

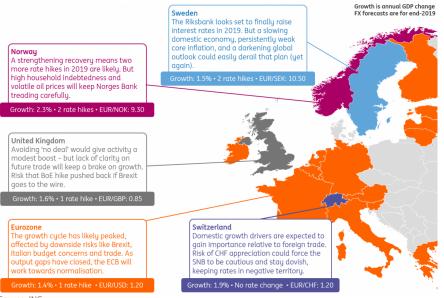
In pictures: ING's 2019 economic outlook

Our 2019 predictions in five charts



Source: Shutterstock

Growth in Europe



Source: ING

The Eurozone in 2019

Germany Hovering between solid domestic fundamentals and increased external uncertainties, the economy enters its 11 th year of expansion. With fiscal stimulus and low interest rates, investment could become the next "big thing". 1.7 _%	Haly The 2019 fiscal push looks set to be dompened by the negative failout of high government bond spread investment set to slow, while the impact of public investment efforts look limited by implementation risk. Private consumption will be partially compensating.	behind us, bu growth is exp to remain ab Eurozone ave	
France Stronger hiring intentions, a lower unemployment rate and lower oil prices should support consumption – although not enough to avoid a growth slowdown. 1.4%	With the labour market tightening further, growth slows down. Yet, growth remains above potential with rising real incomes. 2, 2%	Austria 2.2%	Portugal 1.9% Greece
	Belgium	a.5%	1.9%

Source: ING

Growth in Emerging Europe

Russia Growth to weaken, as VAT hike & higher CPI to constrain consumption, while uncertainty related to budget policy and external risks will limit investment growth.

Poland Economy is already past the peak, with moderating consumption and external demand. Investments should keep growth solid. MPC should maintain stable rates.

Czech Republic Expect growth to stay close to its potential, mainly driven by domestic demand and investment activity.

Hungary GDP growth is expected to decelerate, while output gap remains positive. The main driver remains the domestic demand.

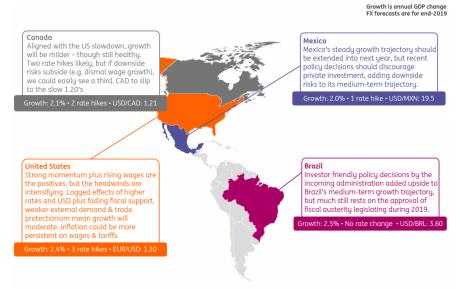
Romania

GDP growth supported by expected strong wages, while stubbornly high inflation will likely force NBR into more tightening.

Turkey Rising inflation in early 2019 & likely pressure on TRY could force CBT to adjust the policy rate. But with the impact of tax cuts & stable TRY, risks are on the downside. Source: ING

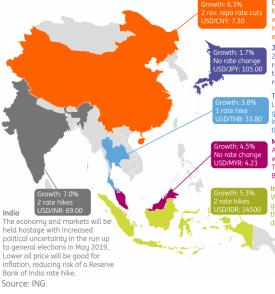


Growth in the Americas



Source: ING

Growth in Asia



China

Key risk will be escalation of the US-China trade war. To offset this, we expect fiscal stimulus via infrastructure projects to increasingly support economic growth.

Japan 2019 looks to begin on a strong note as post-Jebi reconstruction boosts activity. Higher consumption tax may lift inflation but not to the extent of requiring the Bank of Japan to raise rates.

Thailand Lack of stimulus will keep growth below the government's 4% comfort level. Absent any inflation pressure, there will be no reasons for the Bank of Thailand to meaningfully raise rates. Malausia

All depends on where oil is heading. Firmer oil price will be positive for growth as well as public finances. This will keep growth above 4%. Don't expect the Bank Negara Malaysia to change policy at all.

Indonesia With elections around the corner, higher government spending bodes well for growth. Though this could strain external payments by boosting demand, and exert weakening pressure on IDR.

Growth is annual GDP change FX forecasts are for end-2019

Provided to you by the global economics team

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