

Report on expected developments

Global economy in recession

At the start of 2009, the global economy finds itself in a major recession. Governments and central banks on both sides of the Atlantic have taken extensive action to counteract the negative impact of the financial market crisis on the economy but uncertainty remains unusually high. The International Monetary Fund (IMF) expects global economic output to grow by only 0.5% in 2009 – recession level for the global economy. In this climate, global trade is likely to shrink or grow only slightly (IMF: –2.8%, OECD: 1.8%).

Growth forecasts

	2008	2009
Global trade volume	4.1	–2.8
Real gross domestic product		
Global	3.4	0.5
Industrial nations	1.0	–2.0
Emerging markets	6.3	3.3
Central and Eastern Europe	3.2	–0.4
Former CIS states	6.0	–0.4
Emerging markets in Asia	7.8	5.5
Middle East	6.1	3.9
Latin America and the Caribbean	4.6	1.1
Africa	5.2	3.4

Source: IMF, World Economic Outlook, October 2008; update, January 2009.

In the United States, even the economic measures planned by the government hardly seem sufficient to prevent a decline in GDP (IMF: –1.6%, OECD: –0.9%, Postbank Research: –1.1%).

Due to its high dependency on exports, the Japanese economy is likely to be badly hit by the global downturn. It faces a slump of between –0.1% (OECD) and –3.1% (Postbank Research). In China, GDP is expected to continue its advance but, at 6.7% (IMF), at a clearly slower rate than in previous years.

The downswing in the euro zone looks set to continue. Over the course of the year, the ECB's substantial interest rate reductions, the lower oil price, the weaker euro and the economic measures planned by the countries should gradually start to take effect. Nevertheless, GDP is expected to fall for the first time in the history of the monetary union (European Commission: –1.9%, Postbank Research: –1.6%).

In all likelihood, the German economy will also contract substantially. This will notably affect exports and corporate investments and, as a consequence, jobs and private consumption. Opinions about whether and how far GDP could fall vary widely (German government: –2.25%, Kiel Institute for the World Economy: –2.7%, Postbank Research: –1.9%).