



Global economy trends

Soft landing, what next?

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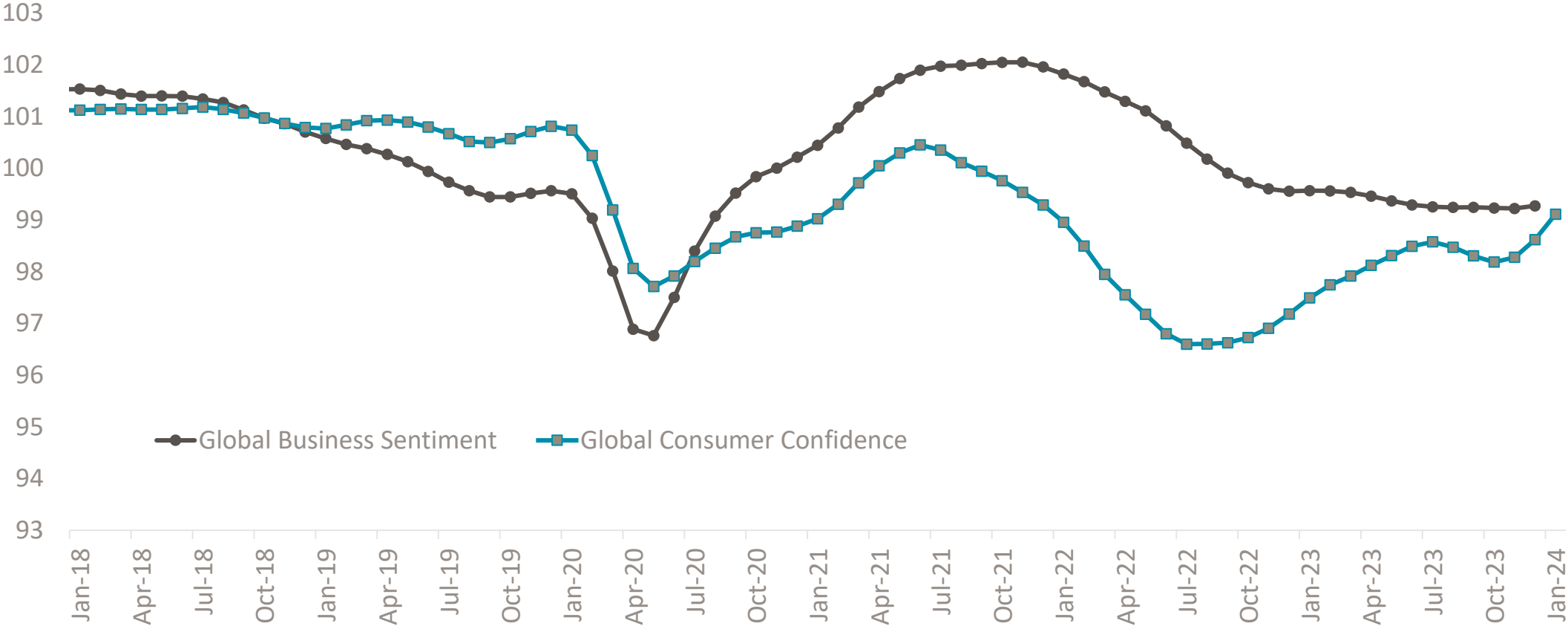
Divani Apollon Palace & Thalasso

FEFCO
Corrugated Packaging

The global macroeconomy shows resilience...

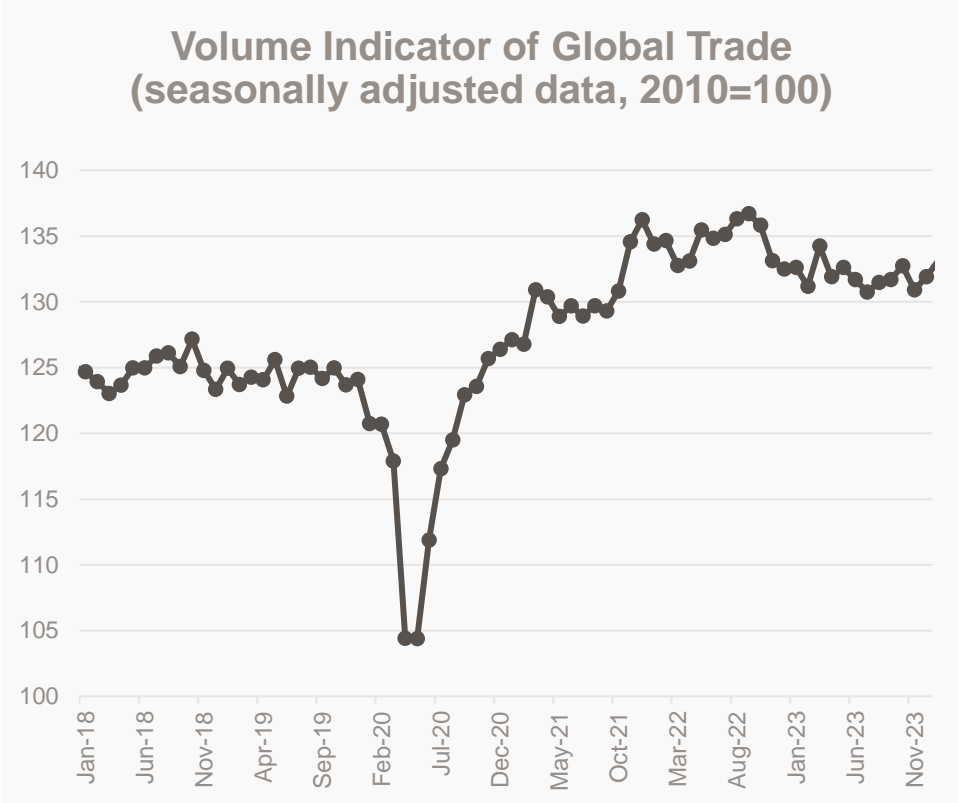
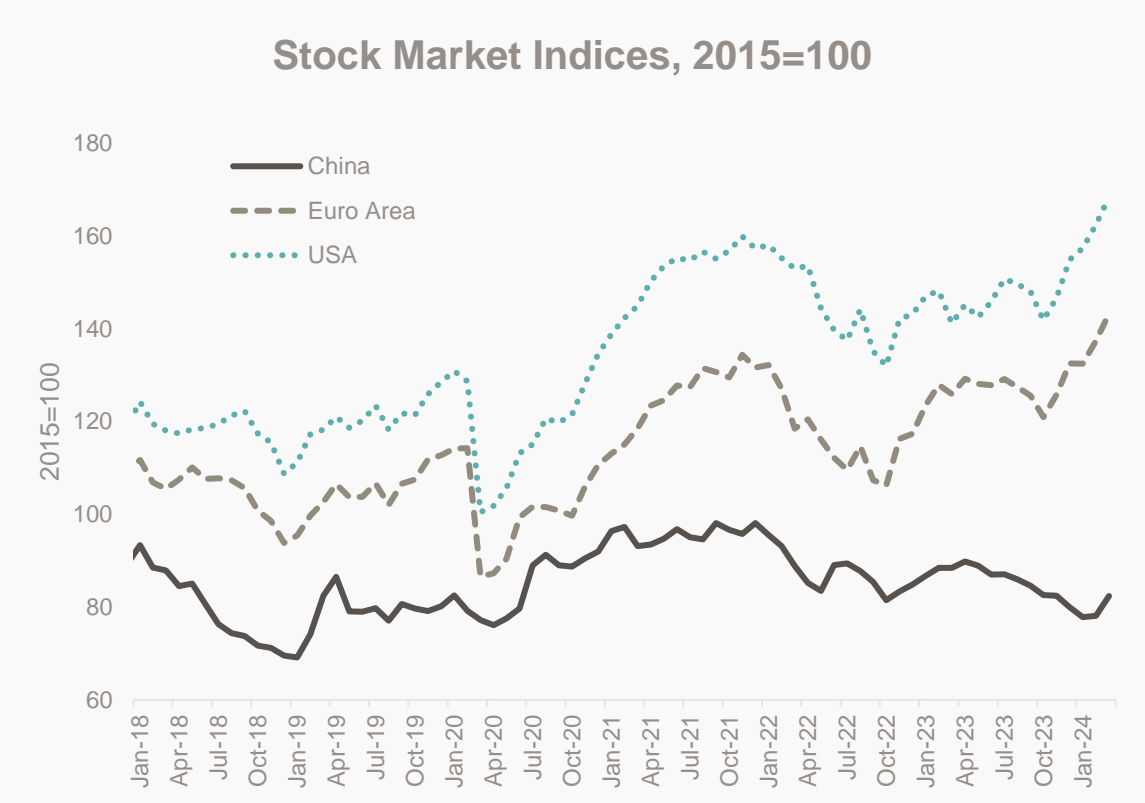
....landing softly at a “higher inflation” destination

Global sentiment evolved as a roller coaster around the pandemic



Source: OECD

Markets have rallied in advanced economies since mid 2022...



Source: OECD, monthly average of closing prices for aggregate stock indices

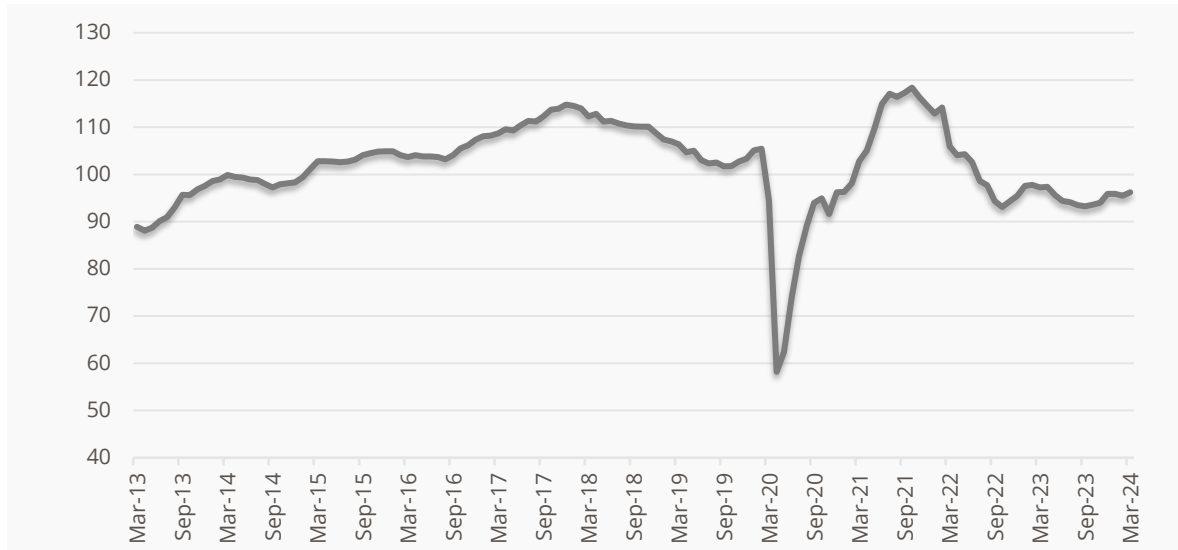
Source: CPB Netherlands Bureau for Economic Policy Analysis

...while international trade volume has fully recovered from the pandemic crisis shock

EU sentiment has been flat since 2022



EU Economic Sentiment



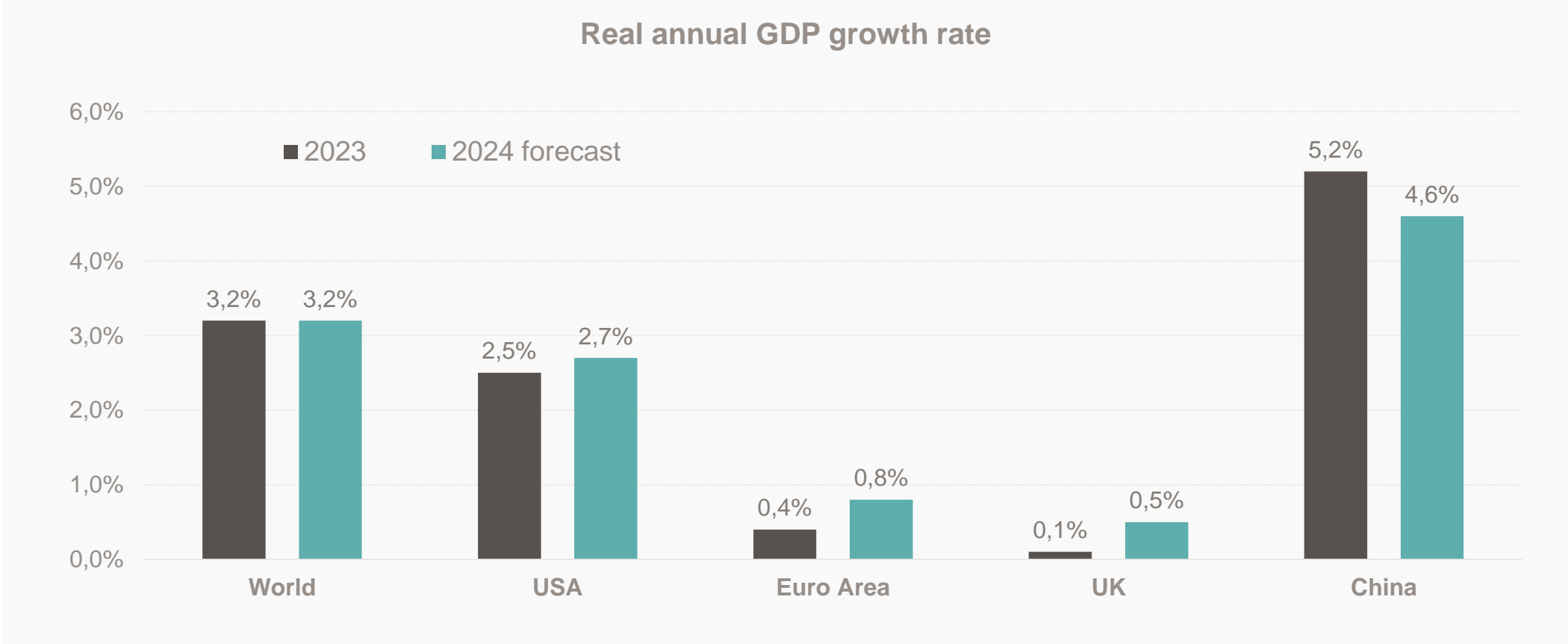
EU Consumer Confidence



Source: European Commission, DG ECFIN

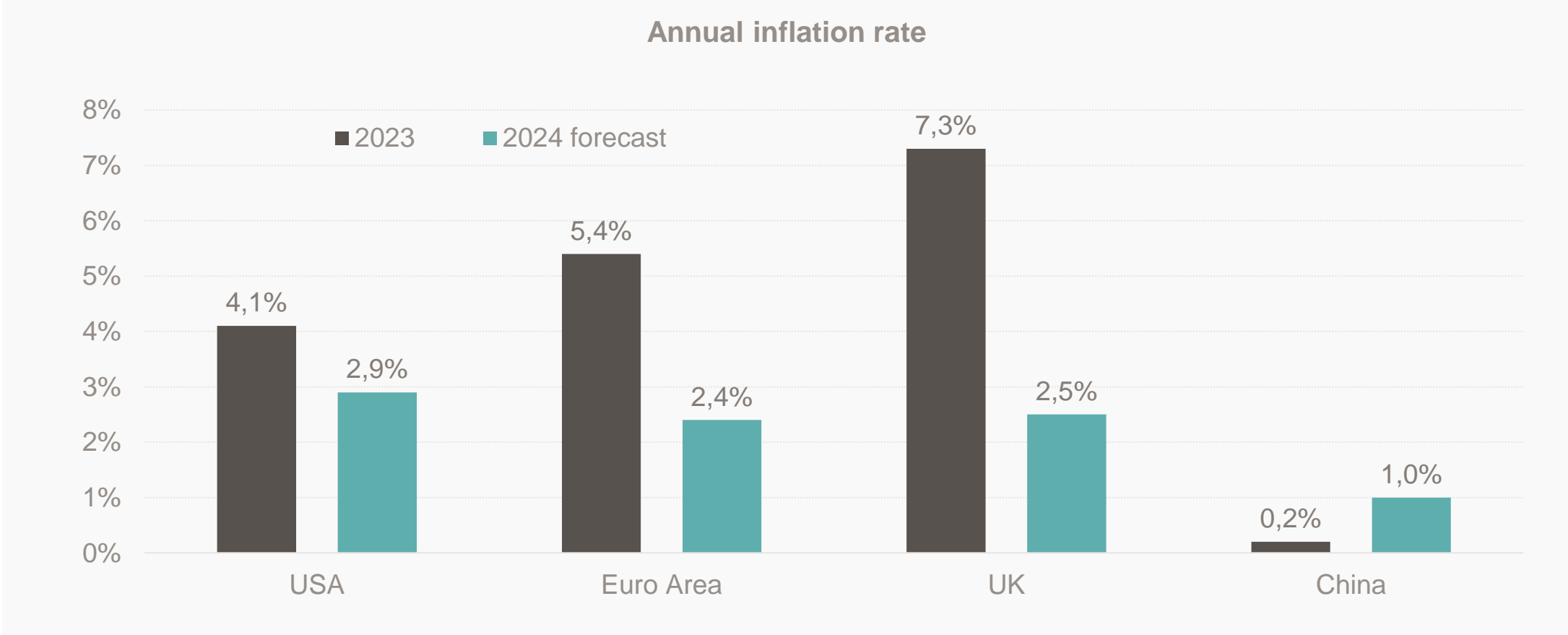
Mild recovery of consumer confidence in the EU since 2022, partially offset by weak business expectations, which translate into stable economic sentiment

Global growth in 2023 and 2024: underperformance in Europe



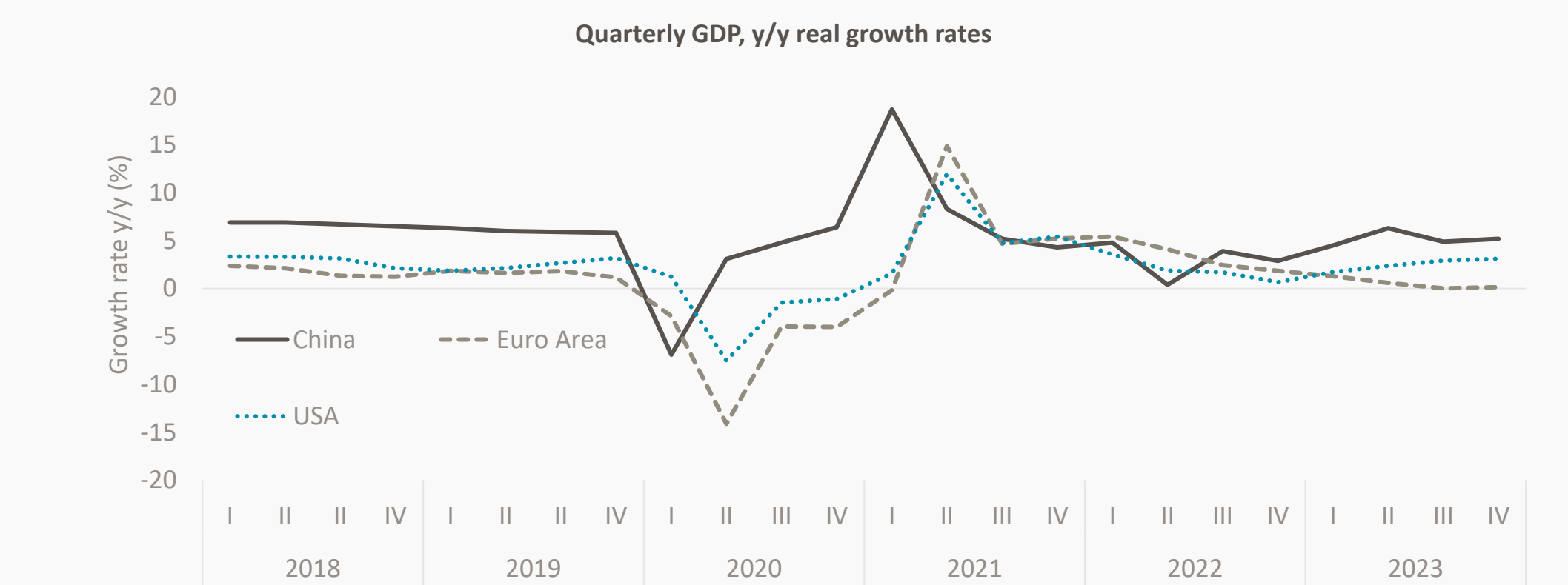
Source: IMF World Economic Outlook (April 2024)

Inflation rates have been high across the globe, except for China



Source: IMF World Economic Outlook (April 2024)

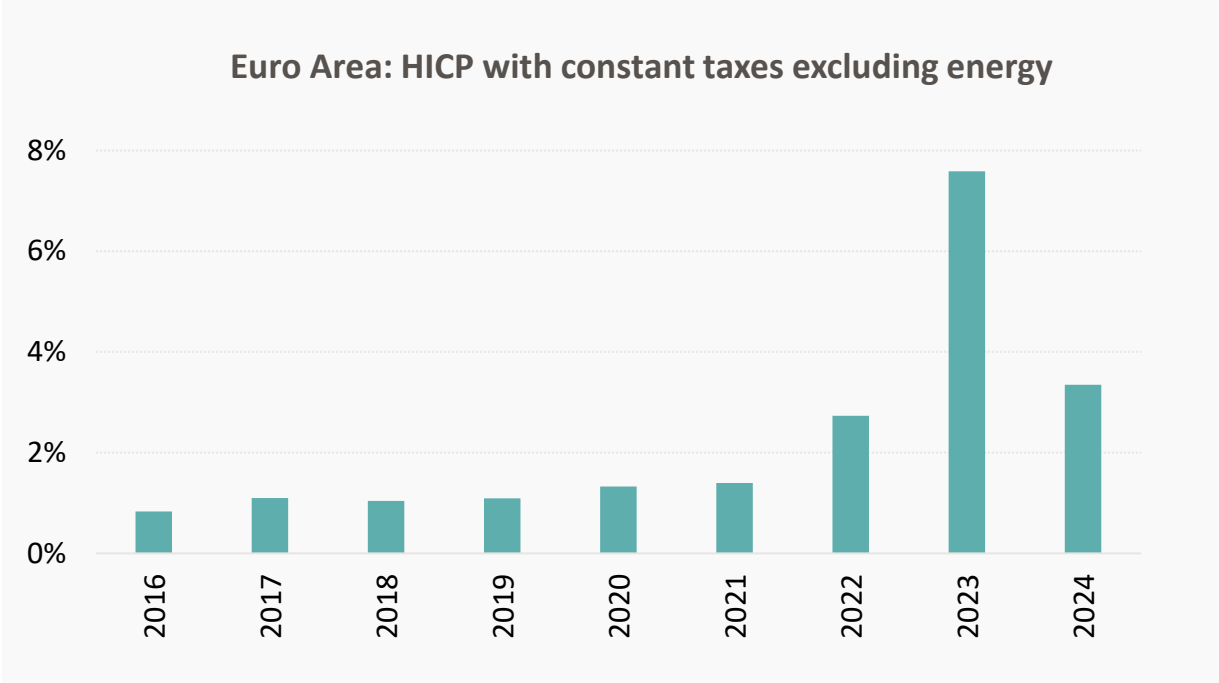
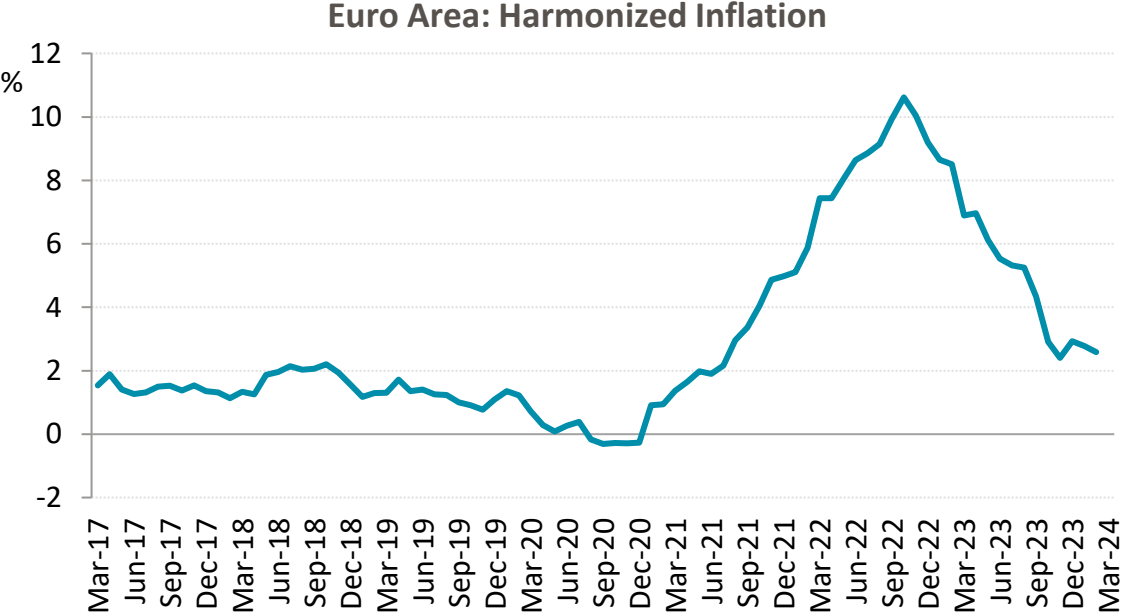
Growth rate momentum has been diverging across the globe



Source: OECD

During 2023, growth trend has stagnated in Europe, recovered in the US, strengthened in emerging Asia

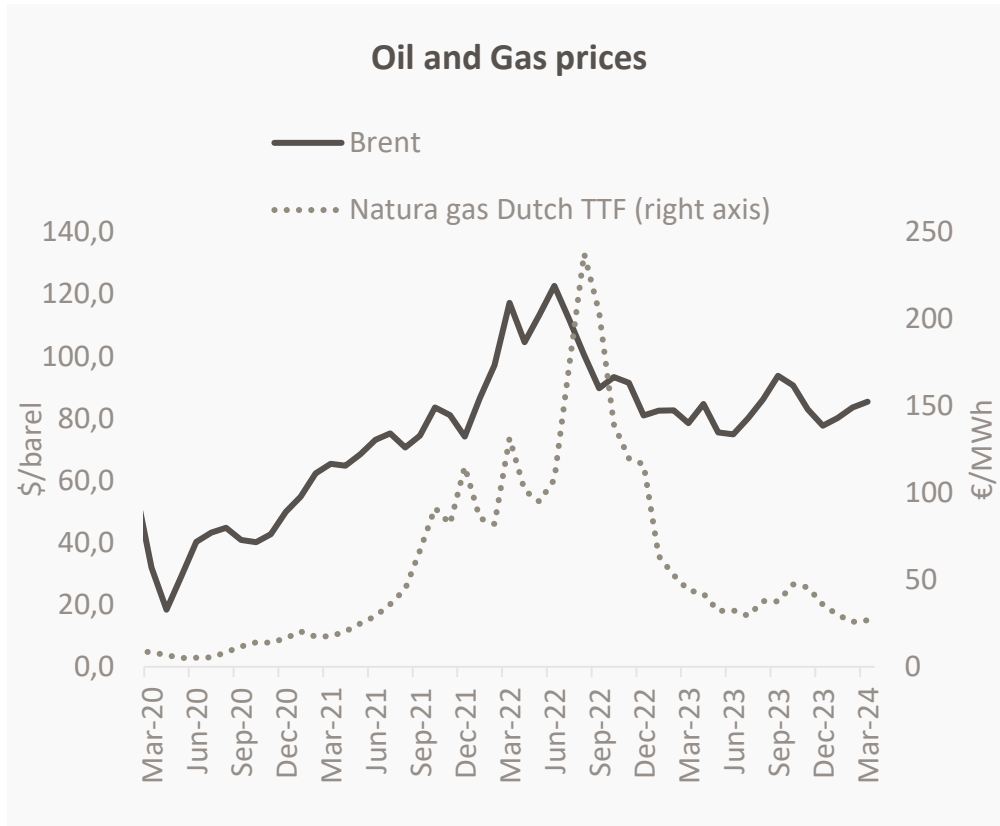
Global inflationary pressures remain, no longer primarily driven by energy goods



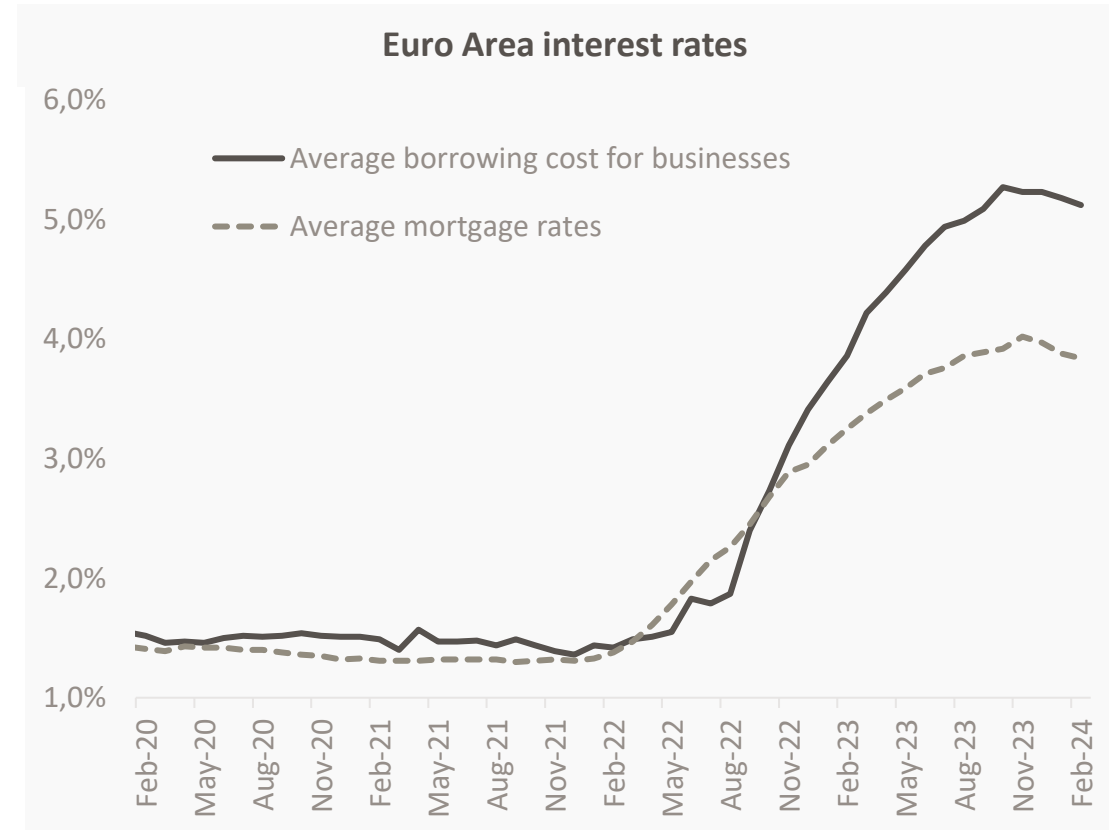
Source: Eurostat

Eurozone: Inflation declined to below 3% in the 2024 Q1, down from close to 9% a year ago.

Energy prices have partially eased after 2022...



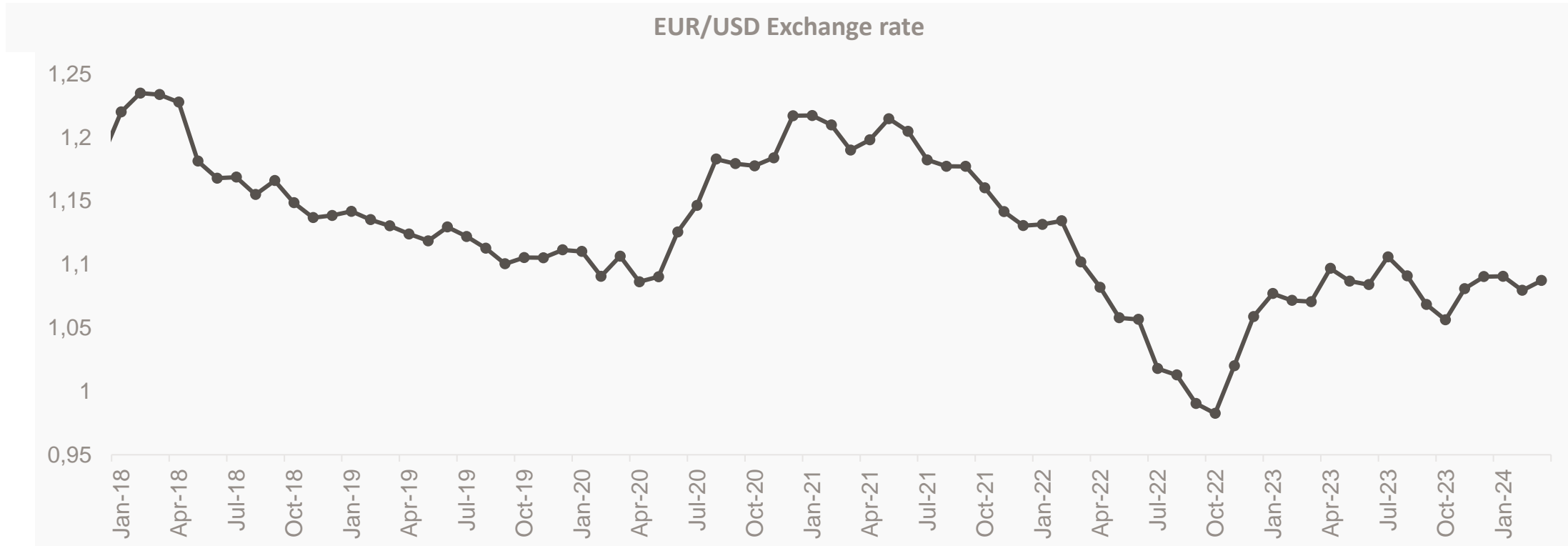
Source: EIA and NYMEX



Source: ECB

... while monetary stance remains tight, with some timid signs for easing borrowing costs since end-2023

The euro has appreciated against the dollar in the post pandemic era, inter alia reflecting varying expectations on future interest rate paths



Source: ECB

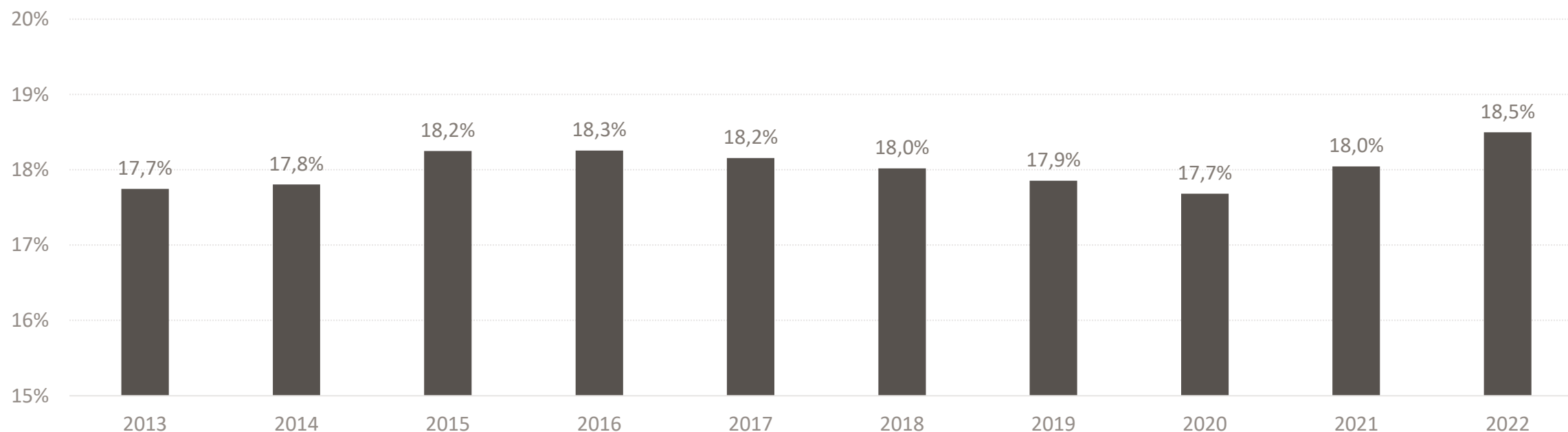
Manufacturing at a recovery mode...

...following the pandemic and energy crises

The European industry has recovered the losses after the pandemic...



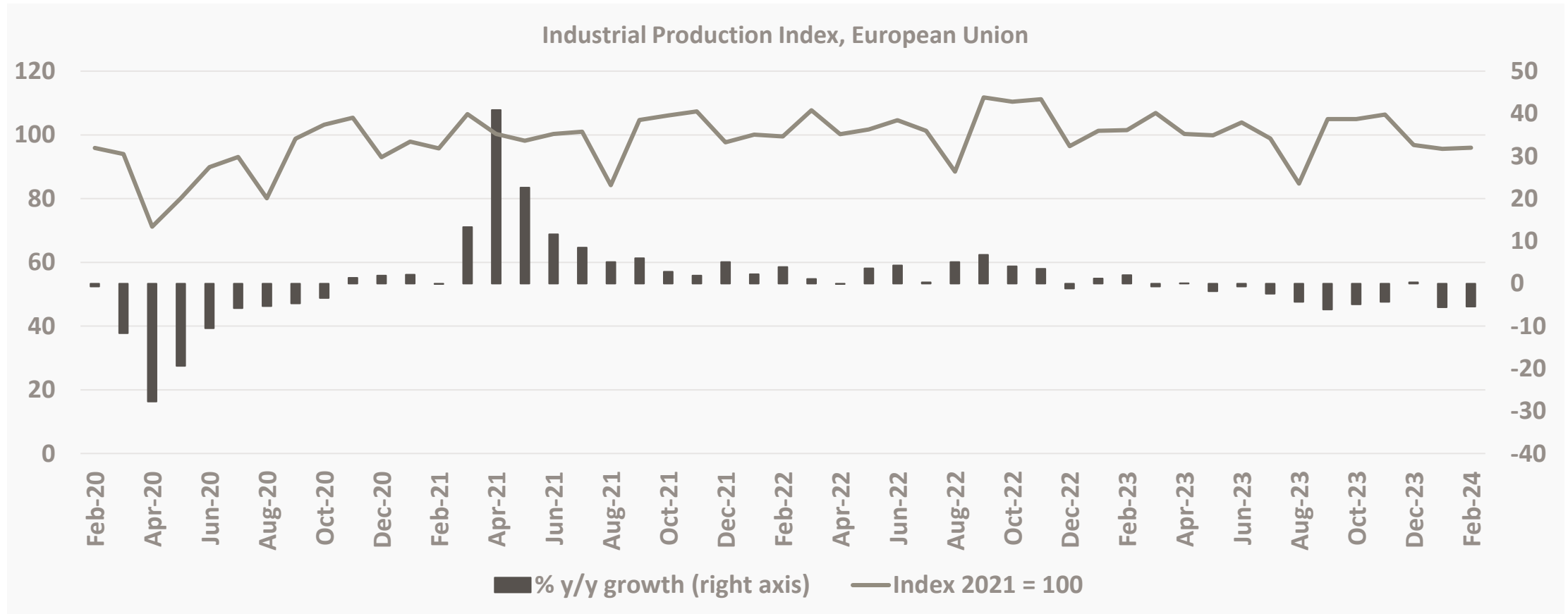
Gross Value Added of Industry, as % of GDP, European Union



Source: Eurostat

...reaching a 10-year high share of EU GDP in 2022

Nonetheless, the y/y momentum of EU industrial production volume has weakened

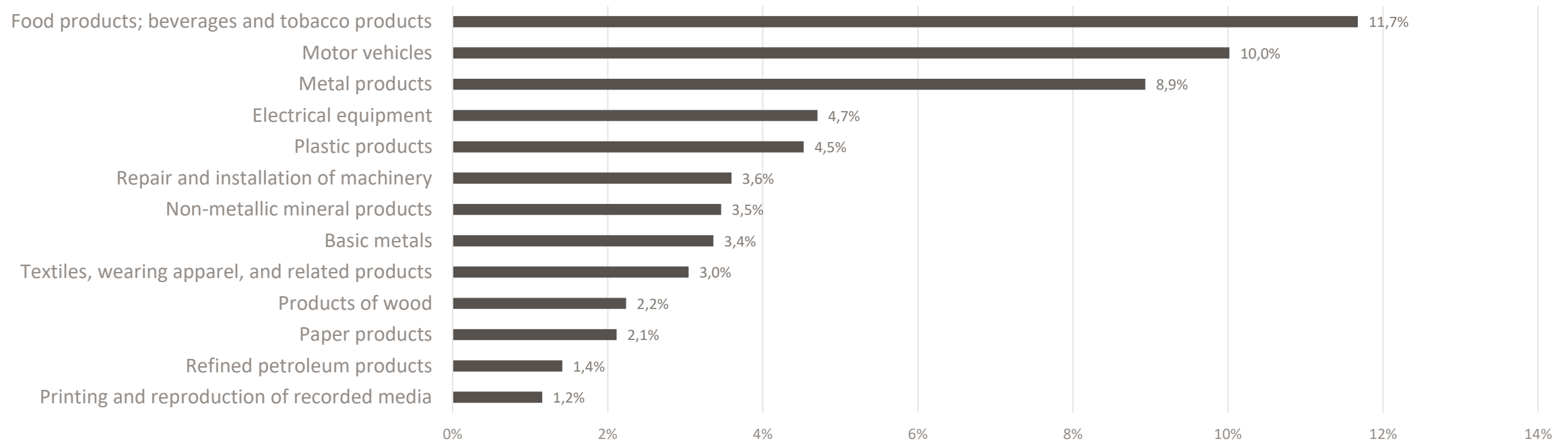


Source: Eurostat

European manufacturing covers a wide range of sectors...



Gross value added per selected EU manufacturing sectors,
as % of Total EU Manufacturing, 2021



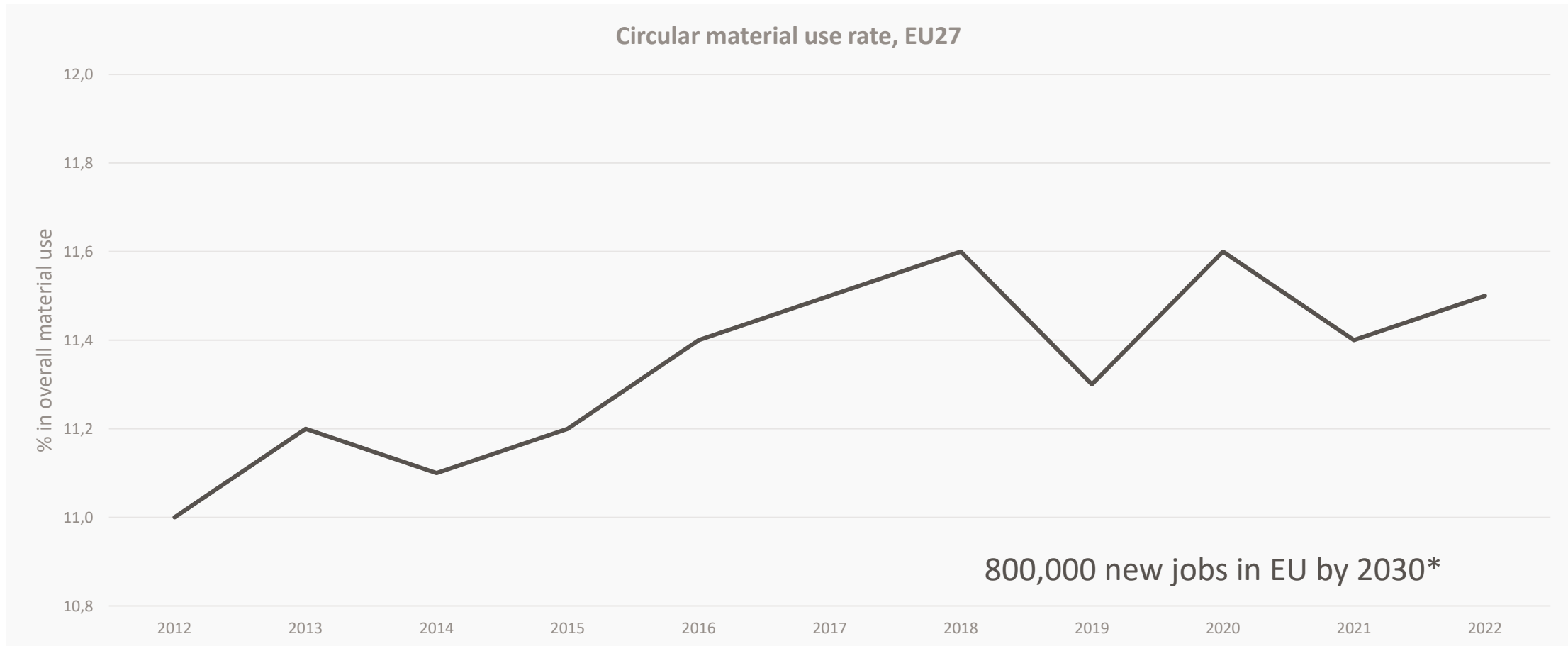
Source: Eurostat

Note: The graph shows the allocation of around 60% of EU manufacturing across selected sectors. Due to non-reporting, around 40% of manufacturing is allocated to other sectors, such as pharmaceuticals, chemicals, electronics, machinery and other manufacturing, for which the breakdown is not available and hence not included in the graph.

Green transition targets call for
sizable investments globally...

....and the EU Green Deal sets an ambitious pace

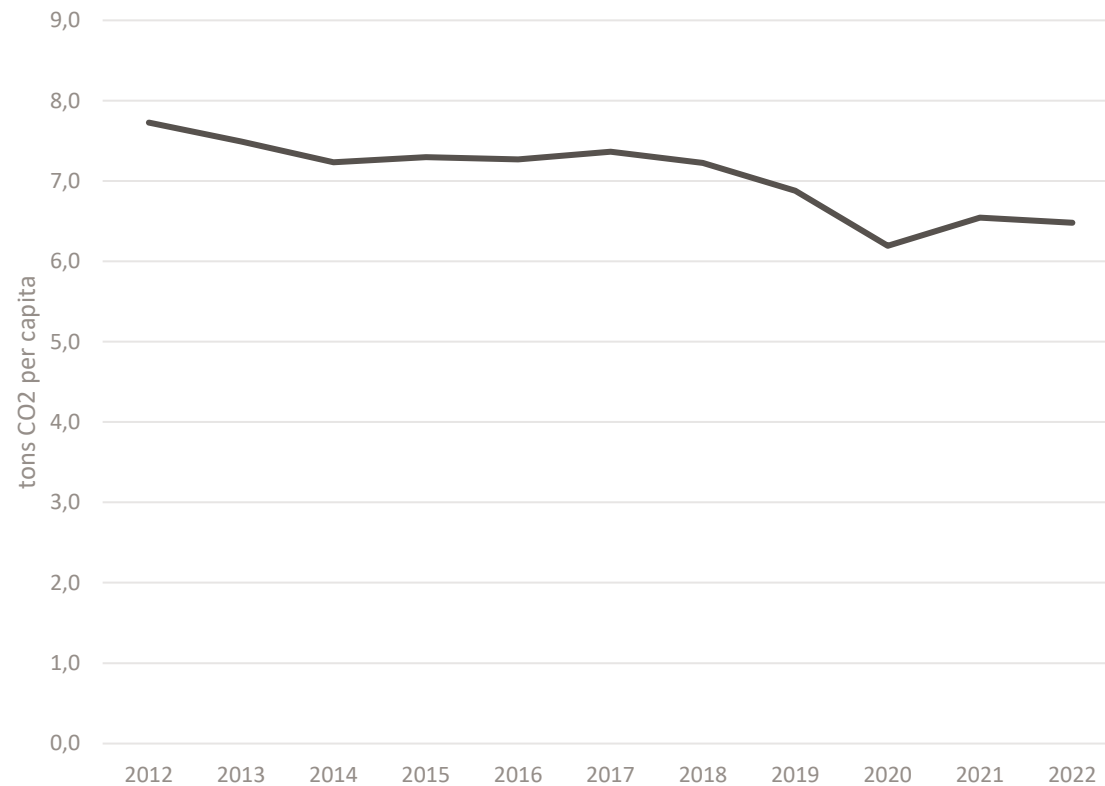
Circular economy: a challenge for EU manufacturing albeit with significant prospects



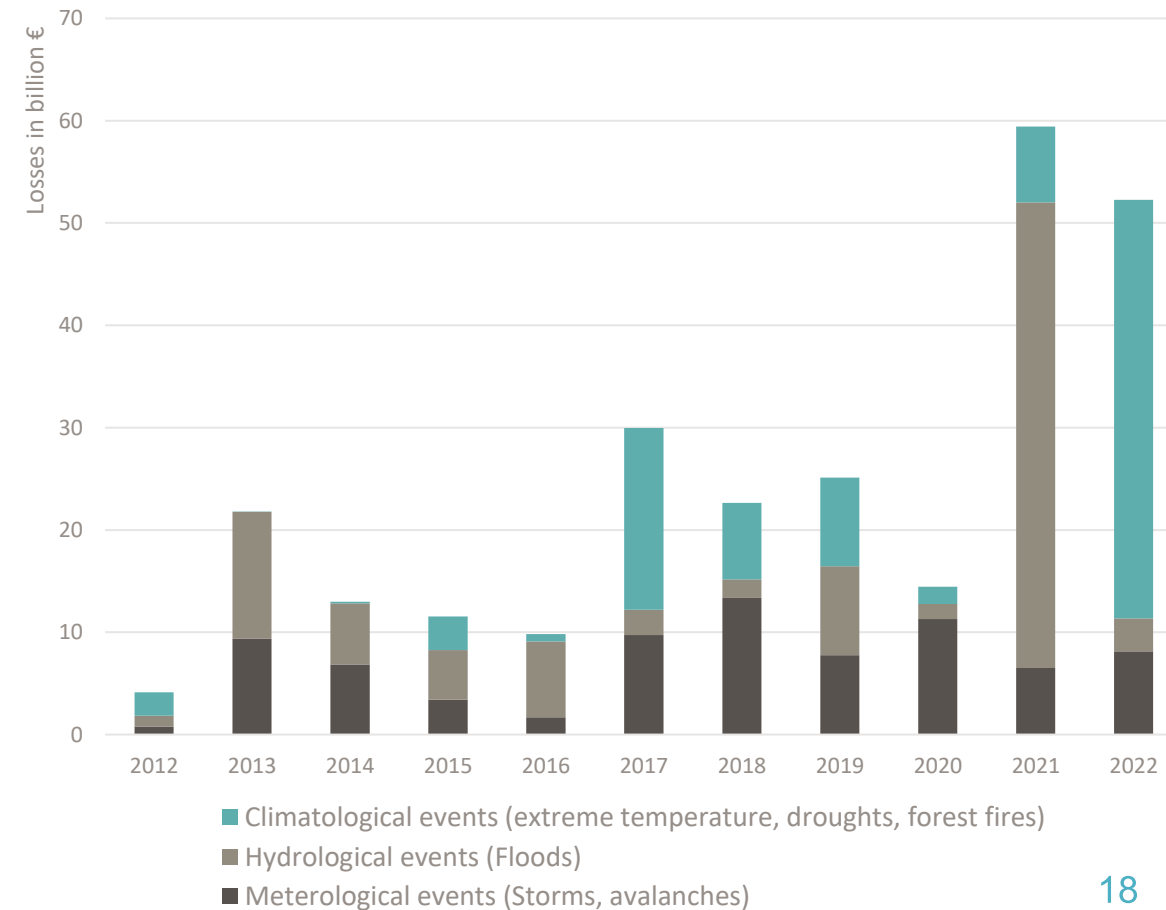
Climate change mitigation targets drive policy actions and investments. Besides, there are increased and imminent spending needs for climate adaptation



GHG gases, EU27, all NACE activities

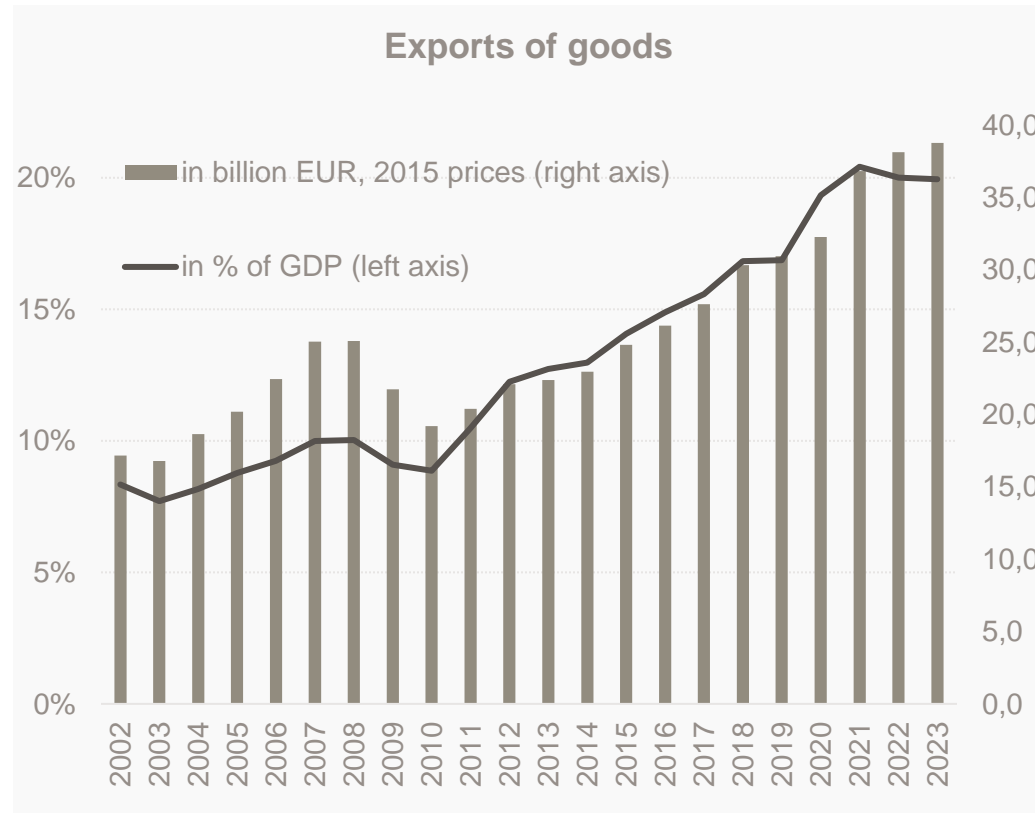


Climate related economic losses by type of event, EU27

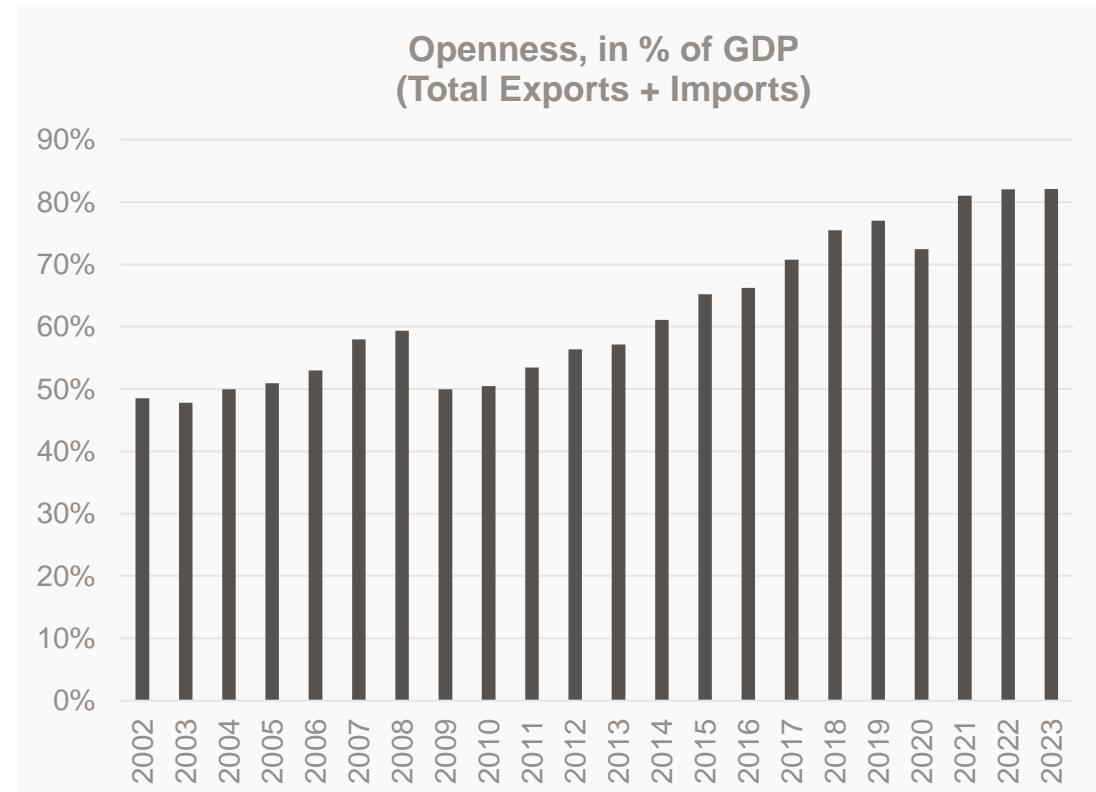


Greece

The case of (for?) Greece



Source: ELSTAT, National Accounts at constant prices 2015, Data Processing: IOBE



**A small open economy in the Euro Area which suffered a crisis due to severe imbalances...
...which has now become more extrovert, exports of goods have doubled during the last decade.**

Looking ahead...

....significant opportunities amid risks

Global economy



1. Accumulation and absorption of successive crises
2. Investing in higher-risk assets
3. Geopolitics: The West vs China
4. Green transition: high upfront and finance costs

Europe



1. Lagging in productivity
2. Adverse demographic dynamics
3. Looking for direction: the 'political economy' of reforms is a major challenge

Foundation for Economic and Industrial Research – IOBE

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The screenshot shows the IOBE website homepage. At the top, there is a browser address bar with 'iobe.gr/default_en.asp'. Below it is the IOBE logo and the text 'FOUNDATION FOR ECONOMIC & INDUSTRIAL RESEARCH'. A navigation menu includes 'IOBE | Research Activities | Press Office | Supporters Club | Contact'. A large banner features a line graph and the text 'Business & Consumer Surveys'. Below the banner are three main content blocks: 1) 'Annual Conference on the Implementation of the Recovery and Resilience Plan for Greece' in Athens on 14 March 2024, with logos for the European Union, Greece 2.0, and the Hellenic Republic. 2) 'About I.O.B.E.' which describes the foundation's purpose and history, established in 1975. 3) 'Press Office' with a highlighted entry for 'JUNE 4 Business and Consumer Surveys', stating the next report will be released on June 4, 2024. To the right of the 'About' section are two other promotional boxes: 'IOBE/FEIR Notes on Economic Facts' and 'Report on The Greek Economy' featuring a map of Greece with EU stars.