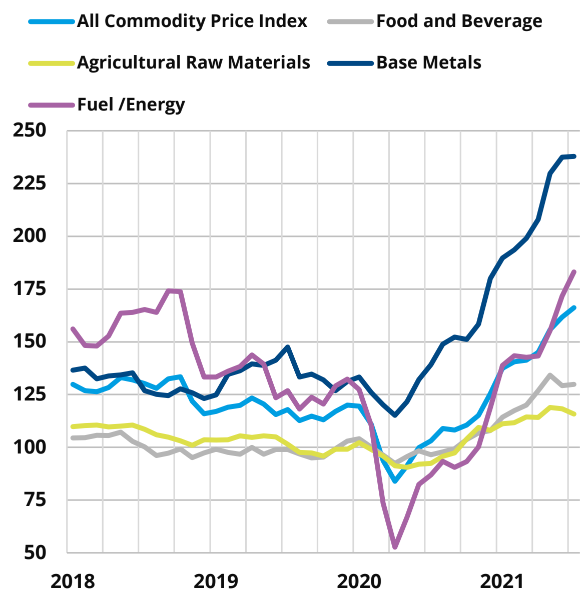
Creditreform Economic Briefs: Shift in Shortages on the Back of Vaccination Progress

As the recovery from the recession caused by the outbreak of coronavirus continues amid significant progress in the vaccination campaigns in many countries, the rapid spread of more contagious variants, against which current available vaccines may be less effective, is a reminder of likely setbacks on the way out. In the current phase, the population's inclination to get vaccinated becomes more significant as well, prompting a whole range of incentives among a number of governments to convince citizens to receive their injections.

Figure 1: Broad-based increases in global commodity prices point to cost pressures

Indices (2016=100)



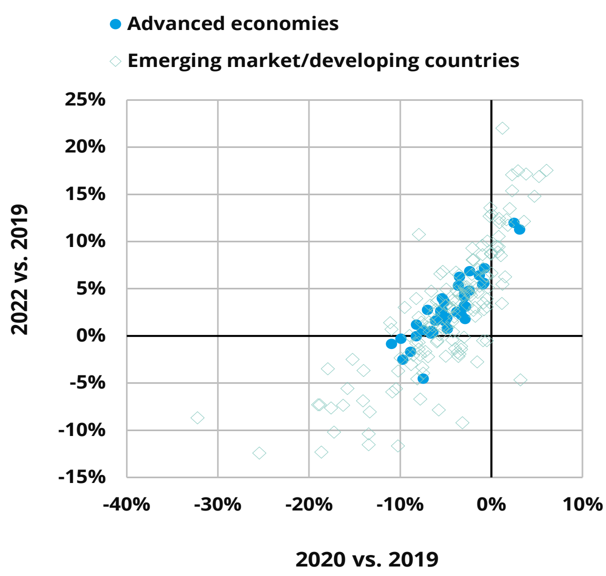
Sources: Creditreform Rating, IMF

Monetary and fiscal policy remain highly expansionary for the time being, although developments across counties may start to differ more visibly in the near future. As the business cycle in the US is more advanced, reinforcing already existing price pressure from a rebound in commodity prices and shortages of certain intermediate products (see Figure 1), the tapering discussion has gained more traction. Even in the euro area, where the recovery is at an earlier stage and where mainly commodity-driven increases in inflation are widely considered a more transitory phenomenon, talk of letting the emergency asset purchases phase out is becoming louder.

In its World Economic Outlook update from July, the IMF estimates that global GDP will rebound by 6.0% in 2021 (2020: -3.2%), representing an unchanged rate as compared to the April projection. However, this masks a more optimistic view on advanced economies against Apr-21 (+0.5 p.p. to 5.6%), driven by a brighter picture for the US, the UK, and Canada, in particular. By contrast, the forecast for emerging markets and developing countries was lowered by 0.4 p.p. to 6.3% for 2021, mainly due weaker prospects for India amid a raging Covid-19 infection wave between March and May this year. Generally, the recovery remains rather uneven between the industrialized nations and developing countries (see Figure 2). Estimates with regard to the Chinese economy were slightly downgraded to 8.1% this year (-0.3 p.p.), on account of waning fiscal support and associated public investment.

Figure 2: Developing countries may struggle to recoup lost output

Real GDP growth, IMF forecasts for 2021 and 2022



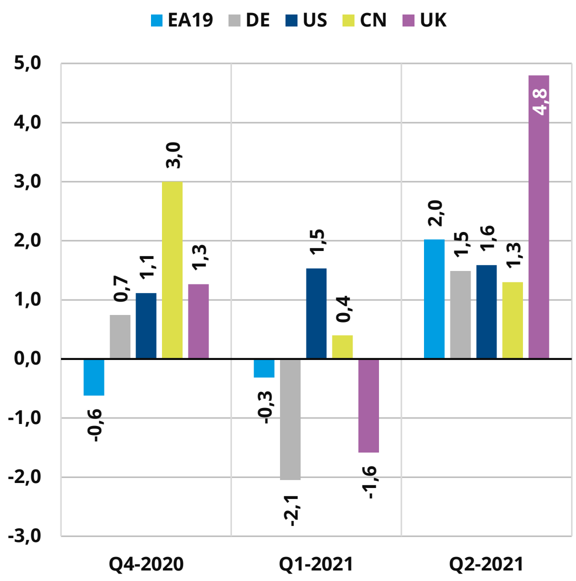
Sources: Creditreform Rating, IMF

US Fed may start tapering bond purchases in early 2022

For 2022, the IMF has revised up its global growth forecast, by 0.5 p.p. to 4.9% against Apr-21, driven by a larger expected economic expansion in the US, Japan and the euro area on the part of advanced economies, whose GDP is projected to expand by 4.4% overall next year. The economic output of emerging market and developing economies is estimated to come in at 5.2% next year, signaling a moderating pace of the recovery as well, with the Chinese economy projected to grow by 5.7%.

Figure 3: Multi-speed recovery of major economies

Real GDP growth in %, q-o-q



Sources: Creditreform Rating, OECD

The US economy, which has exceeded its pre-pandemic level already in this year's second quarter (see Figure 3), is set to benefit from a large infrastructure package over USD 1tn in the coming few years, including USD 550mn in new funding for transport, utilities, and broadband. The Federal Reserve in June upped its GDP forecast to 7.0% (median) for this year, and to 2.4% for 2023, while maintaining its projection of 3.3% for 2022. Amidst rising inflation rates, it also increased its inflation forecast (PCE inflation) by 1 p.p. to 3.4% for 2021. 2022 should then see a moderation of the price increase to 2.1% according to the Federal Open Market Committee (FOMC), and thus close to the target. Against the backdrop of the continuing economic upswing, it is becoming more likely that the Fed will start tapering its bond purchases in early 2022. As of June, the FOMC expected a first rate hike to take place in 2023.

The recovery may come at a cost

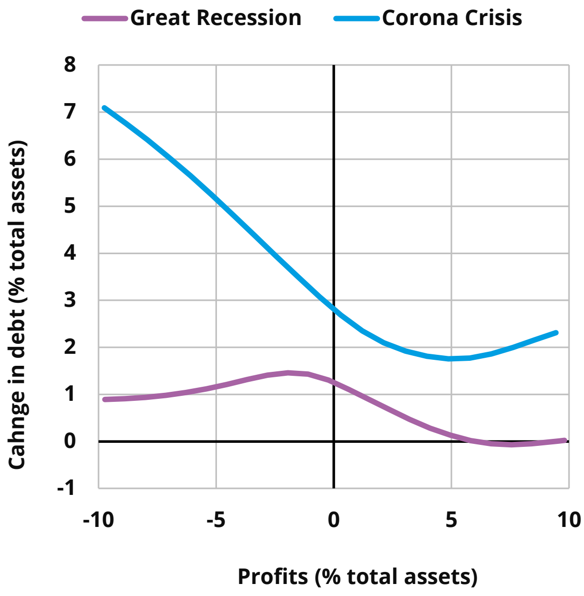
As pointed out in previous Economic Briefs, substantially higher levels of public debt will count among the main legacies of this pandemic, generally posing risks from a sovereign rating point of view. One contributor to ballooning public debt is massive support to companies. Bearing in mind that this also includes e.g. loan guarantees which constitute contingent liabilities, debt could rise further. While, understandably, the need to stabilize economic activity required swift and partly unbureaucratic help, there is a risk that a considerable amount of money may have been poured into companies that were unprofitable irrespective of the Covid-19 pandemic.

While this more or less involuntary gamble may well pay off for the government, and acknowledging that in many cases the aid was subject to conditions, the scale of financial support as compared to the global financial crisis seems enormous. The risk from the so-called zombification associated with the current pandemic is thus arguably more pronounced (see Figure 4).

Against this backdrop, the need to secure tax revenue has thus contributed to a breakthrough of sorts in terms of international taxation. In July, most of the OECD and G-20 countries reached an agreement in principle on two main pillars, involving a redefinition of the tax base among states as far as large international companies are concerned and, secondly, an effective minimum tax rate of 15%. A digital tax, on which the EU had insisted before, has been suspended for now. A final decision over the design of the reform is envisaged to be taken by October 2021. While it is generally to be welcomed that multinational enterprises pay what may be perceived as a fair tax share, the agreement may influence enterprises' choice of location and potentially also lower the attractiveness of some of the smaller European countries as a destination for foreign direct investment.

Figure 4: Substantial credit supply to loss-making corporates hints at 'zombification' risks

Non-financial corporates in AU, CA, DE, ES, FR, GB, IT, JP and US. Great Recession: Q3-08–Q2-09, where change in indebtedness is divided by total assets in Q3-08, and 'profits' is sum of profits Q4-08–Q2-09/total assets in Q3-08. Corona crisis refers to Q4-19–Q3-20, where change in indebtedness is divided by total assets in Q4-19, and 'profits' is sum of profits Q1-20–Q3-20/total assets in Q4-19

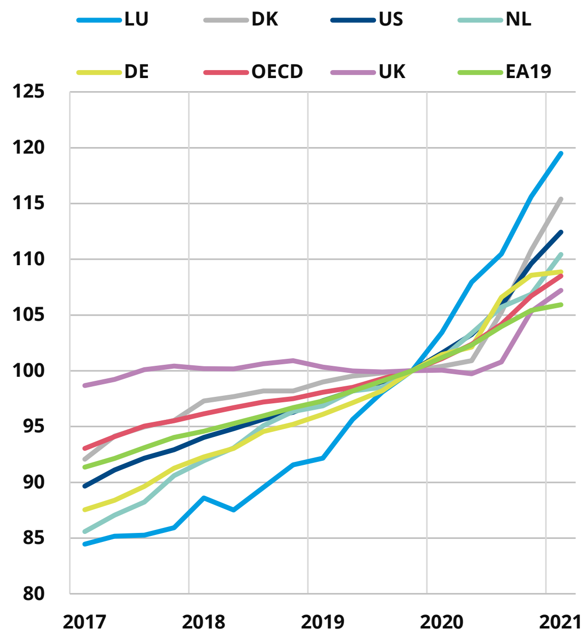


Sources: Creditreform Rating, BIS

With a view to ongoing expansionary fiscal and monetary policy, which is certainly feeding and thus prolonging the global housing market boom, the risk of a painful reversal if and when those tides are turning may be increasing (see Figure 5). Affordability indicators such as the price-to-income and price-to-rent ratio indicate that house prices are overvalued in many advanced and emerging market economies.

Figure 5: House price inflation continues amid expansionary fiscal and monetary policy

Real house prices, index (Q4-2019=100)



Sources: Creditreform Rating, OECD

Euro area: Accelerating recovery, but setbacks looming from virus mutations

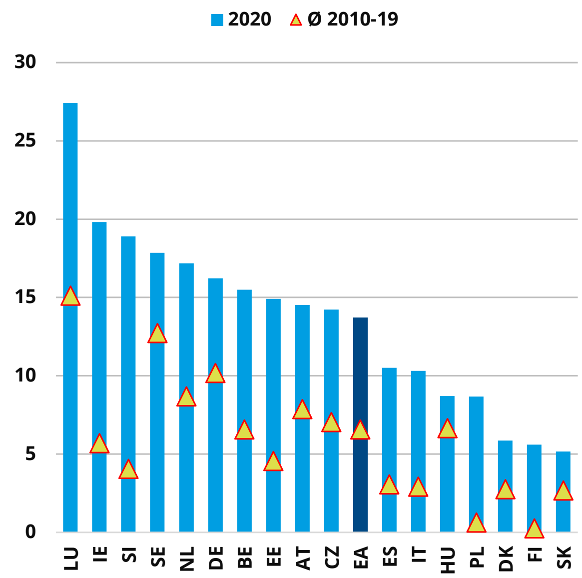
After posting negative quarterly growth in Q1-21 on the back of restrictions to public life as surging Covid-19 cases burdened many member states, the second quarter brought relief in this respect, enabling real GDP to bounce back by 2.0% q-o-q (13.7% y-o-y). Constraints on society were eased in light of a falling incidence rate and amid vaccination progress gaining traction. While among the four largest euro area economies Spain and Italy registered the largest increases in Q2, 2.8% and 2.7% q-o-q respectively, especially Spanish economic output remains well below its pre-crisis level, with a gap of 6.8% compared to Q4-19. As a point of reference, real GDP in Germany and France posted 3.3% and 3.4% below the pre-pandemic level, 3.0% in the euro area overall.

We expect the euro area economy to continue its recovery over the remainder of the year and in 2022, chiefly driven by domestic demand. Latest soft data support this view, with the European Commission's

Economic Sentiment Indicator hitting an all-time high in July (record starts in 1985) and suggesting sentiment may be close to its peak, judging by diminishing improvements. The PMI Composite Output Index climbed further to 60.2 in July - a 15-year-high - backed by vivid activity both in the manufacturing sector (62.8) and, increasingly, in the service sector (59.8). Consumer confidence edged down in July, while remaining above its pre-crisis level.

Figure 6: Record-high saving rates point to fire-power for consumption

Private households and NPISH, net saving ratio, in % of net disposable income



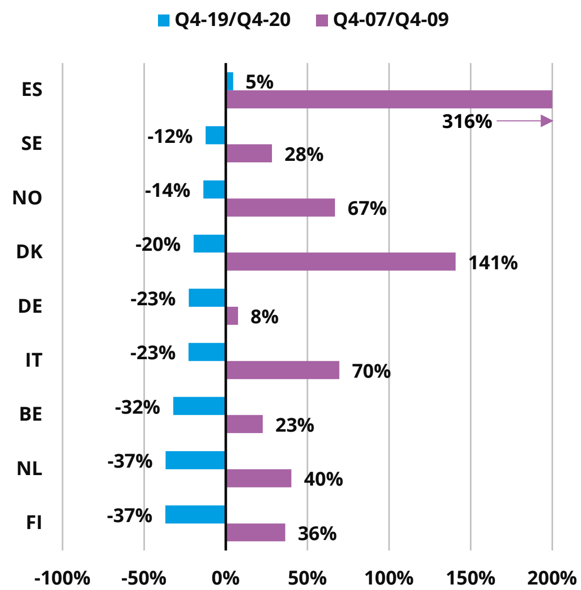
Sources: Creditreform Rating, OECD

With regard to the main pillars of GDP growth this year and next, domestic demand will likely obtain substantial impulses from household spending. Looking at households' saving rates, which have significantly increased over the corona crisis, there is a considerable amount of pent-up demand on the way to be released, in light of easing restrictions (see Figure 6). Thanks to extensive national measures such as furlough schemes, as well as EU-level support measures such as the EU's temporary Support to mitigate Unemployment Risks in an Emergency (SURE), the fallout from the health crisis and related constraints has proved limited for the labor market. SURE comes with an envelope of EUR 100bn, of which EUR 94.3bn have been approved and EUR 89.6bn have been disbursed by now.

While a higher number of insolvencies entailing job losses was largely avoided through bankruptcy moratoria, in particular compared to the Global Financial Crisis, insolvencies may start to rise after all once the moratoria expire, although there are efforts to smooth the transition (see Figure 7). Taking a closer look at the unemployment breakdown by age group, educational level and citizenship, the crisis seems to have driven up mainly unemployment among the less well-educated, young people and foreigners, hence groups typically employed in some of the most affected sectors such as tourism-related sectors as well as food and accommodation (see Figure 8).

Figure 7: Wave of insolvencies largely prevented this time

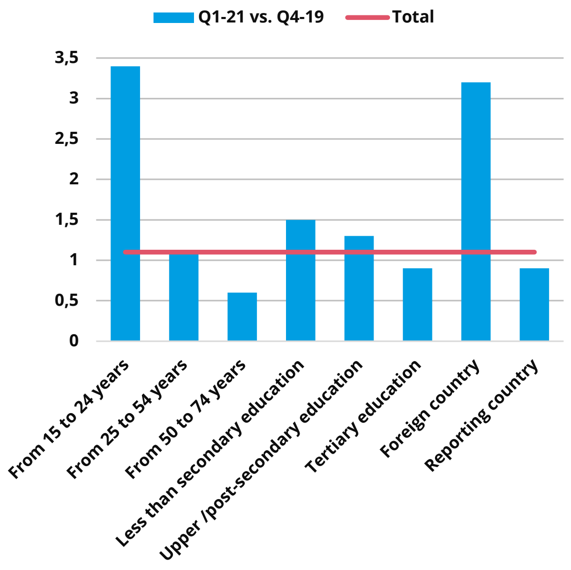
Percentage change in the number of bankruptcies



Sources: Creditreform Rating, OECD

Figure 8: Headline unemployment figures mask heterogeneous labor market impact

Increase in unemployment rate, percentage points



Sources: Creditreform Rating, Eurostat

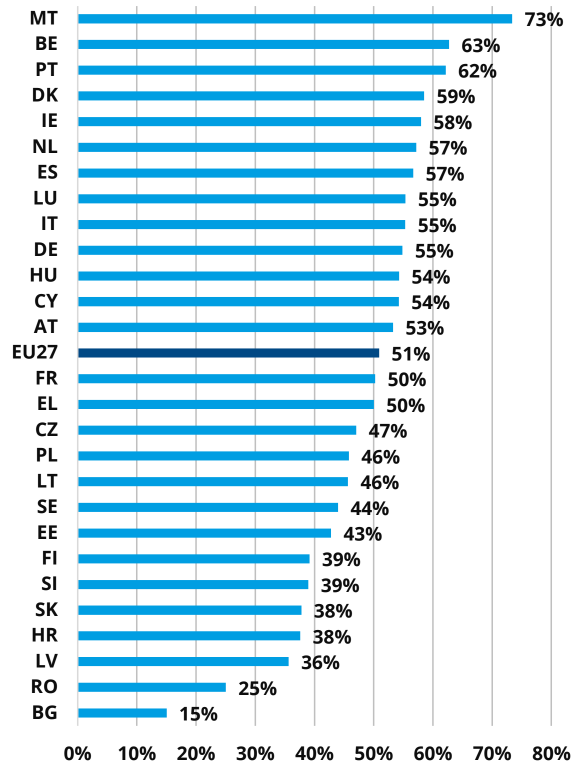
As to investment, NextGenerationEU will provide a large boost via grants and loans in many EU countries, with the aim of fostering the digital transformation and of facilitating the transition towards renewable energy sources, along with improving social inclusion. Most national recovery and resilience plans have been greenlighted by the European Commission and the European Council by now, so that first disbursements are being made. Other than that, financial conditions are still very favorable in light of ongoing highly accommodative monetary policy.

With the global recovery progressing, euro area exports should see a sizeable rebound this year, although tourism looks set to remain hampered by the recently accelerated Delta virus wave and possible further mutations that call for caution in many places. While not entering the European Commission's industry confidence indicator, managers' assessment of their export order books was close to a record high in July. Notwithstanding the expected strong increase of domestic demand, which should also be reflected in a substantial rise in imports, net exports should still add slightly positively to GDP growth this year, albeit less so next year.

Overall, we expect the euro area GDP to expand by about 4.7% this year and by 4.4% in 2022. While the NGEU-related impulse could entail upside surprises further out, we see downside risks relating to the Delta variant in the short term, as this is causing renewed disruption in a number of European countries already, in the wake of what widely represents a fourth infection wave.

Figure 9: Europe appears to be some way off herd immunity

Fully vaccinated share of total population in %



Sources: Creditreform Rating, ECDC, Eurostat

In addition, progress of the vaccination campaign seems to have slowed, which is why various ways of incentivizing more inoculations are emerging across countries – spanning from mandatory vaccination for certain professions to financial incentives for private persons. At the time of writing, roughly 51% of the total population in the EU, including children up to the age of 17y, were fully vaccinated (see Figure 9). Herd immunity, which is thought to be reached once about 80% of the whole population has been immunized (either via vaccination or from having overcome a Covid-19 infection), thus seems some way off, representing a persistent source of uncertainty to economic developments, in addition to possible further virus mutations. Setbacks in this recovery thus remain on the cards.

Accordingly, the ECB has not changed its expansionary monetary policy stance at its meeting in July. The Governing Council confirmed that it expects net asset purchases under PEPP with a total envelope of EUR 1,850bn to continue until at least the end of March 2022, and the net purchases under the APP to continue at a monthly pace of EUR 20bn.

Following its decision to establish a symmetric inflation target of 2% over the medium term in a recent strategy review, the Governing Council revised its forward guidance on interest rates in order to reflect its commitment to sticking with its accommodative stance.

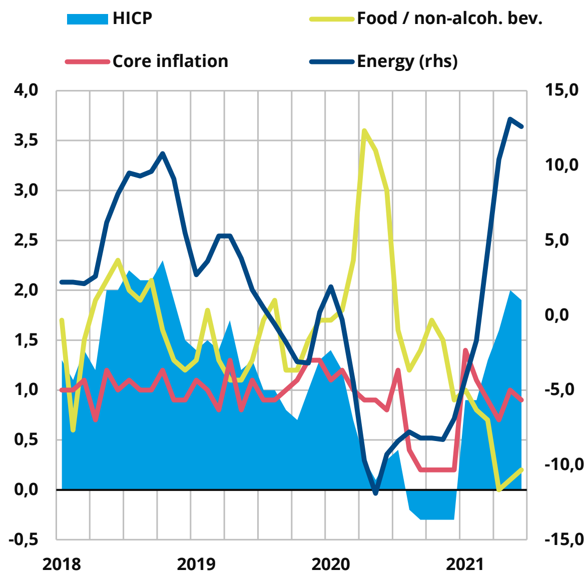
The ECB thus expects the monetary policy rates to remain at their present or lower levels until it sees inflation reaching 2% well ahead of the end of its projection horizon and durably for the rest of this horizon, and until it judges that realized progress in underlying inflation is sufficiently advanced to be consistent with inflation stabilizing at 2% over the medium term. With that, the ECB may thus temporarily tolerate an inflation rate moderately above 2%.

The recurring specter of inflation?

In the current context of rising price pressure, the ECB's emphasis on the symmetric 2% target seems more significant insofar as higher euro area inflation rates are likely transitory. HICP inflation in the euro area reached 2.2% in July, according to the flash estimate, with energy prices (14.1% y-o-y) as a major driving force. Excluding energy, food, alcohol and tobacco, the core rate remained at a very moderate 0.7% in July (see Figure 10). Amid the euro area members, HICP inflation rates varied widely, spanning from 0.4% in Malta to 4.9% in Estonia. Among the four largest euro area economies, Germany's inflation rate came top in July, posting at 3.1%, mainly driven by base effects.

Figure 10: Energy prices are a major driver of euro area inflation

HICP inflation rate and selected components, annual rate of change in %, core = overall index excl. energy, food, alcohol, and tobacco



Sources: Creditreform Rating, Eurostat

We think that remaining slack in the economy will tame underlying inflation for some time to come, also bearing in mind non-excessive wage increases. However, in case of positive growth surprises, supply shortages as regards certain products could prove more persistent and/or intensify, and could be added to by stronger wage growth, thus ultimately leading to more sustained upward pressure on consumer prices.

Looking beyond the short to medium term, we think that other factors may add to inflationary pressures, but have not taken center stage in the international debate, yet. Thus, prices could see more sustainable increases if wage growth in Asian emerging markets lead to persistently higher prices of labor-intensive, imported consumer goods. More importantly, we view mounting demographic pressure as well as the transition to a greener economy, the latter implying higher production costs of many goods, as conducive to stronger price increases in Europe.

EU upping its green stakes

Further to greening the economy, the European Commission's 'Fit for 55' program aims to reduce CO_2 emissions by 55% by 2030 compared to 1990 levels. So far, the target has been 40%. The authority proposes tightening eight laws and passing four new ones. If current proposals are accepted by the European Council and by the European Parliament, which at this stage seems unlikely, this will burden consumers through higher energy prices for some time to come and will cause structural disruptions for a number of industries such as the car industry and its suppliers.

This can have a significant negative impact on jobs for which compensation must be provided. Negotiations on the proposals are to begin in September, with criticism from various countries suggesting this will be a long process, despite perceived lack of time for what is widely considered a very pressing issue. EU member states would have to find a common position for each individual proposal, for which they can revise the Commission's plans. On tax issues, unanimity would be required. The rules would only enter into force if Council and Parliament agree.

Germany in election mode

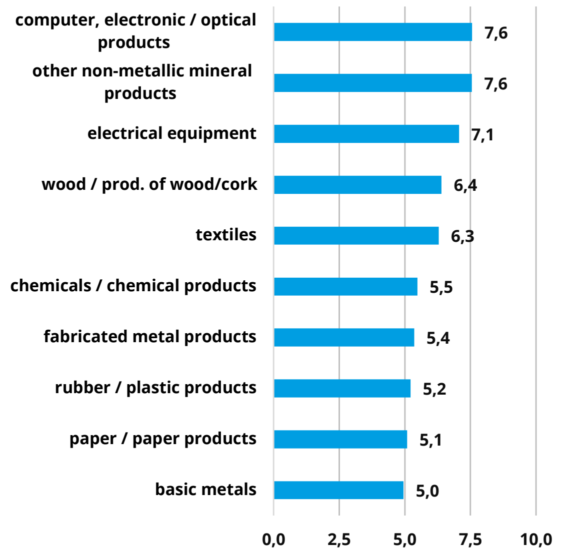
Having experienced a milder decline than the euro area overall last year, German economic output still has some way to go to recoup lost ground compared to the pre-crisis level in Q4-2019. The third Covid-19 infection wave and associated restrictions were weighing on economic activities in this year's first quarter, along with severe winter weather and the reinstated VAT rate, resulting in a GDP decline by 2.1% q-o-q (revised from -1.8%). Amid easing social distancing requirements as the infection rate slumped, also on the back of vaccinations gaining traction, the economy bounced back in the second quarter. The increase by 1.5% q-o-q of real GDP was mainly carried by private and public consumption.

We have slightly revised our GDP growth forecast to 3.0% this year and 4.4% in 2022, mainly due to the Federal Statistical Office's benchmark revision. Private consumption should be well-supported by a benign labor market development. The fallout from the health crisis has been comparatively limited on the German labor market in the first place, and the safety net in the form of a short-time work scheme with higher replacement income from a certain duration has been extended until the end of the year.

As of May-21, about 2.226mn employees were subject to short-time work according to preliminary information, meaning that the number has been on the decline since February. Measured against the peak in April 2020, the number has come down by almost two thirds. The monthly unemployment rate, which had climbed from 3.4% in Jan-20 to 4.1% in autumn 2020 (Eurostat data, LSF-adj.) has since edged down, but at 3.7% in July remained above the pre-crisis level. However, prospects for the labor market remain constructive, as suggested by the upward trending ifo Employment Barometer. That said, the indicator dipped in July, suggesting more hesitant hiring intentions in the service sector, among others.

Figure 11: High capacity utilization backing positive outlook for investment

Difference between long-term average (1990-2020) and current level of capacity utilization (Q3-21) in percentage points



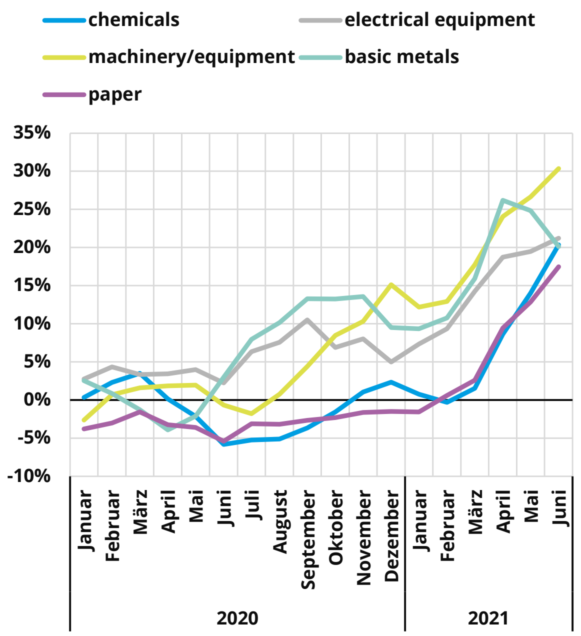
Sources: Creditreform Rating, European Commission

German fixed investment should remain supported by high capacity utilization (see Figure 11), favorable financing costs, as well as by improving business sentiment as the economic recovery in important trading partners such as the US and China has been motoring on, also improving the outlook for German exports.

These broadly benign prospects notwithstanding, the recovery is to some degree hampered by the abovementioned bottlenecks on the supply side, e.g. concerning crucial intermediate products, especially semiconductors, for the car industry, but also wooden materials needed in the construction sector (see Figure 12).

Figure 12: Industrial production can hardly catch up with new orders

Difference of smoothed (3-months-moving average) y-o-y change in new orders and industrial production, in percentage points



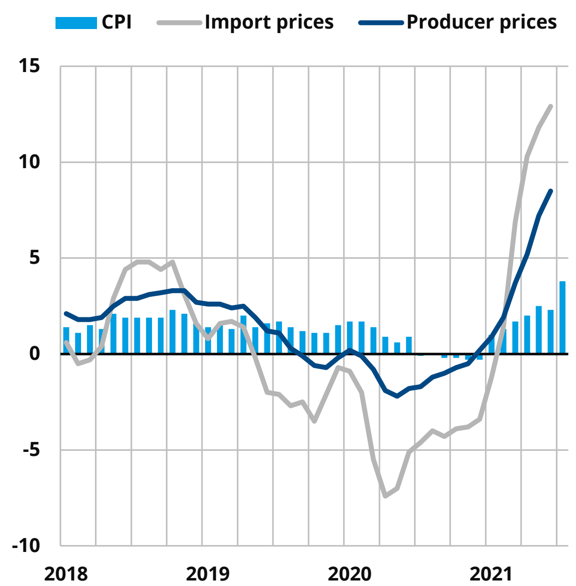
Sources: Creditreform Rating, Federal Statistical Office

Initially assumed to be transitory, supply-side bottlenecks appear stubbornly persistent for the time being, due to a forceful recovery that is taking place in many countries at the same time, intensified by massive amounts of investment being poured into digital and green energy infrastructure. This is coinciding with disruptions of major international transport routes such as the blockage of the Suez Canal in March this year and temporary shutdowns of major Chinese ports due to corona cases that have led to substantial freight delays over the course of the year.

The shortages also contribute to price increases on the producer and ultimately the consumer level (see Figure 13). Following a rather subdued and partly negative inflation rate in 2020, averaging 0.4%, HICP inflation surged to 3.1% in Jul-21, which however also includes base effects as the VAT rate was lowered from Jul-20 for the second half of 2020. Core inflation, here excluding food, energy, alcohol and tobacco stood at 1.8% in July. Wage pressure will likely remain contained, although we expect an increase in gross wages per employee, following a slight decline (-0.1% y-o-y) in the crisis year 2020. On average, this metric rose by 2.8% over the period 2010-20. Overall, we expect the inflation rate to decrease somewhat in 2022.

Figure 13: Import and producer prices driving German CPI inflation to highest level since 1993

Annual rate of change in %



Sources: Creditreform Rating, Federal Statistical Office

Meanwhile, the ifo business climate declined in July for the first time since November 2020, to 100.8 points, although it remained above its pre-pandemic level. Companies surveyed assessed their current situation again as better than in the previous month, whereas their expectations for the coming six months have clouded markedly, partly due to continuing supply bottlenecks, but also amidst increasing concern over a rising Covid-19 incidence rate in a burgeoning fourth wave. Looking at the different sectors, optimism faded in all sectors but construction. As regards the manufacturing sector, expectations deteriorated for a fourth consecutive month. Also, supply bottlenecks are increasingly reported in the retail sector.

As far as insolvencies are concerned, the downward trend observed over the last months, aided by a temporarily suspended obligation to file for insolvency, has continued. Business insolvency requests dropped by 25.8% in May-21. The early indicator for normal business insolvencies has been more or less stagnating between May and Jul-21, exceeding its level in Jul-20 by 0.4%.

While our main scenario remains an ongoing economic expansion carried by domestic demand and net trade and alike, we acknowledge that the above-mentioned risks could slow the recovery down somewhat.

Further out, we note several cross-currents which may curb German medium- to longer term growth. Not only will this concern the labor market in respect of having to compete for talent to stem the aspired-to digital and green transformation, as well as in respect of having to upskill/reskill the workforce accordingly. Shortages are also likely to intensify with regard to raw materials for batteries and the related infrastructure, or electricity generation more generally.

Digitalization, social inclusion, greening the economy and the financing thereof will also be major topics in the imminent election campaign, compounded by the devastating flooding in parts of Germany in July that have further increased attention to extreme weather conditions likely caused by climate change. Judging by latest polls, the race has become closer again, with CDU/CSU seeing their recent lead narrowing markedly as support is waning. SPD, on the other hand, has been gaining over the last few weeks, while the Green party seems to be recovering somewhat. Income tax relief for low and middle-income earners also seems to emerge as a common theme, with CDU/CSU and FDP pledging not to increase income tax for the better-off, contrary to the Left party. Moreover, SPD, Green party and the Left party plead for introducing a wealth tax.

While we consider a black-green coalition still as a likely outcome at this stage, the most recent shifts would suggest a nominally higher share of combined votes for a traffic-light coalition (SPD, Greens, FDP). Both scenarios seem to suggest a more decisive pursuit of the green transformation and more regulatory intervention in this regard, with a higher financial burden on consumers as emissions trading will likely be extended to further industries. In terms of the massively increased public debt over the course of the pandemic, we think that fiscal consolidation will remain a priority in most conceivable government constellations.

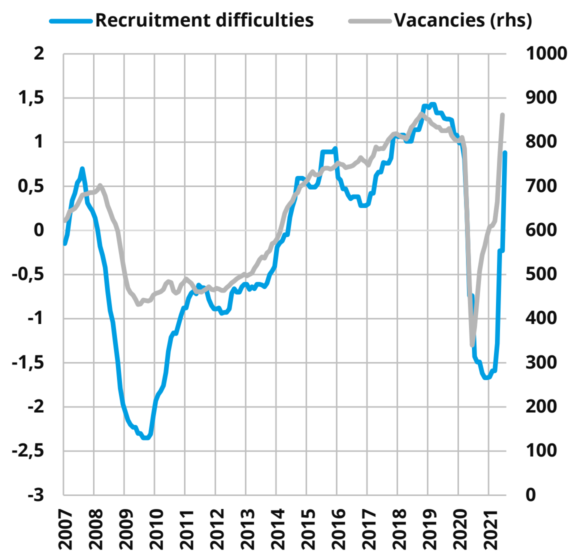
United Kingdom: Gambling on resurrection

As in other European countries, UK economic activity was curbed by anti-crisis measures at the beginning of the year, causing real GDP to shrink by 1.6%. Amid a partial lifting of restrictions, real GDP rebounded sharply by 4.8% q-o-q in Q2-21 (first estimate ONS), with private consumption expanding by a strong 7.3%. Measured against its pre-crisis level, however, UK GDP was still 4.4% below its level registered in Q4-19.

Sentiment indicators such as the PMIs in the manufacturing, services, and construction sectors continue to point to ongoing growth, with all three moving well in expansionary territory in July (above 50 points). This being said, July saw a notable deterioration, widely due to reported shortages of staff and/or materials. Whilst the number of full and part-time furloughed jobs has continued to decline, standing at roughly 1.9mn as of Jun-21, the number of vacancies has increased further. At the same time, difficulties in recruiting suitable staff seems to have increased as well, pointing to mismatches (see Figure 14).

Figure 14: The UK has trouble filling a rising level of vacancies

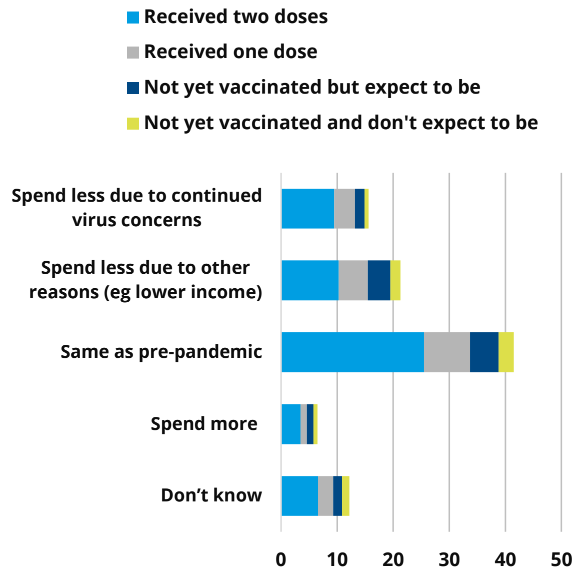
Number of vacancies in thousands, BOE indicator of recruitment difficulties = Differences from average, number of standard deviations



Sources: Creditreform Rating, Bank of England, ONS

Figure 15: Significant share of households held back by doubts

Household spending plans over the next three months compared with before the pandemic by vaccination status



Sources: Creditreform Rating, Bank of England

What is more, the strong GDP rebound in Q2 partly masked challenges to the UK's car production related to scarcity of microchips, mirroring the above-mentioned difficulties facing many countries at this stage.

According to the National Institute of Economic Research's (NIESR) monthly tracker, GDP is currently on course to expand by about 2.4% q-o-q in the third quarter. While against this backdrop and despite the described challenges on the supply-side our annual GDP forecast for 2021 from March (5.0% y-o-y) overall looks too tame, we have to stress that a rising number of Covid-19 cases calls for caution. A recent survey offering more granular data on spending behavior of private households suggests that more than a third of the people surveyed expected to spend less than prior to the pandemic over the next few months, with almost half of those naming ongoing virus concerns (see Figure 15).

We would thus expect total economic output to grow by about 7.1% this year and moderate to about 5.1% next year. While Brexit-related frictions with regard to UK-EU trade appear to have receded somewhat, they still pose some headwinds for trade and investment at present. Otherwise, investment should remain backed by relatively benign financing conditions and fiscal measures such as the 'super deduction' announced in March, which is likely to boost investment in plants and machinery.

Since having plummeted to 40.8 (per 100 thousand people over 14 days, ECDC) in this year's calendar week 20, the UK's corona incidence rate took off again, on the back of easing restrictions and possibly accelerated by watching the football Euro championship in public. By week 29, which also includes the UK's 'Freedom day' on 19 July that removed most restrictions to public life, the incident rate stood at 847.3. At the same time, vaccination is progressing further, with the share of fully vaccinated (having received second dose) adult people in the population at 75.3% as of 10-Aug. Furthermore, amid the extensive test and trace activity performed by the NHS, there has been a strong increase in the number of people asked to self-isolate.

Support from fiscal and monetary policy remains in place. A range of anti-crisis measures has been extended until the fall to allow for a smoother normalization beyond 'freedom day', among them the Job Retention Scheme which is due to expire at the end of September.

The Bank of England's Monetary Policy Committee (MPC) lifted its inflation forecast at its August meeting, on the back of higher inflation rates largely pushed by rising energy prices and some other goods prices, but considers the period of higher rates to be temporary. The Committee now projects the inflation rate to mount to around 4% in the coming two quarters and to fall back to 2% in late 2023.

Despite elevated uncertainty around the evolution of coronavirus and mutations, the MPC signaled continued accommodative monetary policy. It voted unanimously to maintain the Bank Rate at 0.1% and to maintain the stock of sterling non-financial investment-grade corporate bond purchases at GBP 20bn. The majority (7:1) also was in favor of maintaining the target of GBP 875bn as regards the stock of government bonds under the government bond purchase program, with one dissenter expressing a preference to reduce it to GBP 830bn.

Apart from that, while not intending to signal lowering the key monetary policy rate into negative territory, the MPC confirmed that technical preparations had progressed so as to allow for implementation of a negative Bank Rate if warranted.

The UK housing market has remained firm, notwithstanding expiring transaction tax reductions. Rather, housing supply was tightened somewhat through slower residential construction activity and a lower stock of property for sale. Having said this, housing demand in city centers, in particular in the capital, appears to have calmed somewhat, not least due to higher demand for properties offering more outside space.

Figure 16: Our real GDP forecasts point to a diverging speed in economic recovery among advanced economies

In %, IMF forecasts for World, China, US

	2010-19	2019	2020	2021e	2022e
World	3,7	2,8	-3,2	6,0	4,9
Euro area	1,4	1,4	-6,4	4,7	4,4
Germany	2,0	1,1	-4,6	3,0	4,4
France	1,4	1,8	-7,9	5,9	4,4
Italy	0,3	0,3	-8,9	5,1	4,2
Spain	1,1	2,0	-10,8	6,0	6,2
UK	1,8	1,4	-9,8	7,1	5,1
US	2,3	2,2	-3,5	7,0	4,9
China	7,7	6,0	2,3	8,1	5,7

Sources: Creditreform Rating, IMF

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