

Economic Outlook

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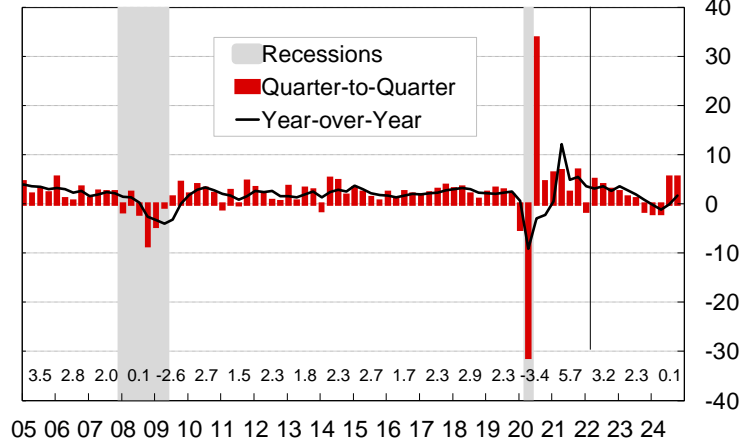
May 6, 2022

- Aside from a few sectors (e.g., travel and motor vehicles), the global economy has largely recovered from the recession caused by the COVID-19 pandemic. However, by exacerbating ongoing increases in food and energy prices, Russia's invasion of Ukraine threatens to slow or end economic expansions, especially in Europe, the Middle East, and Africa.
- U.S. Real Gross Domestic Product, which exceeded its pre-recession peak in the second quarter of 2021, declined at a 1.4% annual rate in the first quarter of 2022, the first decline since the 2020 recession. A bigger trade deficit subtracted 3.2 percentage points from the growth rate. A smaller inventory build subtracted another 0.8 percentage points. Final demand remained strong. I expect growth to accelerate in the second quarter as exports rise and imports decline. Industrial production in U.S. manufacturing rose 0.9% in March after rising 1.2% in February. It has now fully recovered from the 2020 recession **and** from its 2018-2019 decline.
- Economic growth in China has slowed sharply – and its manufacturing sector is probably contracting – because of a zero-COVID policy that shuts down cities and ports in response to a few cases of COVID-19. Value Added of Industry, China's official measure of industrial production, was up 5.0% year-over-year in March. My preferred measure, the median year-over-year growth rate of 100 industrial products, turned negative last fall before a brief rebound. It fell to -1.3% in March. Going forward, growth will be impaired by COVID shutdowns, a shrinking working-age population, and the economic policies pursued by President Xi Jinping.
- Real GDP in the European Union, which no longer includes the United Kingdom, rose 0.4% (not annualized) in the first quarter after rising 0.5% in the fourth quarter of 2021. GDP was up 5.2% year-over-year. As of February, industrial production in EU manufacturing had fully recovered from its sharp 2020 decline and its milder 2018-2019 decline. Production was up 2.6% year-over-year after rising sharply from October to February. The war in Ukraine had little impact on the first estimate of first-quarter growth. That is unlikely to last.
- Industrial production in Japanese manufacturing had nearly recovered from the 2020 recession (but not from the 2018-19 decline) by June 2021, but production has remained below that level since. Production was down 0.7% year-over-year in March. Japanese manufacturing, which is heavily dependent on exports, particularly of motor vehicles, has been hurt by shortages of ships and shipping containers and by the global semiconductor shortage.
- Global real Gross Domestic Product (based on market exchange rates, not purchasing power parity) fell 3.6% in 2020, the biggest decline since the Great Depression. GDP rose 5.7% in 2021. The current forecast, which is based in part on the International Monetary Fund's April World Economic Outlook, is for 3.1% growth in 2022 and 3.0% growth in 2023. That forecast is likely to be revised down because of the economic effects of the war in Ukraine.
- Inflation rose throughout the world in 2021. While policymakers have been quick to blame the impact of the pandemic on **supply**, the increase had more to do with the increase in **demand** caused by the fiscal and monetary policy response to the pandemic. In the United States, inflation is at its highest level since 1982 and well above the Federal Reserve's 2% target. In response to high inflation, the Fed and some of the world's other central banks have begun to tighten monetary policy. In most countries, including the United States, that tightening is likely to lead to a recession, but given that monetary policy works with a long lag, probably not until late 2023. Inflation in the United States is unlikely to fall below 2% without a recession.

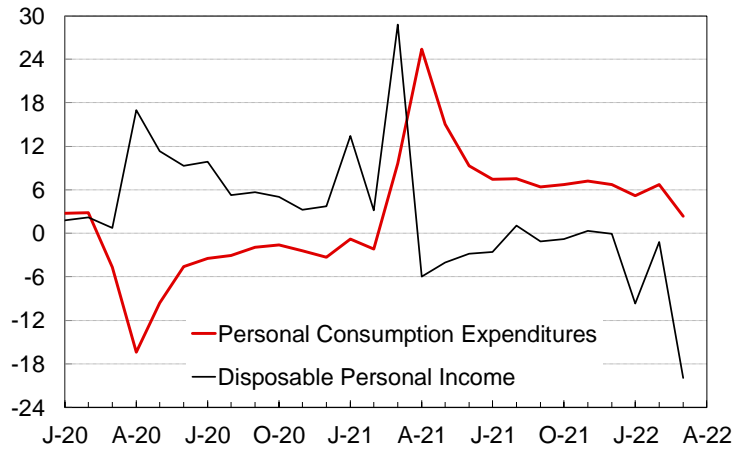
US Macroeconomic Overview

- U.S. Real Gross Domestic Product **fell** at a 1.4% annual rate in the first quarter, the first decline since the 2020 recession.
- A bigger trade deficit subtracted 3.2 percentage points from the growth rate. A smaller inventory build subtracted another 0.8 percentage points.
- Real final sales to domestic purchasers, which exclude the impact of trade and inventories, grew at a 2.6% annual rate.
- I expect growth to accelerate in the second quarter as exports rise and imports decline.
- Real disposable personal income declined 0.4% in March, as income growth failed to keep up with inflation. It was down 19.9% year-over-year, albeit from levels that were inflated by assistance programs included in the American Rescue Plan.
- Real personal consumption expenditures rose 0.2% in March, leaving them up 2.3% year-over-year.
- Consumers are using the savings accumulated from March 2020 through March 2021 to support consumer spending even though disposable income is down.
- Motor vehicle production has been constrained by a global shortage of semiconductors. Production will recover gradually as semiconductor producers catch up with demand or other semiconductor users reduce their demand.
- Because of the decline in production and resulting lack of vehicles to sell, light vehicle sales fell from an 18.3 million seasonally adjusted rate in April 2020 – a 16-year high – to a 12.3 million rate in September 2020. Sales have recovered somewhat since then, rising to a 14.3 million annual rate in April.

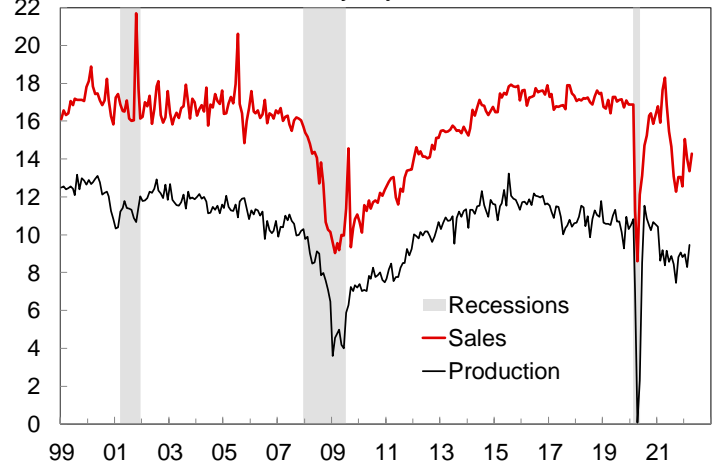
US Real Gross Domestic Product
Annualized Growth Rates



US Real Consumer Spending & Disposable Income
Percent Change from Year Ago, Chained 2012 Dollars



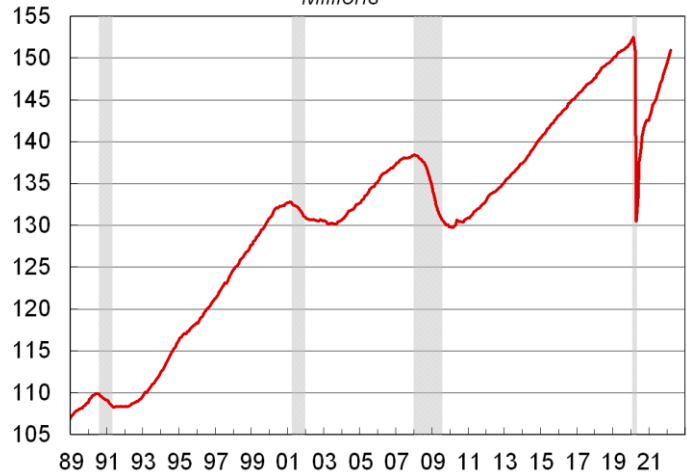
US Light Vehicle Sales & Production
Millions, Seasonally Adjusted Annual Rate



US Labor Market

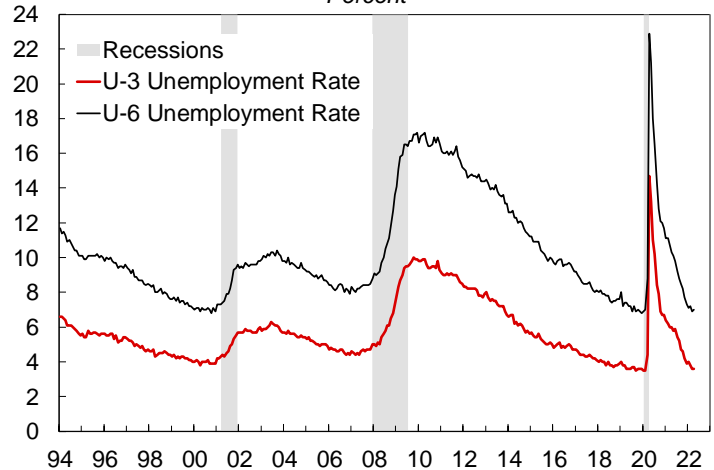
- Nonfarm payrolls rose by 428,000 in April, matching March's increase. It was the 12th straight month with over 400,000 net new jobs. Despite the strong rebound from the 2020 recession, payroll employment is still 1.2 million below its February 2020 peak.
- Employment in manufacturing rose by 55,000, the biggest increase since last July.

US Nonfarm Payroll Employment
Millions



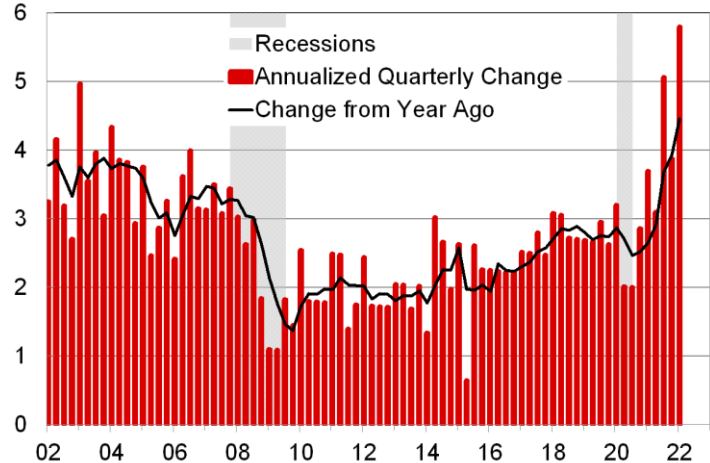
- The civilian unemployment rate, which peaked at 14.7% in April 2020, held steady at 3.6% in April. It is barely above its February 2020 level of 3.5%, which was a 51-year low.
- Unemployed people who haven't looked for a job in the last four weeks are not included as part of the labor force and therefore not counted as unemployed in the calculation of the headline (U-3) unemployment rate. If the labor force were as large as it was at its December 2019 peak, the unemployment rate would be higher than 3.6%.

US Civilian Unemployment Rate
Percent



- According to the Job Openings and Labor Turnover Survey (JOLTS), there were 11.5 million job openings in the United States at the end of March, a new record and well above the number of unemployed. This means that labor markets are even tighter than the unemployment rate suggests.
- Tight labor markets imply that wages and salaries should rise more rapidly than prices. So far, they haven't.
- The Employment Cost Index, the best measure of U.S. labor costs, rose 1.4% in the first quarter, the biggest increase since the series began in 2001.

US Employment Cost Index: Total compensation
Percent

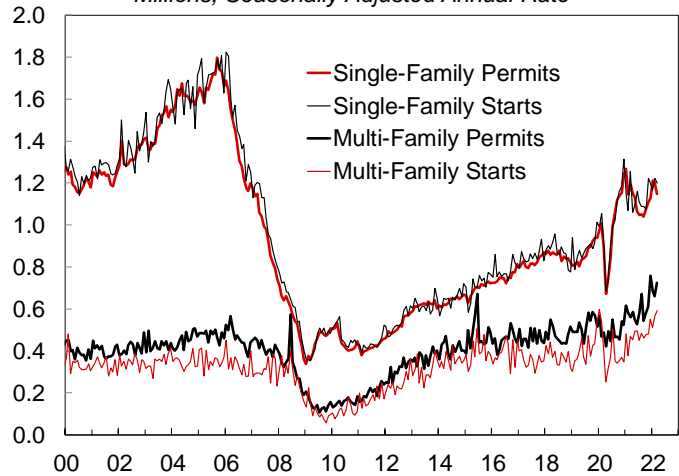


Source: U.S. Bureau of Labor Statistics/FRED

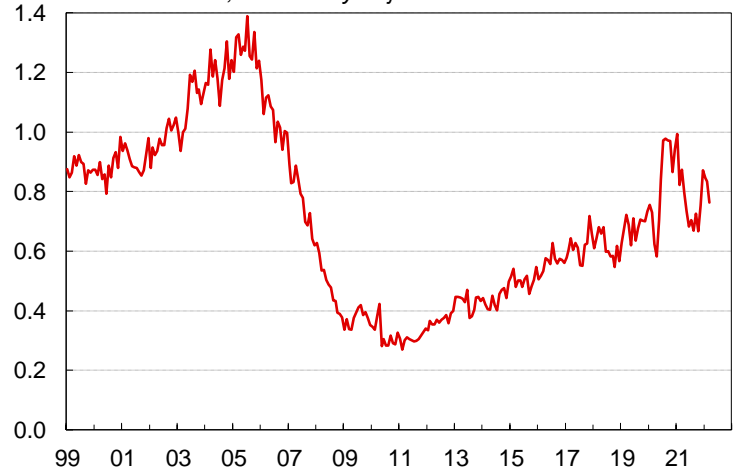
US Housing & Business Investment

- Total housing starts rose to a 16-year high in March. Starts are likely to decline going forward in response to rising mortgage rates. However, pent-up demand, resulting from the inability of builders to get enough labor and materials to meet demand over the last two years, will cushion the decline.
- The seasonally adjusted annual rate of building permits for single-family homes, the most important number in the monthly housing report, declined in February and March. (Permits are a better indicator of housing market activity than starts because they are less sensitive to weather.)
- New home sales (seasonally adjusted) surged in November and December but declined in the first three months of 2022. Movements in 2021 reflected the interaction of supply constraints and the seasonal-adjustment process. Declines in 2022 reflect rising mortgage rates.
- Existing-home sales (not shown) fell 8.6% in February and another 2.7% in March, leaving them down 4.5% from a year earlier. Despite the recent decline in demand, the lean inventory of existing homes for sale – just two months of sales in March – continues to limit sales.
- Investment in business equipment rose at a 15.3% annual rate in the first quarter, to a record high. Businesses need new equipment and software to boost the productivity of (or replace) scarce workers.
- Investment in intellectual property products, which includes software, rose strongly for a seventh consecutive quarter. It has been the most consistent contributor to GDP growth since the 2020 recession.
- Investment in business structures, which includes oil and gas wells as well as commercial and industrial structures, continued to decline in the first quarter.

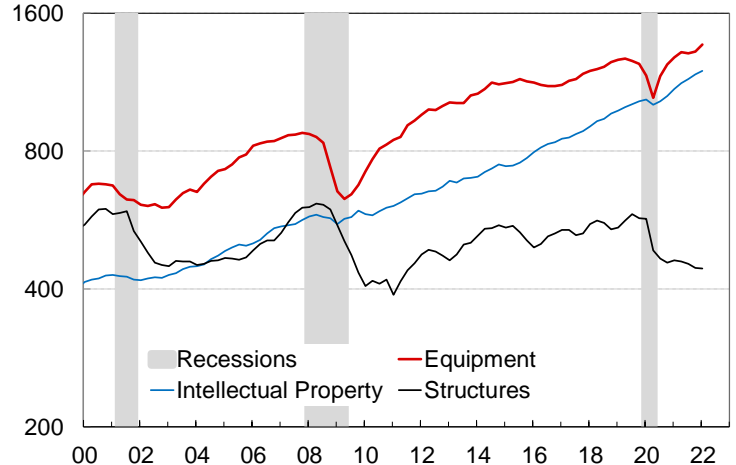
US Housing Starts & Building Permits
Millions, Seasonally Adjusted Annual Rate



US New Single-Family Home Sales
Millions, Seasonally Adjusted Annual Rate



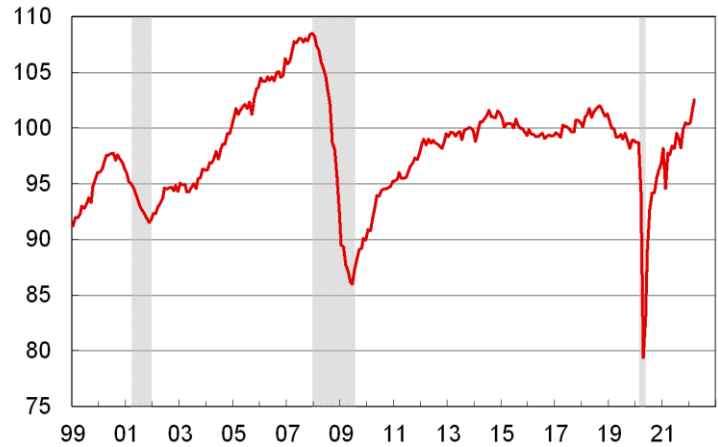
US Nonresidential Fixed Investment
Billion Chained 2012 Dollars



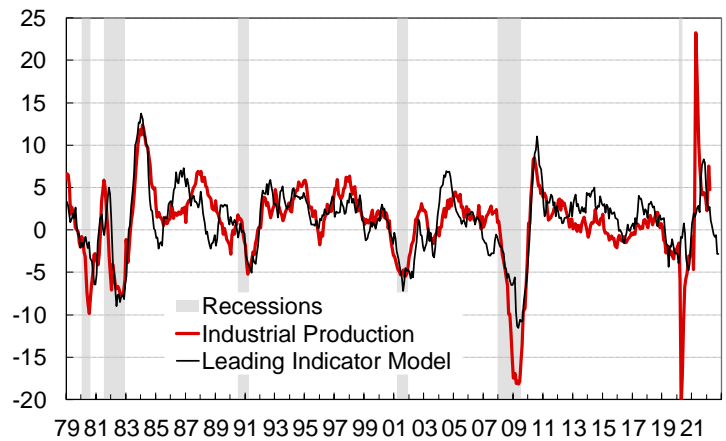
Industrial Production & Leading Indicators

- Industrial production in U.S. manufacturing rose 0.9% in March after rising 1.2% in February. It has now fully recovered from the 2020 recession **and** from the 2018-2019 decline caused by monetary tightening and trade disputes.
- Most major industries have fully recovered from their recession declines. The key exceptions are motor vehicles, aerospace, and petroleum refining. Growth will slow on an industry-by-industry basis as pent-up demand is satisfied and as production comes up against capacity constraints.
- Industrial production for manufacturing (excluding computers, communication equipment, and semiconductors) was up 4.8% year-over-year in March.
- My leading indicator model suggests that year-over-year growth will turn negative over the next six months. I believe that inventory restocking and satisfying pent-up demand, especially for motor vehicles, will prevent that decline, but growth in manufacturing will be concentrated in the industries where production is still below pre-pandemic levels and where there is plenty of spare capacity.
- The Organization for Economic Cooperation and Development (OECD) publishes leading indicators for OECD members and six non-member developing countries. Their broadest leading indicator is highly correlated with year-over-year growth in global industrial production.
- The OECD “leading” indicator doesn’t lead by much, if at all, but because it doesn’t change direction often, it can confirm whether an apparent turning point in growth in industrial production is a true turning point or just statistical “noise”. The indicator is consistent with decelerating growth. (Data are available only through January.)

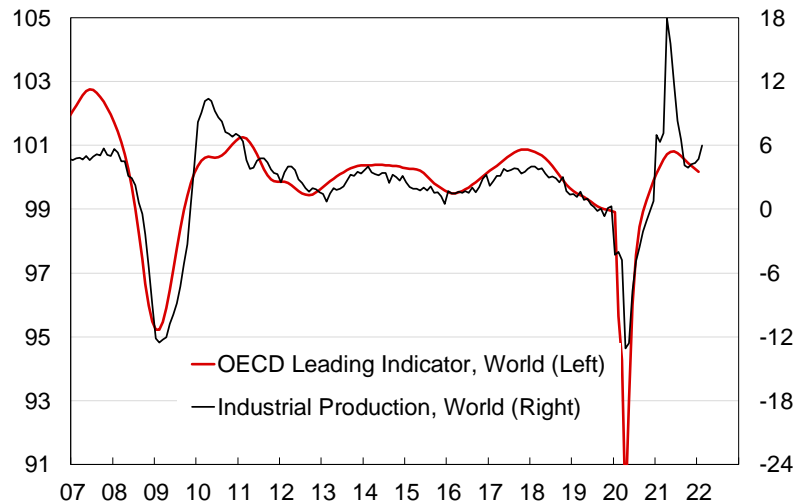
US Industrial Production: Manufacturing
Index, 2017=100



US Industrial Production: Manufacturing ex high-tech
Percent Change from Year Ago



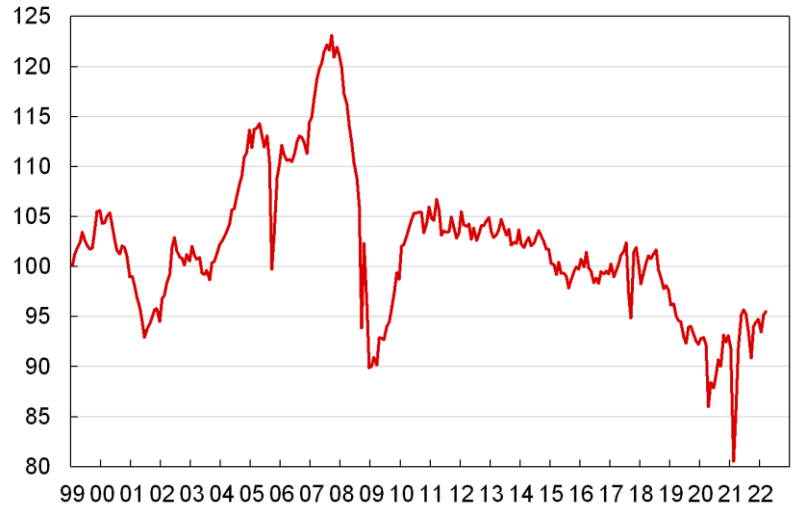
OECD Leading Indicator & Global Industrial Production
Trend = 100 *Percent Change from Year Ago*



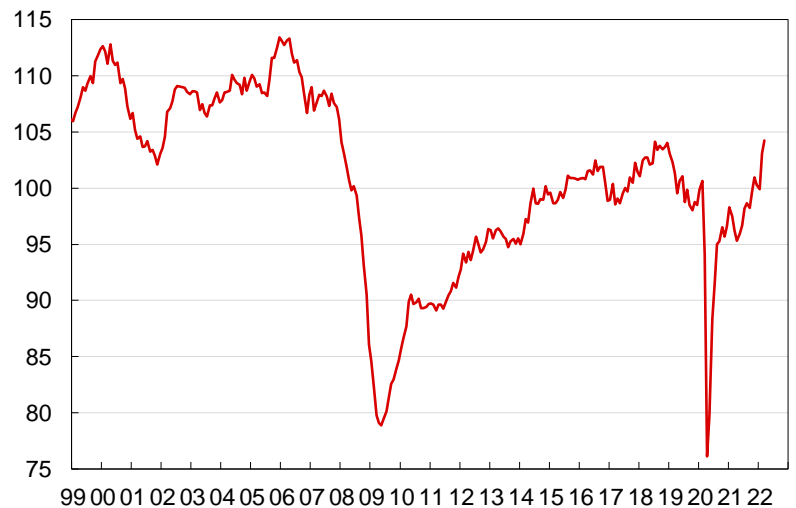
US Industrial Production

- Industrial production of chemicals (excluding pharmaceuticals) has fully recovered from the 2020 recession and the February 2021 freeze in Texas but was lower in March than it was last June and is still well below 2018 levels. Production was 11.5% above depressed year-earlier levels.
- Many industrial production indexes are based on hours worked rather than on actual physical production. Over the last decade, data on actual production, where available, paint a much less negative picture of chemical production than the index shown in the chart.
- U.S. industrial production of plastic and rubber products rose 1.1% in March, to its highest level since 2007. It was up 8.3% year-over-year.
- Because much of the production of plastic and (especially) rubber products goes into motor vehicles, the expected recovery in motor vehicle production is likely to support further growth in this industry.
- Even though natural gas liquids are the primary feedstock for the North American chemical industry, industrial chemical prices are more highly correlated with global oil prices than with natural gas prices because oil-based imports are the marginal source of supply. That correlation broke down after the February 2021 freeze but may reestablish itself as bottlenecks ease.
- The Producer Price Index for industrial chemicals rose 76.5% from May 2020 to March 2021. This was the biggest 22-month increase since 1975 and left the index at a record high.

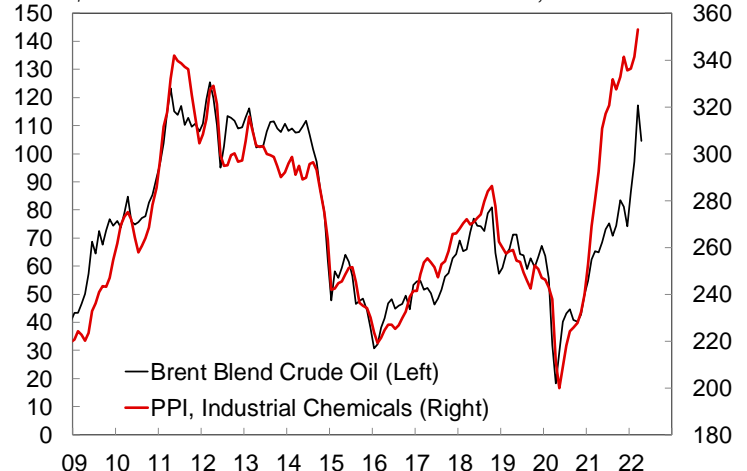
US Industrial Production: Chemicals ex pharma
Index, 2017=100



US Industrial Production: Plastic & Rubber Products
Index, 2017=100

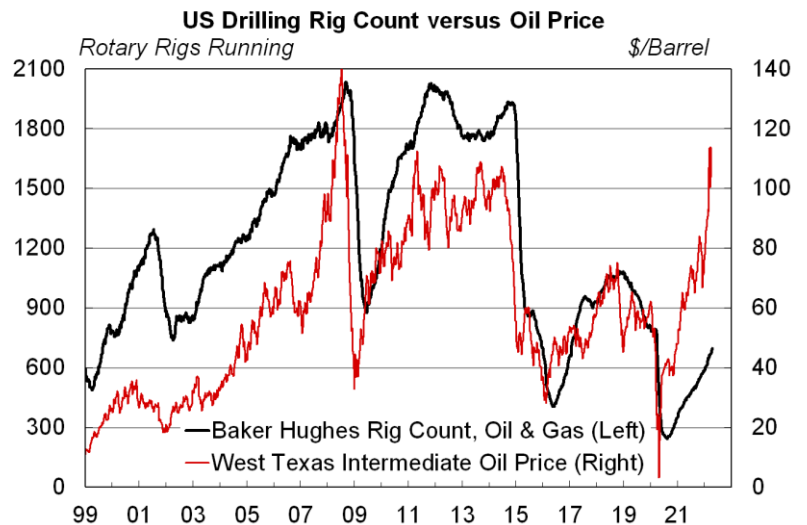
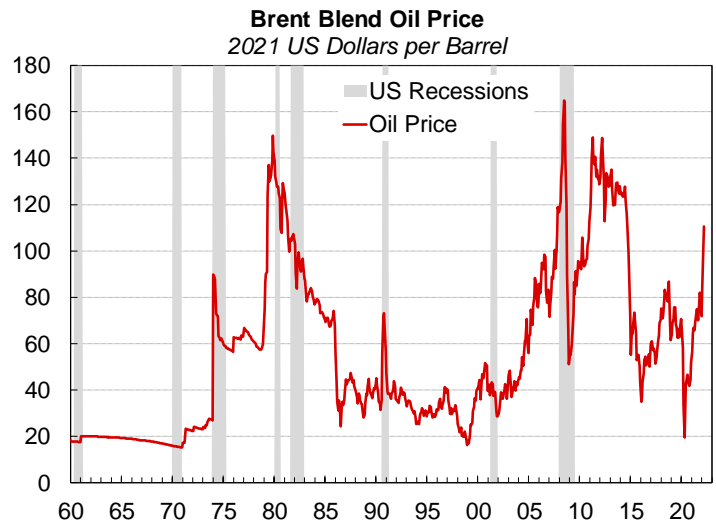
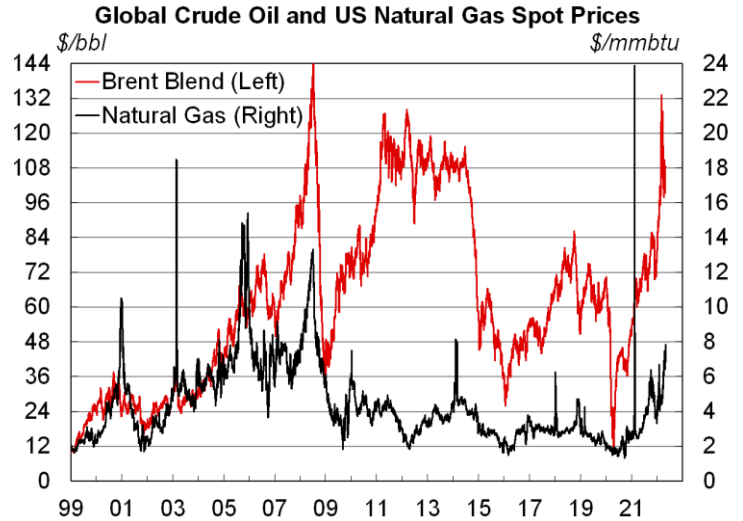


Brent Oil Price vs Industrial Chemical Prices
\$/Barrel (Left) Index, 1982 = 100 (Right)



Oil & Gas Prices

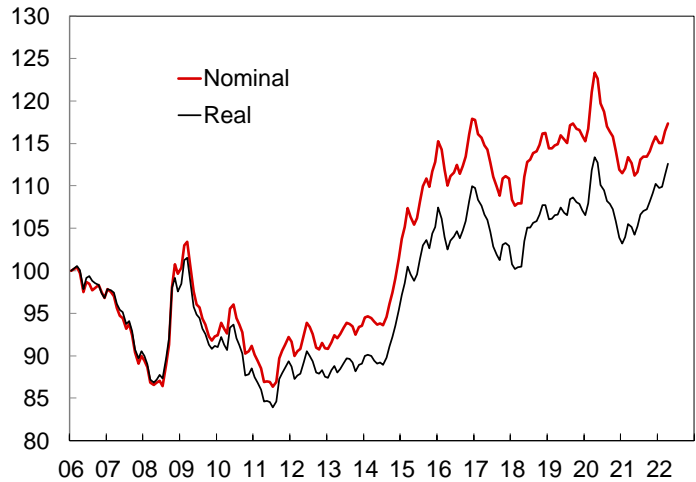
- The price of Brent Blend crude oil, which had already risen to its highest level since 2014, has risen further this year in response to Russia's invasion of Ukraine. (Brent is tied to what U.S. consumers pay for petroleum products.) Brent is currently trading near \$110/barrel, well above where it was before the pandemic.
- Natural gas prices have risen to their highest sustained levels since 2008. The war in Ukraine has boosted demand has boosted (already-rising) demand for liquified natural gas in the rest of the world.
- Higher prices for natural gas and natural gas liquids, relative to oil prices, reduce the competitive advantage of North American chemical producers, which use natural gas liquids as their primary feedstock, vis-à-vis foreign competitors, which rely on naphtha, a crude oil derivative.
- All U.S. recessions since 1973 have been preceded by at least a doubling of oil prices. Prices have more than doubled, but in real (inflation-adjusted) terms are still below their 2011-2014 levels. Unless oil prices rise above \$150/barrel, the next recession will probably be caused by higher interest rates, not by high oil prices.
- The price of West Texas Intermediate crude oil, which is tied to what U.S. oil producers are paid for their oil, has been above \$100/barrel for most of the last two months.
- Oil and gas drilling has risen in response to higher prices but is still well below where it has been for most of the last two decades.
- U.S. production of crude oil, natural gas, and natural gas liquids fell sharply in 2020. Production has partially recovered but is unlikely to return to its pre-recession peak until later this year, at the earliest.



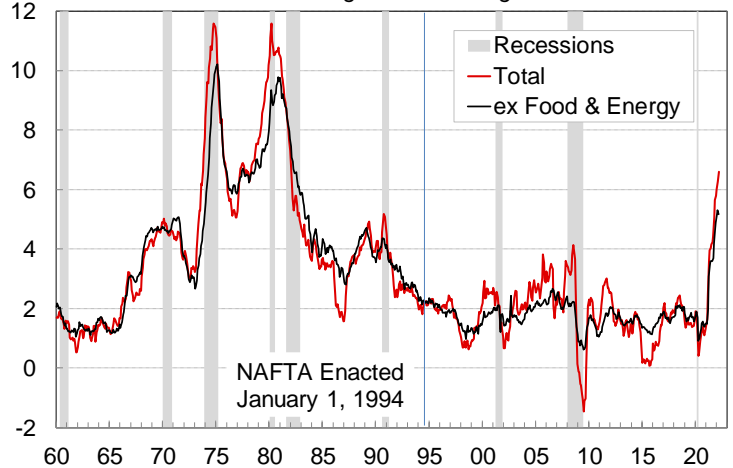
Exchange Rates, Inflation, and Interest Rates

- The trade-weighted foreign exchange value of the U.S. dollar has been rising since mid-2021. In real terms, the value of the dollar is nearing its 2020 high.
- A “strong” dollar reduces the global competitiveness of U.S.-produced goods, especially in agriculture, manufacturing, and mining but helps in the fight against inflation.
- The U.S. Federal Reserve seeks to keep inflation, as measured by the year-over-year change in the Personal Consumption Expenditure Price Index averaged over a period of years, near 2%.
- The total PCE Price Index was up 6.6% year-over-year in March, marking the highest inflation rate since 1982. The “core” (excluding food and energy) index was up 5.2% year-over-year.
- Inflation probably peaked in March and is expected to decline going forward, but it is likely to remain above the Fed’s 2% target until the next recession.
- The Federal Reserve raised its federal funds rate target by 0.25 percentage points in March and by a half point this week.
- Stubbornly high inflation is likely to force the Fed to raise its funds rate target well above 3% in the first half of 2023. If the funds rate rises above the yield on 10-year Treasury notes, a recession is likely in 8-17 months.
- The closing yield on 10-year Treasury notes rose from 1.35% on December 3, 2021 to 3.07% on May 5, 2022. Mortgage rates have surged in response to the increase in bond yields.

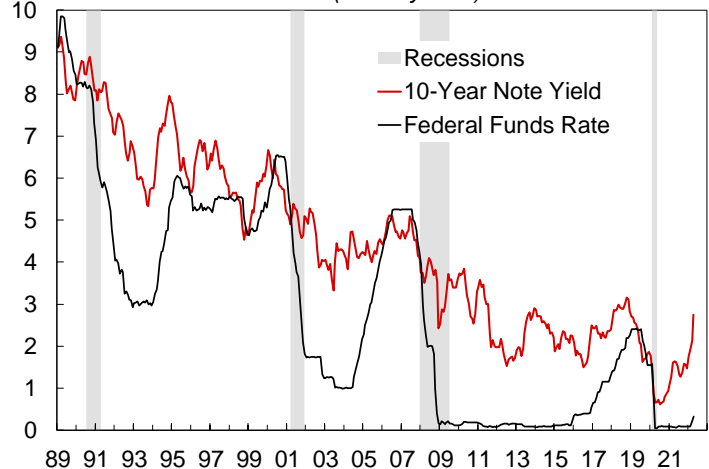
Federal Reserve Broad Dollar Index



US Personal Consumption Expenditures Price Index
Percent Change from Year Ago

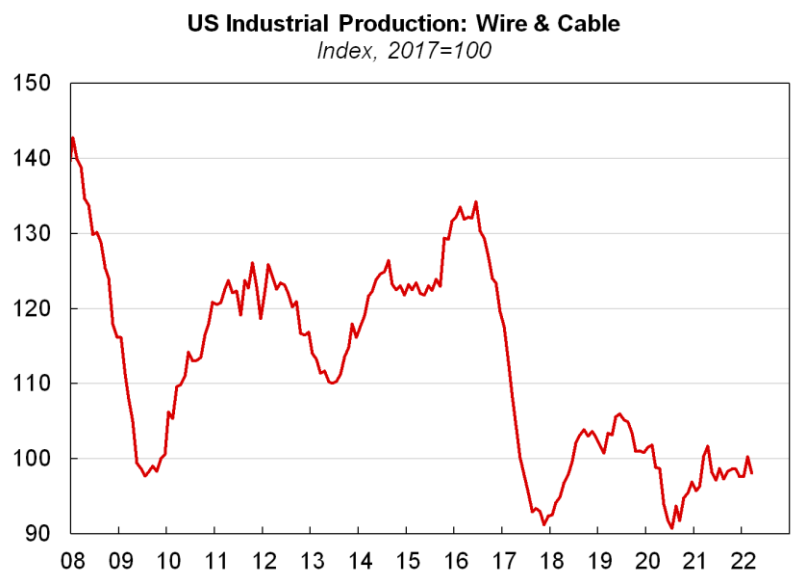
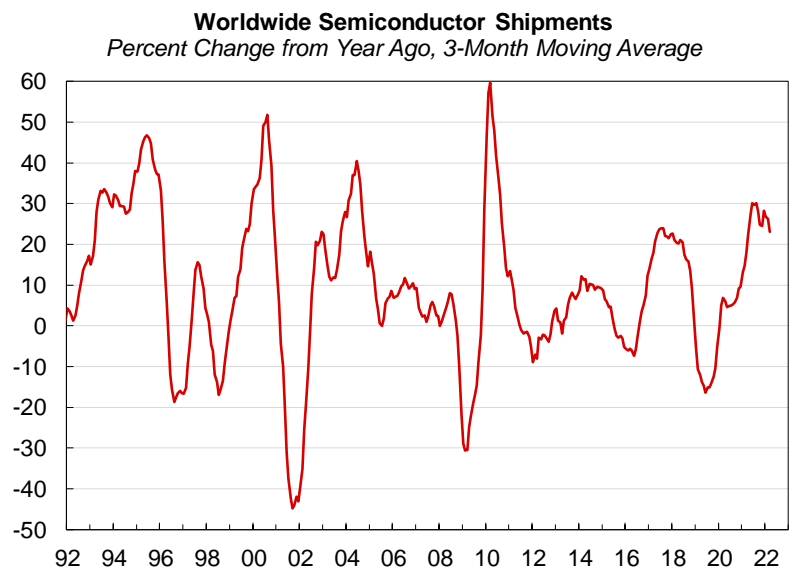
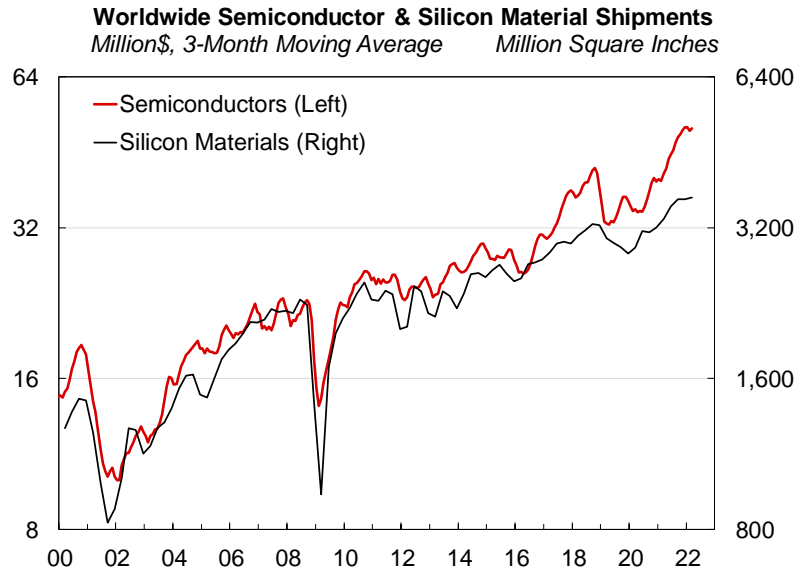


US Interest Rates
Percent (Monthly data)



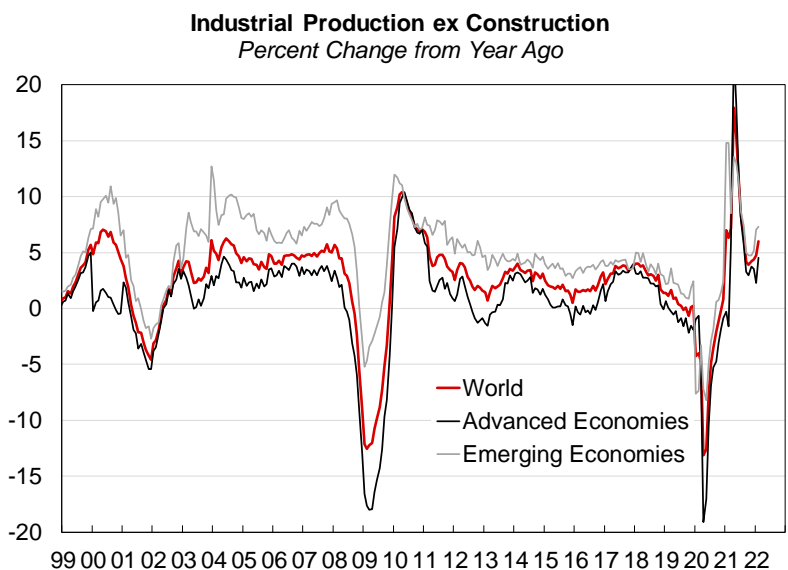
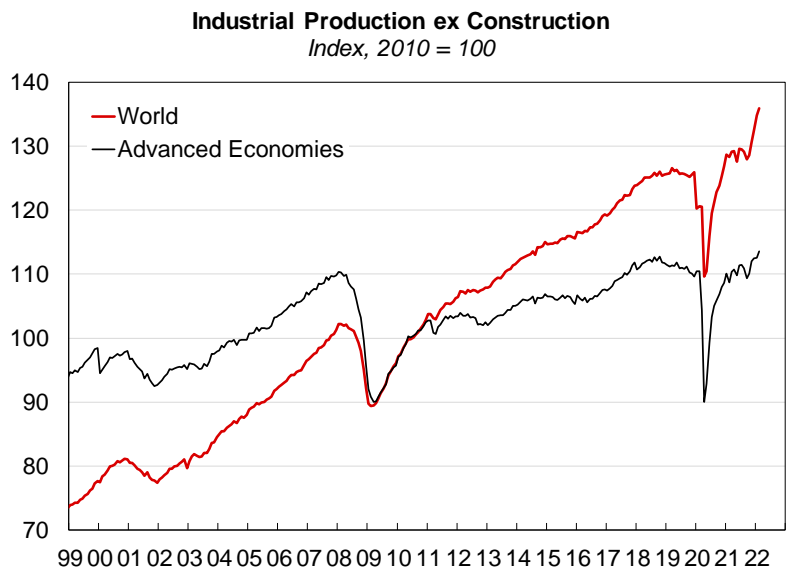
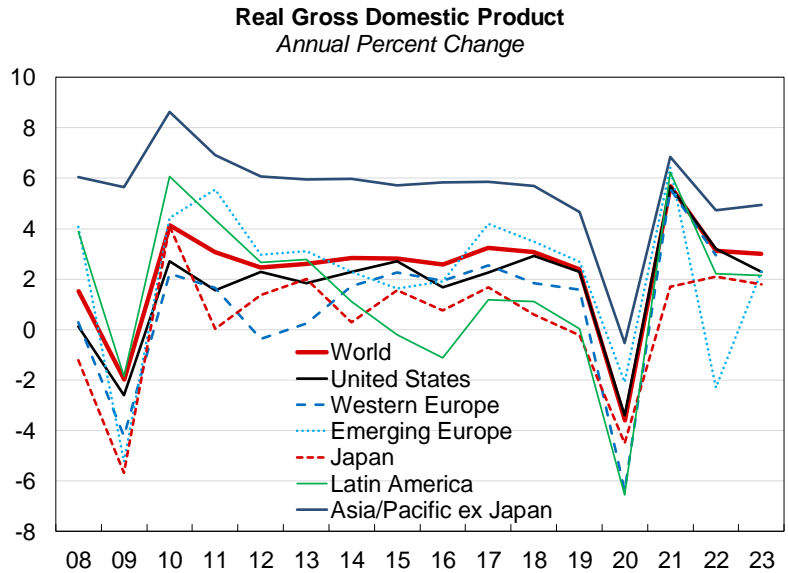
Electronics & Communication

- Shipments of silicon materials are a good indicator of global demand for products going into the electronics industry.
- Data on silicon material shipments (from SEMI®) are only reported quarterly back to 2000, but silicon wafer area (in square inches) has been strongly correlated with semiconductor shipments (in dollars), which are reported monthly back to 1976.
- Worldwide silicon material shipments rose to a record high in the first quarter. Semiconductor shipments fell slightly from the record high hit in the fourth quarter of 2021, but this reflected a normal seasonal decline. The global semiconductor “shortage” is due to strong demand, **not** to a reduction in supply.
- Semiconductor shipments, which grew in 2020 despite the pandemic and recession, were up 23% year-over-year in the first quarter. Silicon material shipments were up 10.3%. Semiconductor shipments (in dollars) are rising faster because semiconductor prices are rising.
- Barring a decline in demand, further growth in shipments will be needed to eliminate the global semiconductor shortage.
- Industrial production of wire and cable used in communication and energy applications fell by two-thirds from its 2000 peak to its 2009 trough. The recovery from 2009 to 2016, while significant in percentage terms, erased little of the 2001-2009 decline.
- Production fell 10.9% from February 2020 to July 2020. By April 2021, it had recouped nearly 100% of that decline, but production has declined since then. It was down 2.3% year-over-year in March.
- Demand for wire and cable has been hurt by office closures and the decline in nonresidential construction.



Global Macroeconomic Overview

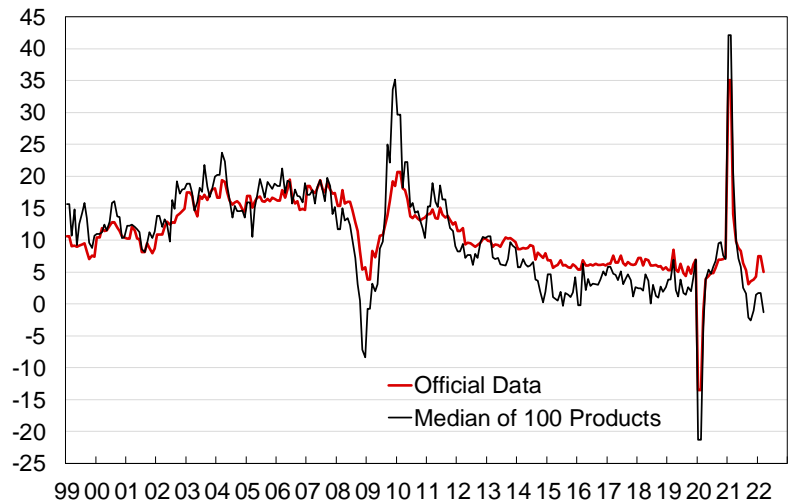
- Global real Gross Domestic Product (based on market exchange rates, not purchasing power parity) fell 3.6% in 2020, the biggest decline since the Great Depression.
- GDP rose 5.7% in 2021. The current forecast, based on the IMF's April World Economic Outlook, is for 3.1% growth in 2022 and 3.0% growth in 2023. That forecast is likely to be revised down because of the war in Ukraine.
- The war in Ukraine, through its effects on the price and availability of oil and gas, grains, and fertilizer, will have a bigger impact on Europe, the Middle East, and Africa than on the Americas and Australia.
- Global industrial production, as measured by the CPB Netherlands Bureau for Economic Policy Analysis, declined 12.5% from December 2019 to April 2020.
- By December 2020, production had risen above its pre-recession peak. After stagnating through most of 2021, it surged from October to February. However, this surge is due largely to questionable data from China.
- Industrial production in the Advanced Economies has risen above the peaks reached in 2007 and 2018.
- Global industrial production was up 6.0% year-over-year in February. It had been down as much as 13.1% year-over-year in April 2020 and up as much as 17.9% year-over-year in April 2021.
- Industrial production in Emerging Economies was up 7.3% year-over-year in February.
- Industrial production in Advanced Economies was up 4.5%.



Asia

- China's economy slowed sharply in 2021 and has struggled so far in 2022.
- Value Added of Industry, China's official measure of industrial production, was up 5.0% year-over-year in March.
- My preferred measure of growth in industrial production, the median year-over-year growth rate of 100 industrial products, turned **negative** last fall before a brief rebound. It fell to -1.3% in March. Shutdowns in response to COVID outbreaks threaten further declines.
- Industrial production in Japanese manufacturing had nearly recovered from the 2020 recession (but not from the 2018-19 decline) by June 2021, but production has remained below that level since.
- Production was down 0.7% year-over-year in March.
- Japanese manufacturing, which is heavily dependent on exports, particularly of motor vehicles, has been hurt by shortages of ships and shipping containers and by the global semiconductor shortage.
- After a collapse in 2020 and a strong rebound in 2021, industrial production in Indian manufacturing is essentially back to where it was before the pandemic.
- Production was up 0.8% year-over-year in February.
- The International Monetary Fund forecasts GDP growth of 8.2% in 2022 after an 8.9% increase in 2021. GDP fell 6.6% in 2020.

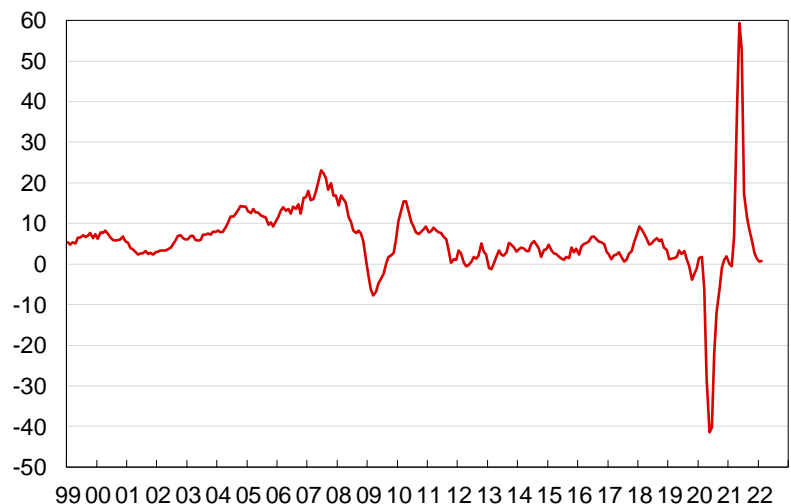
Value Added of Industry (Industrial Production): China
Percent Change from Year Ago



Industrial Production, Manufacturing: Japan
Index, 2015 = 100



Industrial Production, Manufacturing: India
Percent Change from Year Ago, Smoothed



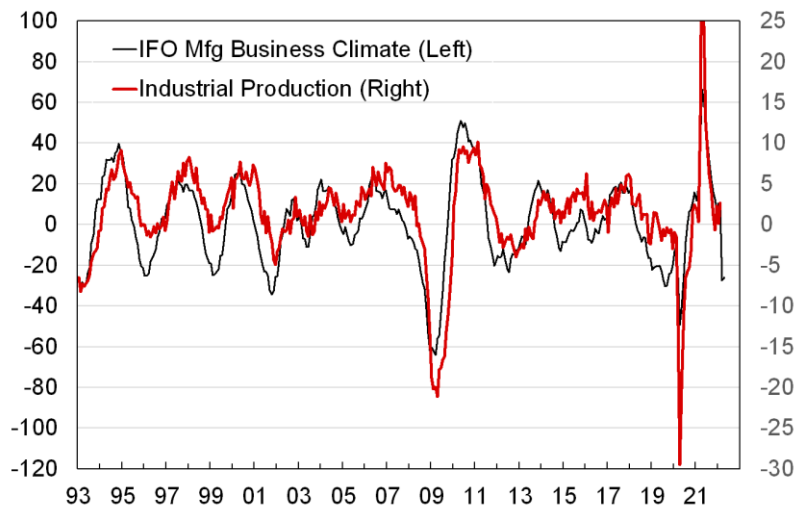
Europe

- Real GDP in the European Union, which no longer includes the United Kingdom, rose 0.4% (not annualized) in the first quarter after rising 0.5% in the fourth quarter of 2021. GDP was up 5.2% year-over-year.
- As of February, industrial production in EU manufacturing had fully recovered from its sharp 2020 decline **and** its milder 2018-2019 decline. Production was up 2.6% year-over-year after rising sharply from October to February.
- The war in Ukraine had little impact on first-quarter growth. That is unlikely to last.
- The 12-month change in the German IFO manufacturing business climate index has historically led year-over-year growth in EU manufacturing production by three months and is reported in a timelier manner.
- The IFO index plummeted in March in response to Russia's invasion of Ukraine. Following a smaller decline in April, its 12-month change fell to its lowest level since May 2020. The index suggests that year-over-year growth in industrial production will turn negative in coming months.
- Industrial production in manufacturing has risen to new record highs in Poland and Hungary this year but is still below its 2019 peak in the Czech Republic.
- Despite the war in neighboring Ukraine, industrial production in Polish manufacturing rose to another record high in February and was up 11.7% year-over-year in March.
- Production was up 3.5% year-over-year in Hungary in February but was up only 1.1% in the Czech Republic.

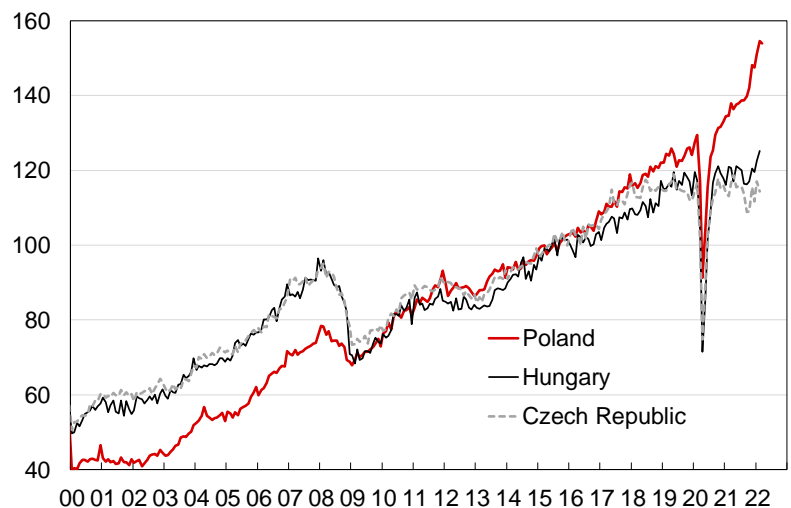
Industrial Production, Manufacturing: European Union
Index, 2015 = 100



Industrial Production, Manufacturing: European Union
Change/Percent Change from Year Ago



Industrial Production, Manufacturing: Central Europe
Index, 2015 = 100



Americas

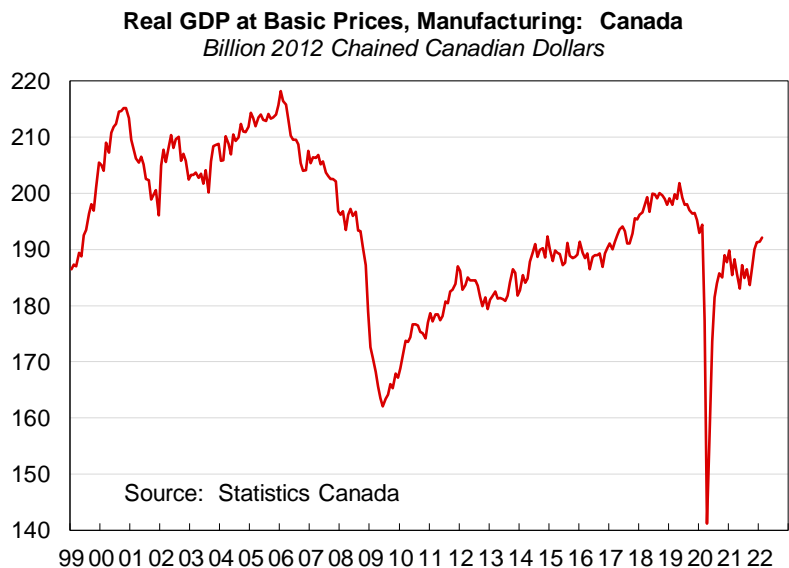
- By September 2020, industrial production in Brazilian manufacturing had more than fully recovered from the 29.4% decline from February 2020 to April 2020. But production peaked in December 2020 and declined in 2021, leaving it about 20% below the peak reached in 2011.
- Production was down 4.4% year-over-year in February.



- Industrial production in Mexican manufacturing rose to a record high in February, erasing not only its 2020 pandemic decline but also a trade-policy-related decline in the second half of 2019.
- Production was up 6.9% year-over-year in March.



- Unlike most countries, Canada reports Gross Domestic Product monthly rather than quarterly and for various sectors of the economy.
- Real GDP in manufacturing, which is comparable to industrial production in other countries, fell 28.3% in March and April 2020. It has recouped most of that decline, but not its 2019 decline. This failure reflects Canada's heavy reliance on motor vehicle production, which has been affected by a shortage of semiconductors.
- Real GDP in manufacturing was up 3.6% year-over-year in February.



Global GDP Growth

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
World	3.2	3.1	2.4	-3.6	5.7	3.1	3.0	2.4	3.1
North America	2.3	2.9	2.2	-3.6	5.6	3.3	2.3	0.3	3.4
United States	2.3	2.9	2.3	-3.4	5.7	3.2	2.3	0.1	3.6
Canada	3.0	2.8	1.9	-5.2	4.6	3.9	2.8	1.7	1.8
Mexico	2.1	2.2	-0.2	-8.2	4.8	2.0	2.3	1.8	2.0
Western Europe	2.5	1.8	1.6	-6.4	5.6	2.9	2.0	1.8	1.7
France	2.4	1.8	1.8	-8.0	7.0	2.9	1.4	1.5	1.4
Germany	2.7	1.1	1.1	-4.6	2.8	2.1	2.5	1.5	1.4
Italy	1.7	0.9	0.5	-9.0	6.6	2.3	1.7	1.3	1.2
Spain	3.0	2.3	2.1	-10.8	5.1	4.6	3.3	3.1	2.0
U.K.	2.1	1.7	1.7	-9.3	7.4	3.7	1.2	1.5	2.2
C & E Europe	4.2	3.5	2.7	-2.1	6.4	-2.3	2.3	3.0	2.7
Middle East & Africa	1.6	2.1	1.9	-3.7	4.3	4.2	3.4	3.3	3.4
Asia/Pacific	4.9	4.6	3.6	-1.4	5.8	4.2	4.4	4.1	4.1
Japan	1.7	0.6	-0.2	-4.5	1.7	2.1	1.8	0.8	0.7
ex Japan	5.9	5.7	4.7	-0.5	6.9	4.7	4.9	4.9	4.8
Australia	2.4	2.8	2.0	-2.2	4.7	4.2	2.5	2.3	2.3
China	6.9	6.8	6.0	2.2	8.1	4.4	5.1	5.1	5.0
India	6.8	6.5	3.7	-6.6	8.9	8.2	6.9	7.0	7.0
Indonesia	5.1	5.2	5.0	-2.1	3.7	5.4	6.0	5.8	5.4
Korea (South)	3.2	2.9	2.2	-0.9	4.0	2.5	2.5	2.6	2.5
Malaysia	5.8	4.8	4.4	-5.6	3.1	5.6	5.5	4.9	4.4
Philippines	6.9	6.3	6.1	-9.6	5.6	6.5	6.3	6.5	6.5
Singapore	4.7	3.7	1.1	-4.1	7.6	4.0	2.9	2.7	2.5
Taiwan	3.3	2.8	3.1	3.4	6.3	3.2	2.8	2.2	2.1
Thailand	4.2	4.2	2.2	-6.2	1.6	3.3	4.3	3.8	3.3
Vietnam	6.9	7.2	7.2	2.9	2.6	6.0	7.2	7.0	6.9
Latin America	0.9	0.8	0.1	-6.1	6.6	2.3	2.1	2.5	2.3
Argentina	2.8	-2.6	-2.0	-9.9	10.2	4.0	3.0	2.8	2.0
Brazil	1.3	1.8	1.2	-3.9	4.6	0.8	1.4	2.2	2.0

Global Industrial Production Growth

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
World	0.5	-4.8	7.9	4.1	3.0	1.5	3.0
Advanced economies	-0.9	-6.5	6.6	3.3	2.1	0.3	2.5
United States	-0.8	-7.2	5.5	5.3	2.2	-1.5	3.8
Japan	-2.6	-10.1	5.5	2.0	2.0	1.5	2.2
Euro Area	-1.3	-8.3	7.4	2.0	2.0	1.0	2.0
Emerging economies	1.9	-3.2	9.2	5.0	4.1	3.0	3.7
China	5.7	2.1	10.6	4.0	4.0	4.0	4.0
Emerging Asia ex China	0.7	-12.1	12.4	6.0	4.0	3.0	4.0
E Europe & CIS	3.1	-2.0	4.6	5.0	2.5	1.0	2.0
Latin America	-5.0	-8.8	8.1	3.0	3.0	2.5	3.5
Middle East & Africa	-3.8	-9.4	3.8	8.0	6.0	2.5	3.5

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