WORLD ECONOMIC SITUATION AND PROSPECTS 2014

GLOBAL ECONOMY IS IMPROVING BUT REMAINS VULNERABLE

WORLD GROSS PRODUCT is forecast to grow at a pace of 3.0 in 2014 and 3.3 in 2015.

Forecast growth in % | 2014 | 2015
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EU | 1.4 | 1.8
Brazil | 3.0 | 4.2
China | 7.5 | 7.3
India | 5.3 | 5.7
Japan | 1.5 | 1.2
Mexico | 4.0 | 4.8
Russian Federation | 2.9 | 3.6
South Africa | 3.3 | 3.7
USA | 2.5 | 3.2

UNEMPLOYMENT remains high in numerous countries.

Unemployment rates have reached as high as 27 per cent in Greece and Spain, and the youth unemployment rates surged to more than 50 per cent; in South Africa, unemployment remains at around 25 per cent.

INFLATION remains tame in most developing regions.

Inflation rates are above 10 per cent in only about a dozen economies scattered across different regions, particularly in South Asia and Africa.

RISKS AND UNCERTAINTIES

1. Unwinding of quantitative easing may cause global financial turmoil and threaten the recovery
2. Vulnerability of emerging economies to external shocks
3. Still fragile banking system and real economy in the EU
4. Debt-ceiling negotiations in the US
5. Geopolitical tensions in Western Asia