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Institute on Comparative Regional Integration Studies



Future Trends Series - GR:REEN Project

Title of the report

Projecting Global Growth

Area

Economy

Reporter

The Conference Board

Type of the Reporter

Think tank

Periodically updated?

Yes

First issued year

2012

Latest update

2013

Official website

<http://www.conference-board.org/>

Language available

English

Short summary

In this report, The Conference Board presents a methodology for projecting the economic outlook of 55 major economies across 11 global regions, including individual estimates for 33 advanced economies and 22 emerging market economies. The projections are divided into several periods including 2013, 2014-2018, and 2019-2025. The projections are based on a supply-side based growth accounting model that estimates the contributions of the use of labour, capital, and productivity to the growth of GDP.

Key trends

- “The outlook for 2013 and beyond suggests some effects of a modest recovery in advanced economies, which brings these countries to an average growth of 1.8 percent between 2013 and 2018. Among the larger economies, the United States will be outperforming Europe in 2013-2018 by more than a full percentage point (2.3 and 1.2 percent annual GDP growth, respectively). However, there remain significant downside risks to even this modest recovery, which could slow growth to 1.4 percent for advanced economies as a whole.”

- “Given the current sober conditions in the global economy, there is little scope for emerging economies to improve their performance in the next few years. For example, the economies of China and India begin to show signs of maturing beyond 2012, as their trend growth will begin to slow from 2013-2018 to 2019-2025 (from 5.5 to 3.7 percent in China and 4.7 to 3.9 percent in India). Overall, emerging economies’ growth will slow to 3.3 percent on average from 4.2 percent from 2013-2018 to 2019-2025.”
- “In sum, even though growth in the advanced economies is expected to recover beyond 2013, there will be major offsetting effects from continued slower growth in the emerging markets. Based on current trends, global GDP is projected to grow at 3.0 percent from 2013-2018, and then show a further slowdown to 2.5 percent from 2019-2025. At 2.8 percent, on average, global growth will still be somewhat higher than the period 1980-1995, but about a full percentage point below the growth rate from 1996-2008.”

Suggestions

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Methodology

Research from primary sources and modelling

Reference to other trends reports? If yes, which reports?

- Fogel, Robert W. (2007). “Capitalism and Democracy in 2040: Forecasts and Speculations,” National Bureau of Economic Research, Working Paper 13184, <http://www.nber.org/papers/w13184>.
- Hawksworth, John and Anmol Tiwari (2011). “The World in 2050. The Acceleration Shift of Global Power: Challenges and Opportunities,” PWC.
- Horioka, Charles Yuji and Akiko Terada-Hagiwara (2010). “Determinants and Long-term Projections of Saving Rates in Developing Asia,” ADB Economics Working Paper Series, No. 228.
- Park, Jungsoo (2010). “Projection of Long-Term Total Factor Productivity Growth for 12 Asian Economies,” ADB Economics Working Paper Series, No. 227.
- Shioji, Etsuro and Vu Tuan Khai (2011), “Physical Capital Accumulation in Asia-12: Past Trends and Future Projections,” ADB Economics Working Paper Series, No. 240.