

## **The Impacts of Trade Policies, Volatility in Equity Market and Interest Rates on Global & Regional Economic Growths**

In its recent report, the World Bank has the following predictions for the Global and the regional economies. *The global growth is expected to slow to 2.9 percent in 2019. International trade and investment are moderating, trade tensions remain elevated, and financing conditions are tightening. Amid recent episodes of financial stress, growth in emerging market and developing economies has lost momentum and is projected to stall at 4.2 percent this year, with a weaker-than-expected rebound in commodity exporters accompanied by deceleration in commodity importers. Downside risks have become more acute. Financial market pressures and trade tensions could escalate, denting global activity. Growth in **Western Europe and Central Asian** region is projected to slow as Euro Area growth slows. Growth in the eastern part of the region is anticipated to slow as large economies including Russia, Kazakhstan, and Ukraine decelerate. **East Asia and Pacific** remains one of the world's fastest-growing developing regions. Regional growth is expected to moderate to 6 percent in 2019, assuming broadly stable commodity prices, a moderation in global demand and trade, and a gradual tightening of global financial conditions. Some large **Emerging Market and Developing Economies (EMDEs)** have experienced financial market pressures. The recovery in EMDE activity has stalled, with growth expected at 4.2 percent in 2019—much weaker than previous projections. The cyclical upswing in regions with many commodity exporters has lost momentum, partly reflecting a substantial slowdown in some large economies, and is projected to plateau over the next couple of years. Growth in regions with large numbers of commodity importers was solid but has decelerated. For all regions, risks to the outlook are increasingly tilted to the downside. Growth among oil exporters is expected to pick up slightly this year, as GCC countries as a group accelerate to a 2.6 percent rate from 2 percent in 2018. Iran is forecast to contract by 3.6 percent in 2019 as sanctions bite. For **Latin America and the Caribbean region**, growth is projected to advance to a 1.7 percent pace this year, supported mainly by a pickup in private consumption. Brazil is forecast to expand 2.2 percent, assuming fiscal reforms are quickly put in place, and that a recovery of consumption and investment will outweigh cutbacks to government spending. In Mexico, policy uncertainty and the prospect of still subdued investment is expected to keep growth at a moderate 2 percent, despite the fall in trade-related uncertainty following the announcement of the U.S.-Mexico-Canada Agreement. Argentina is forecast to contract by 1.7 percent as deep fiscal consolidation leads to a loss of employment and reduced consumption and investment.*

Current market volatility in **U.S and Global Equity Markets** has impacted everything from currencies to commodity prices and financial assets which were recently taken to be sensible investments have become vulnerable. Tech firm stocks have taken a major hit with increased privacy concerns and the possibility of regulatory oversight, causing a further slump in major indexes. Against the backdrop of monetary policies in the United States that have raised interest rates, the potential for a macroeconomic shock would likely increase from continued trade tensions, poor governance, and a rise in capital costs and could contribute to slower growth and greater market fragmentation. At the same time, the rise of new development banks, fiscal councils, sovereign wealth funds, and artificial intelligence within the Internet of things can generate a new waves of growth in the global economy.

The Global Academy of Business and Economic Research is organizing its seventeenth international conference in Orlando on 1-3 May 2019 at the Sheraton Lake Buena Vista Resort. *The conference will examine these challenges and opportunities.* Academics, Ph.D candidates, post-graduate students, and practitioners are invited to submit full-length papers, research-in-progress papers, abstracts, case studies, or proposals for presentation in regular and special sessions at the conference.

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