

GLOBAL ECONOMIC OUTLOOK APRIL 2025



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Cut-off date for data

16 April 2025

CF survey date

7 April 2025

GEO publication date

25 April 2025

Notes to charts

ECB, Fed, BoE and BoJ: midpoint of the range of forecasts.

The arrows in the GDP and inflation outlooks indicate the direction of revisions compared to the last GEO. If no arrow is shown, no new forecast is available. Asterisks indicate first published forecasts for given year. Historical data are taken from CF, with exception of MT and LU, for which they come from OE.

Leading indicators are taken from Bloomberg and Refinitiv Datastream.

Forecasts for EURIBOR and LIBOR rates are based on implied rates from interbank market yield curve (FRA rates are used from 4M to 15M and adjusted IRS rates for longer horizons). Forecasts for German and US government bond yields (10Y Bund and 10Y Treasury) are taken from CF.

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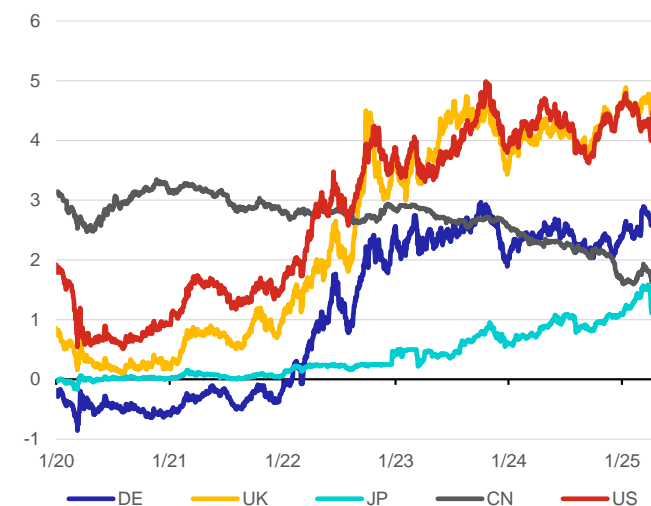
I. Introduction

The war in Ukraine is far from over! One hundred days in office of the new US administration under the leadership of President Trump has not brought about any tangible shift towards peace. The Western world is following these developments with significant concerns, and defence spending in Europe is rising sharply. The security situation is deteriorating and the degree of economic uncertainty is also rising.

A dangerous economic game: A tariff for a tariff... Tariff increases on imports of goods to the USA that the US administration began applying when Donald Trump assumed the presidency in January are a major shift in US trade policy, raising concerns about greater global protectionism. According to the official US stance, these measures to curb imports of goods from almost all countries in the world should protect domestic industry and reduce the trade deficit. The tariff rates have changed so often recently that the result is not only concerns over the level of the tariff rates, but mainly uncertainty in the global business environment undermining the economy. Trade war risks, recession fears and high inflation hit markets hard and caused significant volatility. Stock markets recorded historical volumes of stocks traded, while bond markets dealt with rising US yields related to the loss of their premium status and confidence in them as a safe asset.

Central banks face considerable challenges due to the protectionist measures, where they must strike a balance between stabilising inflation close to the target in the context of supporting economic growth. From the perspective of the optimal monetary policy response, it will be crucial to correctly assess the intensity of the concurrent inflationary and anti-inflationary factors, including their distribution over time. There is a crucial dilemma for central banks as to whether to complete the monetary policy easing phase or to at least suspend this process.

Trends in ten-year government bond yields in monitored countries over the last five years, %



Source: Bloomberg

The chart in the current issue shows the above developments on the bond markets of selected economies. US bond yields surged in April in response to massive sell-offs by investors. In particular, this was a response to the hard-to-predict and also very aggressive tariff policies of US President Trump, which undermined confidence in the US economy, previously long perceived as a safe haven. At the same time, the rise in yields reflected an escalation of tariffs between the USA and China, which is one of the largest US creditors.

The current issue also contains an analysis: [Capital outflow: Threat or catalyst for economic growth?](#) The article focuses on outgoing foreign direct investment from small open economies through an analysis of the two largest global investors – the USA and Germany. While US investment often stimulates domestic production, the German model may, on the contrary, weaken domestic investment. The article thus questions the generally positive perception of current account surpluses and draws attention to possible structural weaknesses behind them.

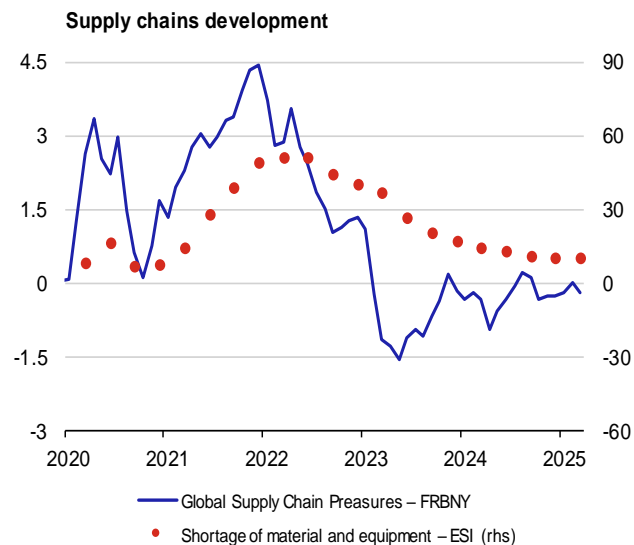
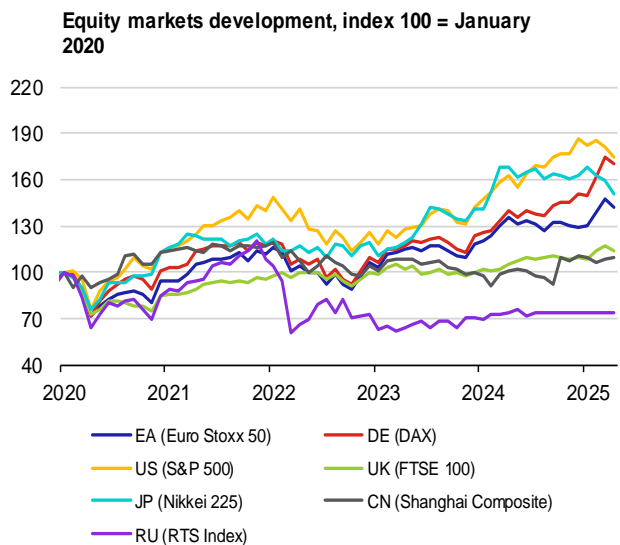
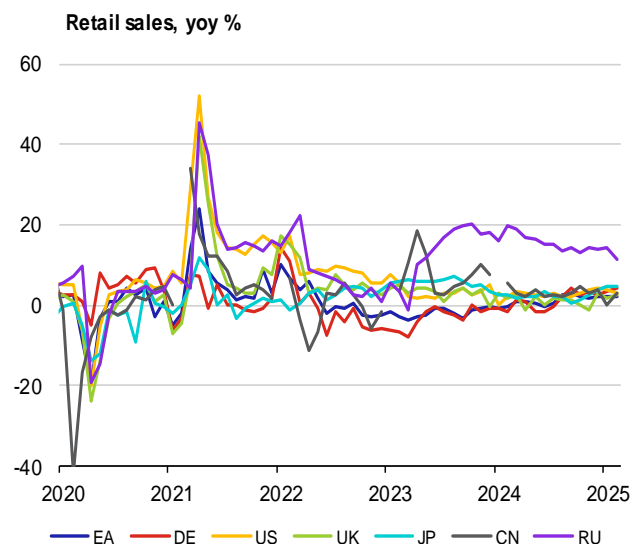
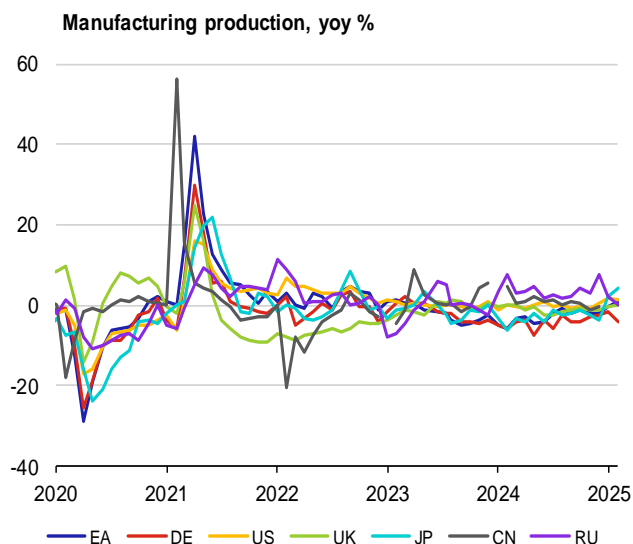
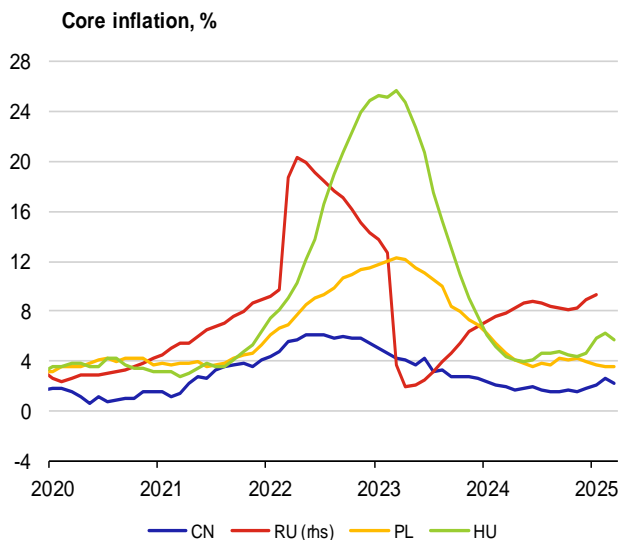
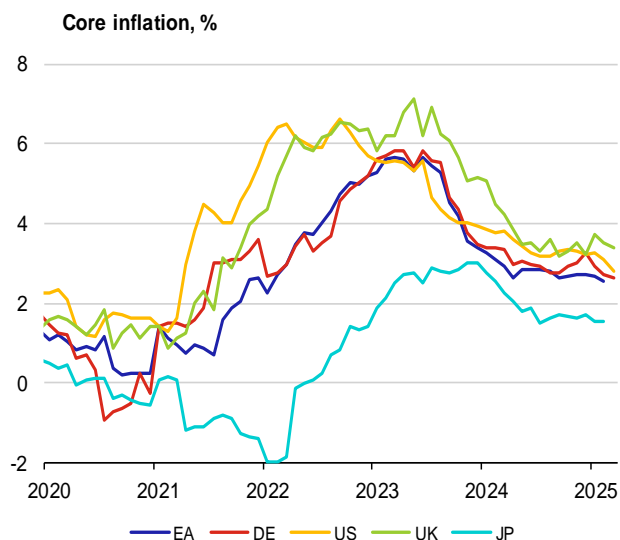
GEO barometer for selected countries

		EA	DE	US	UK	JP	CN	RU
GDP (%)	2025	0.9 ➡	0.1 ➡	1.4 ➡	0.7 ➡	1.0 ➡	4.5 ➡	1.7
	2026	1.2 ➡	1.3 ➡	1.7 ➡	1.1 ➡	0.7 ➡	4.2 ➡	1.2
Inflation (%)	2025	2.2 ➡	2.2 ➡	3.2 ➡	3.1 ➡	2.9 ➡	0.5 ➡	7.1
	2026	1.9 ➡	2.1 ➡	2.7 ➡	2.4 ➡	1.8 ➡	1.0 ➡	5.1
Unemployment (%)	2025	6.4 ➡	6.3 ➡	4.4 ➡	4.7 ➡	2.5 ➡	3.7 ➡	2.6 ➡
	2026	6.4 ➡	6.2 ➡	4.6 ➡	4.7 ➡	2.4 ➡	3.4 ➡	3.7 ➡
Exchange rate (against USD)	2025	1.09 ➡	1.09 ➡		1.29 ➡	144.9 ➡	7.34 ➡	94.8 ➡
	2026	1.11 ➡	1.11 ➡		1.30 ➡	138.8 ➡	7.23 ➡	101.7 ➡

Source: Consensus Forecasts (CF)

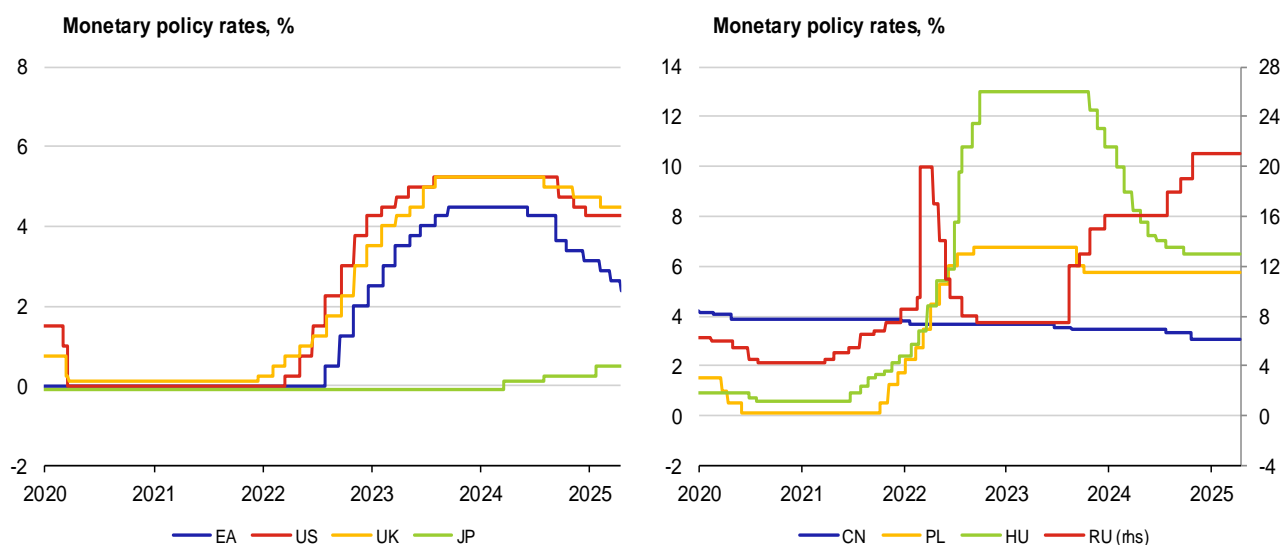
Note: The arrows indicate the direction of the revisions compared with the last GEO.

II. Macroeconomic barometer



Source: Refinitiv Datastream, European Commission.

II. Central Bank Monitoring



Latest monetary policy developments at selected central banks

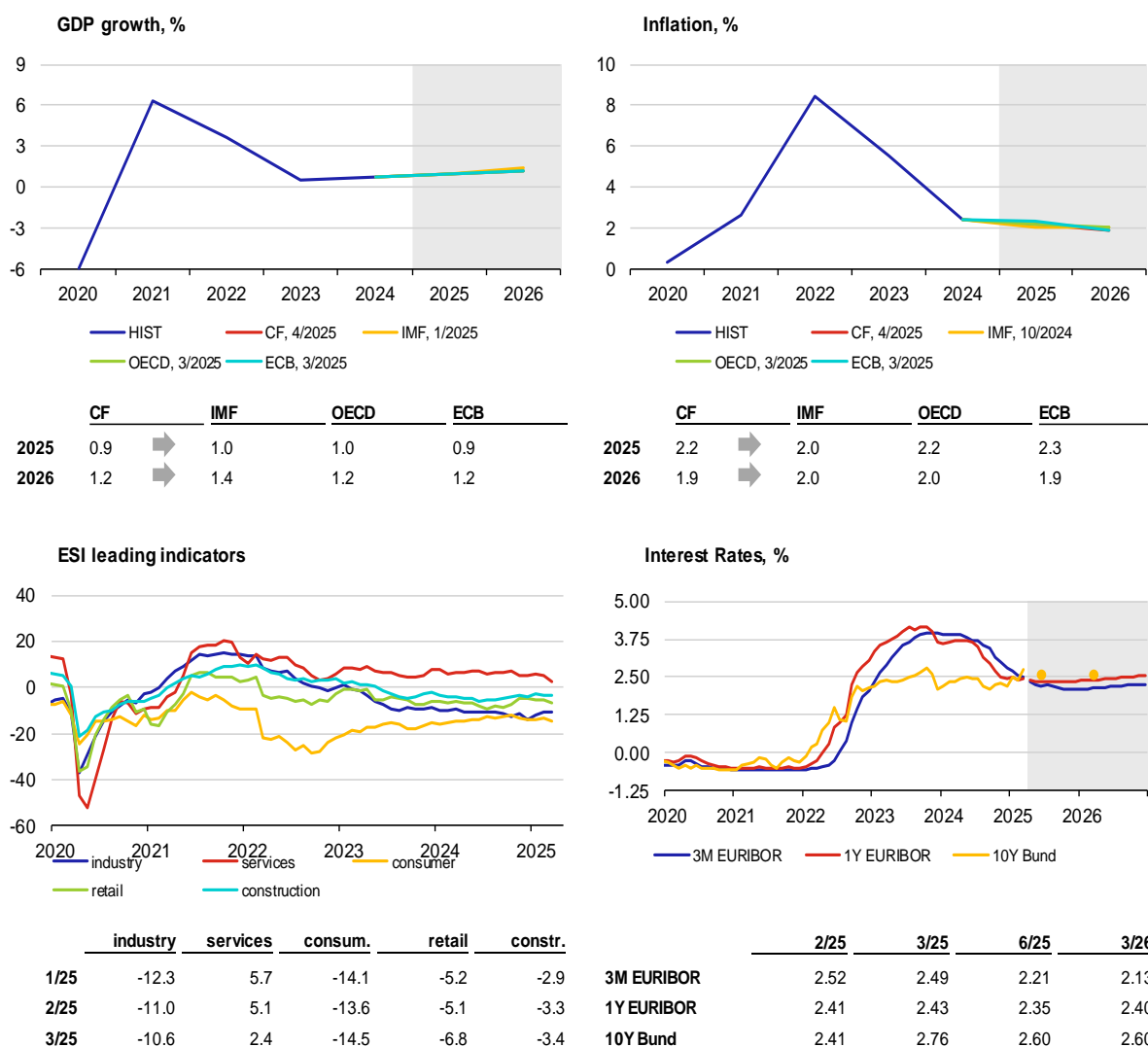
	euro area (ECB)	USA (Fed)	United Kingdom (BoE)	Japan (BoJ)
inflation target	2 % (HICP)	2 % (PCE)	2 % (CPI)	2 % (CPI)
latest inflation	2,3 % (2/2025)	2,5 % (2/2025)	2,6 % (3/2025)	3,7 % (2/2025)
current basic rate	2,25 %	4,25–4,50 %	4,5 %	0,5 %
Publication of MP decision (rate changes)	17. April (-0,25)	18.–19. March (0,0)	20. March (0,0)	18.–19. March (0,0)
expected MP decisions	5. June	7. May	8. May	1. May

	China (PBoC)	Russia (CBR)	Poland (NBP)	Hungary (MNB)
inflation target	-	4 % (CPI)	2,5 % (CPI)	3 % (CPI)
latest inflation	-0,1 % (3/2025)	10,3 % (3/2025)	4,9 % (3/2025)	4,7 % (3/2025)
current basic rate	3,1 %	21,0 %	5,75 %	6,5 %
Publication of MP decision (rate changes)	20. January (0,0)	21. March (0,0)	2. April (0,0)	25. March (0,0)
expected MP decisions	-	25. April	7. May	29. April

III.1 Euro area

Economic growth in the euro area will remain subdued this year, reaching 1.2% next year according to available outlooks. At the end of last year, GDP growth in the euro area slowed (to 0.2% quarter on quarter), with growth in household and government consumption, as well as investment growth slowing. From a sectoral perspective, the euro area owed its slight expansion solely to the services sector, among which public administration, education and healthcare stood out in the last six months, while the contribution of industry to gross value added growth was negative. This could reverse in Q1, as industrial production showed steady month-on-month growth in January and February. Retail sales growth was subdued, but exceeded the average for last year's Q4. The pace of GDP growth in Q1 could thus slightly exceed the year-end value. The composite PMI is in similar territory, rising above the 50-point level at the start of the year and rising further in March, thanks mainly to growth in the industrial sub-index. Lower economic sentiment according to the ESI survey and falling consumer confidence (despite record-low unemployment) remain a risk to growth, as the trade war with the US will probably not help economic sentiment in the near future. The analysts' outlooks have not yet responded more significantly to the flood of tariff changes. CF expect GDP to grow by 0.9% this year, the same as the ECB forecast in March. The OECD forecast was only slightly more optimistic. The consensus is for a pick-up in the pace of growth to 1.2% next year.

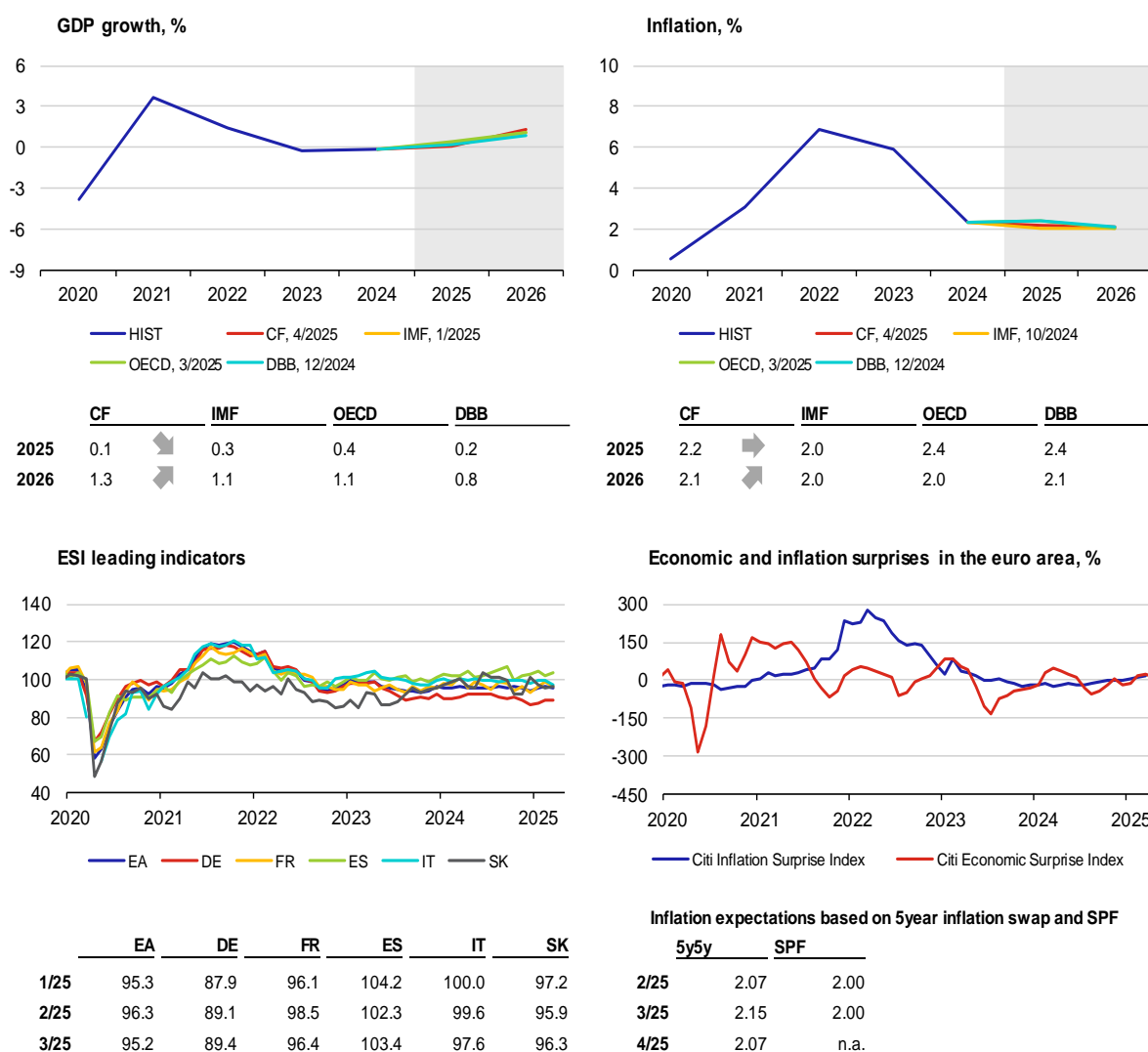
At its April meeting, the ECB reduced its rates by 0.25% in line with market expectations. The disinflation process is continuing in the euro area, with inflation falling to 2.2% in March. The ECB underlined the risk of higher prices in services, where price growth fell to 3.5% in March. In its March forecast, the ECB expected inflation to average 2.3% this year and 1.9% next year and to be at the 2% inflation target in 2027. Food price inflation is expected to be elevated, although energy price inflation is expected to be subdued this year and the next. The market now expects a total of three rate cuts by the end of this year, which would bring the deposit rate to 2%, the neutral level according to analysts.



III.2 Germany

While the German economy recorded a year-on-year decline of 0.2% last year as a whole, the planned fiscal impulse opens the way for stronger growth in the future. The persisting downturn in the industrial sector remains a risk factor. The ZEW economic sentiment survey shows that business optimism in Germany fell sharply in April (-14 points), putting it on the lowest level in almost two years. This means it was the steepest monthly decline since March 2022, when sentiment fell sharply as a result of the Russian invasion of Ukraine. The decline in sentiment is negatively affecting export-oriented industries, reflecting uncertainty stemming from relatively aggressive US trade policy. By contrast, the announcement of a postponement of increased tariffs by the USA and exemptions for selected goods imported from China triggered a positive reaction in European stock indices, including the German DAX, suggesting some decoupling between macroeconomic pessimism and market expectations. In the coming years, the German economy will benefit from a strong stimulus effect due to the planned fiscal expansion through an increase in public spending on defence and infrastructure, including the establishment of a dedicated EUR 500 bn infrastructure fund financed through new government bonds, and exempting defence spending from the debt brake limit. The total amount of this fiscal impulse over the next 12 years is estimated at almost a trillion euro, but legal and political obstacles that may slow down or alter planned changes should be taken into account. According to the April CF analysts' outlook, the German economy will remain flat in year-on-year terms this year and speed up to 1.3% next year.

Consumer prices, as measured by the HICP, rose by 2.3% year on year in March. Energy price inflation had an anti-inflationary effect, while food price inflation accelerated. The prices of services, whose above-average annual growth reached 3.5%, also contributed to the overall inflationary pressures. Core inflation reached 2.6% year on year, which also confirms the inflationary environment in other key product groups. CF analysts expect consumer prices to rise by 2.2% year on year this year, whereas next year they should slow slightly to 2.1%.



III.3 United States

The tariff policy of US President Donald Trump is significantly influencing the financial markets and Americans' expectations. Combined with rising geopolitical risks, there is considerable uncertainty regarding future developments on the markets, especially in international trade. According to CF analysts, the US economy will grow by just 1.4% year on year in 2025. The Fed's March outlook estimates growth at 1.7%, whereas the OECD is more optimistic and expects growth of 2.2% in its March outlook. The announcement of increased tariff rates in early April led to a decline in financial markets and a revision of some GDP growth estimates. For example, an estimate using the GDPNow model used by the Atlanta Fed forecasts a 2.8% decline in GDP in the first quarter, with net exports being the main source of the decline. By contrast, domestic consumption should continue to rise. On the contrary, another model – the Economic News Index used by the St. Louis Fed – expects GDP growth of 2.9%.

Consumer price inflation in the USA is still elevated and it is expected that the introduced tariffs will have an effect on consumer prices. A return to the inflation target is therefore likely to be delayed. Annual inflation fell to 2.4% in March and core inflation fell to 1.8%, but core prices remain elevated by 2.8% year on year according to the PCE index. The new CF outlook significantly revised expected inflation for this year to 3.2% and 2.7% next year. The Fed's March outlook for this year is 2.7%, whereas the estimate for 2026 was increased to 2.2%.

The Fed's March meeting ended in line with expectations with no rate change. Fed representatives now expect about two rate cuts by the end of the year. However, market expectations are even more ambitious, assuming three reductions with the first one coming at the June meeting; rate stability is expected at the May meeting. In its observations, the Fed is trying to mitigate excessive expectations of volatile and uncertain markets and emphasises the need to manage inflation carefully. The bond market is also currently under pressure. Holders are selling bonds off and long-term bond yields are rising – not only in the USA, but also in other global markets.



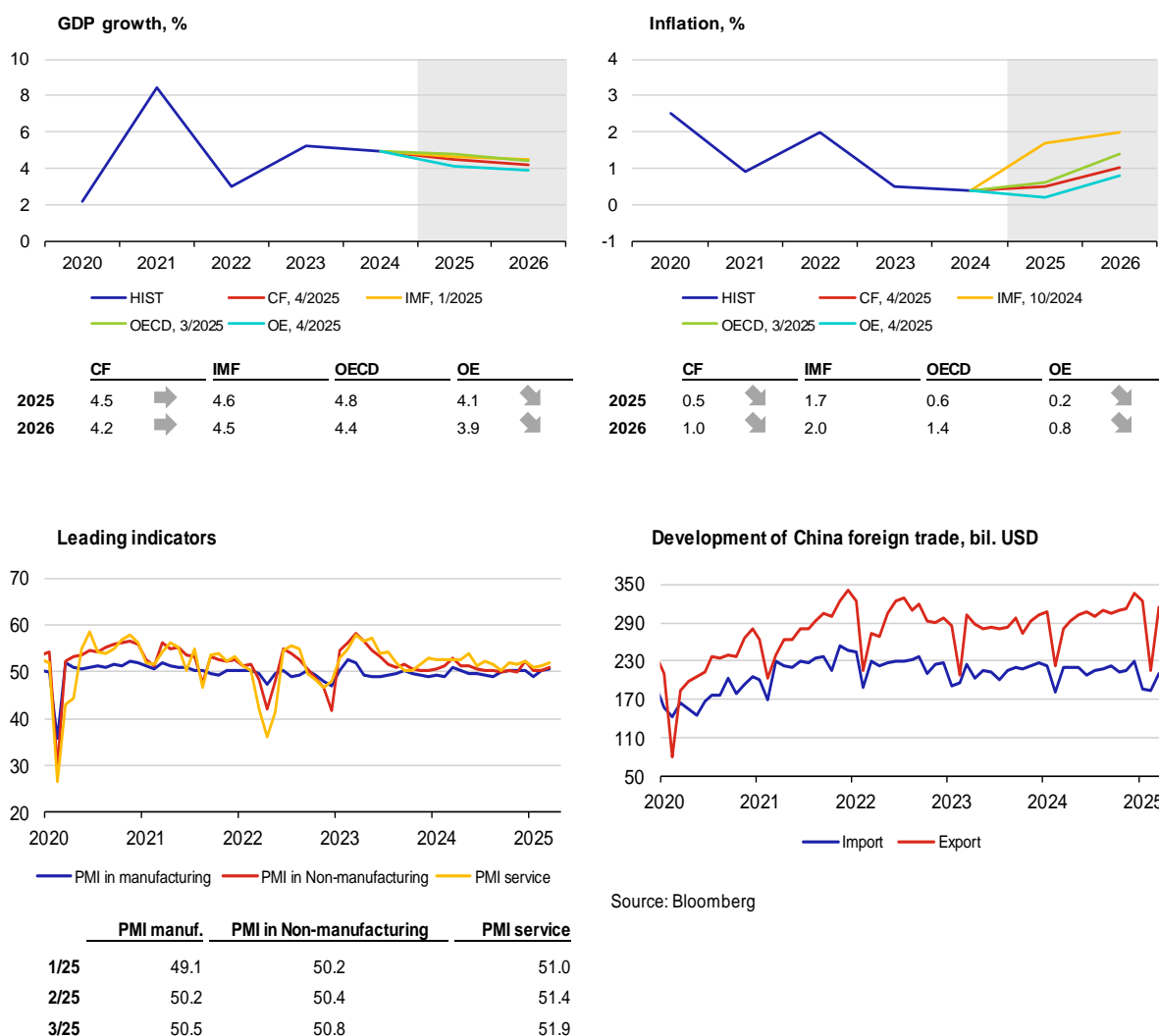
III.4 China

The Chinese economy has shown significant signs of recovery since the beginning of the year. According to official data, annual GDP growth was 5.4% in Q1, the same as in Q4 of last year. Retail sales increased particularly in March and unemployment in urban areas decreased. A large part of this recovery is a response to government stimulus measures, which will have to be even more wide-ranging in the months ahead, mainly due to the incipient trade war with the USA. Industrial production rose by 5.9% year on year in February, more than for most of last year. Among the main industries, growth was strongest in the automotive industry (12%), followed by computers and communication equipment (over 10%).

Business sentiment exhibited corresponding trends in Q1. The aggregate PMI has been rising since December 2024, reaching 51.4 points in March. Both manufacturing and non-manufacturing sectors contributed to this growth, but services had the highest value. On the other hand, unemployment in the younger group has tended to rise since the beginning of the year. However, most forecasts foresee a slight seasonal improvement in employment in the spring months.

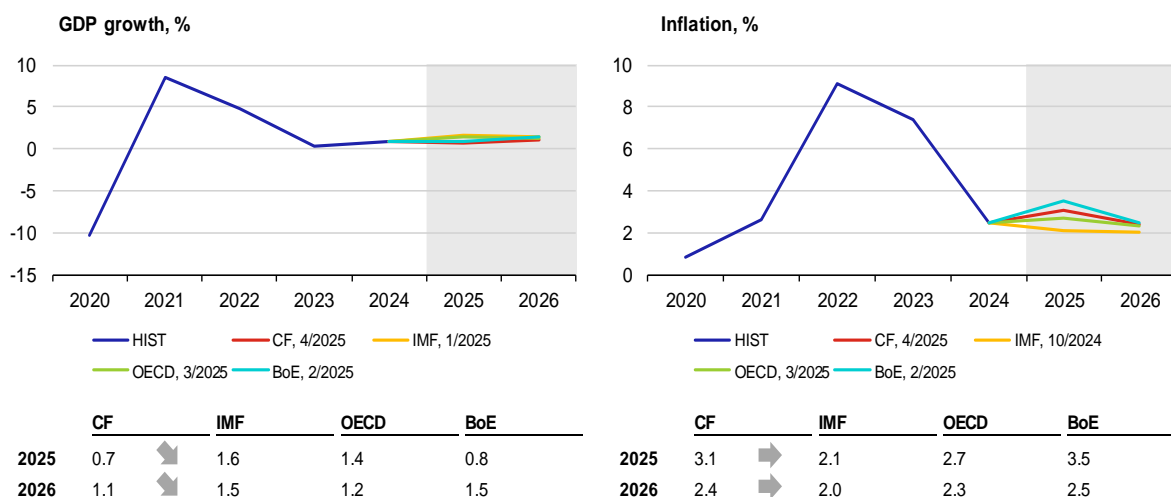
The excess of supply over demand was reflected in a return to deflation in consumer prices from the start of the year. In March, the CPI fell by 0.1% year on year and 0.4% month on month (-0.7% year on year and -0.2% month on month in February). By contrast, core inflation returned to growth in March (by 0.5% year on year) following a deflationary episode in February (the first since January 2021). Producer prices have been falling, albeit at a slow pace, for more than a year, and are expected to decline further.

China's foreign trade has been experiencing strong reversals and uncertain prospects since the start of the year. Exports grew exceptionally strongly in March (12.4% year on year), evidently in an effort by exporters to supply as much volume as possible before new tariffs took effect in the USA. Import trends turned negative in February and continued to decline in March, mainly because of uncertainties regarding the outlook for domestic demand.



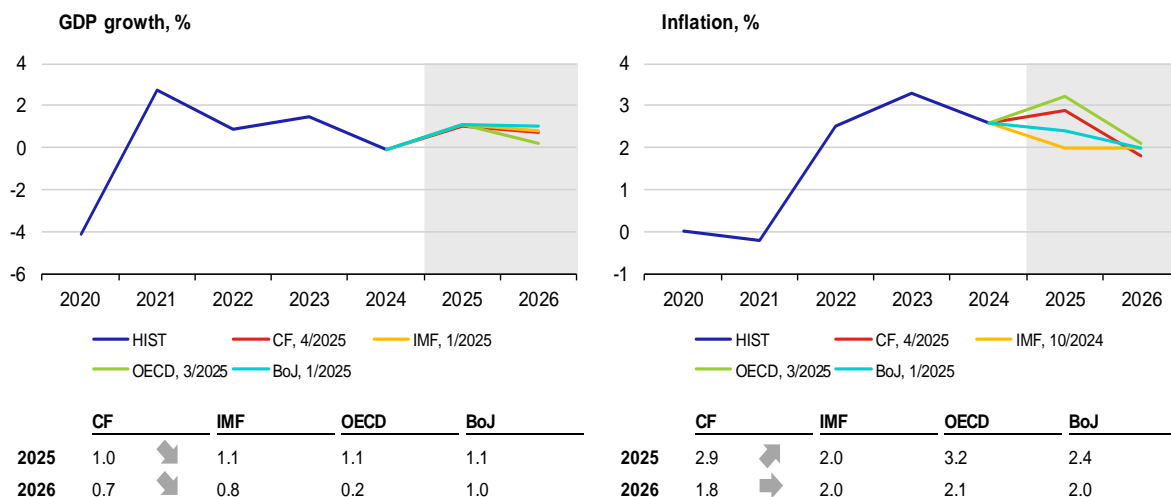
III.5 United Kingdom

The forecasts for UK economic growth have been hit by Trump's aggressive tariffs. Economists expect confidence and investment to decline. According to the average of ten forecasts made after the tariffs were introduced in early April, GDP should grow by just 0.8% this year (as also predicted by the BoE). CF lowered their expectations and predict similar growth (0.7%), which is expected to rebound above 1% in 2026. The trade war also comes when the economy was hardly growing in Q4 of last year (0.1%). The BoE also warned about the growth impact of tariffs, but pointed out that the inflation consequences are unclear so far. At its March meeting, it decided to keep the basic interest rate at 4.5% and stated it would proceed with reductions with caution. Consumer inflation slowed above expectations to 2.6% in March, due mainly to recreation and culture and to lower petrol prices. Core inflation also slowed slightly (3.4%), as did inflation in the important services category (4.7%). According to both CF and BoE forecasts, inflation will be more than 3% on average this year (an increase in the cap on energy prices, increases in some taxes and the minimum wage) and will slow to 2.5% next year.



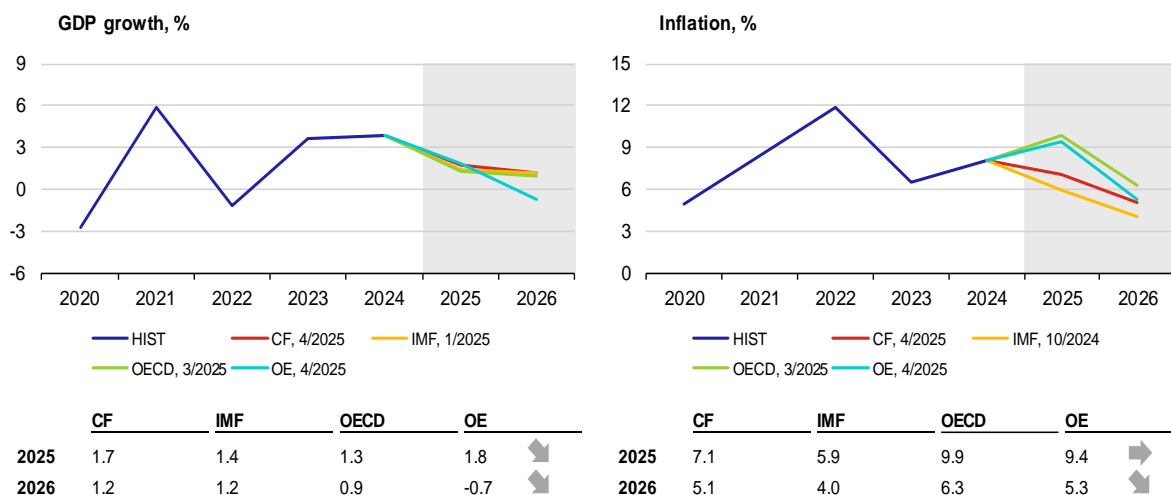
III.6 Japan

The initial optimism about a further increase in interest rates by the Bank of Japan (BoJ), caused by rising inflation and wage growth, is being mitigated by uncertainty regarding US trade policy. Owing to global uncertainty, the yen appreciated significantly, putting a further burden on the export-oriented country. The government bond market is also experiencing hard times. At the long end, the yield premium rose to a 23-year high due to speculation about a fiscal expansion in Japan coupled with liquidity drying up and increased volatility. The change in the BoJ's stance on raising interest rates also contributed to the steeper yield curve. Now only part of the market assumes a further increase in rates this year. The central bank will wait and see how the tariff war develops, although economic fundamentals would otherwise push it into a further rate hike. The inflation outlook for 2025 remains elevated, together with relatively solid GDP growth. Convergence towards the inflation target is expected next year, with GDP growth close to the potential, while CF expect only 1% for the basic interest rate, which is in the lower estimated band of the neutral rate.



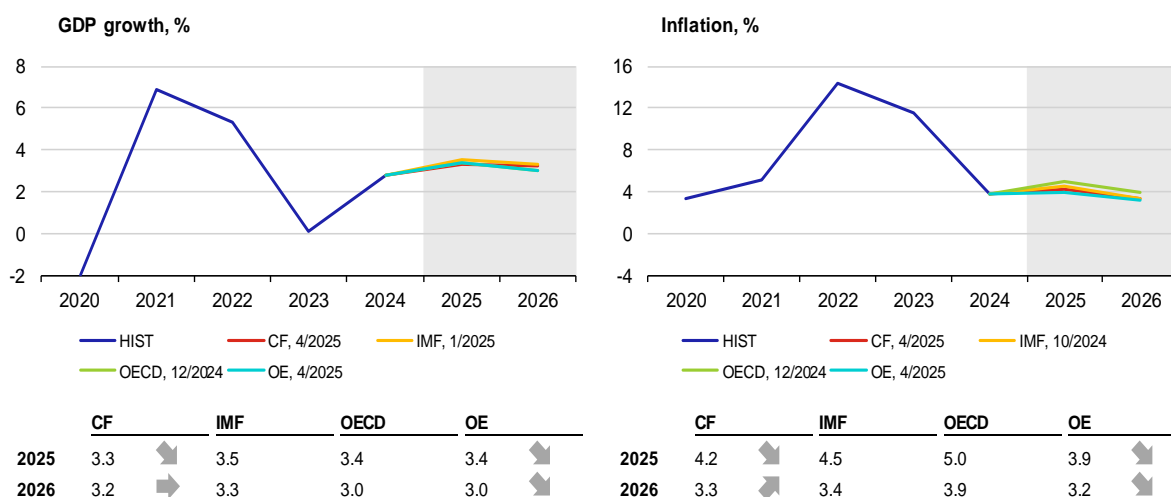
III.7 Russia

The Russian economy accelerated temporarily at the year-end due to a high production volume based on government orders. GDP growth rose from 3.3% to 4.5% in Q4, adding to the further overheating of the economy and pushing inflation into double digits in 2025. Consumer price inflation rose for the fifth consecutive time in March, reaching 10.3%. Based on the outlook and leading indicators, the Russian Federation's central bank expects economic activity to slow quarter on quarter in Q1. Price growth will also be more moderate due to the strengthening rouble (around RUB 82 to the dollar in mid-April). The Russian economy is also being adversely affected by a fall in oil prices, which is a major source of state revenues. In mid-April, the Brent crude oil price fell well below the assumptions of the baseline scenario of the CBR forecast for 2025 (USD 80/barrel on average for the year), which increases the risks for future economic developments.



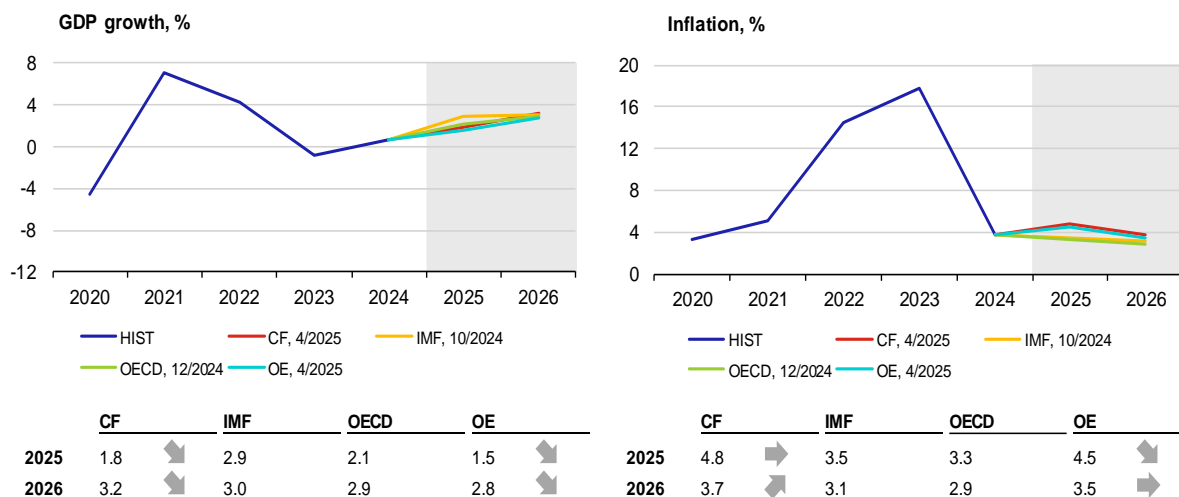
III.8 Poland

The government projections foresee economic growth of 3.9% this year, thanks mainly to consumption and investment activity. However, the negative effects of global trade tensions may foster lower growth. Poland's GDP rose by 3.2% year on year in the fourth quarter of 2024, driven mainly by growth in domestic demand (4.8%). Inflation stabilised at a level that remains above the NBP's inflation target, with the consumer price index rising by 4.9% year on year in March, in line with the rates observed in previous months. Despite the revised lower inflation outlook, the NBP still expects inflation to remain above the tolerance band for most of the year. At its April meeting, the Monetary Policy Council decided to leave the basic interest rate unchanged (5.75%) in line with expectations, but the probability of a rate cut at the next meetings is higher in response to current economic trends, especially lower-than-expected price and wage growth.



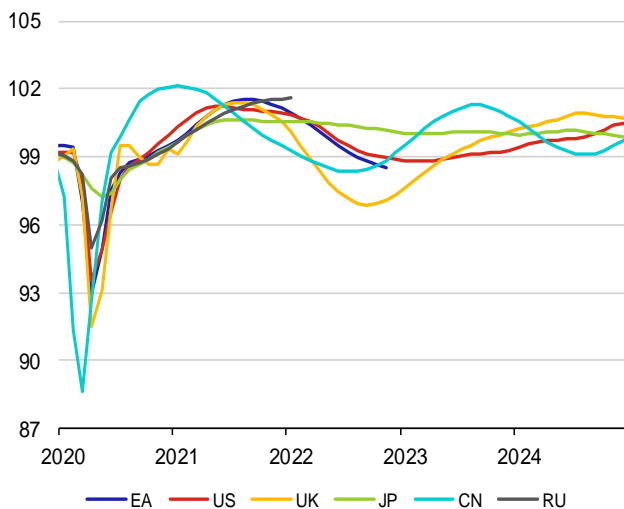
III.9 Hungary

Hungary is facing elevated inflation, which reached its highest level in the EU at the beginning of this year. The Hungarian government therefore capped margins on basic foods in mid-March. Annual consumer price inflation fell in March (by 0.9 pp), but remains elevated (4.7%) outside the central bank's tolerance band (2–4%). The basic interest rate therefore remains at 6.5% and the MNB has ruled out an early cut. In addition to the potential impacts of trade wars, the weakening forint remains a risk to growth in domestic prices. The April inflation outlook for this year is therefore 4.8% according to CF analysts, and OE analysts see it similarly this year (4.5%). In addition, S&P lowered its credit rating outlook for Hungary in April in view of fiscal stability risks stemming from uncertain growth prospects, high interest expenditure, decreasing inflows of EU funds and expenditure pressures ahead of the eagerly awaited elections. The GDP outlooks for the years ahead are lower in response to a continuing decline in industrial production, a sizeable fall in new orders and poor consumer sentiment.

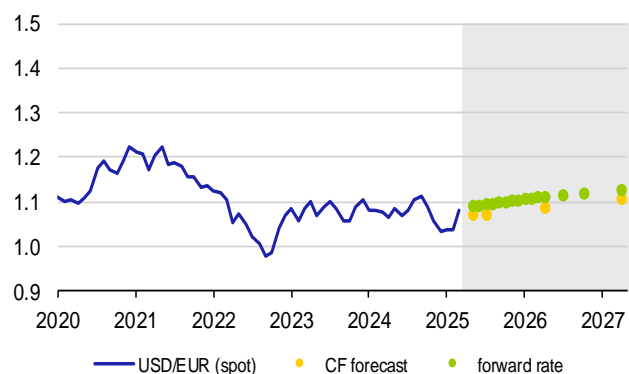


IV. Leading indicators and exchange rate outlooks

OECD Composite Leading Indicator

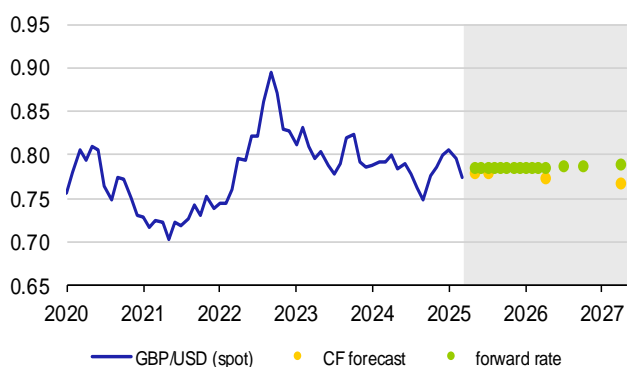


The US dollar (USD/EUR)



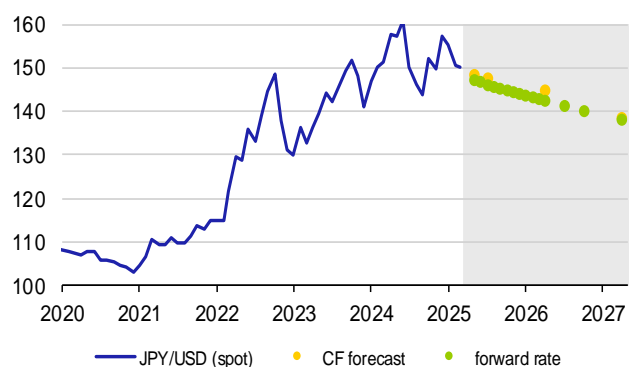
	7/4/25	5/25	7/25	4/26	4/27
spot rate	1.092				
CF forecast		1.075	1.075	1.088	1.109
forward rate		1.093	1.097	1.113	1.131

The British pound (GBP/USD)



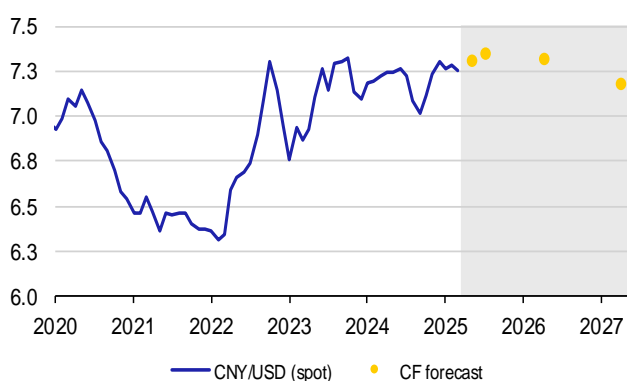
	7/4/25	5/25	7/25	4/26	4/27
spot rate	0.784				
CF forecast		0.779	0.781	0.775	0.767
forward rate		0.786	0.786	0.787	0.790

The Japanese yen (JPY/USD)



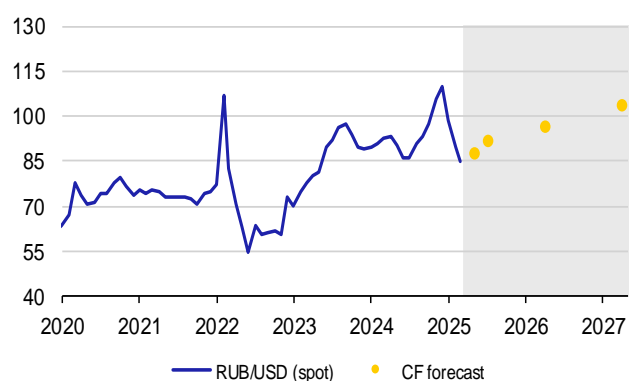
	7/4/25	5/25	7/25	4/26	4/27
spot rate	147.6				
CF forecast		148.7	147.9	144.9	138.8
forward rate		147.3	146.3	142.5	138.2

The Chinese renminbi (CNY/USD)



	7/4/25	5/25	7/25	4/26	4/27
spot rate	7.322				
CF forecast		7.312	7.351	7.325	7.183

The Russian rouble (RUB/USD)



	7/4/25	5/25	7/25	4/26	4/27
spot rate	86.15				
CF forecast		88.16	92.14	97.00	104.00

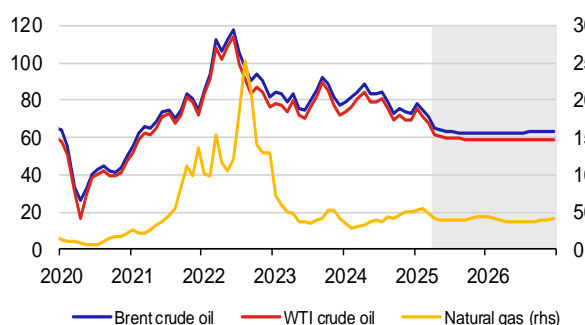
Note: Exchange rates as of last day of month. Forward rate does not represent outlook; it is based on covered interest parity, i.e. currency of country with higher interest rate is depreciating. Forward rate represents current (as of cut-off date) possibility of hedging future exchange rate.

V.1 Oil

After a sharp drop in early April, the Brent crude oil price stayed below USD 65/barrel. In mid-January, the oil price started to fall rapidly from this year's high of USD 82/barrel due to concerns the new US administration's policy would lead to a slowdown in global economic activity and demand for oil. Higher Fed rates responding to higher expected US inflation should act in the same direction. Financial investors got rid of their long positions in oil due to a lack of clarity about future trends. The Brent crude oil price fell below USD 70/barrel in early March as OPEC+ confirmed it intends to raise output in April. But the price later turned to growth after President Trump eased tariffs on some goods from Canada and Mexico. Optimism about talks on peace in Ukraine also gradually disappeared, the dollar weakened and sanctions on oil exports from Iran, Russia and Venezuela were tightened. The price slid to USD 75/barrel at the end of March. In early April, President Trump imposed high "reciprocal" import tariffs on many countries, and OPEC+ announced unexpectedly high growth in extraction quotas in May. China introduced retaliatory tariffs on imports from the USA and Saudi Arabia greatly reduced the sales price of its oil to Asian customers. This led to a sharp fall in oil prices of more than USD 10/barrel in a few days, despite a further sharp depreciation of the dollar. The Brent crude oil price then stabilised just below USD 65/barrel.

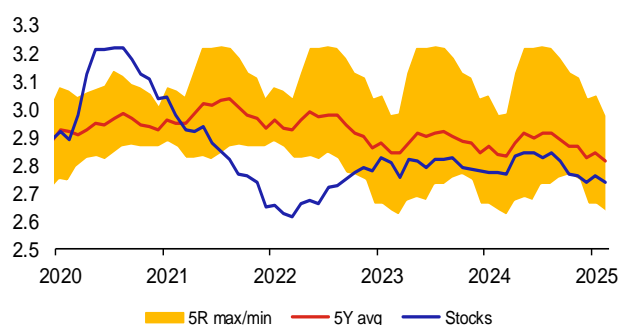
The market outlook for the Brent crude oil price from early April remains falling this year, with a price of USD 62.5/barrel at the end of the year. Next year, the futures curve implies a slight increase to USD 63/barrel. The EIA expects an oil surplus of around 0.7 MBD on the market from 2025 Q2 due to lower growth in demand and higher extraction. This should lead to a gradual decline in the Brent crude oil price to USD 64/barrel at the end of 2025 and USD 60/barrel at the end of 2026. The April CF expects the price to be stable close to USD 70/barrel at the one-year horizon. Most commercial analysts revised their outlooks down sharply, but there is no consensus on prices falling further or a return to growth due to US trade policy.

Outlook for prices of oil (USD/barrel) and natural gas (USD / 1000 m³)

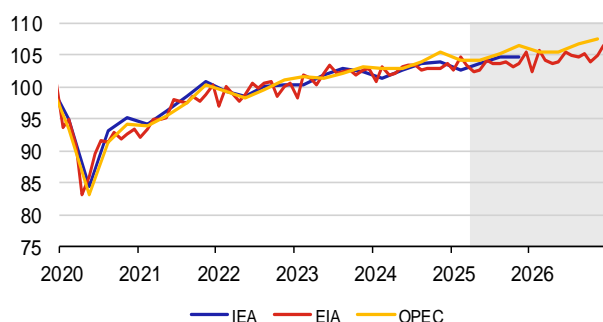


	Brent		WTI		Natural gas	
2025	66.03	↓	62.59	↓	437.00	↓
2026	62.73	↓	58.94	↓	388.25	↓

Industrial stocks of oil and oil products in OECD (bil. barrel)

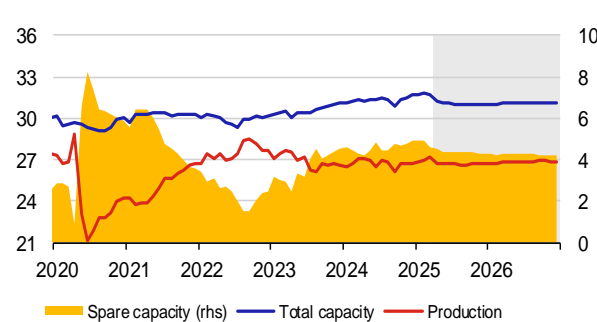


Global consumption of oil and oil products (mil. barrel / day)



	IEA		EIA		OPEC	
2025	103.95	↓	103.65	↓	105.05	↓
2026			104.69	↓	106.33	↓

Production, total and spare capacity in OPEC countries (mil. barrel / day)



	Production		Total capacity		Spare capacity	
2025	26.75	↓	31.23	↓	4.48	↓
2026	26.83	↓	31.09	↓	4.25	↓

Source: Bloomberg, IEA, EIA, OPEC, CNB calculation

Note: Oil price at ICE, average natural gas price in Europe – World Bank data. Future oil and gas prices (grey area) are derived from futures. Industrial oil stocks in OECD countries – IEA estimate. Production and extraction capacity of OPEC – EIA estimate.

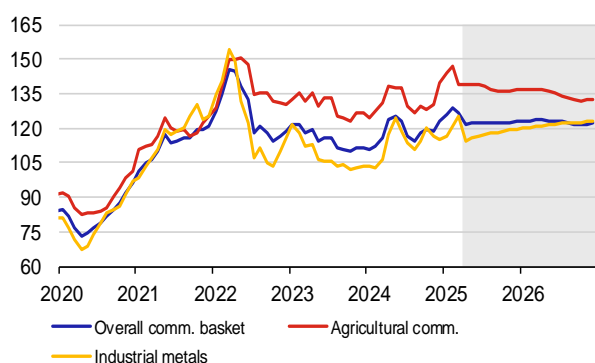
V.2 Other commodities

The price of natural gas in Europe reached a two-year high of EUR 58/MWh in early February and then started to fall rapidly. Cold weather, rapidly shrinking inventories and limited supplies of Russian pipeline gas led to a surge in natural gas prices at the start of this year. However, the situation calmed down and by the end of February the price returned to the range of EUR 40–45/MWh, where it fluctuated throughout March. In early April (as in the case of oil) it fell further, below EUR 35/MWh. The outlook is favourable due to the unexpectedly fast growing LNG export capacity from the USA and the current price also allows European storage facilities to be replenished quickly at the start of the summer season. While coal prices in Asia continued to decline due to high output in Indonesia and large inventories in Asian countries, the downward trend in Europe came to a halt in March, thanks, among other things, to the temporary stabilisation of natural gas prices.

Following a three-month increase, the industrial metals price index reversed sharply in the first half of April, back to its December level. The outlook remains rising. Prices of most metals have been increasing since January on the back of signs of a better global manufacturing situation and a decline in inventories on the LME. The weakening dollar and uncertainty regarding US trade policy, which led traders to make efforts to build up stocks of metals potentially affected by import tariffs, also supported prices. However, a sharp sell-off across the index occurred in early April despite a further strongly weakening dollar, as the escalating trade war worsened the outlook for global economic growth.

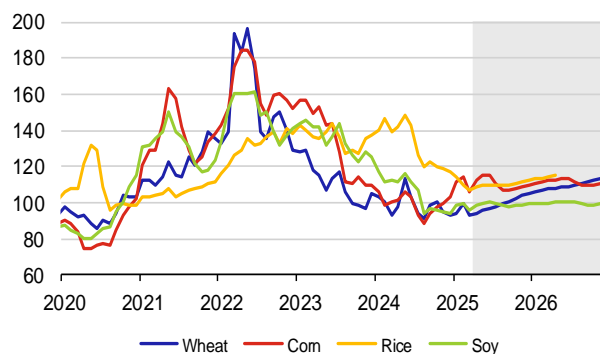
The food commodity price index has shown growth since last November, but there was a partial correction in March. A further decline from the still historically high levels is expected over the outlook horizon. The prices of coffee, cocoa (which contribute the most to a falling outlook for the index) and beef remain particularly high. The downward trend in sugar prices should continue, whereas wheat prices are expected to show strong growth over the outlook horizon.

Non-energy commodities price indices



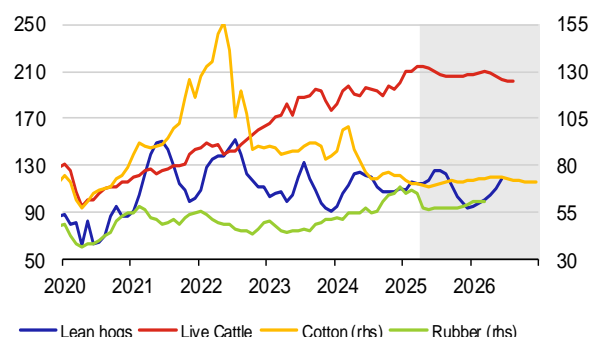
	Overall	Agricultural	Industrial
2025	123.5	139.0	118.4
2026	122.7	134.5	121.8

Food commodities



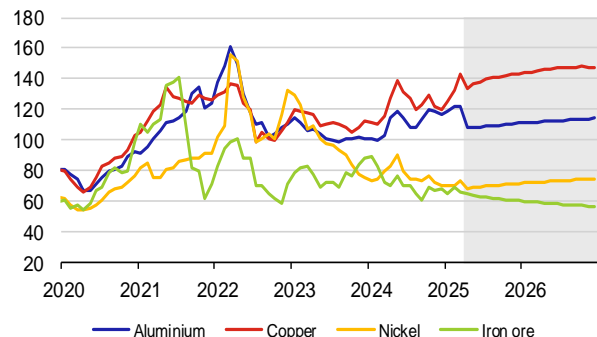
	Wheat	Corn	Rice	Soy
2025	98.6	110.3	110.3	98.7
2026	109.7	111.2	114.0	99.7

Meat, non-food agricultural commodities



	Lean hogs	Live Cattle	Cotton	Rubber
2025	112.8	209.0	70.8	59.8
2026	104.7	206.1	72.7	61.1

Basic metals and iron ore



	Aluminium	Copper	Nickel	Iron ore
2025	112.3	138.3	70.8	63.8
2026	112.9	146.7	73.5	58.5

Source: Bloomberg, CNB calculations.

Note: Structure of non-energy commodity price indices corresponds to composition of The Economist commodity indices. Prices of individual commodities are expressed as indices 2010 = 100.

Capital outflow: Threat or catalyst for economic growth?¹

Whereas there has been a long-term intensive debate about the benefits and costs of significant foreign equity control of Czech businesses, much less attention is paid in the opposite direction – outgoing investment from the Czech Republic to other countries. This is true even though a significant downturn in the inflow of new strategic investment can be observed in recent years, while external surpluses and growing economic prosperity have enabled the Czech Republic to have a larger outflow of capital to other countries. This article therefore looks at two major economies that have experienced capital outflows for many years – the USA and Germany. These countries are the largest investors in foreign markets and the impact of capital outflow on domestic activity differs in the two cases. Foreign equity investments flowing from the German economy are more often motivated by the transfer of the final parts of the production chain with the aim of serving the local market. Such investments substitute for German exports and tend to suppress investment activity there. By contrast, the data indicate that US multinationals use their foreign branches mainly to produce intermediate products efficiently and they are then re-integrated into domestic production, which has more of a stimulative effect on US investment activity. In addition, the example of the German economy conflicts with classical thinking, where a current account surplus is seen as always desirable. This is because persistently high surpluses signal either excessively high savings or insufficient investment, which may indicate deeper structural problems in an economy.

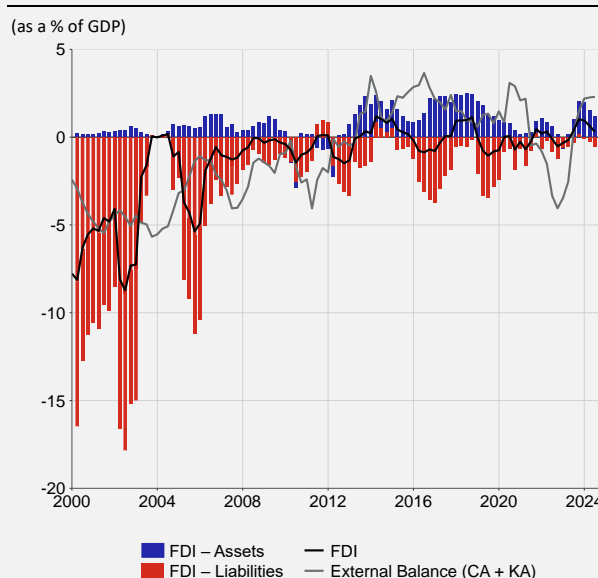
Should a capital outflow raise concerns?

The impacts of significant foreign equity control of domestic businesses have long been discussed in the Czech Republic. However, the Czech Republic has been exporting more capital than it imports for more than 10 years now. Foreign capital imports were of key importance to the Czech Republic in the past. Foreign investment, which was channelled mainly into industrial production, information technology, finance and energy, helped create new jobs, technological progress, infrastructure development and the Czech Republic's involvement in global value chains. When this trend started to recede, the focus shifted to a significant payment of the profits made by domestic companies to foreign owners. However, little attention is paid to the increasing outflow of new foreign direct investment from the Czech Republic. Moreover, looking at the entire external balance, the Czech Republic has been a net exporter of capital for more than ten years² (Chart 1). While this phenomenon has gone almost unnoticed in the Czech Republic, a broader debate has been going on in the European Union for some time now.

Together, the current priorities of the European Union – defence capacity, self-sufficiency, competitiveness and climate neutrality – create an unprecedented need for new investments. Challenges in the digital transformation, reform of healthcare, education and many other areas are added to these tasks. To respond to these challenges, the EU will need to find huge financial resources. European Central Bank President Christine Lagarde calculated EUR 875 bn would be needed annually just to meet the emissions targets and achieve the 2% threshold of defence expenditure. She also drew attention to the fact that this task would be less demanding if the EU managed to deal with the massive outflow of capital. “Every year there is a net outflow of EUR 250 billion, or 8% of European GDP, that goes to the rest of the world, mainly to the United States” (Pluralia, 2024). Does the outflow of capital really reduce the financial resources available for domestic investment or can such an outflow paradoxically be a catalyst for the domestic economy's development?

In an environment of imperfect financial markets, capital outflows have a negative impact on domestic investment. According to simple intuition, the outflow of capital limits the financial resources available for the domestic economy. However, this effect is based on the key assumption of the relative scarcity of capital in the domestic economy. If capital is

Chart 1 – External balance and foreign direct investment, annual moving sum



Source: CNB

Note: Foreign direct investment (FDI) only includes new equity (excluding reinvestment and debt capital). A negative external balance means an inflow of capital, a positive balance means an outflow. CA – current account, KA – capital account.

¹ By Anna Drahozalová. The views expressed in this article are those of the author and do not necessarily reflect the official position of the Czech National Bank.

² Except for the one-off effect of the energy crisis in 2021 and 2022.

scarce and financial markets are imperfect, the transfer of some domestic savings abroad may reduce the availability of domestic financial resources and raise interest rates. Domestic businesses and firms may thus face worse borrowing conditions compared to the global market. This problem therefore concerns not only emerging economies, which suffer from limited capital availability, but also advanced ones, if their capital markets are underdeveloped.³ By contrast, when the situation on financial markets approaches ideal conditions⁴, the free movement of capital guarantees that new funds from abroad replace missing resources smoothly. In such a case, interest rates remain stable, as the market effectively balances the supply of and demand for capital, which ensures affordable financing for domestic firms.

In an environment of the free movement of capital, an outflow of investment may stimulate and limit the domestic economy. It depends on the motivation behind the investment itself or, in other words, where domestic entities' investments are directed and why. The literature distinguishes three key motivations behind the expansion of firms and businesses abroad (Hejazi and Pauly, 2003). The first is the *search for new markets*, where the aim is to gain access to new customers and broaden the geographical reach of a business. The second motivation is the *search for efficiencies*, where firms try to cut costs, for example by shifting part of their production to countries with cheaper labour or more favourable regulatory conditions. The third motivation is the *search for strategic products and natural resources*, which includes the acquisition of key raw materials, technologies and know-how that are not available on the domestic market. The impact of the outflow of capital on domestic investment may differ even within these categories.

Whether domestic investment activity is stimulated or suppressed depends on firms' motivation for expanding into foreign markets

The impact of foreign expansion on domestic investment depends on whether it substitutes for trade. If a firm expands into another country with the aim of covering demand there (horizontal investment⁵), the impact on domestic investment depends on whether such expansion substitutes for exports of domestic production or actually finds new customers. If foreign investment substitutes for trade in finished products, domestic production may weaken, as demand for products produced in the home country weakens. Conversely, if a firm expands in order to serve markets that were not previously served, for example due to high trade barriers or transport costs, domestic economic activity may be stimulated. The shift of part of production abroad increases the demand for domestic intermediate products and production goods that are necessary to start and support foreign operations, leading to an increase in investment in the home country. This can be understood as the creation of in-house export opportunities. In the literature, horizontal investment is often distinguished into tradable and non-tradable goods. Outflows of foreign direct investment (FDI) in services tend to have a positive impact on the domestic economy, as services are mostly non-tradable, so in the absence of FDI, the foreign market would simply not be served (Hejazi and Pauly, 2003).

Investments that complement trade tend to stimulate domestic activity. The motivation for foreign investment known as the search for efficiencies (vertical investment⁶), consists of firms' efforts to increase profit by relocating parts of the production chain to countries with cheaper inputs. A large part of products made abroad is then imported back into the domestic economy, where these inputs are used for final production. Finished products are then exported from the domestic economy to serve foreign customers. Vertical investment thus serves as a complement to trade. As in the case of horizontal investments, the transfer of part of the production chain abroad encourages exports of intermediate products and production goods from the domestic economy. At the same time, increased labour efficiency and better resource allocation support growth in the parent company's profitability, which frees up additional financial resources that can be used in the domestic economy. This motive therefore supports domestic investment activity.

Obtaining new technologies, knowledge and innovation from abroad strengthens the domestic economy. The third motivation for foreign investment is the attempt to obtain assets that are not ordinarily available in the domestic economy, but may be key to a firm's long-term strategy, such as patents, know-how or natural raw materials. This type of FDI can positively affect the domestic investment environment, as access to new technologies and knowledge increases productivity, strengthens competitiveness and can contribute to the development of production in new sectors. However,

³ For example, economies with large capital markets that rely on bank financing may be more sensitive to capital outflows compared to economies whose capital markets are deep. Insufficient access to capital markets, with high domestic savings being concentrated in liquid or low-income assets such as cash and bank deposits, may be another barrier on markets that are not quite perfect.

⁴ A perfect financial market is a theoretical concept where all participants have complete information, there are no transaction costs or barriers to entry and resources are allocated efficiently. Capital flows freely cross borders, prices fully reflect all available information and there are no arbitrage opportunities or inefficiencies. This concept ensures an optimal allocation of resources.

⁵ Horizontal FDI in the host country focuses on the creation or acquisition of similar business activities already carried out by the investor in its home country. The aim can be not only expansion into new markets, but also a reduction in transport costs or overcoming trade barriers such as tariffs or quotas. This typically concerns consumer goods, as well as the automotive and electronics sectors.

⁶ Vertical FDI includes investments in different stages of the production chain. An investor may extend activities "upwards" (the extraction of raw materials, production of inputs) or "downwards" (the finalisation of finished products, distribution, sale). The aim is to secure the sources of raw materials or components at lower cost, greater control over the production chain or optimisation of logistics and efficiency. This typically concerns the energy, mining, agriculture and logistics sectors.

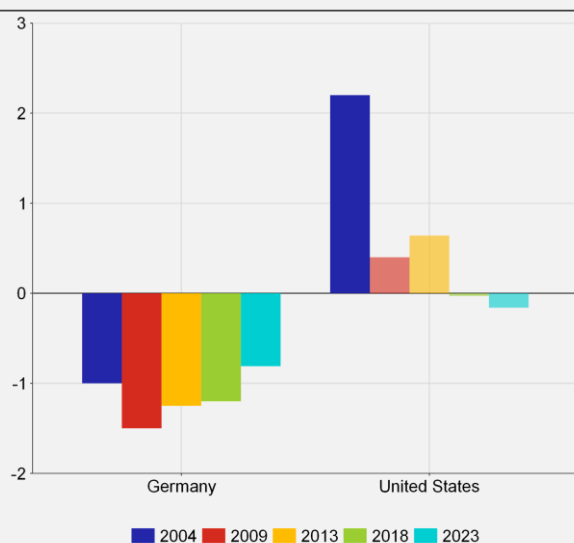
those technologies and innovations are not limited to businesses directly involved in cross-border investment, but spread across the whole economy due to spillover effects.

In practice, the commonly available data do not allow us to examine in detail what is behind firms' decisions to expand into foreign markets. It is clear from the above that the impacts of foreign expansion on domestic production and investment are ambiguous and depend on several factors. In practice, it is challenging to identify the exact motivation behind the firms' decisions to penetrate foreign markets. In addition, individual firms decide on their own optimisation strategies. At the macroeconomic level, however, empirical procedures can be used to estimate the aggregate impact of capital outflows on the domestic economy.

While the outflow of capital from the USA stimulates domestic activity, it has long been reducing it in Germany

We will use a cointegration analysis to determine the impact of investment outflows on domestic investment activity. The ARDL model (Pesaran et al., 2001) is a suitable tool for estimating the long-run relationship between the two variables.⁷ Significant capital outflows have been recorded in both the USA and Germany since the 1970s. In both cases, the results of a cointegration analysis support the hypothesis of a long-term statistically significant relationship between capital outflows and domestic investment activity in all the time periods under review.⁸ This relationship is measured by a multiplier, which expresses how much domestic investment changes in the longer term as a response to a capital outflow (Chart 2). The long-term multiplier has a negative value of -1 for Germany. This means that the outflow of FDI totalling 1% of GDP in the longer run is accompanied by a decline in domestic investment of 1% of GDP as well. In the case of the United States, the long-term coefficient is positive at 2.2. This means that FDI outflows of 1% of GDP in the USA lead to an increase in domestic investment of 2.2% of GDP. Despite the strong cointegration relationship between the two variables, which persisted until 2023, the long-term multiplier in the USA gradually decreased, to the point it became statistically insignificant. This may indicate changes in the nature of outgoing investment at the start of this century. Newly outgoing capital may be ceasing to be an investment stimulus. In the case of Germany, by contrast, the long-term multiplier has remained close to -1 over the entire period monitored. The outflow of capital from Germany has thus long been

Chart 2 – Long-term multiplier

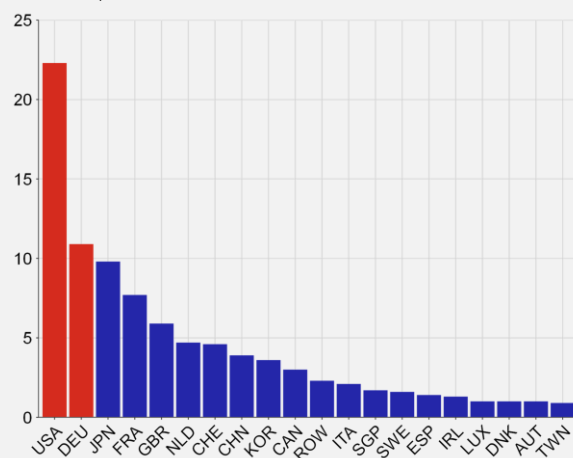


Source: World Bank and own calculations

Note: The colour indicates the end of the sample on which the long-term multiplier was estimated. A transparent colour indicates that the long-term multiplier is insignificant.

Chart 3 – Share of foreign affiliates in total production, by ownership

(as a %, 2019)



Source: OECD AMNE database

Note: It includes only the business sector (excluding public administration and defence), excluding tax havens (Ireland, Switzerland, Singapore, the Netherlands, Luxembourg and Belgium).

⁷ Unlike a traditional cointegration analysis, this approach does not require the series to be tested in advance for the same degree of integration. Time series can therefore be stationary at a level, first difference or a combination thereof. This method can also be used for small data samples. For our purposes, we use gross fixed capital formation as a dependent variable to exclude additions to inventories, which are volatile over time and react more to the current economic situation. The explanatory variable is FDI outflow based on the A/L approach. The source of the data for the two time series is the World Bank and we use data from 1970 to 2023. The method was only used for the USA, as the data are not supported for Germany. The model also incorporated several impulse dummy variables modelled by Herzer and Schrooten (2008).

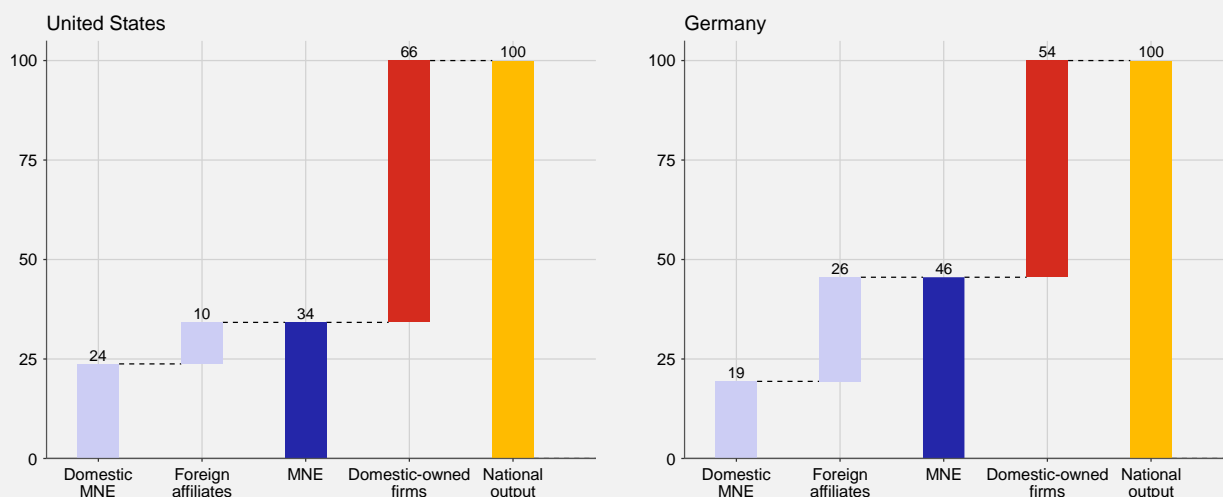
⁸ The Wald test f-statistic for the unrestricted error correction model (UECM) is higher than the upper limit defined in Pesaran (2001) for a 1% significance level. The Jarque Bera test, Lagrange Multiplier, ARCH and SC test confirm that the model's residuals are normally distributed, independent over time and their dispersion is constant. In addition, an SC test was conducted to identify structural changes.

accompanied by lower domestic investment activity.⁹ The different impacts in the two countries under examination may be based on different motives behind foreign investment. A dataset regularly compiled by the OECD containing information on the activities of multinational enterprises (MNEs)¹⁰ and their integration into global value chains can provide us with a better view into outgoing investments.¹¹

German investors move the final parts of production, while US firms outsource the production of

Chart 4 – Breakdown of national product by ownership

(as a %, 2019)



Source: OECD AMNE database

Note: It includes only the business sector (excluding public administration and defence), excluding tax havens (Ireland, Switzerland, Singapore, the Netherlands, Luxembourg and Belgium).

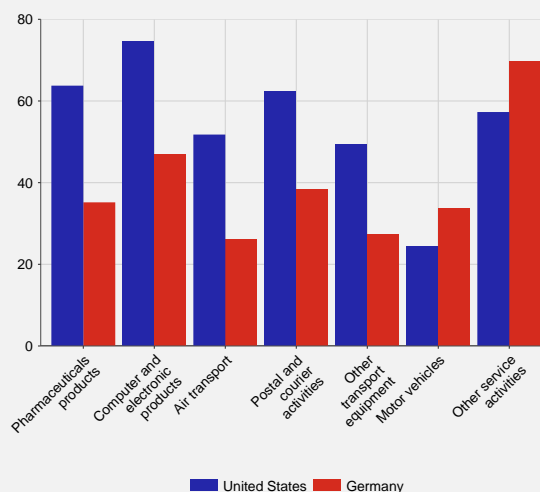
intermediate products

Foreign branches controlled by the USA and Germany dominate global production. Chart 3 shows the share of individual countries in the total production of all foreign-owned branches. A foreign-owned branch is a company whose owner or controlling parent company is domiciled in another country. Using the example of Germany, Volkswagen AG is a multinational domestic company and Škoda Auto is a foreign branch (the registered office is in the Czech Republic, but ownership is German). As shown by Chart 3, the share of German-owned foreign branches (e.g. Škoda Auto, Seat, BASF) in the total product of all foreign branches is slightly over 10%. This means that Germany owns companies around the world that together produce 10% of the total product of all foreign branches with various owners. Germany is not in first place, which is held by the USA, whose foreign branches produce almost a quarter of the total product of all foreign companies.

Looking at the relative importance of foreign branches in the domestic economy, the picture is the opposite. US foreign branches may dominate global production (Chart 3), but they play a much smaller role in the US economy – they

Chart 5 – Share of value added by domestic multinationals to total product (selected industries)

(as a %, 2019)



Source: OECD AMNE database

⁹ The causal effect from outgoing investments is confirmed by the inclusion of residuals from a long-term equilibrium relationship in a simple ECM model, which is then subjected to the Granger causality test (Granger, 1988).

¹⁰ A business that carries out economic activities in more than one country, either directly through its foreign branches or subsidiaries, or indirectly through contractual relationships and partnerships in global value chains, is defined as an MNE.

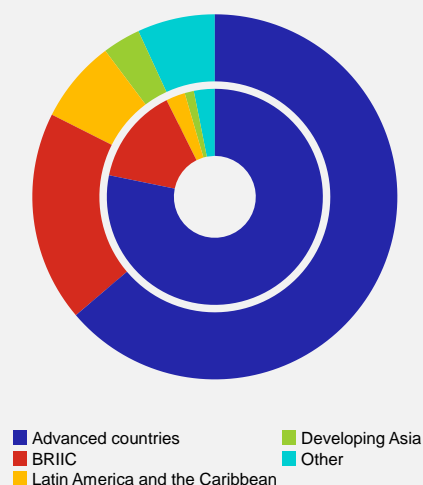
¹¹ The dataset maps out how different stages of production – from raw materials to final products – spread across countries. It monitors the involvement of businesses in international cooperation on the production of goods and services.

add only 10% to the total national product¹² (Chart 4). In the case of Germany, the figure is more than 2.5 times as large.

The data indicate that Germany moves the final stages of the production chain, while the USA tends to seek foreign suppliers. In the German national product, foreign branches therefore have a higher weight compared to the USA. This may be due to a higher share of investment that goes abroad in order to serve the local market. Shifting the final stages of the production chain from Germany (e.g. moving the production of certain car models to Eastern Europe¹³ or moving chemical groups to China) is leading to the relatively higher product of foreign branches, as the final value of the product produced including all inputs is registered abroad. Conversely, when different parts of the production chain move from the United States, foreign production only registers the value of the raw materials and inputs produced. These intermediate products are then exported back to the domestic economy, where the finished product is finalised (one example is the transfer of chip production to China or Taiwan, from where the chips go back to the USA, where they become part of a finished

Chart 6 – Share of production of foreign branches by region, USA (external), Germany (internal)

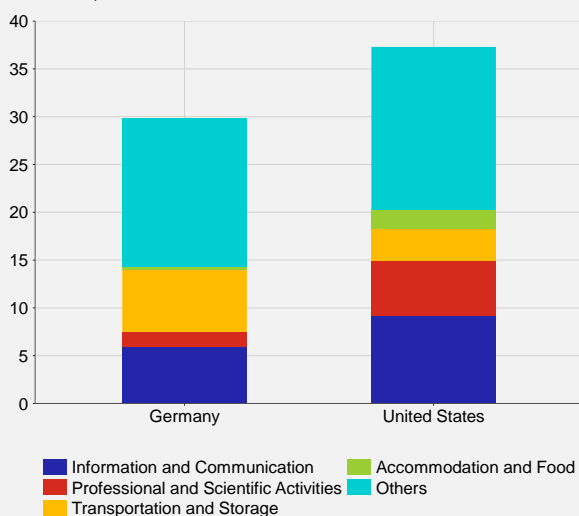
(as a %, 2019)



Source: OECD AMNE database

Chart 7 – Share of services in total production of foreign branches

(as a %, 2019)



Source: OECD AMNE database

it is only 47%. By contrast, Germany adds a higher share in the manufacture of motor vehicles, but the difference is not very high.

Relatively, US firms target emerging markets more. Non-tradable goods account for a higher share of foreign production than in comparison with Germany. A geographical breakdown gives us another view of the different structure

¹² It should be noted here that product in this sense does not correspond to the classic definition of GDP, but combines the value of products, including intermediate consumption. The word national means the goods and services produced by businesses under domestic control. They can therefore be multinational companies (whether located at home or abroad) or other domestic businesses. Other domestic businesses are firms that either do not participate in international investment or hold only minority non-controlling interests in foreign firms. Companies that produce in the territory of the relevant country, but are owned by foreign entities are therefore not included.

¹³ According to the German Association of the Automotive Industry (VDA), German automakers produce only one-third of their total production in Germany.

¹⁴ These data are not available for Germany.

of cross-border investments in the United States and Germany. The share of foreign branches' production shows us that US companies are relatively more concentrated in emerging economies, while Germany invests more in the EU and other advanced economies (Chart 6). Investment in emerging regions, such as BRIIC countries,¹⁵ South-East Asian countries and Latin America, offers a wealth of natural resources, low production costs and higher growth potential, allowing US firms to strengthen their global competitiveness and generate additional profits that can be reinvested in the domestic economy. US companies also focus more on investments in the services sector, which are generally less tradable (and therefore tend to suppress domestic exports less), in the framework of which production is concentrated more in areas that provide higher knowledge spillover effects (information and communication, professional and scientific activities) (Chart 7).

Conclusion

The external balance structure in the Czech Republic has changed significantly in recent years – the inflow of new capital in the form of foreign direct investment has almost disappeared, while the interest of Czech entities in investing abroad has increased significantly. Although we do not yet have enough data to clearly assess the long-term impacts of this trend, experience from other economies can provide us with valuable insights.

Investments oriented on foreign markets can provide a benefit if they stimulate innovation, the sharing of know-how and the creation of global value chains. By contrast, redirecting key stages of production outside the home economy may undermine the added value of production and slow down the development of key sectors. This problem is particularly evident in Germany, where a high saving rate does not lead to adequate reinvestments in domestic infrastructure and other key sectors.

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Keywords

FDI outflow, domestic investment, cointegration

JEL Classification

F21, F41, C22

¹⁵ The BRIIC group comprises Brazil, Russia, India, Indonesia and China.

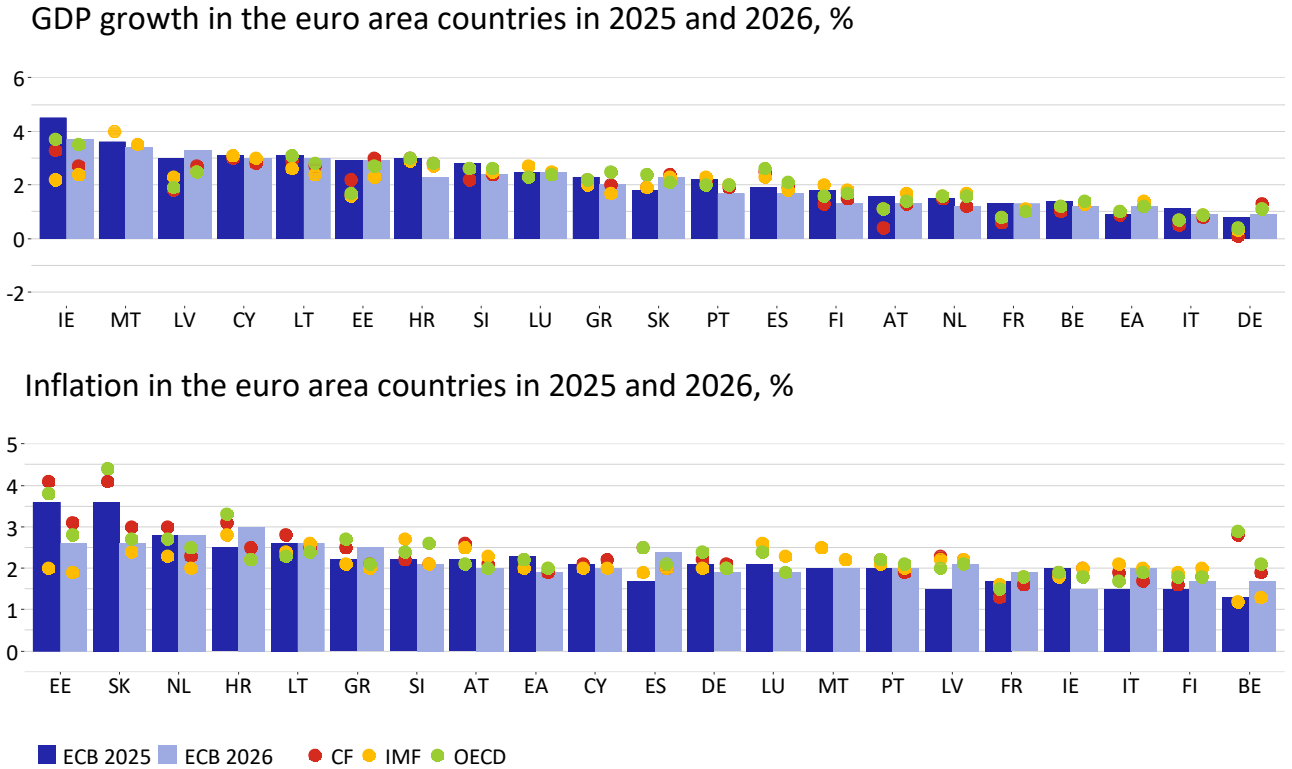
A1. Change in predictions for 2025

GDP growth, %								Inflation, %									
	CF		IMF		OECD		CB / OE			CF		IMF		OECD		CB / OE	
EA	0	2025/4	-0.2	2025/1	-0.3	2025/3	-0.2	2025/3	0	2025/4	0	2024/10	+0.1	2025/3	+0.2	2025/3	
		2025/3		2024/10		2024/12		2024/12		2025/3		2024/12					
DE	-0.1	2025/4	-0.5	2025/1	-0.3	2025/3	-0.9	2024/12	0	2025/4	0	2024/10	+0.4	2025/3	-0.3	2024/12	
		2025/3		2024/10		2024/12		2024/6		2024/12		2024/6					
US	-0.6	2025/4	+0.5	2025/1	-0.2	2025/3	-0.4	2025/3	+0.3	2025/4	-0.1	2024/10	+0.4	2025/3	+0.2	2025/3	
		2025/3		2024/10		2024/12		2024/12		2024/12		2024/12					
UK	-0.2	2025/4	+0.1	2025/1	-0.3	2025/3	-0.7	2025/2	0	2025/4	+0.1	2024/10	0	2025/3	+0.7	2025/2	
		2025/3		2024/10		2024/12		2024/11		2024/12		2024/11					
JP	-0.2	2025/4	0	2025/1	-0.4	2025/3	0	2025/1	+0.1	2025/4	-0.1	2024/10	+1.3	2025/3	+0.5	2025/1	
		2025/3		2024/10		2024/12		2024/10		2024/12		2024/10					
CN	0	2025/4	+0.1	2025/1	+0.1	2025/3	-0.5	2025/4	-0.1	2025/4	-0.3	2024/10	-0.5	2025/3	-0.2	2025/4	
		2025/3		2024/10		2024/12		2025/3		2024/12		2025/3					
RU	0	2025/4	+0.1	2025/1	+0.2	2025/3	-0.2	2025/4	+0.3	2025/4	+1.4	2024/10	+2.9	2025/3	0	2025/4	
		2025/3		2024/10		2024/12		2025/3		2024/12		2025/3					

A2. Change in predictions for 2026

GDP growth, %								Inflation, %									
	CF		IMF		OECD		CB / OE			CF		IMF		OECD		CB / OE	
EA	0	2025/4	-0.1	2025/1	-0.3	2025/3	-0.2	2025/3	0	2025/4	0	2024/10	0	2025/3	0	2025/3	
		2025/3		2024/10		2024/12		2024/12				2024/12		2024/12			
DE	+0.1	2025/4	-0.3	2025/1	-0.1	2025/3	-0.6	2024/12	+0.1	2025/4	0	2024/10	+0.1	2025/3	-0.1	2024/12	
		2025/3		2024/10		2024/12		2024/6				2024/12		2024/6			
US	-0.3	2025/4	+0.1	2025/1	-0.5	2025/3	-0.2	2025/3	+0.1	2025/4	0	2024/10	+0.3	2025/3	+0.1	2025/3	
		2025/3		2024/10		2024/12		2024/12				2024/12		2024/12			
UK	-0.1	2025/4	0	2025/1	-0.1	2025/3	+0.2	2025/2	0	2025/4	0	2024/10	0	2025/3	+0.2	2025/2	
		2025/3		2024/10		2024/12		2024/11				2024/12		2024/11			
JP	-0.2	2025/4	0	2025/1	-0.4	2025/3	0	2025/1	0	2025/4	0	2024/10	0	2025/3	+0.1	2025/1	
		2025/3		2024/10		2024/12		2024/10				2024/12		2024/10			
CN	0	2025/4	+0.4	2025/1	0	2025/3	-0.3	2025/4	-0.1	2025/4	0	2024/10	0	2025/3	-0.2	2025/4	
		2025/3		2024/10		2024/12		2025/3				2024/12		2025/3			
RU	-0.1	2025/4	0	2025/1	0	2025/3	-0.4	2025/4	+0.2	2025/4	0	2024/10	+1.1	2025/3	-0.7	2025/4	
		2025/3		2024/10		2024/12		2025/3				2024/12		2025/3			

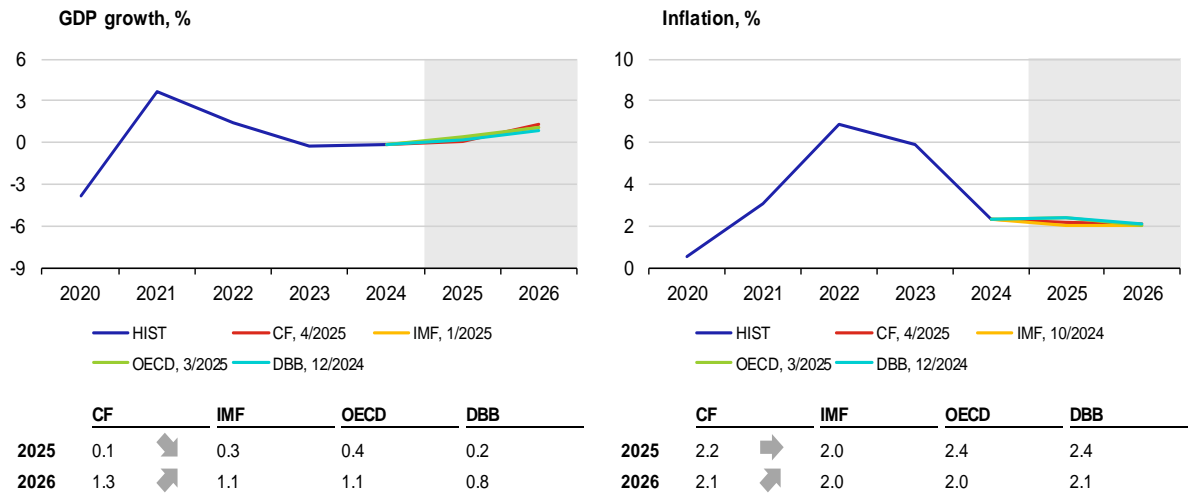
A3. GDP growth and inflation outlooks in the euro area countries



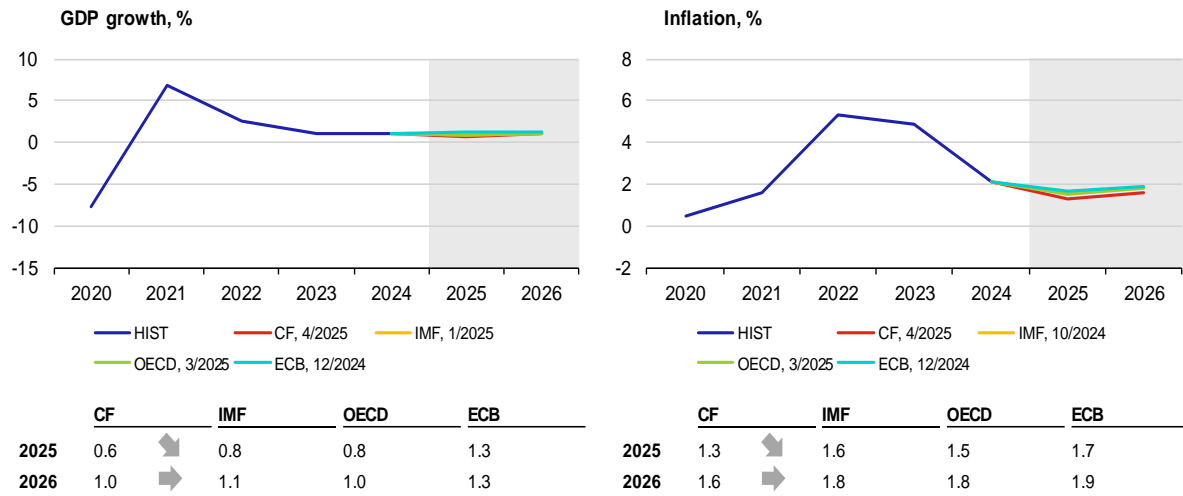
Note: Charts show institutions' latest available outlooks of for the given country.

A4. GDP growth and inflation in the individual euro area countries

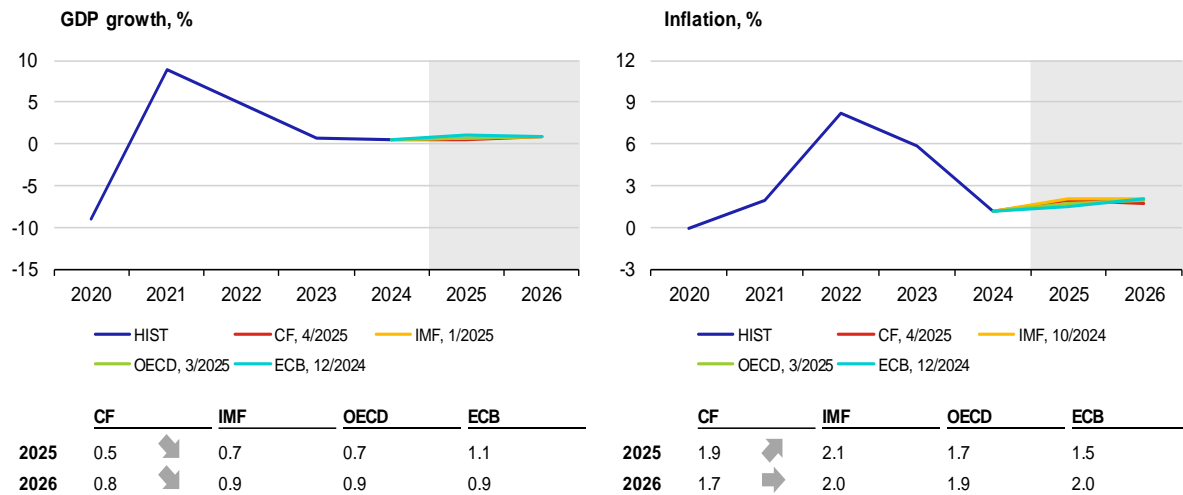
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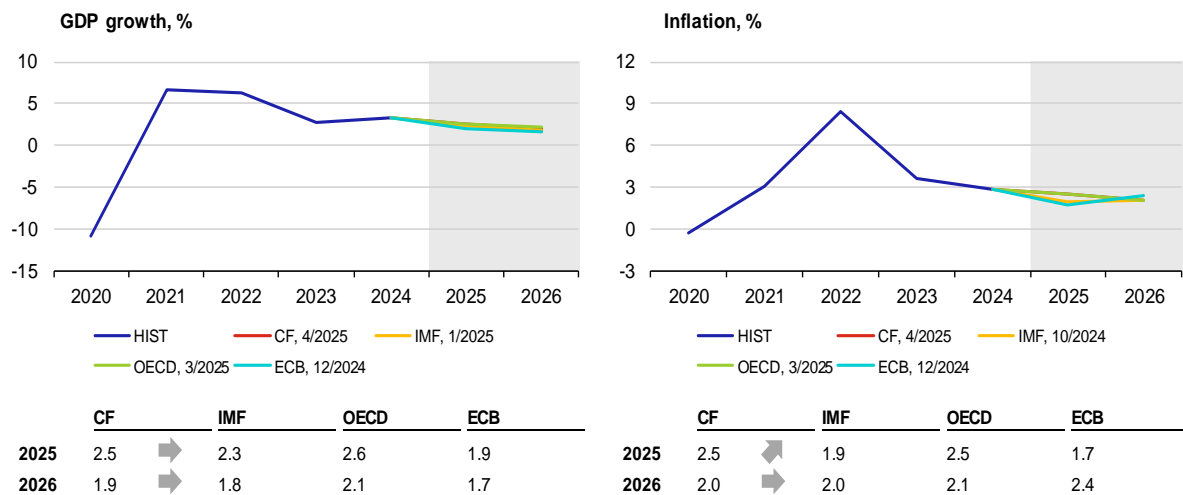
France



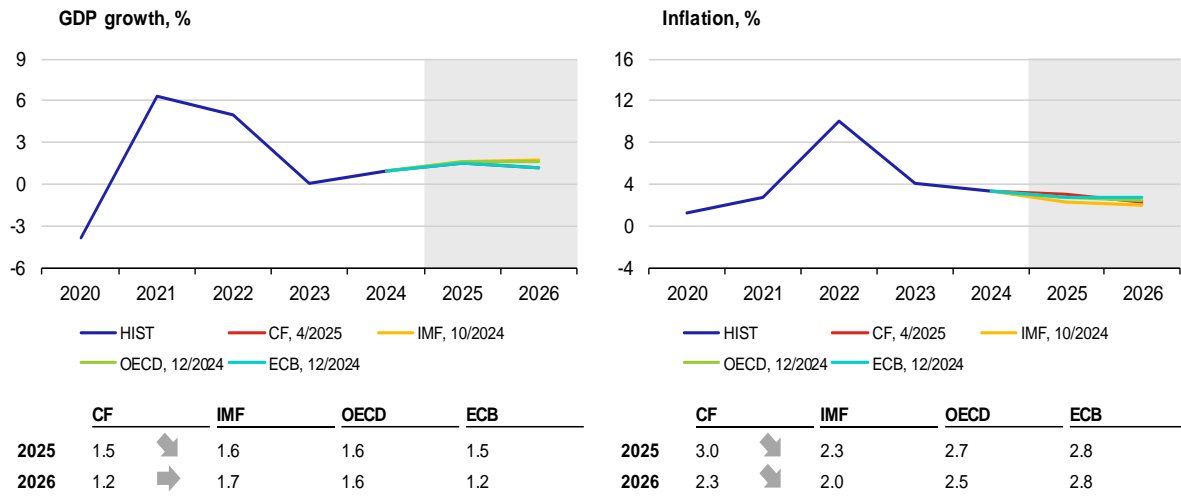
Italy



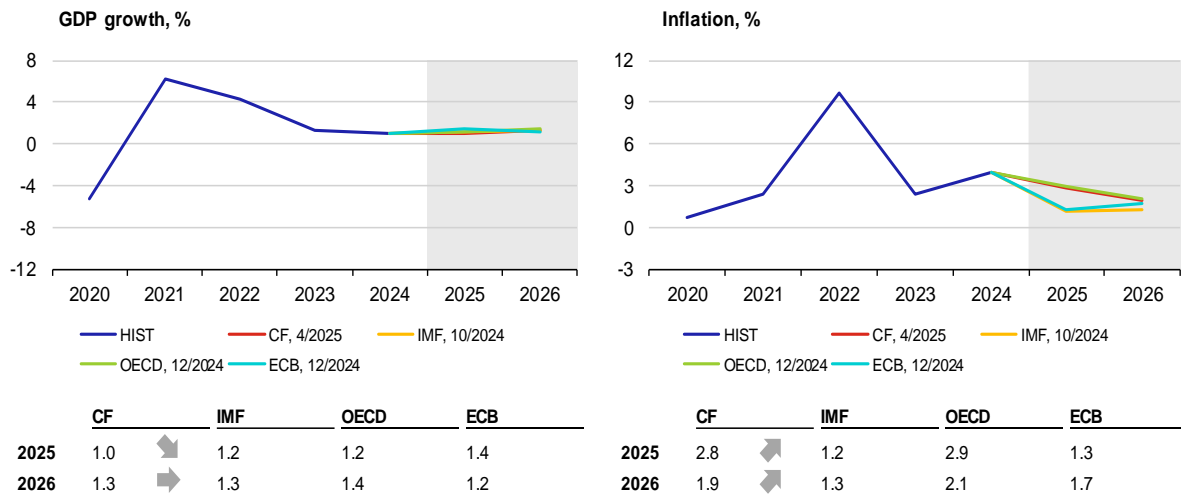
Spain



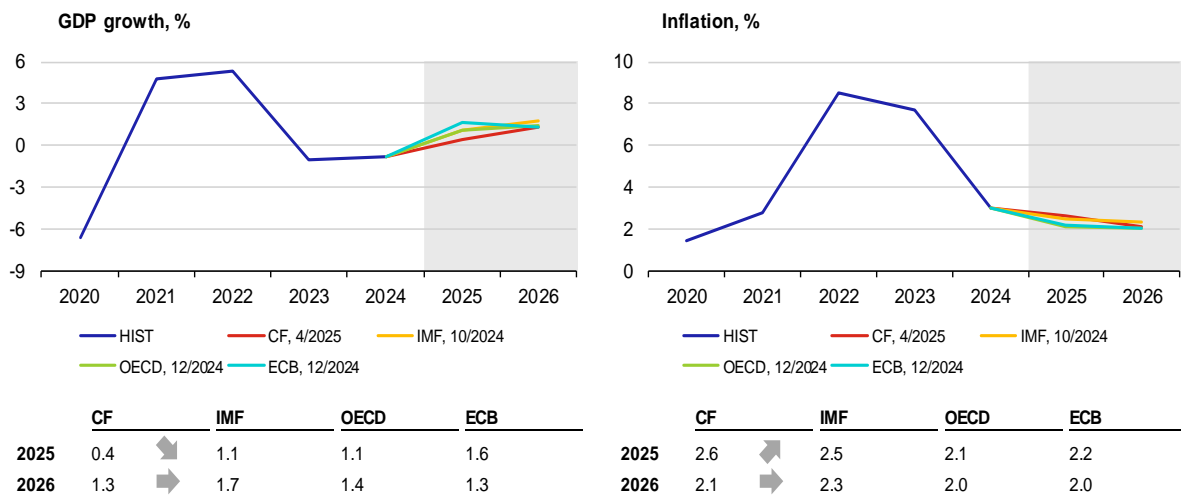
Netherlands



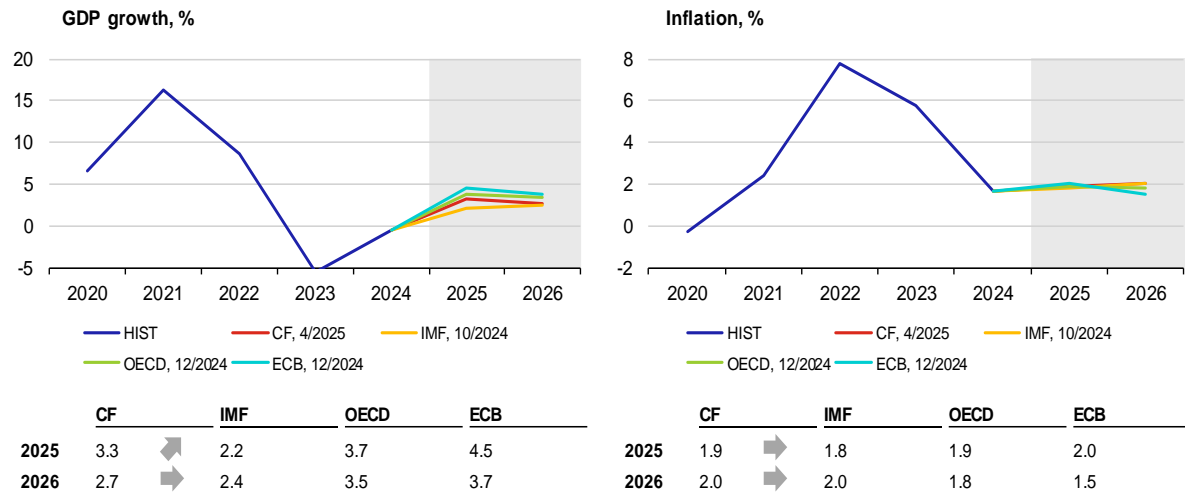
Belgium



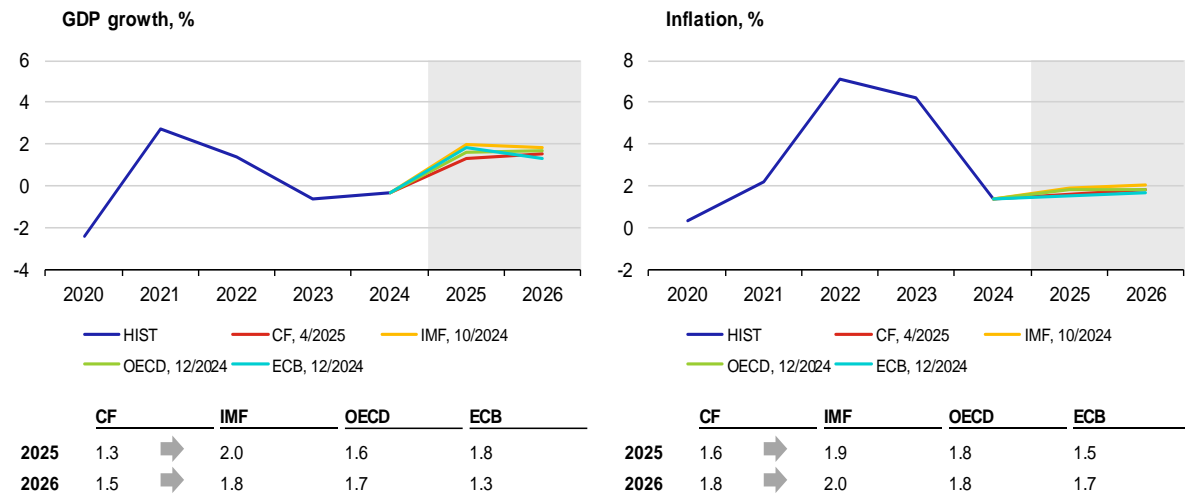
Austria



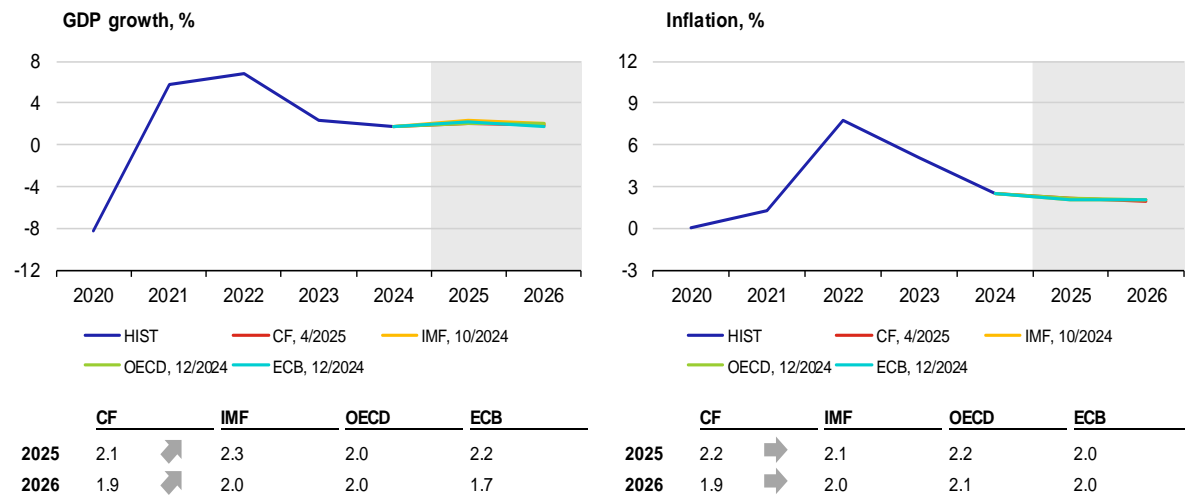
Ireland



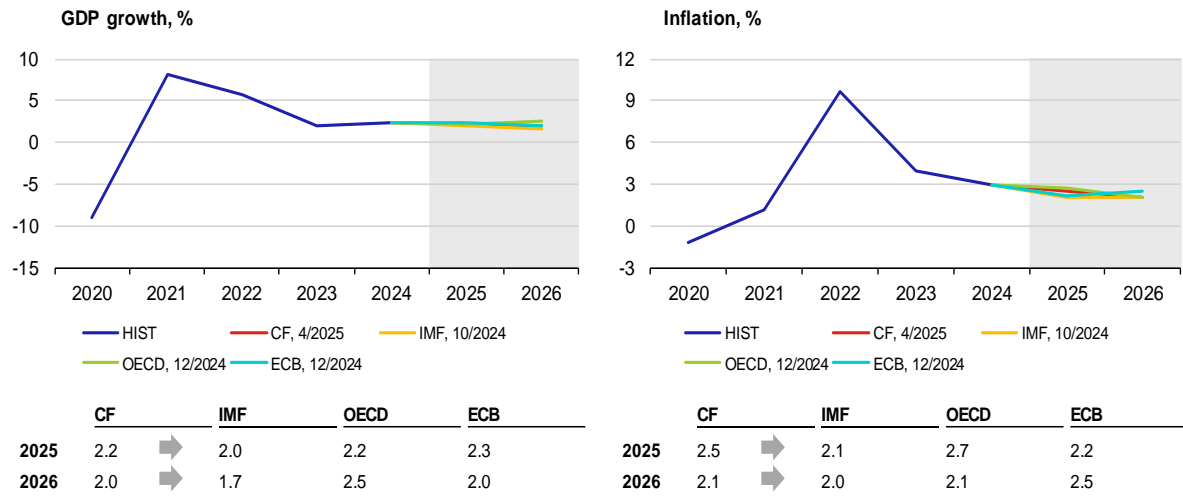
Finland



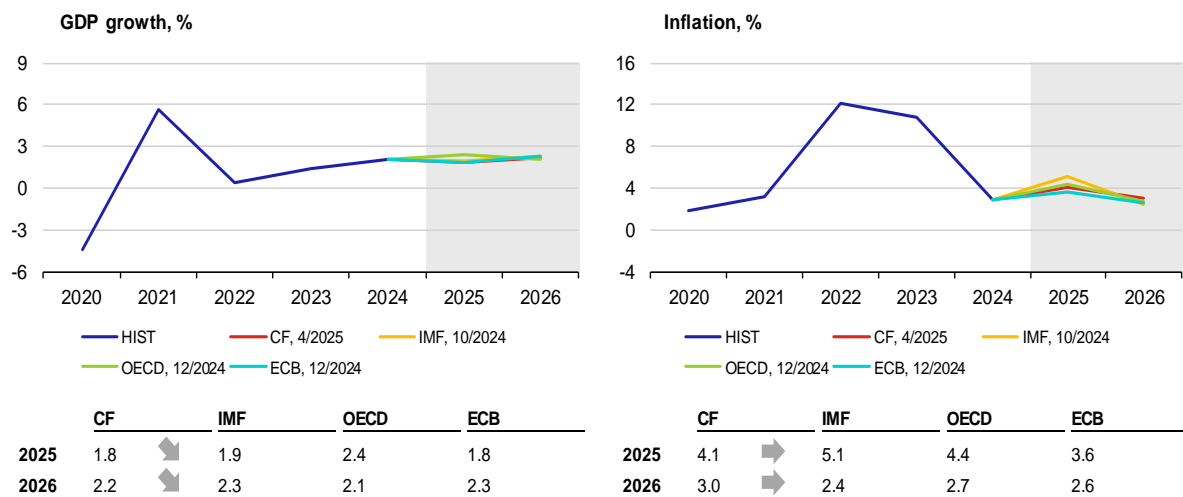
Portugal



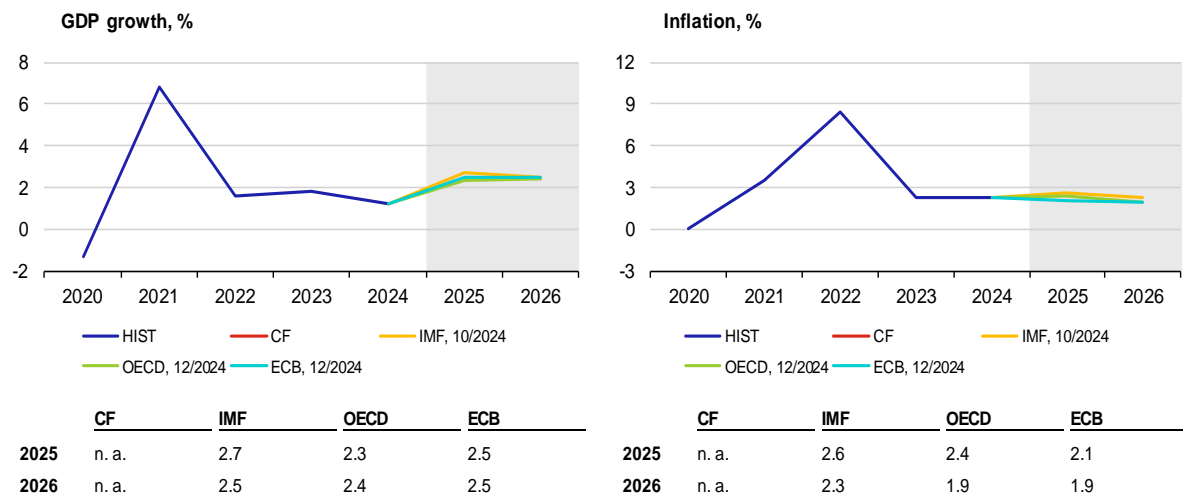
Greece



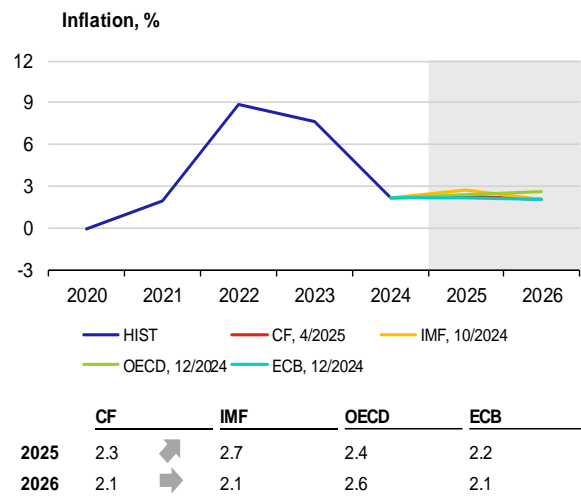
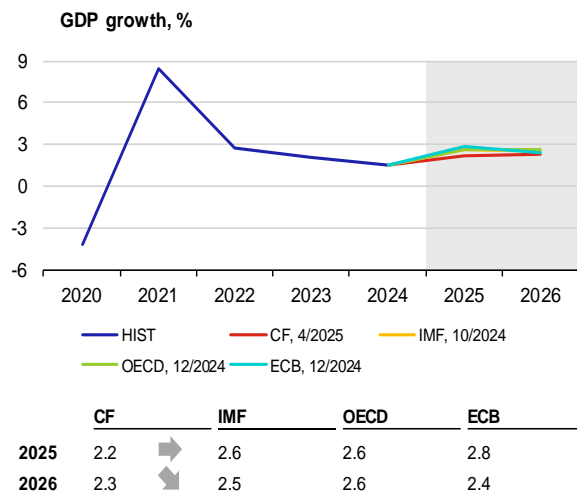
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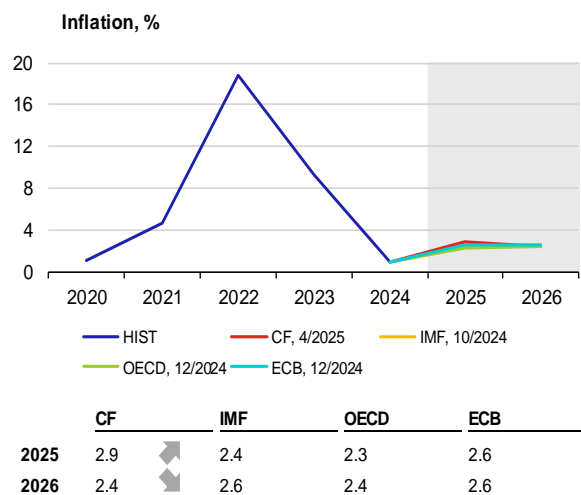
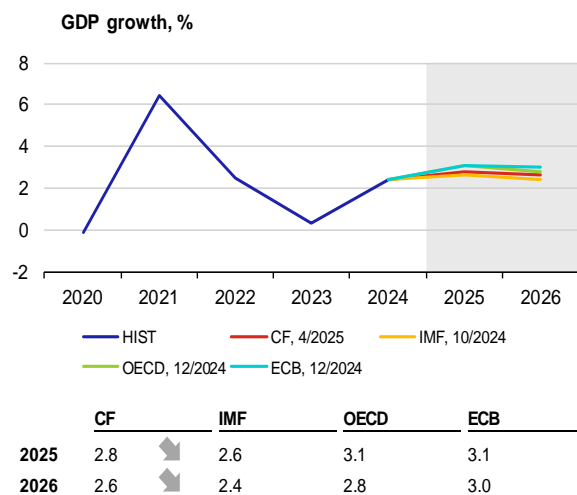
Luxembourg



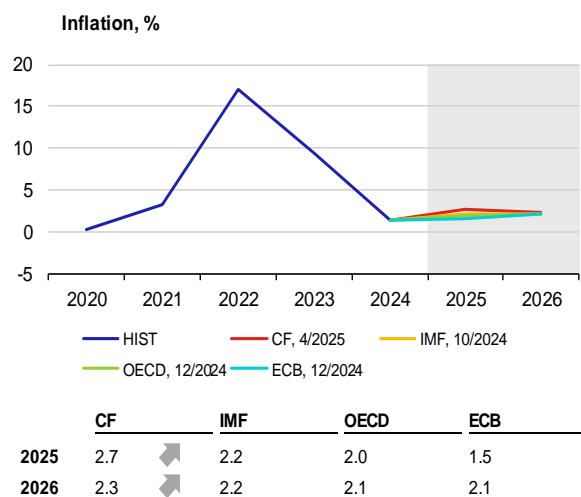
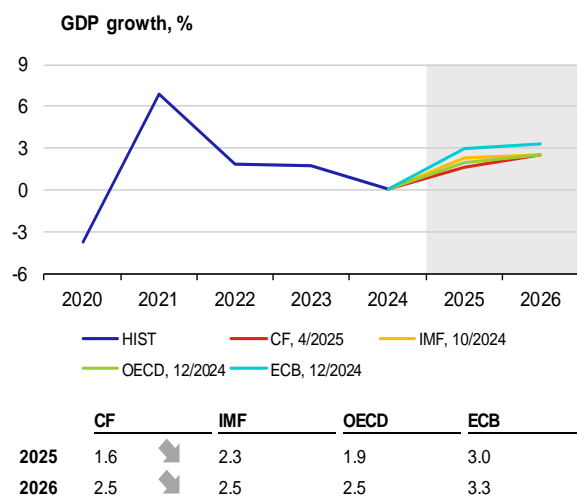
Slovenia



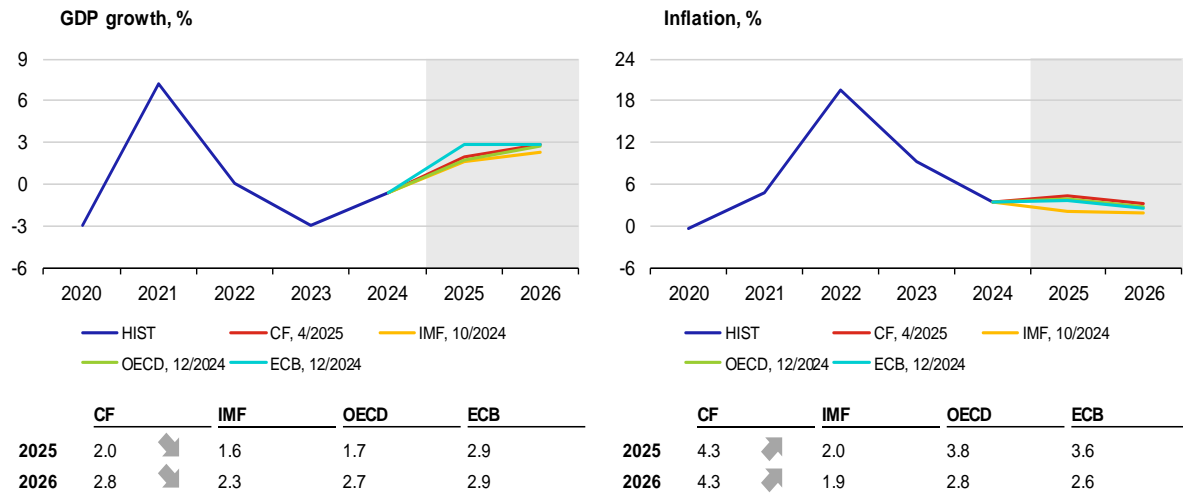
Lithuania



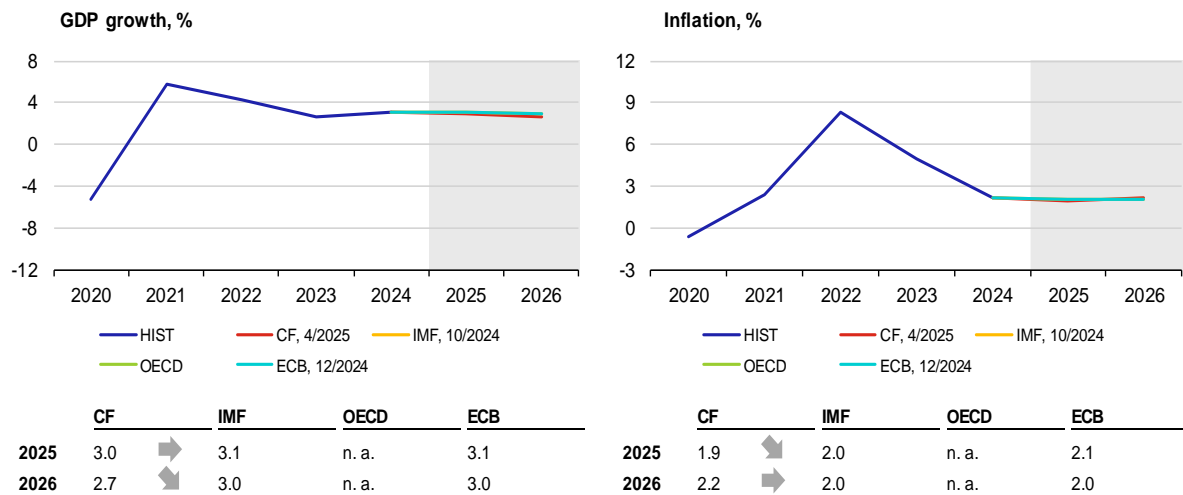
Latvia



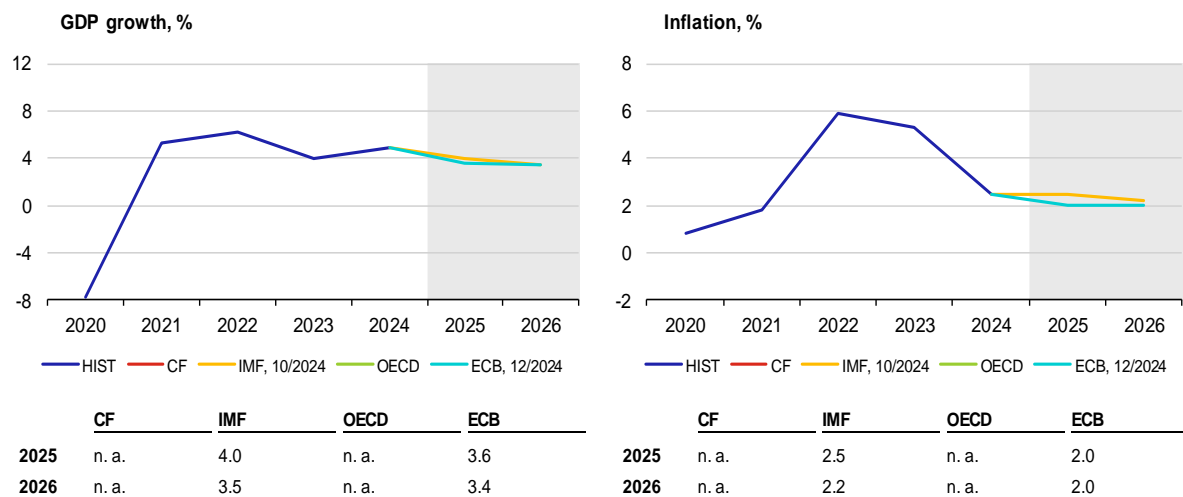
Estonia



Cyprus

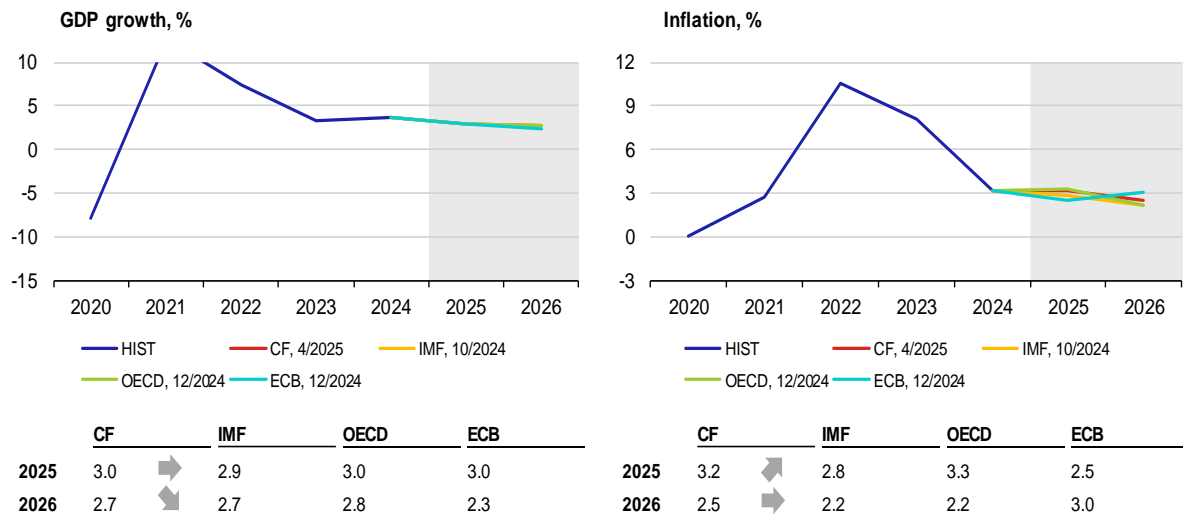


Malta



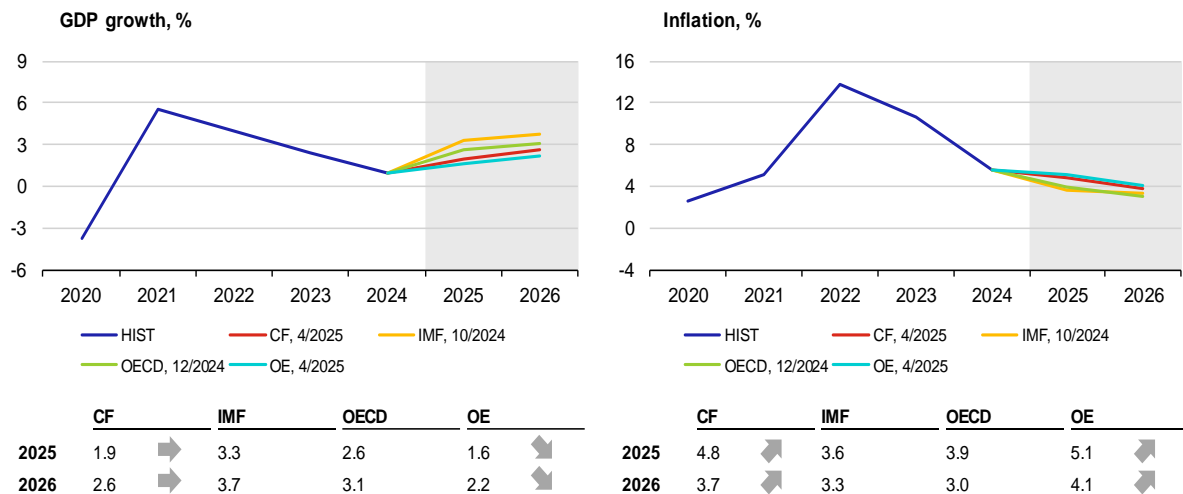
Ddd

Croatia



A5. GDP growth and inflation in other selected countries

Romania



A6. List of abbreviations

AT	Austria	IRS	Interest Rate swap
bbl	barrel	ISM	Institute for Supply Management
BE	Belgium	IT	Italy
BoE	Bank of England (the UK central bank)	JP	Japan
BoJ	Bank of Japan (the central bank of Japan)	JPY	Japanese yen
bp	basis point (one hundredth of a percentage point)	LIBOR	London Interbank Offered Rate
CB	central bank	LME	London Metal Exchange
CBR	Central Bank of Russia	LT	Lithuania
CF	Consensus Forecasts	LU	Luxembourg
CN	China	LV	Latvia
CNB	Czech National Bank	MKT	Markit
CNY	Chinese renminbi	MNB	Magyar Nemzeti Bank (the central bank of Hungary)
ConfB	Conference Board Consumer Confidence Index	MT	Malta
CXN	Caixin	NBP	Narodowy Bank Polski (the central bank of Poland)
CY	Cyprus	NIESR	National Institute of Economic and Social Research (UK)
DBB	Deutsche Bundesbank (the central bank of Germany)	NKI	Nikkei
DE	Germany	NL	Netherlands
EA	euro area	OE	Oxford Economics
ECB	European Central Bank	OECD	Organisation for Economic Co-operation and Development
EE	Estonia	OECD-CLI	OECD Composite Leading Indicator
EIA	Energy Information Administration	OPEC+	member countries of OPEC oil cartel and 10 other oil-exporting countries (the most important of which are Russia, Mexico and Kazakhstan)
ES	Spain	PMI	Purchasing Managers' Index
ESI	Economic Sentiment Indicator of the European Commission	PP	percentage point
EU	European Union	PT	Portugal
EUR	euro	RU	Russia
EURIBOR	Euro Interbank Offered Rate	RUB	Russian rouble
Fed	Federal Reserve System (the US central bank)	SI	Slovenia
FI	Finland	SK	Slovakia
FOMC	Federal Open Market Committee	SPF	Survey of Professional Forecasters
FR	France	TTF	Title Transfer Facility (virtual trading point for natural gas in the Netherlands)
FRA	forward rate agreement	UK	United Kingdom
FY	fiscal year	UoM	University of Michigan Consumer Sentiment Index - present situation
GBP	pound sterling	US	United States
GDP	gross domestic product	USD	US dollar
GR	Greece	WEO	World Economic Outlook
HICP	Harmonised Index of Consumer Prices	WTI	West Texas Intermediate (crude oil used as a benchmark in oil pricing)
HR	Croatia	ZEW	Centre for European Economic Research
ICE	Intercontinental Exchange		
IE	Ireland		
IEA	International Energy Agency		
IFO	Leibniz Institute for Economic Research at the University of Munich		
IMF	International Monetary Fund		

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