

## News Release

# G3 growth

## Quarterly GDP for the US, Euro Area & China

Released: 12:00 GMT, 15<sup>th</sup> August, 2016

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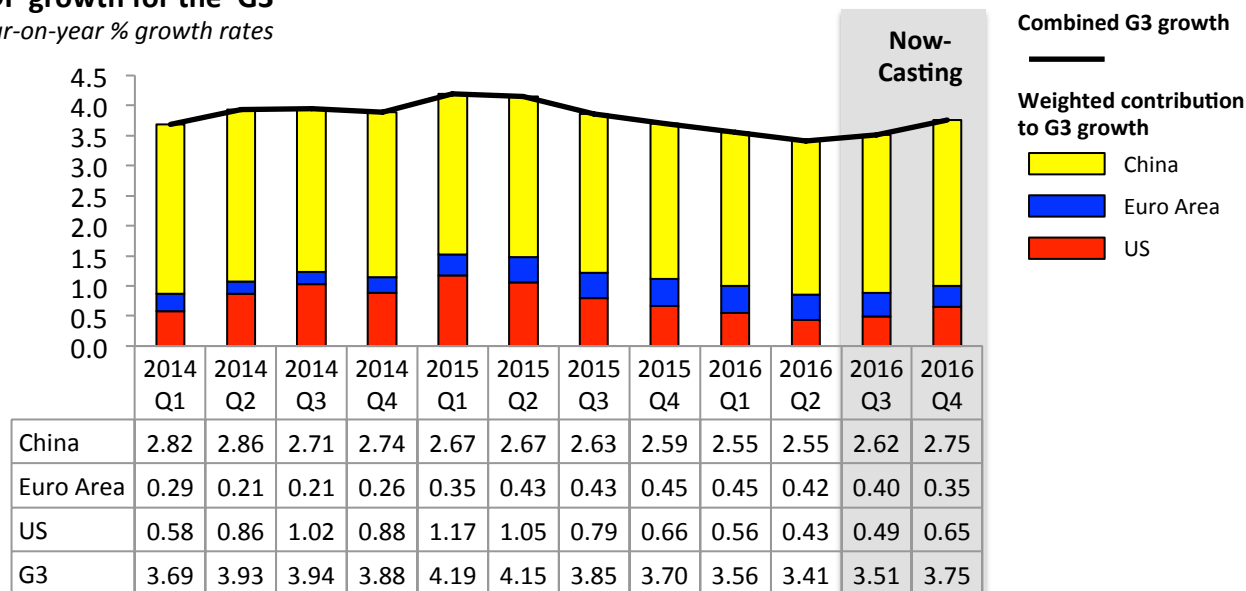
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### US GDP revisions reveal declining G3 growth since Q1 2015; uptick expected in H2 2016

- GDP growth for the G3 – the US, Euro Area and China – is expected to be 3.51% in Q3 and to rise to 3.75% in Q4, in each case with respect to the same quarter in the previous year. However, revisions to past US GDP data now reveal that G3 growth has been slowing steadily since Q1 2015. The US and Chinese economies have been slowing in tandem over this period, while the Euro Area has experienced sluggish but stable growth.
- The prospects for an uptick in G3 growth are driven by signs of improvement in both the US and China, which would offset a modest slowdown in Europe.

### GDP growth for the 'G3'

Year-on-year % growth rates



### Changes since last month

Year-on-year % growth rates

		2016 Q3	2016 Q4
<b>G3</b>	Last month's prediction	3.79	4.09
	This month's prediction	3.51	3.75
	Change on month	<b>-0.28</b>	<b>-0.34</b>
<b>US</b>	Last month's prediction	1.98	2.43
	This month's prediction	1.40	1.85
	Change on month	<b>-0.58</b>	<b>-0.58</b>
<b>Euro Area</b>	Last month's prediction	1.75	1.80
	This month's prediction	1.49	1.31
	Change on month	<b>-0.26</b>	<b>-0.49</b>
<b>China</b>	Last month's prediction	6.90	7.23
	This month's prediction	6.89	7.23
	Change on month	<b>-0.01</b>	<b>-0.01</b>

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## Quarterly GDP for the US, Euro Area & China

### GDP growth for the G3 - the US, Euro Area, and China

year-on-year % growth rates

		2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	Full year 2015	Full year 2016
<b>Growth rates</b>																
US		2.66	1.65	2.45	2.90	2.49	3.32	2.98	2.24	1.88	1.58	1.23	1.40	1.85	2.60	1.51
Euro Area		0.58	1.07	0.77	0.79	0.98	1.33	1.61	1.63	1.68	1.68	1.58	1.49	1.31	1.56	1.51
China		7.70	7.40	7.50	7.10	7.20	7.00	7.00	6.90	6.80	6.70	6.70	6.89	7.23	6.93	6.88
<b>Contribution to G3 growth rate</b>	<i>weights (%)</i>															
US	35.26	0.94	0.58	0.86	1.02	0.88	1.17	1.05	0.79	0.66	0.56	0.43	0.49	0.65	0.92	0.53
Euro Area	26.63	0.15	0.29	0.21	0.21	0.26	0.35	0.43	0.43	0.45	0.45	0.42	0.40	0.35	0.42	0.40
China	38.10	2.93	2.82	2.86	2.71	2.74	2.67	2.67	2.63	2.59	2.55	2.55	2.62	2.75	2.64	2.62
<b>G3 growth rate</b>	100.00	4.03	3.69	3.93	3.94	3.88	4.19	4.15	3.85	3.70	3.56	3.41	3.51	3.75	3.97	3.56

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#### Notes

**Release dates** In January, April, July and October, G3 GDP estimates are published on the same day as the official publication of GDP growth in China; in all other months they are published on the 15<sup>th</sup> of each month or the first working day thereafter.

**Growth rates** All quarterly growth rates mentioned in this release are calculated on a year-on-year basis: comparing the reference quarter with the same quarter in the previous year

**Weights** The US, Euro Area and China are weighted by their share of G3 total GDP in 2014, according to the IMF World Economic Outlook April 2016 database, using current international dollars, at purchasing power parity

**Sources** The US Bureau of Economic Analysis; Eurostat; National Bureau of Statistics of China; IMF World Economic Outlook database; Now-Casting Economics Limited

**Now-Casting model** All forecasts in this release are from the Now-Casting statistical model, which is designed to capture commonalities among macroeconomic data while filtering out idiosyncratic noise. The model produces estimates of the real economic conditions in different countries in real time, taking into account non-synchronous data sampled at mixed frequency. Forecasts are produced automatically, without judgment or other intervention. The deep parameters of Now-Casting model are re-estimated at the beginning of every year

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