



GLOBAL ECONOMIC MONITOR

Monthly update of developments in the global economy

PHD Research Bureau
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Global economy is experiencing a broad-based cyclical expansion, which is expected to be sustained over the next couple of years along with downside risks. In contrast, growth in potential output (full-employment output) is flagging, languishing below its longer-term and pre-crisis average both globally and among emerging market and developing economies (EMDEs). The forces depressing potential output growth will continue unless countered by structural policies.

According to the World Economic Outlook, the advanced economies are expected to grow at 2.3% in both 2017 and 2018 and 2.2% in 2019. The growth forecast for 2018 and 2019 has also been revised up for other advanced economies, reflecting in particular stronger growth in advanced Asian economies, which are especially sensitive to the outlook for global trade and investment. The growth forecast for Japan has been revised up for 2018 and 2019, reflecting upward revisions to external demand, the supplementary budget for 2018, and carryover from stronger-than-expected recent activity.

The growth forecast for the United States has been revised up given stronger than expected activity in 2017, higher projected external demand, and the expected macroeconomic impact of the tax reform, in particular the reduction in corporate tax rates and the temporary allowance for full expensing of investment.

Growth rates for many of the euro area economies have been marked up, especially for Germany, Italy, and the Netherlands, reflecting the stronger momentum in domestic demand and higher external demand. Growth in Spain, which has been well above potential, has been marked down slightly for 2018, reflecting the effects of increased political uncertainty on confidence and demand.

Emerging and developing Asia will grow at around 6.5 % over 2018–19, broadly the same pace as in 2017. The region continues to account for over half of world growth. Growth is expected to moderate gradually in China (though with a slight upward revision to the forecast for 2018 and 2019 relative to the fall forecasts, reflecting stronger external demand), pick up in India, and remain broadly stable in the ASEAN-5 region.

In emerging and developing Europe, where growth in 2017 is now estimated to have exceeded 5 %, activity in 2018 and 2019 is projected to remain stronger than previously anticipated, lifted by a higher growth forecast for Poland and especially Turkey.

Going ahead, the current cyclical upswing provides an ideal opportunity for reforms to be implemented in the countries. Shared priorities across all economies include implementing structural reforms to boost potential output and making growth more inclusive. In an environment of financial market optimism, ensuring financial resilience is imperative. Weak inflation suggests that slack remains in many advanced economies and monetary policy should continue to remain accommodative. However, the improved growth momentum means that fiscal policy should increasingly be designed with an eye on medium-term goals—ensuring fiscal sustainability and bolstering potential output.

World Economy: Key Monetary and Fiscal Indicators

Country	GDP Billion (US\$)	GDP Growth (YoY)	Government Debt as % of GDP	Interest Rate	Inflation Rate	Unemployment Rate	Current Account	Government Budget
	Dec '16	Sept'17	Dec '16	Jan '17	Jan'17	Jan '17	Dec '16	Dec '16
United States	18,569	2.5%	106%	1.5%	2.1%*	4.1%	(-)2.60%	(-)3.2%
Canada	1,530	3%	92.3%	1.25%	1.9%*	5.7%*	(-)3.3%	0.1% ⁴
Japan	4,939	2.1%	250.00%	-0.10%	1%*	2.8%*	3.7%	(-)4.5%
Euro Area								
United Kingdom	2,619	1.7%	89.30%	0.50	3%*	4.30%#	(-)4.4%	(-)3%
Germany	3,467	2.8%	68.30%	0.00%	1.60%#	3.6%*	8.30%	0.80%
France	2,465	2.3%	96.00%	0.00%	1.4%#	9.7% [@]	(-)0.9%	(-)3.4%
European PIIGS								
Portugal	205	2.5%	130.00%	0.00%	1.1%	8.1% [*]	0.80%	(-)2%
Ireland	294	10.5%	75.40%	0.00%	0.4%*	6.1%	4.70%	(-)0.7%
Italy	1,850	1.7%	133.00%	0.00%	0.8%	10.8%	2.60%	(-)2.4%
Greece	195	1.3%	179.00%	0.00%	1.1%*	20.9% [#]	(-)0.6%	0.70%
Spain	1,232	3.1%	99.40%	0.00%	0.5%	16.55% [*]	2.20%	(-)4.5%
BRICS Countries								
Brazil	1,796	1.4%	69.49%	6.75%	2.86%	11.8%*	(-)1.3%	(-)8.9%
Russia	1,283	1.8%	17%	7.75%	2.2%	5.1%*	1.8%	(-)3.7%
India	2,264	6.3%	69.50%	6.0%	5.21%*	3.46% [*]	(-)0.7%	(-)3.5%
China	11,199	6.8%	46.2%	4.35%	1.5%	3.9% [*]	1.8%	(-)3.8%
South Africa	295	0.8%	51.7%	6.75%	4.7%*	27.7% [@]	(-)3.3%	(-)3.9%

Source: PHD Research Bureau, compiled from various sources, *Data pertains to December 2017, @ Data pertains to September 2017, # Data pertains to November 2017

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1. Growth

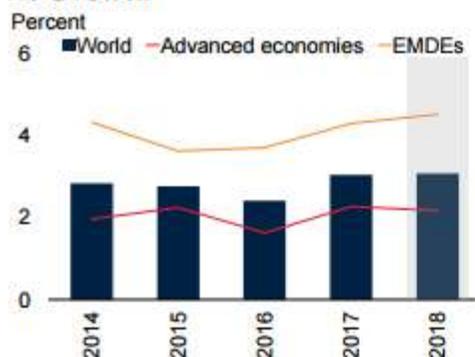
1.1 Global Economic Prospects: Broad-Based Upturn: World Bank - According to the Global Economic Prospects Report released by the World Bank in January 2018, it is forecasted that global economic growth will edge up to 3.1 % in 2018 after a much stronger-than-expected 2017, following the continuation in the recovery in investment, manufacturing, and trade. Growth in advanced economies is expected to moderate slightly to 2.2 % in 2018, as central banks gradually remove their post-crisis accommodation and the upturn in investment growth stabilizes. Growth in emerging market and developing economies as a whole is projected to strengthen to 4.5 % in 2018, as activity in commodity exporters continues to recover amid firming prices.

Key highlights for Growth outlook

- Global growth reached 3 % in 2017, its strongest rate since 2011, in a broad-based upturn. It is predicted to edge up to 3.1 % in 2018, as a continued recovery in emerging market and developing economies (EMDEs) more than offset a slight moderation in advanced economies.
- EMDE growth is projected to strengthen to 4.5 % in 2018 in a supportive global environment, as headwinds to activity in commodity exporters gradually dissipate and growth in commodity importers remains robust.
- The global outlook is still subject to downside risks, including the possibility of financial stress, increased protectionism, rising geopolitical tensions, and, over the longer term, weaker potential growth. With output gaps closing or closed in many countries, accommodative cyclical policies are becoming less urgent. Given the prospects for a continued softening of potential growth, structural reforms that spur long-term growth, investment, and productivity should take priority.

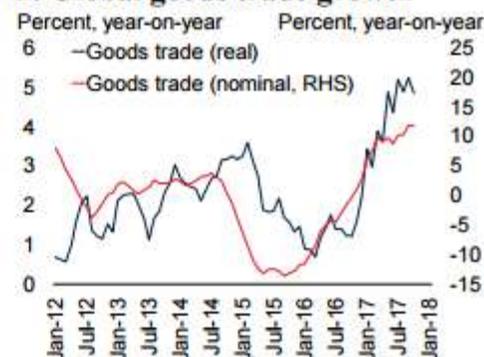
The broad-based recovery should continue.

A. Growth



Global trade has gained momentum.

B. Global goods trade growth



Source: PHD Research Bureau, compiled from World Bank

1.2 IMF projects world economy to grow at 3.7% in 2017:World Economic Outlook – According to Moody’s Investors Service’s Sovereigns – Asia Pacific 2018 outlook 2018, the outlook for sovereign creditworthiness in Asia Pacific (APAC) in 2018 is stable overall, reflecting the expectation for the fundamental credit conditions that will drive sovereign credit over the next 12 to 18 months. This favourable growth environment will amplify the credit benefits of past reforms and encourage some sovereigns to implement further measures, particularly in emerging markets. However, leverage remains a credit constraint.

International monetary fund (IMF) in its latest update on World Economic Outlook (WEO) has anticipated the global economy to grow 3.7% in 2017 (0.1 %a point higher than projected in the October Outlook) and 3.9% in 2018. Global growth forecasts for 2018 and 2019 have been revised upward by 0.2 %age point to 3.9 %. The revision reflects increased global growth momentum and the expected impact of the recently approved U.S. tax policy changes. The pickup in growth has been broad based, with notable upside surprises in Europe and Asia.

Growth Outlook

- The cyclical upswing underway since mid-2016 has continued to strengthen. Some 120 economies, accounting for three quarters of world GDP, have seen a pickup in growth in year-on-year terms in 2017, the broadest synchronized global growth upsurge since 2010.
- Among advanced economies, growth in the third quarter of 2017 was higher than projected in the October outlook, notably in Germany, Japan, Korea, and the United States.
- Key emerging market and developing economies, including Brazil, China, and South Africa, also posted third-quarter growth stronger than the fall forecasts. High-frequency hard data and sentiment indicators point to a continuation of strong momentum in the fourth quarter.
- World trade has grown strongly in recent months, supported by a pickup in investment, particularly among advanced economies, and increased manufacturing output in Asia in the run up to the launch of new smartphone models. Purchasing managers’ indices indicate firm manufacturing activity ahead, consistent with strong consumer confidence pointing to healthy final demand.

1.2 Asian Development Outlook 2017 India and China remain fastest growth economies in Asia Pacific: Moody’s Sovereigns Asia Pacific 2018 outlook – According to Moody’s Investors Service’s Sovereigns – Asia Pacific 2018 outlook 2018, the outlook for sovereign creditworthiness in Asia Pacific (APAC) in 2018 is stable overall, reflecting the expectation for the fundamental credit conditions that will drive sovereign credit over the next 12 to 18 months. This favourable growth environment will amplify the credit benefits of past reforms and encourage some sovereigns to implement further measures, particularly in emerging markets. However, leverage remains a credit constraint.

Composite leading indicators

	Ratio to trend, amplitude adjusted (long term average =100)					Month on Month change (%)					Year on Year change (%)	Growth cycle outlook
	2017					2017					Latest month	
	Jul	Aug	Sep	Oct	Nov	Jul	Aug	Sep	Oct	Nov		
OECD Area	100.1	100.1	100.1	100.1	100.2	0.03	0.03	0.03	0.02	0.00	0.40	Stable growth momentum
Euro Area	100.4	100.5	100.5	100.6	100.6	0.07	0.06	0.05	0.04	0.03	0.70	Stable growth momentum
Major Five Asia**	99.6	99.7	99.7	99.8	99.8	0.05	0.04	0.03	0.03	0.05	0.24	Stable growth momentum
Major Seven	100.0	100.0	100.1	100.1	100.1	0.02	0.03	0.03	0.03	0.01	0.49	Stable growth momentum
Canada	100.2	100.3	100.3	100.4	100.4	0.01	0.02	0.03	0.05	0.08	0.59	Stable growth momentum
France	100.5	100.5	100.5	100.4	100.4	0.01	-0.02	-0.02	-0.02	0.00	0.43	Stable growth momentum
Japan	100.1	100.1	100.1	100.1	100.1	0.00	0.00	0.00	0.02	0.02	0.28	Stable growth momentum
Germany	100.7	100.8	100.9	101.0	101.1	0.13	0.11	0.10	0.09	0.06	1.41	Growth gaining momentum
Italy	100.2	100.4	100.5	100.6	100.7	0.14	0.16	0.15	0.11	0.07	0.75	Growth gaining momentum
United Kingdom	99.8	99.7	99.6	99.4	99.1	-0.07	-0.11	-0.16	-0.21	-0.23	-0.71	Easing growth
United States	99.7	99.7	99.8	99.8	99.9	0.01	0.03	0.04	0.04	0.03	0.49	Stable growth momentum
Brazil	102.1	102.6	103.0	103.4	103.6	0.37	0.42	0.42	0.36	0.27	3.50	Growth firming
China***	99.3	99.3	99.4	99.5	99.6	0.07	0.07	0.07	0.08	0.11	0.26	Signs of growth gaining momentum
India	99.5	99.6	99.6	99.7	99.7	0.04	0.05	0.06	0.06	0.06	0.10	Stable growth momentum
Russia	100.5	100.7	100.9	101.2	101.4	0.10	0.17	0.22	0.24	0.25	1.51	Growth gaining momentum

* CLI data for 32 OECD member countries and 6 OECD non-member economies are available at:

http://stats.oecd.org/default.aspx?datasetcode=MFI_CLI

** China, India, Indonesia, Japan and Korea.

*** The reference series for China is the value added of industry, at 1995 constant prices, 100 million Yuan.

Source: PHD Research Bureau, compiled from OECD

- 1.4 US GDP Growth Revised Slightly Down to 3.2%** - According to U.S .Bureau of Economic Analysis, the US economy expanded an annualized 3.2 % on quarter in the third quarter of 2017, slightly below a second estimate of 3.3 % and lower than market expectations of 3.3 %.
- 1.5 Eurozone Q3 GDP Growth Confirmed at 0.6%** - The Eurozone economy expanded 0.6 % on quarter in the three months to September of 2017, in line with the second estimate and following a 0.7 % advance in the previous period. Growth was mainly boosted by household consumption, fixed investment and exports.
- 1.6 UK Q3 GDP Growth Confirmed at 0.4%** - The British economy advanced 0.4 % on quarter in the three months to September of 2017, unrevised from the second estimate and following a 0.3 % expansion in the previous period. Household consumption rose at stronger pace while fixed investment growth softened.
- 1.7 German GDP growth confirmed at 0.8% in Q3** - As per Federal Statistical Office, the German economy expanded a seasonally-adjusted 0.8 % on quarter in the September quarter of 2017, following a 0.6 % growth in the previous period and matching the preliminary estimate.
- 1.8 Japan Q3 GDP Growth Revised Up to 0.6%** - According to Cabinet Office of Japan, The Japanese economy advanced 0.6 % quarter-on-quarter in the September quarter of 2017, stronger than the preliminary estimate of a 0.3 % expansion and following an

upwardly revised 0.7 % growth in the prior quarter. It was the seventh straight quarter of growth, supported by exports and faster increase in business spending.

- 1.9 China Economy grows 1.6% QoQ in Q4-** As per National Bureau of Statistics of China, China's gross domestic product grew by 1.6 % on quarter in the three months to December of 2017, easing slightly from an upwardly revised 1.8 % expansion in the previous period and matching market expectations. It was the weakest quarterly growth rate since the first quarter of the year.
- 1.10 Russia Q2 GDP Growth Confirmed at 1.08%** - The Gross Domestic Product (GDP) in Russia expanded 1.08 % in the second quarter of 2017 over the previous quarter. GDP Growth Rate in Russia averaged 0.76 % from 1995 until 2017, reaching an all time high of 4.10 % in the first quarter of 1999 and a record low of -5.40 % in the third quarter of 1998.

2. Industry

- 2.1 U.S. Manufacturing PMI rose to 55.1 in December** - The IHS Markit US Manufacturing PMI went up to 55.1 in December of 2017 from 53.9 in November and above a preliminary of 55. The reading pointed to the fastest expansion in factory activity since March of 2015 as high client demand boosted output and new orders and job creation was the strongest since September of 2014.
- 2.2 Eurozone Manufacturing PMI rose to 60.6 in December** - The IHS Markit Eurozone Manufacturing PMI came in at 60.6 in December 2017, unchanged from the preliminary reading and compared with 60.1 in November. The reading pointed to the strongest pace of expansion in the manufacturing sector since the series began in mid-1997, boosted by strong rates of expansion in output, new orders and employment. Among Eurozone's largest economies, PMI readings were at survey-record highs in Austria, Germany and Ireland, and remained close to November's series peak in the Netherlands.
- 2.3 France Manufacturing PMI rose to 58.8 in December** - The IHS Markit Manufacturing PMI for France increased to 58.8 in December of 2017 from 57.7 in November, and slightly below preliminary estimates of 59.3. The reading pointed to the fastest expansion in manufacturing activity since September of 2000. New orders rose the most in 7 years, which, in turn, contributed to the highest increases in output and employment since 2000. Meantime, purchasing activity accelerated and unfinished work accumulated to the sharpest level in over eleven years.
- 2.4 Spain Manufacturing PMI rose to 55.8 in November** - The IHS Markit Spain Manufacturing PMI fell to 55.8 in December 2017 from a near 11-year high of 56.1 in November and below market expectations of 56.4. Still, the reading pointed to a marked monthly improvement in the health of the manufacturing sector. Production rose sharply on the back of a solid increase in new orders and firms continued to raise employment and purchasing activity at elevated rates. On the price front, both input and output prices rose at a softer pace.

- 2.5 Japan manufacturing PMI rose to 54 in December-** The Nikkei Japan Final Manufacturing PMI came in at 54.0 in December of 2017, compared to the flash figure of 54.2 and following a final reading of 53.6 in November. It was the strongest growth in manufacturing sector since February 2014, as new orders rose the most since January 2014, output expanded for the fifth straight month and new export orders grew at an accelerated pace amid reports of greater demand from China and Taiwan.

Manufacturing Purchasing Managers' Index (PMI) of Select Countries

Country	Manufacturing PMI (September)	Manufacturing PMI (October)	Manufacturing PMI (November)	Manufacturing PMI (December)
United States	53.1	54.6	53.9	55
Eurozone	58.1	58.5	60.1	60.6
France	56.1	56.1	57.7	59.3
Spain	54.3	55.8	56.1	-
Japan	52.9	53.8	53.6	54.2

Source: PHD Research Bureau, compiled from various sources

3. Inflation

- 3.1 US Inflation Rate Edges Down to 2.1%-** According to U.S. Bureau of Labor Statistics, Consumer prices in the United States increased 2.1 % year-on-year in December of 2017, easing from a 2.2 % rise in November. Figures came below market expectations of 2.2 % amid a slowdown in gasoline and fuel prices.
- 3.2 Inflation Rate Eases from 6-Year High in December -** According to the Office of National Statistics, UK consumer price inflation eased to 3 % in December 2017 from a near six-year high of 3.1 % in November, as widely expected. Prices rose at a softer pace for transport, recreation and culture, housing and utilities, and food and non-alcoholic beverages.
- 3.3 German December Inflation Rate Confirmed at 1.7%-**As per Federal Statistics Office, German consumer price inflation stood at 1.7 % year-on-year in December 2017, unrevised from the preliminary estimate and compared to 1.8 % in November. Energy inflation eased while cost of food and services rose at a faster pace.
- 3.4 Italy Inflation Rate Confirmed at 1-Year Low in December -** As per National Institute of Statistics (ISTAT), the consumer price index in Italy increased 0.9 % year-on-year in December of 2017, the same pace as in November and matching the preliminary estimate. The annual inflation rate stood at its lowest level since December 2016, mainly led by a slowdown in prices of food, especially unprocessed food and housing. Meanwhile, cost advanced faster for transport.
- 3.5 Japan Inflation Rate Rises More than Estimated-** As per Ministry of Internal affairs and Communications, consumer prices in Japan rose 0.6 % year-on-year in November of 2017, following a 0.2 % gain in October. The figure was slightly above market consensus of 0.5 %, due to a jump in cost of transport while prices of food fell much less than in the prior month.

3.6 China Inflation Rate Edges Up to 1.8% in December- As per National Bureau of Statistics of China, China's consumer prices rose by 1.8 % year-on-year in December of 2017, after a 1.7 % rise in November and slightly below market consensus of a 1.9 % gain. Cost of non-food continued to increase, while cost of food fell much less.

4. Markets

4.1 The key international indices exhibited mixed trend- Almost all key international indices exhibited positive trends with the China markets exhibiting better trend in January 2018. The indices of DJIA registered an increase of 4.9% in January 2018. SENSEX and NIKKEI registered a growth of around 4.8% and 3.8% in January 2018. However, Germany's DAX witnessed a slight decline of (-) 0.2% from 13312.30 to 13281 as on 18 January 2018.

Global Indices			
Index	Index (as on 18 December, 17)	Index (as on 18 January, 18)	Monthly Change (in %)
DAX ¹	13312.30	13281	-0.2
DJIA ²	24792.20	26017.81	4.9
NIKKEI ³	22901.77	23763.37	3.8
SENSEX ⁴	33659.25	35260.29	4.8
SHSZ ⁵	3985.29	4271.42	7.2

Note: ¹ Deutscher Aktien Index (Germany), ² Dow Jones Industrial Average (US), ³ NIKKEI (Japan), ⁴ BSE SENSEX (India), ⁵ Shanghai Shenzhen (China)

5. Commodities

5.1 International prices of most of the key commodities showed positive trend- During the period December 2017 – January 2018, the international prices of almost all the key commodities exhibited a positive trend. Prices of Crude Oil registered an increase of 9.2% to 68.7 \$/bbl whereas prices of copper jumped by 5.1% to 7,023 \$/tonne. Price of Silver also witnessed an increase of 6.8% coming up to 17.2 \$/ounce whereas price of Gold increased by 6.2% to 1,335.8 \$/ounce. However, price of Sugar witnessed a marginal rise of about 0.2% to 364 \$/tonne.

International Commodity Prices				
Commodity	Units	As on	As on	Monthly Change (in %)
		(15-December 17)	(17-January 18)	
Gold	\$/ounce	1257.6	1,335.8	6.2
Silver	\$/ounce	16.1	17.2	6.8
Copper	\$/tonne	6,685	7,023*	5.1
Crude Oil	\$/bbl	62.9	68.7	9.2
Sugar	\$/tonne	363.1	364	0.2

Source: PHD Research Bureau, compiled from various sources

5.2 The gold market in 2018- According to World Gold Council, ten years after the financial crisis the world is returning to economic normality. Global growth increased in 2017 and the market expects the trend to continue in 2018. It is expected that China's economy – home to the world's largest gold market – will continue to grow, but the nature of growth is changing: its long-awaited transition from investment-driven growth to a consumption-led model is underway. This could affect the economic growth rate, but even if the Chinese economy grows at a slower rate than in the past, we see a more balanced model – aided by further global integration through its One Belt One Road initiative – as supporting a sustainable growth trajectory. In India – the second largest gold market in the world – we believe that after their initial implementation shock, policies such as the demonetisation initiative and the new Goods and Service Tax (GST) will start to have a positive effect on the economy. These policies are designed to improve transparency, broaden the tax base, and draw the informal, cash-based economy into the formal sector.

6. Trade

6.1 UK November Trade Deficit Largest in 5 Months- The UK's deficit on trade in goods and services widened by GBP 0.5 billion to GBP 2.804 billion in November 2017 from an upwardly revised GBP 2.270 billion in October. It was the largest trade deficit since June 2017.

6.2 China Trade Surplus Largest in Nearly 2 Years- China's trade surplus widened sharply to USD 54.69 billion in December 2017 from USD 40.50 billion in the same month a year earlier and way above market consensus of USD 37.0 billion. It was the largest trade surplus since January 2016, as exports rose more than imports.

6.3 Brazil Trade Surplus Rises in December- Brazil trade surplus increased to USD 4.997 billion in December of 2017 from a USD 4.42 billion surplus in December 2016 beating market expectations of USD 4.06 billion. Considering full 2017, the country's trade surplus widened 41 % from 2016 to USD 67 billion.

6.4 South Korea Trade Surplus Narrows 14.3% YoY in December- South Korea's trade surplus fell to USD 5.8 billion in December of 2017 from USD 6.8 billion in December 2016, as exports rose less than imports. Considering full 2017, the trade surplus came in at USD 95.8 billion, larger than a USD 89.2 billion surplus in the previous year.

6.5 New Zealand Trade Deficit Widens Above Expectations- New Zealand's trade deficit widened to NZD 1193 million in November of 2017 compared to a NZD 723 million gap in November 2016 and expectations of a NZD 550 million deficit. Exports jumped 19.6 % year-on-year to NZD 4.68 billion after advancing 16.2 % in the previous month, booking a new high for a November month and the eighth-highest ever. Meantime, imports surged by 26.7 % to a record NZD 5.82 billion after rising a downwardly revised 14.3 % in October.

7. Unemployment

- 7.1 US Jobless Rate Unchanged at 17-Year Low** - As per U.S. Bureau of Labor Statistics, US unemployment rate stood at 4.1 % in January 2017, unchanged from December and is in line with market consensus.
- 7.2 Italian Jobless Rate at Over 5-Year Low**- As per National Institute of Statistics (ISTAT), Italy's seasonally adjusted unemployment rate edged down to 10.8 % in December 2017 from a downwardly revised 10.9 % in November and below market expectations of 10.9 %. It was the lowest jobless rate since August 2012.
- 7.3 Japan Jobless Rate Edges Up to 2.8% in December** - The unemployment rate in Japan rose to 2.8 % in December of 2017 from 2.7 % in November and slightly above market consensus of 2.7 %. Meanwhile, the jobs-to-applicants ratio was up to 1.59 from 1.56 in November, above estimates of 1.57 and reaching the highest figure since January 1974.
- 7.4 China's jobless rate declined to 3.90 % in Q4**- Unemployment Rate in China decreased to 3.90 % in the fourth quarter of 2017 from 3.95 % in the third quarter of 2017. Unemployment Rate in China averaged 4.11 % from 2002 until 2017, reaching an all time high of 4.30 % in the fourth quarter of 2003 and a record low of 3.90 % in the third quarter of 2002.
- 7.5 Russian Jobless Rate Below Expectations in December** - According to Federal State Statistics Service, Russian unemployment rate fell to 5.1 % in December 2017 from 5.3 % in the same month of the previous year and below market expectations of 5.2 %.
- 7.6 Brazil Unemployment Rate Lowest in 14 Months** - As per Instituto Brasileiro de Geografia E Estatística, the unemployment rate in Brazil went down to 11.8 % in the last quarter of 2017 from 12 % in the three months to November and below market expectations of 11.9 %. It is the lowest jobless rate since the quarter ended October of 2016. Still, considering full 2017, the average jobless rate was 12.7 %, above 11.5 % in 2016 and the highest since the series began.
- 7.7 UK Unemployment Rate Holds at Four-Decade Low** - UK unemployment rate stood at a 42-year low of 4.3 % in the three months to November 2017, unchanged from the June to August period and in line with market expectations.

Unemployment Rate of Select Countries

Country	Unemployment Rate in December '17 (in %)
United States*	4.1
United Kingdom	4.3@
Russia	5.1
Italy	10.8
Japan	2.8

Source: PHD Research Bureau, compiled from various sources Note: * pertains to January 2018, @ pertains to November 2017

7.8 Global unemployment remains elevated at more than 190 million : World Employment Social Outlook 2018 - According to the International Labour Organization’s Report on World Employment Social Outlook 2018, the global unemployment rate is expected to fall slightly to 5.5 % in 2018 (from 5.6 % in 2017), marking a turnaround after three years of rising unemployment rates. However, with a growing number of people entering the labour market to seek employment, the total number of unemployed is expected to remain stable in 2018, above 192 million. In 2019, the global unemployment rate is expected to remain essentially unchanged, whereas the number of unemployed is projected to grow by 1.3 million.

Unemployment, vulnerable employment and working poverty trends and projections, 2007–19							
Country/region	Unemployment rate 2007–19 (percentages)				Unemployment 2017–19 (millions)		
	2007–16	2017	2018	2019	2017	2018	2019
WORLD		5.6	5.5	5.5	192.7	192.3	193.6
Developed countries		5.7	5.5	5.4	34.1	32.8	32.4
Emerging countries		5.6	5.5	5.5	143.0	143.4	144.6
Developing countries		5.3	5.3	5.3	15.6	16.1	16.6
Country/region	Vulnerable employment rate 2007–19 (percentages)				Vulnerable employment 2017–19 (millions)		
	2007–16	2017	2018	2019	2017	2018	2019
WORLD		42.5	42.6	42.7	1391.3	1409.0	1426.4
Developed countries		10.0	9.9	9.9	56.7	56.5	56.3
Emerging countries		46.2	46.2	46.3	1122.8	1134.0	1144.8
Developing countries		76.5	76.4	76.4	211.8	218.5	225.3
Country/region	Extreme working poverty rate 2007–19 (percentages)				Extreme working poverty 2017–19 (millions)		
	2007–16	2017	2018	2019	2017	2018	2019
Total emerging and developing countries		11.2	10.7	10.2	300.9	290.8	281.2
Emerging countries		7.7	7.2	6.7	186.8	176.2	166.4
Developing countries		41.2	40.1	38.9	114.1	114.6	114.9
Country/region	Moderate working poverty rate 2007–19 (percentages)				Moderate working poverty 2017–19 (millions)		
	2007–16	2017	2018	2019	2017	2018	2019
Total emerging and developing countries		16.0	15.5	15.1	430.2	421.8	414.0
Emerging countries		14.7	14.1	13.6	357.5	346.9	336.7
Developing countries		26.2	26.2	26.2	72.7	74.9	77.3

Note: Throughout this report, figures for 2017 are preliminary estimates and figures for 2018 and 2019 are projections. Moderate and extreme working poverty rates refer to the shares of workers living in households with income or consumption per capita between US\$1.90 and US\$3.10 per day, in purchasing power parity (PPP), and less than US\$1.90 per day (PPP), respectively. For a detailed list of regional, country and income groups, see Appendix A.

8. Policy Developments

8.1 US Federal Reserve raises the target range for the rates to 1-1/4 to 1 1/2%- The United States Federal open market committee (FOMC) raised the target range for the federal funds rate to 1-1/4 to 1 1/2%. The stance of monetary policy remains accommodative, thereby supporting strong labor market conditions and a sustained return to 2 % inflation. In determining the timing and size of future adjustments to the target range for the federal funds rate, the Committee will assess realized and expected economic conditions relative to

its objectives of maximum employment and 2% inflation. This assessment will take into account a wide range of information, including measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial and international developments.

- 8.2 Bank of England holds interest rate at 0.5%**- Bank of England kept its main interest rate unchanged at 0.50 %, a month after increasing borrowing costs for the first time in a decade to contain a rise inflation stoked by last year's Brexit vote. The decision was widely anticipated even though official figures this week showed annual inflation rising further above the bank's target of 2% to 3.1 %.
- 8.4 Hong Kong's central bank raises base rate 25 basis points after Fed hike** - The Hong Kong Monetary Authority raised the base rate charged through its overnight discount window by 25 basis points to 1.75 %. The move from Hong Kong's de facto central bank followed the Federal Reserve's decision to raise interest rates by a quarter of a %age point in the third hike this year. Hong Kong tracks U.S. rate moves because its currency is pegged to the U.S. dollar.
- 8.5 Russia Cuts Policy Interest Rate to 7.75%** - The Bank of Russia lowered its benchmark one-week repo rate by half a %age point to 7.75 % on December 15th, as inflation continued to fall below its 4 % target in recent months while the economy is growing at a steady pace. The bank also said it expected to deliver more cuts in the first half of 2018.
- 8.6 Bank of Japan holds monetary policy steady**- The Bank of Japan left its key short-term interest rate unchanged at -0.1 % as expected. Policymakers also kept its 10-year government bond yield target around zero % and offered a more upbeat view on inflation expectations.
- 8.7 South Africa Keeps Key Rate Steady at 6.75%** - The South African Reserve Bank kept its benchmark repo rate steady at 6.75 % in line with market expectations. Policymakers said the inflation outlook has improved and will remain near the target range midpoint although upside risks still arise. Meanwhile, output growth remains subdued despite the recovery in the agricultural sector.
- 8.8 Canada Raises Key Rate to 1.25%** - The Bank of Canada hiked its overnight rate by 25bps to 1.25 % in line with market expectations. Policymakers said that recent data have been strong, inflation is close to target, and the economy is operating roughly at capacity but noticed that uncertainty surrounding the future of NAFTA is clouding the economic outlook. The Bank Rate is correspondingly 1.5 % and the deposit rate is 1 %.

9. Miscellaneous

- 9.1 Readiness for the Future of Production Assessment Results, 2018: World Economic Forum** – According World Economic Forum's report on Readiness for the Future of Production Report 2018 analyses development of modern industrial strategies and urges collaborative action, has categorised 100 countries into four groups — Leading (strong current base, high level of readiness for future); High Potential (limited current base, high potential for future); Legacy

(strong current base, at risk for future); or Nascent (limited current base, low level of readiness for future). The report has been developed in collaboration with A T Kearney and calls for new and innovative approaches to public-private collaboration are needed to accelerate transformation.

The World Economic Forum (WEF) has ranked India at 30th position on a global manufacturing index — below China's 5th place but above other BRICS peers, Brazil, Russia and South Africa. Japan has been found to have the best structure of production which is followed by South Korea, Germany, Switzerland, China, Czech Republic, the US, Sweden, Austria and Ireland in the top 10.

Among BRICS nations, Russia is ranked 35th, Brazil 41st and South Africa at 45th place. In a separate list of the countries best positioned to capitalise on the fourth industrial revolution to transform production systems, the US has been ranked on the top, followed by Singapore, Switzerland, the UK and the Netherlands in the top five. India has been ranked 44th on this list, while China is at 25th place and Russia at 43rd.

9.2 Global Talent Competitiveness Index 2018- According to the Report on Global Talent Competitiveness Index 2018, countries are competing globally to grow better talent; attract the talent they need; and retain those workers who contribute to competitiveness, innovation, and growth. The top 10 countries in the list of Global Talent Competitiveness Index 2017 are Switzerland, Singapore, USA, Norway, Sweden, Finland, Denmark, UK, Netherlands and Luxembourg. While Switzerland continues to top the list, India has improved its position from 92nd out of 118 economies in 2017 to 81st out of 119 economies in 2018.

9.3 Inclusive Development Index 2018- According to the World Economic Forum's Inclusive Development Index 2018, Norway remains the world's most inclusive advanced economy, while Lithuania again tops the list of emerging economies. Also, India was ranked at the 62nd place among emerging economies on an Inclusive Development Index, much below China's 26th position and Pakistan's 47th.

- Norway is the best performing advanced economy in 2018, with a consistently strong performance: it ranks second on one of the Index's three pillars (Intergenerational Equity and Sustainability) and third on each of the other two (Growth and Development, and Inclusion). Small European economies dominate the Index, with Australia (9) the only non-European economy in the top 10.
- Of the G7 economies, Germany (12) is ranked highest, followed by Canada (17), France (18), United Kingdom (21), United States (23), Japan (24), and Italy (27). In many countries, there is a stark difference between individual pillars: for example, the US ranks 10th out of the 29 advanced economies on Growth and Development, but 26th on Intergenerational Equity and Sustainability and 28th on Inclusion; France, meanwhile, ranks 12th on Inclusion, 21st on Growth and Development, and 24th on Intergenerational Equity and Sustainability. Low scores on the latter pillars suggest an economy may be storing up problems for the future.
- In the ranking of emerging economies, six European economies are among the top 10: Lithuania (1), Hungary (2), Latvia (4), Poland (5), Croatia (7), and Romania (10). These economies perform particularly well on Growth and Development, benefiting from EU



membership, and Inclusion, with rising median living standards and declining wealth inequality. Latin America accounts for three top 10 economies: Panama (6), Uruguay (8), and Chile (9).

- Performance is mixed among BRICS economies: the Russian Federation (19) is ahead of China (26), Brazil (37), India (62), and South Africa (69). Although China has ranked first among emerging economies in GDP per capita growth (6.8%) and labor productivity growth (6.7%) since 2012, its overall score is brought down by lackluster performance on Inclusion. Turkey (16), Mexico (24), Indonesia (36), and the Philippines (38) are among economies which show potential on Intergenerational Equity and Sustainability, but lack progress on Inclusion indicators such as income and wealth inequality.

9.4 Environmental Performance Index 2018 - The Report on Environmental Performance Index (EPI) 2018 finds that air quality is the leading environmental threat to public health. The biennial report is produced by researchers at Yale and Columbia Universities in collaboration with the World Economic Forum. The tenth EPI report ranks 180 countries on 24 performance indicators across 10 issue categories covering environmental health and ecosystem vitality. Switzerland leads the world in sustainability, followed by France, Denmark, Malta, and Sweden.

Switzerland's top ranking reflects strong performance across most issues, especially air quality and climate protection. In general, high scorers exhibit long-standing commitments to protecting public health, preserving natural resources, and decoupling greenhouse gas (GHG) emissions from economic activity.

India and Bangladesh come in near the bottom of the rankings, with Burundi, Democratic Republic of the Congo, and Nepal rounding out the bottom five. Low scores on the EPI are indicative of the need for national sustainability efforts on a number of fronts, especially cleaning up air quality, protecting biodiversity, and reducing GHG emissions, said the researchers. Some of the lowest-ranking nations face broader challenges, such as civil unrest, but the low scores for others can be attributed to weak governance, they note.

2018 Rankings

TREND ● RECEIVING ● SLOWLY RECEIVING ● STABLE ● SLOWLY ADVANCING ● ADVANCING

ADVANCED ECONOMIES			
RANK OVERALL	ECONOMY	OVERALL ICI SCORE	5 YEAR TREND ICI OVERALL (%)
1	Norway	6.08	+0.77
2	Iceland	6.07	12.58
3	Luxembourg	6.07	0.15
4	Switzerland	6.05	1.92
5	Denmark	5.81	4.76
6	Sweden	5.76	0.48
7	Netherlands	5.61	0.43
8	Ireland	5.44	9.28
9	Australia	5.36	0.46
10	Austria	5.35	+0.17
11	Finland	5.33	+2.92
12	Germany	5.27	1.72
13	New Zealand	5.25	1.04
14	Belgium	5.14	0.24
15	Czech Republic	5.09	2.88
16	Korea, Rep.	5.09	2.20
17	Canada	5.06	0.29
18	France	5.05	+0.55
19	Slovenia	4.93	+2.39
20	Slovak Republic	4.90	1.49
21	United Kingdom	4.89	0.42
22	Estonia	4.74	1.77
23	United States	4.60	1.62
24	Japan	4.53	1.14
25	Israel	4.51	3.57
26	Spain	4.40	+2.12
27	Italy	4.31	+1.69
28	Portugal	3.97	+1.42
29	Greece	3.70	+1.69
(NA)	Singapore	N/A	N/A

Note: ICI scores are based on a 1-7 scale: 1=worst and 7=best. Trends are based on percentage change between 2012 and 2016 using indicators available during both years. Advanced and emerging economy ICI scores are not strictly comparable due to different definitions of poverty.

Several economies are not covered due to missing sub-pillar data including Cambodia, Kenya, Morocco, and Singapore, which were missing historical trend data on inclusion-related indicators.

EMERGING ECONOMIES			
RANK OVERALL	ECONOMY	OVERALL ICI SCORE	5 YEAR TREND ICI OVERALL (%)
1	Lithuania	4.86	4.90
2	Hungary	4.74	8.10
3	Azerbaijan	4.69	+2.07
4	Latvia	4.67	8.60
5	Poland	4.61	3.39
6	Panama	4.54	4.80
7	Croatia	4.48	2.89
8	Uruguay	4.46	1.65
9	Chile	4.44	1.76
10	Romania	4.43	4.21
11	Bulgaria	4.41	2.91
12	Costa Rica	4.32	-0.17
13	Malaysia	4.30	2.40
14	Peru	4.29	+1.40
15	Kazakhstan	4.26	0.35
16	Turkey	4.26	2.48
17	Thailand	4.24	1.93
18	Algeria	4.22	+1.22
19	Russian Federation	4.20	0.48
20	Paraguay	4.19	1.86
21	Dominican Republic	4.19	3.08
22	Nepal	4.15	8.53
23	Argentina	4.13	0.93
24	Mexico	4.12	0.66
25	Macedonia, FYR	4.10	9.24
26	China	4.09	2.94
27	Iran, Islamic Rep.	4.08	-0.92
28	Albania	4.08	2.59
29	Nicaragua	4.05	3.82
30	Colombia	4.01	0.69
31	Moldova	4.00	4.69
32	Georgia	3.99	7.89
33	Vietnam	3.98	+1.34
34	Bangladesh	3.98	4.55
35	El Salvador	3.96	2.38
36	Indonesia	3.95	2.57
37	Brazil	3.93	-3.25
38	Philippines	3.83	2.40
39	Tunisia	3.82	-3.80
40	Sri Lanka	3.79	+0.74
41	Bolivia	3.75	+3.80
42	Mongolia	3.74	3.39
43	Serbia	3.70	1.28
44	Guatemala	3.70	2.83
45	Armenia	3.66	0.62
46	Honduras	3.61	2.03
47	Pakistan	3.55	7.56
48	Tanzania	3.43	3.86
49	Ukraine	3.42	+6.80
50	Jordan	3.40	+3.89
51	Kyrgyz Republic	3.36	+2.11
52	Ghana	3.34	+1.67
53	Cameroon	3.32	+2.78
54	Tajikistan	3.30	8.57
55	Burundi	3.27	3.48
56	Namibia	3.25	1.68
57	Rwanda	3.24	+3.31
58	Lao PDR	3.22	-4.87
59	Uganda	3.21	2.39
60	Mali	3.10	-5.71
61	Senegal	3.09	+1.30
62	India	3.09	2.29
63	Nigeria	3.08	+3.11
64	Madagascar	3.03	+3.78
65	Sierra Leone	3.02	0.06
66	Mauritania	3.00	+5.12
67	Zambia	2.99	+0.64
68	Chad	2.97	+2.73
69	South Africa	2.94	2.49
70	Egypt	2.84	+6.52
71	Zimbabwe	2.84	0.47
72	Malawi	2.81	+6.47
73	Lesotho	2.63	+1.73
74	Mozambique	2.47	+12.38
(NA)	Morocco	N/A	N/A
(NA)	Cambodia	N/A	N/A
(NA)	Kenya	N/A	N/A

Special Feature

Analysis of Employment and social trends across Countries

International Labour Organization's recently released its Report on World Employment Social Outlook 2018 wherein it is stated that the global unemployment rate is expected to fall slightly to 5.5 % in 2018 (from 5.6 % in 2017), marking a turnaround after three years of rising unemployment rates. Developed countries are expected to enter their sixth consecutive year of decreasing unemployment rates, falling to 5.5 % in 2018, the lowest rate since 2007. Unemployment in developing countries is expected to increase by half a million per year in both 2018 and 2019, with the unemployment rate remaining at around 5.3 %. For many developing and emerging countries, however, persistent poor-quality employment and working poverty pose the main challenges.

Regional trends:

a) Employment and social trends in Africa

The economic outlook for Africa is set to improve, with growth projected to reach 3.7 % in 2017, up from 2.1 % in 2016. This anticipated improvement is highly dependent on a recovery in commodity prices, which demonstrates the diverging growth pathways for commodity-exporting and non-exporting countries in the region

b) Employment and social trends in America

Unemployment in the region is expected to decline from 4.7 % in 2017 to 4.5 % in 2018. This is driven by a drop in the unemployment rate in both Canada and the United States. Unemployment rate for the region is projected to decrease over the forecast horizon, going from 8.2 % in 2017 to 7.7 % by 2019, but remaining considerably higher than the low point of 6.1 % recorded in 2014. The relatively slow pace of unemployment reduction at the regional level is dictated by the varying labour market outlooks across countries in the region.

c) Employment and social trends in Arab

Labour market conditions are expected to remain relatively stable, with the regional unemployment rate projected to decline slightly to 8.3 % in 2018 and to edge upward again in 2019. As a result, it is anticipated that almost 5 million people will be unemployed in 2018, with women accounting for almost one-third of the unemployed pool, despite representing only 16 % of the regional labour force. In fact, large gender disparities persist in the Arab States

d) Employment and social trends in Asia and the Pacific

Unemployment levels in the Asia and Pacific are expected to remain low relative to other regions, and constant over the forecast horizon at around 4.2 %. This is largely due to the fact that employment growth in the region is expected to remain strong, with the number of employed persons projected to grow by some 23 million (or 1.2 %) between 2017 and 2019. Southern Asia, due to its rapid labour force growth, is expected to account for close to 90 % of the total

employment growth in Asia and the Pacific. Conversely, employment growth in Eastern Asia is expected to be marginal, mainly as a result of the shrinking workforce in China.

e) Employment and social trends in Europe and Central Asia

Sustained by better-than-expected economic activity, the unemployment rate in the region is projected to have dropped from 9.2 % in 2016 to 8.5 % in 2017 – the lowest rate since 2008. The pace of improvement in the regional labour market is anticipated to decelerate only slightly over the next couple of years, during which time the regional unemployment rate should decrease further to reach 8.1 % in 2018 and 7.8 % in 2019. This translates into a decline in the number of unemployed people of around 1.5 million by 2019

d) Employment And Social Trends In Eastern Europe And Central And Western Asia

Following the considerable economic growth rebound in Eastern Europe, the unemployment rate is projected to decline, but only modestly, from 5.5 % in 2017 to 5.3 % in 2018. This scenario reflects the falling unemployment rates in a number of countries, including Poland, Ukraine and Slovakia, which are only partly offset by the expectation of growing unemployment in the Czech Republic.

Unemployment, vulnerable employment and working poverty trends and projections, Asia and the Pacific, 2007–19							
Country/region	Unemployment rate, 2007–19 (percentages)				Unemployment, 2017–19 (millions)		
	2007–16	2017	2018	2019	2017	2018	2019
Asia and the Pacific		4.2	4.2	4.2	82.9	83.6	84.6
Eastern Asia		4.5	4.5	4.5	41.8	41.8	42.0
China		4.7	4.7	4.8	37.4	37.6	37.8
Japan		2.8	2.6	2.6	1.9	1.8	1.7
Korea, Republic of		3.8	3.7	3.7	1.0	1.0	1.0
South-Eastern Asia and the Pacific		3.4	3.4	3.5	11.7	12.0	12.4
Australia		5.7	5.6	5.4	0.7	0.7	0.7
Indonesia		4.3	4.4	4.6	5.4	5.7	5.9
Southern Asia		4.1	4.1	4.1	29.5	29.7	30.2
India		3.5	3.5	3.5	18.3	18.6	18.9
Country/region	Vulnerable employment rate, 2007–19 (percentages)				Vulnerable employment, 2017–19 (millions)		
	2007–16	2017	2018	2019	2017	2018	2019
Asia and the Pacific		48.6	48.7	48.7	929.8	936.8	943.7
Eastern Asia		31.2	31.1	31.0	276.6	275.1	273.5
South-Eastern Asia and the Pacific		46.2	46.1	46.0	154.5	156.1	157.6
Southern Asia		72.1	72.0	71.9	498.7	505.7	512.6
Country/region	Extreme working poverty rate, 2007–19 (percentages)				Extreme working poverty, 2017–19 (millions)		
	2007–16	2017	2018	2019	2017	2018	2019
Asia and the Pacific		7.5	6.9	6.4	144.3	133.5	124.3
Eastern Asia		3.5	3.3	3.1	31.3	29.0	27.2
South-Eastern Asia and the Pacific		5.6	5.2	4.7	18.9	17.5	16.2
Southern Asia		13.6	12.4	11.3	94.1	87.1	80.9
Country/region	Moderate working poverty rate, 2007–19 (percentages)				Moderate working poverty, 2017–19 (millions)		
	2007–16	2017	2018	2019	2017	2018	2019
Asia and the Pacific		15.8	15.2	14.5	302.9	291.8	281.1
Eastern Asia		6.2	5.5	4.8	54.8	48.3	42.7
South-Eastern Asia and the Pacific		14.0	13.3	12.7	46.7	45.0	43.4
Southern Asia		29.1	28.2	27.4	201.4	198.4	195.0

Source: PHD Research Bureau, compiled from ILO



Note: The vulnerable employment rate is defined as the share of own-account workers and contributing family workers in total employment. Moderate and extreme working poverty rates refer to the shares of workers living on income or consumption per capita between US\$1.90 and US\$3.10 per day (PPP) and less than US\$1.90 per day (PPP), respectively. Working poverty figures exclude high-income countries in the regional and subregional aggregates. The unemployment rate for countries shown in this table could differ from that reported by national statistical offices in cases where their definition of unemployment differs from the standards established by the International Conference of Labour Statisticians.

Conclusions

In a nutshell, a broad-based cyclical global recovery is underway, aided by a rebound in investment and trade, against the backdrop of benign financing conditions, generally accommodative policies, improved confidence and the dissipating impact of the earlier commodity price collapse. Global growth is expected to be sustained over the next couple of years—and even accelerate somewhat in emerging market and developing economies (EMDEs) thanks to a rebound in commodity exporters.

Although near-term growth could surprise on the upside, the global outlook is still subject to substantial downside risks, including the possibility of financial stress, increased protectionism, and rising geopolitical tensions.

The risks to the global growth forecast appear broadly balanced in the near term, but remain skewed to the downside over the medium term. On the upside, the cyclical rebound could prove stronger in the near term as the pickup in activity and easier financial conditions reinforce each other. On the downside, rich asset valuations and very compressed term premiums raise the possibility of a financial market correction, which could dampen growth and confidence. A possible trigger is a faster-than-expected increase in advanced economy core inflation and interest rates as demand accelerates. If global sentiment remains strong and inflation muted, then financial conditions could remain loose into the medium term, leading to a buildup of financial vulnerabilities in advanced and emerging market economies alike. Inward-looking policies, geopolitical tensions, and political uncertainty in some countries also pose downside risks.

Going forward, there are two common policy objectives which tie advanced, emerging and developing economies together. First, the need to raise potential output growth—through structural reforms to lift productivity especially in advanced economies with aging populations, enhance labor force participation rates—while making sure that the gains from growth are shared widely. Second, the imperative to increase resilience, including through proactive financial regulation and, where needed, balance sheet repair and strengthening fiscal buffers. Action is particularly important in a low-interest-rate, low-volatility environment with potential for disruptive portfolio adjustments and capital flow reversals. The current cyclical upswing provides a unique opportunity for structural and governance reforms.

Overview of Global Economy (% change)

	Year over Year						Q4 over Q4 2/		
	Estimate		Projections		Difference from October 2017 WEO Projections 1/		Estimate	Projections	
	2016	2017	2018	2019	2018	2019	2017	2018	2019
World Output	3.2	3.7	3.9	3.9	0.2	0.2	3.9	3.9	3.8
Advanced Economies	1.7	2.3	2.3	2.2	0.3	0.4	2.4	2.3	2.0
United States	1.5	2.3	2.7	2.5	0.4	0.6	2.5	2.7	2.4
Euro Area	1.8	2.4	2.2	2.0	0.3	0.3	2.4	2.1	2.0
Germany	1.9	2.5	2.3	2.0	0.5	0.5	2.8	2.1	2.1
France	1.2	1.8	1.9	1.9	0.1	0.0	2.2	1.8	1.9
Italy	0.9	1.6	1.4	1.1	0.3	0.2	1.5	1.4	0.9
Spain	3.3	3.1	2.4	2.1	-0.1	0.1	3.0	2.2	2.0
Japan	0.9	1.8	1.2	0.9	0.5	0.1	2.0	0.9	-0.3
United Kingdom	1.9	1.7	1.5	1.5	0.0	-0.1	1.3	1.5	1.5
Canada	1.4	3.0	2.3	2.0	0.2	0.3	3.0	2.2	1.9
Other Advanced Economies 3/	2.3	2.7	2.6	2.6	0.1	0.1	2.7	2.5	2.9
Emerging Market and Developing Economies	4.4	4.7	4.9	5.0	0.0	0.0	5.2	5.3	5.3
Commonwealth of Independent States	0.4	2.2	2.2	2.1	0.1	0.0	2.2	2.1	1.7
Russia	-0.2	1.8	1.7	1.5	0.1	0.0	2.3	1.9	1.6
Excluding Russia	1.9	3.1	3.4	3.5	0.1	0.0	...	...	...
Emerging and Developing Asia	6.4	6.5	6.5	6.6	0.0	0.1	6.8	6.5	6.5
China	6.7	6.8	6.6	6.4	0.1	0.1	6.7	6.5	6.4
India 4/	7.1	6.7	7.4	7.8	0.0	0.0	7.9	7.4	7.8
ASEAN-5 5/	4.9	5.3	5.3	5.3	0.1	0.0	5.4	5.4	5.3
Emerging and Developing Europe	3.2	5.2	4.0	3.8	0.5	0.5	4.0	4.8	3.7
Latin America and the Caribbean	-0.7	1.3	1.9	2.6	0.0	0.2	2.2	2.3	2.6
Brazil	-3.5	1.1	1.9	2.1	0.4	0.1	2.5	2.2	2.0
Mexico	2.9	2.0	2.3	3.0	0.4	0.7	1.4	2.9	2.8
Middle East, North Africa, Afghanistan, and Pakistan	4.9	2.5	3.6	3.5	0.1	0.0	...	...	...
Saudi Arabia	1.7	-0.7	1.6	2.2	0.5	0.6	-1.4	2.5	2.2
Sub-Saharan Africa	1.4	2.7	3.3	3.5	-0.1	0.1	...	...	...
Nigeria	-1.6	0.8	2.1	1.9	0.2	0.2	...	...	...
South Africa	0.3	0.9	0.9	0.9	-0.2	-0.7	1.2	0.5	1.1
Memorandum									
Low-income Developing Countries	3.6	4.7	5.2	5.3	0.0	0.1	...	...	...
World Growth Based on Market Exchange Rates	2.5	3.2	3.3	3.2	0.2	0.2	3.3	3.3	3.0
World Trade Volume (goods and services) 6/	2.5	4.7	4.8	4.4	0.8	0.5	...	...	...
Advanced Economies	2.6	4.1	4.3	4.2	0.6	0.7	...	...	...
Emerging Market and Developing Economies	2.3	5.9	5.1	4.8	0.4	0.2	...	...	...
Commodity Prices (U.S. dollars)									
Oil 7/	-15.7	23.1	11.7	-4.3	11.9	-5.0	19.0	-0.9	-3.9
Nonfuel (average based on world commodity export weights)	-1.6	6.5	-0.5	1.0	-1.0	1.5	1.2	1.2	1.0
Consumer Prices									
Advanced Economies	0.8	1.7	1.9	2.1	0.2	0.1	1.6	2.1	2.1
Emerging Market and Developing Economies 8/	4.3	4.1	4.5	4.3	0.1	0.2	3.7	3.9	3.6
London Interbank Offered Rate (percent)									
On U.S. Dollar Deposits (six month)	1.1	1.5	2.3	3.4	0.4	0.5	...	...	...
On Euro Deposits (three month)	-0.3	-0.3	-0.3	-0.1	0.0	-0.1	...	...	...
On Japanese Yen Deposits (six month)	0.0	0.0	0.0	0.1	-0.2	-0.1	...	...	...

Source: PHD Research Bureau, compiled from IMF

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during November 13, 2017-December 11, 2017. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. 1/ Difference based on rounded figures for both the current and October 2017 World Economic Outlook forecasts. Countries whose forecasts have been updated relative to October 2017 World Economic Outlook forecasts account for 94 % of world GDP measured at purchasing power parity. 2/ For World Output, the quarterly estimates and projections account for approximately 90 % of annual world output at purchasing-power-parity weights. For Emerging Market and Developing Economies, the quarterly estimates and projections account for approximately 80 % of annual emerging market and developing economies' output at purchasing-power-parity weights. 3/ Excludes the G7 (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries. 4/ For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at market prices with FY2011/12 as a base year. 5/ Indonesia, Malaysia, Philippines, Thailand, Vietnam. 6/ Simple average of growth rates for export and import volumes (goods and services). 7/ Simple average of prices of U.K. Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average price of oil in U.S. dollars a barrel was \$52.7 in 2017; the assumed price based on futures markets (as of December 11, 2017) is \$59.9 in 2018 and \$56.4 in 2019. 8/ Excludes Argentina and Venezuela.

NEWSLETTER TEAM

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PHD Research Bureau

PHD Research Bureau; the research arm of the PHD Chamber of Commerce and Industry was constituted in 2010 with the objective to review the economic situation and policy developments at sub-national, national and international levels and comment on them in order to update the members from time to time, to present suitable memoranda to the government as and when required, to prepare State Profiles and to conduct thematic research studies on various socio-economic and business developments.

The Research Bureau has been instrumental in forecasting various lead economic indicators national and sub-national. Many of its research reports have been widely covered by media and leading newspapers. Recently, the Research Bureau has undertaken various policy projects of Government of India including Framework of University-Industry Linkages in Research assigned by DSIR, Ministry of Science & Technology, Study on SEZ for C&AG of India, Study on Impact of Project Imports under CTH 9801 for C&AG of India and has attracted a World Bank Project on free trade zones.

Research Activities	Comments on Economic Developments	Newsletters	Consultancy
<ul style="list-style-type: none"> Research Studies 	<ul style="list-style-type: none"> Macro Economy 	<ul style="list-style-type: none"> Economic Affairs Newsletter (EAC) 	<ul style="list-style-type: none"> Trade & Investment Facilitation Services (TIFS)
<ul style="list-style-type: none"> State Profiles 	<ul style="list-style-type: none"> States Development 	<ul style="list-style-type: none"> Economic & Business Outlook (EBO) 	<ul style="list-style-type: none"> Business Research Consultancy
<ul style="list-style-type: none"> Impact Assessments 	<ul style="list-style-type: none"> Infrastructure 	<ul style="list-style-type: none"> Global Economic Monitor (GEM) 	<ul style="list-style-type: none"> Investment Advisory Services
<ul style="list-style-type: none"> Thematic Research Reports 	<ul style="list-style-type: none"> Foreign exchange market 	<ul style="list-style-type: none"> Trade & Investment Facilitator(TIF) 	
<ul style="list-style-type: none"> Releases on Economic Development 	<ul style="list-style-type: none"> Global Economy & International Trade 	<ul style="list-style-type: none"> State Development Monitor (SDM) 	

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Studies Undertaken by PHD Research Bureau

- A: Thematic research reports**
1. Comparative study on power situation in Northern and Central states of India (September 2011)
 2. Economic Analysis of State (October 2011)
 3. Growth Prospects of the Indian Economy, Vision 2021 (December 2011)
 4. Budget 2012-13: Move Towards Consolidation (March 2012)
 5. Emerging Trends in Exchange Rate Volatility (Apr 2012)
 6. The Indian Direct Selling Industry Annual Survey 2010-11 (May 2012)
 7. Global Economic Challenges: Implications for India (May 2012)
 8. India Agronomics: An Agriculture Economy Update (August 2012)
 9. Reforms to Push Growth on High Road (September 2012)
 10. The Indian Direct Selling Industry Annual Survey 2011-12: Beating Slowdown (March 2013)
 11. Budget 2013-14: Moving on reforms (March 2013)
 12. India- Africa Promise Diverse Opportunities (November 2013)
 13. India- Africa Promise Diverse Opportunities: Suggestions Report (November 2013)
 14. Annual survey of Indian Direct Selling Industry-2012-13 (December 2013)
 15. Imperatives for Double Digit Growth (December 2013)
 16. Women Safety in Delhi: Issues and Challenges to Employment (March 2014)
 17. Emerging Contours in the MSME sector of Uttarakhand (April 2014)
 18. Roadmap for New Government (May 2014)
 19. Youth Economics (May 2014)
 20. Economy on the Eve of Union Budget 2014-15 (July 2014)
 21. Budget 2014-15: Promise of Progress (July 2014)
 22. Agronomics 2014: Impact on economic growth and inflation (August 2014)
 23. 100 Days of new Government (September 2014)
 24. Make in India: Bolstering Manufacturing Sector (October 2014)
 25. The Indian Direct Selling Industry Annual Survey 2013-14 (November 2014)
 26. Participated in a survey to audit SEZs in India with CAG Office of India (November 2014)
 27. Role of MSMEs in Make in India with reference to Ease of Doing Business in Ghaziabad (Nov 2014)
 28. Exploring Prospects for Make in India and Made in India: A Study (January 2015)
 29. SEZs in India: Criss-Cross Concerns (February 2015)
 30. Socio-Economic Impact of Check Dams in Sikar District of Rajasthan (February 2015)
 31. India - USA Economic Relations (February 2015)
 32. Economy on the Eve of Union Budget 2015-16 (February 2015)
 33. Budget Analysis (2015-16)
 34. Druzhba-Dosti: India's Trade Opportunities with Russia (April 2015)
 35. Impact of Labour Reforms on Industry in Rajasthan: A survey study (July 2015)
 36. Progress of Make in India (September 2015)
 37. Grown Diamonds, A Sunrise Industry in India: Prospects for Economic Growth (November 2015)
 38. Annual survey of Indian Direct Selling Industry 2014-15 (December 2015)
 39. India's Foreign Trade Policy Environment Past, Present and Future (December 2015)
 40. Revisiting the emerging economic powers as drivers in promoting global economic growth (February 2016)
 41. Bolstering MSMEs for Make in India with special focus on CSR (March 2016)
 42. BREXIT impact on Indian Economy (July 2016)
 43. India's Exports Outlook (August 2016)
 44. Ease of Doing Business : Suggestive Measures for States (October 2016)
 45. Transforming India through Make in India, Skill India and Digital India (November 2016)
 46. Impact of Demonetization on Economy, Businesses and People (January 2017)
 47. Economy on the eve of Budget 2017-18 (January 2017)
 48. Union Budget 2017-18: A budget for all-inclusive development (January 2017)
 49. Annual Survey of Indian Direct Selling Industry 2015-16 (February 2017)
 50. Worklife Balance and Health Concerns of Women: A Survey (March 2017)
 51. Special Economic Zones: Performance, Problems and Opportunities (April 2017)
 52. Feasibility Study (socio-Economic Survey) of Ambala and Rohtak Districts in Haryana (March 2017)
 53. Goods and Services (GST): So far (July 2017)
 54. Reshaping India-Africa Trade: Dynamics and Export Potentiality of Indian Products in Africa (July 2017)
 55. Industry Perspective on Bitcoins (July 2017)
 56. Senior Housing: A sunrise sector in India (August 2017)
 57. Current state of the economy (October 2017)
 58. Equitable finance to fulfill funding requirements of Indian Economy (October 2017)
 59. The Wall of Protectionism: : Rise and Rise of Protectionist Policies in the Global Arena, (November 2017)
 60. India-Israel Relations: Building Bridges of Dynamic Trade (October 2017)
 61. Role of Trade Infrastructure for Export Scheme (TIES) in Improving Export Competitiveness (November 2017)
 62. India - China Trade Relationship: The Trade Giants of Past, Present and Future (January 2018)
 63. Analysis of Trade Pattern between India and ASEAN (January 2018)
- B: State profiles**
64. Rajasthan: The State Profile (April 2011)
 65. Uttarakhand: The State Profile (June 2011)
 66. Punjab: The State Profile (November 2011)
 67. J&K: The State Profile (December 2011)
 68. Uttar Pradesh: The State Profile (December 2011)
 69. Bihar: The State Profile (June 2012)
 70. Himachal Pradesh: The State Profile (June 2012)
 71. Madhya Pradesh: The State Profile (August 2012)
 72. Resurgent Bihar (April 2013)
 73. Life ahead for Uttarakhand (August 2013)
 74. Punjab: The State Profile (February 2014)
 75. Haryana: Bolstering Industrialization (May 2015)
 76. Progressive Uttar Pradesh: Building Uttar Pradesh of Tomorrow (August 2015),
 77. Suggestions for Progressive Uttar Pradesh (August 2015)
 78. State profile of Telangana- The dynamic state of India (April 2016)
 79. Smart Infrastructure Summit 2016- Transforming Uttar Pradesh (August 2016)
 80. Smart Infrastructure Summit 2016-Transforming Uttar Pradesh : Suggestions for the State Government (August 2016)
 81. Rising Jharkhand: An Emerging Investment Hub (February 2017)
 82. Punjab: Roadmap for the New Government Suggestions for the Industrial and Socio-Economic Development – Focus MSMEs ease of doing business (May 2017)
 83. Prospering Himachal Pradesh: A Mountain of Opportunities (August 2017)

