

Global Crisis and the Impact on Emerging Economies

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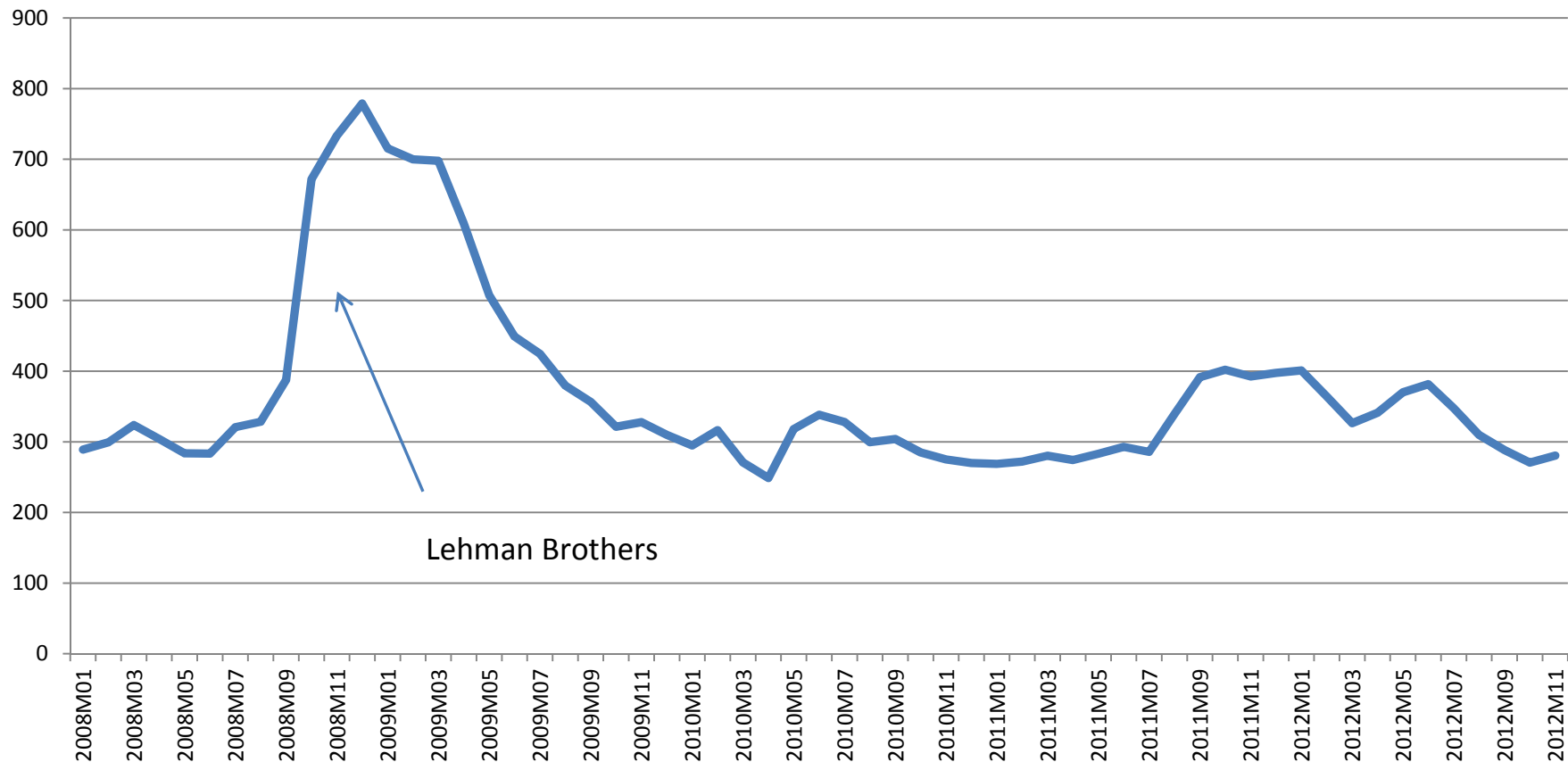
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Financial market jitters have eased → lower borrowing costs for emerging markets

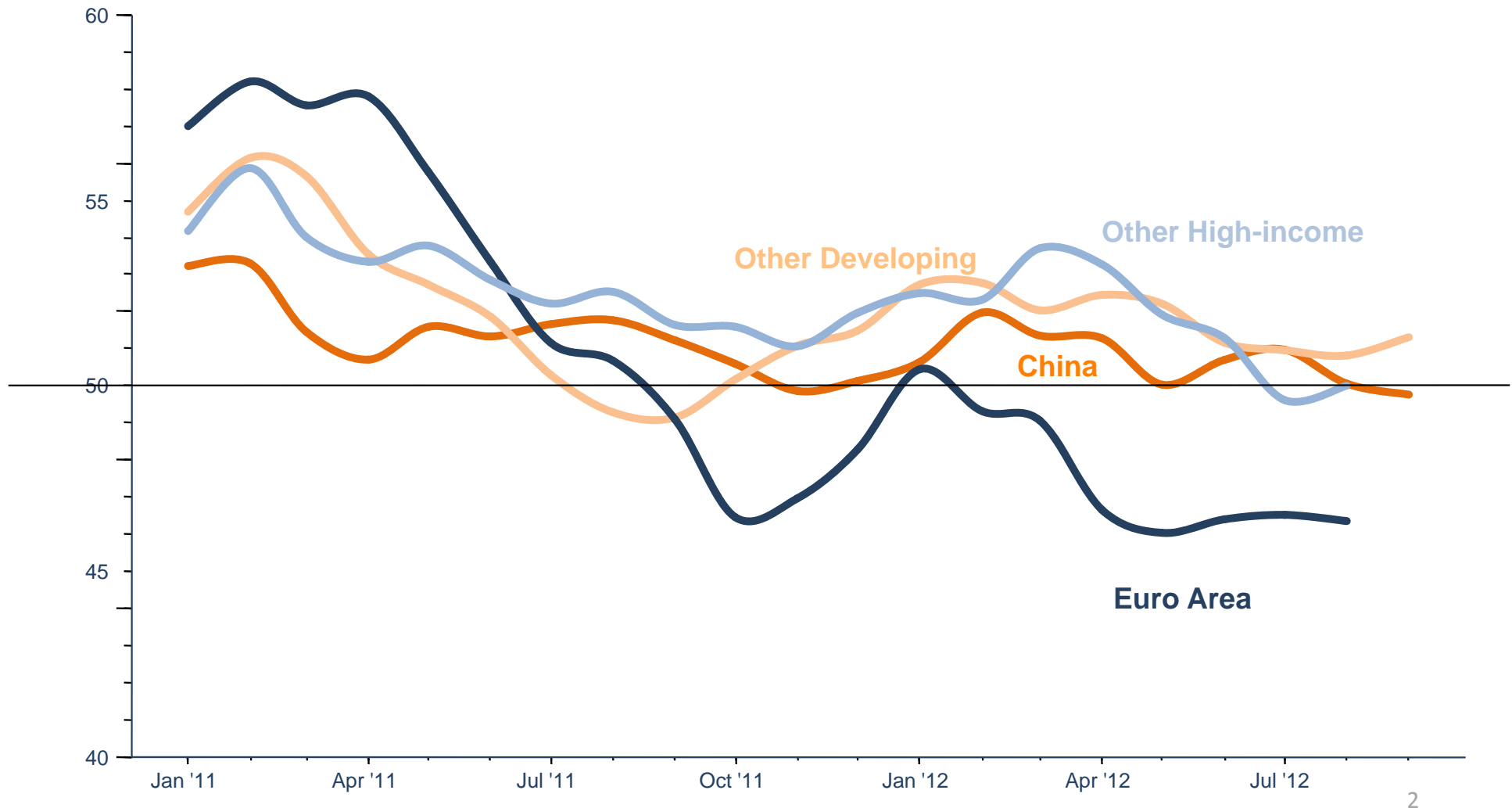
Developing Country Sovereign Bond Spread,
basis points



Source: World Bank Prospects Group, Global Economic Monitor Database.

Purchasing manager's indexes point to continued weak activity (recession in Europe)

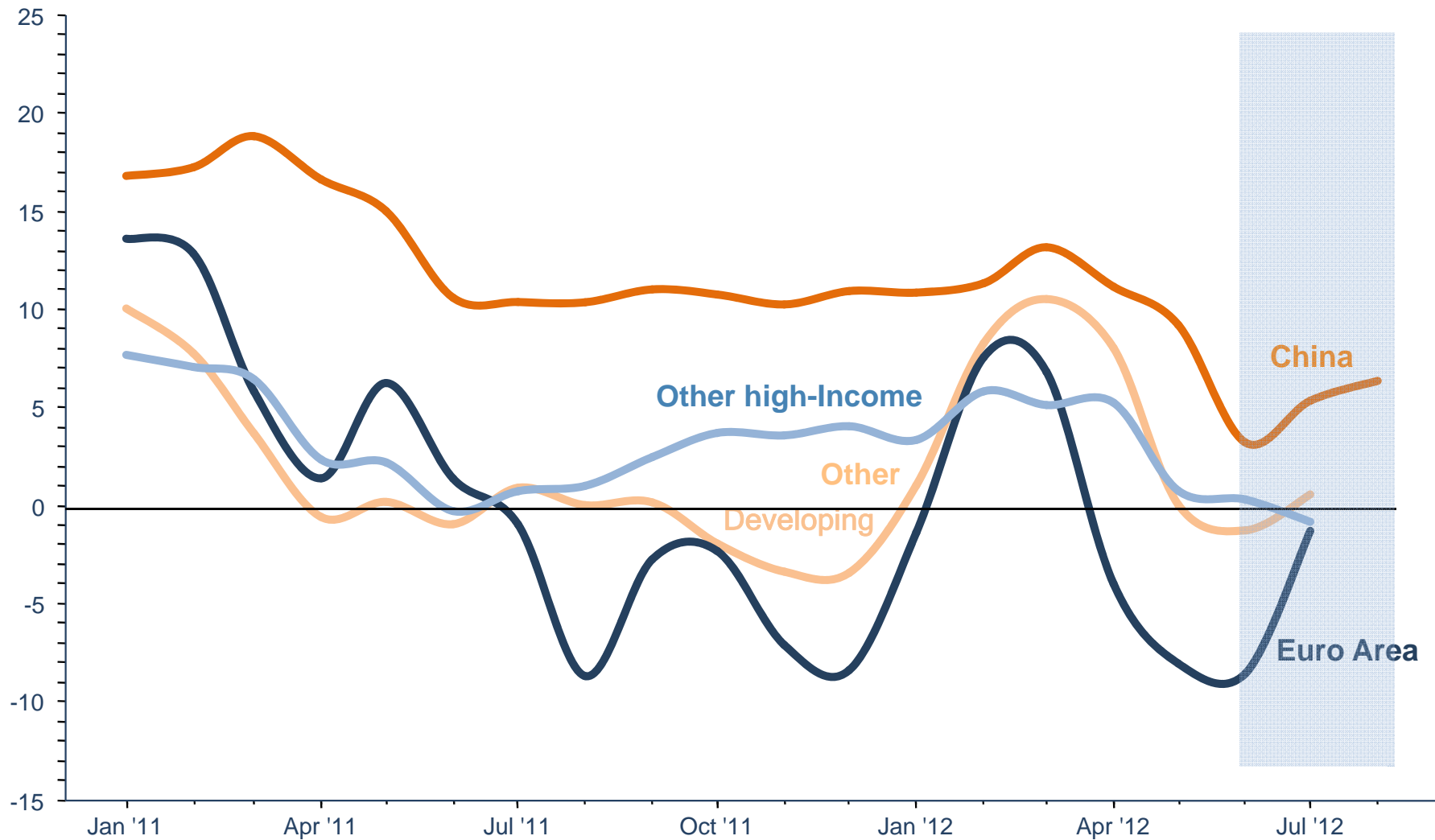
Manufacturing purchasing managers index (PMI), points



Source: World Bank, Markit/Haver Analytics.

There is some (modest) indication of a pick up in economic activity: Industrial production

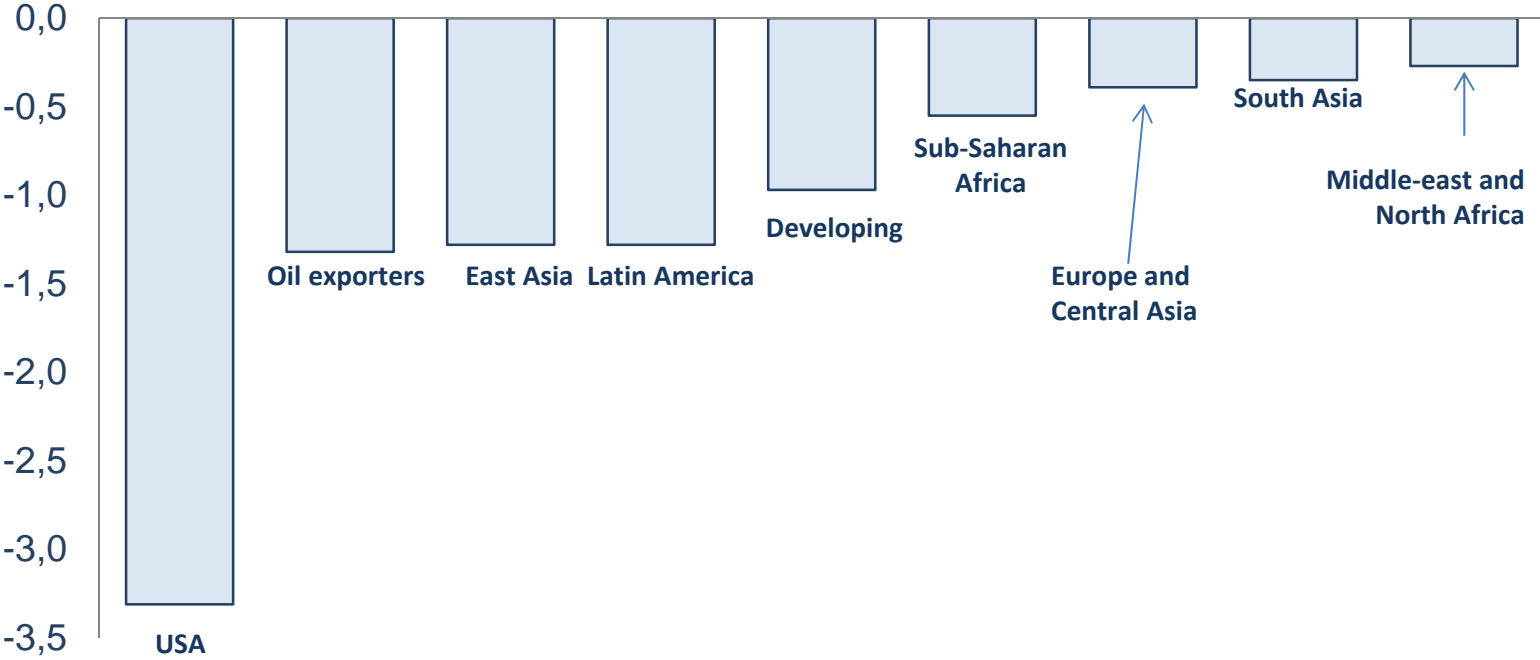
Industrial production, percent growth, 3m/3m saar



Source: World Bank Prospects Group.

Precarious: Developing countries remain vulnerable to US “Fiscal Cliff”

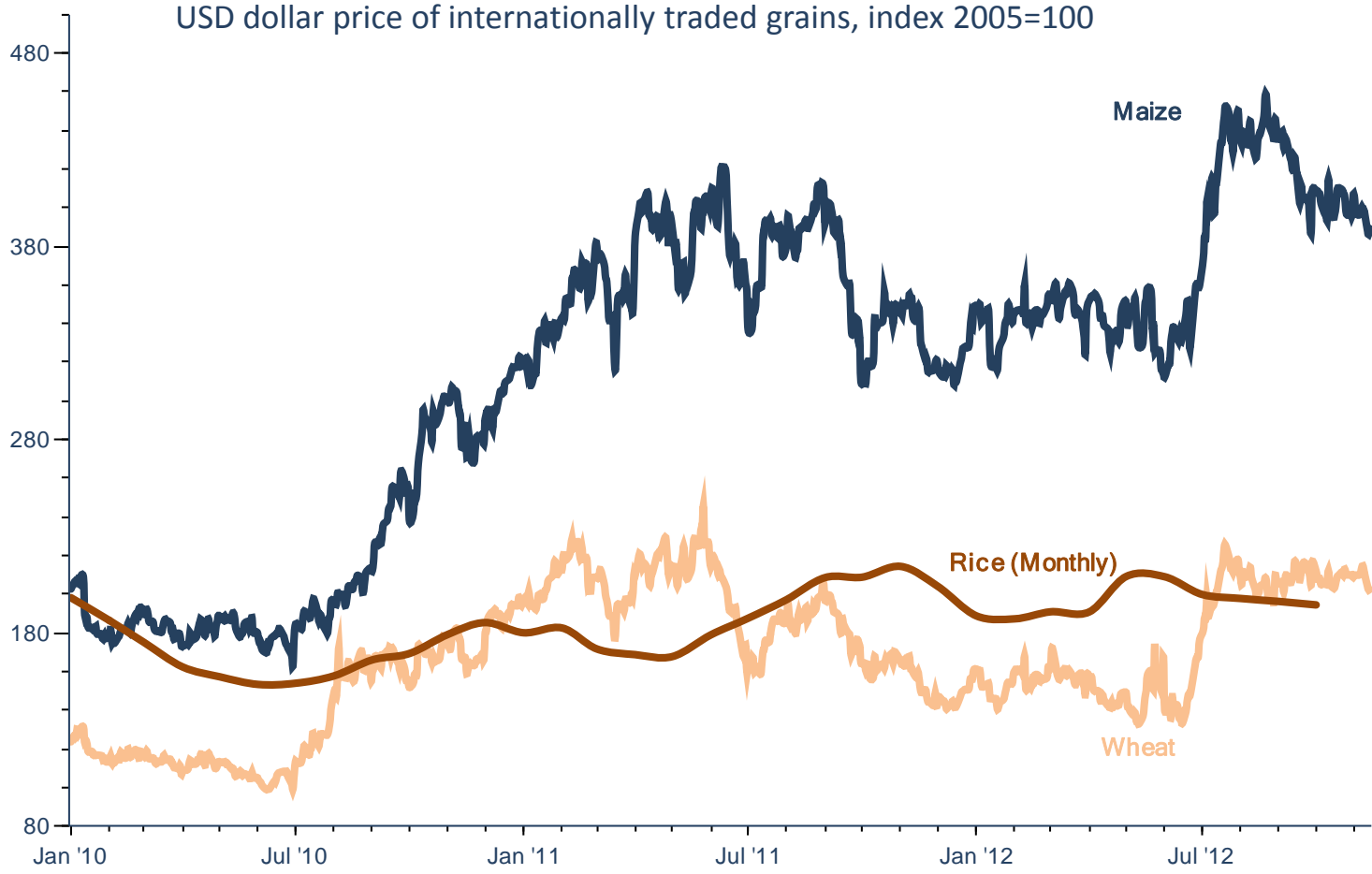
Impact of full US fiscal cliff on selected economies
(percentage point decline in GDP from 2013 baseline projections)



Source : World Bank DEC Prospects

Note: Preliminary estimates subject to revision.

Resurgence of internationally-traded food prices threatens poverty ahead



Source: DEC Prospects Group, World Bank