

Global Economic Outlook

October 2020



Contents

| | |
|---|-----------|
| I. Introduction | 2 |
| II. Economic outlook in selected territories | 3 |
| II.1 Euro area | 3 |
| II.2 United States | 5 |
| II.3 United Kingdom | 6 |
| II.4 Japan | 6 |
| II.5 China | 7 |
| II.6 Russia | 7 |
| II.7 Developing countries in the spotlight | 8 |
| III. Leading indicators and outlook of exchange rates | 9 |
| IV. Commodity market developments | 10 |
| IV.1 Oil | 10 |
| IV.2 Other commodities | 11 |
| V. Focus | 12 |
| International goods trade at the onset of the coronavirus pandemic from the perspective of economic regions | 12 |
| A. Annexes | 18 |
| A1. Change in predictions for 2020 | 18 |
| A2. Change in predictions for 2021 | 18 |
| A3. GDP growth and inflation outlooks in the euro area countries | 19 |
| A4. GDP growth and inflation in the individual euro area countries | 19 |
| A5. List of abbreviations | 26 |

Cut-off date for data

15 October 2020

CF survey date

11 October 2020

GEO publication date

22 October 2020

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 EIU.

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

COVID-19: A “cold shower” as the second wave hits ☹️ The worsening epidemiological situation and the continuing wait for a new vaccine are increasing the general and economic uncertainty. Restrictive measures to curb the spread of the coronavirus were reintroduced in October, particularly in Europe. European governments are trying to minimise the negative impacts of the pandemic on their economies. The course of key negotiations has not reduced the global uncertainty so far either. On the old continent, the EU and the UK are seeking to strike a deal on the terms of Brexit. The issues of a level playing field for business (especially in the area of state support) and fishing rights remain unresolved. The situation has been complicated by a draft UK law on the internal market which could eliminate the legal force of part of the Brexit deal ratified last year. The recent EU summit in Brussels called on the UK to take the necessary moves to make an agreement on mutual relations after Brexit possible. The probability of a no-deal Brexit has increased slightly. In the USA, there has been no progress as yet in the negotiations on a fiscal stimulus. The key issue is the size of the package (the Democrats are pushing for USD 2.2 trillion, while the Republicans want a substantially smaller one). The final phase of the ongoing election campaign

October GDP growth and inflation outlooks for monitored countries, in %

| GDP | EA | DE | US | UK | JP | CN | RU |
|-----------|--------|--------|--------|---------|--------|-------|--------|
| 2020 | -7.5 ↘ | -5.5 ↘ | -4.0 ↘ | -10.1 ↘ | -5.7 ↘ | 2.3 ↘ | -4.5 ↘ |
| 2021 | 5.3 ↘ | 4.4 ↘ | 3.7 ↘ | 5.7 ↘ | 2.5 ↘ | 7.9 ↘ | 3.3 ↘ |
| Inflation | EA | DE | US | UK | JP | CN | RU |
| 2020 | 0.3 ↘ | 0.5 ↘ | 1.2 ↘ | 0.9 ↘ | 0.0 ↘ | 2.8 ↘ | 3.8 ↘ |
| 2021 | 0.9 ↘ | 1.5 ↘ | 2.0 ↘ | 1.5 ↘ | 0.0 ↘ | 2.0 ↘ | 3.5 ↘ |

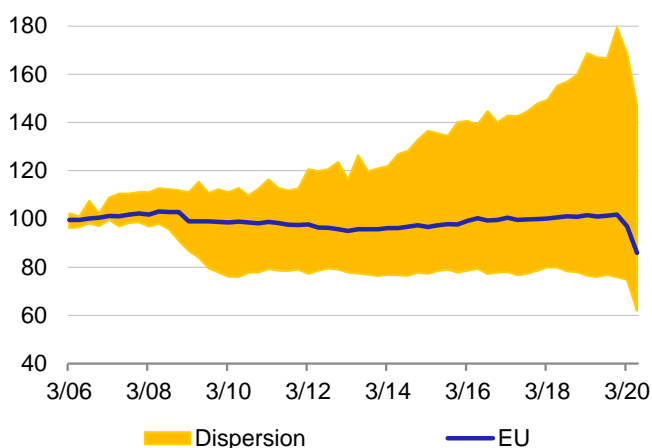
Source: Consensus Forecasts (CF)

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

is also a source of uncertainty, albeit a “natural” one. So far, the prospects look brighter for Joe Biden, the challenger of the incumbent president Donald Trump.

The October GDP growth outlooks for this year predict a slower decline of the three strongest economies, i.e. the USA, the euro area (including Germany) and China. The IMF autumn economic outlook has been revised similarly. It expects a drop in the USA (of 4.3%) and the euro area (of 8.3%), and only slight growth in China (of 1.9%) this year. By contrast, the results expected for next year are slightly worse or (in the case of China) unchanged. Of course, the coronavirus pandemic, US–China trade relations and the reality of Brexit may substantially affect the current outlooks. The Indian economy, which we also examine in this issue, is exposed to stagflation this year, with a 10% economic decline accompanied by 7% consumer price inflation. **The consumer price inflation outlooks in October** decreased further compared with September in the case of the euro area, where expected inflation is close to zero this year. By contrast, the outlook for the USA has been revised up to 2% next year. Japan has averted deflation from the statistical perspective, but the outlook until the end of 2021 shows zero consumer price inflation. The dollar will strengthen slightly against the euro, sterling, the yen and the rouble at the one-year horizon, while being de facto stable against the renminbi. The CF outlook for the Brent crude oil price at the one-year horizon is a touch lower than in September, at USD 48.5/bbl (highest estimate USD 63/bbl, lowest estimate USD 38/bbl). The outlook for 3M USD LIBOR market rates is slightly falling, as is that for 3M EURIBOR rates, which has thus remained negative over the entire outlook horizon for several years now.

Number of hours worked in EU countries, index



Source: Eurostat
Note: Index 100 = 2006

The chart in the October issue provides information on the number of hours worked in EU countries, including the cross-country dispersion. The impacts of the current coronavirus crisis are very different from those of the 2008–2009 crisis, as the number of hours worked is now falling very sharply. The fall is due to governments’ restrictive measures, which have curbed production and hit the services sector (hospitality and tourism) particularly hard. The resurging coronavirus pandemic and the related restrictive government measures will delay a return to pre-pandemic levels.

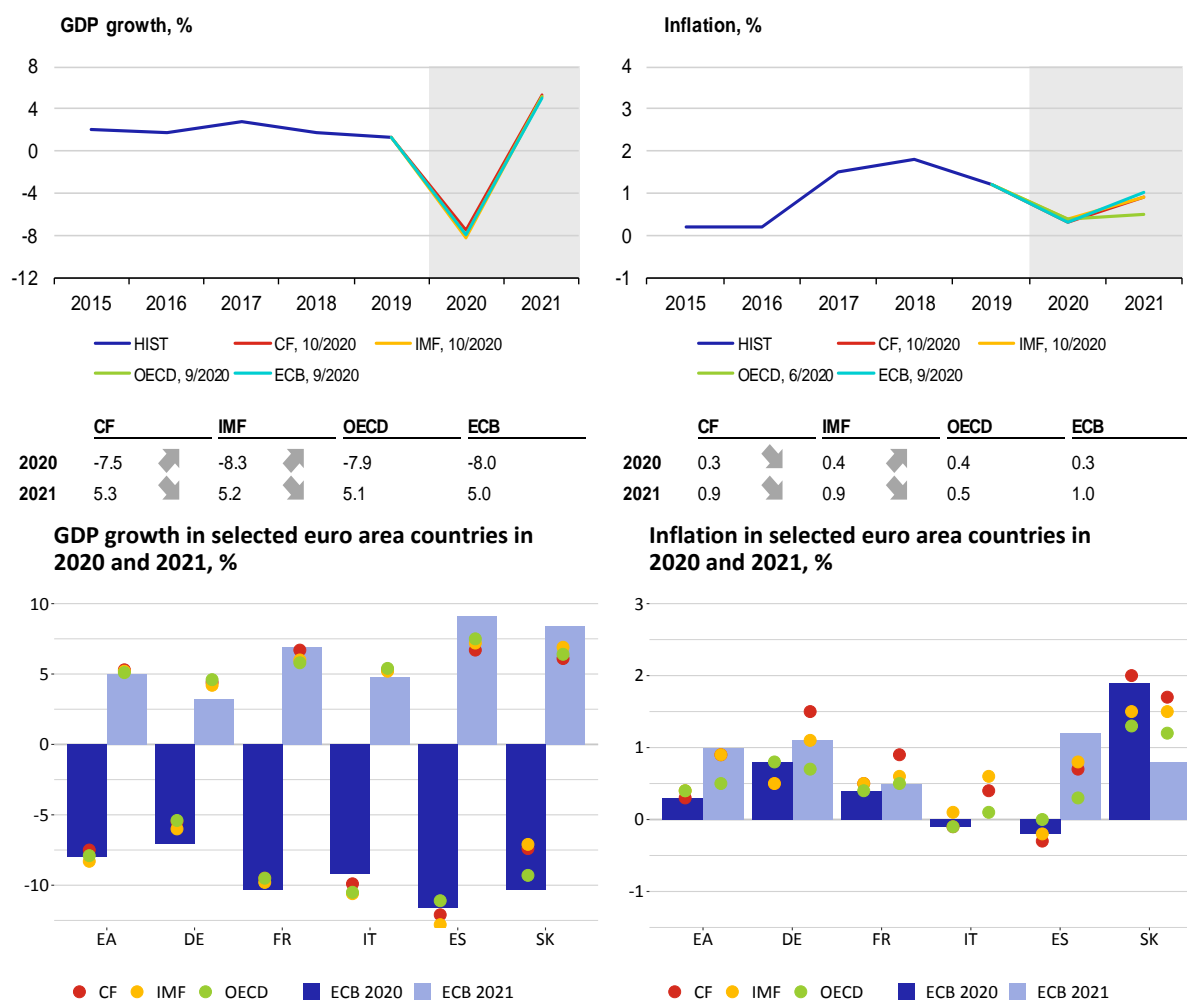
The current issue also contains an analysis: [International goods trade at the onset of the coronavirus pandemic from the perspective of economic regions](#). The article sets out to analyse international goods trade in the first of 2020 and to map the relevant flows from the territorial, commodity and time perspective. Particular attention is paid to goods exports in the months in which the deepest declines were recorded. Foreign trade in motor vehicles is then analysed separately.

II.1 Euro area

Government restrictions relating to the COVID-19 pandemic caused the largest ever contraction of the euro area economy. GDP fell by 14.7% in 2020 Q2 compared to the same period a year earlier. Household consumption fell by almost 16%, while investment, imports and exports all dropped by more than 20%. Government expenditure went down by 2.5%, although some countries (Germany and Spain) recorded year-on-year growth due to record-high government stimuli. Activity dropped not only in services (especially retail, hospitality and professional services), but also in industry.

GDP is expected to record strong quarter-on-quarter growth in Q3 due to the reopening of economies. Industrial production recovered strongly in May. The intensity of the recovery decreased in the summer months, but in August industrial production was just 7% lower than in the same period a year earlier. The composite leading PMI indicator remained slightly above the expansion threshold in September, amid contrary trends in services and industry. The situation in services worsened due to the resurgence of the COVID-19 pandemic, whereas manufacturing recorded an improvement. In Germany, the composite index was high in both services and industry, while in Spain it fell sharply. The economic sentiment index compiled by the European Commission remains below the long-term average but improved slightly further in September. Total retail sales in the euro area in August were above last year's level, but clothing and footwear purchases were well below it. The worsening epidemiological situation in many euro area countries, which heralds a resurgence of the pandemic, will – together with the second wave of government measures – have a negative impact on economic activity at the end of this year. However, the scale of the government measures is unlikely to be as large as during the first wave, when less information was available. Instead of the across-the-board measures introduced in the first of this year, a more selective approach can be expected now.

The October CF has again lowered its estimates of the decline in euro area GDP this year (to 7.5%) and the speed of the recovery next year (to 5.3%). The IMF has also revised its outlooks downwards. In its autumn forecast, it said that

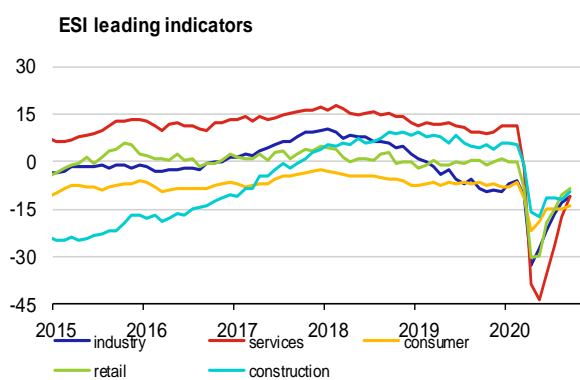


Note: Charts show institutions' latest available outlooks of for the given economy.

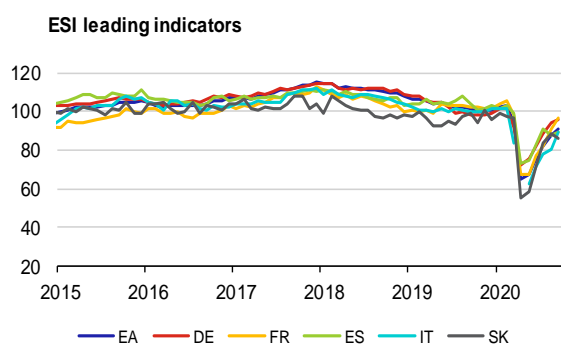
the process of recovery from the pandemic will be more complicated and take longer than originally assumed. The improved outlook is due mainly to more favourable developments in some advanced countries in Q2, whereas developing countries are lagging behind. Spain is expected to see the sharpest drop this year among the euro area countries we monitor, while the economic downturn in Germany will be much smaller. As regards the components of GDP, the contraction in the euro area this year will be caused mainly by household consumption and gross fixed capital formation. Fear of the pandemic is suppressing household consumption and reducing corporate investment. Secondary impacts in supply chains, which could cause negative effects to spill over to the entire economy, should also be taken into account.

Inflation in the euro area remained slightly deflationary for the second consecutive month. The decline in consumer prices deepened to 0.3% in September. Core inflation meanwhile fell further towards zero. Energy prices dropped sharply and industrial goods prices also went down, albeit to a lesser extent. By contrast, food prices increased, and prices of services also rose slightly. Of the large countries, Italy recorded the sharpest price drop (1%), but prices in Germany also declined (by 0.4%), due in part to a temporary VAT rate cut. Overall, deflation hit most euro area countries. According to the October CF, inflation will be only slightly above zero this year and rise to 1% next year. The other monitored institutions view future inflation similarly and have revised their outlooks for next year downwards.

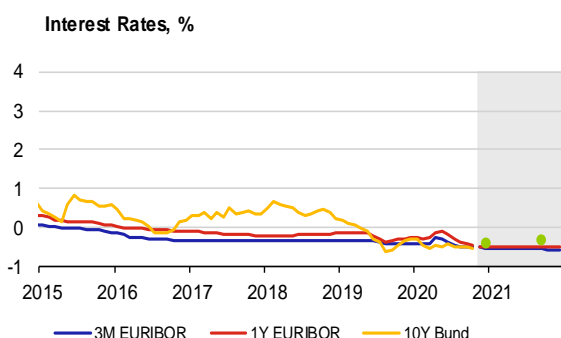
Inflation expectations in the euro area remain subdued, as reflected in an expected slight fall in 3M EURIBOR rates. The door to easy monetary policy thus remains open to the ECB. The ECB will probably have used up the entire PEPP envelope by June 2021. The euro's appreciation against the dollar and other currencies is still a much discussed issue given current inflation rates. The ten-year German government bond yield is not expected to turn positive until the start of next year.



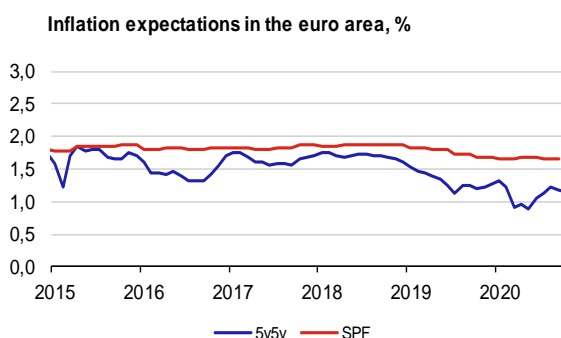
| | industry | services | consum. | retail | constr. |
|------|----------|----------|---------|--------|---------|
| 7/20 | -16.2 | -26.2 | -15.0 | -15.1 | -11.4 |
| 8/20 | -12.8 | -17.2 | -14.7 | -10.5 | -11.8 |
| 9/20 | -11.1 | -11.1 | -13.9 | -8.7 | -9.6 |



| | EA | DE | FR | ES | IT | SK |
|------|------|------|------|------|------|------|
| 7/20 | 82.4 | 88.4 | 82.2 | 90.6 | 77.9 | 83.3 |
| 8/20 | 87.5 | 94.3 | 90.8 | 88.1 | 80.6 | 88.2 |
| 9/20 | 91.1 | 95.5 | 96.6 | 89.7 | 89.0 | 85.9 |



| | 9/20 | 10/20 | 1/21 | 10/21 |
|------------|-------|-------|-------|-------|
| 3M EURIBOR | -0.49 | -0.51 | -0.52 | -0.55 |
| 1Y EURIBOR | -0.41 | -0.46 | -0.48 | -0.49 |
| 10Y Bund | -0.49 | -0.53 | 0.00 | 0.00 |



Note: Inflation expectations based on 5year inflation swap and SPF

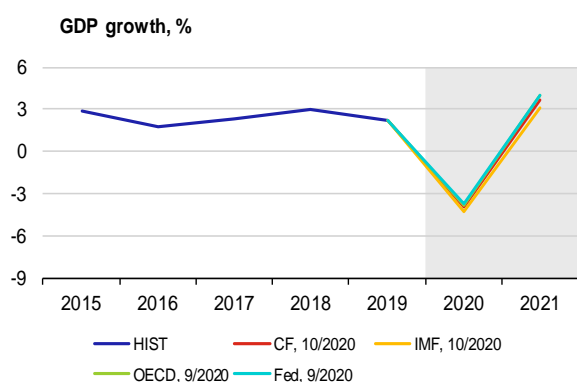
| | 5y5y | SPF |
|-------|------|------|
| 8/20 | 1.22 | 1.65 |
| 9/20 | 1.18 | 1.65 |
| 10/20 | 1.14 | n.a. |

II.2 United States

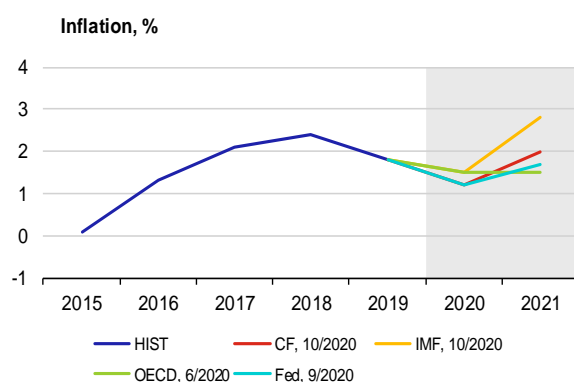
A few weeks before the US presidential elections, the incumbent Donald Trump is lagging behind his opponent Joe Biden. The election result will be important for the future course of the entire economy and the USA's relations with the rest of the world. Both candidates are running on a ticket of national security, but Biden is promoting open and less restrictive international trade policy. Investors currently expect Biden to be a stronger advocate of further fiscal support measures than President Trump. The US Fed, like other central banks, favours the provision of government support to the economy. The coronavirus situation is more serious in states that support the current president, who has had the disease in recent weeks.

The outlooks for the US economy are increasingly optimistic, but new cases and hospitalisations are starting to rise again. The new CF outlook expects GDP to decline by 4% this year, while the latest IMF outlook predicts a 4.3% drop. In the long term, CF is more optimistic in its outlook than the IMF, as the IMF expects the US economy to grow by less than 2% in 2024 and 2025. In September, non-farm payrolls rose by almost 700,000 and the unemployment rate fell to 7.9%. The leading PMI indicators in manufacturing (53.2) and services (54.6) remain in the expansion band. In September, the TIPP consumer sentiment index exceeded 50 points for the first time since March, meaning a return to optimism. International trade is continuing to recover, with the value of imported goods higher in August than in March. Exports are at 80% of the pre-crisis level.

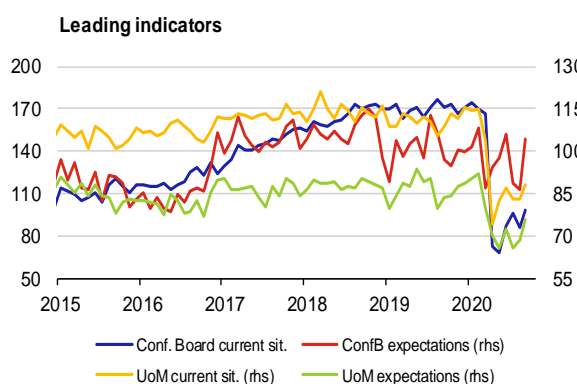
Inflation rose to 1.4% year on year in September, due mainly to growth in prices of food (3.9%) and services (1.9%). By contrast, energy prices fell by 7.7%. CF has revised its inflation outlook up to 1.2% for 2020 and 2.0% for 2021. The IMF expects inflation to reach 1.5% this year and 2.8% next year and then remain above 2% in the following four years. According to the CF outlook, the dollar will continue to weaken against the euro.



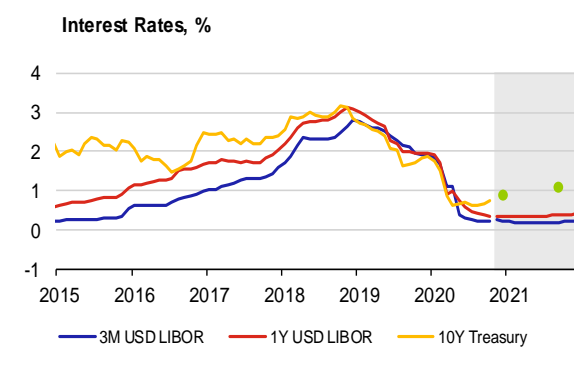
| | CF | IMF | OECD | Fed |
|------|------|------|------|------|
| 2020 | -4.0 | -4.3 | -3.8 | -3.7 |
| 2021 | 3.7 | 3.1 | 4.0 | 4.0 |



| | CF | IMF | OECD | Fed |
|------|-----|-----|------|-----|
| 2020 | 1.2 | 1.5 | 1.5 | 1.2 |
| 2021 | 2.0 | 2.8 | 1.5 | 1.7 |



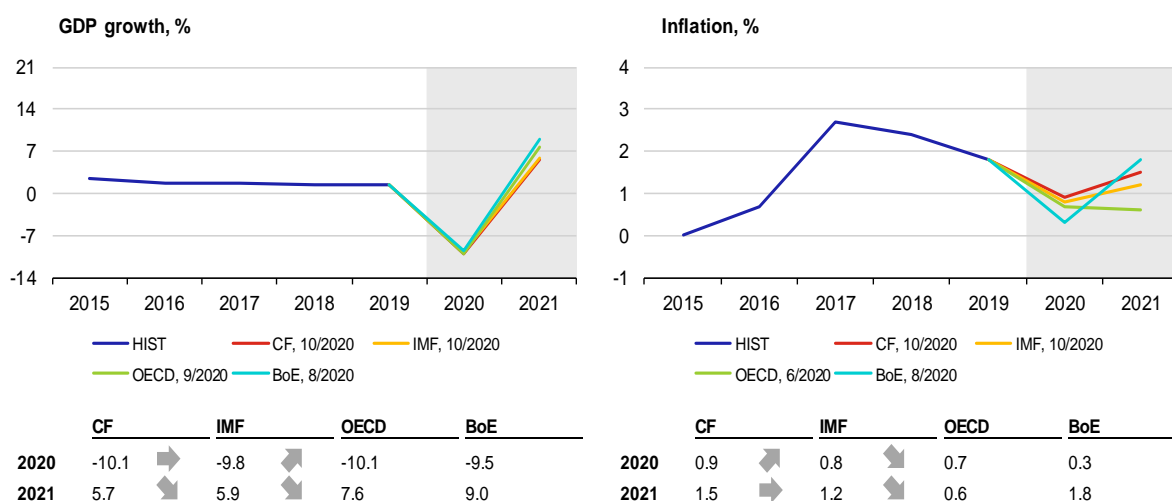
| | ConfB curr. | ConfB exp. | UoM curr. | UoM exp. |
|------|-------------|------------|-----------|----------|
| 7/20 | 95.9 | 88.9 | 82.8 | 65.9 |
| 8/20 | 85.8 | 86.6 | 82.9 | 68.5 |
| 9/20 | 98.5 | 104.0 | 87.8 | 75.6 |



| | 9/20 | 10/20 | 1/21 | 10/21 |
|--------------|------|-------|------|-------|
| USD LIBOR 3M | 0.24 | 0.23 | 0.21 | 0.22 |
| USD LIBOR 1R | 0.39 | 0.39 | 0.34 | 0.40 |
| Treasury 10R | 0.68 | 0.77 | 0.00 | 0.00 |

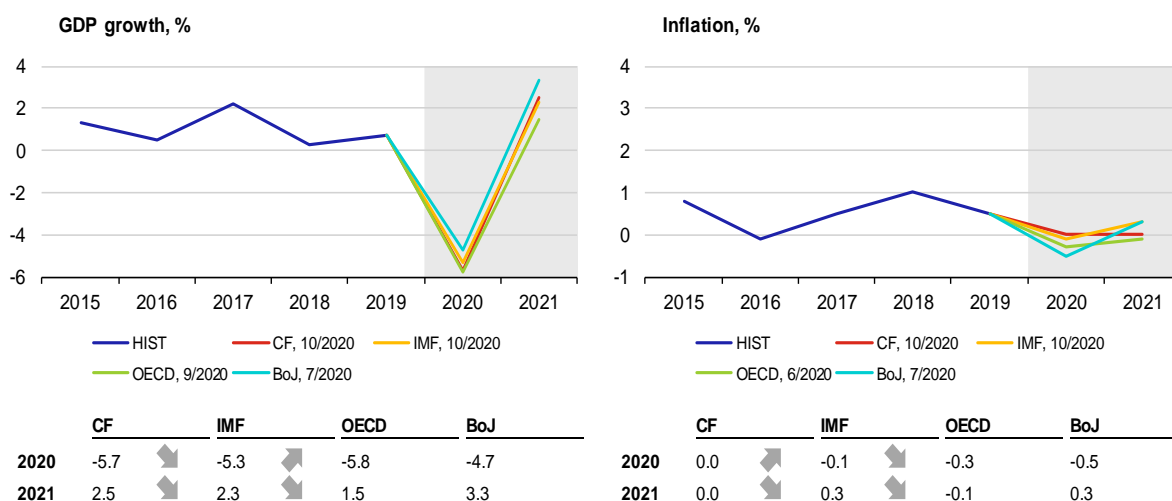
II.3 United Kingdom

The UK economy slowed in August, and analysts expect the slowdown to continue in the months ahead due to a rising number of coronavirus cases. In light of the situation, Prime Minister Boris Johnson announced stricter measures to curb the spread of the virus, including social restrictions in London. The government will also support the labour market again for six months from November, as the unemployment rate in the UK rose to 4.5% in the three months to the end of August. The talks between the EU and the UK on post-Brexit trade relations will go on after the European Council's October summit, despite a lack of progress in areas of contention. However, both sides must prepare for a hard Brexit. The new October IMF outlook expects a slightly smaller contraction in 2020 (9.8%), but slightly faster growth in 2021 (5.9%), than the revised CF outlook. Compared to August, the forward-looking composite PMI indicator fell slightly to 56.5 in September but stayed in the expansion band. This reflected slower growth in corporate profits and a drop in employment. Despite these facts, confidence in the future remains positive.



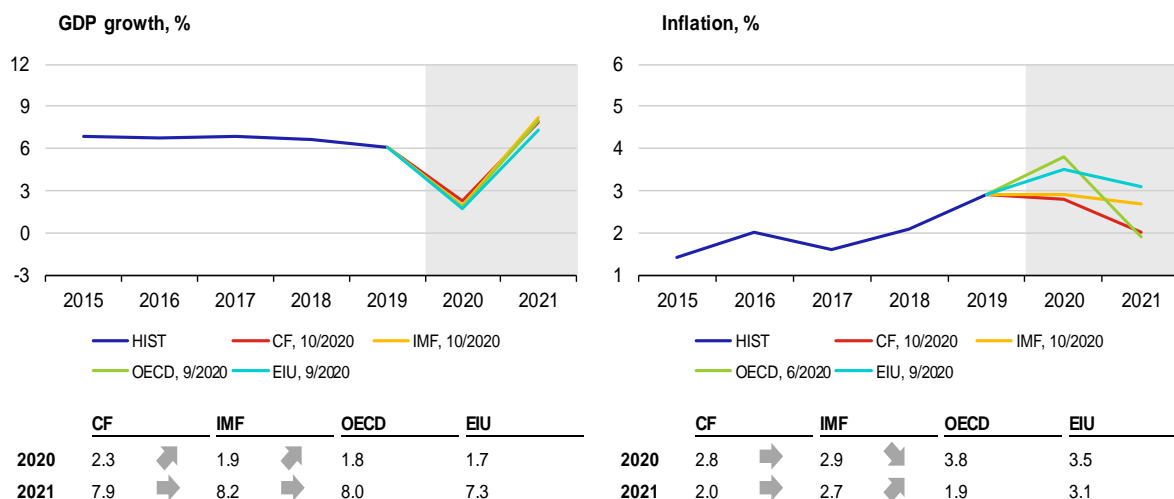
II.4 Japan

Japan's economic performance is falling short of expectations in Q3. The BoJ's regular Tankan survey showed lower-than-expected growth in Japanese firms' confidence after a record-high fall in Q2. A rise in the index from -31 to -28 means that the share of firms regarding business conditions as "favourable" is still 28 pp lower than the share of those viewing them as unfavourable. Sentiment is particularly low in manufacturing; the situation in services is slightly better. The September PMI index also indicates a poor recovery. Consumer price inflation remained flat just above zero in August, while producer prices showed modest deflation (of 0.6% in August). The BoJ left monetary policy unchanged in September but signalled its willingness to ease further if necessary. Wages fell year on year (by 1.3%) for the fifth month in a row in August, while unemployment rose slightly (from 2.9% to 3.0%). According to CF, the economy will contract by 5.7% in 2020.



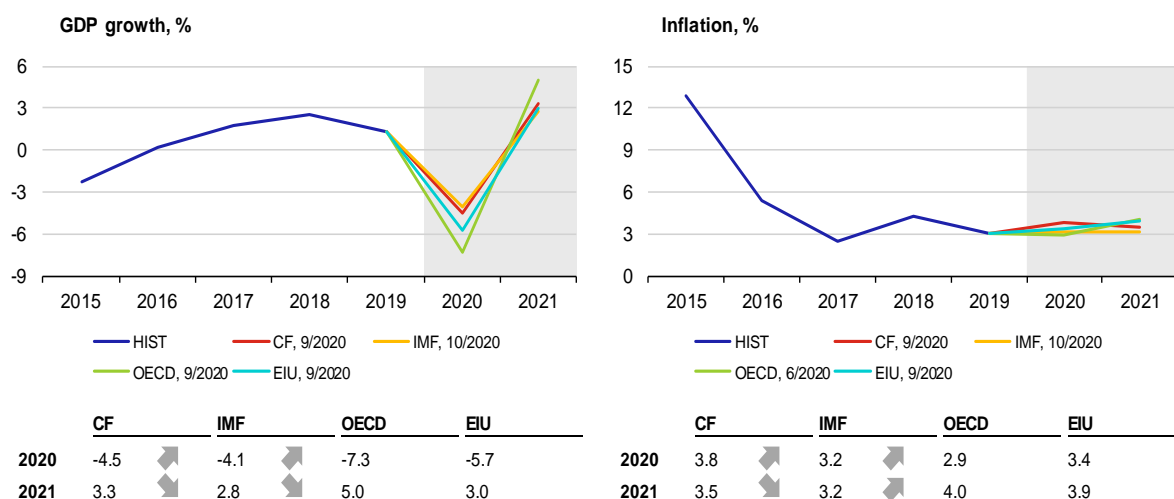
II.5 China

The Chinese economy continues to recover, due mainly to strong investment growth and a gradual pick-up in household consumption. Massive government investment in infrastructure is clearly reflected in strong growth in industrial production. As regards foreign trade, the Chinese economy is also currently benefiting from growing demand for healthcare products and technology. The main risks to future growth are a renewed escalation of trade tensions with the USA and the current rapidly worsening situation in China's main trading partners due to the resurgence of the COVID-19 pandemic. CF analysts expect the Chinese economy to grow by 2.3% in 2020 and 7.9% in 2021. The continued drop in industrial prices reflects low prices of oil and industrial commodities. Consumer inflation slowed from 2.4% in August to 1.7% in September. According to the October CF outlook, consumer prices will grow by 2.8% this year, slowing to 2% next year.



II.6 Russia

The Russian economy is being affected by slack in the oil industry and low household consumption. The GDP decline in Q2 (of 8% year on year) was caused mainly by a 22% fall in household consumption and a 12% drop in gross capital formation. By contrast, positive contributions came from government consumption (1.6%) and net exports due to a sharp fall in imports. The year-on-year rate of decline in nominal exports of goods and services fell from 32% to 27% in Q3, while the drop in imports slowed. The decline in the Urals oil price slowed markedly, but oil output dropped (by 13%) due to the OPEC+ deal and low demand. As a result, exports of oil and oil products fell by 24% in July and August. The September business sentiment survey indicates rather worse sentiment in mining than in manufacturing, but there is hope of an improvement in both sectors at the three-month horizon. Industrial production fell by 5% in September and the PMI in manufacturing returned to the recession band. The rouble weakened to RUB 78/USD in mid-October.

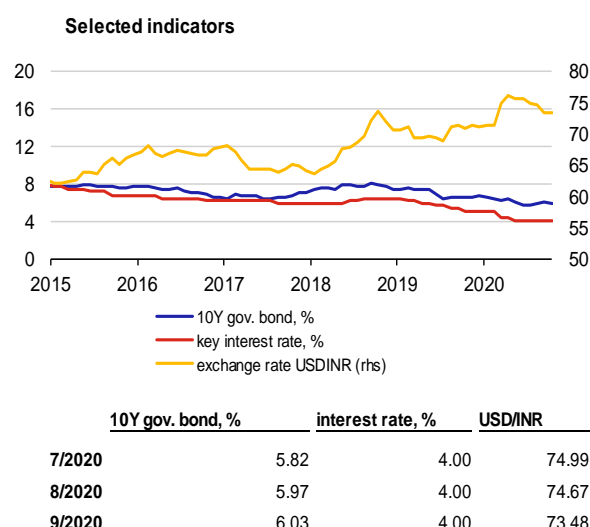
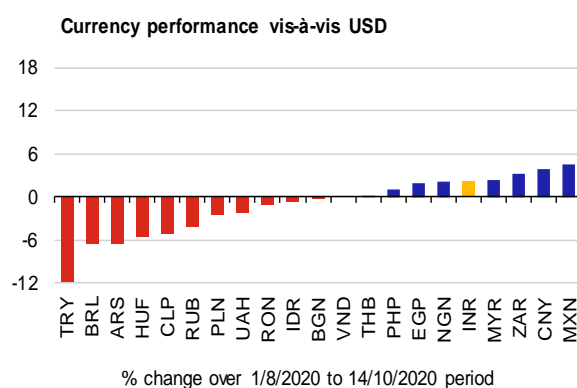
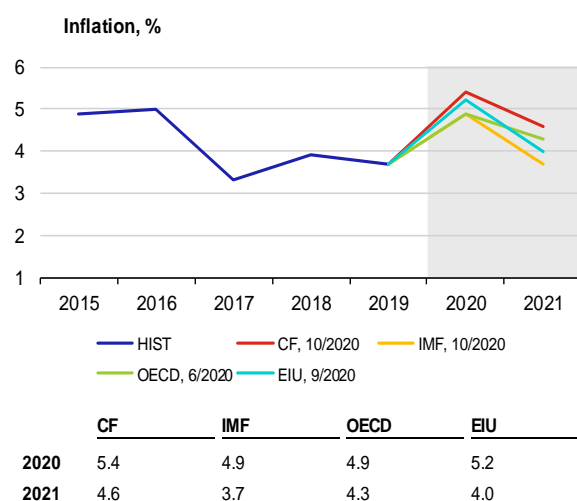
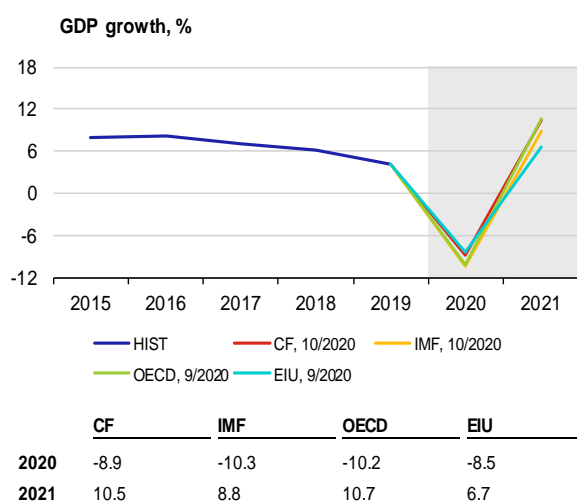


II.7 Developing countries in the spotlight

The Indian economy will probably contract by 10% this year. Like other countries, this large developing economy was hit by the coronavirus pandemic in the spring. The government imposed a lockdown at the end of March in an effort to curb the spread of the disease, following the example of other countries. However, this was followed by a drop in GDP of almost a quarter in the second quarter, and the government eased some of the measures in June. Despite the lockdown, the number of COVID-19 cases in India continued to rise, peaking in mid-September at almost 100,000 a day. Since then, the number of new cases has been falling. India now ranks second behind the USA in the total number of cases. The pandemic thus brought the growing economy of India to a rapid halt. According to international organisations' outlooks, GDP will fall by about 10% this year. CF is the most optimistic, predicting a drop of just under 9%. Next year, GDP growth will help the economy return to roughly the pre-pandemic level. This is a more optimistic outlook than for many other countries.

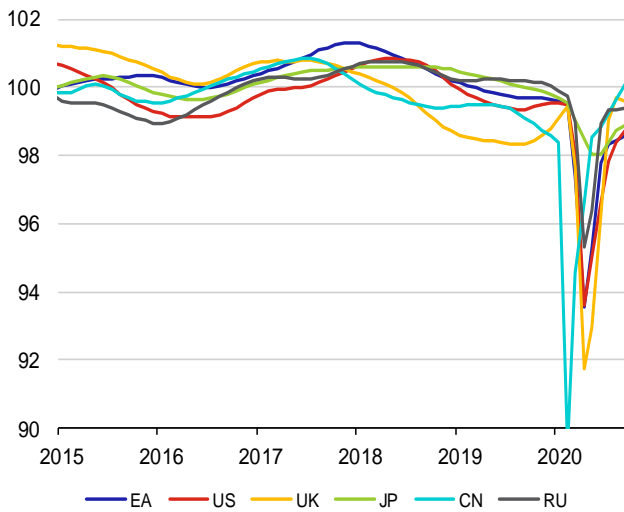
Annual consumer price inflation in India reached 7.3% in September. Inflation started to rise sharply at the end of last year. According to international organisations' outlooks, it will reach 5% in 2020 as a whole. This is very optimistic given the current situation (particularly rising food prices), as is the outlook for next year, when inflation is expected to be around the central bank's target of 4%. The central bank cut rates in response to the coronavirus and is now holding them at 4%. Given the current situation, the rupee might have been expected to weaken, but the currency is stable and the CF outlooks indicate that it will maintain its current exchange rate of around 74 USD/INR in the years to come.

According to some indicators, the Indian labour market fell for only two months but recorded structural changes. Unemployment was 6.7% in September, lower than before the pandemic. Employment is currently being driven mainly by seasonal work in agriculture and increased government consumption in outlying regions. The participation rate has meanwhile dropped and employees are moving from industry and services to less productive agriculture.



III. Leading indicators and outlook of exchange rates

OECD Composite Leading Indicator

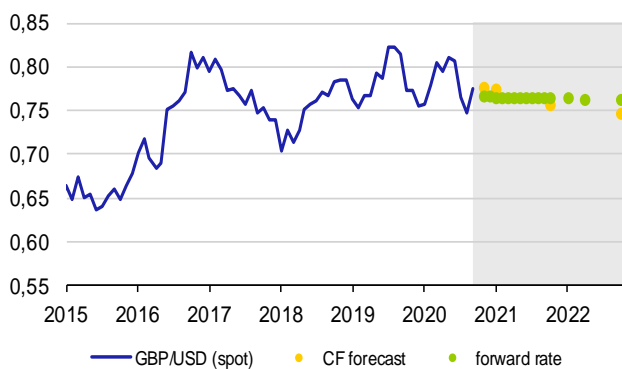


The US dollar (USD/EUR)



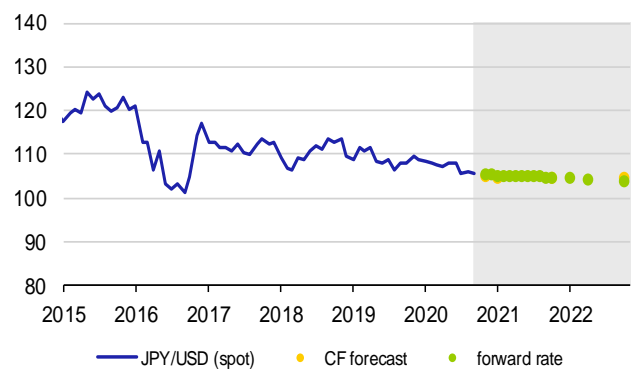
| | 12/10/20 | 11/20 | 1/21 | 10/21 | 10/22 |
|--------------|----------|-------|-------|-------|-------|
| spot rate | 1.181 | | | | |
| CF forecast | | 1.176 | 1.180 | 1.192 | 1.192 |
| forward rate | | 1.182 | 1.184 | 1.191 | 1.202 |

The British pound (GBP/USD)



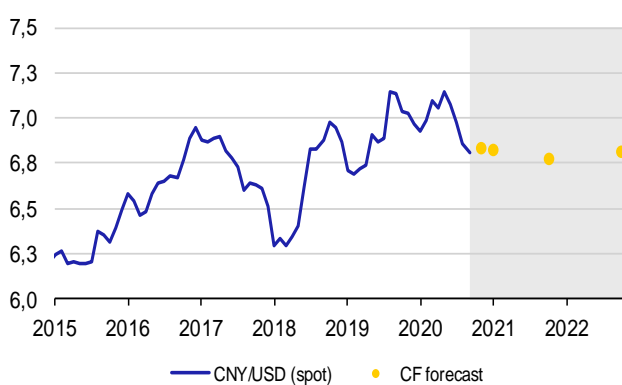
| | 12/10/20 | 11/20 | 1/21 | 10/21 | 10/22 |
|--------------|----------|-------|-------|-------|-------|
| spot rate | 0.765 | | | | |
| CF forecast | | 0.776 | 0.773 | 0.757 | 0.747 |
| forward rate | | 0.765 | 0.765 | 0.764 | 0.762 |

The Japanese yen (JPY/USD)



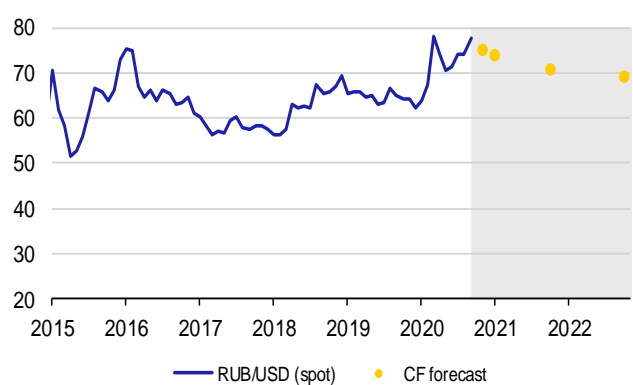
| | 12/10/20 | 11/20 | 1/21 | 10/21 | 10/22 |
|--------------|----------|-------|-------|-------|-------|
| spot rate | 105.3 | | | | |
| CF forecast | | 105.1 | 104.7 | 104.5 | 104.8 |
| forward rate | | 105.3 | 105.2 | 104.8 | 104.0 |

The Chinese renminbi (CNY/USD)



| | 12/10/20 | 11/20 | 1/21 | 10/21 | 10/22 |
|-------------|----------|-------|-------|-------|-------|
| spot rate | 6.735 | | | | |
| CF forecast | | 6.833 | 6.825 | 6.775 | 6.812 |

The Russian rouble (RUB/USD)



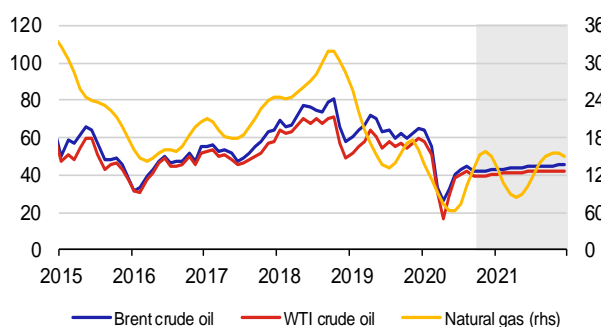
| | 12/10/20 | 11/20 | 1/21 | 10/21 | 10/22 |
|-------------|----------|-------|-------|-------|-------|
| spot rate | 77.08 | | | | |
| CF forecast | | 75.00 | 73.77 | 70.60 | 69.19 |

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.

IV.1 Oil

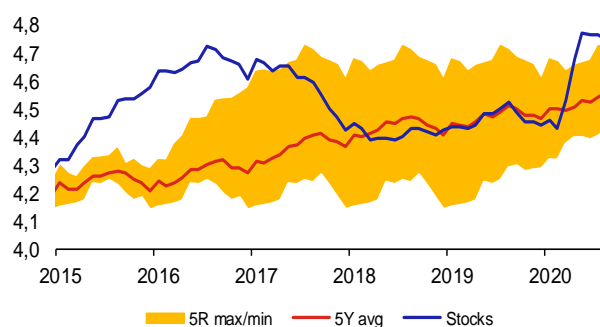
The average monthly Brent crude oil price fell sharply in September after four straight months of growth. The fall was especially sharp at the start of the month (by around 13% to below USD 40/bbl) and was coupled with strong sell-offs and worsening financial market sentiment. The Brent price erased part of its losses in the second half of September and since then has been fluctuating between USD 39/bbl and USD 43.5/bbl amid greater volatility. Oil prices were boosted by further strong hurricanes in the Gulf of Mexico, which greatly reduced production capacity there, and by a miners' strike in Norway, a renewed drop in US oil inventories due to increased activity at US refineries, and the still weak dollar. Prices are also being supported by the discipline of OPEC+ countries in observing their production quotas. Positive reports of growth in demand in China and India also emerged in October. However, concerns about a slower recovery of global oil demand and excess oil supply on the market continue to mount. Together with persisting high global oil inventories, this led the contango of the Brent and WTI futures curves to increase in September, especially at the nearer end. Hedge funds significantly reduced their net long positions in WTI and Brent in September, but this trend halted at the end of the month. Stronger oil price growth is being prevented mainly by the renewed deterioration in the epidemiological situation in Europe and the USA, delays in the approval of the next part of the US fiscal stimulus, rising oil output in Libya and the increase in production planned by OPEC+ for January. The current futures curve is only slightly rising, signalling a Brent crude oil price of USD 42.6/bbl and USD 45.4/bbl at the end of 2020 and 2021 respectively. The October CF predicts a faster rise and a Brent price of USD 48.5/bbl at the one-year horizon. The EIA expects Brent prices to remain at the current level of around USD 42/bbl until the end of this year and then rise quickly in the first half of 2021 to USD 49/bbl at the year-end.

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

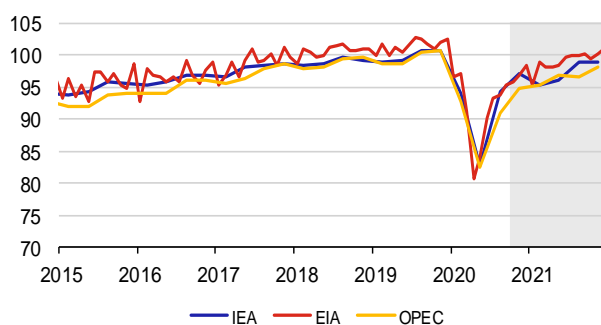


| | Brent | WTI | Natural gas |
|------|---------|---------|-------------|
| 2020 | 42.45 ↘ | 38.69 ↗ | 108.76 ↗ |
| 2021 | 44.37 ↘ | 41.71 ↗ | 123.11 ↗ |

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

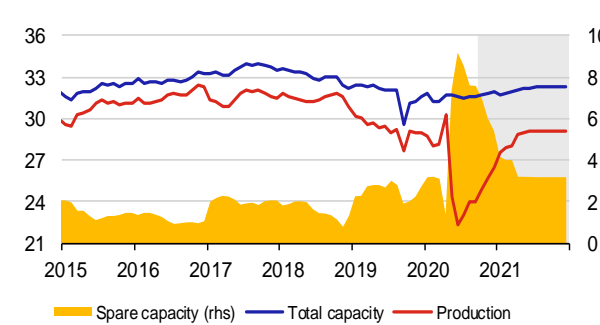


Global consumption of oil and oil products (mil. barrel / day)



| | IEA | EIA | OPEC |
|------|---------|---------|---------|
| 2020 | 92.07 ↘ | 92.84 ↘ | 90.28 ↗ |
| 2021 | 97.37 ★ | 99.09 ↘ | 96.82 ↘ |

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



| | Production | Total capacity | Spare capacity |
|------|------------|----------------|----------------|
| 2020 | 25.81 ↗ | 31.60 ↗ | 5.79 ↗ |
| 2021 | 28.75 ↘ | 32.14 ↘ | 3.39 ↗ |

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

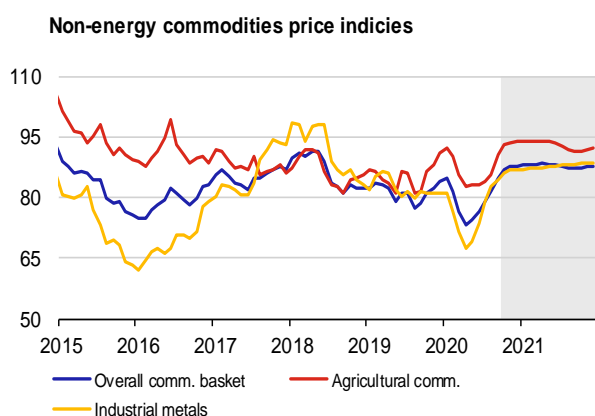
Note: Oil price at ICE, average gas price in Europe – World Bank data, smoothed by the HP filter. Future oil prices (grey area) are derived from futures and future gas prices are derived from oil prices using model. Total oil stocks (commercial and strategic) in OECD countries – IEA estimate. Production and extraction capacity of OPEC – EIA estimate.

IV.2 Other commodities

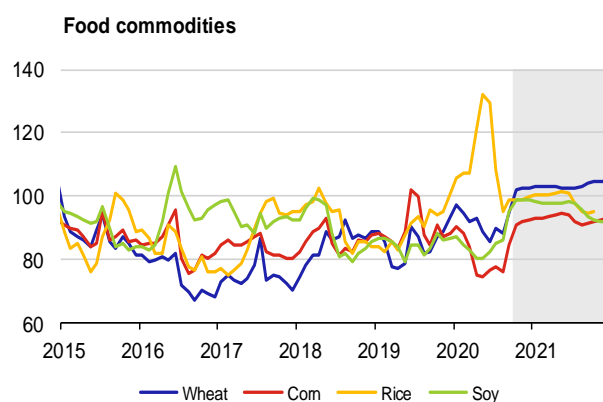
The average monthly natural gas price in Europe recorded strong growth for the second time in a row, rising by almost 40% in September. This was due to persisting lower LNG imports from the USA and limited pipeline gas supplies from Russia and Norway due to maintenance. Gas inventories in Europe rose further to 94.7% of capacity in September, but were lower than a year earlier. Coal prices grew by almost 9% in September due to restrictions imposed on supplies from Australia in response to falling coal imports to China, where production recovered. Thermal energy generation in China rose by 6.2% in August and was just 0.4% lower year on year in January–August, indicating a recovery in Chinese demand.

The non-energy commodity price index, which has been growing since May, continued to rise in September and the first half of October. At first, the growth was driven mainly by a rising metals price sub-index. However, the food commodity price sub-index had the dominant effect in September and October. The outlook for the overall index is flat, with a rising outlook for the industrial metals price index offset by a falling outlook for the food commodity price index.

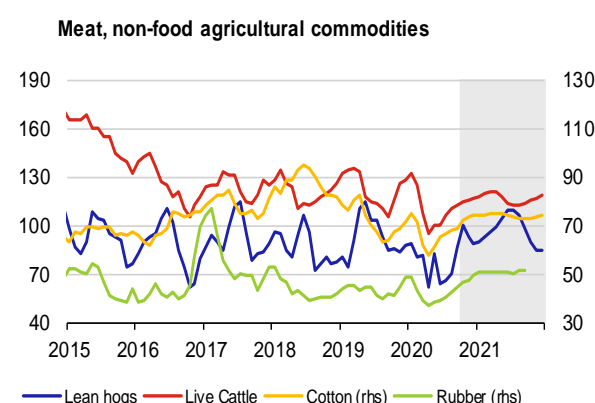
Prices of basic metals and iron ore continued to be supported by the global manufacturing recovery. However, their growth slowed in the second half of September, and prices of some metals even fell as financial markets weakened in response to the adverse course of the talks on further fiscal stimulus in the USA. The copper price rose on the back of a sharp increase in the estimated shortage of the commodity on the physical market, but a rise in stocks at the LME then dampened the price growth. In September, the price of iron ore continued to be boosted by strong demand from China, where steel production grew by 8.4% year on year in August and 3.7% in January–August period. As for food commodities, grains (except for flat rice prices), sugar and meat all recorded price growth. By contrast, coffee and cocoa prices fell.



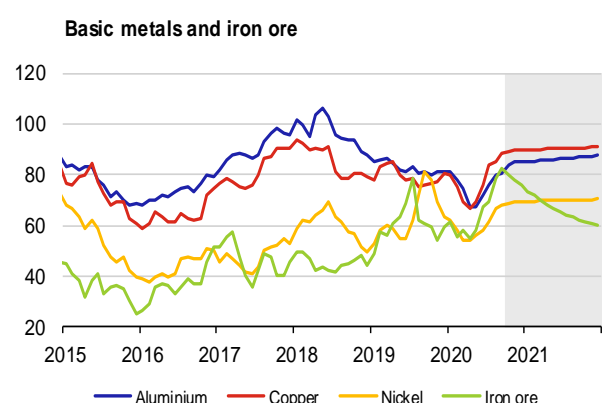
| | Overall | Agricultural | Industrial |
|------|---------|--------------|------------|
| 2020 | 81.2 ↗ | 88.2 ↗ | 78.8 ↗ |
| 2021 | 87.9 ↗ | 92.9 ↗ | 87.8 ↗ |



| | Wheat | Corn | Rice | Soy |
|------|---------|--------|---------|--------|
| 2020 | 94.3 ↗ | 83.6 ↗ | 108.8 ↗ | 88.5 ↗ |
| 2021 | 103.5 ↗ | 92.9 ↗ | 98.9 ↘ | 96.0 ↗ |



| | Lean hogs | Live Cattle | Cotton | Rubber |
|------|-----------|-------------|--------|--------|
| 2020 | 80.1 ↗ | 111.4 ↘ | 67.8 ↗ | 42.9 ↗ |
| 2021 | 97.1 ↗ | 116.6 ↘ | 73.9 ↗ | 50.6 ↗ |



| | Aluminium | Copper | Nickel | Iron ore |
|------|-----------|--------|--------|----------|
| 2020 | 77.6 ↗ | 80.1 ↘ | 62.2 ↘ | 68.2 ↘ |
| 2021 | 86.3 ↗ | 90.3 ↘ | 69.9 ↘ | 65.7 ↘ |

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.

International goods trade at the onset of the coronavirus pandemic from the perspective of economic regions¹

The global economy was entirely under the thumb of the coronavirus pandemic in the first half of 2020. The introduction of production and transport restrictions, including border closures, was associated with a sharp drop in supply and demand and ultimately led to a totally unprecedented fall in GDP in both individual countries and entire regions. The measures also logically led to a slump in international trade. This article sets out to analyse international goods trade in the first half of 2020 and to map the relevant flows from the territorial, commodity and time perspective. We pay particular attention to goods exports in the months in which the deepest declines were recorded. Foreign trade in motor vehicles is then analysed separately.²

Introduction

Our analysis of international goods trade is based on the standard breakdown of economic agents into three main regions. We will look first at the EU countries, then at the non-EU advanced market economies, and lastly at the BRICS countries. As is well known, the coronavirus pandemic started in the East and then spread to Europe and on to other continents. It is therefore interesting to monitor how trade was affected in the selected regions. Given that the EU, along with China and the USA, is one of the most important global players in terms of total international goods trade, accounting for around 15%³ of total global turnover, the EU analysis is structured in even greater detail, with the EU broken down into four representative groups. Germany, which accounts for around one quarter of total turnover, forms a standalone group. The second group consists of the next three largest and (in terms of GDP) most important EU countries – France, Italy and Spain. The other two groups comprise traditional medium-sized EU countries (Belgium, Denmark, Ireland, the Netherlands, Portugal and Austria) and new Member States (the V4, namely the Czech Republic, Hungary, Poland and Slovakia).⁴

Chart 1 – EU goods exports and imports with the RoW

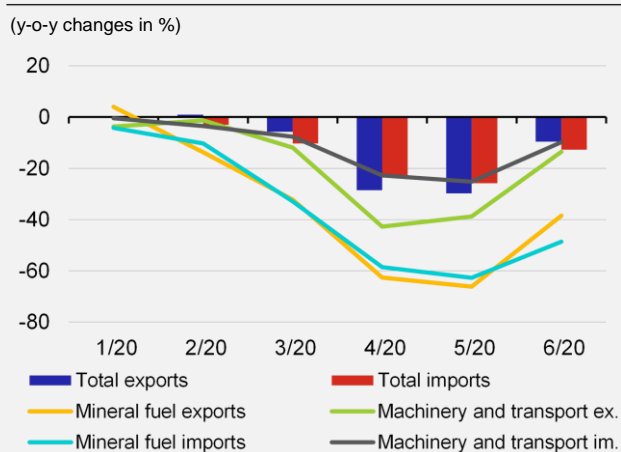
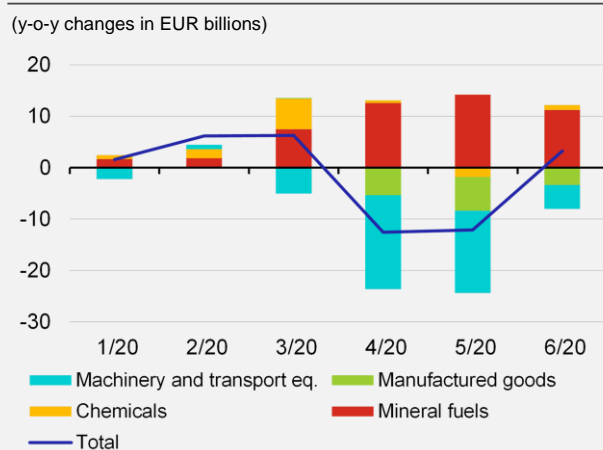


Chart 2 – EU goods balance with the RoW



¹ Author: Ladislav Prokop. 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 In their article *A tale of two crises: An early comparison of foreign trade and economic activity in EU countries* published in the September 2020 edition of *Global Economic Outlook*, Oxana Babecká Kucharčuková and Jan Brůha examined international goods trade in the economies of the EU from the perspective of two large crises – the global financial crisis and the current coronavirus crisis.

³ Excluding turnover within the EU.

⁴ The analysis of the individual issues is based on data from the Eurostat, OECD and ITC databases. The statistics databases of the national customs authorities were helpful in clarifying many minor issues. The commodity structure is based on the SITC commodity categories, the CPA product classification and harmonised customs tariff items. The analysis of foreign trade in the EU is based on calculations in euros, while the analysis of that in non-EU countries is based on calculations in US dollars. The year-on-year movements in the exchange rates of the euro and the dollar are not relevant to the overall conclusions which are very robust. In addition, an analysis conducted on the basis of customs statistics (cross-border movement of goods) is sufficiently representative and comparable from an international perspective based on the year-on-year assessment of changes (not the levels themselves), even though it does not directly reflect the change of ownership (resident – non-resident) which is strictly required from the point of view of the goods balance as part of the balance of payments.

The European Union and the world

EU foreign trade was characterised by a sharp decline in trade turnover in April and May, followed by a gradual recovery in June. The restrictive measures to curb the spread of the coronavirus – involving production and transport restrictions and border closures – were at their height in most Member States in April. In the case of intra-EU trade, the decline in trade turnover peaked in April and moderated slightly in May, whereas for extra-EU trade (trade between the EU and the rest of the world), the fall in trade turnover did not peak until May, following a sharp decline in April. This was probably due to the spread of the pandemic overseas, in particular to the USA and Brazil.

The decline in EU trade turnover with the rest of the world was due primarily to a drop in goods exports.⁵ This was largely related to a decrease in exports of machinery and motor vehicles,⁶ which reached almost 39% in May and accounted for more than half of the overall decline. By contrast, the lower imports in April and May were due primarily to a decline in mineral fuel imports⁷ brought about by a sharp fall in oil and gas prices. This accounted for about half of the total decline. The absolute decline in machinery imports was smaller (see Chart 1). The EU's export and import flows thus led to a double-digit decrease in the trade balance in April and May, with the balance ending in a slight deficit in April and a negligible surplus in May. The year-on-year change in the goods trade balance was essentially the result of the opposite effects of a decline in the machinery and transport equipment surplus and a narrowing of the mineral fuels deficit (see Chart 2).

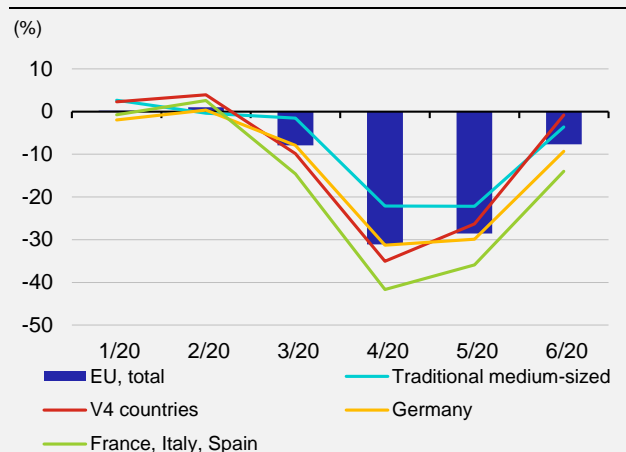
Foreign trade in the various groups of EU countries⁸

The imports and exports of the individual groups of EU countries essentially followed similar paths during the pandemic. However, the severity of the impact on trade turnover and the trade balance differed both overall and in terms of the individual commodity categories. While the pace of decline in German exports in April and May broadly followed that of total EU exports, the fall in exports recorded by the other three most important large economies – France, Italy and Spain – ended well below the EU level due to the greater severity of the pandemic in those countries and the more restrictive measures introduced as a result (see Chart 3). A similar pattern was observed for the total imports of these three countries. The declines in the exports of all four countries were due primarily to a drop in exports of machinery, most of all motor vehicles and parts (except in Italy). In addition to motor vehicles, France saw a significant decline in exports of aircraft and aircraft parts. The decline in the goods surplus in Germany recorded the biggest year-on-year change (around EUR 14 billion in each month of the crisis). It was also the biggest contributor to the drop in the overall EU surplus. The substantial decline in Germany's balance was significantly affected by its high share in total EU turnover and, compared with the trade of the other three large economies, by a bigger difference between the drop in imports and the fall in exports.

Comparing the trade of the V4 nations and the traditional medium-sized EU countries, major differences in the decline in exports and imports were observed in April. The V4 countries saw a sharp fall in exports in April, followed by a slower decline in May and a rapid surge in June, virtually to last year's level, while the decline in total exports for traditional medium-sized countries was noticeably smaller in April and May. The two groups recorded a similar change in imports, albeit with a less pronounced return to the levels registered in June of last year. The more moderate decline in exports of the traditional medium-sized EU countries compared to the V4 countries is

related to the greater commodity diversification of their exports, especially their substantially lower share of machinery exports. By contrast, machinery exports play a key role in the V4 countries due to past inflows of foreign direct investment, accounting for more than half of total exports (except in Poland). Moreover, motor vehicles are the dominant exports in the Czech Republic and even more so in Slovakia, while in Poland and Hungary they were in second and third place last year. This means that total exports are more vulnerable at times of sudden external shocks and weakening external demand.

Chart 3 – Year-on-year changes in goods exports in selected EU countries



Source: Eurostat, CNB calculations
Note: Intrastat and Extrastat

⁵ Outside the EU, goods exports fell by almost 30% in May, while goods imports decreased by almost 26%.

⁶ Machinery and transport equipment accounted for almost 41% of total EU exports to the rest of the world last year.

⁷ Although the year-on-year changes in fuel exports and imports are very similar in value in April and May, the share of mineral fuels in total imports was more than three times higher than their share in total exports in 2019.

⁸ An analysis of trade based on Intrastat and Extrastat, i.e. including intra-EU trade.

Foreign trade in non-EU advanced market economies and the BRICS countries

The monthly exports and imports of the group of four most significant non-EU market economies⁹ followed similar paths to those of the EU Member States. Unlike total exports and imports in EU Member States, total exports and imports for these countries did not reach their lowest point until May. The subsequent recovery in exports recorded in June was also substantially slower than in EU countries (see Chart 4). US and UK exports contributed the most to the decline in total goods exports, owing mainly to a fall in exports of motor vehicles and mineral fuels. In the USA, exports of aircraft and parts dropped sharply as well. Cars were also a dominant item of the decline in exports in South Korea and even more so in Japan. Despite the big decline in exports in the UK and the USA, the fall in imports observed in the two countries was even larger in absolute terms due to weak domestic demand, so their overall deficits narrowed year on year.

Chart 4 – Goods exports in non-EU advanced market economies

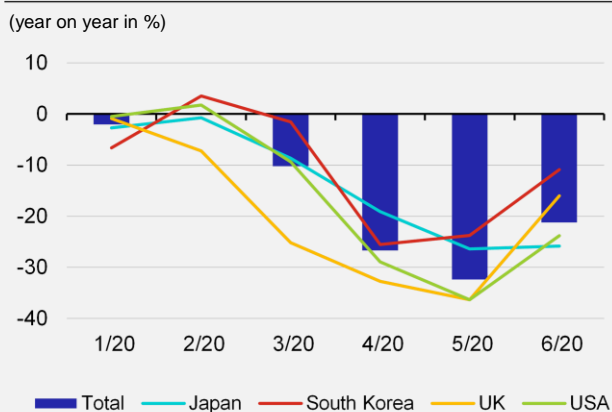
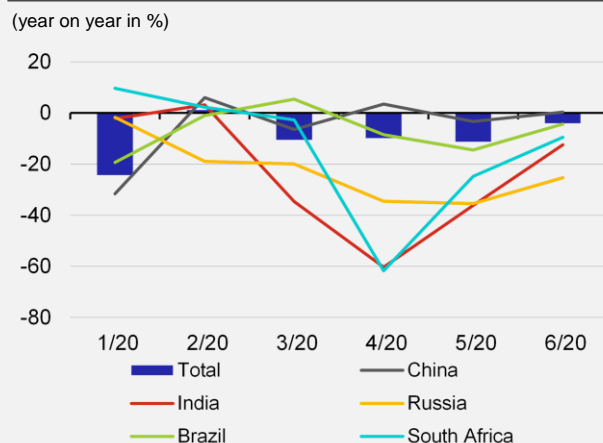


Chart 5 – Goods exports in BRICS countries



The BRICS countries¹⁰ also recorded a big decline in total imports in April and May, but their overall exports did not follow the same path. The evolution of the BRICS countries' overall exports and imports was determined more by the trade of China, the leader of the group, than in the case of the other groups presented here. Following a decline in trade turnover at the start of the year,¹¹ Chinese exports were relatively stable despite the economic developments in the EU and the USA, essentially fluctuating around last year's monthly values (see Chart 5). The second quarter saw a return to economic growth, with China overcoming the impact of the pandemic early this year. However, total domestic demand remained weak. This was reflected on the import side in a double-digit decline in goods imports from the rest of the world in April and May.¹² A similar pattern was observed in Brazil. Owing to the commodity structure of Brazilian exports, with agricultural and mineral commodities being the most important export items, the decline in Brazilian exports in April and May was relatively modest.¹³ The coronavirus pandemic had a bigger impact on the import side, where the key import items are fuels and machinery, including motor vehicles.¹⁴ Russia's foreign trade is being affected by the coronavirus pandemic most of all indirectly through a substantial drop in fuel prices, especially oil prices,¹⁵ which were also the biggest factor in the decline in exports and the overall trade surplus. India and South Africa recorded the sharpest drops in exports (and very deep declines in imports). The fall in exports in both countries in April slightly exceeded 60%, the biggest monthly coronavirus decline in exports of all the countries presented in this analysis. From a commodity perspective, a fall in exports of pearls, gemstones, precious metals and costume jewellery, along with a decrease in exports of fuels (refined products), contributed most to the overall decline in absolute terms in India. Motor vehicle exports had the greatest impact on the decline in overall exports in South Africa.

⁹ Japan, South Korea, the UK and the USA.

¹⁰ Brazil, China, India, South Africa and Russia.

¹¹ The Chinese customs statistics give data for January and February 2020 in aggregate form only. The monthly breakdown is an OECD estimate.

¹² The deepest decline in absolute terms was recorded for fuel imports, but this was due to price movements.

¹³ The biggest contributor to the overall decline in exports was a fall in fuel exports.

¹⁴ The May decline in total Brazilian imports was substantially moderated by high random imports of sea and river vessels, which exceeded 20% of the total value of imports.

¹⁵ The decline in the price of Ural crude oil reached its highest values in April, when the price fell by 78% year on year.

Foreign trade in motor vehicles

Trade in motor vehicles unequivocally ranks among the categories hardest hit by the coronavirus pandemic. It plays the dominant, or at least a major, role in trade in many countries, and this is especially true for the EU countries.

The decline in exports of motor vehicles and parts for the EU states as a whole peaked in a similar way to total exports in April, when they fell by almost 78%. The sharp decline in exports in April was generally linked with weakening global demand for automobiles but was due mainly to wide-scale unplanned shutdowns of manufacturing facilities and transport restrictions introduced as a result of the escalating coronavirus pandemic. However, May and June in particular saw a relatively rapid recovery in automotive exports. Exports of finished motor vehicles fell by 82.4% in April. The decrease in exports of parts, which accounted for almost one-third of total exports of motor vehicles and parts in 2019, was somewhat smaller (almost 15 pp). Imports of motor vehicles and parts essentially followed a similar path.

The overall balance of trade in motor vehicles and auto parts in the EU countries as a whole switched from a large surplus last April to a slight deficit of EUR 0.1 billion. It also decreased by more than

EUR 9 billion in year-on-year terms, accounting for more than half of the overall decline in the EU goods surplus in April. Almost the entire deterioration in the balance of trade in motor vehicles and parts was due to a decline in the surplus of finished cars, while the decline in the auto parts surplus was only very slight (see Chart 6). The imbalance was thus generated largely by EU trade in finished motor vehicles with the rest of the world. The year-on-year growth in the surplus in June was due to base effects and a substantially faster recovery in exports than in imports.

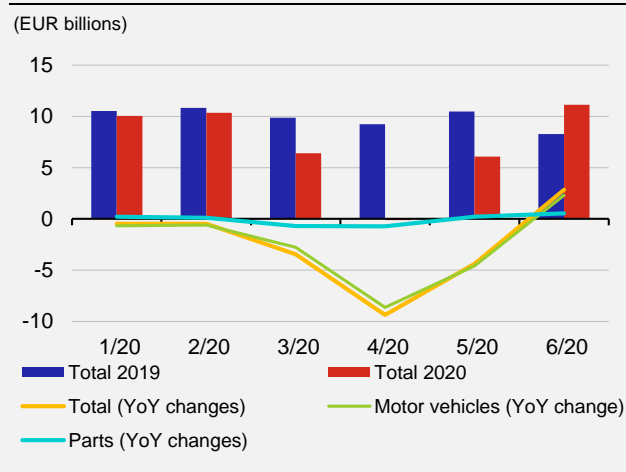
From the perspective of the largest EU car exporters,¹⁶ export growth fluctuated in a clearly defined cluster (see Chart 7). Of the seven exporters presented here, Spain recorded the sharpest fall in exports in April (more than 89%). Conversely, Belgian exports were hit least in relative terms, declining by almost 72%.

A crucial factor in terms of the year-on-year change in the car trade balance was whether the economy in question has a surplus or a deficit in this item. In the shock situation, EU countries which recorded either a large surplus or a large deficit in motor vehicle trade, saw their balances fall towards zero, i.e. narrow in absolute terms (see Chart 8).¹⁷ France is the largest net car importer in the EU, followed some way behind by Italy. Weak external and domestic demand caused France's deficit to shrink by EUR 0.7 billion in April, with imports outweighing exports.¹⁸ By contrast, countries with a large surplus due to a large excess of export flows over imports brought about by weak external demand and other export barriers, saw their surpluses decline, while countries with a small surplus (such as Spain) switched to a deficit. Germany recorded the largest absolute year-on-year change in balance in April, with its car trade surplus declining by EUR 7.4 billion.

From the perspective of the biggest non-EU car exporters,¹⁹ export growth fluctuated within a much looser range due to export developments in China (see Chart 9). Unlike in the EU Member States, the decreases in the car exports of major non-EU exporters varied considerably. Of the six exporters presented in this analysis, Canada recorded the sharpest fall in exports (of more than 85%) in April, while exports in the other five countries did not reach their low until the following month. By contrast, China's exports were least affected in relative terms, declining by over 23%.²⁰

Due to high trade turnovers,²¹ the year-on-year changes in the car trade balances of major non-EU countries were larger overall than in EU countries. However, the monthly changes in the balances of the countries presented here were more diverse (see Chart 10).²² The return to normal trade balance levels in June was also substantially slower than in EU

Chart 6 – Balance of trade in motor vehicles in EU countries



Source: Eurostat
Note: Intrastat and Extrastat

¹⁶ Exporters whose average monthly exports of motor vehicles and parts reached at least EUR 2.5 billion in 2019.

¹⁷ The criterion for inclusion in the chart was an average monthly trade balance of at least plus or minus EUR 0.7 billion in 2019.

¹⁸ However, Italy – which had only a very moderate average monthly deficit in 2019 – recorded an even more extreme change in its car trade balance in May, with its deficit rising in absolute terms by EUR 1.2 billion and turning into a surplus.

¹⁹ Exporters whose average monthly exports of cars and parts reached at least USD 4 billion in 2019.

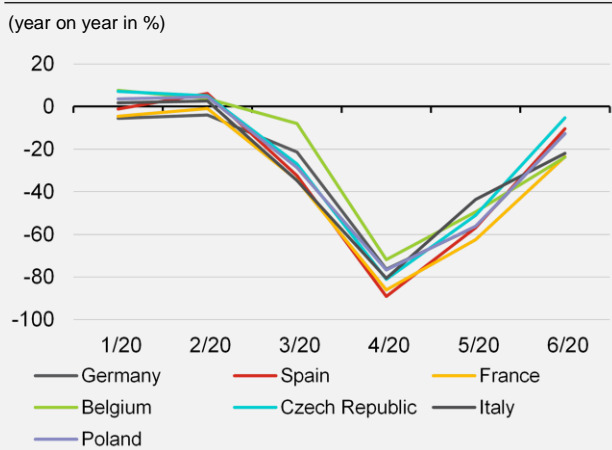
²⁰ While the analysis of trade in automobiles in EU countries is based on the CPA product classification, that of trade in motor vehicles and parts in non-EU countries is based on the harmonised customs tariff. However, this does not significantly affect the overall conclusions.

²¹ With the exception of Australia.

²² The average monthly trade balance in 2019 exceeded plus or minus USD 1.8 billion for all the countries presented in the analysis.

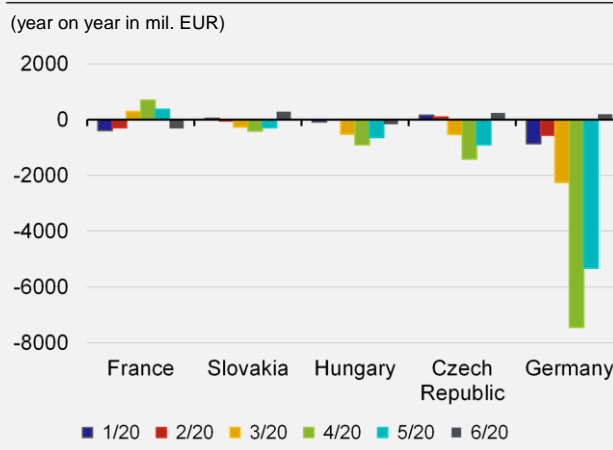
countries. As is already evident from the year-on-year changes in balances, the largest non-EU net importer of cars is the USA, where the year-on-year decrease in deficit exceeded USD 11 billion in May, whereas Japan recorded the largest decline in surplus in April, with only a marginal return to normal levels.

Chart 7 – Exports of motor vehicles and parts in EU countries



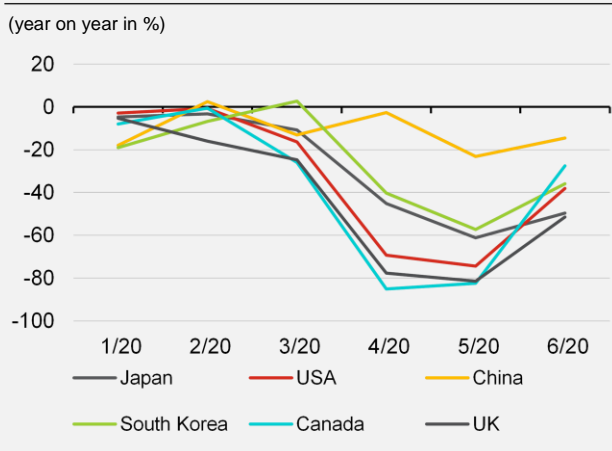
Source: Eurostat, CNB calculations
Note: Intrastat and Extrastat

Chart 8 – Balance of trade in motor vehicles and parts in EU countries



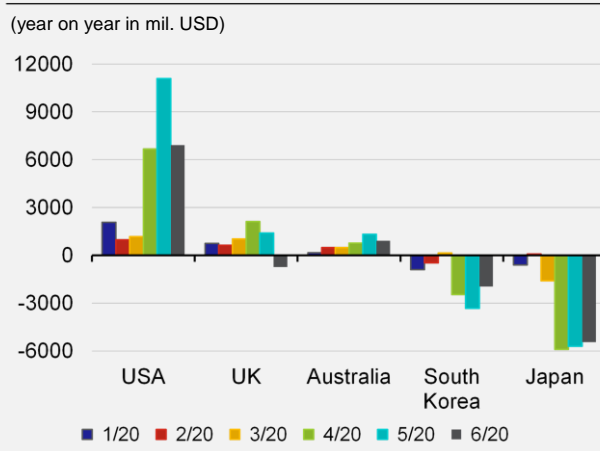
Source: Eurostat, CNB calculations
Note: Intrastat and Extrastat

Chart 9 – Exports of motor vehicles and parts in non-EU countries



Source: ITC, CNB calculations

Chart 10 – Balance of trade in motor vehicles and parts in non-EU countries



Source: ITC, CNB calculations

Conclusion

From an international perspective, goods exports and imports followed a broadly similar path during the coronavirus epidemic. Besides regional similarities in the paths of exports and imports, the timeline was also similar, with the decline being defined by the crisis and continuing until April or May. The high tightness of the goods exports and imports clusters in EU countries is due to the close interconnectedness of the Member States' economies. A similar pattern to that observed in the EU was also ultimately evident in the UK, the USA and other non-EU countries. By contrast, China's trade developed very much independently after overcoming the impact of the pandemic at the beginning of the year. However, it is evident that the return to normal levels of trade in motor vehicles will be significantly faster in the EU than in the rest of the world.

In terms of goods, machinery commodities – in particular motor vehicles – contributed most significantly to the decline in trade turnover, due to supply restrictions and a demand shock. Another commodity item that fundamentally affected international trade was mineral fuels, especially crude oil and natural gas, owing to their price movements and

weakened demand. International trade in machinery (motor vehicles) and fuels thus fundamentally shaped the balances of trade in goods in individual states and regions.

The June and July foreign trade results signal a visible recovery in exports and imports and a noticeable return of trade balances to normal levels. Further developments are difficult to predict. Nonetheless, it is reasonable to assume that in the event of a resurgence of the coronavirus pandemic, there will no return to the dramatic interventions in the functioning of economies experienced in the first half of 2020.

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International Trade Centre

OECD Stat

Keywords

Exports of goods, imports of goods, balance of trade, trade in motor vehicles, coronavirus pandemic

JEL classification

E58, F31, F41

A1. Change in predictions for 2020

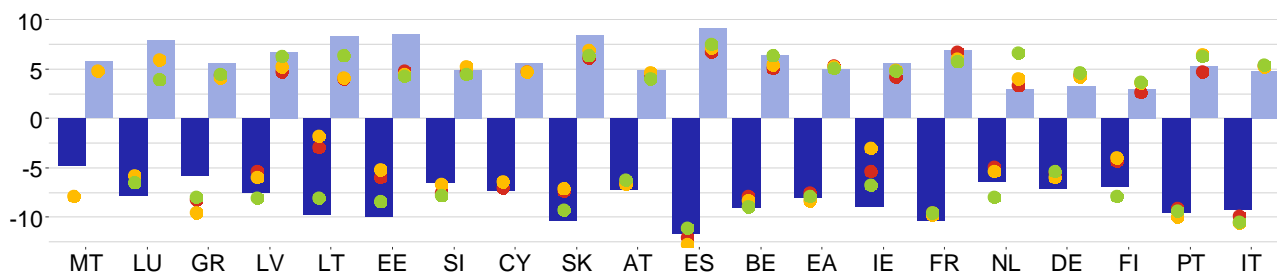
| | GDP growth, % | | | | Inflation, % | | | |
|----|---------------------------|---------------------------|--------------------------|--------------------------|---------------------------|---------------------------|---------------------------|--------------------------|
| | CF | IMF | OECD | CB / EIU | CF | IMF | OECD | CB / EIU |
| EA | +0.2 2020/10 2020/9 | +1.9 2020/10 2020/6 | +1.2 2020/9 2020/6 | +0.7 2020/9 2020/6 | -0.1 2020/10 2020/9 | +0.2 2020/10 2020/4 | -0.7 2020/6 2019/11 | 0 2020/9 2020/6 |
| US | +0.4 2020/10 2020/9 | +3.7 2020/10 2020/6 | +3.5 2020/9 2020/6 | +2.8 2020/9 2020/6 | +0.1 2020/10 2020/9 | +0.9 2020/10 2020/4 | -0.6 2020/6 2019/11 | +0.4 2020/9 2020/6 |
| UK | 0 2020/10 2020/9 | +0.4 2020/10 2020/6 | +1.4 2020/9 2020/6 | +4.5 2020/8 2020/5 | +0.1 2020/10 2020/9 | -0.4 2020/10 2020/4 | -1.5 2020/6 2019/11 | -0.3 2020/8 2020/5 |
| JP | -0.1 2020/10 2020/9 | +0.5 2020/10 2020/6 | +0.2 2020/9 2020/6 | -0.7 2020/7 2020/4 | +0.1 2020/10 2020/9 | -0.3 2020/10 2020/4 | -1.4 2020/6 2019/11 | 0 2020/7 2020/4 |
| CN | +0.1 2020/10 2020/9 | +0.9 2020/10 2020/6 | +4.4 2020/9 2020/6 | 0 2020/9 2020/9 | 0 2020/10 2020/9 | -0.1 2020/10 2020/4 | +1.6 2020/6 2019/11 | 0 2020/9 2020/9 |
| RU | +0.6 2020/9 2020/8 | +2.5 2020/10 2020/6 | +0.7 2020/9 2020/6 | +0.4 2020/9 2020/7 | +0.1 2020/9 2020/8 | +0.1 2020/10 2020/4 | -1.1 2020/6 2019/11 | -0.1 2020/9 2020/7 |

A2. Change in predictions for 2021

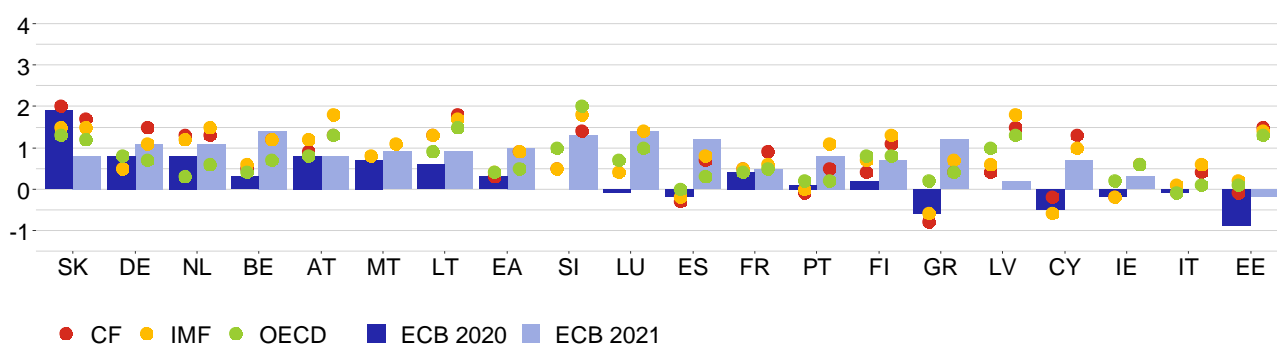
| | GDP growth, % | | | | Inflation, % | | | |
|----|---------------------------|---------------------------|--------------------------|--------------------------|---------------------------|---------------------------|---------------------------|--------------------------|
| | CF | IMF | OECD | CB / EIU | CF | IMF | OECD | CB / EIU |
| EA | -0.2 2020/10 2020/9 | -0.8 2020/10 2020/6 | -1.4 2020/9 2020/6 | -0.2 2020/9 2020/6 | -0.1 2020/10 2020/9 | -0.1 2020/10 2020/4 | -0.9 2020/6 2019/11 | +0.2 2020/9 2020/6 |
| US | -0.1 2020/10 2020/9 | -1.4 2020/10 2020/6 | -0.1 2020/9 2020/6 | -1.0 2020/9 2020/6 | +0.1 2020/10 2020/9 | +0.6 2020/10 2020/4 | -0.6 2020/6 2019/11 | +0.1 2020/9 2020/6 |
| UK | -0.8 2020/10 2020/9 | -0.4 2020/10 2020/6 | -1.4 2020/9 2020/6 | -6.0 2020/8 2020/5 | 0 2020/10 2020/9 | -0.3 2020/10 2020/4 | -1.5 2020/6 2019/11 | +1.3 2020/8 2020/5 |
| JP | -0.1 2020/10 2020/9 | -0.1 2020/10 2020/6 | -0.6 2020/9 2020/6 | -0.1 2020/7 2020/4 | -0.1 2020/10 2020/9 | -0.1 2020/10 2020/4 | -1.3 2020/6 2019/11 | -0.1 2020/7 2020/4 |
| CN | 0 2020/10 2020/9 | 0 2020/10 2020/6 | +1.2 2020/9 2020/6 | 0 2020/9 2020/9 | 0 2020/10 2020/9 | +0.1 2020/10 2020/4 | 0 2020/6 2019/11 | 0 2020/9 2020/9 |
| RU | -0.1 2020/9 2020/8 | -1.3 2020/10 2020/6 | -1.0 2020/9 2020/6 | +0.4 2020/9 2020/7 | -0.1 2020/9 2020/8 | +0.2 2020/10 2020/4 | 0 2020/6 2019/11 | -0.3 2020/9 2020/7 |

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

GDP growth in the euro area countries in 2020 and 2021, %



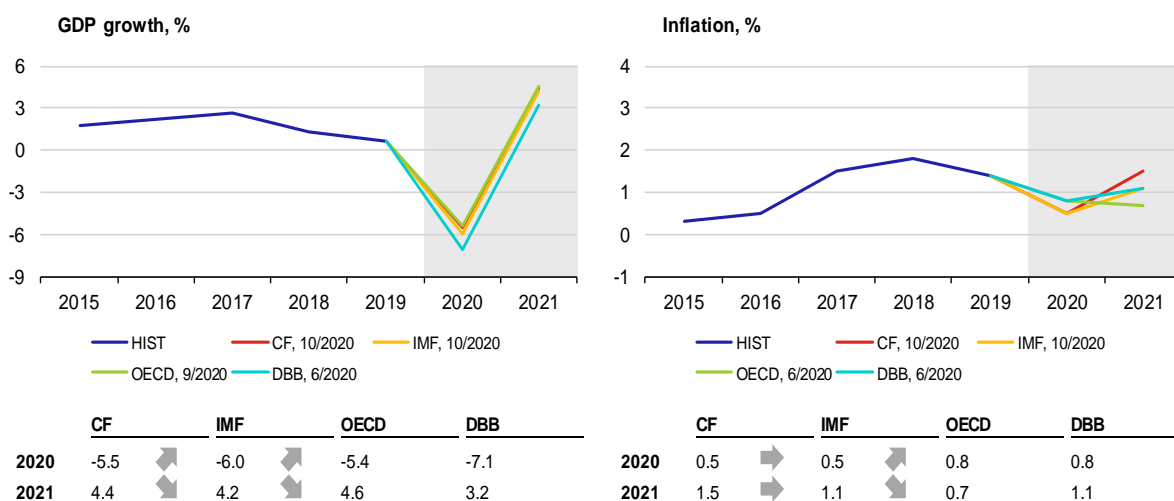
Inflation in the euro area countries in 2020 and 2021, %



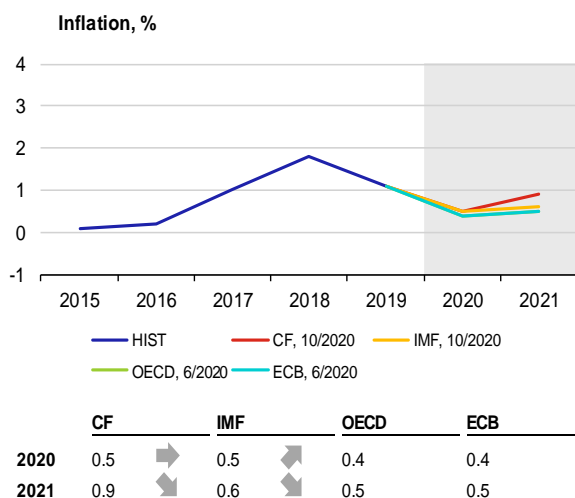
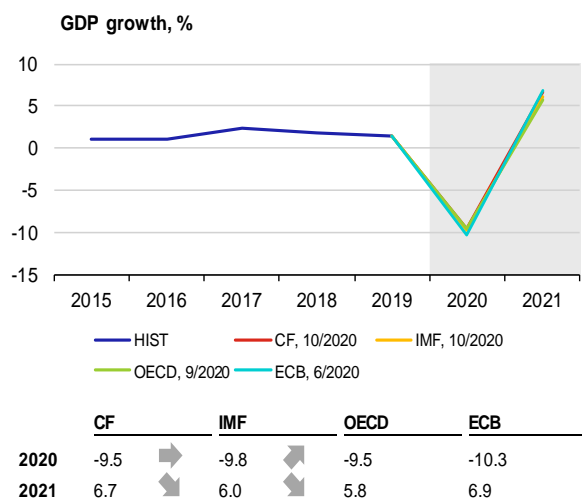
Note: Charts show institutions' latest available outlooks of for the given country.

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

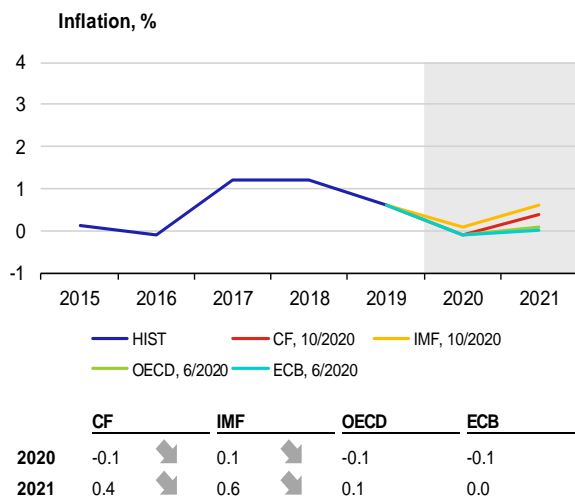
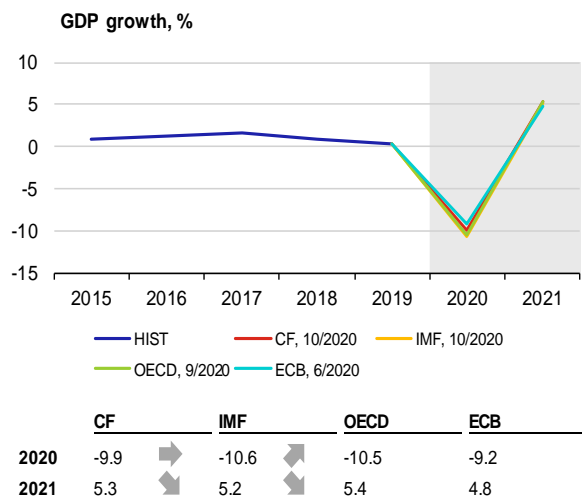
Germany



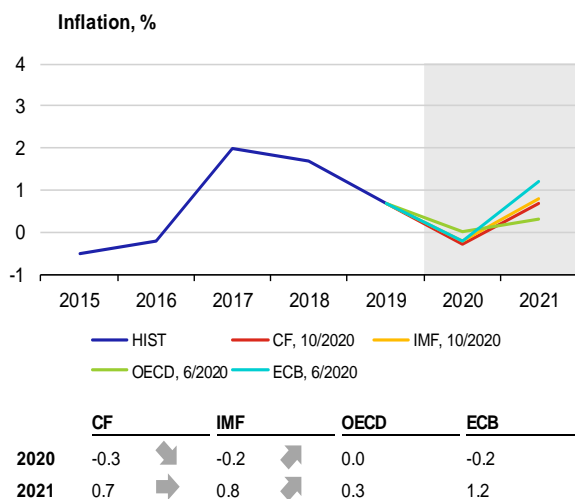
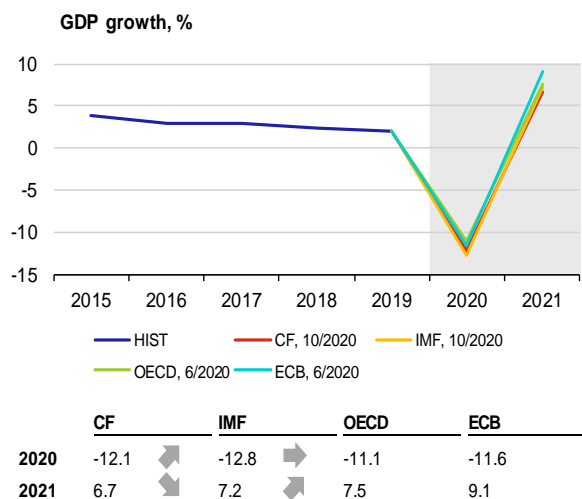
France



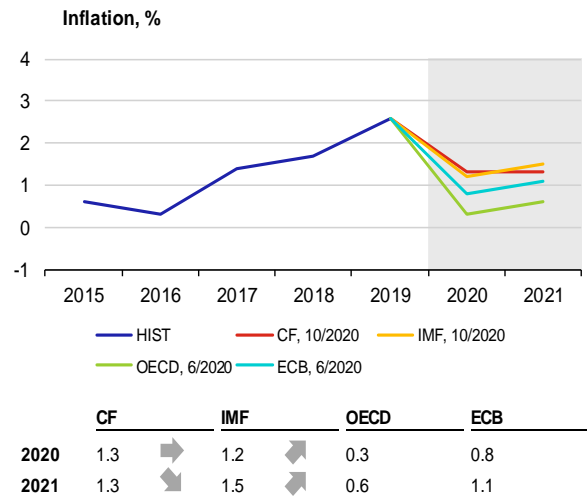
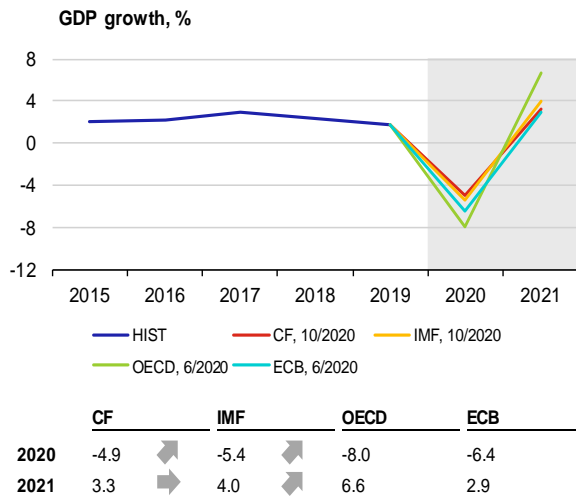
Italy



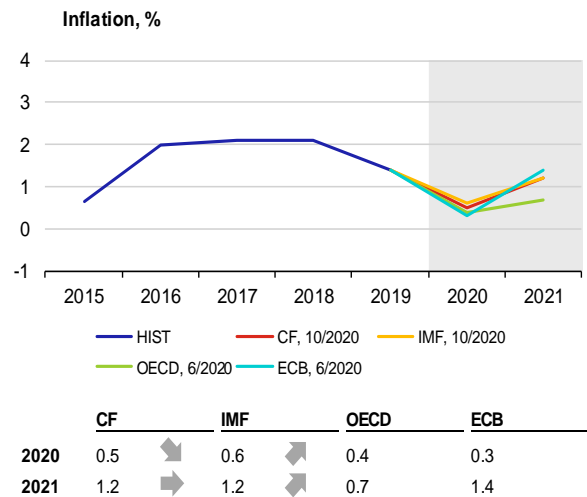
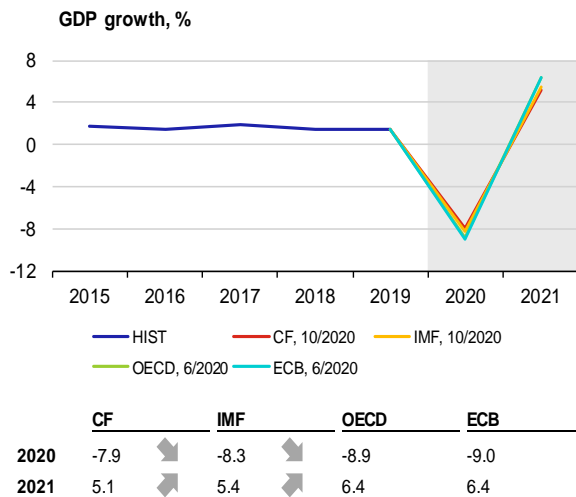
Spain



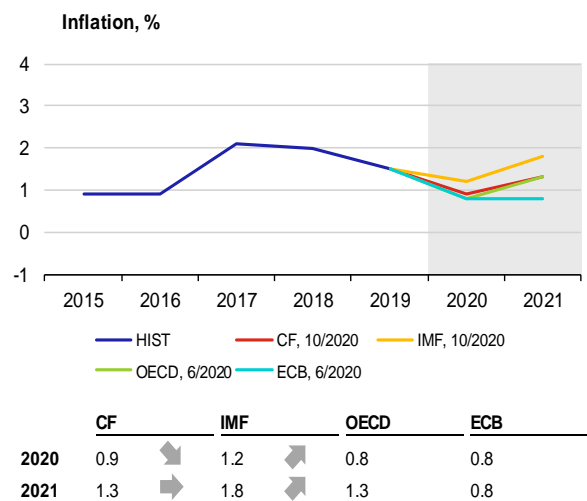
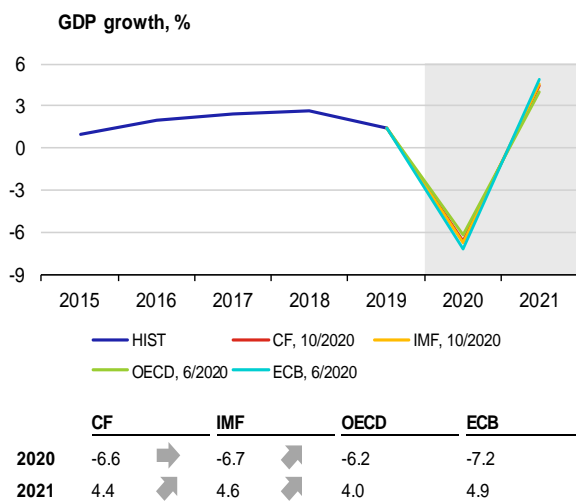
Netherlands



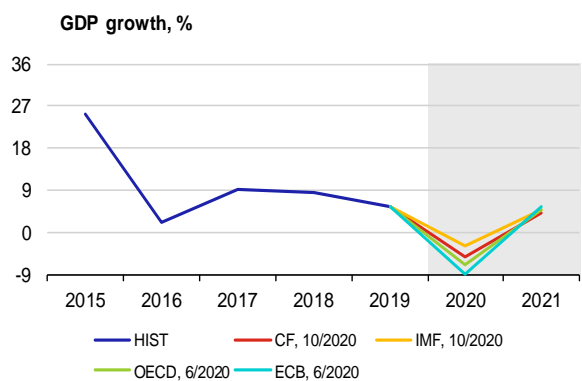
Belgium



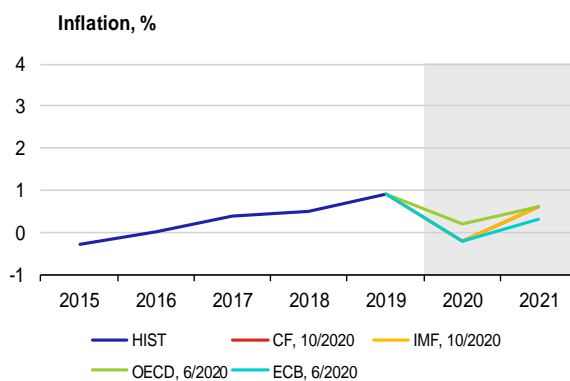
Austria



Ireland

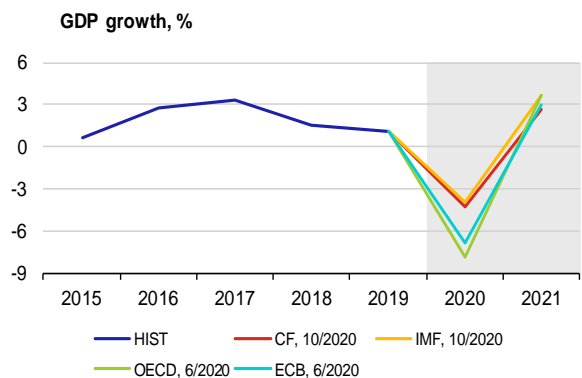


| | CF | IMF | OECD | ECB |
|------|------|------|------|------|
| 2020 | -5.4 | -3.0 | -6.8 | -8.9 |
| 2021 | 4.2 | 4.9 | 4.8 | 5.6 |

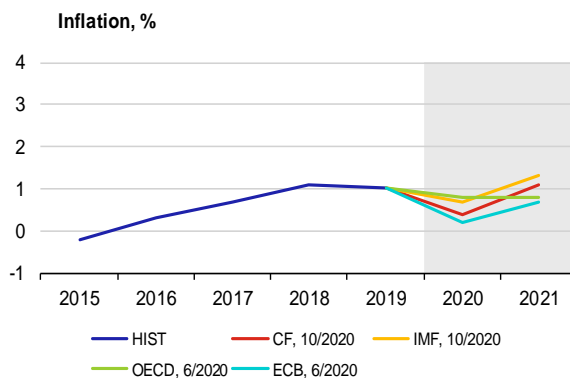


| | CF | IMF | OECD | ECB |
|------|------|------|------|------|
| 2020 | -0.2 | -0.2 | 0.2 | -0.2 |
| 2021 | 0.6 | 0.6 | 0.6 | 0.3 |

Finland

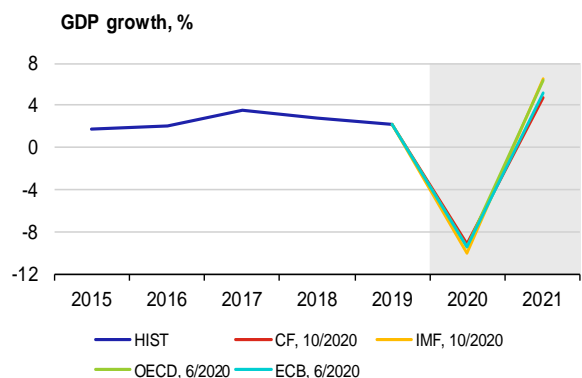


| | CF | IMF | OECD | ECB |
|------|------|------|------|------|
| 2020 | -4.3 | -4.0 | -7.9 | -6.9 |
| 2021 | 2.6 | 3.6 | 3.7 | 3.0 |

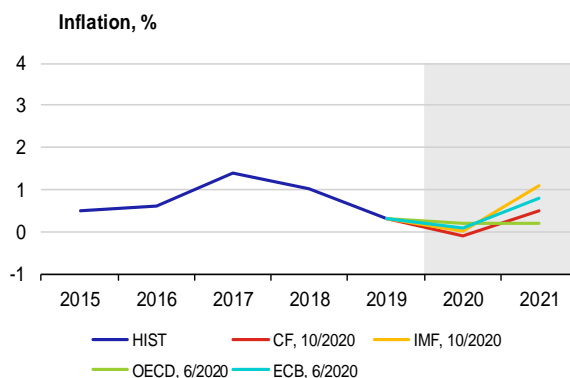


| | CF | IMF | OECD | ECB |
|------|-----|-----|------|-----|
| 2020 | 0.4 | 0.7 | 0.8 | 0.2 |
| 2021 | 1.1 | 1.3 | 0.8 | 0.7 |

Portugal

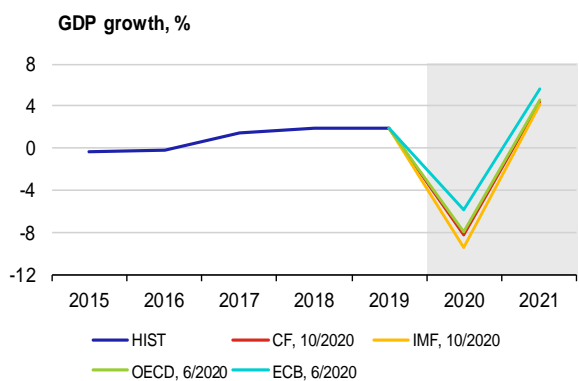


| | CF | IMF | OECD | ECB |
|------|------|-------|------|------|
| 2020 | -9.1 | -10.0 | -9.4 | -9.5 |
| 2021 | 4.7 | 6.5 | 6.3 | 5.2 |

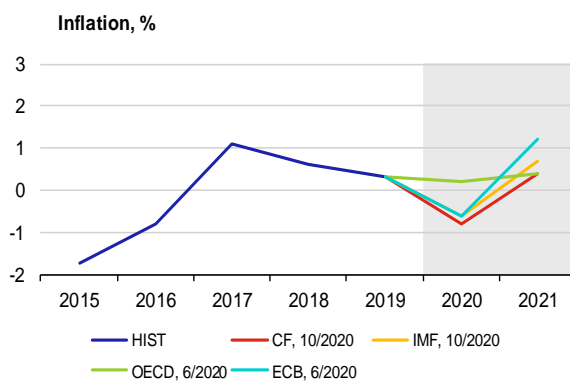


| | CF | IMF | OECD | ECB |
|------|------|-----|------|-----|
| 2020 | -0.1 | 0.0 | 0.2 | 0.1 |
| 2021 | 0.5 | 1.1 | 0.2 | 0.8 |

Greece

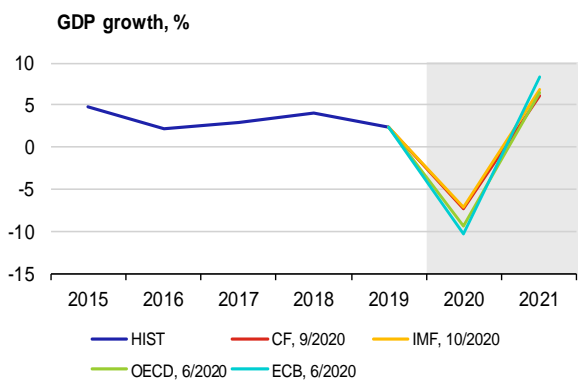


| | CF | IMF | OECD | ECB |
|------|------|------|------|------|
| 2020 | -8.2 | -9.5 | -8.0 | -5.8 |
| 2021 | 4.4 | 4.1 | 4.5 | 5.6 |

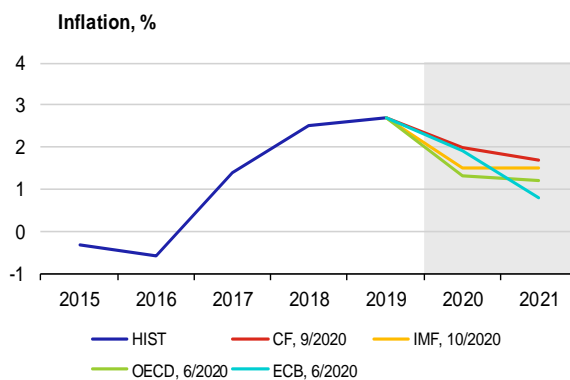


| | CF | IMF | OECD | ECB |
|------|------|------|------|------|
| 2020 | -0.8 | -0.6 | 0.2 | -0.6 |
| 2021 | 0.4 | 0.7 | 0.4 | 1.2 |

Slovakia

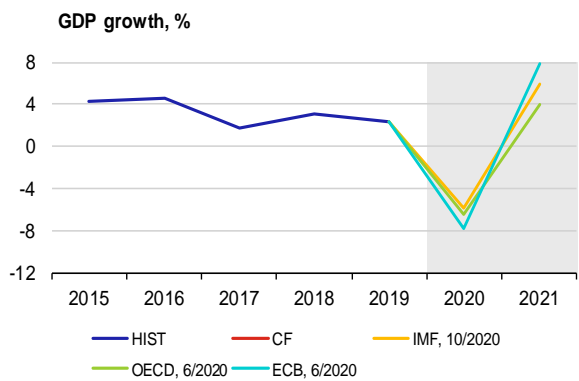


| | CF | IMF | OECD | ECB |
|------|------|------|------|-------|
| 2020 | -7.4 | -7.1 | -9.3 | -10.3 |
| 2021 | 6.1 | 6.9 | 6.4 | 8.4 |

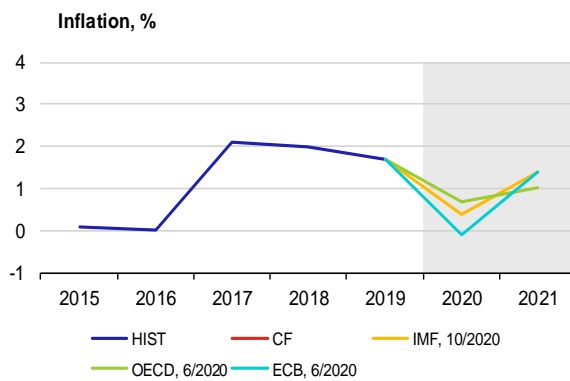


| | CF | IMF | OECD | ECB |
|------|-----|-----|------|-----|
| 2020 | 2.0 | 1.5 | 1.3 | 1.9 |
| 2021 | 1.7 | 1.5 | 1.2 | 0.8 |

Luxembourg

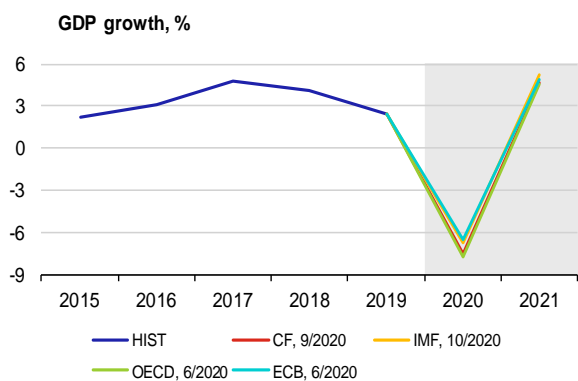


| | CF | IMF | OECD | ECB |
|------|-------|------|------|------|
| 2020 | n. a. | -5.8 | -6.5 | -7.8 |
| 2021 | n. a. | 5.9 | 3.9 | 7.9 |

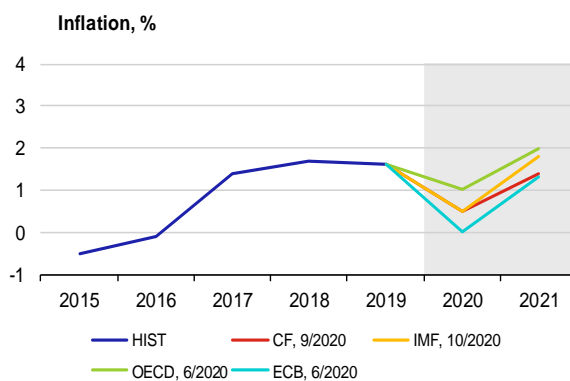


| | CF | IMF | OECD | ECB |
|------|-------|-----|------|------|
| 2020 | n. a. | 0.4 | 0.7 | -0.1 |
| 2021 | n. a. | 1.4 | 1.0 | 1.4 |

Slovenia

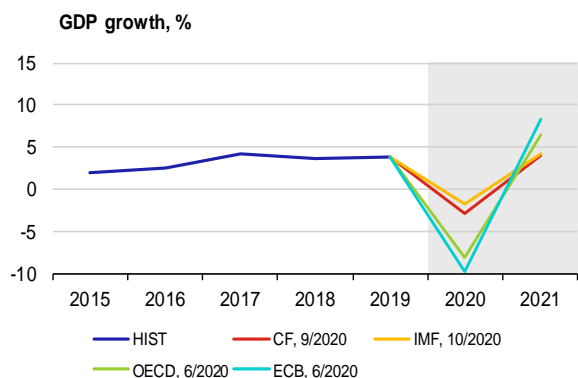


| | CF | IMF | OECD | ECB |
|------|------|------|------|------|
| 2020 | -7.5 | -6.7 | -7.8 | -6.5 |
| 2021 | 4.7 | 5.2 | 4.5 | 4.9 |

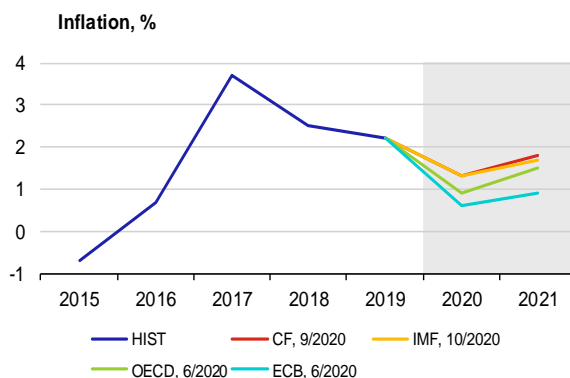


| | CF | IMF | OECD | ECB |
|------|-----|-----|------|-----|
| 2020 | 0.5 | 0.5 | 1.0 | 0.0 |
| 2021 | 1.4 | 1.8 | 2.0 | 1.3 |

Lithuania

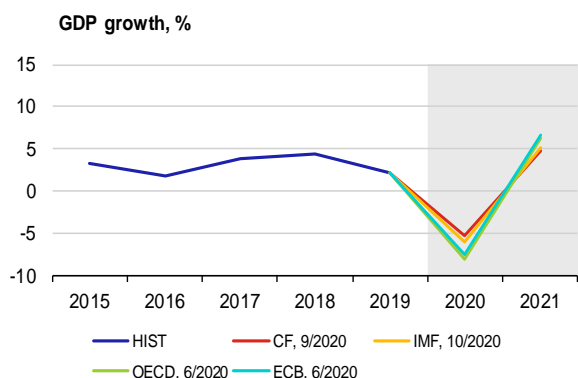


| | CF | IMF | OECD | ECB |
|------|------|------|------|------|
| 2020 | -2.9 | -1.8 | -8.1 | -9.7 |
| 2021 | 4.0 | 4.1 | 6.4 | 8.3 |

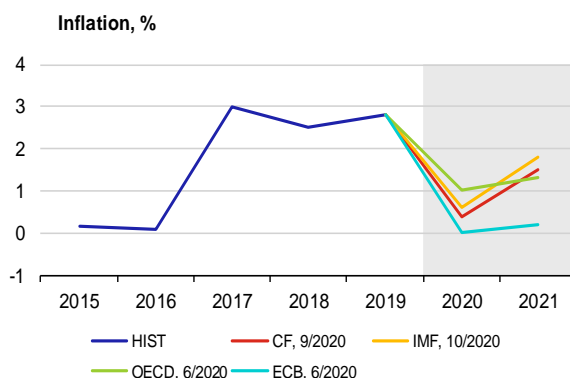


| | CF | IMF | OECD | ECB |
|------|-----|-----|------|-----|
| 2020 | 1.3 | 1.3 | 0.9 | 0.6 |
| 2021 | 1.8 | 1.7 | 1.5 | 0.9 |

Latvia

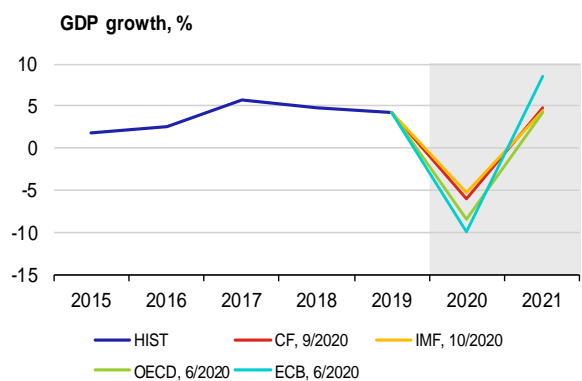


| | CF | IMF | OECD | ECB |
|------|------|------|------|------|
| 2020 | -5.4 | -6.0 | -8.1 | -7.5 |
| 2021 | 4.7 | 5.2 | 6.3 | 6.7 |

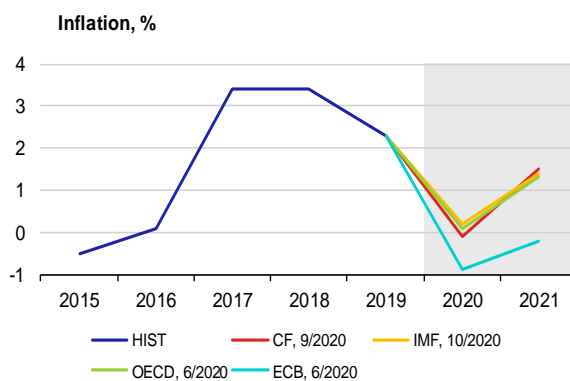


| | CF | IMF | OECD | ECB |
|------|-----|-----|------|-----|
| 2020 | 0.4 | 0.6 | 1.0 | 0.0 |
| 2021 | 1.5 | 1.8 | 1.3 | 0.2 |

Estonia

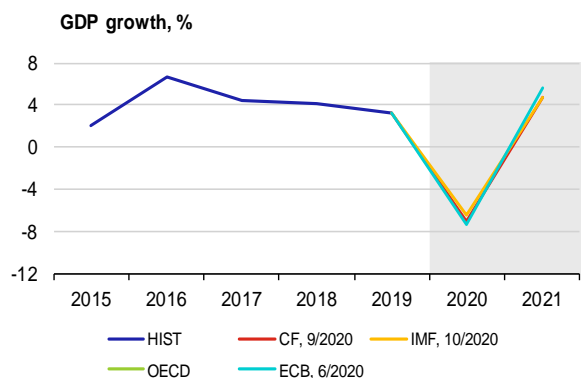


| | CF | IMF | OECD | ECB |
|------|------|------|------|-------|
| 2020 | -6.0 | -5.2 | -8.4 | -10.0 |
| 2021 | 4.8 | 4.5 | 4.3 | 8.5 |

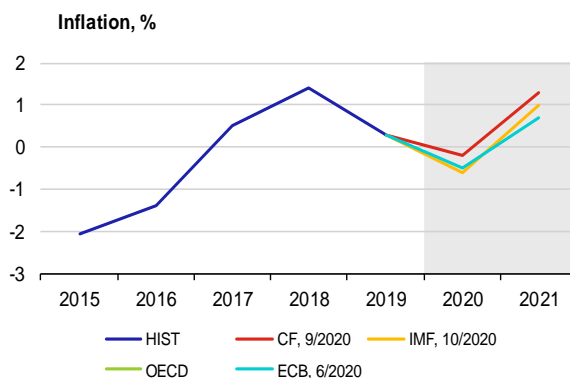


| | CF | IMF | OECD | ECB |
|------|------|-----|------|------|
| 2020 | -0.1 | 0.2 | 0.1 | -0.9 |
| 2021 | 1.5 | 1.4 | 1.3 | -0.2 |

Cyprus

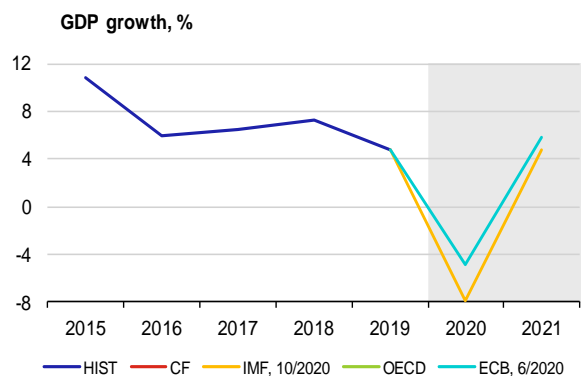


| | CF | IMF | OECD | ECB |
|------|------|------|-------|------|
| 2020 | -7.0 | -6.4 | n. a. | -7.3 |
| 2021 | 4.7 | 4.7 | n. a. | 5.6 |

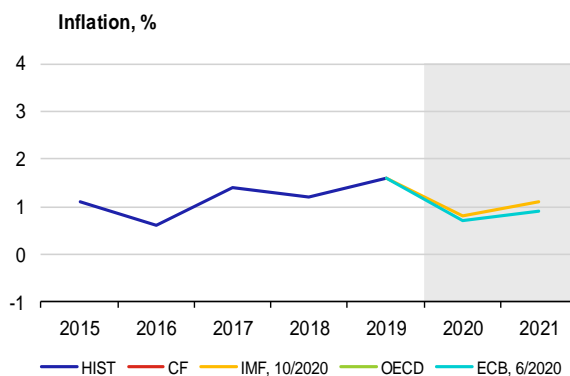


| | CF | IMF | OECD | ECB |
|------|------|------|-------|------|
| 2020 | -0.2 | -0.6 | n. a. | -0.5 |
| 2021 | 1.3 | 1.0 | n. a. | 0.7 |

Malta



| | CF | IMF | OECD | ECB |
|------|-------|------|-------|------|
| 2020 | n. a. | -7.9 | n. a. | -4.8 |
| 2021 | n. a. | 4.8 | n. a. | 5.8 |



| | CF | IMF | OECD | ECB |
|------|-------|-----|-------|-----|
| 2020 | n. a. | 0.8 | n. a. | 0.7 |
| 2021 | n. a. | 1.1 | n. a. | 0.9 |

A5. List of abbreviations

| | | | |
|----------------|---|-----------------|--|
| AT | Austria | IFO | Leibniz Institute for Economic Research at the University of Munich |
| bbl | barrel | IMF | International Monetary Fund |
| BE | Belgium | IRS | Interest Rate swap |
| BoE | Bank of England (the UK central bank) | ISM | Institute for Supply Management |
| BoJ | Bank of Japan (the central bank of Japan) | IT | Italy |
| bp | basis point (one hundredth of a percentage point) | JP | Japan |
| CB | central bank | JPY | Japanese yen |
| CBR | Central Bank of Russia | LIBOR | London Interbank Offered Rate |
| CF | Consensus Forecasts | LME | London Metal Exchange |
| CN | China | LT | Lithuania |
| CNB | Czech National Bank | LU | Luxembourg |
| CNY | Chinese renminbi | LV | Latvia |
| ConfB | Conference Board Consumer Confidence Index | MKT | Markit |
| CXN | Caixin | MT | Malta |
| 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 | OECD | Organisation for Economic Co-operation and Development |
| ECB | European Central Bank | OECD-CLI | OECD Composite Leading Indicator |
| EE | Estonia | OPEC+ | member countries of OPEC oil cartel and 10 other oil-exporting countries (the most important of which are Russia, Mexico and Kazakhstan) |
| EIA | Energy Information Administration | PMI | Purchasing Managers' Index |
| EIU | Economist Intelligence Unit | pp | percentage point |
| ES | Spain | PT | Portugal |
| ESI | Economic Sentiment Indicator of the European Commission | QE | quantitative easing |
| EU | European Union | RU | Russia |
| EUR | euro | RUB | Russian rouble |
| EURIBOR | Euro Interbank Offered Rate | SI | Slovenia |
| Fed | Federal Reserve System (the US central bank) | SK | Slovakia |
| FI | Finland | UK | United Kingdom |
| FOMC | Federal Open Market Committee | UoM | University of Michigan Consumer Sentiment Index - present situation |
| FR | France | US | United States |
| FRA | forward rate agreement | USD | US dollar |
| FY | fiscal year | USDA | United States Department of Agriculture |
| GBP | pound sterling | WEO | World Economic Outlook |
| GDP | gross domestic product | WTI | West Texas Intermediate (crude oil used as a benchmark in oil pricing) |
| GR | Greece | ZEW | Centre for European Economic Research |
| ICE | Intercontinental Exchange | | |
| IE | Ireland | | |
| IEA | International Energy Agency | | |

Publisher:
ČESKÁ NÁRODNÍ BANKA
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