

# Global Economy Forecasts

AIB Treasury Economic Research Unit



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## GLOBAL ECONOMY: KEY FORECASTS

| Annual Average (Unless stated)                | 2017  | 2018(e) | 2019(f) | 2020(f) |
|-----------------------------------------------|-------|---------|---------|---------|
| <b>Economic Growth (% Change)</b>             |       |         |         |         |
| World                                         | 3.6   | 3.7     | 3.3     | 3.3     |
| US                                            | 2.2   | 2.9     | 2.7     | 2.0     |
| Euro                                          | 2.5   | 1.8     | 1.3     | 1.5     |
| UK                                            | 1.7   | 1.4     | 1.5     | 1.7     |
| Japan                                         | 1.9   | 0.7     | 0.8     | 0.8     |
| <b>Inflation - CPI (% Change)</b>             |       |         |         |         |
| US                                            | 2.1   | 2.4     | 1.7     | 2.0     |
| Euro                                          | 1.5   | 1.7     | 1.5     | 1.5     |
| UK                                            | 2.7   | 2.5     | 1.7     | 2.0     |
| Japan                                         | 0.5   | 1.0     | 1.3     | 1.5     |
| <b>Official Interest Rates (% End Period)</b> |       |         |         |         |
| US (Fed Funds)                                | 1.375 | 2.375   | 2.875   | 2.875   |
| Euro (Refi Rate)                              | 0.0   | 0.0     | 0.0     | 0.25    |
| Euro (Deposit Rate)                           | -0.4  | -0.4    | -0.3    | 0.00    |
| UK (Bank Rate)                                | 0.50  | 0.75    | 1.0     | 1.25    |
| Japan (Overnight Call Rate)                   | -0.1  | -0.1    | -0.1    | -0.1    |
| <b>Exchange Rates (Period Average)</b>        |       |         |         |         |
| US Dollar-Euro                                | 1.13  | 1.18    | 1.18    | 1.22    |
| Sterling-Euro                                 | 0.88  | 0.88    | 0.87    | 0.85    |
| US Dollar-Sterling                            | 1.28  | 1.34    | 1.36    | 1.41    |
| Crude Oil Prices (Brent \$/b)                 | 43    | 71      | 60      | 63      |

Forecasts prepared by AIB's ERU, historical data sourced from Thomson Datastream

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