## OECD ECONOMIC OUTLOOK

#### ISSN 1609-7513, e-ISSN 1609-7408 N. 1, June 2017

#### Consulta en línea desde MEYSS

Editorial: Global Economic Outlook: Better, but not good enough					
Chapter 1. General assessment of the macroeconomic situation					
_	The global economy has improved recently, but policy support is needed				
for a durable and sustainable recovery					
	Imbalances and vulnerabilities remain and wage growth is still modest				
		inclusive growth		48	
Bibliography				58	
Annex A1. Policy an	d othe	r assumptions underlying the p	rojections	61	
Chapter 2. How to make	Chapter 2. How to make trade work for all.				
	Trade, technology and tastes are all changing the structure of economies				
		as strengthened competitive pr			
•		d economies		73	
0 1 0		al trade integration has increas	2		
				79	
0 1		e has accentuated technology-		00	
		gional adjustment to import co		82	
		nology		86	
		resilience		89	
				93	
-				97	
0.1.7		regression results		102	
		employment regression results		104	
	_	sis		106	
Chapter 3. Developmen	ts in in	dividual OECD and selected no	on-member economies	107	
		Czech Republic 142		177	
Australia	111	Denmark 145	Indonesia	181	
Austria	114	Estonia 148	Ireland	184	
Belgium	117	Euro area 151	Israel	187	
Brazil	120	Finland 156	Italy	190	
Canada	124	France 159	Japan	194	
Chile	129	Germany 163	Korea	199	
China	132	Greece 168	Latvia	202	
Colombia	136	Hungary 171	Lithuania	205	
Costa Rica	139	Iceland 174	Luxembourg	208	

Mexico		247			
Netherl	ands 214 Slovak Republic 232 Turkey	250			
New Ze	aland 217 Slovenia 235 United Kingdom	253			
Norway		258			
Poland.					
Portuga	l				
Boxes					
	The usefulness of various cyclical indicators	15			
	Growth projections in the major economies	19			
	Economic impact of asylum seekers in selected countries	25			
	Changes in the composition of employment and unemployment				
1.4.	are affecting average wage growth	30			
15	The widening of TARGET2 imbalances	40			
	The quality of public spending deteriorates during deep and long recessions	53			
	Trade integration has risen	65			
	Main findings	66			
	An accounting framework to assess the contribution of domestic	00			
2.5.	•	71			
2.4	and international factors to structural change	71			
	The gains from trade	80			
2.5.	Trade-related labour market programmes: lessons	04			
	from international experience	94			
Table					
1.1.	Effects of public spending reforms on growth and equity	52			
Figures					
	GDP growth projections for the major economies	12			
	An upturn in investment has helped to boost industrial production growth.	14			
	Strong stimulus spending in China has helped to boost import growth				
2.5.	this year	14			
14	Confidence has strengthened further, but its links with spending are unclear				
1.1.	and policy uncertainty remains elevated	15			
15	Global trade and investment intensity are set to increase	21			
	Contributions to the growth of OECD and non-OECD import volumes	21			
	Weaker supply growth is helping to narrow measured cyclical slack				
2.7.	in the OECD economies.	22			
1.8	Investment intensity is projected to improve in the OECD economies	22			
1.0.	but capital stock growth is set to remain weak	22			
19	Surveys suggest that firms are likely to replace rather than expand capacity	23			
	The global IT cycle points to a possible upturn in high-tech investment	23			
	Underlying employment and participation rates have risen in many countries	24			
		29			
	Wage growth remains weak despite declines in unemployment	32			
	Minimum wage growth is picking up in some countries				
	The impact of labour market slack on wage growth has declined in the OECD	32			
1.15.	Changes in trade and technology are both associated with changes	22			
4.40	in labour shares in advanced economies	33			
1.16.	Inflationary pressures in the OECD and emerging market economies	24			
	are projected to remain modest	34			

	The composition of global current account balances has changed	35
	Decomposition of changes in external balances	37
1.19.	Changes in export performance and import penetration seem not	
	to respond strongly to changes in real effective exchange rates	38
1.20.	The share of negative-yield bonds in total outstanding government bonds	
	remains high	39
	Recent equity price gains have been driven by improved market sentiment	41
1.22.	Volatility has been low but perceptions of risks of large equity price	
	declines have increased in the United States	42
	House prices, residential investment and mortgage debt	43
	Capital and liquidity ratios have improved in emerging market economies	44
1.25.	Outstanding private credit has declined in emerging market economies	
	outside China	45
	Non-performing loans are rising in some emerging market economies	46
	China's linkages with the global economy have increased	47
	US-dollar denominated debt and export revenue	48
1.29.	Interest rates are expected to diverge among the main OECD areas	49
1.30.	Several central banks have become dominant holders of domestic	
	government bonds	50
1.31.	The fiscal stance is expected to ease in many OECD countries	51
1.32.	Many governments have reduced public investment since the crisis	52
1.33.	The pace of structural reforms has declined further	55
1.34.	There is sizeable scope for new packages of labour and product	
	market reforms.	56
1.35.	Low entry barriers in product markets improve the effectiveness	
	of ALMP spending	57
2.1.	Income inequality has risen and manufacturing jobs have declined	64
2.2.	Evolution of jobs in manufacturing and services	68
2.3.	A portion of job losses in the manufacturing sector is related to domestic	
	outsourcing and changes in consumption patterns	70
2.4.	Explaining the decline in the manufacturing employment share	
	in selected OECD countries.	74
2.5.	The comparative advantage of advanced economies has narrowed	75
2.6.	The evolution of goods trade specialisation	76
2.7.	Advanced OECD countries specialise in more complex products	
	than emerging markets.	77
2.8.	Business services trade is growing fast	79
2.9.	Real income gains from trade for the median and lowest income deciles	80
	Productivity gains and openness	81
	Global value chains have expanded markedly since 1990	82
	Labour markets have polarised across occupations	83
	Wage dispersion is correlated with productivity dispersion	84
	Trade has contributed to a lower labour share	85
	Employment in manufacturing is more regionally concentrated	
	than in services	86
2.16.	The decline in manufacturing is associated with lower employment	
	and lower wages	88

2.17.	A decline in manufacturing employment rates is associated with	
	an increase in income inequality across regions	89
2.18.	Correlation between the change in the regional total employment rate	
	and the change in the net inter-regional immigration rate since 2000	90
2.19.	Changes in regional employment in Europe are associated with	
	greater integration in global value chains	92
2.20.	Job security is low is some countries	95
2.21.	Education attainment and participation in training is low in some countries.	96

### OECD ECONOMIC OUTLOOK

ISSN 1609-7513, e-ISSN 1609-7408 Suppl. n. 1, March 2017

Consulta en línea desde MEYSS

# Interim Economic Assessment

Will risks derail the modest recovery? Financial vulnerabilities and policy risks

7 March 2107