

# TheCityUK

## 2020: ECONOMIC

## OUTLOOK

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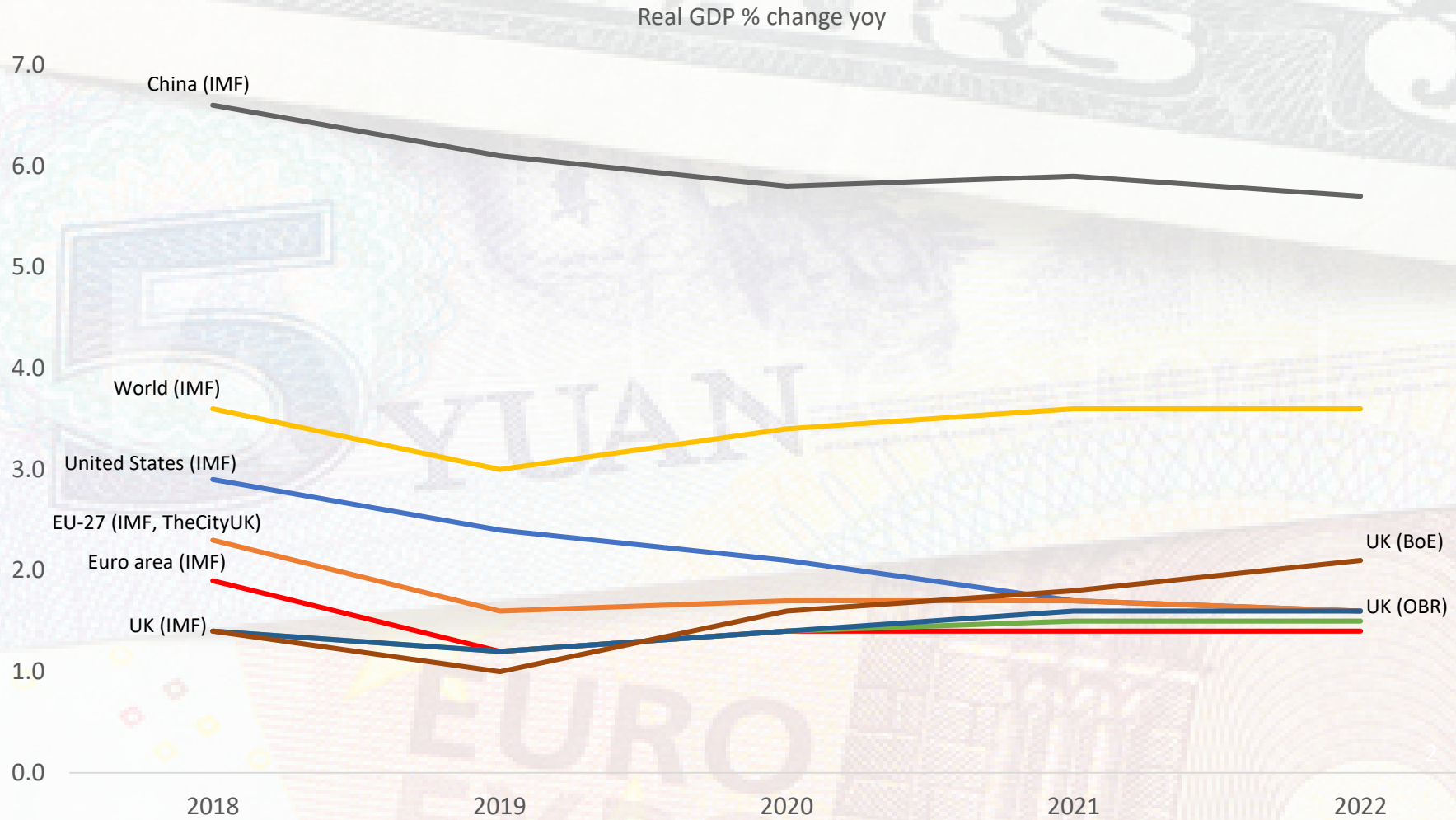


4 December 2019

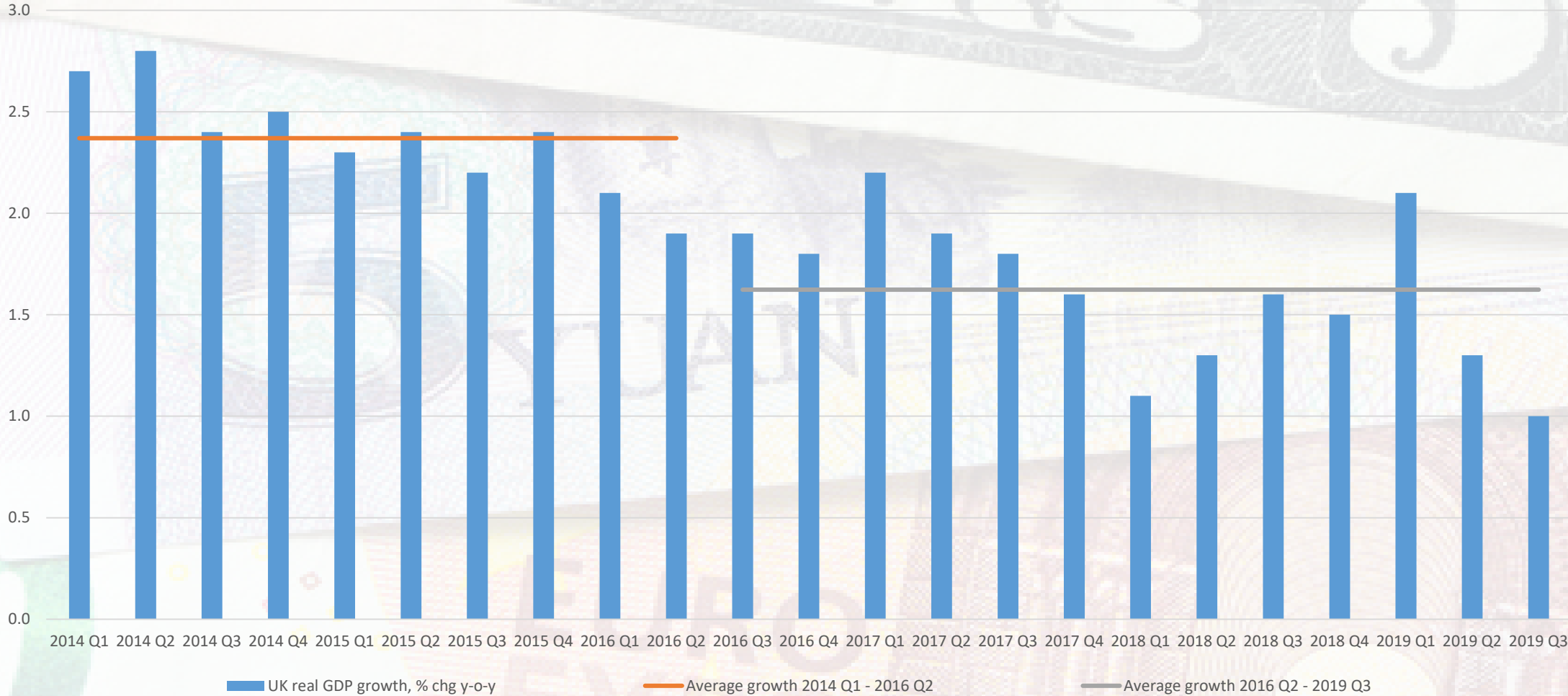


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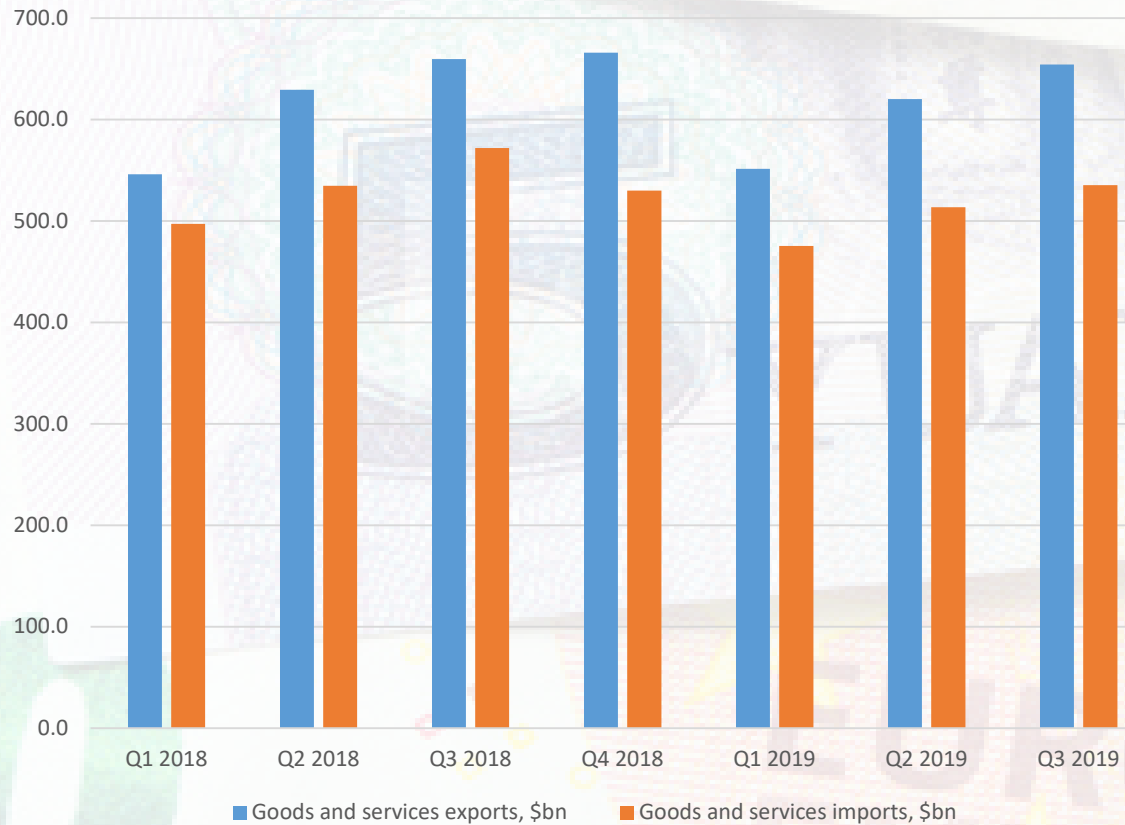


UK real GDP growth (% change yoy)

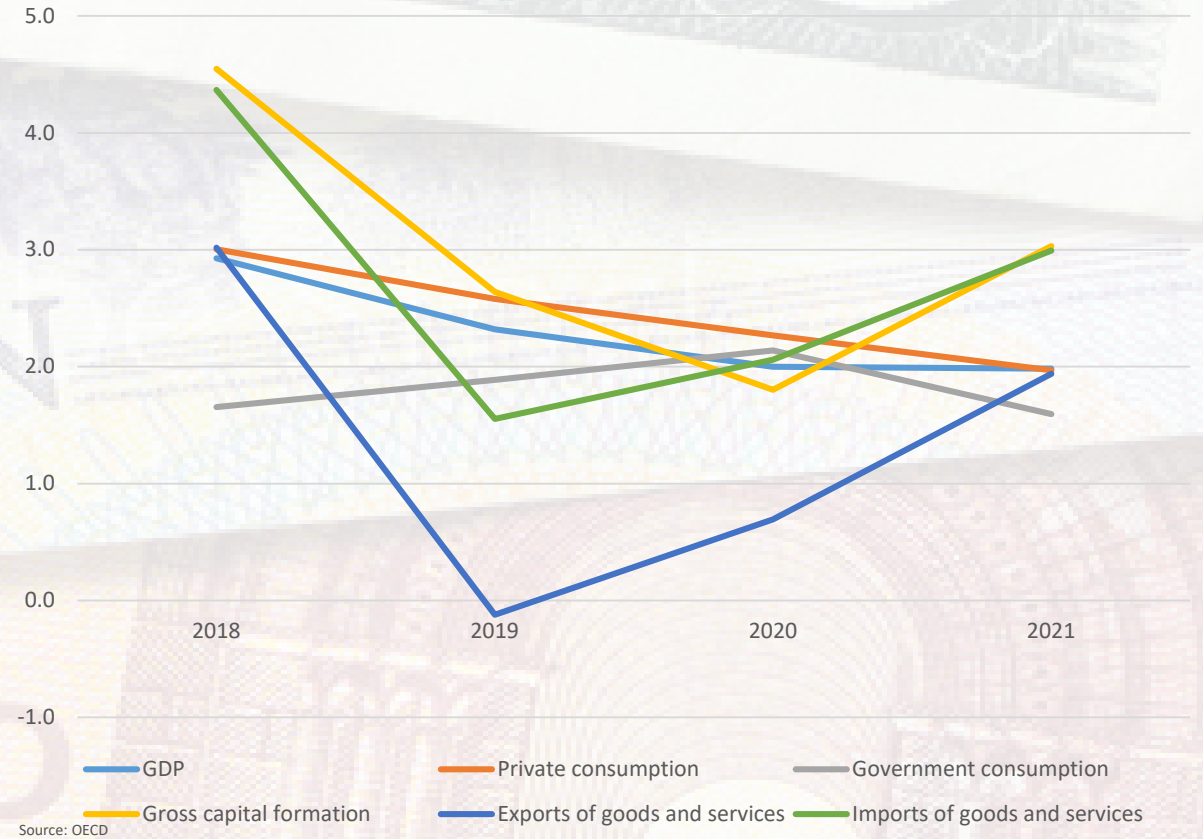


Source: Office for National Statistics

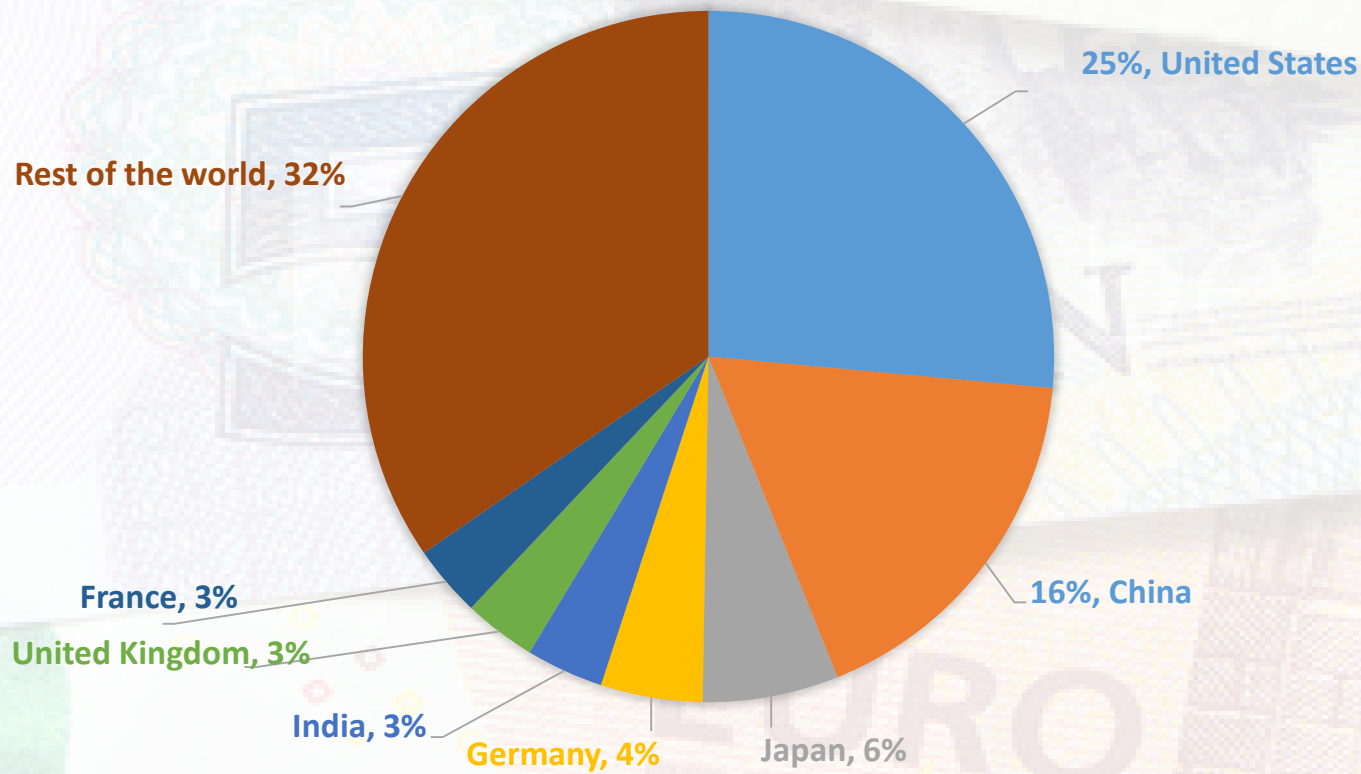
China goods and services exports and imports, quarterly, \$bn



US real GDP and components growth, % change yoy



SHARE OF GLOBAL GDP, 2018

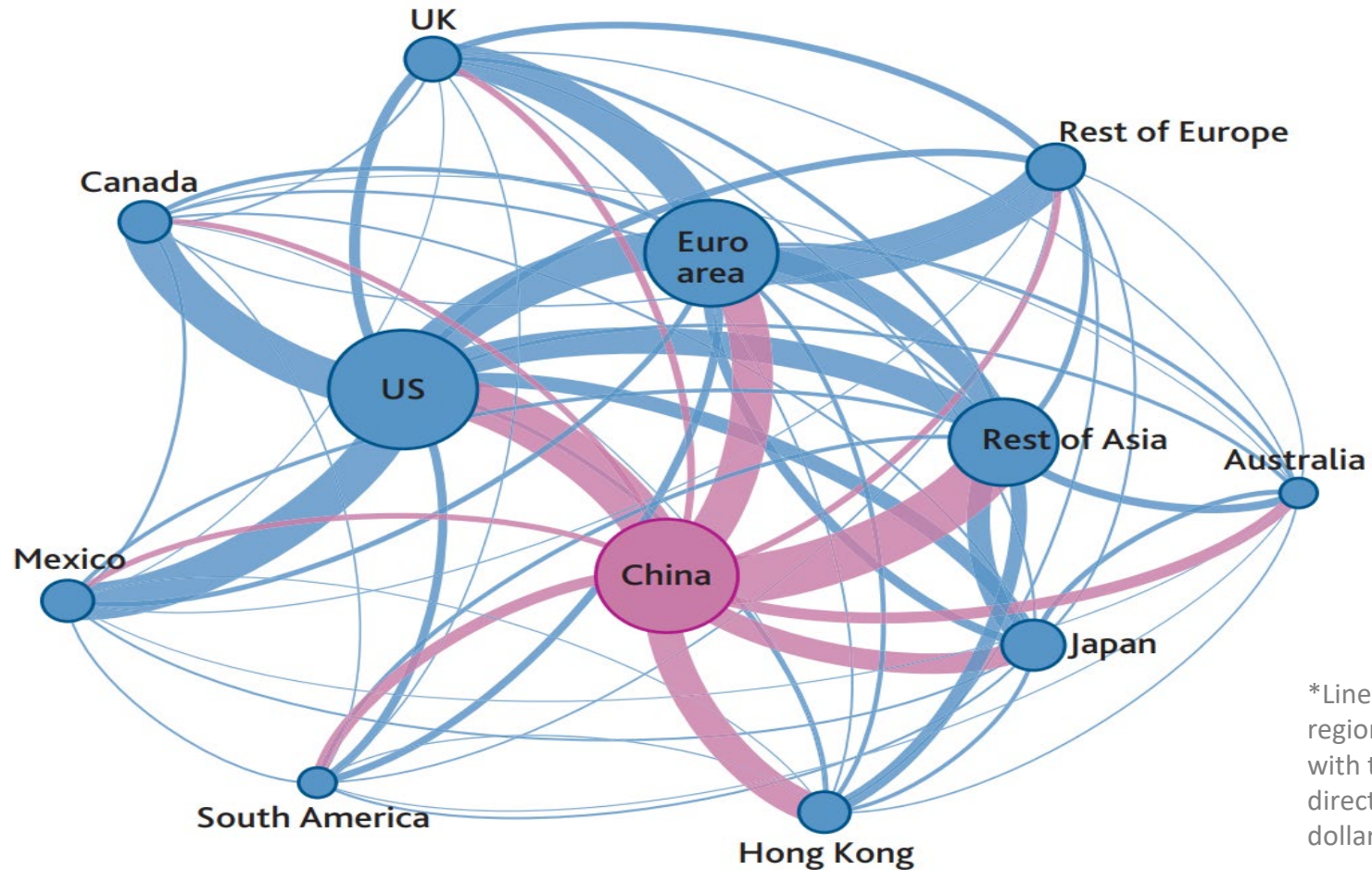


**In terms of contribution to growth...**

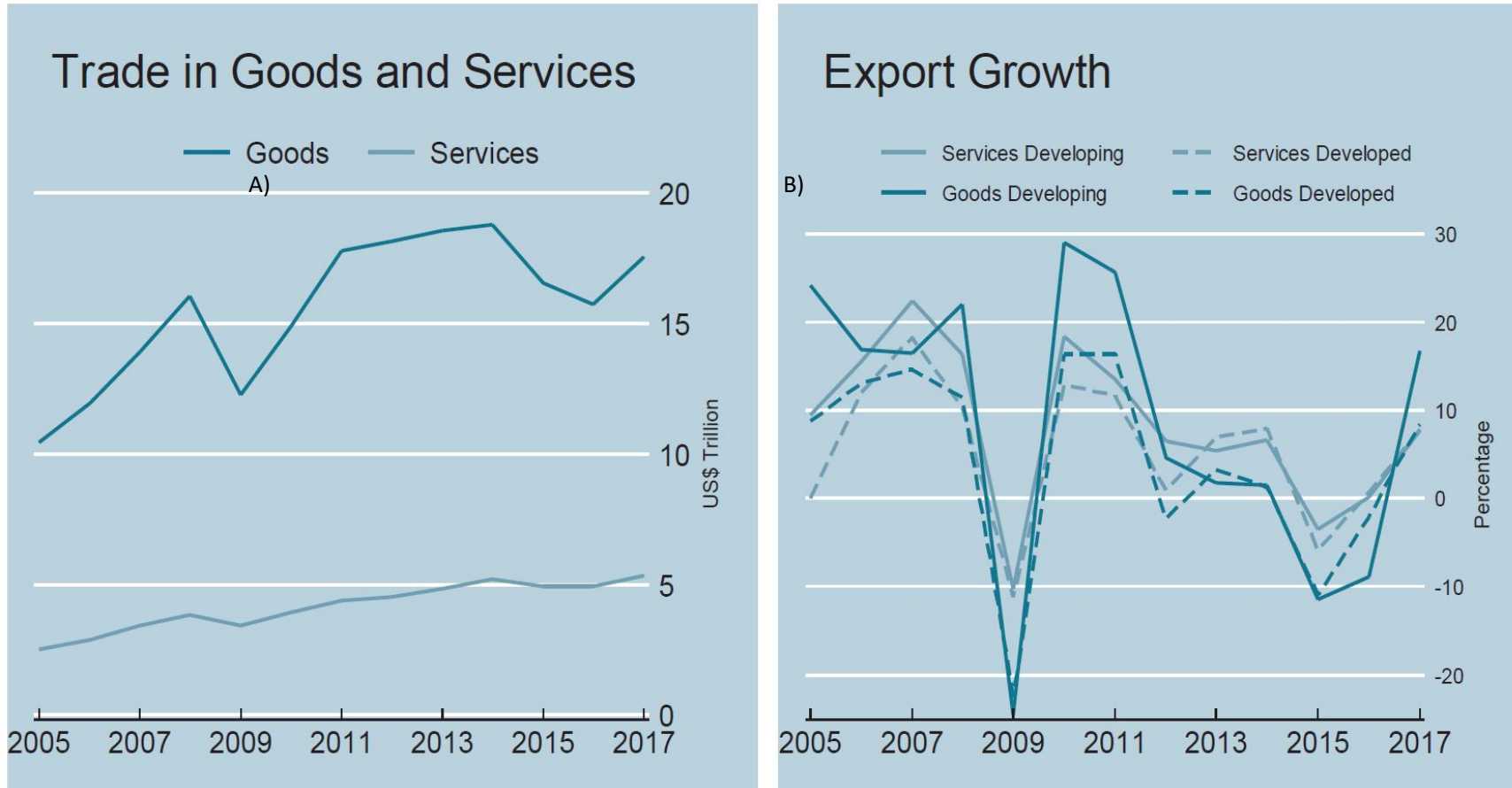
- China contributes 33% of global economic growth.
- The US contributes 19% of global economic growth.

Source: IMF

Network of global goods trade, 2018\*



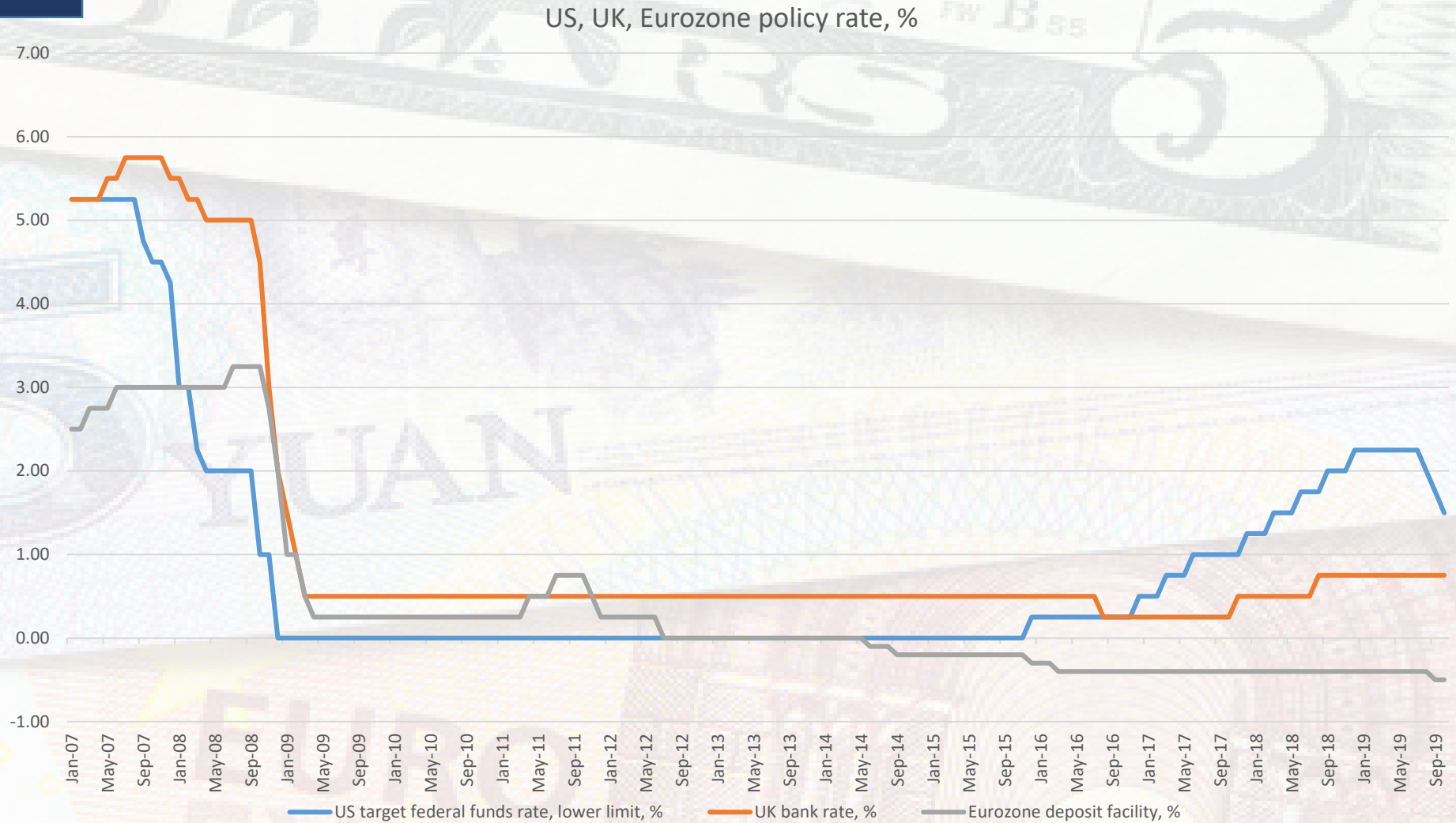
\*Line thickness is proportional to total goods trade between regions. Circle size is proportional to regions' total goods trade with the other regions shown in the chart. Pink lines denote direct trade links with China. Data based on nominal 2018 US dollars.



Source: UNCTAD secretariat calculations based on COMTRADE and UNCTADstat data

There are numerous challenges...

- TRADE HEADWINDS
- POLITICS & POLICY UNCERTAINTY
- POLICY CONSTRAINTS

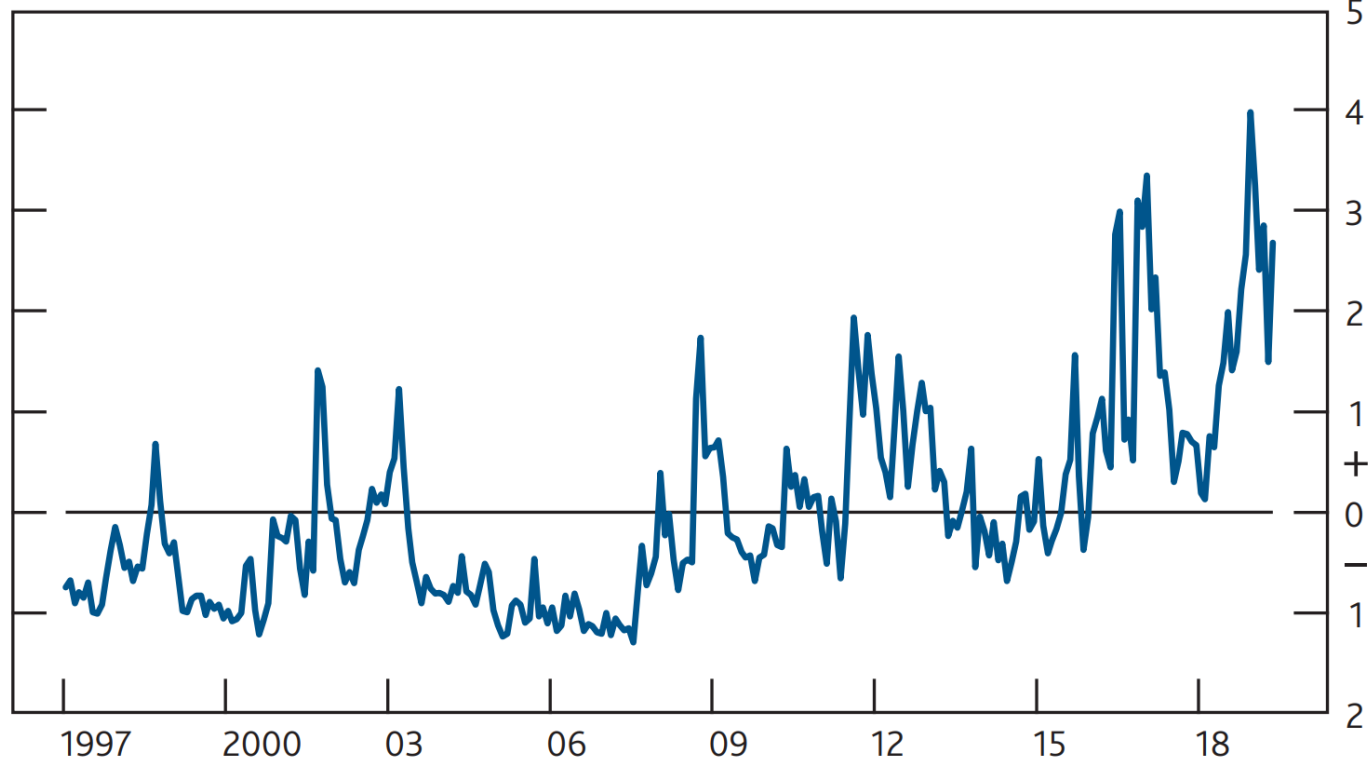


Source: Federal Reserve, Bank of England, European Central Bank



## Global economic policy uncertainty is elevated

Standard deviations from historical average



Source: Bank of England

The Global Economic Policy Uncertainty (EPU) Index is a GDP-weighted average of national EPU indices for 21 countries: Australia, Brazil, Canada, Chile, China, Colombia, France, Germany, Greece, India, Ireland, Italy, Japan, Mexico, the Netherlands, Russia, South Korea, Spain, Sweden, the United Kingdom and the United States. National EPU indices reflect the relative frequency of own-country newspaper articles that contain a trio of terms pertaining to the economy, policy and uncertainty

...and a big vulnerability

World domestic credit to private sector (% of GDP)



Source: World Bank