World Economic Outlook UPDATE
An update of the key WEO projections

A Weakening Global Expansion

- *The global expansion has weakened. Global growth for 2018 is estimated at 3.7 percent, as in the October 2018 World Economic Outlook (WEO) forecast, despite weaker performance in some economies, notably Europe and Asia. The global economy is projected to grow at 3.5 percent in 2019 and 3.6 percent in 2020, 0.2 and 0.1 percentage point below last October's projections.*

- *The global growth forecast for 2019 and 2020 had already been revised downward in the last WEO, partly because of the negative effects of tariff increases enacted in the United States and China earlier that year. The further downward revision since October in part reflects carry over from softer momentum in the second half of 2018—including in Germany following the introduction of new automobile fuel emission standards and in Italy where concerns about sovereign and financial risks have weighed on domestic demand—but also weakening financial market sentiment as well as a contraction in Turkey now projected to be deeper than anticipated.*

- *Risks to global growth tilt to the downside. An escalation of trade tensions beyond those already incorporated in the forecast remains a key source of risk to the outlook. Financial conditions have already tightened since the fall. A range of triggers beyond escalating trade tensions could spark a further deterioration in risk sentiment with adverse growth implications, especially given the high levels of public and private debt. These potential triggers include a "no-deal" withdrawal of the United Kingdom from the European Union and a greater-than-envisaged slowdown in China.*

- *The main shared policy priority is for countries to resolve cooperatively and quickly their trade disagreements and the resulting policy uncertainty, rather than raising harmful barriers further and destabilizing an already slowing global economy. Across all economies, measures to boost potential output growth, enhance inclusiveness, and strengthen fiscal and financial buffers in an environment of high debt burdens and tighter financial conditions are imperatives.*

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Softening Momentum, High Uncertainty

The global economy continues to expand, but third-quarter growth has disappointed in some economies. Idiosyncratic factors (new fuel emission standards in Germany, natural disasters in Japan) weighed on activity in large economies. But these developments occurred against a backdrop of weakening financial market sentiment, trade policy uncertainty, and concerns about China's outlook. While the December 1 announcement that tariff hikes have been put on hold for 90 days in the US-China trade dispute is welcome, the possibility of tensions resurfacing in the spring casts a shadow over global economic prospects.

High-frequency data signal subdued momentum in the fourth quarter. Outside the United States, industrial production has decelerated, particularly of capital goods. Global trade growth has slowed to well below 2017 averages. The true underlying impetus could be even weaker than the data indicate, as the headline numbers may have been lifted by import front-loading ahead of tariff hikes, as well as by an uptick in tech exports with the launch of new products. Consistent with this interpretation, purchasing managers' indices, notably in the category of new orders, point to less buoyant expectations of future activity.

Commodities and inflation. Crude oil prices have been volatile since August, reflecting supply influences, including US policy on Iranian oil exports and, more recently, fears of softening global demand. As of early January, crude oil prices stood at around $55 a barrel, and markets expected prices to remain broadly at that level over the next 4–5 years. Prices of metals and agricultural commodities have softened slightly since August, in part due to subdued demand from China. Consumer price inflation has generally remained contained in recent months in advanced economies but has inched up in the United States, where above-trend growth continues. Among emerging market economies, inflationary pressures are easing with the drop in oil prices. For some, this easing has been partially offset by the passthrough of currency depreciations to domestic prices.

Financial conditions in advanced economies have tightened since the fall. Equity valuations—which were stretched in some countries—have been pared back with diminished optimism about earnings prospects amid escalating trade tensions and expectations of slower global growth. Concerns over a US government shutdown further weighed on financial sector sentiment toward year-end. Major central banks also appear to be adopting a more cautious approach. While the US Federal Reserve raised the target range for the federal funds rate to 2.25–2.50 percent in December, it signaled a more gradual pace of rate hikes in 2019 and 2020. In line with earlier communication, the European Central Bank ended its net asset purchases in December. However, it also confirmed that monetary policy would remain amply accommodative, with no increase in policy rates until at least summer 2019, and full reinvestment of maturing securities continuing well past the first rate hike. Increasing risk aversion, together with deteriorating sentiment about growth prospects and shifts in policy expectations, have contributed to a drop in sovereign yields—notably for US Treasuries, German bunds, and UK gilts. Among euro area economies, Italian sovereign spreads have declined from their peak in mid-October on a resolution of the budget standoff with the European Commission, but remain elevated at 270 basis points as of January 7. Spreads for other euro area economies have remained largely unchanged over this period. Beyond sovereign securities, credit spreads widened for US corporate bonds, reflecting lessened optimism and energy sector concerns owing to lower oil prices.

Financial conditions in emerging markets have tightened modestly since the fall, with notable differentiation based on country-specific factors. Emerging market equity indices have sold off over this period, in a context of rising trade tensions and higher risk aversion. Concerns about inflationary effects from earlier oil price increases and, in some cases, closing output gaps or passthrough from currency depreciation have led central banks in many emerging market economies (Chile, Indonesia, Mexico, Philippines, Russia, South Africa, Thailand) to raise policy rates since the fall. By contrast, central banks in China and India maintained policy rates on hold and acted to ease domestic funding conditions (by lowering reserve requirements for banks and providing liquidity to non-bank financial companies, respectively). As of early January, with some notable exceptions (e.g., Mexico, Pakistan), emerging market governments generally face lower domestic-currency long-term yields than in August-September. Foreign-currency sovereign credit spreads have edged up for most countries and risen substantially for some frontier markets.

Capital flows and exchange rates. With investors generally lowering exposure to riskier assets, emerging market economies experienced net capital outflows in the third quarter of 2018. As of early January, the US dollar remains broadly unchanged in real effective terms relative to September, the euro has weakened by about 2 percent amid slower growth and concerns about Italy, and the pound has depreciated about 2 percent as Brexit-related uncertainty increased. In contrast, the Japanese yen has appreciated by about 3 percent, on higher risk aversion. Several emerging market currencies—including the Turkish lira, the Argentine peso, the Brazilian real, the South African rand, the Indian rupee, and the Indonesian rupiah—have staged recoveries from their 2018 valuation lows last August-September.

Forecast Assumptions

The assumptions about tariffs, policy stances, and financial conditions underpinning the forecast are broadly similar to those in the last WEO.

The baseline forecast incorporates the US tariffs announced through September 2018 and retaliatory measures. For the United States, these include tariffs on solar panels, washing machines, aluminum, and steel announced in the first half of 2018; a 25 percent tariff on $50 billion worth of imports from China, and a 10 percent tariff on an additional $200 billion of imports from China, with the latter rising to 25 percent after the current 90-day "truce" ends on March 1, 2019. For China, the forecast incorporates tariffs ranging from 5 to 10 percent on $60 billion of imports from the United States.[1]

Average oil prices are projected at just below $60 per barrel in 2019 and 2020 (down from about $69 and $66, respectively, in the last WEO). Metals prices are expected to decrease 7.4 percent year-over-year in 2019 (a deeper decline than anticipated last October), and to remain roughly unchanged in 2020. Price forecasts for most major agricultural commodities have been revised modestly downwards.

Global Growth to Slow in 2019

Global growth in 2018 is estimated to be 3.7 percent, as it was last fall, but signs of a slowdown in the second half of 2018 have led to downward revisions for several economies.

Weakness in the second half of 2018 will carry over to coming quarters, with global growth projected to decline to 3.5 percent in 2019 before

[1] Scenario Box 1 of the October 2018 WEO estimates possible impacts of further increases in trade barriers, including via worsening business confidence and market sentiment.

picking up slightly to 3.6 percent in 2020 (0.2 percentage point and 0.1 percentage point lower, respectively, than in the previous WEO). This growth pattern reflects a persistent decline in the growth rate of advanced economies from above-trend levels—occurring more rapidly than previously anticipated—together with a temporary decline in the growth rate for emerging market and developing economies in 2019, reflecting contractions in Argentina and Turkey, as well as the impact of trade actions on China and other Asian economies.

Specifically, growth in advanced economies is projected to slow from an estimated 2.3 percent in 2018 to 2.0 percent in 2019 and 1.7 percent in 2020. This estimated growth rate for 2018 and the projection for 2019 are 0.1 percentage point lower than in the October 2018 WEO, mostly due to downward revisions for the euro area.

- Growth in the euro area is set to moderate from 1.8 percent in 2018 to 1.6 percent in 2019 (0.3 lower than projected last fall) and 1.7 percent in 2020. Growth rates have been marked down for many economies, notably *Germany* (due to soft private consumption, weak industrial production following the introduction of revised auto emission standards, and subdued foreign demand); *Italy* (due to weak domestic demand and higher borrowing costs as sovereign yields remain elevated); and *France* (due to the negative impact of street protests and industrial action).

- There is substantial uncertainty around the baseline projection of about 1.5 percent growth in the *United Kingdom* in 2019-20. The unchanged projection relative to the October 2018 WEO reflects the offsetting negative effect of prolonged uncertainty about the Brexit outcome and the positive impact from fiscal stimulus announced in the 2019 budget. This baseline projection assumes that a Brexit deal is reached in 2019 and that the UK transitions gradually to the new regime. However, as of mid-January, the shape that Brexit will ultimately take remains highly uncertain.

- The growth forecast for the *United States* also remains unchanged. Growth is expected to decline to 2.5 percent in 2019 and soften further to 1.8 percent in 2020 with the unwinding of fiscal stimulus and as the federal funds rate temporarily overshoots the neutral rate of interest. Nevertheless, the projected pace of expansion is above the US economy's estimated potential growth rate in both years. Strong domestic demand growth will support rising imports and contribute to a widening of the US current account deficit.

- *Japan*'s economy is set to grow by 1.1 percent in 2019 (0.2 percentage point higher than in the October WEO). This revision mainly reflects additional fiscal support to the economy this year, including measures to mitigate the effects of the planned consumption tax rate increase in October 2019. Growth is projected to moderate to 0.5 percent in 2020 (0.2 percentage point higher than in the October 2018 WEO) following the implementation of the mitigating measures.

For the emerging market and developing economy group, growth is expected to tick down to 4.5 percent in 2019 (from 4.6 percent in 2018), before improving to 4.9 percent in 2020. The projection for 2019 is 0.2 percentage point lower than in the October 2018 WEO.

- Growth in emerging and developing Asia will dip from 6.5 percent in 2018 to 6.3 percent in 2019 and 6.4 percent in 2020. Despite fiscal stimulus that offsets some of the impact of higher US tariffs, *China*'s economy will slow due to the combined influence of needed financial regulatory tightening and trade

tensions with the United States. *India*'s economy is poised to pick up in 2019, benefiting from lower oil prices and a slower pace of monetary tightening than previously expected, as inflation pressures ease.

- Growth in emerging and developing Europe in 2019 is now expected to weaken more than previously anticipated, to 0.7 percent (from 3.8 percent in 2018) despite generally buoyant growth in Central and Eastern Europe, before recovering to 2.4 percent in 2020. The revisions (1.3 percentage point in 2019 and 0.4 percentage point in 2020) are due to a large projected contraction in 2019 and a slower recovery in 2020 in *Turkey,* amid policy tightening and adjustment to more restrictive external financing conditions.

- In Latin America, growth is projected to recover over the next two years, from 1.1 percent in 2018 to 2.0 percent in 2019 and 2.5 percent in 2020 (0.2 percentage point weaker for both years than previously expected). The revisions are due to a downgrade in *Mexico*'s growth prospects in 2019–20, reflecting lower private investment, and an even more severe contraction in *Venezuela* than previously anticipated. The downgrades are only partially offset by an upward revision to the 2019 forecast for *Brazil*, where the gradual recovery from the 2015–16 recession is expected to continue. *Argentina*'s economy will contract in 2019 as tighter policies aimed at reducing imbalances slow domestic demand, before returning to growth in 2020.

- Growth in the Middle East, North Africa, Afghanistan, and Pakistan region is expected to remain subdued at 2.4 percent in 2019 before recovering to about 3 percent in 2020. Multiple factors weigh on the region's outlook, including weak oil output growth, which offsets an expected pickup in non-oil activity (*Saudi Arabia*); tightening financing conditions (*Pakistan*); US sanctions (*Iran*); and, across several economies, geopolitical tensions.

- In sub-Saharan Africa, growth is expected to pick up from 2.9 percent in 2018 to 3.5 percent in 2019, and 3.6 percent in 2020. For both years the projection is 0.3 percentage point lower than last October's projection, as softening oil prices have caused downward revisions for *Angola* and *Nigeria*. The headline numbers for the region mask significant variation in performance, with over one-third of sub-Saharan economies expected to grow above 5 percent in 2019–20.

- Activity in the Commonwealth of Independent States is projected to expand by about 2¼ percent in 2019–20, slightly lower than projected in the October 2018 WEO due to the drag on *Russia's* growth prospects from the weaker near-term oil-price outlook.

Risks to the Outlook

Key sources of risk to the global outlook are the outcome of trade negotiations and the direction financial conditions will take in months ahead. If countries resolve their differences without raising distortive trade barriers further and market sentiment recovers, then improved confidence and easier financial conditions could reinforce each other to lift growth above the baseline forecast. However, the balance of risks remains skewed to the downside, as in the October WEO.

Trade tensions. The November 30 signing of the US-Mexico-Canada free trade agreement (USMCA) to replace NAFTA, the December 1 US-China announcement of a 90-day "truce" on tariff increases, and the announced reduction in Chinese tariffs on US car imports are welcome steps toward de-escalating trade frictions. Final outcomes remain, however, subject to a possibly difficult negotiation process in the case of the US-

China dispute and domestic ratification processes for the USMCA. Thus, global trade, investment, and output remain under threat from policy uncertainty, as well as from other ongoing trade tensions. Failure to resolve differences and a resulting increase in tariff barriers would lead to higher costs of imported intermediate and capital goods and higher final goods prices for consumers. Beyond these direct impacts, higher trade policy uncertainty and concerns over escalation and retaliation would lower business investment, disrupt supply chains, and slow productivity growth. The resulting depressed outlook for corporate profitability could dent financial market sentiment and further dampen growth (Scenario Box 1, October 2018 WEO).

Financial market sentiment. Escalating trade tensions, together with concerns about Italian fiscal policy, worries regarding several emerging markets, and, toward the end of the year, about a US government shutdown, contributed to equity price declines during the second half of 2018. A range of catalyzing events in key systemic economies could spark a broader deterioration in investor sentiment and a sudden, sharp repricing of assets amid elevated debt burdens. Global growth would likely fall short of the baseline projection if any such events were to materialize and trigger a generalized risk-off episode:

- Italian spreads have narrowed from their October–November peaks but remain high. A protracted period of elevated yields would put further stress on Italian banks, weigh on economic activity, and worsen debt dynamics. Other Europe-specific factors that could give rise to broader risk aversion include the rising possibility of a disruptive, no-deal Brexit with negative cross-border spillovers and increased euro-skepticism affecting European parliamentary election outcomes.

- A second source of systemic financial stability risk is a deeper-than-envisaged slowdown in China, with negative implications for trading partners and global commodity prices. China's economy slowed in 2018 mainly due to financial regulatory tightening to rein in shadow banking activity and off-budget local government investment, and as a result of the widening trade dispute with the United States, which intensified the slowdown toward the end of the year. Further deceleration is projected for 2019. The authorities have responded to the slowdown by limiting their financial regulatory tightening, injecting liquidity through cuts in bank reserve requirements, and applying fiscal stimulus, by resuming public investment. Nevertheless, activity may fall short of expectations, especially if trade tensions fail to ease. As seen in 2015–16, concerns about the health of China's economy can trigger abrupt, wide-reaching sell-offs in financial and commodity markets that place its trading partners, commodity exporters, and other emerging markets under pressure.

Beyond the possibility of escalating trade tensions and a broader turn in financial market sentiment, other factors adding downside risk to global investment and growth include uncertainty about the policy agenda of new administrations, a protracted US federal government shutdown, as well as geopolitical tensions in the Middle East and East Asia. Risks of a somewhat slower-moving nature include pervasive effects of climate change and ongoing declines in trust of established institutions and political parties.

Policy Priorities

With momentum past its peak, risks to global growth skewed to the downside, and policy space limited in many countries, multilateral and domestic policies urgently need to focus on preventing additional deceleration and strengthening resilience. A shared priority is to

raise medium-term growth prospects while enhancing economic inclusion.

Multilateral cooperation. Building on the recent favorable developments noted above, policymakers should cooperate to address sources of dissatisfaction with the rules-based trading system, reduce trade costs, and resolve disagreements without raising tariff and non-tariff barriers. Failure to do so would further destabilize a slowing global economy. Beyond trade, fostering closer cooperation on a range of issues would help broaden the gains from global economic integration, including: financial regulatory reforms; international taxation and minimizing cross-border avenues for tax evasion; reducing corruption; and strengthening the global financial safety net to reduce the need for countries to self-insure against external shocks. An overarching challenge for the global community is mitigating and adapting to climate change to lower the likelihood of devastating humanitarian and economic effects from extremes in high temperatures, precipitation, and drought (Chapter 3, October 2017 WEO).[2] In a growing and ever more complex world economy featuring new and bigger risks, adequate IMF resources will continue to be a key stabilizing factor in global capital markets.

Domestic policies. The policy priorities across advanced economies, emerging markets, and low-income developing countries remain broadly the same as discussed in the October 2018 WEO.

- Across advanced economies, above-trend growth is set to moderate to its modest potential (in some cases, earlier than previously anticipated). All countries should emphasize measures that boost productivity, raise labor force participation, particularly of women and, in some cases, youth, and ensure adequate social insurance, including for those vulnerable to structural transformation. Monetary policy should ensure inflation expectations remain anchored, while fiscal policy should build buffers where needed to replenish limited policy space for combating downturns.

- Emerging market and developing economies have been tested by difficult external conditions over the past few months amid trade tensions, rising US interest rates, dollar appreciation, capital outflows, and volatile oil prices. In some economies, addressing high private debt burdens and balance-sheet currency and maturity mismatches will require strengthening macroprudential frameworks. Exchange rate flexibility can complement these policies by helping to buffer external shocks. Where inflation expectations are well anchored, monetary policy can provide support to domestic activity as needed (Chapter 3, October 2018 WEO). Fiscal policy should ensure debt ratios remain sustainable under the more challenging external financial conditions. Improving the targeting of subsidies and rationalizing recurrent expenditures can help preserve capital outlays needed to boost potential growth and social spending to enhance inclusion. For low-income developing countries, concerted efforts in these areas would also help diversify production structures (a pressing imperative for commodity-dependent economies), and their progress toward the UN Sustainable Development Goals.

[2] The Intergovernmental Panel on Climate Change (IPCC) reported in October that, at current rates of increase, average surface temperatures could reach 1.5°C above pre-industrial levels between 2030 and 2052.

Table 1. Overview of the *World Economic Outlook* Projections

(Percent change, unless noted otherwise)

	Year over Year						Q4 over Q4 2/		
		Estimates	Projections		Difference from Oct 2018 WEO Projections 1/		Estimates	Projections	
	2017	2018	2019	2020	2019	2020	2018	2019	2020
World Output	**3.8**	**3.7**	**3.5**	**3.6**	**–0.2**	**–0.1**	**3.5**	**3.6**	**3.6**
Advanced Economies	**2.4**	**2.3**	**2.0**	**1.7**	**–0.1**	**0.0**	**2.1**	**1.9**	**1.7**
United States	2.2	2.9	2.5	1.8	0.0	0.0	3.0	2.1	1.5
Euro Area	2.4	1.8	1.6	1.7	–0.3	0.0	1.2	1.9	1.5
Germany	2.5	1.5	1.3	1.6	–0.6	0.0	0.9	1.7	1.5
France	2.3	1.5	1.5	1.6	–0.1	0.0	1.0	1.6	1.5
Italy	1.6	1.0	0.6	0.9	–0.4	0.0	0.2	1.2	0.6
Spain	3.0	2.5	2.2	1.9	0.0	0.0	2.3	2.1	1.6
Japan	1.9	0.9	1.1	0.5	0.2	0.2	0.6	0.0	1.6
United Kingdom	1.8	1.4	1.5	1.6	0.0	0.1	1.3	1.5	1.6
Canada	3.0	2.1	1.9	1.9	–0.1	0.1	2.0	1.8	1.9
Other Advanced Economies 3/	2.8	2.8	2.5	2.5	0.0	0.0	2.8	2.3	2.9
Emerging Market and Developing Economies	**4.7**	**4.6**	**4.5**	**4.9**	**–0.2**	**0.0**	**4.7**	**5.0**	**5.0**
Commonwealth of Independent States	2.1	2.4	2.2	2.3	–0.2	–0.1	2.4	1.8	1.9
Russia	1.5	1.7	1.6	1.7	–0.2	–0.1	2.2	1.4	1.7
Excluding Russia	3.6	3.9	3.7	3.7	0.1	0.0	. . .	. . .	. . .
Emerging and Developing Asia	6.5	6.5	6.3	6.4	0.0	0.0	6.3	6.4	6.3
China	6.9	6.6	6.2	6.2	0.0	0.0	6.4	6.2	6.2
India 4/	6.7	7.3	7.5	7.7	0.1	0.0	7.1	7.6	7.7
ASEAN-5 5/	5.3	5.2	5.1	5.2	–0.1	0.0	5.1	5.1	4.7
Emerging and Developing Europe	6.0	3.8	0.7	2.4	–1.3	–0.4	1.3	2.1	1.6
Latin America and the Caribbean	1.3	1.1	2.0	2.5	–0.2	–0.2	0.3	3.0	1.9
Brazil	1.1	1.3	2.5	2.2	0.1	–0.1	1.9	2.4	2.2
Mexico	2.1	2.1	2.1	2.2	–0.4	–0.5	2.1	2.3	2.1
Middle East, North Africa, Afghanistan, and Pakistan	2.2	2.4	2.4	3.0	–0.3	0.0	. . .	. . .	. . .
Saudi Arabia	–0.9	2.3	1.8	2.1	–0.6	0.2	4.1	1.0	2.2
Sub-Saharan Africa	2.9	2.9	3.5	3.6	–0.3	–0.3	. . .	. . .	. . .
Nigeria	0.8	1.9	2.0	2.2	–0.3	–0.3	. . .	. . .	. . .
South Africa	1.3	0.8	1.4	1.7	0.0	0.0	0.5	0.9	2.2
Memorandum									
Low-Income Developing Countries	4.7	4.6	5.1	5.1	–0.1	–0.2	. . .	. . .	. . .
World Growth Based on Market Exchange Rates	3.2	3.1	3.0	2.9	–0.1	0.0	2.9	2.9	2.8
World Trade Volume (goods and services) 6/	**5.3**	**4.0**	**4.0**	**4.0**	**0.0**	**–0.1**	. . .	. . .	. . .
Advanced Economies	4.3	3.2	3.5	3.3	–0.1	–0.1	. . .	. . .	. . .
Emerging Market and Developing Economies	7.1	5.4	4.8	5.2	0.0	0.1	. . .	. . .	. . .
Commodity Prices (U.S. dollars)									
Oil 7/	23.3	29.9	–14.1	–0.4	–13.2	4.0	11.3	–9.7	–0.7
Nonfuel (average based on world commodity import weights) 8/	6.4	1.9	–2.7	1.2	–2.0	0.9	–0.9	0.1	1.4
Consumer Prices									
Advanced Economies	1.7	2.0	1.7	2.0	–0.2	0.0	2.0	1.8	1.9
Emerging Market and Developing Economies 9/	4.3	4.9	5.1	4.6	–0.1	0.0	4.5	4.1	3.7
London Interbank Offered Rate (percent)									
On U.S. Dollar Deposits (six month)	1.5	2.5	3.2	3.8	–0.2	–0.1	. . .	. . .	. . .
On Euro Deposits (three month)	–0.3	–0.3	–0.3	0.0	–0.1	–0.1	. . .	. . .	. . .
On Japanese Yen Deposits (six month)	0.0	0.0	0.0	0.1	–0.1	0.0	. . .	. . .	. . .

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during October 29-November 26, 2018. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. WEO = *World Economic Outlook*.

1/ Difference based on rounded figures for the current and October 2018 *World Economic Outlook* forecasts. Countries w hose forecasts have been updated relative to October 2018 *World Economic Outlook* forecasts account for 90 percent of w orld GDP measured at purchasing-pow er-parity w eights.

2/ For World Output, the quarterly estimates and projections account for approximately 90 percent of annual w orld GDP measured at purchasing-pow er-parity w eights. For Emerging Market and Developing Economies, the quarterly estimates and projections account for approximately 80 percent of annual emerging market and developing economies' GDP measured at purchasing-pow er-parity w eights.

3/ Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.

4/ For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onw ard is based on GDP at market prices w ith FY2011/12 as a base year.

5/ Indonesia, Malaysia, Philippines, Thailand, Vietnam.

6/ Simple average of grow th rates for export and import volumes (goods and services).

7/ Simple average of prices of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average price of oil in US dollars a barrel w as $68.58 in 2018; the assumed price, based on futures markets (as of November 27, 2018), is $58.95 in 2019 and $58.74 in 2020.

8/ Starting w ith the January 2019 WEO update, the IMF commodity price index and its sub-indices have been updated and have expanded coverage. The nonfuel commodity forecast revisions compare current projections w ith October 2018 projections, how ever, due to methodological and coverage changes, comparability is limited.

9/ Excludes Venezuela.