World Economic Outlook UPDATE
An update of the key WEO projections

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Less Even Expansion, Rising Trade Tensions

- *Global growth is projected to reach 3.9 percent in 2018 and 2019, in line with the forecast of the April 2018* World Economic Outlook *(WEO), but the expansion is becoming less even, and risks to the outlook are mounting. The rate of expansion appears to have peaked in some major economies and growth has become less synchronized. In the United States, near-term momentum is strengthening in line with the April WEO forecast, and the US dollar has appreciated by around 5 percent in recent weeks. Growth projections have been revised down for the euro area, Japan, and the United Kingdom, reflecting negative surprises to activity in early 2018. Among emerging market and developing economies, growth prospects are also becoming more uneven, amid rising oil prices, higher yields in the United States, escalating trade tensions, and market pressures on the currencies of some economies with weaker fundamentals. Growth projections have been revised down for Argentina, Brazil, and India, while the outlook for some oil exporters has strengthened.*
- *The balance of risks has shifted further to the downside, including in the short term. The recently announced and anticipated tariff increases by the United States and retaliatory measures by trading partners have increased the likelihood of escalating and sustained trade actions. These could derail the recovery and depress medium-term growth prospects, both through their direct impact on resource allocation and productivity and by raising uncertainty and taking a toll on investment. Financial market conditions remain accommodative for advanced economies—with compressed spreads, stretched valuations in some markets, and low volatility—but this could change rapidly. Possible triggers include rising trade tensions and conflicts, geopolitical concerns, and mounting political uncertainty. Higher inflation readings in the United States, where unemployment is below 4 percent but markets are pricing in a much shallower path of interest rate increases than the one in the projections of the Federal Open Market Committee, could also lead to a sudden reassessment of fundamentals and risks by investors. Tighter financial conditions could potentially cause disruptive portfolio adjustments, sharp exchange rate movements, and further reductions in capital inflows to emerging markets, particularly those with weaker fundamentals or higher political risks.*
- *Avoiding protectionist measures and finding a cooperative solution that promotes continued growth in goods and services trade remain essential to preserve the global expansion. Policies and reforms should aim at sustaining activity, raising medium-term growth, and enhancing its inclusiveness. But with reduced slack and downside risks mounting, many countries need to rebuild fiscal buffers to create policy space for the next downturn and strengthen financial resilience to an environment of possibly higher market volatility.*

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Expansion Continues at a Less Even Pace

As the global cyclical upswing approaches its two-year mark, the pace of expansion in some economies appears to have peaked and growth has become less synchronized across countries. Among advanced economies, growth divergences between the United States on one side, and Europe and Japan on the other, are widening. Growth is also becoming more uneven among emerging market and developing economies, reflecting the combined influences of rising oil prices, higher yields in the United States, sentiment shifts following escalating trade tensions, and domestic political and policy uncertainty. While financial conditions remain generally benign, these factors have resulted in capital inflow reductions, higher financing costs, and exchange rate pressures, more acute in countries with weaker fundamentals or higher political risks. High-frequency data present a mixed picture of near-term global activity. Retail sales volumes appear to have picked up in the second quarter, and survey data of purchasing managers for the service sector remain generally strong. Industrial production, however, appears to have softened, and survey data of purchasing managers in manufacturing indicate a weakening of new export orders.

Commodity prices and inflation. Largely reflecting supply shortfalls, global oil prices increased 16 percent between February 2018 (the reference period for the April 2018 WEO) and early June 2018 (the reference period for the July 2018 WEO Update). In June, the Organization of Petroleum Exporting Countries (OPEC) and non-OPEC oil producers agreed to raise oil production by about 1 million barrels per day from current levels, correcting the recent undershooting of the November 2016 group target. Market expectations suggest that declining capacity in Venezuela and US sanctions on Iran may pose difficulties for the group to deliver the agreed upon production increase consistently. Futures markets, however, indicate prices are likely to decline over the next 4–5 years (in part due to increased US shale production)—as of end-June, medium-term futures prices are about $59 per barrel (20 percent below current levels). The increase in fuel prices has lifted headline inflation in advanced and emerging market economies. Core inflation has strengthened in the United States as the labor market has tightened further, and inched up in the euro area. Core inflation in emerging markets has also increased, reflecting pass-through effects from currency depreciation in some cases and second-round effects of higher fuel prices in others. Prices of agricultural commodities have increased marginally, reflecting diminishing excess supply.

Financial conditions in advanced economies. With firmer readings on inflation and strong job creation, the US Federal Reserve continued the course of gradual policy normalization. It raised the target range for the Federal Funds rate by 25 basis points in June, while signaling two additional rate hikes in 2018 and three in 2019—a steeper schedule than indicated in March. The ECB announced that it will taper its monthly asset purchases from the current €30 billion to €15 billion in October, with an anticipated end to the program on December 31. It also indicated it will maintain policy rates at their current levels at least through the summer of 2019, a somewhat more accommodative forward guidance than anticipated by markets. US Treasury 10-year yields, at around 2.85 percent as of early July, have risen modestly since February, while yields on German 10-year bunds, at around 30 basis points, have declined over the same period. Among other advanced economies, in late May Italian sovereign spreads widened by their largest amount since 2012, following difficulties around the formation of a new government. They have since declined but remain around 240 basis points as of early July on concerns about future policies. Spillovers to other advanced economies' bond markets were mostly contained, with other euro area spreads remaining compressed. Equity prices in advanced economies are generally higher than their February-March levels. After the February spike, volatility has subsided and risk appetite has been strong. Consequently, financial conditions in advanced economies remain generally accommodative.

Financial conditions in emerging markets. Central banks in key emerging market economies —including Argentina, India, Indonesia, Mexico, and Turkey—have raised policy rates, responding to inflation and exchange rate pressures (coupled with capital flow reversals in some cases). Long-term yields have also increased in recent months, and spreads have generally widened. Most emerging market equity indices have declined modestly, reflecting, in some cases, concerns about imbalances (e.g., Argentina and Turkey), and, more generally, rising downside risks to the outlook.

Exchange rates and capital flows. As of early July 2018, the US dollar has strengthened by over 5 percent in real effective terms since February (the reference period for the April 2018 WEO), while the euro, Japanese yen, and British pound sterling are broadly unchanged. In contrast, some emerging market currencies have depreciated sharply. The Argentine peso has weakened by over 20 percent and the Turkish lira by around 10 percent, due to concerns about financial and macroeconomic imbalances. The Brazilian real has depreciated by over 10 percent on a weaker-than-expected recovery and political uncertainty. Weaker-than-anticipated macroeconomic data for South Africa contributed to the 7 percent depreciation of the South African rand, unwinding part of the sharp appreciation that had occurred in late 2017 and early 2018. The currencies of the largest emerging market economies in Asia have remained broadly in line with their levels in February, with the Chinese renminbi depreciating modestly. Reflecting signs of financial stress in some more vulnerable countries and growing trade tensions, capital flows to emerging economies weakened in the second quarter (through May) after a strong start to the year, with a pickup in non-resident sales of portfolio debt securities.

Global Growth Forecast

Global growth for 2018 and 2019 is projected at 3.9 percent, as forecast in the April 2018 WEO. While headline numbers suggest a broadly unchanged global outlook relative to the April WEO, underlying revisions point to differing prospects across economies. The baseline forecast assumes gradually tightening but still favorable financial conditions, with localized pressures based on differences in fundamentals. Monetary policy normalization in advanced economies is assumed to proceed in a well-communicated, steady manner. Domestic demand growth (notably investment, which has been an important part of the global recovery) is expected to continue at a strong pace, even as overall output growth slows in some cases where it has been above trend for several quarters. In the baseline forecast, the direct contractionary effects of recently announced and anticipated trade measures[1] are expected to be small, as these measures affect only a very small share of global trade so far. The baseline forecast also assumes limited spillovers to market sentiment, even if escalating trade tensions are an important downside risk.

Advanced economy growth is expected to remain above trend at 2.4 percent in 2018—similar to 2017—before easing to 2.2 percent in 2019. The forecast for 2018 is lower by 0.1 percentage point compared to the April WEO, largely reflecting greater-than-expected growth moderations in the euro area and Japan after several quarters of above-potential growth.

- In the *United States*, near-term momentum in the economy is expected to strengthen temporarily in line with the April WEO forecast, with growth projected at 2.9 percent in 2018 and 2.7 percent in 2019. Substantial fiscal stimulus together with already-robust private final demand will lift output further above potential and lower the unemployment rate below levels last registered 50 years ago, creating additional inflationary pressures. Imports are set to pick up with stronger domestic demand, increasing the US current account deficit and widening excess global imbalances.

- Growth in the *euro area* economy is projected to slow gradually from 2.4 percent in 2017 to 2.2 percent in 2018 and to 1.9 percent in 2019 (a downward revision of 0.2 percentage point for 2018 and 0.1 percentage point for 2019 compared with the April WEO). Forecasts for 2018 growth have been revised down for *Germany* and *France* after activity softened more than expected in the first quarter, and in *Italy*, where wider sovereign spreads and tighter financial conditions in the wake of recent political uncertainty are expected to weigh on domestic demand.

- The growth forecast for *Japan* has been marked down to 1.0 percent for 2018 (0.2 percentage point below the April WEO projection) following a contraction in the first quarter, owing to weak private consumption and investment. The economy is expected to strengthen over the remainder of the year and into 2019, aided by stronger private consumption, external demand, and investment.

Emerging market and developing economies have experienced powerful crosswinds in recent months: rising oil prices, higher yields in the United States, dollar appreciation, trade tensions, and geopolitical conflict. The outlook for regions and individual economies thus varies depending on how these global forces interact with domestic idiosyncratic factors. Financial conditions remain generally supportive of growth, though there has been differentiation across countries based on economic fundamentals and political uncertainty. With the updraft on oil exporters from higher oil prices largely offset by the combined drag on other economies from the forces described above, the group's overall 2018 and 2019 growth forecasts remain unchanged from the April WEO at 4.9 and 5.1 percent, respectively.

- *Emerging and Developing Asia* is expected to maintain its robust

[1] These include the increase in US tariffs on imported solar panels, washing machines, steel, aluminum, and a range of Chinese products, and the announced retaliatory measures by trading partners as of July 6. The effect of the broader trade actions announced by the United States on July 10 is not incorporated in the baseline.

performance, growing at 6.5 percent in 2018–19. Growth in China is projected to moderate from 6.9 percent in 2017 to 6.6 percent in 2018 and 6.4 percent in 2019, as regulatory tightening of the financial sector takes hold and external demand softens. India's growth rate is expected to rise from 6.7 percent in 2017 to 7.3 percent in 2018 and 7.5 percent in 2019, as drags from the currency exchange initiative and the introduction of the goods and services tax fade. The projection is 0.1 and 0.3 percentage point lower for 2018 and 2019, respectively, than in the April WEO, reflecting negative effects of higher oil prices on domestic demand and faster-than-anticipated monetary policy tightening due to higher expected inflation. Growth in the ASEAN-5 group of economies is expected to stabilize at around 5.3 percent as domestic demand remains healthy and exports continue to recover.

- In *Emerging and Developing Europe*, growth is projected to moderate from 5.9 percent in 2017 to 4.3 percent in 2018 and further to 3.6 percent in 2019 (0.1 percentage point lower than in the April WEO for 2019). Financial conditions have tightened for some economies with large external deficits—notably *Turkey*, where growth is set to soften from 7.4 percent in 2017 to 4.2 percent this year.

- Growth in *Latin America* is projected to increase modestly from 1.3 percent in 2017 to 1.6 percent in 2018, and further to 2.6 percent in 2019 (0.4 and 0.2 percentage point lower than projected in the April WEO). While higher commodity prices continue to provide support for commodity exporters in the region, the subdued outlook compared with April reflects more difficult prospects for key economies, owing to tighter financial conditions and needed policy adjustment (Argentina); lingering effects of strikes and political uncertainty (Brazil); and trade tensions and prolonged uncertainty surrounding the NAFTA renegotiation and the policy agenda of the new government (Mexico). The outlook for Venezuela, which is experiencing a dramatic collapse in activity and a humanitarian crisis, was revised down further, despite the pickup in oil prices, as oil production has declined sharply.

- Oil exporters in the *Middle East, North Africa, Afghanistan, and Pakistan* region have benefited from the improved outlook for oil prices, but the outlook for oil importing countries remains fragile. Several economies still face large fiscal consolidation needs and the threat of intensifying geopolitical conflict continues to weigh on growth in the region. Growth is projected to strengthen from 2.2 percent in 2017 to 3.5 percent in 2018 and further to 3.9 percent in 2019—0.2 percentage point higher than in the April WEO for 2019.

- The recovery in *Sub-Saharan Africa* is set to continue, supported by the rise in commodity prices. For the region, growth is expected to increase from 2.8 percent in 2017 to 3.4 percent this year, rising further to 3.8 percent in 2019 (0.1 percentage point higher for 2019 than forecast in the April WEO). The upgraded forecast reflects improved prospects for *Nigeria's* economy. Its growth is set to increase from 0.8 percent in 2017 to 2.1 percent in 2018 and 2.3 percent in 2019 (0.4 percentage point higher than in the April WEO for 2019) on the back of an improved outlook for oil prices. Despite the weaker-than-expected first quarter outturn in *South Africa* (in part due to temporary factors), the economy is expected to recover somewhat over the remainder of 2018 and into 2019 as confidence improvements associated with the new leadership are gradually reflected in strengthening private investment.

- Growth in the *Commonwealth of Independent States* is projected to stabilize at around 2.3 percent in 2018–19, with an upward revision of 0.1 percentage point for each year compared with the April WEO. The outlook for the *Russian* economy is similar to the April projection, with the positive effects of higher oil prices counterbalanced by the impact of sanctions, while the outlook for *Kazakhstan* has improved on stronger oil prices.

Risks Tilted to the Downside

While the baseline forecast for global growth is roughly unchanged, the balance of risks has shifted to the downside in the near term and, as in the April 2018 WEO, remains skewed to the downside in the medium term. The possibility for more buoyant growth than forecast has faded somewhat in light of the weak outturns in the first quarter in several large economies, the moderation in high-frequency economic indicators, and tighter financial conditions in some vulnerable economies. Downside risks, on the other hand, have become more salient, most notably the possibilities of escalating and sustained trade actions, and of tighter global financial conditions.

- *Financial tensions*. Recent bouts of volatility highlight the possibility of abrupt shifts in global financial conditions due to markets' reassessment of fundamentals and risks, including changing expectations about monetary policy or the effects of rising trade tensions, sudden increases in risk- or term premia, and increasing political uncertainty. As discussed in the April 2018 WEO and *Global Financial Stability Report*, signs of firmer-than-expected inflation in the United States could lead to a shift in market expectations of US interest rate hikes, which are currently well below those in the WEO baseline forecast. A sudden deterioration of risk appetite could trigger disruptive portfolio adjustments, accelerate and broaden the reversal of capital flows from emerging markets, and lead to further US dollar appreciation, straining economies with high leverage, fixed exchange rates or balance sheet mismatches. In some euro area countries, policy inaction and political shocks at the national level could lead to sovereign spread decompression, worsening public debt dynamics and weakening bank balance sheets. In China, where the authorities are taking welcome steps to slow credit growth, uncoordinated financial and local government regulatory action could have unintended consequences that trigger disorderly repricing of financial assets, increase rollover risks, and lead to stronger-than-forecast negative effects on activity.

- *Trade tensions.* The outlook is also clouded by ongoing trade tensions and waning support for global economic integration in some advanced economies. In the past few months, the United States has imposed tariffs on a variety of imports, prompting retaliatory measures from trading partners. At the same time, NAFTA and the economic arrangements between the United Kingdom and the rest of the European Union are under renegotiation. An escalation of trade tensions could undermine business and financial market sentiment, denting investment and trade. Beyond its immediate toll on market sentiment, the proliferation of trade measures could increase the uncertainty about the potential breadth of trade actions, thus hindering investment, while higher trade barriers would make tradable goods less affordable, disrupt global supply chains, and slow the spread of new technologies, thus lowering productivity.

- *Noneconomic factors.* By raising the possibility of slower reform implementation or significant changes in policy objectives, political uncertainty, including in the context of upcoming elections or their immediate aftermaths in several countries, could deter private investment and weaken economic activity. In Europe, the late May sell-off in Italian bonds has once again turned the spotlight on deep structural challenges and thin buffers at the national level, posing significant risks to the outlook. Geopolitical risks and domestic strife are weighing on the outlook in several economies, especially in the Middle East and sub-Saharan Africa. Furthermore, many countries remain vulnerable to the economic and humanitarian costs of extreme weather events and other natural disasters, with potentially significant cross-border ramifications through migration flows.

Policy Priorities

While the baseline forecast for the global economy points to continued, if less even expansion in 2018–19, the potential for disappointments has increased. Against this backdrop, there is an even greater urgency to advance policies and reforms that extend the current expansion and strengthen resilience to reduce the possibility of a disruptive unwinding. Moreover, medium-term per capita growth projections remain below past averages in many economies. Without comprehensive measures to raise potential output and ensure the benefits are shared by all, disenchantment with existing economic arrangements could well fuel further support for growth-detracting inward-looking policies. Multilateral cooperation within an open, rule-based trade system has a vital role to play in preserving the global expansion and strengthening medium-term prospects. Given the diversity of cyclical positions, structural constraints, and available policy space, policy priorities differ across countries.

- In *advanced economies*, the macroeconomic stance should be tailored to the maturing cyclical position. Where inflation is converging to targets, a gradual, well-communicated, data-dependent monetary normalization can ensure a smooth adjustment. With debt levels near record highs in many countries, fiscal policies should start rebuilding buffers where needed. The pace should be calibrated to avoid sharp drags on growth, with appropriate measures to enhance economic inclusion. Procyclical fiscal stimulus should be avoided and rolled back (e.g., United States), while further steps should be taken by countries with fiscal space and excess external surpluses to boost domestic growth potential and address global imbalances (e.g., Germany). To strengthen medium term prospects, countries should prioritize supply-side measures that raise potential output and productivity, including investing in physical and digital infrastructure, boosting labor force participation where aging threatens future labor supply, and enhancing workforce skills. Repairing remaining pockets of vulnerability in the financial sector is essential in some advanced economies in the euro area, including through continued balance sheet cleanup, promoting consolidation in overbanked jurisdictions, and boosting bank profitability. More broadly, avoiding an indiscriminate rollback of postcrisis regulatory reforms would help maintain resilience in a potentially more volatile financial environment.

- Many *emerging market and developing economies* need to enhance resilience through an appropriate mix of fiscal, monetary, exchange rate, and prudential policies to reduce vulnerability to tightening global financial conditions, sharp currency movements, and capital flow reversals. Long-standing advice on the importance of reining in excess credit growth where needed, supporting healthy bank balance sheets, containing maturity and currency mismatches, and maintaining orderly market conditions has become even more relevant in the face of renewed market volatility. In general, allowing for exchange rate flexibility will be an important means for cushioning the impact of adverse external shocks, although the effects of exchange rate depreciations on private and public sector balance sheets and on domestic inflation expectations need to be closely monitored. With debt levels rising rapidly in both emerging and low-income economies over the past decade, fiscal policy should focus on preserving and rebuilding buffers where needed, through growth-friendly measures that protect the most vulnerable. To raise potential growth and enhance its inclusiveness, structural reforms remain essential to alleviate infrastructure bottlenecks, strengthen the business environment, upgrade human capital, and ensure access to opportunities for all segments of society.

- *Multilateral cooperation* remains vital to address challenges that transcend countries' borders. Global economic integration under an open, rule-based multilateral trade system has raised living standards, helped lift productivity, and spread innovation throughout the world. To preserve and broaden these gains, countries should work together to reduce trade costs further and resolve disagreements without raising tariff and non-tariff barriers. Cooperative global efforts are essential across a range of other areas, such as completing the financial regulatory reform agenda, preventing further buildup of excess global imbalances, strengthening international taxation, and mitigating and coping with climate change.

Table 1. Overview of the *World Economic Outlook* Projections

(Percent change, unless noted otherwise)

	Year over Year						Q4 over Q4 2/		
			Projections		Difference from April 2018 WEO Projections 1/			Projections	
	2016	2017	2018	2019	2018	2019	2017	2018	2019
World Output	**3.2**	**3.7**	**3.9**	**3.9**	**0.0**	**0.0**	**4.0**	**3.8**	**3.8**
Advanced Economies	**1.7**	**2.4**	**2.4**	**2.2**	**–0.1**	**0.0**	**2.6**	**2.4**	**1.9**
United States	1.5	2.3	2.9	2.7	0.0	0.0	2.6	3.0	2.4
Euro Area	1.8	2.4	2.2	1.9	–0.2	–0.1	2.8	1.9	2.0
Germany	1.9	2.5	2.2	2.1	–0.3	0.1	2.9	2.1	1.9
France	1.1	2.3	1.8	1.7	–0.3	–0.3	2.8	1.4	1.8
Italy	0.9	1.5	1.2	1.0	–0.3	–0.1	1.6	0.9	1.2
Spain	3.3	3.1	2.8	2.2	0.0	0.0	3.1	2.5	2.2
Japan	1.0	1.7	1.0	0.9	–0.2	0.0	2.0	1.0	–0.6
United Kingdom	1.8	1.7	1.4	1.5	–0.2	0.0	1.3	1.5	1.5
Canada	1.4	3.0	2.1	2.0	0.0	0.0	3.0	2.1	1.9
Other Advanced Economies 3/	2.3	2.7	2.8	2.7	0.1	0.1	2.9	2.9	2.7
Emerging Market and Developing Economies	**4.4**	**4.7**	**4.9**	**5.1**	**0.0**	**0.0**	**5.2**	**5.0**	**5.4**
Commonwealth of Independent States	0.4	2.1	2.3	2.2	0.1	0.1	1.5	2.4	2.1
Russia	–0.2	1.5	1.7	1.5	0.0	0.0	1.1	2.2	1.9
Excluding Russia	1.9	3.6	3.6	3.7	0.1	0.1	. . .	. . .	. . .
Emerging and Developing Asia	6.5	6.5	6.5	6.5	0.0	–0.1	6.7	6.5	6.5
China	6.7	6.9	6.6	6.4	0.0	0.0	6.8	6.5	6.3
India 4/	7.1	6.7	7.3	7.5	–0.1	–0.3	7.5	7.4	7.8
ASEAN-5 5/	4.9	5.3	5.3	5.3	0.0	–0.1	5.4	5.3	5.4
Emerging and Developing Europe	3.2	5.9	4.3	3.6	0.0	–0.1	6.1	2.1	5.9
Latin America and the Caribbean	–0.6	1.3	1.6	2.6	–0.4	–0.2	1.7	1.7	2.6
Brazil	–3.5	1.0	1.8	2.5	–0.5	0.0	2.2	2.3	2.4
Mexico	2.9	2.0	2.3	2.7	0.0	–0.3	1.5	2.8	3.0
Middle East, North Africa, Afghanistan, and Pakistan	5.0	2.2	3.5	3.9	0.1	0.2	. . .	. . .	. . .
Saudi Arabia	1.7	–0.9	1.9	1.9	0.2	0.0	–1.4	2.8	2.0
Sub-Saharan Africa	1.5	2.8	3.4	3.8	0.0	0.1	. . .	. . .	. . .
Nigeria	–1.6	0.8	2.1	2.3	0.0	0.4	. . .	. . .	. . .
South Africa	0.6	1.3	1.5	1.7	0.0	0.0	1.9	1.5	1.1
Memorandum									
Low-Income Developing Countries	3.5	4.7	5.0	5.3	0.0	0.0	. . .	. . .	. . .
World Growth Based on Market Exchange Rates	2.5	3.2	3.3	3.3	–0.1	0.0	3.4	3.2	3.1
World Trade Volume (goods and services) 6/	**2.2**	**5.1**	**4.8**	**4.5**	**–0.3**	**–0.2**	**. . .**	**. . .**	**. . .**
Advanced Economies	2.2	4.2	4.3	4.0	–0.5	–0.2	. . .	. . .	. . .
Emerging Market and Developing Economies	2.2	6.7	5.7	5.4	0.2	0.0	. . .	. . .	. . .
Commodity Prices (U.S. dollars)									
Oil 7/	–15.7	23.3	33.0	–1.8	15.0	4.7	19.6	22.5	–6.4
Nonfuel (average based on world commodity export weights)	–1.5	6.8	6.0	0.5	0.4	0.0	1.9	7.6	–0.3
Consumer Prices									
Advanced Economies	0.8	1.7	2.2	2.2	0.2	0.3	1.7	2.4	2.2
Emerging Market and Developing Economies 8/	4.3	4.0	4.4	4.4	–0.2	0.1	3.5	4.0	3.7
London Interbank Offered Rate (percent)									
On U.S. Dollar Deposits (six month)	1.1	1.5	2.6	3.5	0.2	0.1	. . .	. . .	. . .
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	0.0	0.0	. . .	. . .	. . .

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during May 331, 2018. 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 April 2018 *World Economic Outlook* forecasts. Countries w hose forecasts have been updated relative to April 2018 *World Economic Outlook* forecasts account for 94 percent of w orld GDP measured at purchasing-pow er-parity w eights.

2/ For World Output, the quarterly estimates and projections account for approximately 90 percent of annual w orld GDP measured at purchasing-pow er-parity w eights. For Emerging Market and Developing Economies, the quarterly estimates and projections account for approximately 80 percent of annual emerging market and developing economies' GDP measured at purchasing-pow er-parity w eights.

3/ Excludes the Group of Seven (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 onw ard is based on GDP at market prices w ith FY2011/12 as a base year.

5/ Indonesia, Malaysia, Philippines, Thailand, Vietnam.

6/ Simple average of grow th rates for export and import volumes (goods and services).

7/ Simple average of prices of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average price of oil in US dollars a barrel w as $52.81 in 2017; the assumed price based on futures markets (as of June 1, 2018) is $70.23 in 2018 and $68.99 in 2019.

8/ Excludes Argentina and Venezuela.