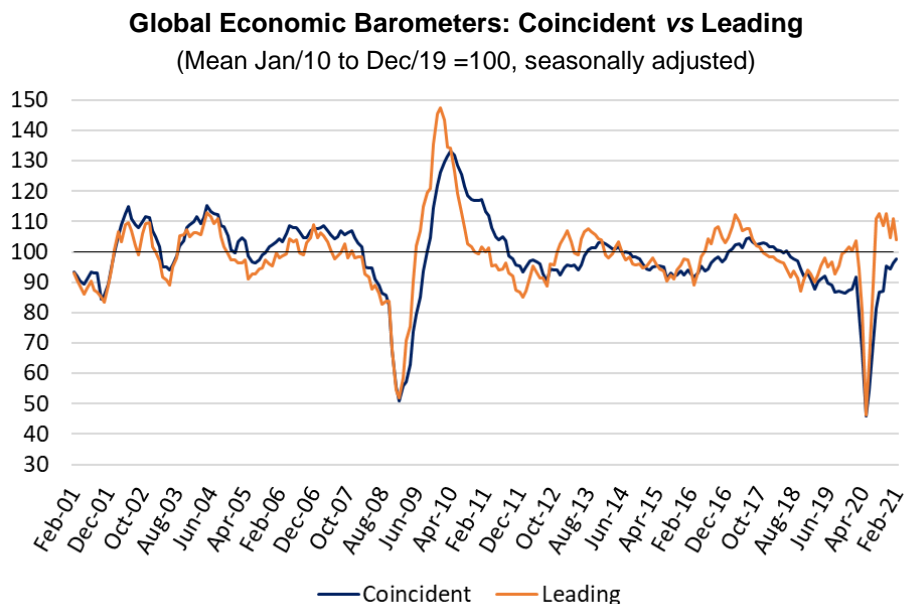


Press Release

Rio de Janeiro and Zurich, 10th February 2021, 10 am (local time) – 2 pm (CET).

The race between the pandemic and immunization programmes

The February Global Economic Barometer results reflect the uncertainty of the rate of recovery of global economic activity in the first half of 2021 and the noticeable heterogeneity between the regions. The Coincident Barometer increases with less intensity than in the previous month, while the Leading Barometer is moving towards the approximately neutral level.



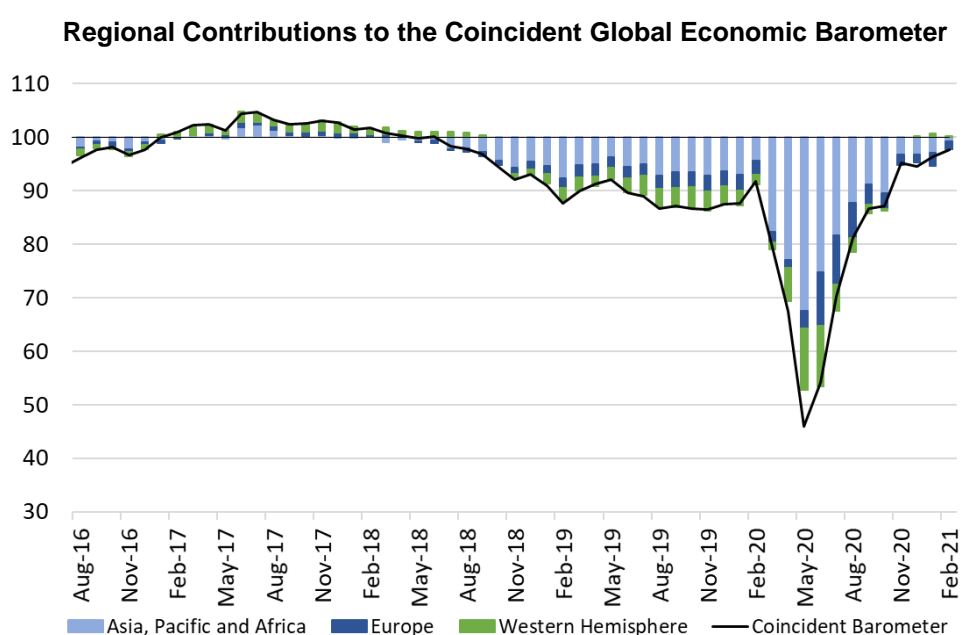
Source: KOF ETH Zurich and FGV IBRE

The Coincident Global Barometer increases by 1.3 points in February, from 96.3 to 97.6 points. The Leading Global Barometer falls 6.9 points, to 104.1 points. On the Coincident time frame, only the *Asia, Pacific and Africa* region developed favourably, while *Europe and the Western Hemisphere* contribute negatively to the result. For the Leading Barometer, the *Western Hemisphere* moves in the opposite direction to the other regions with a slight positive contribution to the aggregated result.

“Despite the positive result from the *Asia, Pacific and Africa* region, in the other regions, the advance of the pandemic resulted in stricter social isolation conditions and, consequently, a slower pace in their contributions to the Coincident Barometer. In terms of the sectors, the short-term positive variations result from the low base of comparison, while Industry, which had been recovering at greater intensity, returned to recording a net negative variation. All the sectors and regions, with the exception of the Western Hemisphere, contribute negatively to the Leading Barometer, demonstrating the challenges to meeting planned immunization targets in the coming months”, evaluates Paulo Picchetti, researcher of FGV IBRE.

Coincident Barometer – regions and sectors

The *Asia, Pacific, and Africa* region contributes 2.1 points to the rise in the Coincident Barometer in February, while the *Western Hemisphere* and *Europe* contribute with -0.5 and -0.3 points negatively, respectively. The difficulties encountered in the immunization campaigns occurring alongside the arrival of even more infectious variants of COVID-19 may have influenced the poor result of the latter two regions. The graph below illustrates the contribution of each region to the deviation of the Coincident Barometer from the historical average of 100 points.



Source: KOF ETH Zurich and FGV IBRE

Coincident Regional Barometers				
<i>Period</i>	<i>Asia, Pacific and Africa</i>	<i>Europe</i>	<i>Western Hemisphere</i>	<i>Coincident Barometer</i>
Feb-20	92.7	91.0	92.4	91.8
Mar-20	71.2	92.9	94.6	79.4
Apr-20	64.5	84.3	74.6	67.5
May-20	45.4	51.8	52.9	46.0
Jun-20	58.1	56.0	53.9	54.2
Jul-20	70.1	68.9	80.3	70.2
Aug-20	81.2	82.2	89.5	81.3
Sep-20	85.2	86.3	93.5	86.6
Oct-20	84.3	91.3	98.4	87.1
Nov-20	96.2	93.1	100.1	95.2
Dec-20	95.8	88.9	100.9	94.5
Jan-21	97.1	93.1	103.0	96.3
Feb-21	98.2	91.7	101.1	97.6
Cumulative Var. Mar/20-Feb/21	5.5	0.8	8.7	5.8

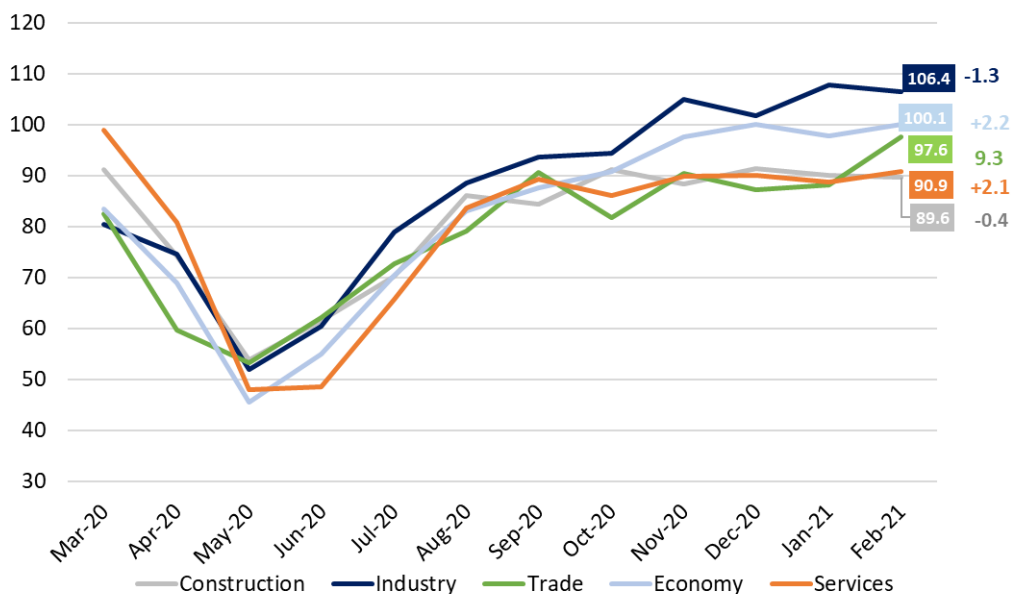
Source: KOF ETH Zurich and FGV IBRE

Regional Contributions to Changes in the Coincident Barometer				
Period	Contributions per Regions			Monthly Variation
	Asia, Pacific and Africa	Europe	Western Hemisphere	Coincident Barometer
Mar-20	-13.3	0.4	0.5	-12.4
Apr-20	-5.2	-1.8	-4.9	-11.9
May-20	-9.5	-6.8	-5.3	-21.5
Cum. Contrib. Mar/20-May/20	-28.0	-8.2	-9.7	-45.8
Jun-20	7.2	0.9	0.3	8.2
Jul-20	6.9	2.6	6.4	16.0
Aug-20	6.0	2.8	2.3	11.1
Sep-20	3.5	0.9	1.0	5.3
Oct-20	-1.7	1.0	1.2	0.5
Nov-20	7.2	0.4	0.4	8.1
Dec-20	0.0	-0.9	0.2	-0.7
Jan-21	0.4	0.9	0.5	1.8
Feb-21	2.1	-0.2	-0.5	1.3
Cum. Contrib. Jun/20-Feb/21	31.6	8.4	11.8	51.6
Cum. Contrib. Mar/20-Feb/21	3.6	0.2	2.1	5.8

Source: KOF ETH Zurich and FGV IBRE

Among the five sectors, *Retail and Wholesale Trade*, *Services*, and the set of variables reflecting the *aggregated development of economies (Overall Economic Development)* contribute positively to the result, whereas the remaining sectors move in the opposite direction. The strongest positive contribution comes from *Retail and Wholesale Trade* and the strongest negative contribution from *Industry*.

Coincident Global Barometers - Sectors

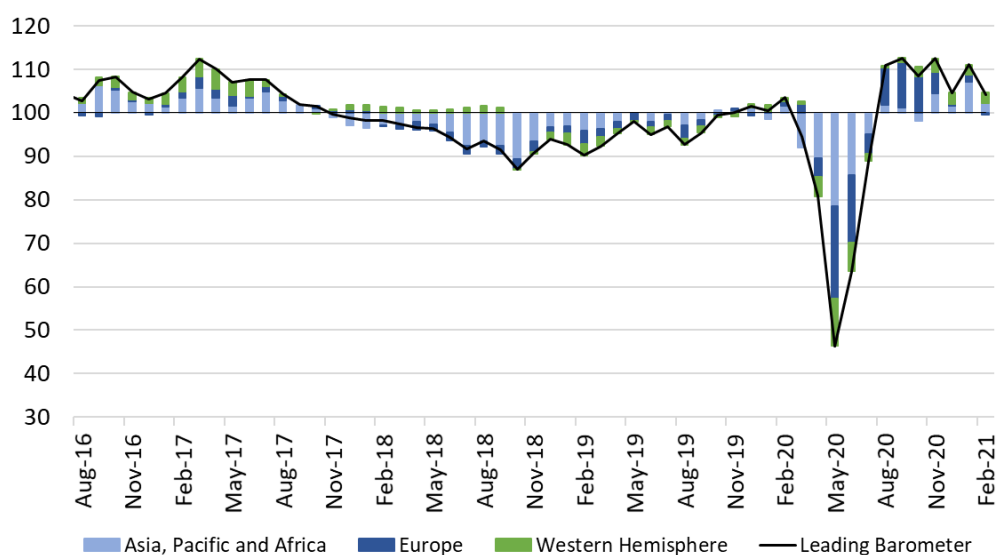


Source: KOF ETH Zurich and FGV IBRE

Leading Barometer – regions and sectors

The Leading Global Barometer leads the world economic growth rate cycle by three to six months on average. In February, the *Asia, Pacific, and Africa* region is responsible for 70% of the decrease in the aggregate indicator, whilst *Europe* contributes negatively 2.2 points, or 32%. The results reflect the uncertainties as to each country's rate of recovery in the face of the challenge of global immunization and control of the pandemic. The *Western Hemisphere* contributes in the opposite direction to the other regions, but now with a slightly positive result for this month.

Regional Contributions to the Leading Global Economic Barometer



Source: KOF ETH Zurich and FGV IBRE

Leading Regional Barometers				
Period	Asia, Pacific and Africa	Europe	Western Hemisphere	Leading Barometer
Feb-20	102.4	105.4	103.4	103.5
Mar-20	86.5	109.4	102.5	94.5
Apr-20	82.6	80.2	82.6	80.8
May-20	64.4	1.4	57.3	46.4
Jun-20	76.4	28.0	73.4	63.5
Jun-20	91.8	79.1	93.6	88.9
Aug-20	102.9	139.9	101.9	110.8
Sep-20	101.8	148.9	103.6	112.6
Oct-20	96.7	139.0	108.4	108.5
Nov-20	107.2	122.4	112.9	112.5
Dec-20	102.3	102.8	109.9	104.5
Jan-21	111.4	107.9	109.3	111.0
Feb-21	103.6	97.6	109.5	104.1
Cumulative Var. Mar/20-Feb/21	1.2	-7.8	6.2	0.6

Source: KOF ETH Zurich and FGV IBRE

Regional Contributions to Changes in the Leading Barometer				
Period	Contributions per Regions			Monthly Variation
	Asia, Pacific and Africa	Europe	Western Hemisphere	Leading Barometer
Mar-20	-9.6	0.9	-0.2	-9.0
Apr-20	-2.4	-6.3	-5.0	-13.7
May-20	-11.0	-17.0	-6.4	-34.4
Cum. Contrib. Mar/20-May/20	-23.0	-22.4	-11.6	-57.1
Jun-20	7.2	5.8	4.1	17.1
Jul-20	9.4	11.0	5.1	25.4
Aug-20	6.7	13.0	2.1	21.9
Sep-20	-0.6	2.0	0.4	1.8
Oct-20	-3.1	-2.1	1.2	-4.1
Nov-20	6.4	-3.6	1.1	4.0
Dec-20	-3.0	-4.2	-0.7	-8.0
Jan-21	5.6	1.0	-0.2	6.5
Feb-21	-4.8	-2.2	0.1	-6.9
Cum. Contrib. Jun/20-Feb/21	23.8	20.7	13.2	57.7
Cum. Contrib. Mar/20-Feb/21	0.8	-1.7	1.6	0.6

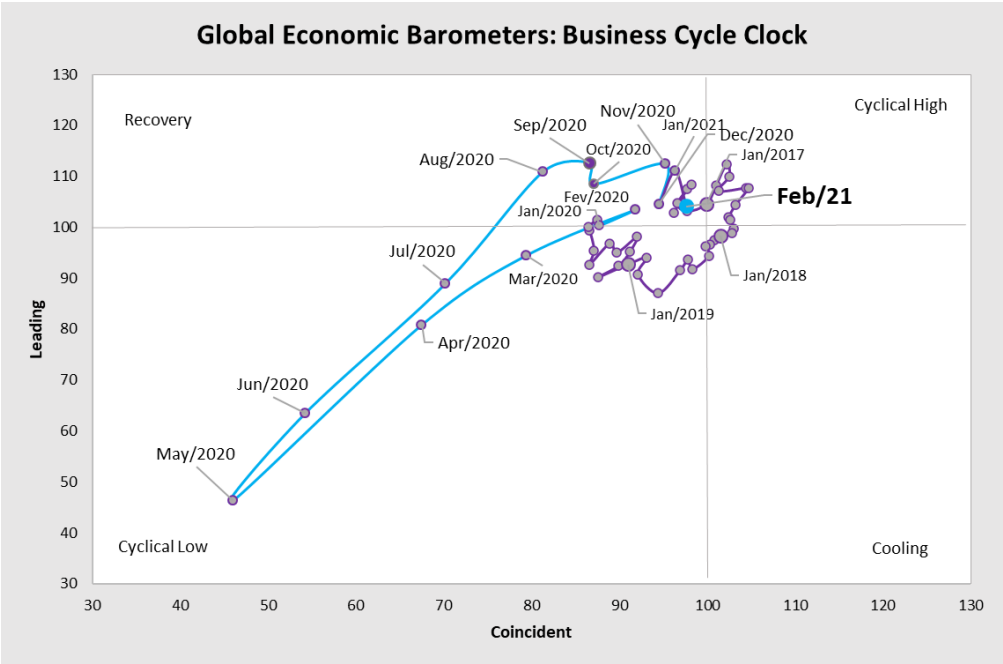
Source: KOF ETH Zurich and FGV IBRE

All Sectorial Leading Barometer decreased in February. The set of variables reflecting the aggregated development of economies (Overall Economic Development) and *Industry* remain the most optimistic groups (with 111.1 and 110.0 points, respectively), despite the latter having recorded the largest fall among the sectors this month. The second largest drop among the sectorial Barometers came from the *Services* sector, which remains yet to recover from its pandemic losses.

Leading Barometers - Sectors					
Period	Construction	Economy	Industry	Trade	Services
Feb-20	103.0	111.8	104.2	106.3	113.0
Mar-20	106.3	87.5	97.3	95.5	109.9
Apr-20	84.6	77.0	90.5	55.3	71.1
May-20	51.1	47.2	38.9	52.6	45.8
Jun-20	66.2	75.5	55.0	73.6	58.9
Jul-20	80.1	94.4	93.6	88.1	80.1
Aug-20	120.3	115.8	120.4	101.4	95.3
Sep-20	105.5	114.0	122.2	102.7	119.2
Oct-20	110.8	119.8	111.6	92.2	120.3
Nov-20	112.4	117.6	122.8	100.9	104.2
Dec-20	110.4	112.1	110.9	87.1	102.8
Jan-21	110.2	115.3	120.1	106.5	103.0
Feb-21	103.3	111.1	110.0	104.0	94.6
% of losses between Mar/20 and May/20 were recovered	101%	99%	109%	96%	73%

Source: KOF ETH Zurich and FGV IBRE

In February, all the Leading sectorial Barometers contribute negatively to the aggregate result. *Industry* contributes with 4.6 points to the decrease in the general indicator. The other sectors contribute between 0.2 and 0.8 points each to the aggregate result.



Period	<i>Global Coincident Barometer</i> Vintages		<i>Global Leading Barometer</i> Vintages	
	February 2021	January 2021	February 2021	January 2021
Feb-20	91.8	92.7	103.5	103.5
Mar-20	79.4	79.5	94.5	94.6
Apr-20	67.5	67.7	80.8	80.9
May-20	46.0	45.9	46.4	45.1
Jun-20	54.2	53.9	63.5	60.5
Jul-20	70.2	70.0	88.9	87.8
Aug-20	81.3	81.0	110.8	112.9
Sep-20	86.6	86.3	112.6	114.8
Oct-20	87.1	86.8	108.5	108.8
Nov-20	95.2	94.8	112.5	113.6
Dec-20	94.5	93.9	104.5	105.5
Jan-21	96.3	95.0	111.0	111.6
Feb-21	97.6		104.1	

* The Global Barometer series are revised monthly to reflect updates in the component series and revision of the seasonal adjustment

The Global Economic Barometers

The Global Economic Barometers are a system of indicators enabling timely analysis of global economic development. They represent a collaboration between the KOF Swiss Economic Institute of the ETH Zurich in Switzerland and Fundação Getulio Vargas (FGV), based in Rio de Janeiro, Brazil. The system consists of two composite indicators, the Coincident Barometer and the Leading Barometer. The Coincident Barometer reflects the current state of economic activity, while the Leading Barometer provides a cyclical signal roughly six months ahead of current economic developments.

The two Barometers comprise the results of economic tendency surveys conducted in more than 50 countries with the aim of achieving the broadest possible global coverage. The advantages of economic tendency surveys are that their results are usually readily available and are not substantially revised after first publication.

The Coincident Barometer includes more than 1,000 different time series, while the Leading Barometer consists of over 600 time series. Cross-correlation analysis is used to decide which individual time series are included in the barometers. This involves correlating the individual time series with a reference series. The reference series used is the year-on-year growth rate of global gross domestic product (GDP), where the individual national GDPs are aggregated at purchasing power parity to form global GDP. A time series is only included in a Barometer if it shows a sufficiently high correlation and a suitable synchronization or lead with the reference series.

The series of the two Barometers are revised each month at publication and are standardized to have a mean of 100 and a standard deviation of 10 for the 10-year period previous to the most recent observations. The coefficients of the component series of the Global Barometers have remained stable since the April 2020 edition.

More information on the Global Economic Barometers is available on the KOF website:

<https://kof.ethz.ch/prognosen-indikatoren/indikatore/kof-globalbaro.html> →

The Global Barometers methodology is described in:

Klaus Abberger, Michael Graff, Aloisio Campelo Jr., Anna Carolina Lemos Gouveia, Oliver Müller and Jan-Egbert Sturm (2020), The Global Economic Barometers: Composite indicators for the world economy. KOF Working Papers, vol. 471, Zurich: KOF Swiss Economic Institute, ETH Zurich, 2020.

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