

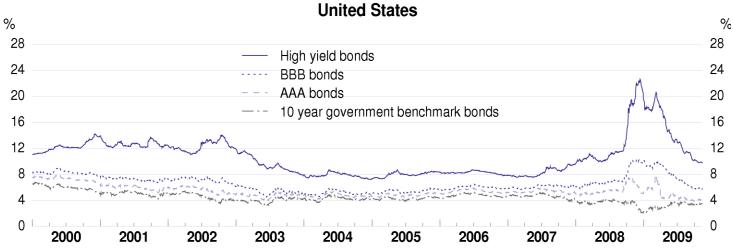
What is the Economic Outlook for OECD countries?

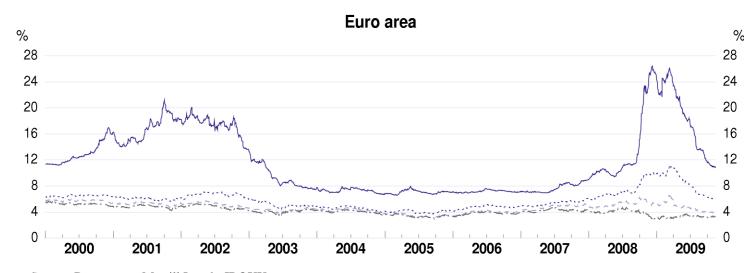
Paris, 19th November 2009 11h00 Paris time

Jørgen Elmeskov Acting Head of Economics Department



Corporate bond yields have declined considerably



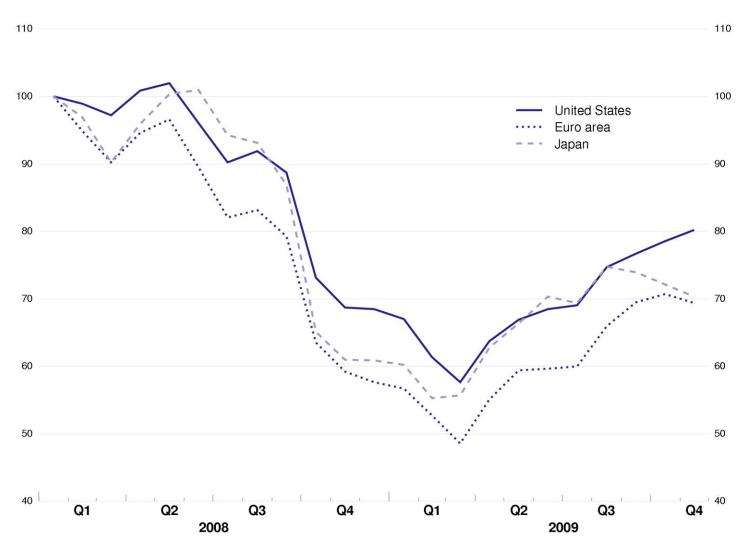


Source: Datastream; Merrill Lynch; IBOXX.



Share prices have rebounded

Indices, January 2008 = 100, monthly averages

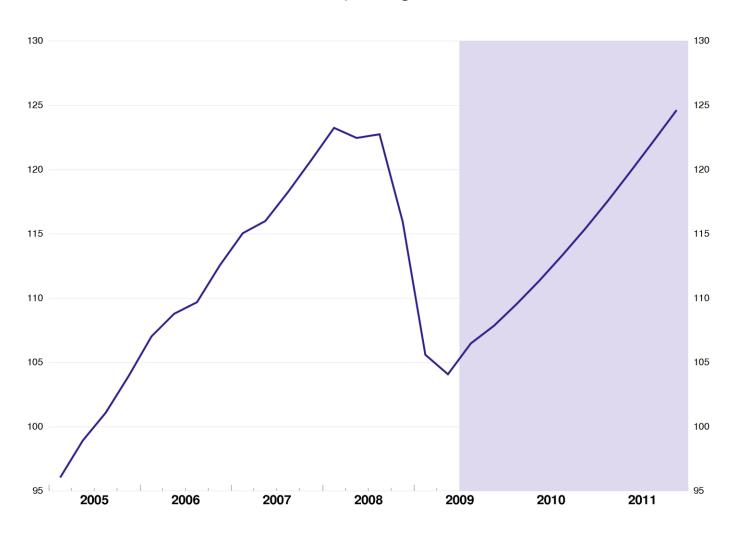


Source: Datastream.



World trade volumes are expected to recover

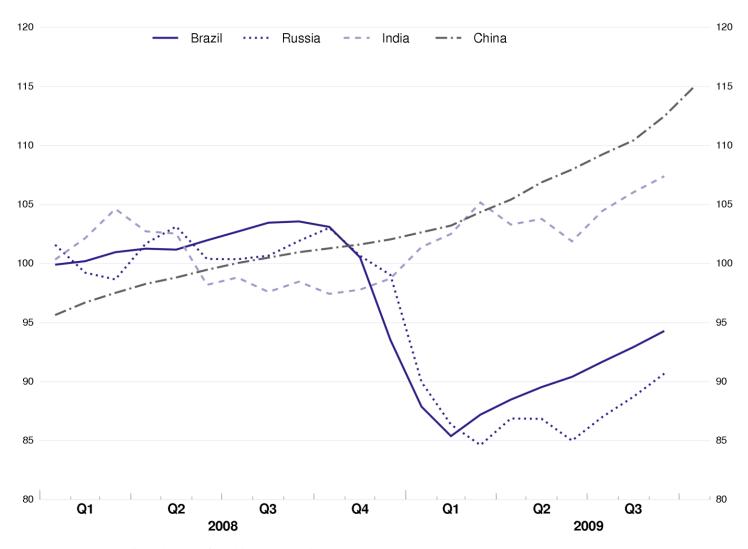
Index, 2005 = 100





The recovery is underway in BRIC countries

Industrial production, index, 2008 = 100, three-month moving averages



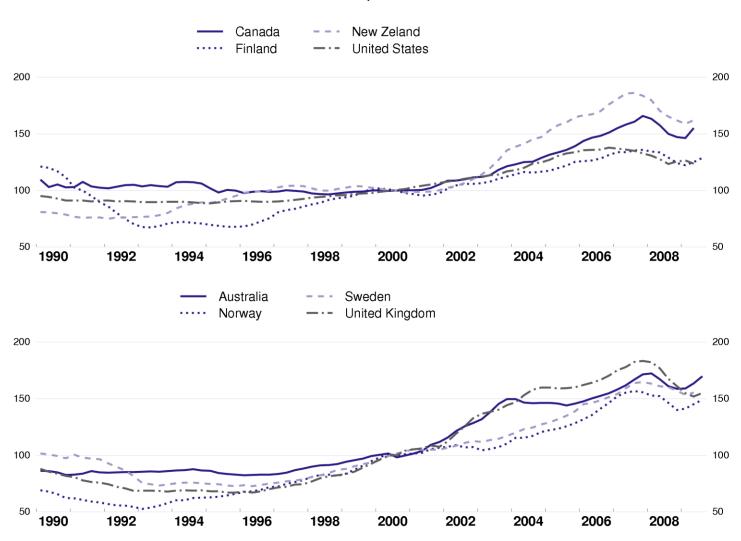
Note: Not seasonally adjusted except for China and Brazil.

Source: OECD, Main Economic Indicators database; OECD Calculations; and Datastream.



Real house prices are stabilising or increasing in some countries

Index, 2000 = 100



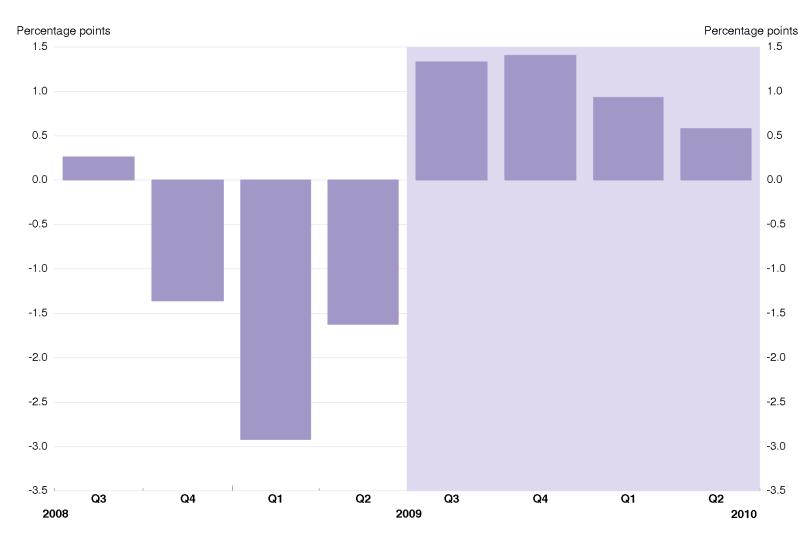
Note: House prices deflated by the Consumer Price Index.

Source: National sources.



The OECD inventory cycle is turning

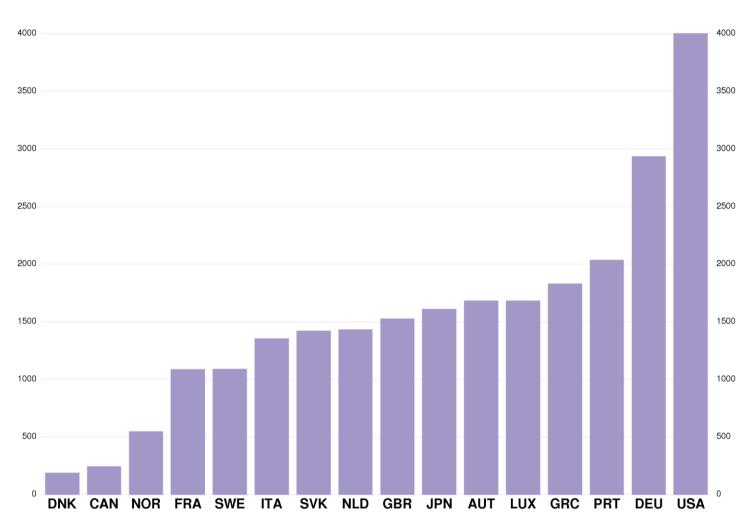
Contribution to quarterly real OECD GDP growth at annualised rates





Average car scrapping subsidy levels have been very high in some OECD countries

In USD, PPPs



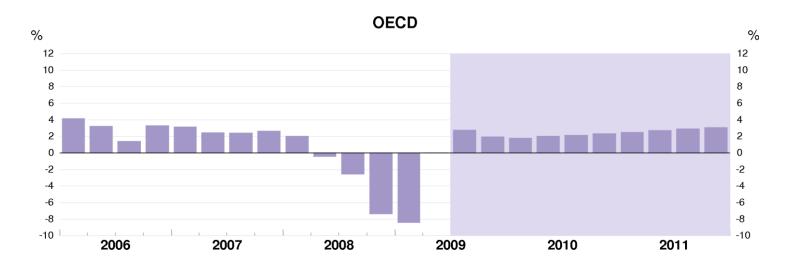
Note: Only the federal subsidy is reported for Canada.

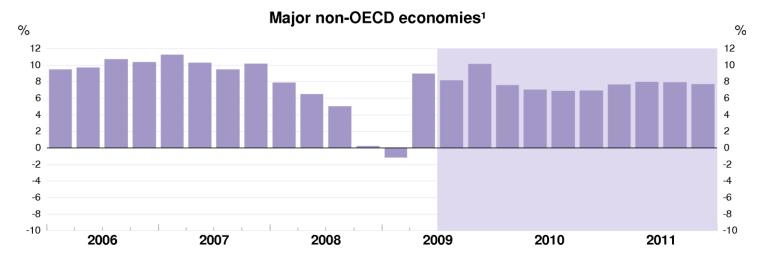
Source: OECD calculations based on national sources.



The major non-OECD countries will lead the recovery

Annualised quarterly real GDP growth



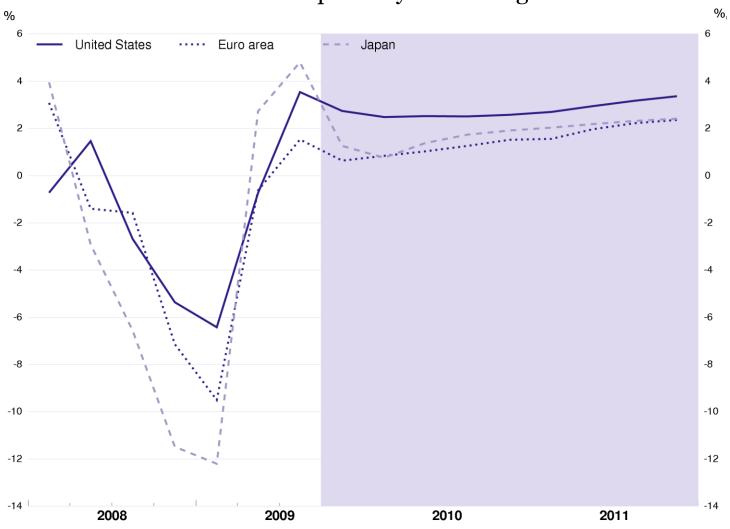


1. The non-OECD region is a weighted average, using 2005 GDP weights and PPPs, of Brazil, China, the Russian Federation and India which together accounted for more than half of non-OECD output in 2005.



A moderate recovery is foreseen in the main OECD regions

Annualised quarterly real GDP growth

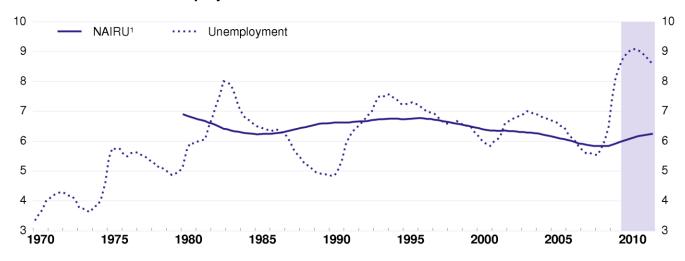




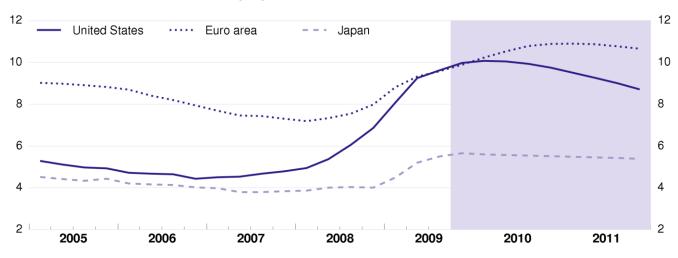
Unemployment will remain high in the OECD

Percentage of labour force

Unemployment and NAIRU estimates in the OECD area



Unemployment in the three main regions

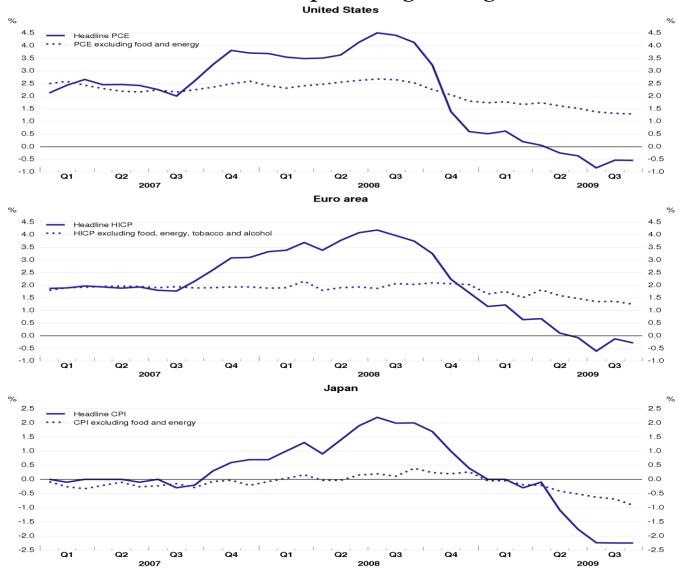


1. NAIRU is based on OECD Secretariat estimates.



Inflation is still falling but mostly reflecting oil prices

12-month percentage change



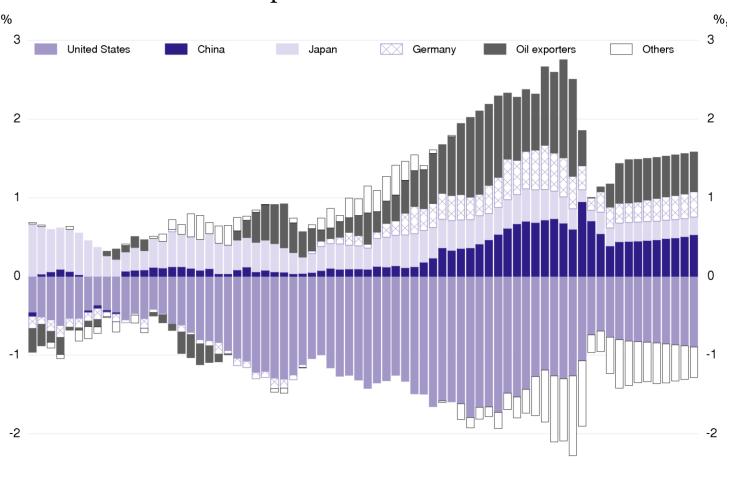
Note: PCE deflator refers to the deflator of personal consumption expenditures, HICP to the harmonised index of consumer prices and CPI to the consumer price index.

Source: OECD, Main Economic Indicators database.



Current account imbalances have come off their peaks

In per cent of world GDP

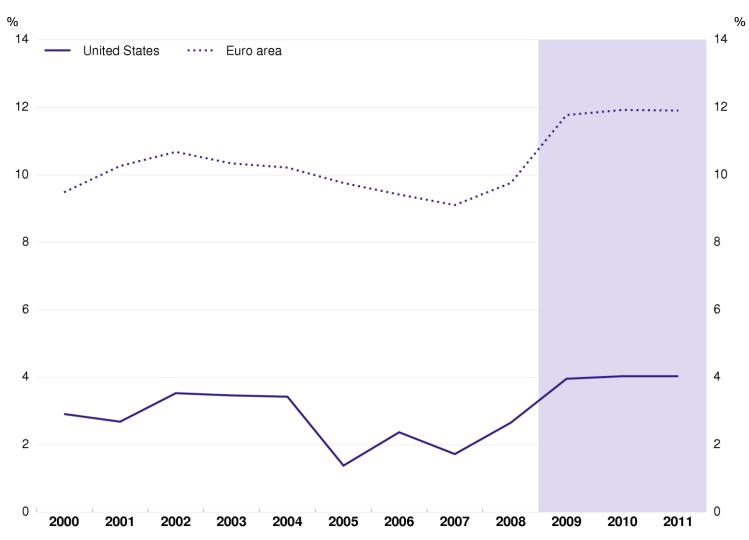


-3 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 -3



Household saving rates have risen

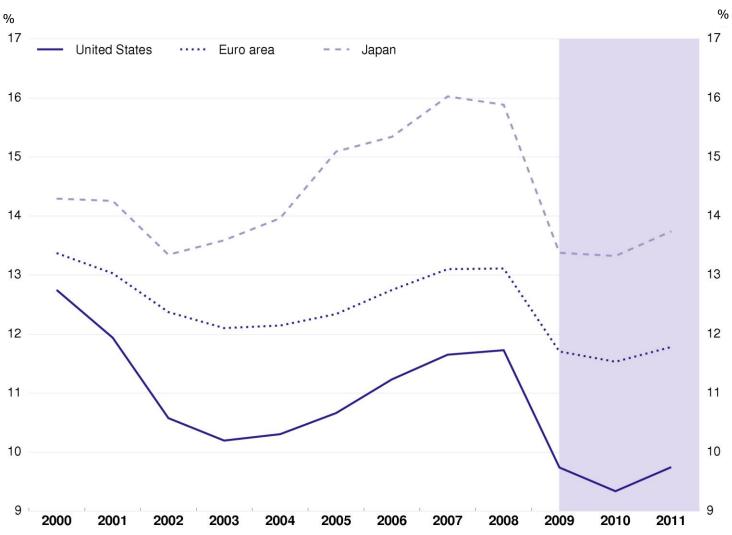
In per cent of disposable income





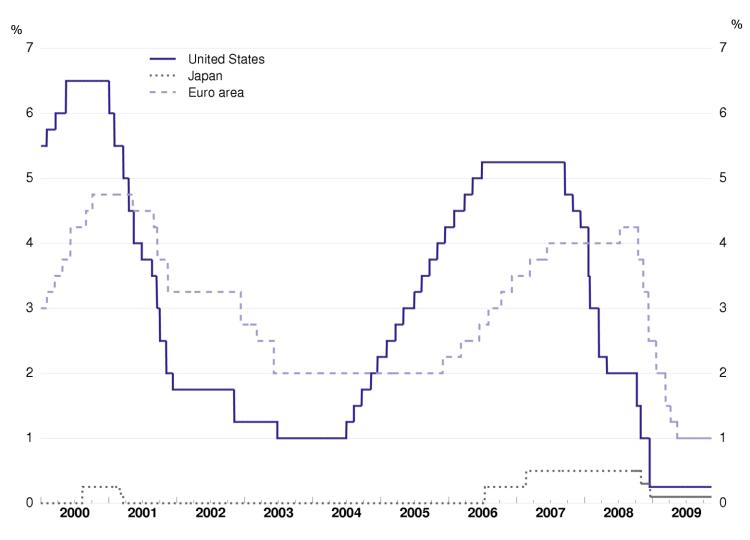
Business investment ratios have dropped to low levels

In per cent of current GDP





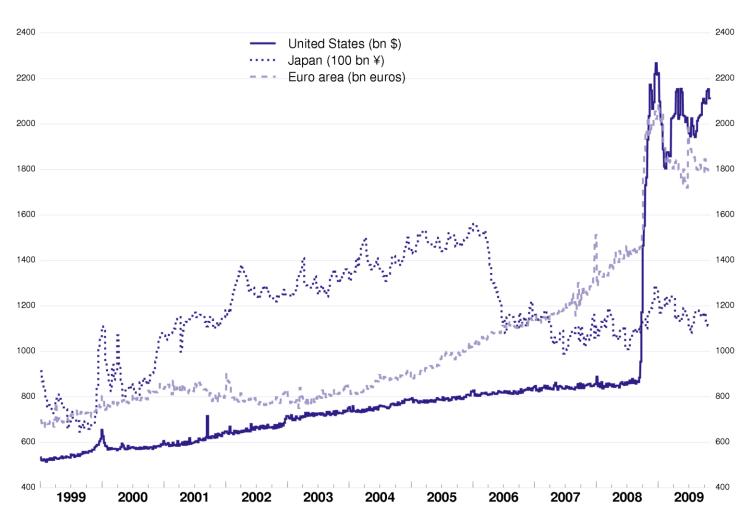
Monetary policy rates have remained at a low level



Source: Federal Reserve, Bank of Japan, European Central Bank.



Central bank balance sheets have expanded strongly in the United States and the euro area

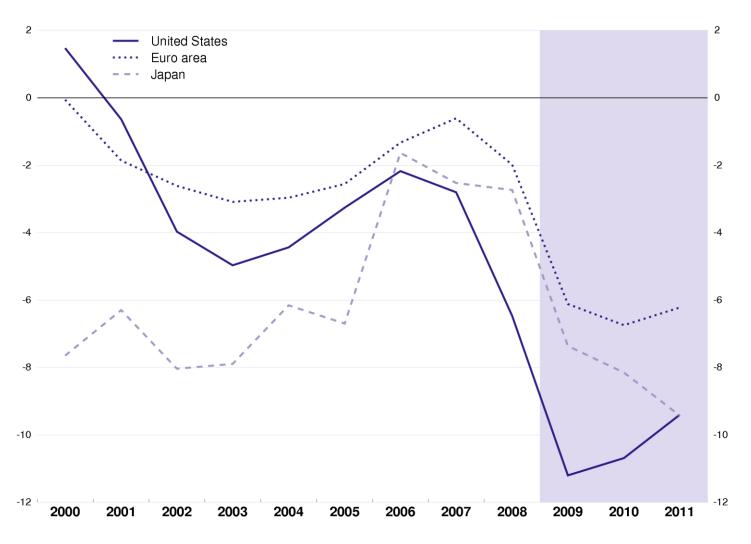


Source: Datastream.



Headline government budget deficits have surged

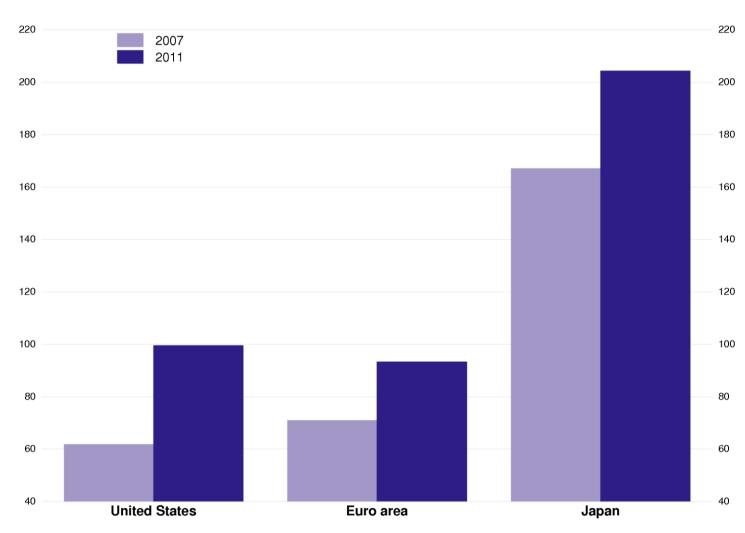
In per cent of nominal GDP





Government debt levels are being pushed to record highs

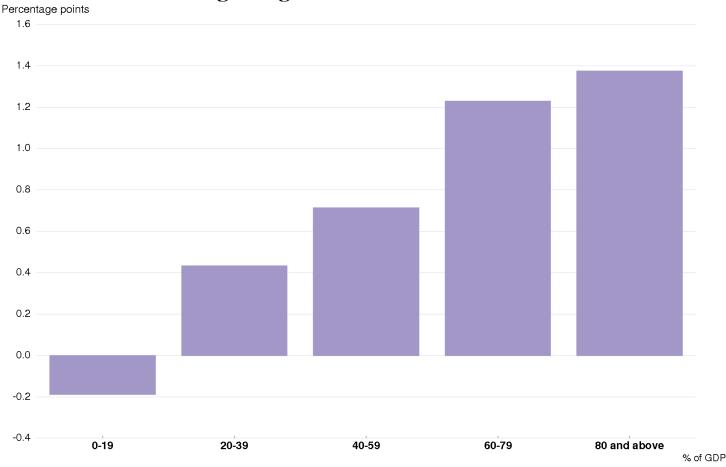
In per cent of nominal GDP





Higher government debt tends to raise long-term interest rates

Spread between long-term and short-term interest rates versus gross government debt in % of GDP

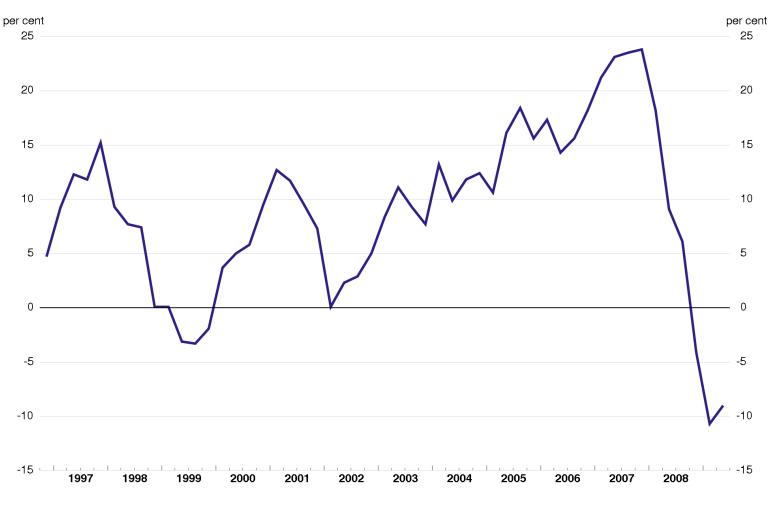


Note: Bars represent average across all OECD countries for which data are available over the period 1994 to 2008. Short-term interest rates are typically rates on 3-month Treasury bills and long-term interest rates those on 10-year government bonds.



Cross-border bank lending is shrinking rapidly

Year-on-year change in cross-border loans by BIS-reporting banks, adjusted for currency movements



Source: BIS.



What is the economic outlook for OECD countries?

Paris, 19th November 2009 11h00 Paris time

Jørgen Elmeskov Acting Head of Economics Department