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International

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## Global Activity Remains Sluggish

### Current global growth sluggish

- According to the World Economic Outlook in October 2016 global growth is estimated to be 2.9% in the first half of 2016, lower than projected outlook 3.2% in April 2016, down from a projected 3.4% in January 2016.
- Global industrial production remained subdued, but has shown signs of a pickup in recent months, and trade volumes retreated in the quarter through June after several months of sustained recovery from the trough in early 2015.

### Global Outlook for 2016 and 2017

- Global growth is projected to remain modest at 3.1% in 2016, slightly weaker than projected 3.2% in April 2016.
- This forecast incorporates somewhat weaker-than-expected activity through the second quarter of 2016 in advanced economies, as well as the implications of the U.K. referendum outcome in favor of leaving the European Union.
- The recovery is expected to accelerate in 2017, driven primarily by emerging market and developing economies, as conditions in stressed economies gradually normalized.
- Growth in emerging market and developing economies is expected to strengthen in 2016 to 4.2% after five consecutive years of decline, accounting for over three-quarters of projected world growth in 2016.

## Country and Region Outlook

1. **United States:** Softer-than-expected activity in the second half of 2015 and the first half of 2016 points to some loss in momentum in the United States, despite a mildly supportive fiscal stance and a slower projected pace of monetary policy normalization.
2. In the **United Kingdom** slower growth is expected since the referendum as uncertainty in the aftermath of the Brexit vote weighs on firms' investment and hiring decisions and consumers' purchases of durable goods and housing.
3. **Japan's** growth is projected to remain weak, in line with potential, at 0.5% in 2016, before rising to 0.6% in 2017.
4. The **Euro** area recovery is expected to proceed at a slightly lower pace in 2016–17 relative to 2015. Low oil prices, a modest fiscal expansion in 2016, and easy monetary policy will support growth, while weaker investor confidence on account of uncertainty following the Brexit vote will weigh on activity.
5. In **China**, the economy is expected to grow by 6.6% in 2016 on the back of policy support, slowing to 6.2% in 2017 absent further stimulus.
6. **India's** GDP will continue to expand at the fastest pace among major economies, with growth forecast at 7.6% in 2016–17.
7. In **Latin America and the Caribbean** continues to slow, with a contraction of 0.6% projected for 2016 (0.1 percentage point more severe than the April forecast). A recovery is expected to take hold in 2017, with growth reaching 1.6% (0.1 percentage point stronger than forecast in April)
8. Confidence appears to have bottomed out in **Brazil**, and growth is forecast at –3.3% for 2016 and 0.5% in 2017, on the assumption of declining political and policy uncertainty and the waning effects of past economic shocks.
9. Growth in emerging and developing **Europe** is projected to remain robust at slightly above 3% in 2016 and beyond, with exports expanding at a strong clip despite sluggish growth in the euro area, the main trading partner for most economies in the region.
10. In the **Middle East**, the recent modest recovery in oil prices is projected to have little impact on growth in oil-exporting countries. Most continue to tighten fiscal policy in response to structurally lower oil revenues, and financial sector liquidity continues to decline.

Overview of the World Economic Outlook (WEO) Projections, (Percent change, unless noted otherwise)	Projections			Difference from July 2016 WEO Update		Difference from April 2016 WEO	
	2015	2016	2017	2016	2017	2016	2017
World Output	3.2	3.1	3.4	0	0	-0.1	-0.1
Advanced Economies	2.1	1.6	1.8	-0.2	0	-0.3	-0.2
United States	2.6	1.6	2.2	-0.6	-0.3	-0.8	-0.3

Euro Area	2.0	1.7	1.5		0.1	0.1		0.2	-0.1
Germany	1.5	1.7	1.4		0.1	0.2		0.2	-0.2
France	1.3	1.3	1.3		-0.2	0.1		-0.2	-0.2
Italy	0.8	0.8	0.9		-0.1	-0.1		-0.2	-0.2
Spain	3.2	3.1	2.2		0.5	0.1		0.5	-0.1
Japan	0.5	0.5	0.6		0.2	0.5		0.0	0.7
United Kingdom	2.2	1.8	1.1		0.1	-0.2		-0.1	-1.1
Canada	1.1	1.2	1.9		-0.2	-0.2		-0.3	0
Other Advanced Economies	2.0	2.0	2.3		0.0	0.0		-0.1	-0.1
Emerging Market and Developing Economies	4	4.2	4.6		0.1	0		0.1	0
Commonwealth of Independent States	-2.8	-0.3	1.4		0.3	-0.1		0.8	0.1
Russia	-3.7	-0.8	1.1		0.4	0.1		1	0.3
Excluding Russia	-0.5	0.9	2.3		-0.1	-0.2		0.0	0.0
Emerging and Developing Asia	6.6	6.5	6.3		0.1	0.0		0.1	0.0
China	6.9	6.6	6.2		0	0		0.1	0
India	7.6	7.6	7.6		0.2	0.2		0.1	0.1
ASEAN	4.8	4.8	5.1		0	0		0	0
Emerging and Developing Europe	3.6	3.3	3.1		-0.2	-0.1		-0.2	-0.2
Latin America and the Caribbean	0	-0.6	1.6		-0.2	0		-0.1	0.1
Brazil	-3.8	-3.3	0.5		0	0		0.5	0.5
Mexico	2.5	2.1	2.3		-0.4	-0.3		-0.3	-0.3
Middle East, North Africa, Afghanistan, and Pakistan	2.3	3.4	3.4		0	0.1		0.3	-0.1
Saudi Arabia	3.5	1.2	2		0	0		0	0.1
Sub-Saharan Africa	3.4	1.4	2.9		-0.2	-0.4		-1.6	-1.1
Nigeria	2.7	-1.7	0.6		0.1	-0.5		-4	2.9
South Africa	1.3	0.1	0.8		0	-0.2		-0.5	-0.4