



Евразийский Банк Развития

# **IX Annual Conference on the Global Economy, HSE “Fragile World Economy: Challenges of Divergent Recoveries” 14/12/2021**

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# Global Trends and the Pandemic

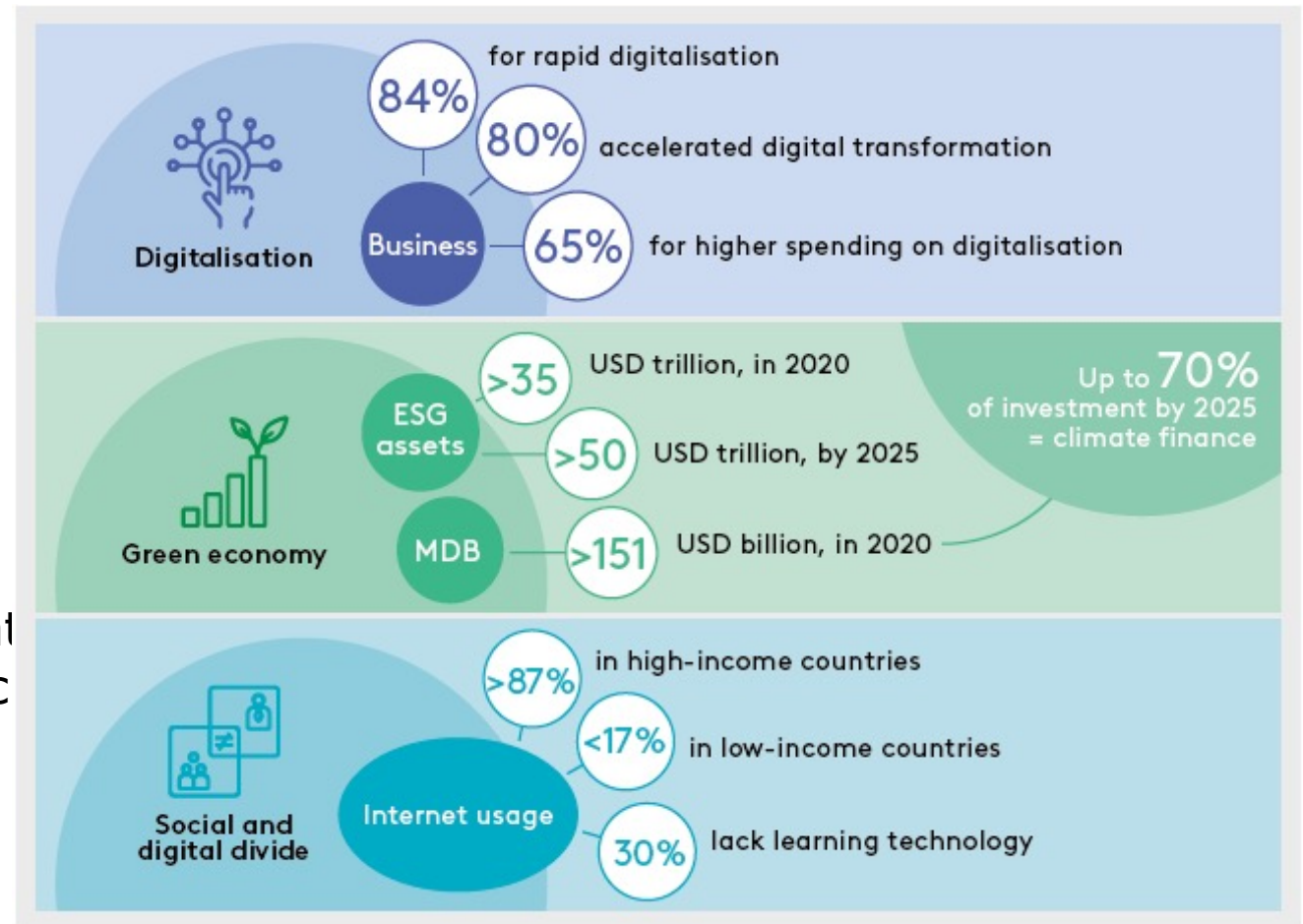
## Global trends

The crisis caused by COVID-19 **has crystallised and magnified** pre-existing **megatrends**

It has also generated:

Growth of **healthcare** spending as % of GDP all over the world

**Global asset inflation** – a global trend that has become a consequence of the pandemic and the stimulus measures



Sources: WEF (2020; 2021), BCG (2020), Bloomberg (2021)

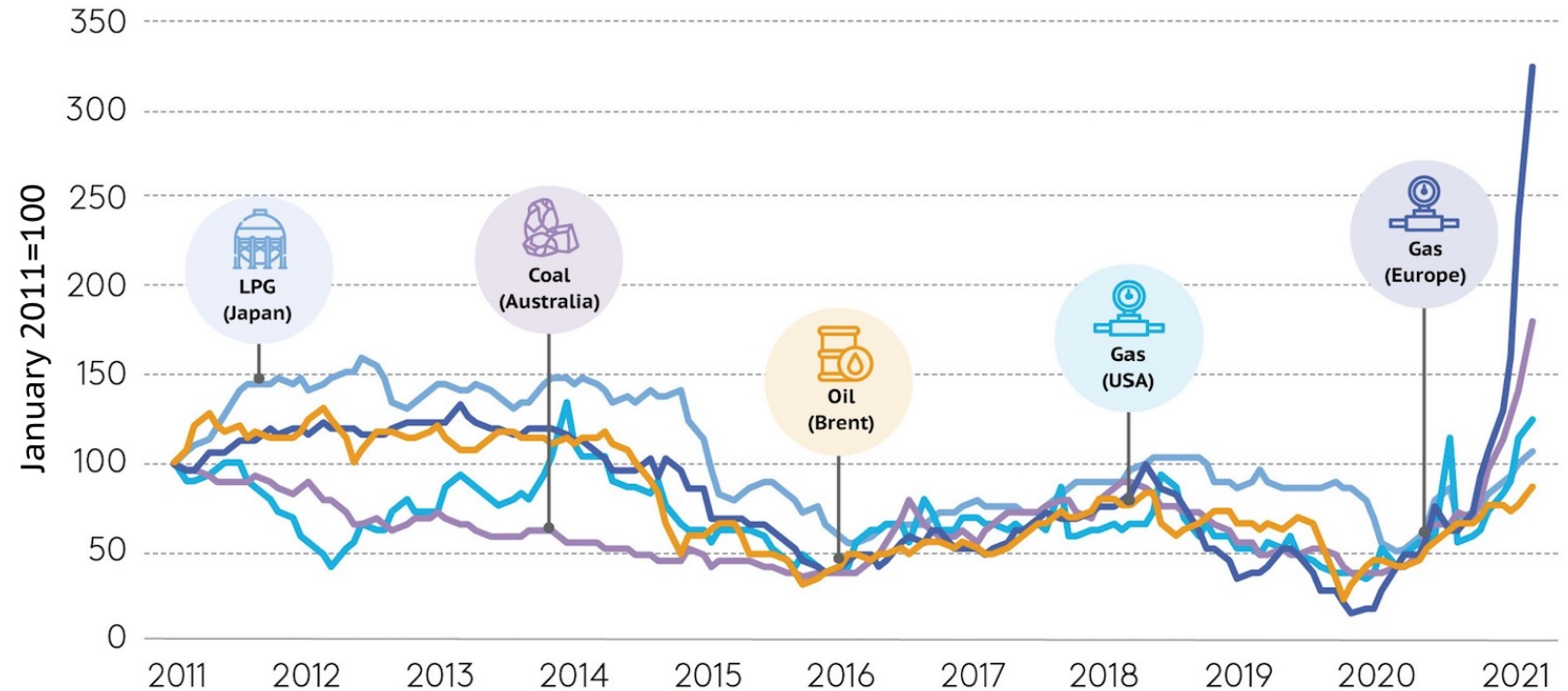
# Global Asset Inflation: Rally in Commodities

Large-scale **fiscal and monetary stimulus** are the root cause of the asset prices rise worldwide

**The peak of energy prices has probably passed (end of October graph).** But price levels may remain high over the next few months.

**Commodity prices could fall to a limited extent in 2022** as the demand growth stabilizes and supply builds up

## Energy prices



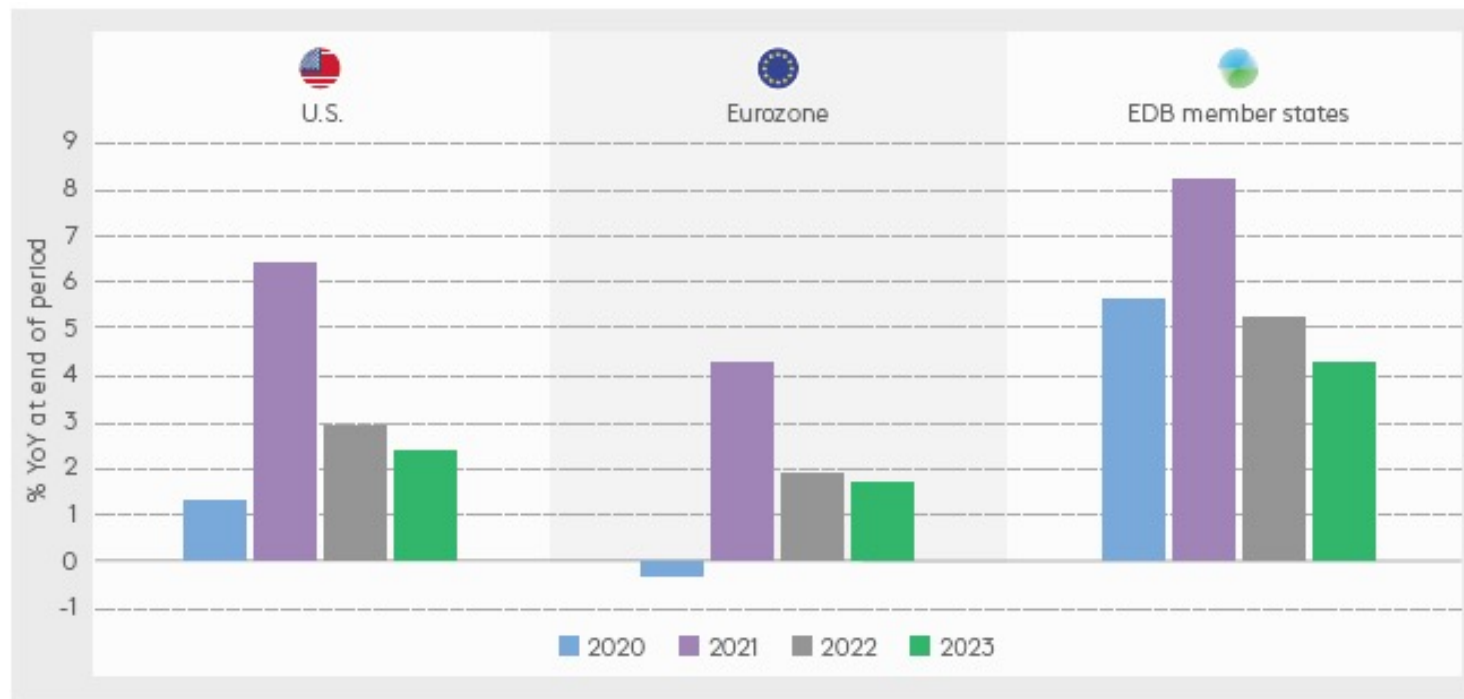
Sources: World bank, calculations by EDB analysts

# 72,5\$/bbl

average **Urals oil price** in 2022

# Global Asset Inflation: COVID-Related Damages

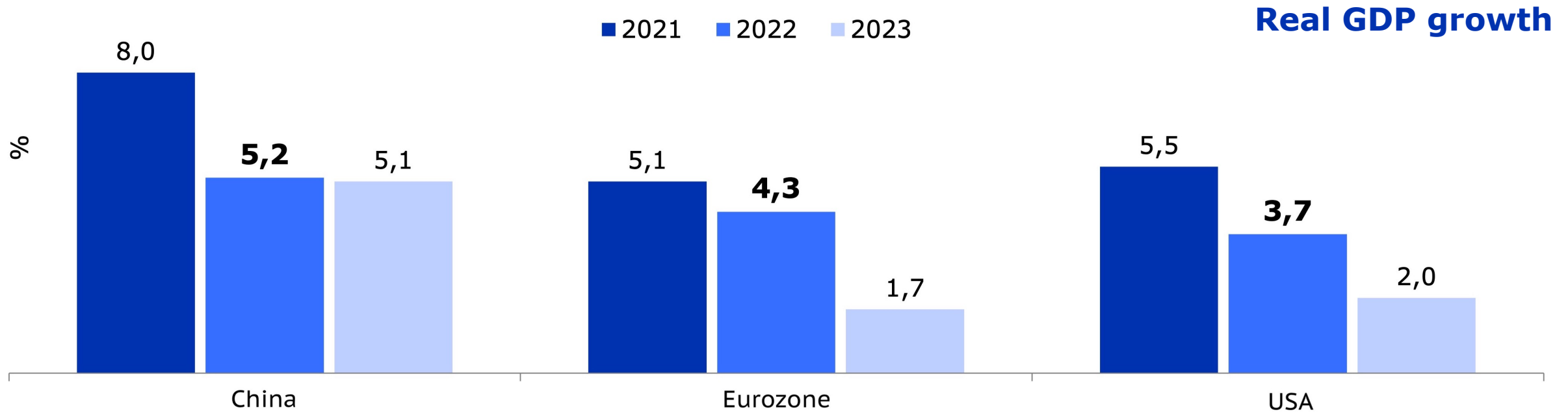
## Inflation forecast (the EDB's baseline scenario)



**Asset inflation, supply chain disruptions, structural changes in the labor market** are the factors of increased inflation

**The latent power of “COVID damages”**, as well as the powerful influence of monetary policy make it possible that the **inflationary impact will take longer** to neutralise than initially anticipated

# The global economy has passed its peak of recovery: global GDP growth will slow down

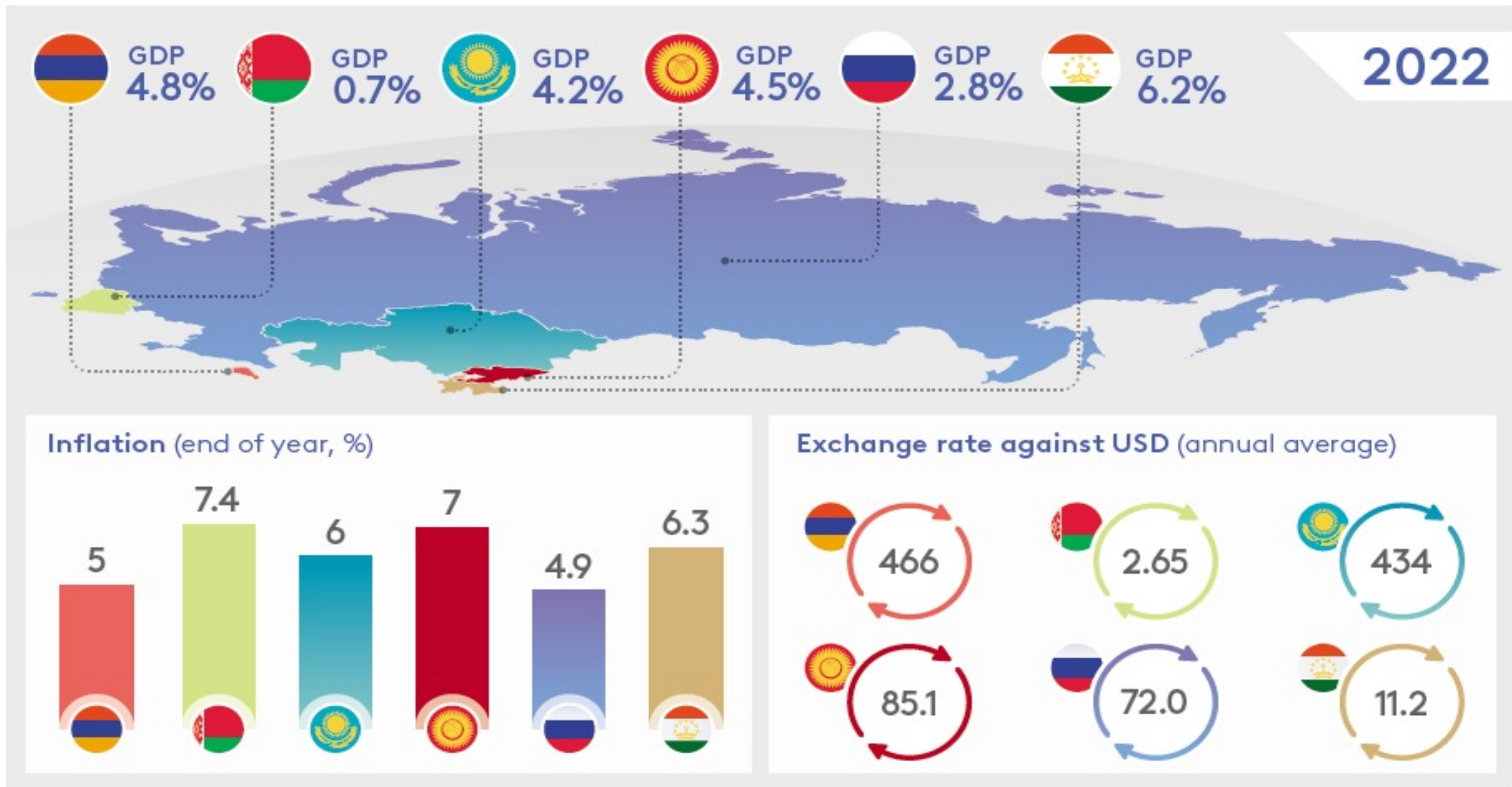


Source: calculations by EDB analysts

**Economic growth in the world will slow down** in 2022-2023 after the end of the active recovery stage

The **impact of coronavirus outbreaks on economic activity dynamics has reduced** but the pandemic remains a source of expenses for the global economy

# Macroeconomic Forecast for EDB Member countries

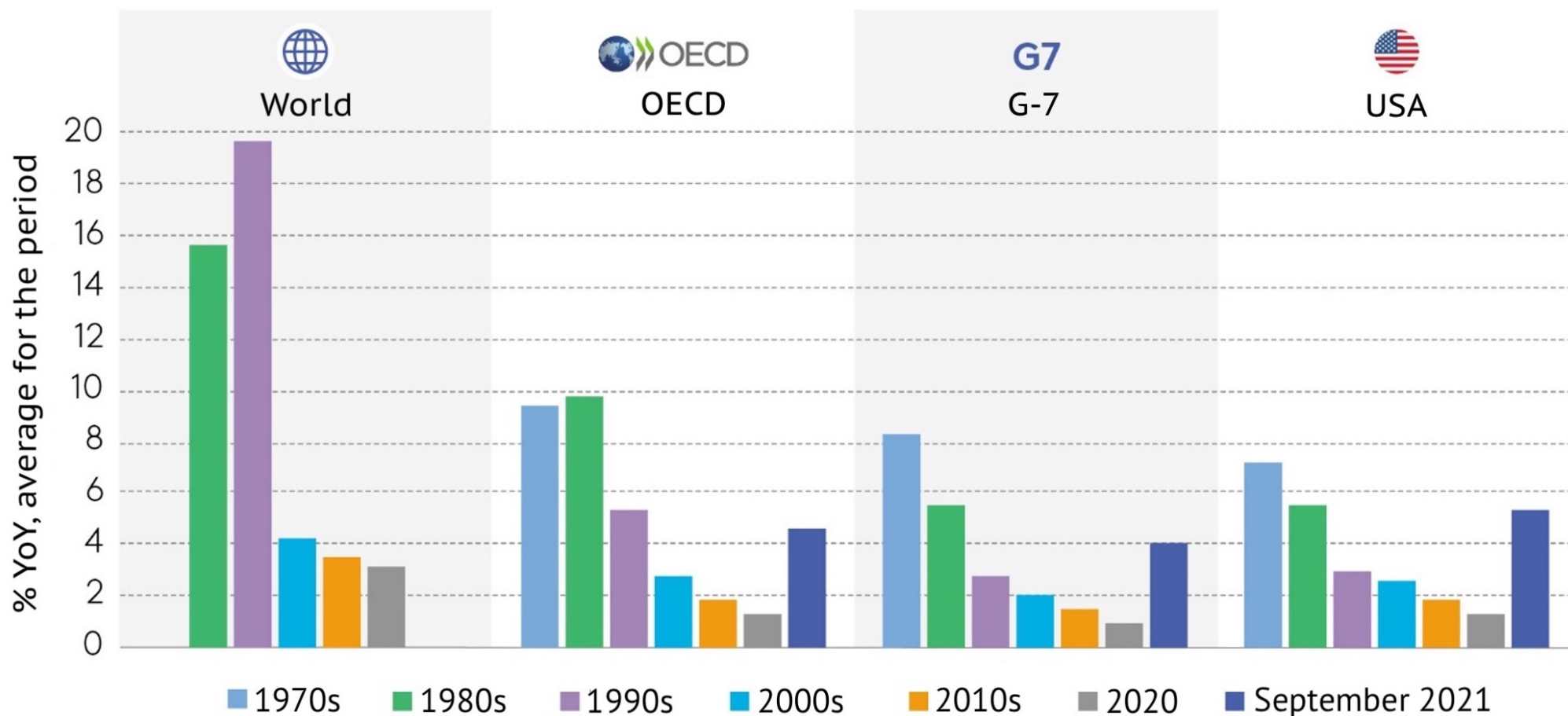




# Stagflationary Risks? Low Non-Zero Probability

## Higher Constant Inflation Rates? High Probability

### Inflation: Five Decades



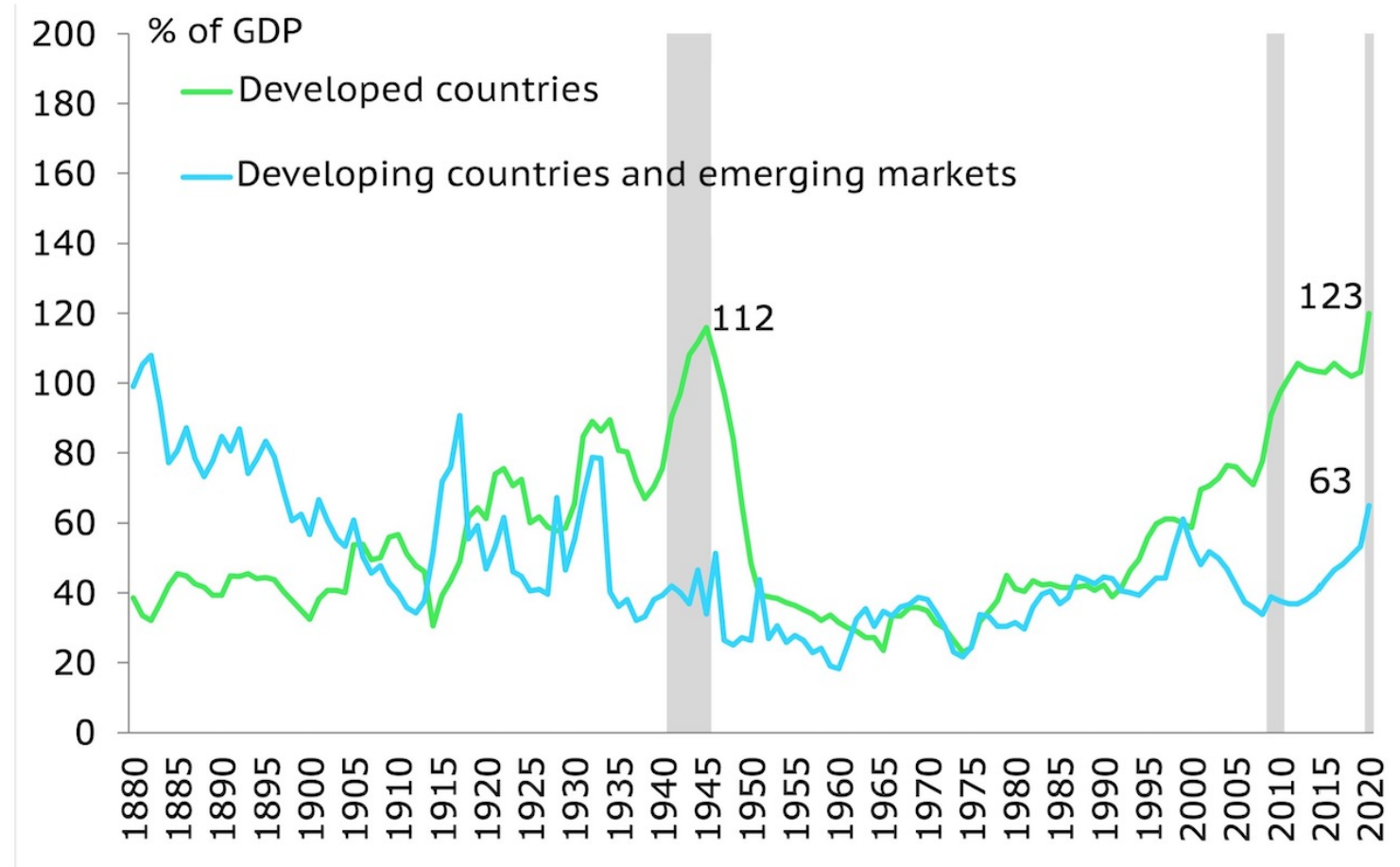
# 2023-2024 Debt Crisis? Who is at risk?

3 countries groups with very different debt structures

Developing countries:  
+9 p.p. in 2020, up to 63% of GDP  
mid-term risks

Developed countries:  
+19 p.p. in 2020, up to 123% of GDP  
long-term risks

## Debt Levels – AEs and EMs



Sources: IMF, EFSD calculations