

World On The Mend: EMs Outperform, G7 Improving

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Abstracts

World On The Mend

EMs Outperform, G7 Improving

The global economic healing process is gaining momentum, and while risks abound as ever, we expect 2011 to herald a broadening and deepening phase of the recovery. Emerging markets are again set to considerably outperform their developed state counterparts in terms of economic growth in 2011. However, one of our key themes for the coming year is that the growth differential between developed and emerging economies will narrow substantially from 2010 as the United States recovery picks up pace and China slows down. We are forecasting real GDP growth of 5.2% in emerging markets and 2.1% in developed states in 2011 (a difference of 3.1 percentage points (pp), versus a 4.2pp gap in 2010).

The US economy is finally showing signs of a strong recovery, and we believe that the expansion in 2011 could exceed expectations, assisted by easy monetary policy and the recent payroll tax cuts. We have made a big upgrade to our US forecast, and now see growth of 2.8% in 2011, up from 2.0% in our previous set of projections, and matching the pace in 2010. However, growth will still be insufficient to make a significant dent in unemployment, and we consequently do not see the US Fed raising interest rates until 2012.

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Business Monitor International Ltd

Special Report

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Western Europe

Central and South-East Europe

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Vietnam

February - Uganda, Chad, Cape Verde March - Estonia, Germany, Laos April - Nigeria,
Peru,

Madagascar, Finland, Yemen, Djibouti may - United Kingdom (scotland), United
Kingdom (wales),

United Kingdom (n Ireland), United Kingdom, Chad, Latvia, Cyprus, Spain July - Turkey,
sao Tome &

Principle August - Kazakhstan September - Egypt October - Liberia, Argentina,
Switzerland,

Bulgaria, Cameroon, Ireland, Kyrgyzstan, Poland, Canada November - Nicaragua,
Democratic

Republic of Congo, Croatia, Denmark, Mauritania December - Gabon, Russia to be
Announced -

Gambia, Rwanda, Zambia, Zimbabwe, new Zealand, Thailand

Russia and the Former Soviet Union

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Sub-Saharan Africa: Definitive Elections Pending

Asia: China Begins a Transition

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