

# WORLD ECONOMIC SITUATION AND PROSPECTS 2014

## GLOBAL ECONOMY IS IMPROVING BUT REMAINS VULNERABLE

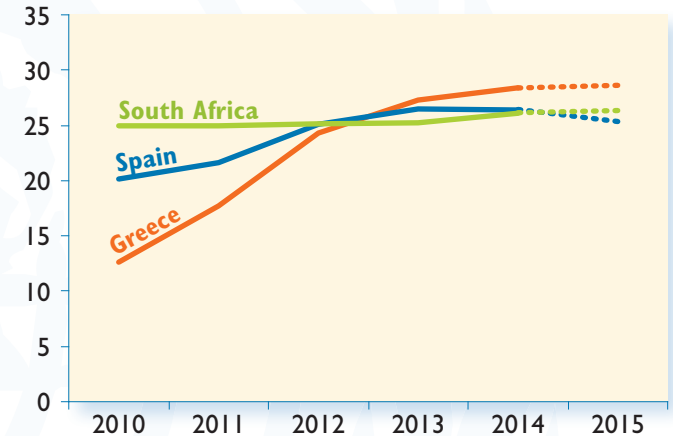
#WESP2014  
<http://bit.ly/WESP>

**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
<b>EU</b>	1.4	1.8
<b>Brazil</b>	3.0	4.2
<b>China</b>	7.5	7.3
<b>India</b>	5.3	5.7
<b>Japan</b>	1.5	1.2
<b>Mexico</b>	4.0	4.8
<b>Russian Federation</b>	2.9	3.6
<b>South Africa</b>	3.3	3.7
<b>USA</b>	2.5	3.2

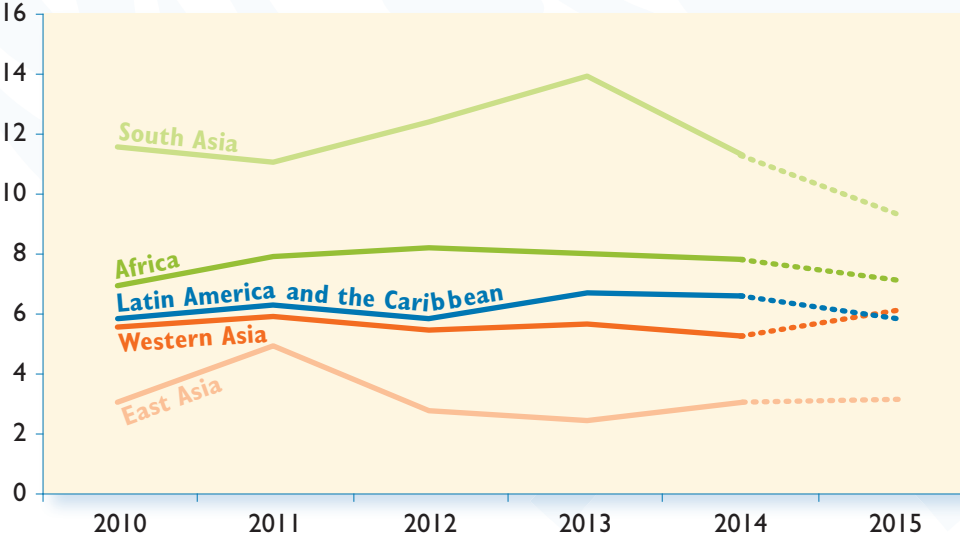
**UNEMPLOYMENT** remains high in numerous countries

- 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