

ECONOMIC FORECASTS 2019

According to the latest forecasts of the most important international economic organizations, 2019 will be a year of limited growth both for the **world economy and the global trades**. In detail, the estimates of the International Monetary Fund (IMF) describe a slight weakening of the growth trend of the **world economy**, which will pass from a growth rate of +3.6% (2018) to one of +3.3% in 2019, picking up again in 2020 (+3.6%).

After the strong growth in 2017 and early 2018, in fact, global GDP showed a progressive slowdown starting from the second half of last year, which continued also in the first part of the current year. Among the factors of uncertainty affecting the global economy, the most notable is the cooling of **China** and the loss of momentum of the **Eurozone**. Trade tensions have also contributed to undermining the confidence of the financial markets, which now appear cautiously optimistic for the second half of 2019, where the accommodating monetary policy of the FED and the consolidation of the hypothesis of a US-China trade agreement should contribute to a strengthening of the recovery. The other elements supporting world GDP growth include the estimated rebound of Argentina and Turkey, as well as other emerging countries. Overall, in the two-year period 2019-2020, **advanced economies** will grow by 1.8%-1.7% (with **USA** at +2.3% and +1.9% and **Euro Area** +1.3%, +1.5% respectively); while **emerging and developing economies** should settle at +4.4% (2019) and +4.8% (2020), with **China** (+6.3% this year, +6.1% next year) and **India** (+7.3% and +7.5% in the two-year period) standing out.

However, risk variables remain, which could lead to a revision of growth at lower levels; among these is the renewed tensions on international trade policies and unpredictable financial shocks. Without prejudice to this forecast scenario, in 2020 global growth should reach +3.6%.

In line with the IMF's expectations, even the World Trade Organization's (WTO) analysis forecast a loss of momentum in **global trade** growth in the two-year period 2019-2020, burdened by persistent trade tensions. The WTO estimates the volume of trade slowing down to +2.6% in 2019, (compared to +3% last year) with a performance that mainly rewards the **developing economies** (+3.4% growth in 2019, +3.7% the following year) compared to the **advanced countries** (+2.1% in 2019, + 2.5% in 2020). For next year, on the other hand, trade growth could rebound to +3.0%, supported once again by greater dynamism in developing economies.