

Global Economy Forecasts

AIB Treasury Economic Research Unit



December 2016

GLOBAL ECONOMY: KEY FORECASTS

Annual Average (Unless stated)	2015	2016(e)	2017 (f)	2018(f)
Economic Growth (% Change)				
World	3.1	3.0	3.2	3.5
US	2.6	1.6	2.3	2.8
Euro	1.9	1.6	1.7	1.7
UK	2.2	2.1	1.6	1.2
Japan	0.6	0.9	1.0	0.8
Inflation - CPI (% Change)				
US	0.1	1.2	2.3	2.5
Euro	0.0	0.2	1.2	1.5
UK	0.0	0.7	2.2	2.8
Japan	0.8	-0.3	0.2	0.3
Official Interest Rates (% End Period)				
US (Fed Funds)	0.375	0.625	1.375	1.875
Euro (Refi Rate)	0.05	0.00	0.00	0.00
Euro (Deposit Rate)	-0.3	-0.4	-0.4	-0.4
UK (Bank Rate)	0.50	0.25	0.25	0.25
Japan (Overnight Call Rate)	0-0.1	-0.1	-0.1	-0.1
Exchange Rates (Period Average)				
US Dollar-Euro	1.11	1.11	1.02	1.00
Sterling-Euro	0.73	0.82	0.86	0.89
US Dollar-Sterling	1.53	1.36	1.19	1.12
Crude Oil Prices (Brent \$/b)	52	45	55	60

Forecasts prepared by AIB's ERU, historical data sourced from Thomson Datastream

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