

PERSPECTIVES ÉCONOMIQUES MONDIALES

Avec Peter Hall, Vice-président et économiste en chef
Exportation et développement Canada
Saint-Georges – Le 17 septembre 2020



@PeterGHallXIII



Peter Hall



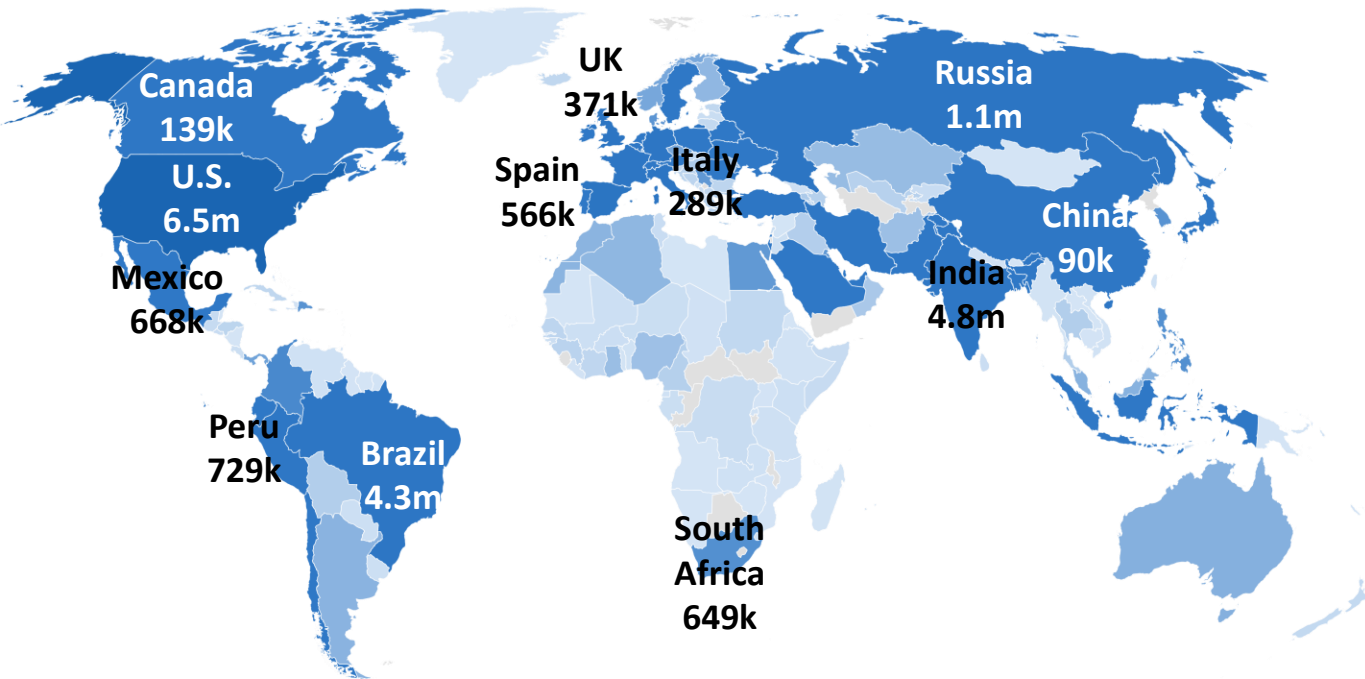
Economic Insights



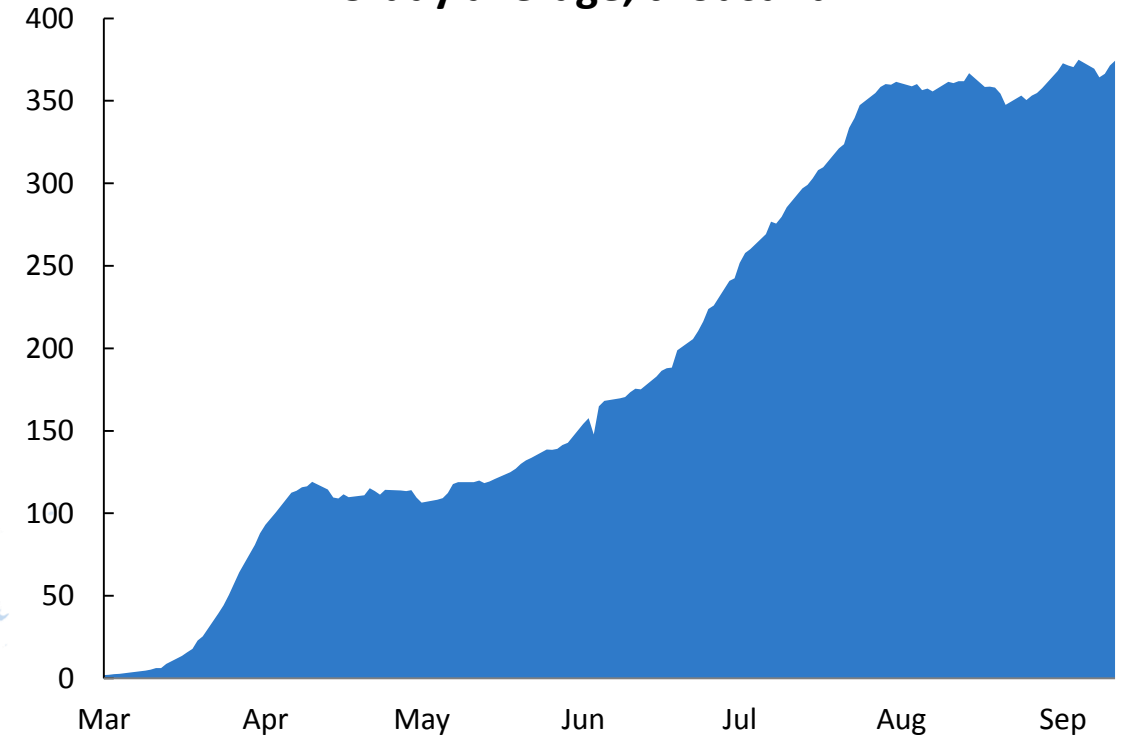
CONFIRMED COVID-19 CASES

As of September 14, 2020

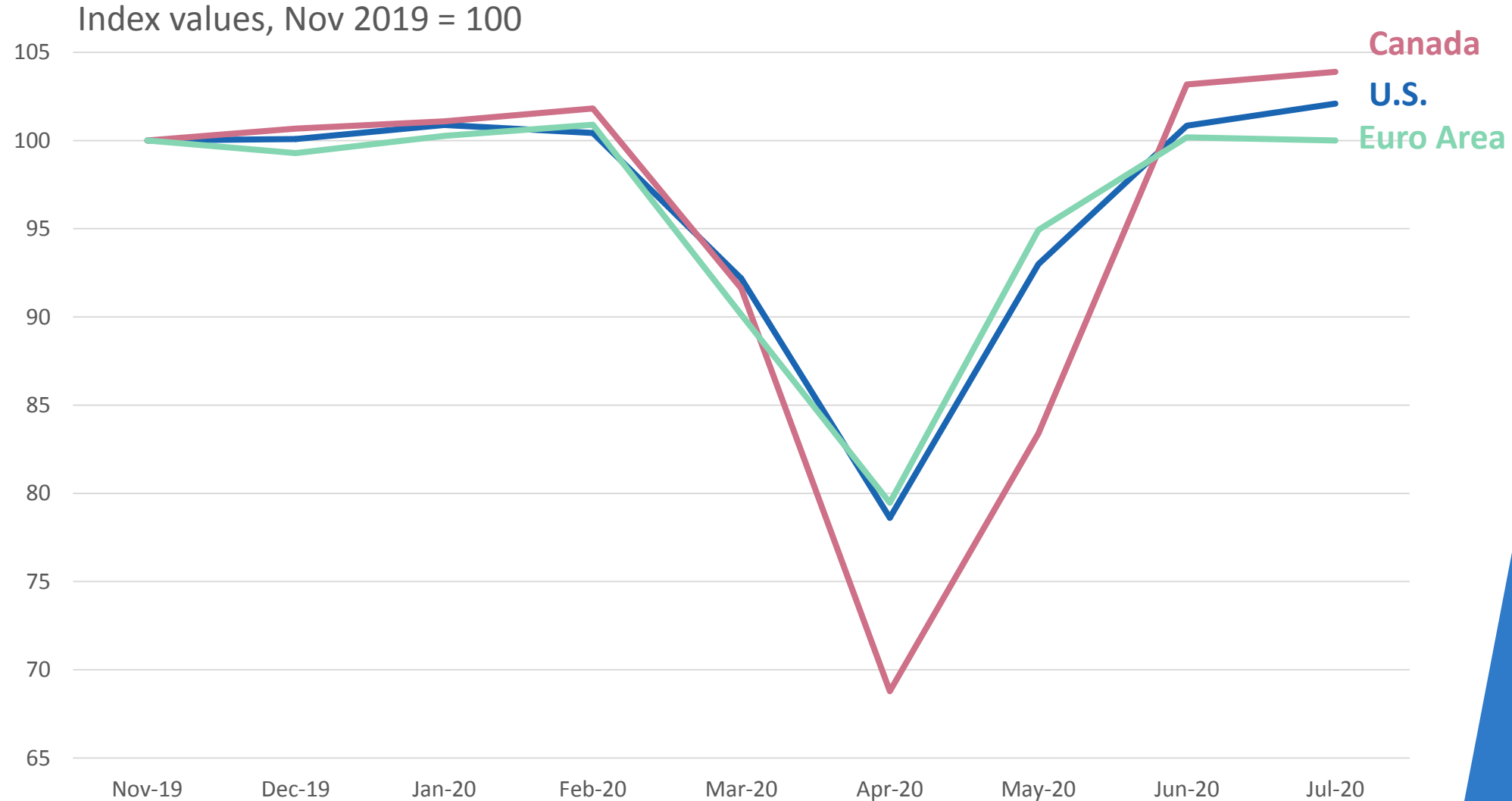
29 million World total



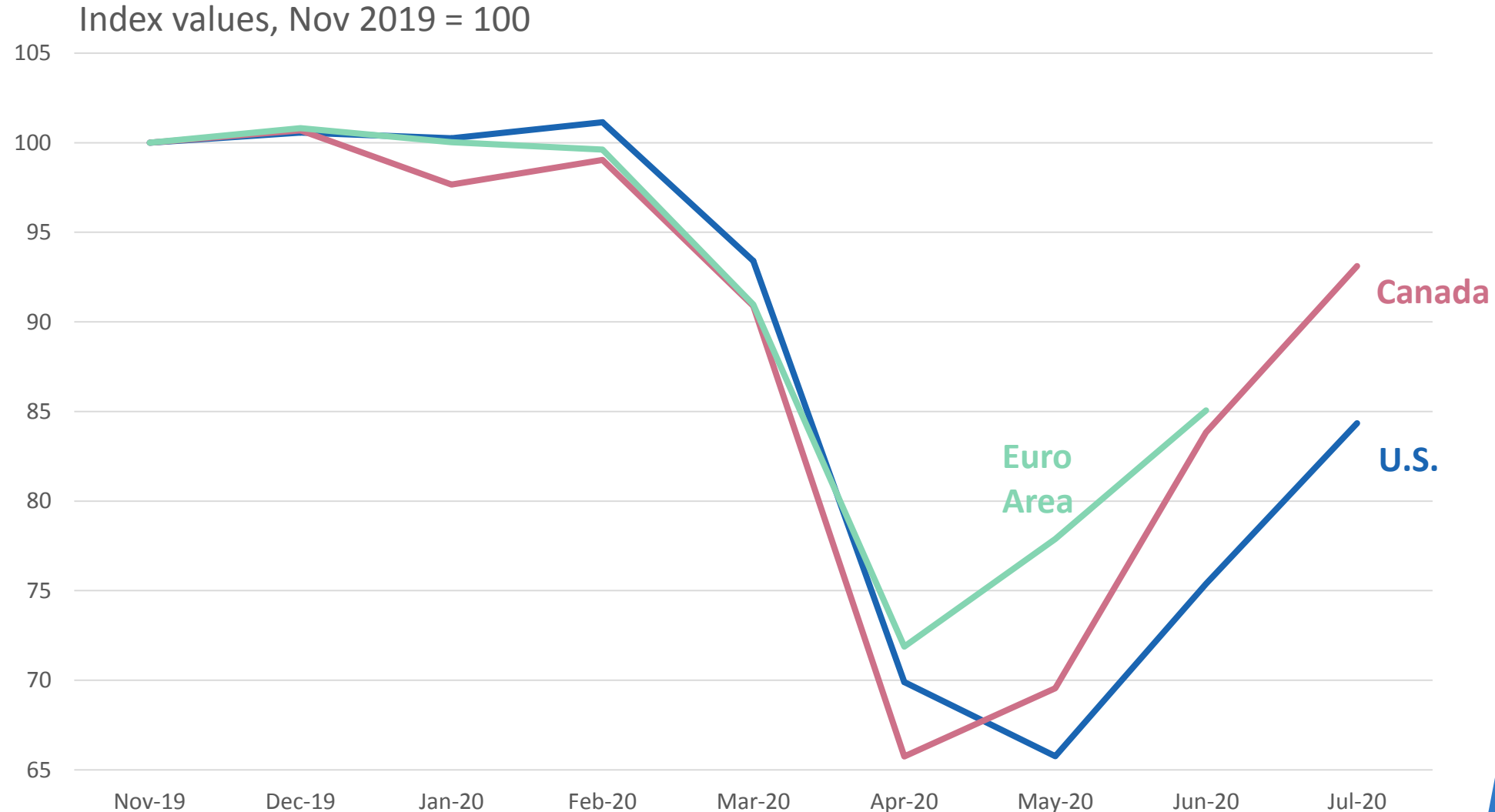
Global Confirmed Cases 5-day average, thousand



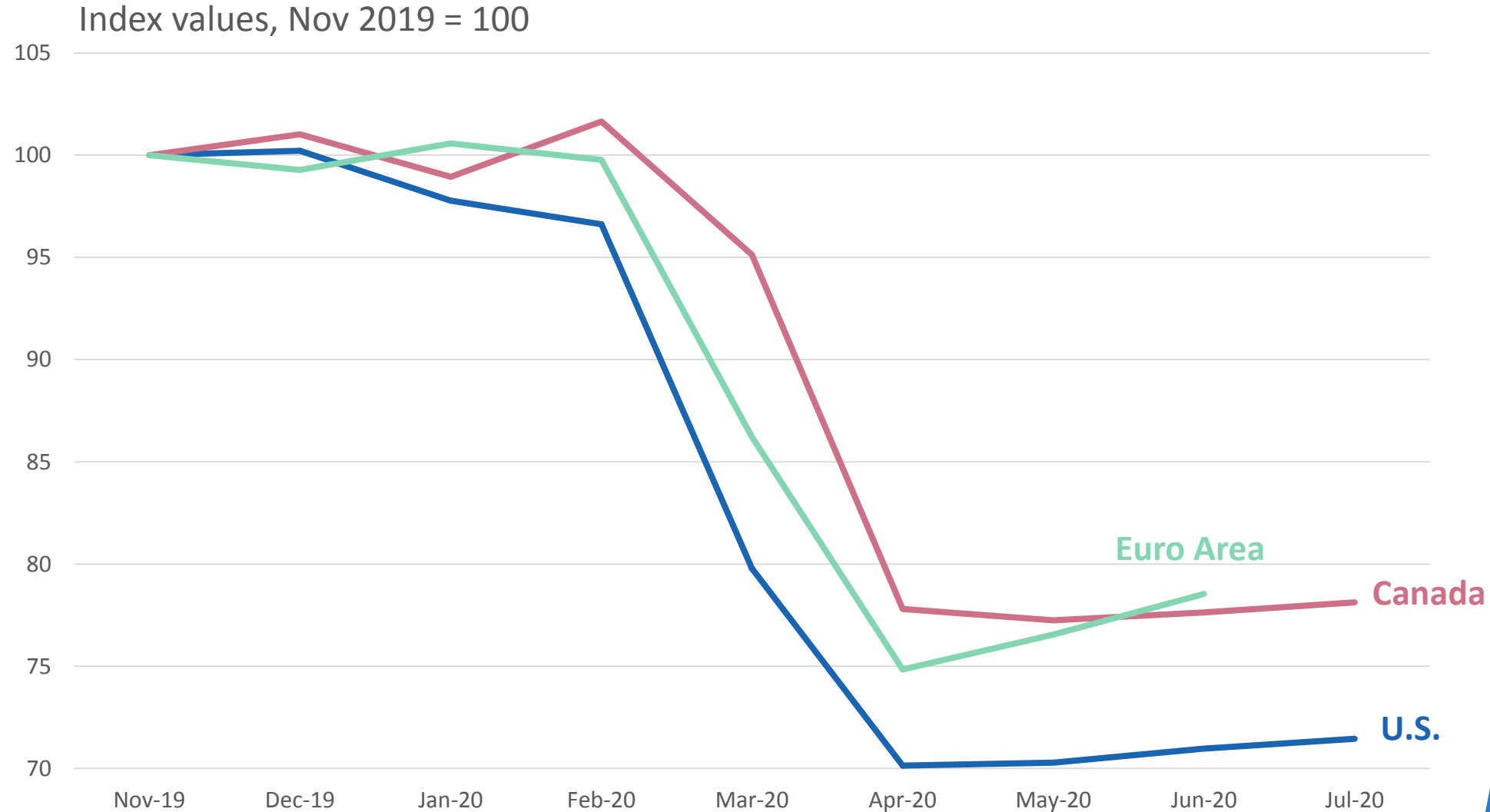
RETAIL SALES: LOOKS LIKE A “V” TO ME!



GOODS EXPORTS: ANOTHER V-SHAPED RECOVERY!



NOT SO FOR SERVICES EXPORTS: THE DREADED “L”

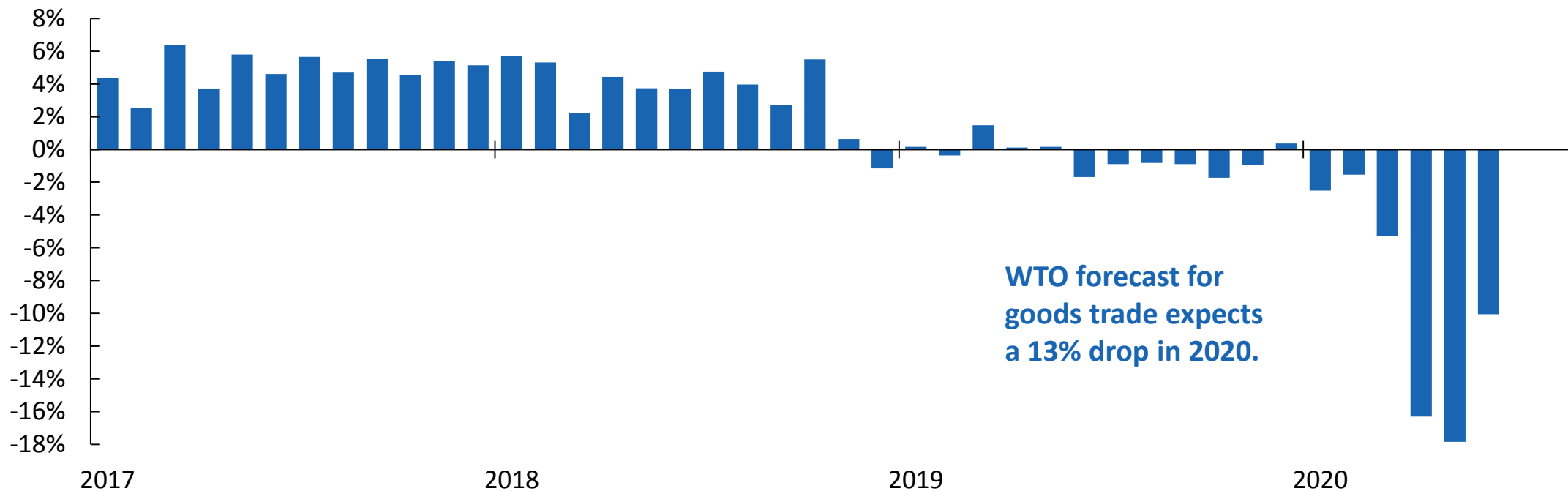


GLOBAL MERCHANDISE TRADE

While global merchandise trade was hit hard during shutdowns in March through May, early indications suggest that a rebound began in June.

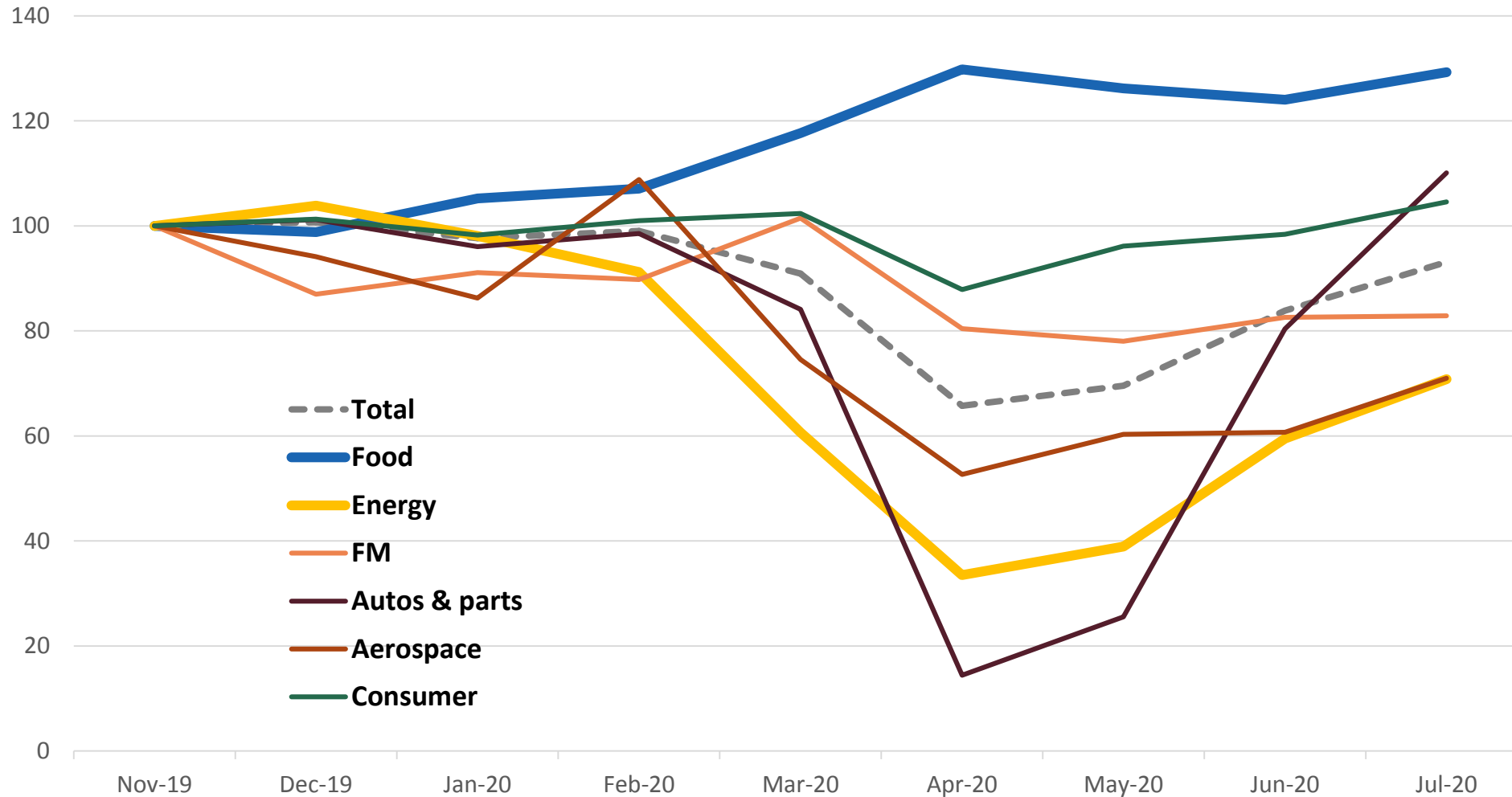
Global merchandise trade volumes

annual % change



WIDE ARRAY OF RESPONSES BY INDUSTRY

Goods exports, Canada, index values; Nov 2019 = 100

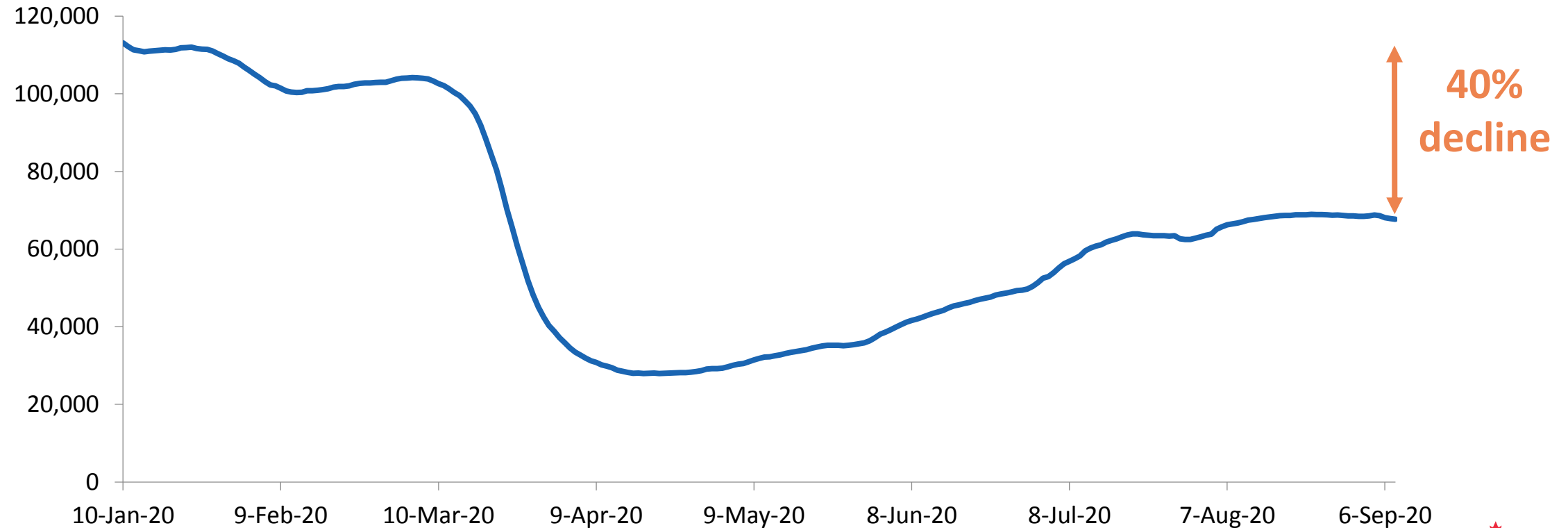


INTERNATIONAL AIR TRAVEL

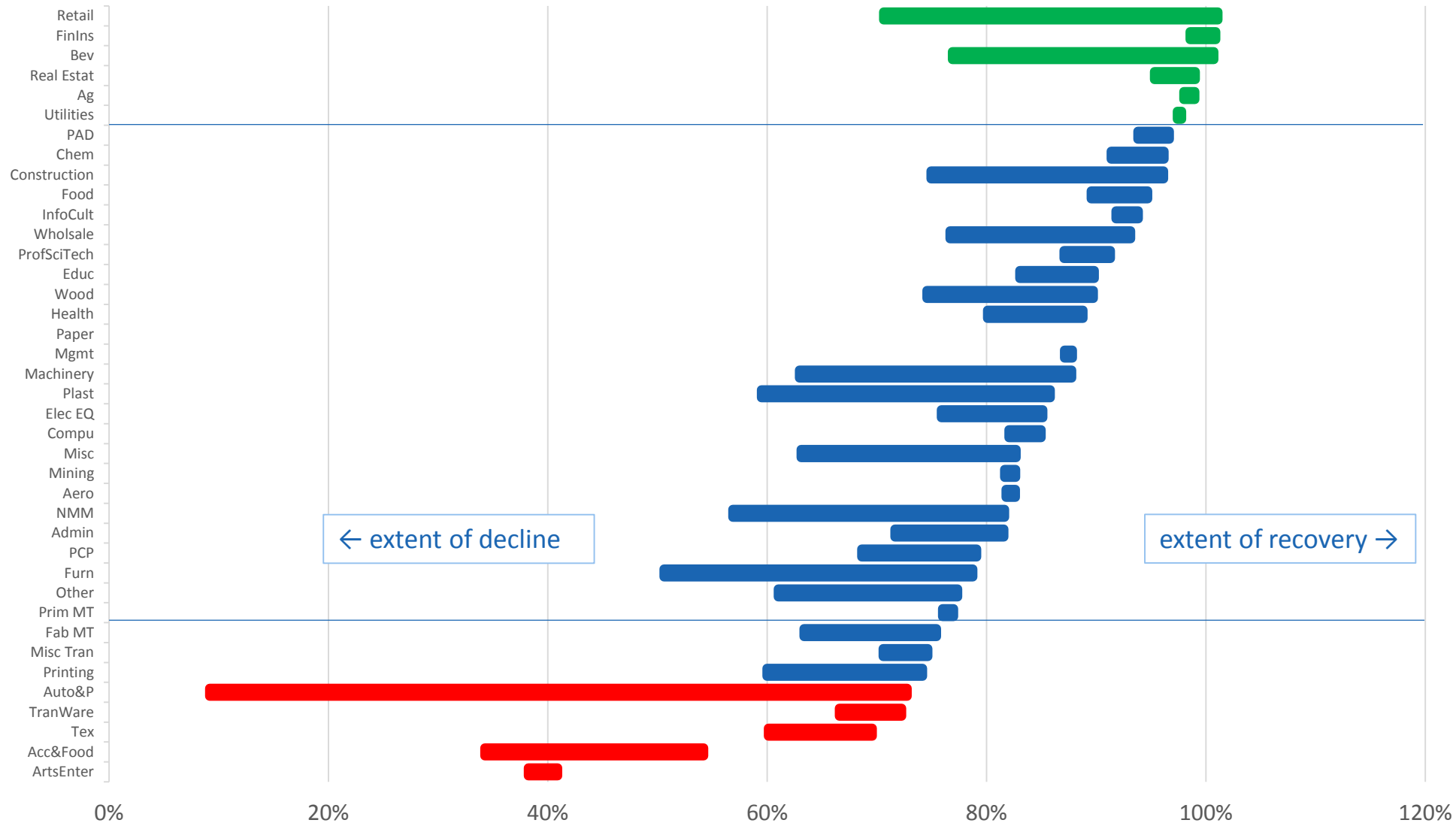
Travel restrictions grounded most international air travel, which has grown slowly to remain about 40% below pre-COVID levels, up noticeably from the trough of -75% in April.

Daily active commercial flights

weekly global average



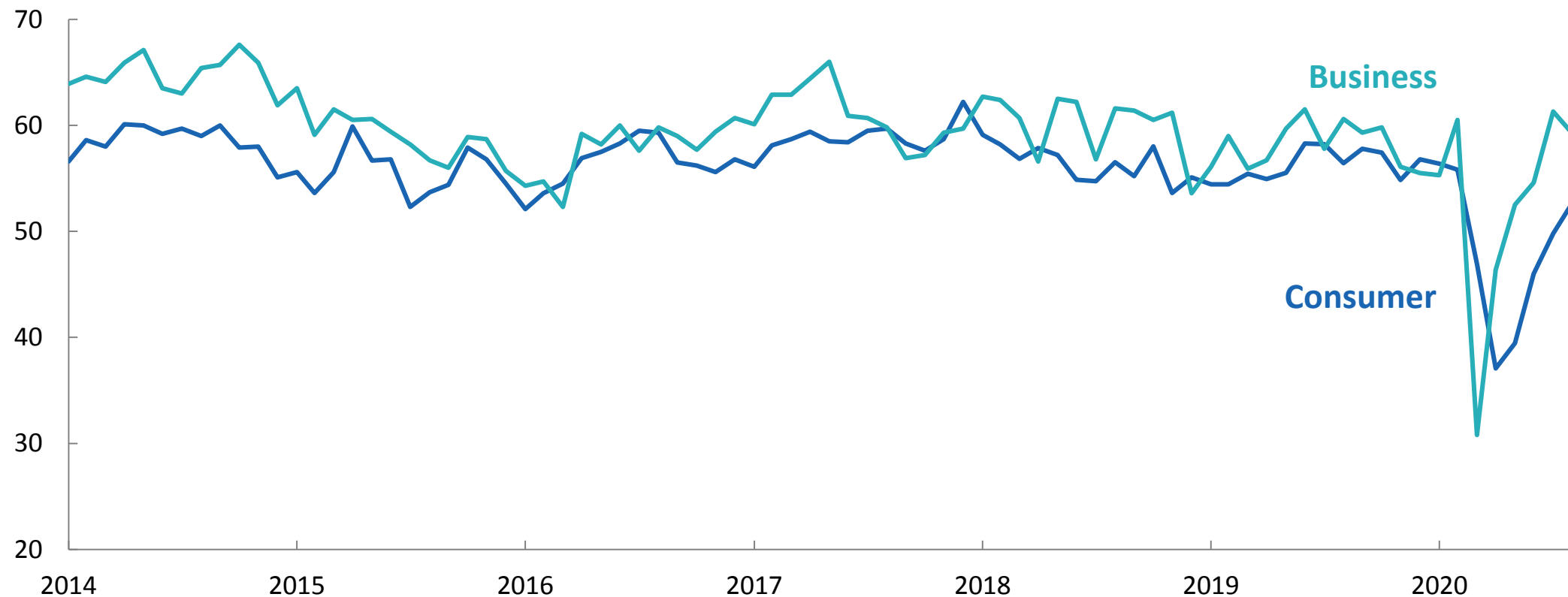
GDP: THE PLUNGE AND THE JOURNEY BACK



CONFIDENCE

Canadian confidence for businesses has rebounded towards more normal levels, while consumers remain cautious.

Business and consumer confidence indices (monthly)



Notes: 50+ = positive consumer sentiment. Consumer sentiment is weekly, aggregated monthly using last value. June value corresponds to the first week of June.

Sources: Nanos Canadian consumer sentiment index, CFIB business barometer



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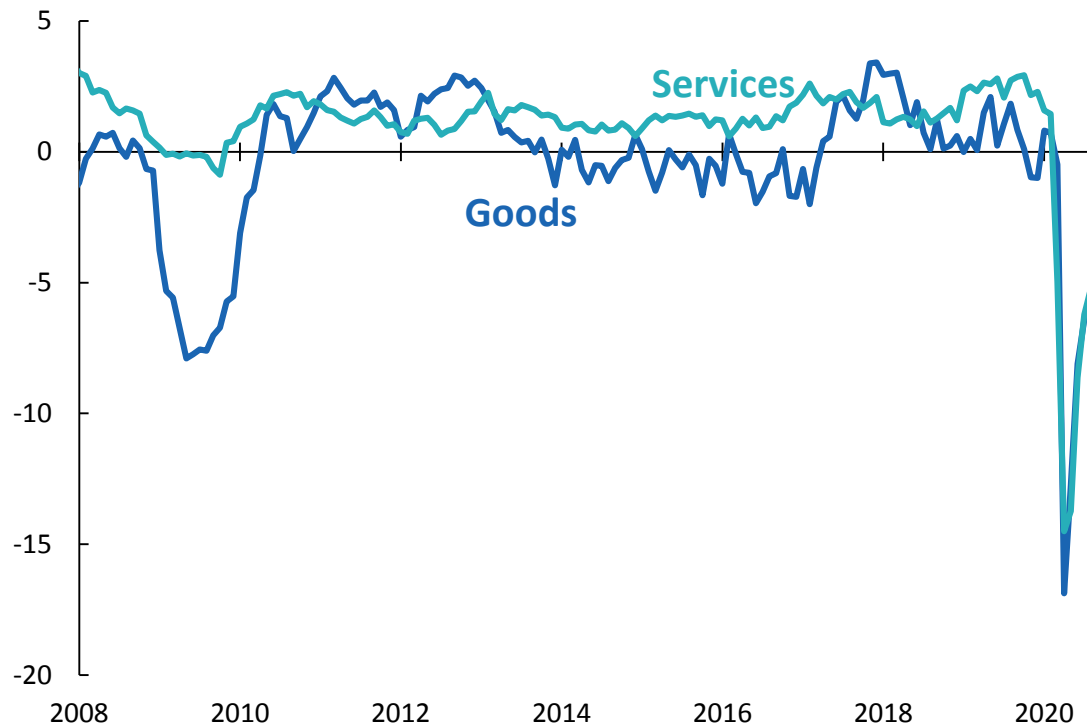


CANADA'S LABOUR MARKET

Services sector employment, which held up reasonably well in past Canadian recessions, has been hit particularly hard, in areas such as restaurants, retail and recreation.

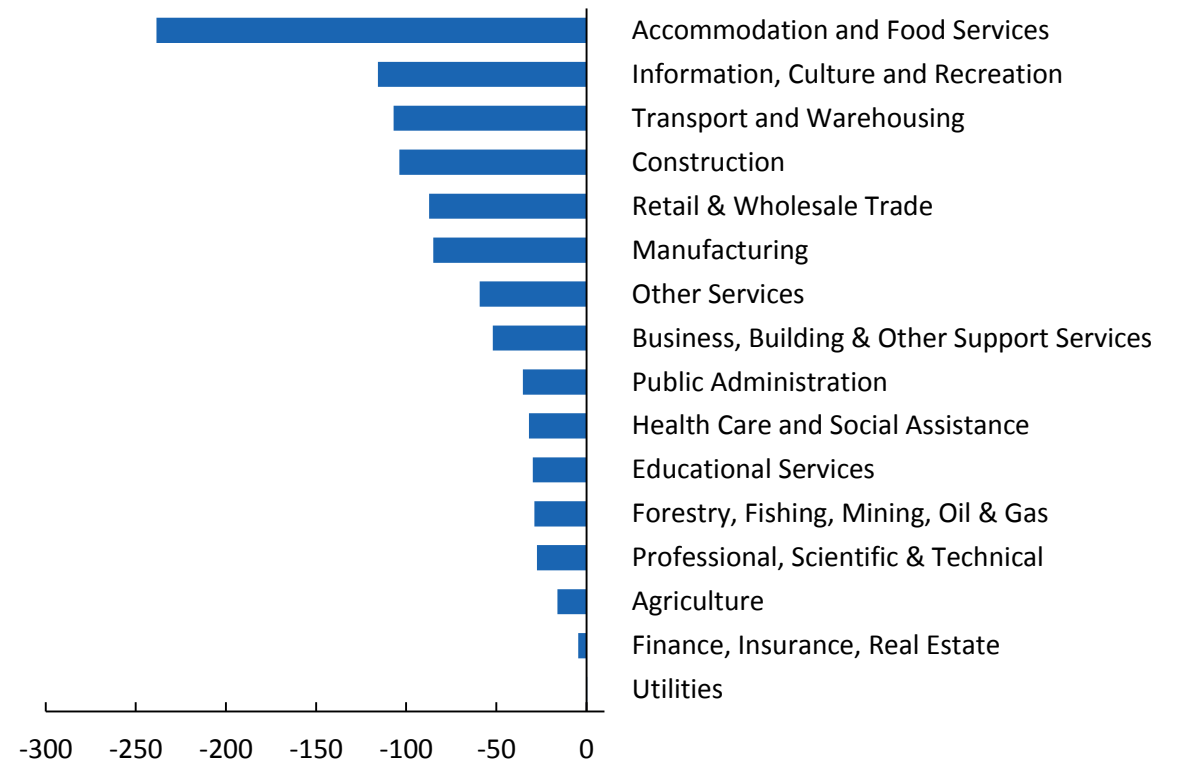
Goods and services employment

year-over-year % change

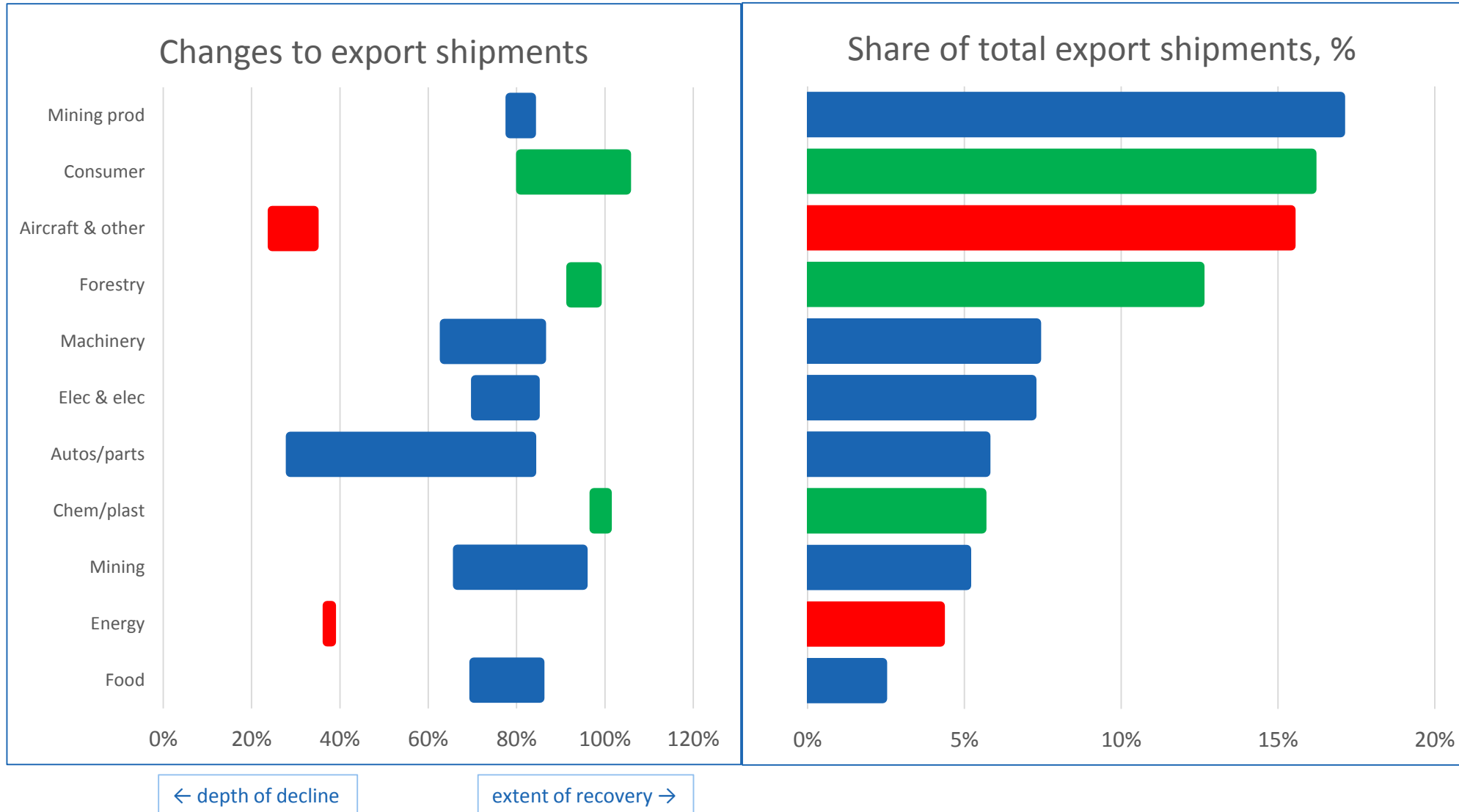


Employment Changes, by Sector

August 2019 to August 2020, Thousands



QUEBEC EXPORTS: COVID IMPACT



A NORMAL POST-GFC YEAR...

Global Economic Outlook (GDP, annual % change)	2019
Developed countries	1.7
Canada	1.7
United States	2.2
Eurozone	1.3
Germany	0.6
France	1.5
Japan	0.7
Emerging countries	3.7
China	6.1
India	4.2
Brazil	1.1
Mexico	-0.3
Total World	2.9

Note: * denotes the forecast period.

Source: EDC Global Economic Outlook, June 2020

...FOLLOWED BY DISASTER

Global Economic Outlook (GDP, annual % change)	2019	2020*
Developed countries	1.7	-5.5
Canada	1.7	-5.8
United States	2.2	-3.4
Eurozone	1.3	-7.6
Germany	0.6	-5.6
France	1.5	-9.6
Japan	0.7	-5.6
Emerging countries	3.7	-3.6
China	6.1	1.7
India	4.2	-11.7
Brazil	1.1	-6.5
Mexico	-0.3	-10.0
Total World	2.9	-4.3

Note: * denotes the forecast period.

Source: EDC Global Economic Outlook, June 2020

...AND THEN THE REBOUND

Global Economic Outlook (GDP, annual % change)	2019	2020*	2021*
Developed countries	1.7	-5.5	5.7
Canada	1.7	-5.8	5.7
United States	2.2	-3.4	4.9
Eurozone	1.3	-7.6	7.0
Germany	0.6	-5.6	6.3
France	1.5	-9.6	8.9
Japan	0.7	-5.6	4.6
Emerging countries	3.7	-3.6	7.0
China	6.1	1.7	9.0
India	4.2	-11.7	16.1
Brazil	1.1	-6.5	4.0
Mexico	-0.3	-10.0	5.9
Total World	2.9	-4.3	6.6

Note: * denotes the forecast period.

Source: EDC Global Economic Outlook, June 2020

CHANGES FROM PREVIOUS FORECAST

Global Economic Outlook Real GDP Growth (percentage point change)	2020*	2021*
Developed countries	-0.1	-0.4
Canada	3.2	-1.5
United States	1.7	-2.0
Eurozone	-1.3	0.5
Germany	-0.7	0.4
France	-1.4	0.6
Japan	-1.5	0.5
Emerging countries	-	-0.3
China	3.3	-1.0
India	-8.1	5.0
Brazil	0.6	-0.2
Mexico	-2.1	1.1
Total World	-	-0.3

Note: * denotes the forecast period.

Source: EDC Global Economic Outlook, September 2020 relative to June 2020.



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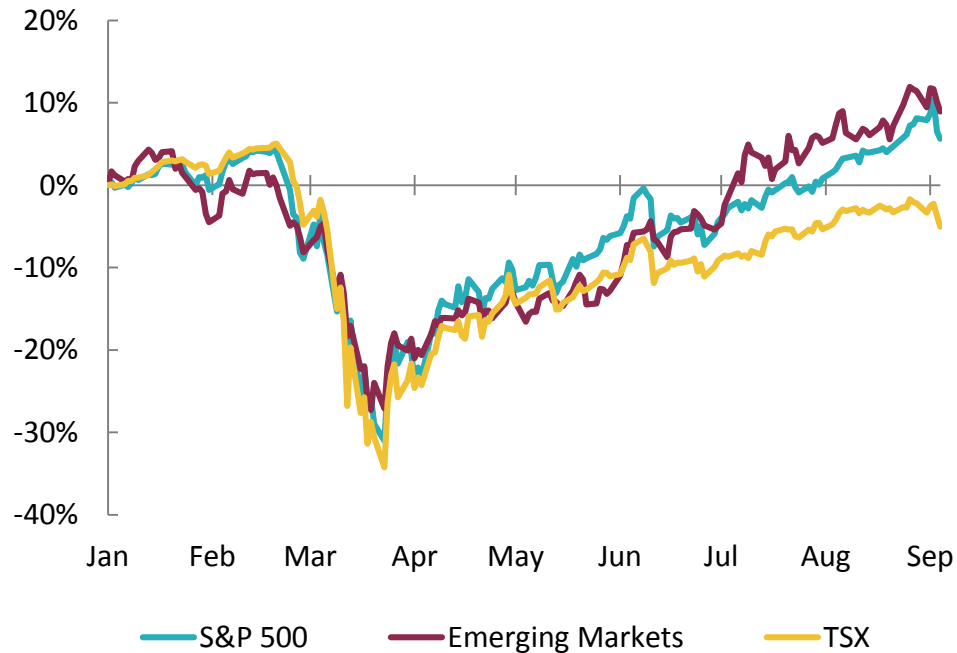
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FINANCIAL MARKETS

Equity markets have largely recovered or surpassed their pre-COVID levels; while bond spreads are slowly improving, but remain somewhat elevated.

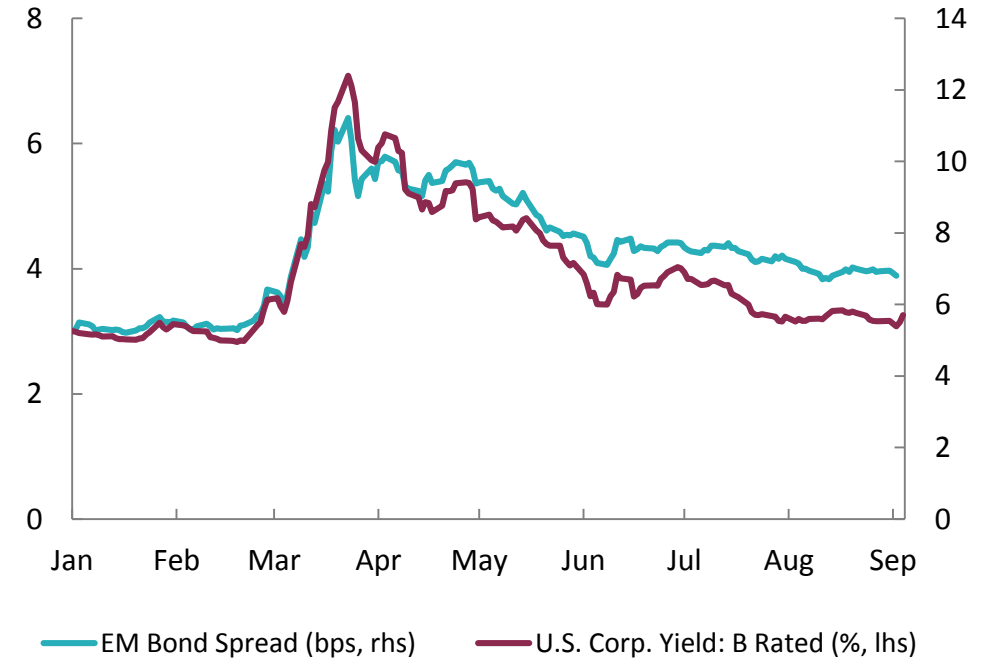
Global Stock Markets

% change since Jan. 1



Global Debt Markets

%



CURRENCIES AND INTEREST RATES

Global Economic Outlook		2019	2020*	2021*
Currency	Exchange Rate			
U.S. dollar	USD per CAD	0.75	0.74	0.76
Euro	CAD per EUR	1.49	1.53	1.55
Euro	USD per EUR	1.12	1.13	1.18
Interest Rates, annual average				
Bank of Canada, <i>Overnight Target Rate</i>		1.75	0.56	0.25
U.S. Federal Reserve, <i>Fed Funds Target Rate (Upper limit)</i>		2.14	0.39	0.10
European Central Bank, <i>Policy Interest Rate</i>		0.00	0.00	0.00

Note: * denotes the forecast period.

Source: EDC Global Economic Outlook, September 2020

COMMODITY PRICES

Global Economic Outlook	2019	2020*	2021*
Brent Crude Spot , <i>USD / bbl</i>	64.36	42.80	43.95
West Texas Intermediate , <i>USD / bbl</i>	56.99	38.65	41.13
Western Canada Select , <i>USD / bbl</i>	43.30	27.76	31.76
Natural Gas , <i>USD / MMBtu</i>	2.55	1.84	2.12
Gold , <i>USD / troy ounce</i>	1,392	1,806	1,920
Copper , <i>USD / tonne</i>	6,002	5,924	5,989

Note: * denotes the forecast period.

Source: EDC Global Economic Outlook, September 2020

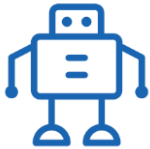
FIVE KEY TAKEAWAYS



Pandemic: containment is critical



Recovery: uneven



More virtual activity, mechanization



Re-shoring, near-shoring, globalization: trade transformation



Costs, capacity, behaviour: how much change?



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THE WORLD**



**UN MONDE
À CONQUÉRIR**