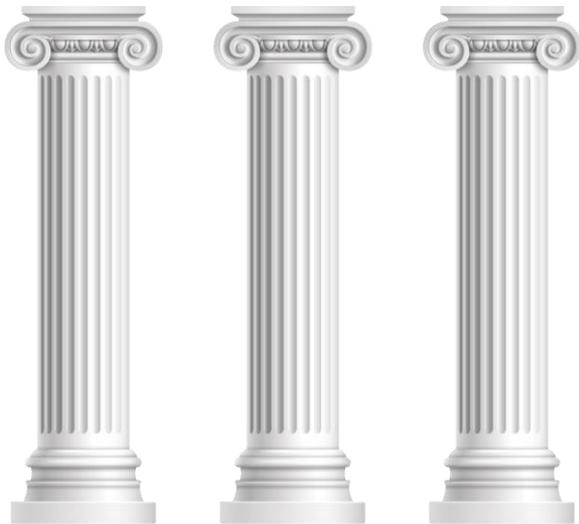


Business & Management



**Economic update
23 May 2018**

The webinar will begin shortly...

Economic Update 2018



Dr Stephen Davies
Head of Education, IEA

Everything going smoothly....

- 2017
- Q1 0.3%
- Q2 0.3%
- Q3 0.4%
- Q4 0.5%
- Total 1.8%

Then

- Whoops!
- 2018 Q1 0.1% (anticipated 0.3%)
- Q2 ????? (we'll know in a couple of days).

So What Happened?

- Hard to tell yet.
- Possible explanations.
- A blip.
- Brexit uncertainty.
- Bad news from some sectors outweighing good news from others.
- Early signal of structural problems in world economy.

Some Observations.

- We may have turned the corner on productivity.
- But that will come with a trade-off.
- Big sectoral differences in PMI surveys.
- Manufacturing growing but more slowly.
- Construction static – after slowing last year.
- Services – recovered from March but below trend.

Observations – Continued.

- Retail in bad shape – or is it?
- Consumers taking a breather?
- A Regional shift? Maybe London is finally priced out?

World Outlook

- Currently looking good (so good news for exporters).
- Eurozone has actually recovered (finally).
- World Bank 3.1% in 2018
- OECD 3.75% in 2018.
- Both anticipate further acceleration in 2019.
- But most growth in developing/less developed economies. Developed still slower than trend.

However...

- “Expect the unexpected” and (sometimes) the anticipated.
- Geopolitics – the Middle East, S. China Sea.
- Italy? Could blow up the Euro this year or next
- Big challenge of energy supply – currently an ‘arms race’ between growth in demand and supply (shale & other ‘unconventional’).
- Price is slowly but steadily rising.

My Guess...

- A good year in 2018 barring a geopolitical disaster, but
- The structural problems are still there.
- Expect rough weather in 2019.

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29 May 12:30pm

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Brexit update

20 June 12:30pm

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Fraud response – legal redress through the civil courts

28 June 12:30pm

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THANK YOU FOR ATTENDING

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