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What to watch: The return of Donald Trump and the implications of a Republican Sweep scenario

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In summary

- Inflation, GDP and Fed Funds outlook: President Trump's victory at the US elections and the likely full Republican control of the Congress do not change our forecasts for US GDP much, with fiscal loosening likely to broadly offset growth-negative factors. But we now expect inflation to rise to 2.9% and 3.4% in 2025 and 2026. Fed Funds rates are expected to be stuck at 4.0% in 2025 and 4.25% in 2026. However, should Trump push for a full-fledged trade war (our downside scenario), GDP growth would be much lower (+0.7% in 2025 and +1.6% in 2026), while the Fed funds rates would sit at 3.75% by 2026 as inflation would remain elevated.
- Fiscal policy: We expect that President Trump will push through a fiscal package of around 0.5% of GDP by the end of 2025 (net of savings), as well as the full renewal of the Tax Cuts and Jobs Act of 2017 (TCJA, bringing the total fiscal package to 1.6% of GDP). The appetite for a larger fiscal stimulus will likely be limited, given the precarious state of US public finances. Nevertheless, the federal deficit will likely increase above -8% GDP in 2026.
- Trade policy: President Trump is expected to increase US import tariffs as early as Q2 2025 through an executive order, initially raising tariffs to 25% for Chinese imports and to 5% for imports from the rest of the world, excluding Canada, Mexico and critical goods. We estimate USD135bn worth of global exports would be at risk, equal to 4% of the projected global export gains for 2025-26. In a severe scenario, where the US increases tariffs on overall Chinese goods to 60% and on goods from the rest of the world to 10%, the impact would be significantly higher, with total exports at risk surging to USD510bn. The potential cost to global GDP growth could escalate to a reduction of -0.8pp over the course of a year under a full-fledged trade war scenario, meaning almost a third of global growth would be lost.
- Capital markets: Markets reacted swiftly, with the USD appreciating approximately 1.5% against the euro and strengthening against other major currencies like the Japanese yen and Chinese yuan. US government bond yields also rose significantly, driven by higher inflation expectations, while German yields fell, highlighting a transatlantic divergence. Global equity markets opened in the green but closed in the red in outside the US. Nevertheless, the overall market response was more muted than in 2016 as much of the "Trump trade" had already been priced. Looking ahead, we expect US long-term interest rates to remain high, influenced by rising inflation expectations, less monetary easing and persistent fiscal deficits. German yields are likely to stay low due to the ECB's dovish stance and limited bond supply resulting from the German debt brake. We expect a small boost for US risky assets in 2024 as momentum gets some traction, followed by a structural overperformance in the mid run due to reshoring and fiscally advantageous conditions. Despite a slight upward revision in our year-end total return forecast, we foresee continued volatility moving forward.

How inflationary are **Trump's** domestic policies?

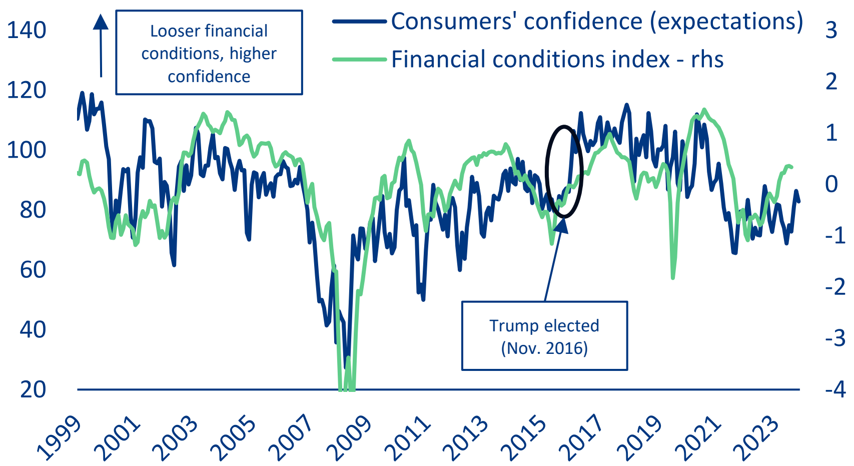
Trump's second term will have a significant impact on US inflation and monetary policy, particularly if the Republicans win full control of Congress (Senate + House). The outlook for the House is still unclear but leans toward a very narrow Republican majority and therefore a Republican sweep. In the US, Congress has authority over much of tax, fiscal, immigration and regulation policies. In case of a Red Sweep – which has yet to be confirmed – the debt ceiling deadline in January will be a non-event as the Republican Congress will likely vote for a lifting of the debt ceiling. Key domestic policy milestones include the end of the 2024-25 fiscal year and the expiration of the TCJA – Trump's 2017 tax cuts – at the end of 2025 if Congress does not renew them. Trump will push for new tax cuts, as he has pledged during the campaign trail, and the full renewal of the TCJA. On monetary policy, Trump has been very vocal, regularly criticizing the Fed's decisions. In this context, the end of Jerome Powell's term in May 2026 and his replacement will be key to watch. On the international front, Trump has delivered harsh rhetoric, pledging to implement large tariff increases, including against Mexico. The update of the USMCA in July 2026 when the US, Mexico and Canada will convene, could modify the trading relationships between the three countries.

Figure 1: Key US political milestones in the next 18 months

Sources: Allianz Research

In the short-term, we expect to see a boost to US growth, driven by positive confidence effects. While many of Trump's policies could prove disruptive, we would expect positive news on growth in the short term to dominate. After Trump's victory in the November 2016 elections, consumer confidence jumped (Figure 2). Also, financial conditions – as measured by our composite index of equity prices, spreads, market interest rates, house prices and credit supply – eased in the months following the election despite the Fed embarking on a (mild) monetary tightening cycle from December 2016. We estimate that positive confidence effects had supported quarterly annualized GDP growth by roughly +0.2pp at the end of 2016 and early 2017. We would expect similar confidence effects to play out in end-2024 and early 2025, supporting strong US growth momentum.

Figure 2: Consumer confidence & financial conditions



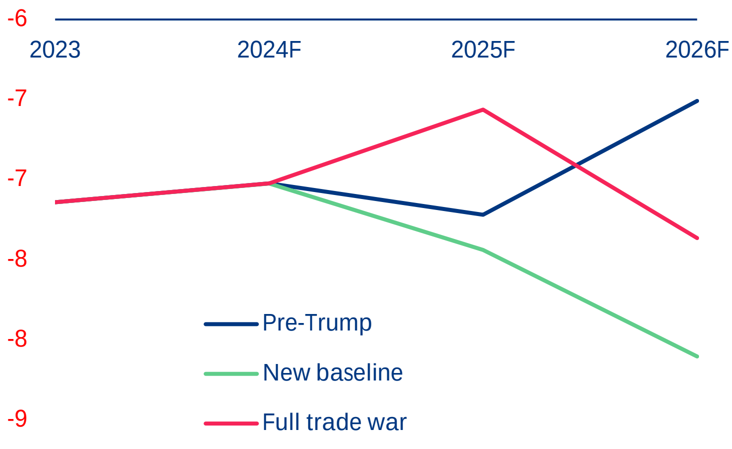
Sources: Conference Board, Allianz Research

Fiscal activism is back… for 2026. Trump has promised new tax cuts for households and corporates during the campaign trail. His major pledges include the exemption of Social Security benefits, tips and overtime pay from income taxes; the deduction of interest expenses on car loans and the lowering of the corporate tax rate to 15% for US manufacturers. In total, the Tax Foundation estimates a cost of USD250bn per year, or 0.9% of GDP. Besides this, Trump will also push for the renewal of the TCJA, with would deprive the US Treasury of 1.4% GDP of savings from 2026. Finally, Trump is also pushing for the full deduction of state and local tax (SALT) from federal income tax (costing 0.2% GDP). On the spending side, Trump has promised to increase spending on defense, homeland security, non-green industrial subsidies and construction/city redevelopment. How will he fund these new tax cuts and spending hikes? Savings and new sources of revenues will likely include discretionary budget cuts, the repealing of Biden's flagship bills such as the Build Back Better plan and the Inflation Reduction Act and new customs receipts thanks to higher tariffs. In practice, though, we doubt that the Republican Congress will agree to repeal most of the provisions of the IRA, given that most of its subsidies and tax cuts overwhelmingly benefit Red States. Several Republican Congress members have already spoken out against the repealing of these subsidies. However, consumer subsidies for EV purchases are likely to be cut back. Large cuts to benefit programs (Medicare, Medicaid, Social Security) are unlikely as it would be a political challenge to cut them while also extending upper-income tax cuts in the TCJA. In all, it is hard to see the numbers add up: tax cut pledges largely overtake potential savings and new sources of revenues for the US government, meaning the US fiscal deficit will likely rise.

Given the precarious state of US public finances and the risk of an adverse bond market reaction, we think the appetite for large debt-funded fiscal expansion will be limited. Nevertheless, we expect Trump to push through a fiscal package by the end of 2025 or in early 2026. Under a Republican Congress, we think that the TCJA will be renewed in full at the end of the 2025, avoiding a "fiscal cliff" in 2026. However, under a Democrat-controlled House, negotiations between Republicans and Democrats over the TCJA will be harsh. Perhaps only around half of the TCJA will be renewed, i.e. the tax cuts for the middle-class, while tax cuts for upper-income households and corporates could be removed. Under a full sweep, Trump could push Congress to pass his fiscal promises. Accounting for increased customs receipts and likely savings measures (albeit limited), we estimate that it would entail a fiscal stimulus (net of savings) of 1% GDP (excluding the renewal of the TCJA). We deem this amount unlikely to be agreed by the Republican Congress, given that US public finances are already very stretched. The risk of a big adverse reaction could intimidate the Republicans into forsaking another big package of deficit-financed tax cuts. Instead, we would see around 0.5% GDP of net fiscal loosening as more likely. In terms of timing, without the filibuster-proof 60-seat majority in the Senate, the Republicans will be forced to rely on the budget reconciliation process to pass their tax and spending changes. In theory, they would have only two reconciliation bills in 2025: one for the current 2025 fiscal year, which ends in September, and one for the following 2026 fiscal year. The TCJA renewal could be passed through the first reconciliation bill, and the tax cuts through the second one.

What does this mean for public finances? Based on our updated macro assumptions – where we add a full-fledged trade "downside" risk – US public finances will be in different shape. Under the "downside" scenario, we would expect the fiscal deficit to be much narrower, thanks to strong customs receipts more than offsetting the negative impact from lower growth (Figure 3). Nevertheless, it would deteriorate in 2026 as the Trump administration will unleash its fiscal stimulus and extend the TCJA. In our new baseline scenario – with a contained trade war – the fiscal deficit would be much higher.

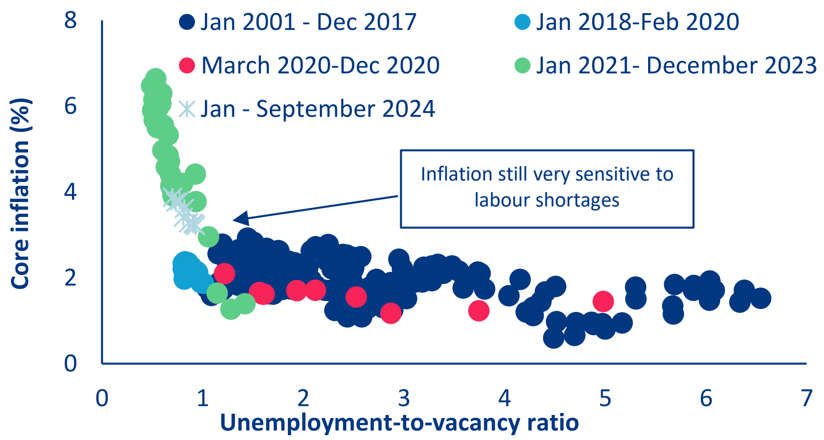
Figure 3: US federal deficit-to-GDP, in %



Sources: Allianz Research

Immigration policy will likely be tightened sharply, contributing to push up inflation. Under a Republican sweep, Trump will probably obtain new funding to carry out deportations of unauthorized immigrants and strengthen border controls further at the Mexico-US border. Legal immigration will also likely be tightened and drop to standstill in 2025-26. In total, we assume 1mn people will be deported (over two years), far less than the 8mn floated by Trump on the campaign trail. Corporates are indeed likely to push back hard against massive deportation, especially in sectors heavily reliant on foreign labour such as construction. Meanwhile, immigration inflows are likely to be cut to below 1mn per year. While typically the impact on immigration on inflation is around neutral, in the current environment of still elevated labor shortages, we would expect tight immigration policy to push up inflation by 0.2pp in 2025 and 0.4pp in 2026 by driving up labor costs (Figure 4). GDP growth would be hit hard, up to -0.4pp in 2026 as the US economy will suffer from lower labor supply and lower demand[1].

Figure 4: Core inflation and unemployment-to-vacancy ratio



Sources: Allianz Research

Trump's attempt to rein in the Fed's independence would also likely lead to higher inflation. With control of the Senate, the Republicans will have the upper hand on picking the next Fed Chair to replace Jerome Powell, as well as over the replacement of FOMC member Alan Krueger in 2026. A pliable Fed Chair would face opposition from

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[1] We estimate that the unemployment-to-vacancy (U/R) ratio to drop by around 1pp, accounting for both increase in vacancy and unemployment because of the hit on GDP. A 1pp rise in the U/R is expected to push up inflation by around +0.4pp under a steep Phillips curve.

the 12-voting member of the FOMC on interest rate policy so we would not expect the Fed's independence to be altered. Nevertheless, we think that Trump's hard rhetoric against the Fed will continue, if not accelerate, during his presidency. Furthermore, we could expect the Fed Chair to be summoned to the White House regularly. That would heighten the *perception* by financial market participants and the private sector that the Fed's decisions could be politically influenced. Recent research has shown that increased Fed Chair/US President interactions contributed to push inflation up significantly in the 1960s and 1970s. In all, we would expect inflation to be somewhat higher (to the tune of +0.2/0.3pp) in 2025-26 as a result of this channel.

In all, we have barely changed our GDP forecasts but pushed up our inflation and Fed rates forecasts. Under our pre-election "policy continuity" baseline, we were expecting US growth at +2% and 2025 and +2.2% in 2026 (Table 1). We were expecting inflation at +2.2% in both years. Under our new baseline with a Trump government and Republican Congress, we now expect inflation at +2.9% and +3.4%. GDP growth would be little affected. We now expect the Fed to stop cutting rates from April 2025, keeping them steady at 4% as it contends with higher inflation.

Table 1: Updated US inflation and GDP growth (annual average, %) & Fed funds rate forecasts (end-year, %)

	Pre-Trump			New baseline			Downside		
	GDP	Inflation	Fed funds	GDP	Inflation	Fed funds	GDP	Inflation	Fed funds
2025	2.0	2.2	3.5	1.9	2.9	4	0.7	2.8	3.75
2026	2.2	2.2	3.5	2.3	3.4	4.25	1.6	3.0	3.75

Sources: Allianz Research

Financial markets: a short-lived confidence boost

Markets responded swiftly to Donald Trump's election win, with the US dollar initially gaining around 1.5% against the euro. The dollar also gained against all other major currencies, in particular the Japanese yen and the Chinese yuan. These sharp currency moves reflected expectations of looser monetary policy outside the US due to anticipated trade restrictions and tariffs, while the Fed is projected to maintain a comparatively more restrictive stance amid inflation concerns and potential economic boosts from Trump's "America First" policies. Shorter-term government bond yields underscored this transatlantic divide, with German two-year rates dropping by 10bps, contrasting with a 7bps rise in US two-year yields. Long-term yields rose by 15bps in the US, surpassing 4.4% on higher inflation expectations (breakeven inflation up 10bps), while German 10-year yields fell by 5bps (mostly due to lower real yields). Over the course of the first trading day, some of these moves were slightly reversed as markets were still unsure about the likelihood of a Red sweep. Overall, the market reaction was more muted than in 2016 when Trump won his first term as half of the "Trump trade" had already been priced in over the past couple of weeks[2].

Going forward we expect long-term rates to stay at current levels, and therefore above our previous baseline. In the US, rising inflation expectations, less monetary easing and no improvement on the fiscal deficit side are all factors pushing yields higher than previously expected. On the other side of the Atlantic however, we see little change from our previous baseline. German rates get initially pulled up by the US yields given the close short-term correlation. However, over the next quarters fundamental factors would prevent German yields from rising: a more dovish reaction function from the ECB in light of below-target inflation as well as little supply due to the German debt brake. In case of a full-fledged trade war, we would initially see higher rates in the US on higher inflation expectations, followed by a somewhat stronger downward move given the slowdown of the economy. As Europe would suffer too on the growth side, and have less inflation pressures, German yields would even drop towards 1.7% by 2026 in that case.

[2] *What to Watch on US elections volatility (link)*

Figure 5: US interest rates, EURUSD and stock markets, normalized (Jan 2024 = 100)

Sources: LSEG Datastream, Allianz Research

Figure 6: Fed and ECB market pricing

Sources: LSEG Datastream, Allianz Research

US risky assets have reacted relatively positively to Trump's victory on hopes of additional pro-business policies and broad-based tax cuts. The anticipation of a more business-friendly regulatory environment, alongside tax cuts that could boost profitability for US companies and demand, have been enough to compensate for any negative ex-ante uncertainty. Key sectors such as energy, financials and industrials have shown strong gains as they stand to benefit directly from deregulation and infrastructure spending plans. While volatility remains, the market's optimistic response reflects higher confidence in policy that favors US economic growth (Figure 7).

Figure 7: Global equity market performance (rebased to 100 in Q2 2024)

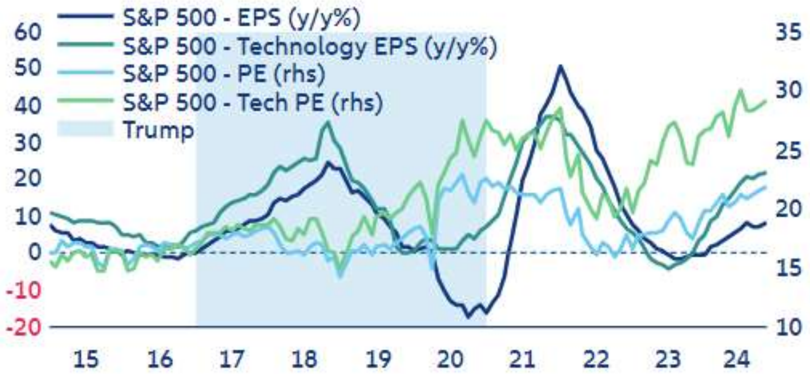
Sources: LSEG Datastream, Allianz Research

On the other side of the Atlantic, the initial optimism had reversed by market close. Investors are pricing in an elevated impact on European corporate balance sheets due to tariff pressures and an intensification of reshoring in the US. However, even if this proves true, initial conditions in the Eurozone continue to look better for risky assets as valuations are not stretched and earnings momentum is picking up. In this context, we continue to expect somewhat high resilience despite economic and political adversities.

Looking ahead, we expect some additional market optimism (vis a vis previous forecasts) towards year-end as the pre-election uncertainty fades. Market participants are likely to incorporate an additional 0.5pp and 1.25pp of earnings growth in their valuation assessments for the upcoming years as lower tax rates take effect (Figure 8). This impact could be exacerbated if corporates decide to completely reshore production, which would lead to an extra 3-5pps earnings boost (though it is close to impossible to reach such an extreme positive impact). In terms of size, mid- and small-sized companies will benefit more from tax cuts as both their revenue exposure and production are more US centric. The combination of higher earnings growth – due to a lower tax burden – and the reignition of the American reshoring trade is likely to lead to an overperformance of companies outside of the magnificent 7 realm, leading to a less concentrated market and to a timid step towards the existing valuation gap.

But we do not expect a repeat of the equity rally seen during Trump's first term. Although a certain degree of immediate market optimism might well be justified, at least from a US-centric perspective, initial economic and market conditions are relevant and should prevent investors from expecting a repetition of the equity rally seen during Trump's 2017-2021 presidency (average annual equity returns above 15% until Covid-19). Firstly, valuations have climbed dramatically, with price-to-earnings (PE) ratios across major indices at historically elevated levels. This leaves limited upside potential as stocks are already priced to reflect substantial growth, which may be difficult to achieve without external catalysts. Moreover, market concentration has intensified, with a handful of tech giants accounting for a large portion of market capitalization, making the broader market vulnerable to swings in these few stocks. Finally, unlike in the late 2010s when the US was in the midst of a mature yet expanding economic cycle, today's economic landscape is slightly more precarious. Thus, while the market surge seen during Trump's first tenure was supported by tax cuts, deregulation and a favorable monetary environment, the current setup is far less conducive to a similar equity market rally.

Figure 8: US EPS and PE ratios



Sources: LSEG Datastream, Allianz Research

We have raised our year-end total return forecast for US equities by 3pps to +16%. However, we do not expect structural changes to our previous forecasts for the rest of the world, with the Eurozone and emerging markets finishing the year at +10% and +7%, respectively, showing the favorable valuations and fundamentals resilience. We do recognize, however, that volatility around those two estimates might prove higher than previously anticipated, given the results of the US elections. The other structural risk to our baseline scenario is that we now expect US markets to structurally outperform the rest of the world starting in 2026. For corporate credit, our adjustments mirror that of equity markets, with US investment grade spreads expected to land at 90bps in 2024, followed by a 10bps decline to 80bps in the long-run starting in 2026. Despite these bullish revisions for US markets, we still see downside potential in US risky assets towards year-end, given current market pricing.

Trade war: contained or full-fledged?

Trump's first term kicked off a strong protectionist stance that is set to continue with his second term. The first Trump administration aimed to address trade imbalances, intellectual property concerns and national security concerns via measures such as the renegotiation of NAFTA, which resulted in the United States-Mexico-Canada Agreement (USMCA), and the trade war with China, with tariffs imposed on around USD370bn worth of Chinese imports, 25% tariffs on steel and 10% on aluminum imports. The result of this strong protectionist stance from the US was a strong deceleration in global trade volumes to 1.6% in 2019, less than half of its long-term historical average. On the campaign trail for the 2024 elections, Trump pledged to implement a 10% across-the-board import tariff rate on all US trading partners (from 2.7% on average currently). In addition, he also pledged to increase the levy against China from close to 13% currently to 60% on all US imports from China. However, given the US's high dependence on Chinese goods, this seems unlikely: close to half of total US imports from China are critical dependencies, primarily in the computers and telecom, electronics, household equipment, textiles and chemicals sectors. Even if Trump has said he will "completely eliminate dependence on China in all critical areas" by "adopting a four-year plan to phase out all Chinese imports of essential goods – everything from electronics to steel to pharmaceuticals", phasing out imports from China is nearly impossible in the short term.

We expect Trump to increase tariffs as soon as Q2 2025 via executive order, but with an incremental approach. The first step will entail raising tariffs by half of what was pledged (i.e. to 25% for China from the current 13% and to 5% for the rest of the world from the current 2.7%, which will still be the highest level since the 1970s). This will probably be a negotiating tactic like last time, aiming at getting a better US deal (e.g. the rest of the world importing more US goods in exchange for lowering the tariffs). We also believe he will exclude all critical goods from the rise in tariffs, which will mean around 10% of total US imports should be exempted. Mexico and Canada are also likely to be spared from the rise in tariffs, but non-tariff barriers will increase (i.e. stricter controls at the US borders). Overall, the impact on US GDP growth is expected to average -0.2pp in 2025, thanks to the stronger dollar offsetting some of the inflationary impact (around +4% appreciation).

What will this mean for the rest of the world? For China, the hit to GDP growth from the hike in tariffs (from close to 13% to 25% on non-critical US imports from China) is likely to amount to -0.1pp in 2025 and -0.3pp in 2026. We believe China will swiftly react domestically by increasing policy support into 2026 (adding +0.2pp), reducing the overall Chinese growth forecast by -0.1pp to 4.6% and 4.2% in 2025 and 2026, respectively. For Europe, we expect the trade losses will amount to USD33bn and be equivalent to -0.1pp of annual real GDP growth. Most probably the ECB cuts would weaken the euro, contributing to lower the tariff impact on exports. The sectors most likely to suffer in Europe include automotive manufacturers, transport equipment and metals – together they account for close to 20% of Europe's exports to the US. Looking at European exports to the US by sectors and focusing on industries whose exports to the US account for more than 2% of their countries' total exports, we find that the pharma sector is particularly exposed, especially in Ireland, Switzerland, Belgium, Denmark and the UK, but we do not expect a trade shock on their products. Machinery & equipment in the UK, Germany and Italy are also quite reliant on the US while the auto and transport equipment sectors are also among the most exposed to the US, in particular in Germany, UK, France and Italy. Lastly, the metals sectors in the UK and Switzerland also have substantial exports to the US. These countries and their domestic sectors would suffer most from tariff increases (Table 2). They are strategic, labor-intensive sectors and are/were pivotal to the economic success of US states that voted strongly for Trump's reelection. The revival of trade war comes in a context of turmoil for the auto industry in Europe and especially in Germany[3] and all three sectors are rated as sensitive risk by Allianz Research. All in all, the contained trade war from the US would cost the global economy around -0.1pp.

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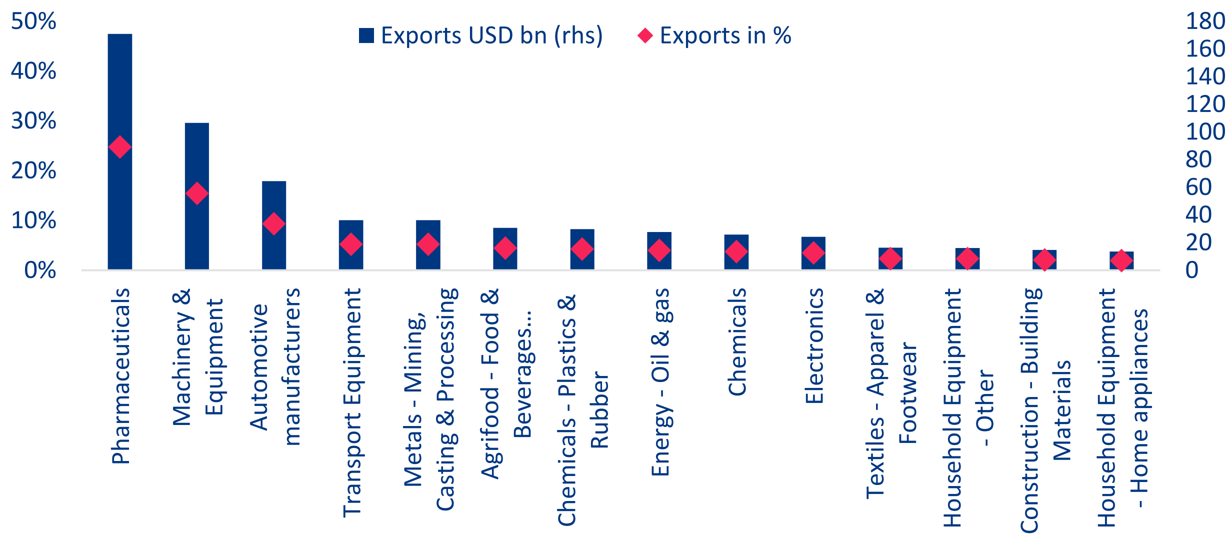
[3] *What to watch | 18 October 2024*

Figure 9: Top 15 Europe export sectors to the US in 2023, % of total exports to the US and in USDbn



Sources: UNCTAD, Allianz Research

Table 2: Top exporting sectors by EU country exposed to the US in 2023, % of total exports to the US and in USDbn (above 5bn and above 2% of total exports)

Country	Sector	Value (USD bn)	Share of country's total exports
Ireland	Pharmaceuticals	32.1	15.1%
Switzerland	Pharmaceuticals	33.0	7.9%
Ireland	Chemicals - Industrial	10.2	4.8%
Belgium	Pharmaceuticals	14.9	3.8%
Denmark	Pharmaceuticals	4.6	3.5%
Ireland	Chemicals - Plastics & Rubber	7.0	3.3%
United Kingdom	Machinery & Equipment - Manufacturing	12.6	2.6%
United Kingdom	Pharmaceuticals	12.2	2.5%
Sweden	Automotive manufacturers	4.2	2.2%
Germany	Machinery & Equipment - Manufacturing	35.9	2.2%
Germany	Pharmaceuticals	34.5	2.1%
Italy	Machinery & Equipment - Manufacturing	13.5	2.1%
Germany	Automotive manufacturers	32.0	2.0%

Sources: UNCTAD, Allianz Research

What is the main downside risk? A full-fledged trade war (US tariffs hiked to 60% against China on all critical and non-critical imported goods and to 10% for the rest of the world, including Mexico and Canada) looks unlikely in our view. Indeed, the economic costs would be significant: up to –1.2pp to US growth coupled with +0.6pp of higher inflation. Given most countries are likely to retaliate, this would cost global GDP growth -0.8pp to 2%, similar to 2008 or 2001. For China specifically, the hit on GDP growth from hikes in tariffs amounts to -0.5pp in 2025 and -1.1pp in 2026. China's textiles sector and the US transport equipment sector would be hit the hardest. China would react swiftly and strongly by adding further policy support such as increased funding for local and central governments, cuts in business taxes and fees, supporting the economy by a cumulative +0.7pp in 2025-26 and bringing the net negative impact on growth down to -0.3pp (to 4.4%) and -0.6pp (to 3.7%) in 2025 and 2026, respectively, compared to the pre-election forecasts. Looking at Europe, the cost of full-fledged trade war would be of at least -0.3pp, bringing GDP growth below 1%. Here as well the ECB will play a crucial role as we believe cuts will be more significant, which would weaken the EUR, contributing to lower the tariff impact.

Table 3: Cumulated 2025-26 global export losses from increased US import tariffs excluding currency impacts

	Pre-election export gains (USDbn)	Global export losses from the Trump contained trade war (USDbn)	Global export losses from the Trump full-fledged trade war (USDbn)
	Moderate protectionist stance with a main focus on China (increase from 13% to 25% on 50% of imports deemed non-critical for the US). RoW remaining at 2.5% on average.*	*Tough protectionist stance from the US with tariffs against China raised to 25% on 50% of imports deemed non-critical for the US and to 5% on the RoW (excl. Canada and Mexico and critical goods**)*	*Very tough protectionist stance from the US with tariffs against China raised to 60% on all goods and to 10% on the RoW (incl. Canada and Mexico)*
2025-26	3100	-135	-510
Share of pre-election global export gains		*4%*	*16%*

**RoW = Rest of the world*

***By critical goods we understand those goods for which the US (1) is a net importer, (2) imports more than 50% from a respective country and (3) for which the respective country has more than 50% global market share. For the US, most of the critical dependencies are in mainly computers and telecom, electronics, household equipment, textiles and chemicals.*

Sources: UNCTAD, Allianz Research

Table 4: Cumulated 2025-26 direct export losses from increased US import tariffs excluding currency impacts, top 30 most impacted countries

	Contained trade war (USDbn)	*Full-fledged trade war (USDbn)*
	2025-26	2025-26
China	-34.2	-125.3
Mexico	0.0	-52.1
Canada	0.0	-39.2
Germany	-8.0	-24.5
Japan	-6.8	-24.3
South Korea	-6.1	-20.3
Netherlands	-5.0	-15.8
Viet Nam	-1.0	-14.8
India	-4.1	-14.2
France	-4.2	-13.4
Ireland	-3.5	-13.3
Thailand	-5.7	-12.5
UK	-2.8	-10.7
Italy	-3.3	-10.5
Malaysia	-4.7	-10.2
Switzerland	-3.4	-9.5
Singapore	-4.7	-9.4
Belgium	-2.6	-8.6
Brazil	-3.5	-8.3
Sweden	-2.4	-7.2
Spain	-2.1	-6.5
Israel	-2.4	-4.9

Denmark	-1.3	-4.8
Colombia	-1.9	-3.9
Chile	-1.9	-3.9
Australia	-1.6	-3.4
South Africa	-1.6	-3.3
Saudi Arabia	-1.3	-3.2
Austria	-1.0	-3.1
Philippines	-1.1	-2.7

Sources: UNCTAD, Allianz Research

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