



Economic context

World economic situation

According to the IMF, in 2013 the world economy grew by nearly 3%, falling short of initial expectations, which projected growth of 3.5%. Economic performance was disappointing, especially in emerging or developing economies. Growth is expected to accelerate to around 3.7% in 2014, buoyed by more investment and most favourable consumption economic policies in the developed economies and a stabilization of growth in the emerging economies, with China at the forefront.

In 2013 the United States grew by an average of 1.9%, in a year marked by severe budgetary restrictions, including indiscriminate cuts in public spending and the temporary shutdown of some public services. This situation, which had considerable impact in the first quarter of the year, was resolved by the agreement that put an end to the stand-off between Democrats and Republicans. With private demand and investment on the rise, GDP growth can be expected to return to

rates of around 2.5% in 2014, despite the gradual withdrawal of monetary stimuli to the economy by the Federal Reserve.

In spite of the return to positive growth from the second quarter of 2013, the eurozone economy contracted by nearly 0.4%, with forecasts of 0.9% growth in 2014. With European elections on the horizon, the weakness of the employment market, with unemployment at 12%, is an additional factor of political instability that could compromise the hoped-for start of a new cycle of expansion, however moderate.

The prevailing optimism sees 2014 as a year of global recovery and expansion. However, the dependency on the performance of the financial markets, the doubts about the maintenance of the growth of the Chinese economy and the political environment in the eurozone are just some of the risk factors that could affect the rate of growth.