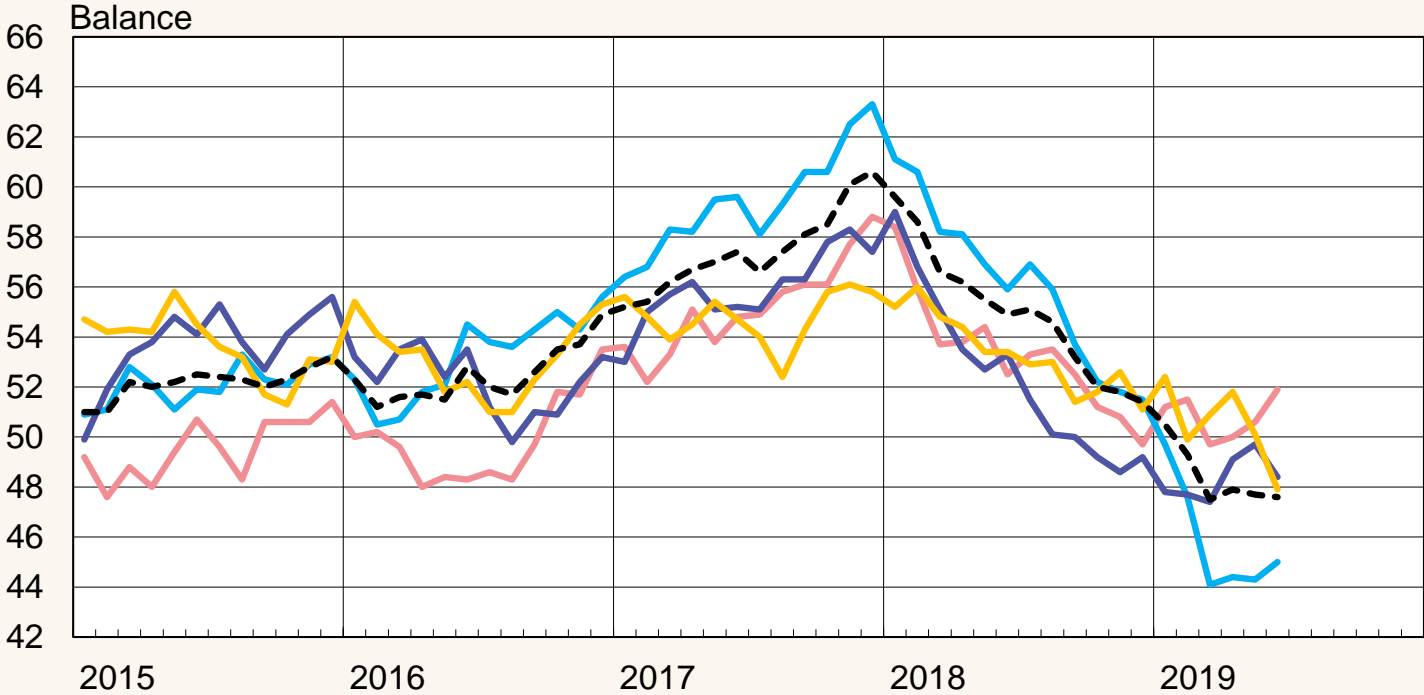
Source: Macrobond.

32427@vvk10

Euro area manufacturing: weaker outlook since 2018

Purchasing Managers' Index (manufacturing)

— France — Germany — Italy — Spain - - - Euro area



Sources: Markit ja Macrobond.

32425@PMIteoll(en)

Euro area unemployment: at almost all-time low



* 12 month moving average.
Sources: Eurostat and ECB.

32424@Työttömyys_ea (2)_en

Inflation expectations have declined in the euro area



Market expectations derived from inflation swaps. SPF = ECB survey of professional forecasters.
Sources: ECB, Bloomberg and calculations by the Bank of Finland.
32426@odotusSPF(2_en)