

Global Economic Outlook – Crisis Update: 2 April 2020

Coronavirus Crisis Sparks Deep Global Recession

Highlights

- Deep global recession now Fitch's base case
- World GDP to fall 2% in 2020, on par with 2009
- US GDP down by more than 3%, eurozone and UK by about 4%
- China recovery hit by global recession, growth less than 2% in 2020
- Job losses, capex cuts, commodity prices amplifying shock
- Financial market dislocation and tighter credit conditions
- Rapid and aggressive policy response to help post-crisis recovery
- But no return to pre-virus GDP levels until late 2021

Global Forecast Summary

(%)	Annual Average 2014-2018	2018	2019	2020f	2021f
GDP Growth					
US	2.5	2.9	2.3	-3.3	3.8
Eurozone	2.0	1.9	1.2	-4.2	2.9
China	7.0	6.7	6.1	1.6	7.6
Japan	0.9	0.3	0.7	-2.7	2.2
UK	2.0	1.3	1.4	-3.9	3.0
Developed ^a	2.0	2.1	1.7	-3.4	3.3
Emerging ^b	4.8	5.1	4.4	0.7	6.0
World ^c	3.0	3.2	2.7	-1.9	4.3
Inflation (end of period)					
US	1.5	1.9	2.3	0.9	1.1
Eurozone	0.8	1.5	1.3	0.4	1.1
China	1.8	1.9	4.5	2.0	1.6
Japan	1.0	0.3	0.8	-0.1	0.4
UK	1.5	2.1	1.3	1.0	1.2
Interest Rates (end of period)					
US	0.83	2.50	1.75	0.25	0.25
Eurozone	0.04	0.00	0.00	0.00	0.00
China ^d	3.49	3.30	3.25	2.75	2.75
Japan	-0.02	-0.10	-0.10	-0.10	-0.10
UK	0.46	0.75	0.75	0.10	0.10
US 10 Year Yield	2.32	2.68	1.92	1.30	1.50
Exchange Rates and Oil					
Oil (USD/barrel)	64.7	71.5	64.1	35.0	45.0
USDJPY (end-period)	111.7	110.8	109.1	107.0	107.0
USDEUR (end-period)	0.86	0.87	0.89	0.90	0.90
GBPUSD (end-period)	1.43	1.27	1.31	1.25	1.25
USDCNY (end-period)	6.48	6.85	6.99	7.10	7.20

^a US, Japan, France, Germany, Italy, Spain, UK, Canada, Australia and Switzerland.

^b Brazil, Russia, India, China, South Africa, Korea, Mexico, Indonesia, Poland and Turkey.

^c 'Fitch 20' countries weighted by nominal GDP in USD at market exchange rates (3 year average)

^d One year Medium Term Lending Facility

Source: Fitch Ratings

Huge Cuts to GDP Forecasts

The speed with which the coronavirus pandemic is evolving has necessitated another round of huge cuts to Fitch Ratings' global GDP forecasts. We now expect world economic activity to decline by 1.9% in 2020 with US GDP down by 3.3%, the eurozone down by 4.2% and the UK down by 3.9%. China's recovery from the disruption in 1Q20 will be sharply curtailed by the global recession and annual growth will be below 2%. These numbers are much worse than the baseline (and downside variant) of the March 2020 GEO forecast published on 19 March, when we expected global growth of over 1%. The forecast fall in global GDP for the year as a whole is on a par with the global financial crisis but the immediate hit to activity and jobs in 1H20 will be worse.

The pandemic and the actions taken to control it mean that we now have to incorporate full-scale lockdowns across Europe and the US (and many other countries) in our baseline forecasts. This was not the assumption used in the March 2020 GEO forecast – only Spain and Italy had followed China into full lockdown when those forecasts were finalised. There are many moving parts but in broad terms we now judge that lockdowns could reduce GDP across the EU and US by 7% to 8% (i.e. 28%-30% annualised) in 2Q20. This is an unprecedented peacetime one-quarter fall in GDP and is similar to what we now estimate happened in China in 1Q20.

On the assumption that the health crisis is broadly contained by the second half of the year there should be a decent sequential recovery in growth as lockdowns are removed, some spending is re-profiled from 1H20, inventories are rebuilt and policy stimulus takes effect. But this has to be set against the many factors amplifying the depth of the dislocation, including job losses, capex cuts, commodity price shocks and the rout in financial markets. Our baseline does not see GDP reverting to its pre-virus levels until late 2021 in the US and Europe.

Lockdown Shock

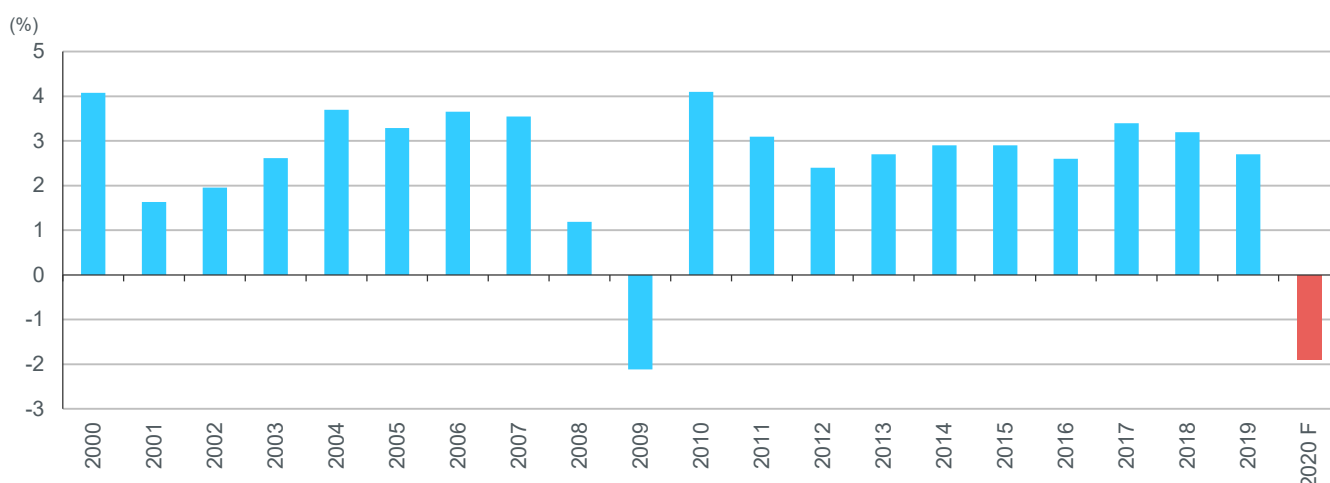
The lockdown policies being implemented are having instantaneous and dramatic effects on daily economic activity. Full nationwide lockdowns look to be reducing daily activity by about 20% relative to normal levels. This is based on an analysis of data releases from countries where lockdowns have been in place for a while and of the shares of the sectors most adversely affected (such as travel and tourism) in GDP. The scope for working from home, the weight of non-discretionary items (e.g. rent, utilities and food) in consumer spending and the potential for highly capital-intensive industries to maintain production in face of the labour supply shock are also important, as is the possibility for expenditure switching. Higher public spending is an important offset. Recent estimates from the OECD point to a broadly similar range.

The impact on GDP will depend on how long the lockdowns last. By means of illustration, a two- to three-month crisis with a five-week 'peak stringency' national lockdown period that reduces GDP by 20% a day would translate to a 7% to 8% decline in quarterly GDP. This is in fact in line with our latest estimate of the sequential quarter on quarter decline in China's GDP in 1Q20 (which included a full lockdown period of four or five weeks) and we have used this as a guide in our baseline forecasts.

Amplifiers

The direct impacts of lockdown policies on activity are being amplified through multiple channels. Most noticeable has been the dramatic fallout in the labour market, particularly in the US and Canada, where weekly data for new unemployment benefit claims have smashed all records. Our annual unemployment forecasts for developed countries have been pushed sharply higher across the board and we expect US unemployment to peak at 10% in 2Q20 with 10 million job losses. In addition to lay-offs, companies are likely to slash capex and consumers will pare back sharply on discretionary spending. This will be exacerbated by the collapse in equity prices.

World GDP Growth



Source: Fitch Ratings



Rising corporate and emerging market bond yields are tightening global financing conditions and the strengthening of the US dollar and falling commodity prices will add further headwinds to emerging market growth. Our 2020 oil price forecast (Brent annual average) has been lowered again to USD35 a barrel. Capital outflows and limited social safety nets are putting further pressure on economic conditions in emerging markets.

Policy Response

Policymakers are doing all they can to minimise collateral damage from the crisis. The monetary and fiscal policy response has in many ways been larger and more rapid than in the midst of the global financial crisis. In addition to interest rate cuts, central bank balance sheets are now expanding at a break-neck pace as they flood the financial system with liquidity to mitigate the risk of sharp adverse credit multipliers. This has included the Federal Reserve supplying dollars to other central banks to ease the threat of a global dollar funding squeeze. These moves have been accompanied by macro-prudential forbearance and the roll-out of hundred-billion dollar sovereign credit guarantees for private-sector borrowers, with the aim of minimising the risk of wide-scale bankruptcies as a result of the sudden stop in economic activity. Employment subsidies have been increased massively in some countries in a bid to minimise redundancies.

Huge fiscal stimulus packages have been announced in many countries including expansions of over 10% of GDP in the US and about 5% in Germany and the UK. In the midst the immediate health crisis, higher public spending can play an important part in cushioning the fall in activity but wider growth benefits from stimulus measures are unlikely to be seen until the health crisis subsides.

Post-Crisis Recovery Path

On the assumption that the health crisis eases in 2H20, we should see quite a marked rebound in growth. The removal of lockdown measures should result in a discrete jump in activity – as now being witnessed in China – and some expenditure could be reprofiled from the first half of the year. Macro policy stimulus and inventory rebuilding should also contribute to a recovery. But the scale of the dislocation means we do not envisage GDP reaching pre-virus levels until late 2021.

The uncertainties surrounding these forecasts are extremely high and risks are on the downside. In the event that a longer lockdown period is required to contain the virus, the damage to 2020 GDP would be bigger. Our calculations suggest an additional 2pp decline in GDP (over and above that included in the baseline forecast) in the US and Europe in the event that the stringent lockdown period had to be extended to eight weeks and then removed more slowly. This would also delay the return of GDP to pre-crisis levels. A failure to contain the virus would result in even more adverse outcomes.

United States - Forecast Summary

GDP	Ann. Av.2014-18	2018	2019f	2020f	2021f
GDP	2.5	2.9	2.3	-3.3	3.8
Consumer Spending	3.0	3.0	2.6	-3.9	3.1
Fixed Investment	4.1	4.6	1.3	-7.5	1.1
Net Trade (contribution pps.)	-0.4	-0.4	-0.2	0.1	0.0
CPI Inflation (end-year)	1.5	1.9	2.3	0.9	1.1
Unemployment Rate	4.9	3.9	3.7	7.3	6.0
Policy Interest Rate (end-year)	0.83	2.50	1.75	0.25	0.25
Exchange Rate, USDEUR (end-year)	0.86	0.87	0.89	0.90	0.90

Source: Fitch Ratings

Eurozone - Forecast Summary

(%)	Ann. Av.2014-18	2018	2019	2020f	2021f
GDP	2.0	1.9	1.2	-4.2	2.9
Consumer Spending	1.6	1.4	1.3	-1.8	3.4
Fixed Investment	3.2	2.3	5.7	-3.5	1.3
Net Trade (contribution pps.)	0.1	0.4	-0.5	-2.8	-0.2
CPI Inflation (end-year)	0.8	1.5	1.3	0.4	1.1
Unemployment Rate	10.0	8.2	7.6	9.6	9.8
Policy Interest Rate (end-year)	0.04	0.00	0.00	0.00	0.00
Exchange Rate, EURUSD (end-year)	1.17	1.15	1.12	1.11	1.11

Source: Fitch Ratings

China - Forecast Summary

(%)	Ann. Av.2014-18	2018	2019	2020f	2021f
GDP	7.0	6.7	6.1	1.6	7.6
Consumer Spending	8.8	8.1	6.9	2.0	7.5
Fixed Investment	7.3	6.6	4.4	-0.5	8.9
Net Trade (contribution pps.)	-0.3	-0.5	0.7	-1.1	-0.8
CPI Inflation (end-year)	1.8	1.9	4.5	2.0	1.6
Policy Interest Rate (end-year)	3.49	3.30	3.25	2.75	2.75
Exchange Rate, USDCNY (end-year)	6.48	6.85	6.99	7.10	7.20

Source: Fitch Ratings

Japan - Forecast Summary

(%)	Ann. Av.2014-18	2018	2019	2020f	2021f
GDP	0.9	0.3	0.7	-2.7	2.2
Consumer Spending	0.0	0.0	0.2	-1.0	2.8
Fixed Investment	1.6	0.6	1.3	-6.1	2.8
Net Trade (contribution pps.)	0.3	0.0	-0.2	-1.1	-0.5
CPI Inflation (end-year)	1.0	0.3	0.8	-0.1	0.4
Unemployment Rate	3.1	2.4	2.4	3.5	3.3
Policy Interest Rate (end-year)	-0.02	-0.10	-0.10	-0.10	-0.10
Exchange Rate, USDJPY (end-year)	111.7	110.8	109.1	107.0	107.0

Source: Fitch Ratings

United Kingdom - Forecast Summary

(%)	Ann. Av.2014-18	2018	2019	2020f	2021f
GDP	2.0	1.3	1.4	-3.9	3.0
Consumer Spending	2.5	1.6	1.1	-3.7	1.6
Fixed Investment	3.1	-0.2	0.6	-7.1	0.4
Net Trade (contribution pps.)	-0.3	-0.2	0.0	0.9	0.1
CPI Inflation (end-year)	1.5	2.1	1.3	1.0	1.2
Unemployment Rate	5.0	4.1	3.8	5.8	5.6
Policy Interest Rate (end-year)	0.46	0.75	0.75	0.10	0.10
Exchange Rate, GBPUSD (end-year)	1.43	1.27	1.31	1.25	1.25

Source: Fitch Ratings

Germany - Forecast Summary

(%)	Ann. Av.2014-18	2018	2019	2020f	2021f
GDP	2.0	1.5	0.6	-3.8	3.1
Consumer Spending	1.6	1.3	1.6	-0.8	3.9
Fixed Investment	2.9	3.5	2.6	-6.7	0.6
Net Trade (contribution pps.)	0.0	-0.5	-0.4	-2.6	-0.2
CPI Inflation (end-year)	1.1	1.7	1.5	0.6	1.1
Unemployment Rate	4.2	3.4	3.2	4.8	5.1
Policy Interest Rate (end-year)	0.04	0.00	0.00	0.00	0.00
Exchange Rate, EURUSD (end-year)	1.17	1.15	1.12	1.11	1.11

Source: Fitch Ratings

France - Forecast Summary

(%)	Ann. Av.2014-18	2018	2019	2020f	2021f
GDP	1.4	1.7	1.3	-4.1	2.8
Consumer Spending	1.3	0.9	1.2	-1.9	4.1
Fixed Investment	2.2	2.8	3.6	-6.5	0.3
Net Trade (contribution pps.)	-0.1	0.7	-0.1	-1.7	-0.6
CPI Inflation (end-year)	0.7	1.6	1.5	0.3	1.1
Unemployment Rate	9.8	9.0	8.5	9.8	9.9
Policy Interest Rate (end-year)	0.04	0.00	0.00	0.00	0.00
Exchange Rate, EURUSD (end-year)	1.17	1.15	1.12	1.11	1.11

Source: Fitch Ratings

Italy - Forecast Summary

(%)	Ann. Av.2014-18	2018	2019	2020f	2021f
GDP	0.9	0.8	0.3	-4.7	2.3
Consumer Spending	1.1	0.9	0.4	-3.3	2.0
Fixed Investment	2.0	3.1	1.4	-6.4	1.0
Net Trade (contribution pps.)	-0.3	-0.3	0.5	-1.2	0.2
CPI Inflation (end-year)	0.6	1.2	0.5	0.2	0.6
Unemployment Rate	11.6	10.6	10.0	11.0	10.7
Policy Interest Rate (end-year)	0.04	0.00	0.00	0.00	0.00
Exchange Rate, EURUSD (end-year)	1.17	1.15	1.12	1.11	1.11

Source: Fitch Ratings

Spain - Forecast Summary

(%)	Ann. Av.2014-18	2018	2019	2020f	2021f
GDP	2.7	2.4	1.9	-3.9	3.4
Consumer Spending	2.4	1.9	1.1	-3.9	2.4
Fixed Investment	4.5	5.3	1.9	-6.7	3.0
Net Trade (contribution pps.)	0.0	-0.3	0.4	-1.0	0.5
CPI Inflation (end-year)	0.5	1.2	0.8	0.4	1.1
Unemployment Rate	19.7	15.3	14.1	16.3	14.8
Policy Interest Rate (end-year)	0.04	0.00	0.00	0.00	0.00
Exchange Rate, EURUSD (end-year)	1.17	1.15	1.12	1.11	1.11

Source: Fitch Ratings

Switzerland - Forecast Summary

(%)	Ann. Av.2014-18	2018	2019	2020f	2021f
GDP	2.0	2.7	0.9	-4.0	2.4
Consumer Spending	1.3	1.0	1.1	-2.3	4.2
Fixed Investment	2.5	1.1	0.7	-2.5	2.0
Net Trade (contribution pps.)	1.1	2.1	1.2	-1.2	-0.8
CPI Inflation (end-year)	0.0	0.8	-0.1	0.0	0.5
Unemployment Rate	3.0	2.5	2.3	3.8	3.6
Policy Interest Rate (end-year)	-0.60	-0.75	-0.75	-0.85	-0.85
Exchange Rate, USDCHF (end-year)	0.97	0.98	0.97	1.00	1.00

Source: Fitch Ratings

Australia - Forecast Summary

(%)	Ann. Av.2014-18	2018	2019	2020f	2021f
GDP	2.6	2.7	1.8	-2.2	2.9
Consumer Spending	2.5	2.7	1.4	-3.1	2.6
Fixed Investment	-0.5	2.5	-2.3	-8.3	1.8
Net Trade (contribution pps.)	0.7	0.2	1.0	-0.4	0.1
CPI Inflation (end-year)	1.8	1.8	1.8	0.6	1.5
Unemployment Rate	5.7	5.3	5.2	7.7	6.9
Policy Interest Rate (end-year)	1.87	1.50	0.75	0.25	0.25
Exchange Rate, USDAUD (end-year)	1.33	1.42	1.43	1.57	1.52

Source: Fitch Ratings

Canada - Forecast Summary

(%)	Ann. Av.2014-18	2018	2019	2020f	2021f
GDP	1.9	2.0	1.6	-3.6	2.5
Consumer Spending	2.5	2.1	1.6	-1.6	2.8
Fixed Investment	-0.6	1.2	-0.7	-7.0	0.8
Net Trade (contribution pps.)	0.3	0.1	0.3	-1.5	-0.2
CPI Inflation (end-year)	1.7	2.0	2.2	1.1	1.2
Unemployment Rate	6.6	5.8	5.7	9.8	7.4
Policy Interest Rate (end-year)	0.85	1.75	1.75	0.25	0.25
Exchange Rate, USDCAD (end-year)	1.26	1.36	1.31	1.38	1.35

Source: Fitch Ratings

Brazil - Forecast Summary

(%)	Ann. Av.2014-18	2018	2019	2020f	2021f
GDP	-0.7	1.3	1.1	-2.0	2.5
Consumer Spending	-0.2	2.1	1.8	-2.0	3.0
Fixed Investment	-5.8	3.9	2.3	-2.1	3.3
Net Trade (contribution pps.)	0.8	-0.5	-0.5	-0.7	-0.4
CPI Inflation (end-year)	6.2	3.7	4.3	3.2	3.7
Policy Interest Rate (end-year)	10.51	6.50	4.50	3.50	5.00
Exchange Rate, USDBRL (end-year)	3.20	3.87	4.03	4.50	4.25

Source: Fitch Ratings

Russia - Forecast Summary

(%)	Ann. Av.2014-18	2018	2019	2020f	2021f
GDP	0.7	2.5	1.3	-1.4	2.2
Consumer Spending	-0.6	3.3	2.3	-3.3	1.4
Fixed Investment	-1.3	0.1	1.4	-3.8	3.8
Net Trade (contribution pps.)	2.1	0.9	-1.1	0.9	0.1
CPI Inflation (end-year)	7.4	4.3	3.0	4.7	4.0
Policy Interest Rate (end-year)	9.56	7.75	6.25	6.00	6.00
Exchange Rate, USDRUB (end-year)	57.48	69.47	61.91	74.00	73.50

Source: Fitch Ratings

India - Forecast Summary

(%) FY starting April	Ann. Av.2014-18	FY18-19	FY19-20f	FY20-21f	FY21-22f
GDP	7.4	6.2	4.9	2.0	7.0
Consumer Spending	7.4	7.4	5.5	1.8	7.8
Fixed Investment	6.8	9.7	-1.5	-3.0	7.4
Net Trade (contribution pps.)	-0.5	-0.4	1.4	0.6	-0.2
CPI Inflation (end-cal. year)	4.7	2.1	7.4	4.2	4.3
Policy Interest Rate (end-cal. year)	6.83	6.50	5.15	4.10	4.75
Exchange Rate, USDINR (end-cal. year)	65.18	69.79	71.27	76.00	74.00

Source: Fitch Ratings

Korea - Forecast Summary

(%)	Ann. Av.2014-18	2018	2019	2020f	2021f
GDP	3.0	2.7	2.0	-0.2	3.3
Consumer Spending	2.5	2.8	1.9	0.4	2.9
Fixed Investment	4.5	-2.4	-3.5	-1.0	2.5
Net Trade (contribution pps.)	-0.4	1.2	0.9	-0.9	0.5
CPI Inflation (end-year)	1.3	1.5	0.4	0.1	0.7
Policy Interest Rate (end-year)	1.63	1.75	1.25	0.75	1.00
Exchange Rate, USDKRW (end-year)	1115	1118	1158	1200	1150

Source: Fitch Ratings

Indonesia - Forecast Summary

(%)	Ann. Av.2014-18	2018	2019	2020f	2021f
GDP	5.0	5.2	5.0	2.0	6.0
Consumer Spending	5.1	5.1	5.2	1.8	5.4
Fixed Investment	5.3	6.7	4.5	1.6	5.7
Net Trade (contribution pps.)	0.0	-1.0	1.4	-0.5	0.6
CPI Inflation (end-year)	4.7	3.2	2.6	2.4	3.0
Policy Interest Rate (end-year)	6.06	6.00	5.00	4.25	4.75
Exchange Rate, USDIDR (end-year)	13236	14481	13901	15500	15000

Source: Fitch Ratings

Mexico - Forecast Summary

(%)	Ann. Av.2014-18	2018	2019	2020f	2021f
GDP	2.7	2.1	-0.1	-4.0	2.1
Consumer Spending	2.8	2.3	0.7	-3.6	2.5
Fixed Investment	1.7	0.9	-4.7	-10.0	2.7
Net Trade (contribution pps.)	0.1	0.0	1.1	0.5	-0.3
CPI Inflation (end-year)	4.1	4.9	3.6	3.5	3.5
Policy Interest Rate (end-year)	4.99	8.25	7.25	5.50	5.25
Exchange Rate, USDMXN (end-year)	17.20	19.68	18.85	21.50	20.50

Source: Fitch Ratings

Poland - Forecast Summary

(%)	Ann. Av.2014-18	2018	2019	2020f	2021f
GDP	4.0	5.2	4.2	-0.6	3.8
Consumer Spending	3.6	4.3	3.9	-1.7	4.7
Fixed Investment	4.2	9.0	7.0	0.1	3.2
Net Trade (contribution pps.)	0.0	-0.2	0.6	0.2	-0.5
CPI Inflation (end-year)	0.5	1.2	3.2	2.8	2.5
Policy Interest Rate (end-year)	1.69	1.50	1.50	1.00	1.50
Exchange Rate, USDPLN (end-year)	3.65	3.76	3.80	3.95	3.95

Source: Fitch Ratings

Turkey - Forecast Summary

(%)	Ann. Av.2014-18	2018	2019	2020f	2021f
GDP	4.9	2.8	0.9	0.8	4.5
Consumer Spending	3.7	0.0	0.7	2.0	5.9
Fixed Investment	4.9	-0.6	-12.4	-2.2	4.5
Net Trade (contribution pps.)	1.0	3.6	2.3	-2.1	-0.5
CPI Inflation (end-year)	10.3	20.3	11.8	8.5	10.0
Policy Interest Rate (end-year)	9.57	24.00	12.00	8.75	8.75
Exchange Rate, USDTRY (end-year)	3.28	5.27	5.95	6.90	7.20

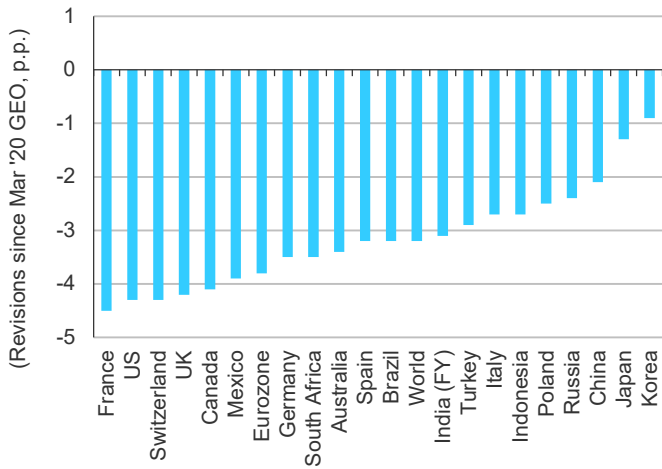
Source: Fitch Ratings

South Africa - Forecast Summary

(%)	Ann. Av.2014-18	2018	2019	2020f	2021f
GDP	1.1	0.8	0.2	-3.8	1.7
Consumer Spending	1.4	1.8	1.0	-3.3	2.1
Fixed Investment	-0.1	-1.4	-0.9	-8.3	2.1
Net Trade (contribution pps.)	0.2	-0.2	-0.6	0.8	-0.2
CPI Inflation (end-year)	5.4	4.5	4.0	4.3	4.6
Policy Interest Rate (end-year)	6.39	6.75	6.50	4.75	4.75
Exchange Rate, USDZAR (end-year)	12.98	14.38	14.03	15.70	16.20

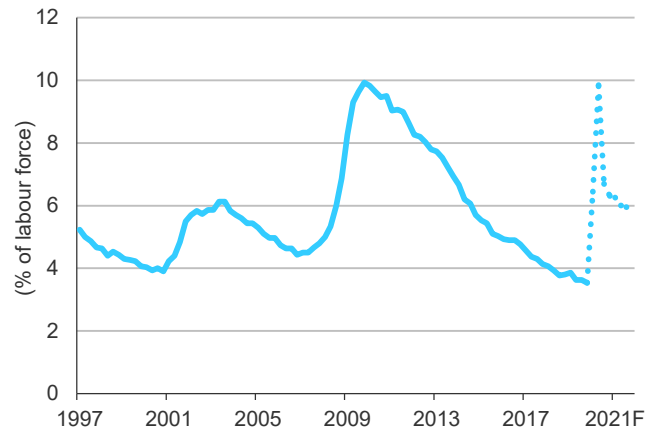
Source: Fitch Ratings

Revisions to 2020 GDP Growth Forecasts



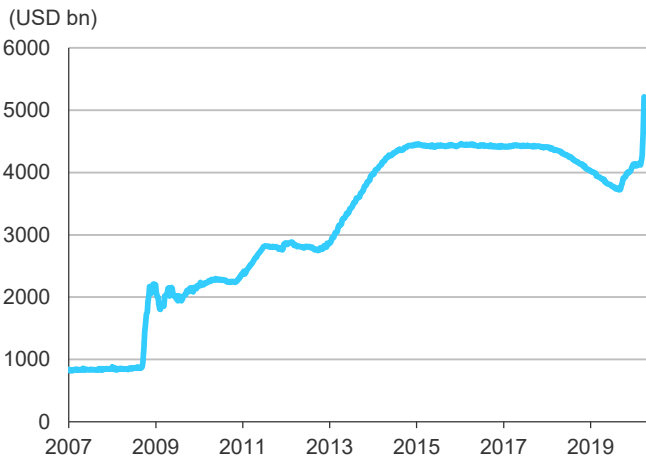
Source: Fitch Ratings

US - Unemployment Rate



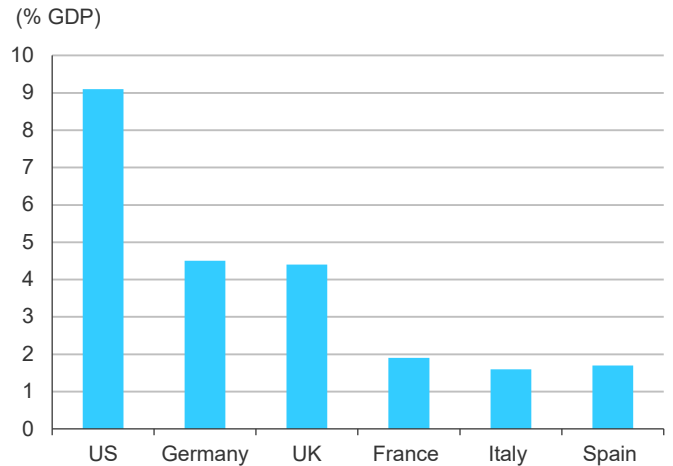
Source: Fitch Ratings' estimates

US Federal Reserve - Total Liabilities



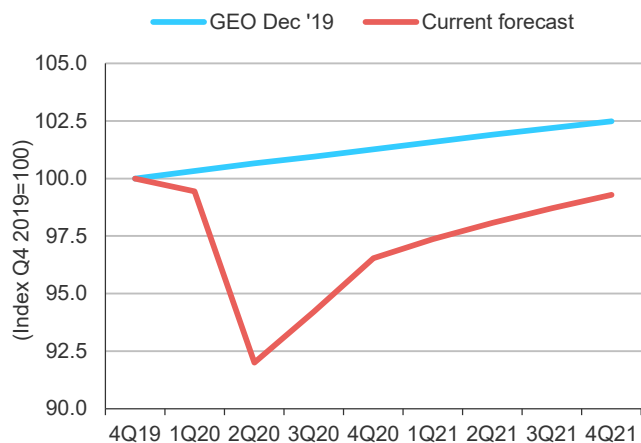
Source: Fitch Ratings, Fed, Haver Analytics

COVID-19 Fiscal Stimulus Packages



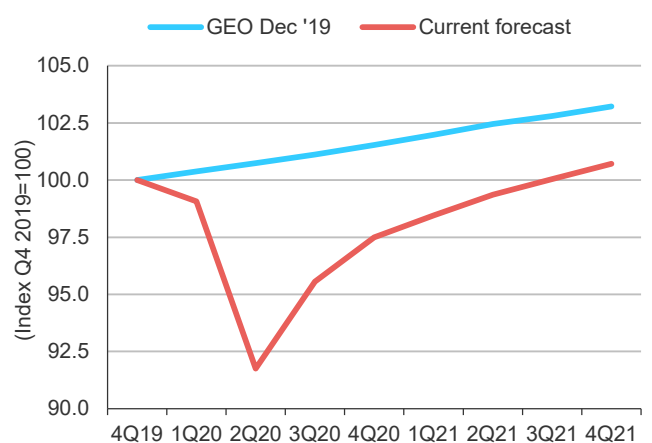
Source: Fitch Ratings

Eurozone GDP Level vs Dec '19 GEO Forecasts



Source: Fitch Ratings' estimates

US GDP Level vs Dec '19 GEO Forecasts



Source: Fitch Ratings' estimates

Appendix 1: Quarterly GDP Q/Q

(%)	Q3 18	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20
US	0.7	0.3	0.8	0.5	0.5	0.5	-0.9	-7.4	4.1	2.0
Euro area	0.2	0.4	0.5	0.1	0.3	0.1	-0.6	-7.5	2.4	2.5
China	1.5	1.4	1.6	1.5	1.4	1.4	-7.6	5.9	4.8	2.7
Japan	-0.8	0.6	0.5	0.6	0.0	-1.8	-0.2	-3.2	1.6	1.0
UK	0.6	0.2	0.7	-0.2	0.5	0.0	0.0	-7.4	2.1	2.0
Germany	-0.1	0.2	0.5	-0.2	0.2	0.0	-0.4	-6.7	2.0	2.8
France	0.3	0.5	0.3	0.4	0.3	-0.1	-0.2	-8.0	2.9	2.4
Italy	-0.1	0.1	0.2	0.1	0.1	-0.3	-1.0	-6.8	2.5	1.7
Spain	0.5	0.6	0.5	0.4	0.4	0.5	-0.6	-7.7	2.5	2.6
Switzerland	-0.4	-0.1	0.4	0.4	0.4	0.3	-0.2	-7.6	2.0	2.3
Australia	0.3	0.2	0.5	0.6	0.6	0.5	-0.7	-4.9	2.0	1.8
Canada	0.6	0.2	0.2	0.9	0.3	0.1	0.1	-6.7	0.6	2.7
Brazil	0.5	0.0	0.0	0.5	0.6	0.5	-0.6	-3.0	-0.3	0.7
Russia	0.1	0.4	-0.3	0.7	0.8	0.8	0.2	-3.8	-0.1	0.7
India	1.7	1.6	1.3	1.1	1.1	1.2	1.0	-2.4	1.2	2.8
Korea	0.5	0.9	-0.4	1.0	0.4	1.3	-0.3	-3.0	1.4	1.4
Mexico	0.3	0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-4.8	0.4	1.0
Indonesia	1.2	1.3	1.1	1.4	1.2	1.2	0.6	-2.1	1.1	2.2
Turkey	-1.2	-2.8	2.0	1.1	0.8	1.9	1.2	-4.0	0.0	2.3
Poland	1.3	0.7	1.4	0.7	1.2	0.3	0.3	-3.8	1.2	1.5
South Africa	0.6	0.3	-0.8	0.8	-0.2	-0.4	0.1	-6.4	1.5	1.6
Developed ^a	0.3	0.3	0.6	0.4	0.4	0.1	-0.6	-6.7	3.0	2.0
Emerging ^b	1.1	0.9	1.1	1.2	1.1	1.1	-4.0	1.6	2.9	2.2
World ^c	0.6	0.5	0.8	0.7	0.6	0.5	-1.9	-3.6	3.0	2.1

^a US, Japan, France, Germany, Italy, Spain, UK, Canada, Australia and Switzerland.

^b Brazil, Russia, India, China, South Africa, Korea, Mexico, Indonesia, Poland and Turkey.

^c 'Fitch 20' countries weighted by nominal GDP in USD at market exchange rates (3 year average)

Source: Fitch Ratings

Appendix 2: Quarterly GDP Y/Y

(%)	Q3 18	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20	Q2 20	Q3 20	Q4 20
US	3.1	2.5	2.7	2.3	2.1	2.3	0.6	-7.3	-3.9	-2.5
Euro area	1.6	1.2	1.4	1.2	1.3	1.0	0.0	-7.6	-5.7	-3.5
China	6.7	6.5	6.4	6.2	6.0	6.0	-3.6	0.5	3.9	5.3
Japan	-0.4	-0.2	0.8	0.9	1.7	-0.7	-1.4	-5.1	-3.6	-0.8
UK	1.6	1.4	2.0	1.3	1.3	1.1	0.4	-6.8	-5.4	-3.6
Germany	1.1	0.6	1.0	0.3	0.6	0.5	-0.5	-6.9	-5.2	-2.6
France	1.5	1.2	1.3	1.5	1.5	0.9	0.4	-8.0	-5.6	-3.3
Italy	0.4	0.0	0.2	0.4	0.5	0.1	-1.1	-8.0	-5.8	-3.8
Spain	2.2	2.1	2.2	2.0	1.9	1.8	0.6	-7.4	-5.5	-3.5
Switzerland	2.6	1.4	0.8	0.3	1.1	1.5	0.8	-7.2	-5.7	-3.9
Australia	2.5	2.2	1.7	1.6	1.8	2.2	1.0	-4.6	-3.2	-2.0
Canada	2.0	1.8	1.5	2.0	1.6	1.5	1.3	-6.3	-5.9	-3.5
Brazil	1.5	1.3	0.6	1.1	1.2	1.7	1.1	-2.5	-3.3	-3.1
Russia	2.2	2.7	0.5	0.9	1.7	2.1	2.6	-2.0	-2.9	-3.1
India	6.2	5.6	5.8	5.6	5.1	4.7	4.4	0.9	1.0	2.5
Korea	2.1	2.9	1.7	2.0	2.0	2.3	2.4	-1.7	-0.7	-0.6
Mexico	2.5	1.4	1.2	-0.9	-0.3	-0.5	-0.5	-5.8	-5.3	-4.2
Indonesia	5.2	5.2	5.1	5.1	5.0	5.0	4.5	0.9	0.8	1.8
Turkey	2.3	-2.8	-2.3	-1.6	1.0	6.0	5.2	-0.2	-0.9	-0.6
Poland	5.2	4.9	4.8	4.6	3.9	3.2	2.5	-2.1	-2.1	-0.9
South Africa	1.3	1.1	0.0	0.9	0.1	-0.5	0.4	-6.9	-5.2	-3.3
Developed ^a	2.1	1.7	1.9	1.6	1.7	1.4	0.2	-6.9	-4.4	-2.6
Emerging ^b	5.0	4.7	4.4	4.4	4.3	4.5	-0.7	-0.4	1.4	2.5
World ^c	3.2	2.8	2.8	2.7	2.7	2.6	-0.1	-4.4	-2.2	-0.7

^a US, Japan, France, Germany, Italy, Spain, UK, Canada, Australia and Switzerland.

^b Brazil, Russia, India, China, South Africa, Korea, Mexico, Indonesia, Poland and Turkey.

^c 'Fitch 20' countries weighted by nominal GDP in USD at market exchange rates (3 year average)

Source: Fitch Ratings

Contacts

Economics



Brian Coulton
Chief Economist
Tel: +44 20 3530 1140
brian.coulton@fitchratings.com



Robert Ojeda-Sierra
Tel: +44 20 3530 6094
robert.ojeda-sierra@fitchratings.com



Maxime Darmet-Cucchiarini
Tel: +44 20 3530 1624
maxime.darmet@fitchratings.com



Pawel Borowski
Tel: +44 20 3530 1861
pawel.borowski@fitchratings.com

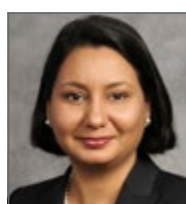


Marina Stefani
Tel: +44203 530 1809
marina.stefani@fitchratings.com

Sovereign Ratings



Charles Seville
Americas
Tel: + 1 212 908 0277
charles.seville@fitchratings.com



Shelly Shetty
Americas
Tel: +1 212 908 0324
shelly.shetty@fitchratings.com



Stephen Schwartz
Asia
Tel: +852 2263 9938
stephen.schwartz@fitchratings.com



Paul Gamble
Emerging Europe
Tel: +44 20 3530 1623
paul.gamble@fitchratings.com



Michele Napolitano
Western Europe
Tel: +44 20 3530 1882
michele.napolitano@fitchratings.com



Jan Friederich
Middle East and Africa
Tel: + 852 2263 9910
jan.friederich@fitchratings.com

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