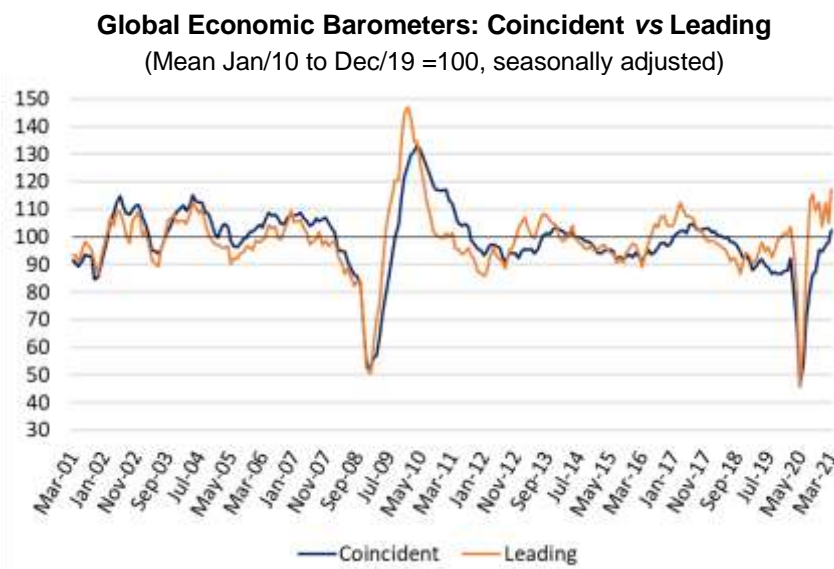


## Press Release

Rio de Janeiro and Zurich, 10<sup>th</sup> March 2021, 10 am (local time) – 2 pm (UTC).

### Global Barometers rise amid the progress of immunization campaigns against COVID-19

The Global Economic Barometers increase considerably in March, also reflecting the initial success in vaccination programs in some countries and optimism regarding the possibility of achieving control over the pandemic in the coming months. However, the results are still heterogeneous among regions.



Source: KOF ETH Zurich and FGV IBRE

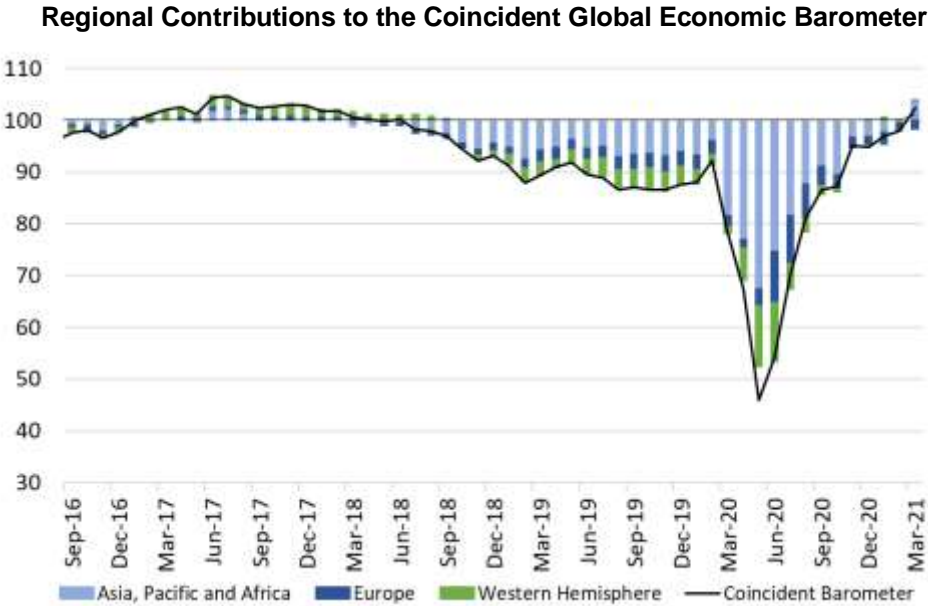
The Coincident Global Barometer rises by 4.5 points in March, from 97.9 points to 102.4 points, reaching its highest level since December 2017. The Leading Global Barometer climbs 11.9 points, to 117.1 points, its highest level since June 2010. Since September 2020, this indicator has remained at a high level, in the range between 104 and 117 points, with fluctuations reflecting alterations in the degree of optimism regarding immunization programs and the difficulties in gaining control over the pandemic in different countries. The *Asia, Pacific and Africa* region is responsible for almost all of the rise in the global coincident barometer. Within the leading barometer, the *Western Hemisphere* is moving in the opposite direction to the other regions, contributing negatively to the aggregate result.

“The combination of the effect of restrictive measures and immunization has produced results in terms of reduction in the pandemic rates of contagion, albeit not homogeneously around the world. In the countries in which these results are more evident, indicators of current and expected activity levels in relation to the coming months have enabled advances in the Coincident Barometers and expectations have provided increases in the Coincident and Leading Barometers in March, persisting despite a relatively worse result for the services sector. The offer of vaccines continues to be the main determinant

of the potential for a more robust recovery across all the regions and sectors. From the point of view of economic policy, another determinant for this recovery is the capacity for the continuity of stimulus measures, in the context of a worsening of the fiscal situation and concerns related to the inflationary dynamic in various countries”, evaluates Paulo Picchetti, researcher of FGV IBRE.

**Coincident Barometer – regions and sectors**

All the regions contribute positively to the aggregate result this month, especially the *Asia, Pacific and Africa* region, which contributes 4.3 points, or 96%, to the rise in the Coincident Global Barometer, while the *Western Hemisphere* and *Europe* contribute only 0.1 points each. *Europe* is the region recovering most slowly, followed by the *Western Hemisphere*, reflecting uncertainty there about pandemic control and the speed of vaccination campaigns. 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 Barometer - Regions				
Period	Asia, Pacific and Africa	Europe	Western Hemisphere	Coincident Barometer
Feb-20	92.9	90.9	92.4	92.2
Mar-20	68.3	92.7	94.3	78.5
Apr-20	60.4	84.4	74.5	67.3
May-20	44.3	52.3	52.9	45.9
Jun-20	56.5	55.7	53.9	54.0
Jul-20	68.3	68.6	80.4	70.1
Aug-20	78.7	81.9	89.5	81.2
Sep-20	84.6	86.4	93.6	86.6
Oct-20	81.8	91.2	98.5	87.2
Nov-20	94.2	93.0	100.2	95.2
Dec-20	94.5	89.2	101.0	94.8
Jan-21	95.9	93.0	103.0	96.9
Feb-21	98.9	91.8	100.7	97.9
Mar-21	106.1	92.4	101.2	102.4
Cumulative Var. Mar/20-Mar/21	13.2	1.5	8.8	10.2

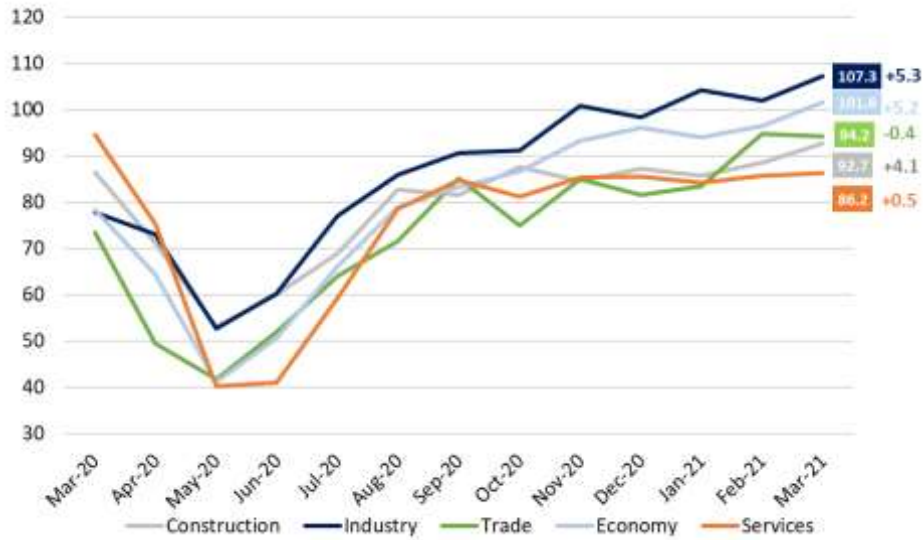
Source: KOF ETH Zurich and FGV IBRE

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	-14.5	0.4	0.5	-13.7
Apr-20	-4.6	-1.7	-4.9	-11.2
May-20	-9.5	-6.7	-5.3	-21.4
Cum. Contrib. Mar/20-May/20	-28.6	-8.0	-9.7	-46.3
Jun-20	7.3	0.7	0.3	8.1
Jul-20	6.9	2.7	6.4	16.1
Aug-20	6.1	2.8	2.3	11.1
Sep-20	3.4	0.9	1.0	5.4
Oct-20	-1.6	1.0	1.2	0.6
Nov-20	7.2	0.4	0.4	8.0
Dec-20	0.2	-0.8	0.2	-0.4
Jan-21	0.8	0.8	0.5	2.1
Feb-21	1.8	-0.2	-0.6	1.0
Mar-21	4.3	0.1	0.1	4.5
Cum. Contrib. Jun/20-Mar/21	36.4	8.4	11.8	56.5
Cum. Contrib. Mar/20-Mar/21	7.8	0.4	2.1	10.2

Source: KOF ETH Zurich and FGV IBRE

The largest positive contribution comes from *Industry*, followed by the set of variables reflecting the *aggregated development of economies (Overall Economic Development)*. These two are also the only sectorial aggregation levels with indicators already above the long-run average level of 100 points. Among the five sectors, only retail and wholesale *Trade* contributes negatively to the aggregate result, while the remaining sectors record an increase for the month.

### Coincident Global Barometers - Sectors

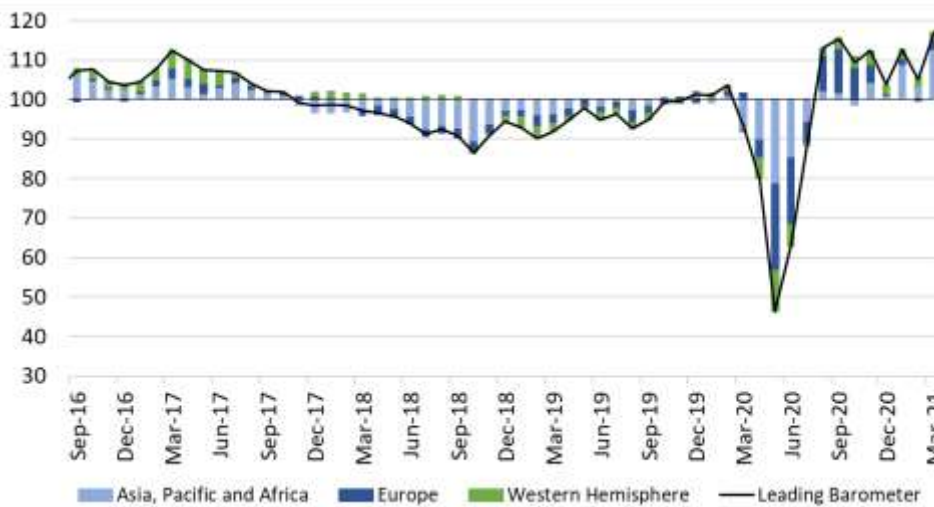


Source: KOF ETH Zurich and FGV IBRE

### Leading Barometer – regions and sectors

The Leading Global Barometer leads the world economic growth rate cycle by three to six months on average. As with the Coincident Barometer, the *Asia, Pacific and Africa* region stands out in March, contributing 9.4 points, almost 80%, to the rise in the aggregate indicator. *Europe* also contributes positively this month, with 2.9 points, while the *Western Hemisphere* moves in the opposite direction to the other regions, contributing negatively by 0.4 points.

### Regional Contributions to the Leading Global Economic Barometer



Source: KOF ETH Zurich and FGV IBRE

Leading Barometer - Regions				
Period	Asia, Pacific and Africa	Europe	Western Hemisphere	Leading Barometer
Feb-20	101.8	105.3	105.3	103.6
Mar-20	86.8	107.4	98.5	93.2
Apr-20	83.0	79.3	79.2	80.0
May-20	64.2	-0.6	59.2	46.3
Jun-20	75.3	21.7	79.3	62.9
Jul-20	90.1	76.0	98.1	88.3
Aug-20	103.5	142.0	107.1	113.0
Sep-20	102.8	152.1	109.7	115.4
Oct-20	97.6	138.9	110.2	109.5
Nov-20	107.0	121.1	113.8	112.3
Dec-20	101.9	102.1	108.6	103.8
Jan-21	114.1	107.9	109.1	112.6
Feb-21	105.5	98.3	108.8	105.2
<b>Mar-21</b>	<b>120.7</b>	<b>111.8</b>	<b>107.3</b>	<b>117.1</b>
Cumulative Var. Mar/20-Mar/21	18.9	6.5	1.9	13.5

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	-9.1	0.5	-1.7	-10.4
Apr-20	-2.4	-6.1	-4.9	-13.2
May-20	-11.3	-17.2	-5.0	-33.7
Cum. Contrib. Mar/20-May/20	-22.8	-22.8	-11.6	-57.3
Jun-20	6.7	4.8	5.0	16.6
Jul-20	9.0	11.7	4.8	25.4
Aug-20	8.1	14.2	2.3	24.7
Sep-20	-0.4	2.2	0.6	2.4
Oct-20	-3.2	-2.9	0.2	-5.9
Nov-20	5.7	-3.8	0.9	2.8
Dec-20	-3.1	-4.1	-1.3	-8.5
Jan-21	7.6	1.2	0.1	8.8
Feb-21	-5.4	-2.1	-0.1	-7.4
<b>Mar-21</b>	<b>9.4</b>	<b>2.9</b>	<b>-0.4</b>	<b>11.9</b>
Cum. Contrib. Jun/20-Mar/21	<b>34.4</b>	<b>24.1</b>	<b>12.1</b>	<b>70.8</b>
Cum. Contrib. Mar/20-Mar/21	11.6	1.3	0.5	13.5

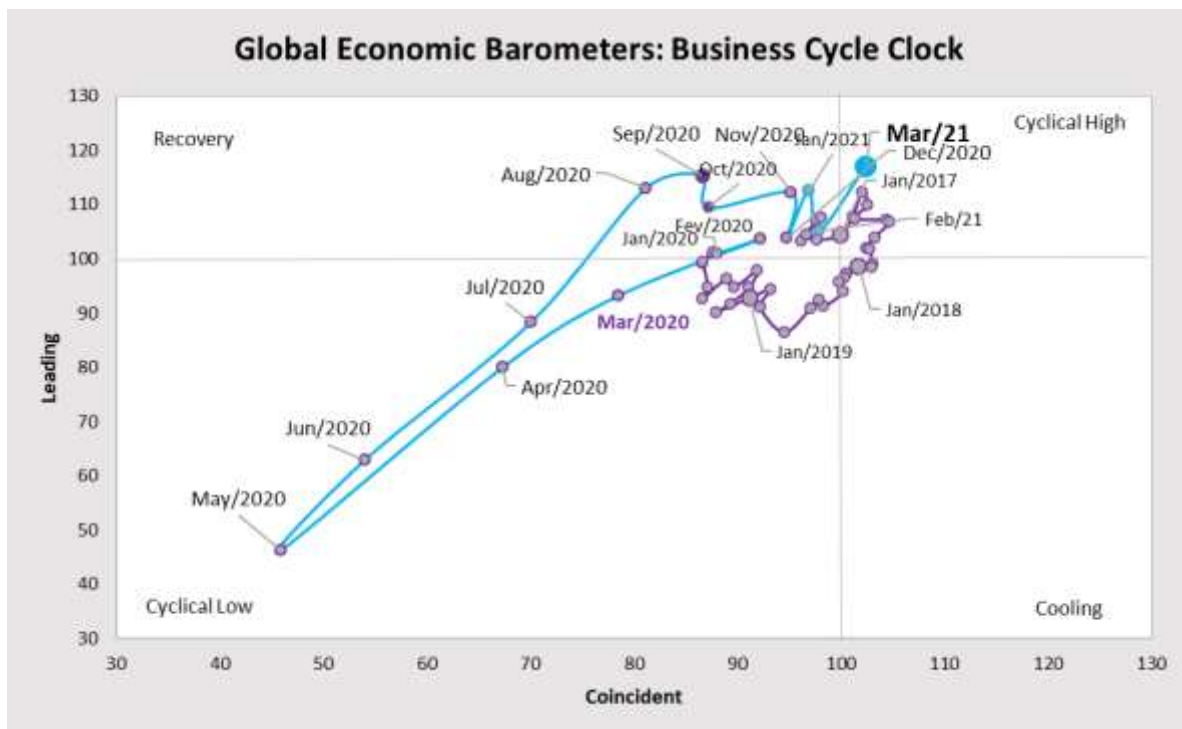
Source: KOF ETH Zurich and FGV IBRE

All the Leading Barometer sectors increase this month, influenced by the continuity of vaccination campaigns around the world and the possibility of a return to economic normality in the following months. The set of variables reflecting the *aggregated development of economies (Overall Economic Development)* and *Industry* remain the most optimistic sectors (with 123.3 and 117.3 points, respectively). The set of variables reflecting *Services* rises this month, above its long-term average. Compared to the other sectors, however, the outlook is rather cautiously optimistic.

<b>Leading Barometers - Sectors</b>					
<i>Period</i>	<i>Construction</i>	<i>Economy</i>	<i>Industry</i>	<i>Trade</i>	<i>Services</i>
Feb-20	99.4	106.3	101.8	102.1	109.6
Mar-20	101.8	87.8	92.3	94.5	107.2
Apr-20	84.8	81.8	86.6	65.6	66.3
May-20	54.5	59.6	41.0	62.8	37.9
Jun-20	69.3	80.6	56.4	77.7	43.7
Jul-20	80.0	93.9	91.3	88.6	71.9
Aug-20	115.9	108.6	120.0	99.0	97.5
Sep-20	103.5	106.7	122.4	98.7	126.9
Oct-20	107.4	112.7	109.4	92.4	120.7
Nov-20	109.1	110.8	118.0	99.0	100.3
Dec-20	107.4	106.4	106.4	88.0	99.0
Jan-21	107.3	109.4	119.1	102.0	100.0
Feb-21	109.8	108.1	106.0	100.0	93.3
<b>Mar-21</b>	<b>110.5</b>	<b>123.3</b>	<b>117.3</b>	<b>110.9</b>	<b>103.5</b>
% of losses between Mar/20 and May/20 were recovered until Mar/21					
	125%	136%	125%	122%	92%

Source: KOF ETH Zurich and FGV IBRE

In March, all the Leading sectorial Barometers contribute positively to the aggregate result. *Industry* and the set of variables reflecting the *aggregated development of economies (Overall Economic Development)* contribute 5.1 and 4.0 points, respectively. The other sectors contribute more modestly to the aggregate result.



Period	<i>Global Coincident Barometer</i> Vintages		<i>Global Leading Barometer</i> Vintages	
	March 2021	February 2021	March 2021	February 2021
Mar-20	78.5	79.4	93.2	94.5
Apr-20	67.3	67.5	80.0	80.8
May-20	45.9	46.0	46.3	46.4
Jun-20	54.0	54.2	62.9	63.5
Jul-20	70.1	70.2	88.3	88.9
Aug-20	81.2	81.3	113.0	110.8
Sep-20	86.6	86.6	115.4	112.6
Oct-20	87.2	87.1	109.5	108.5
Nov-20	95.2	95.2	112.3	112.5
Dec-20	94.8	94.5	103.8	104.5
Jan-21	96.9	96.3	112.6	111.0
Feb-21	97.9	97.6	105.2	104.1
Mar-21	102.4		117.1	

\* 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/indikatoren/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.

**FGV IBRE:** Director of Communication and Marketing: Janaina Salles | Phone +55 21 2509-5399 | [janaina.salles@insightnet.com.br](mailto:janaina.salles@insightnet.com.br)

**KOF Swiss Economic Institute:** Corporate Communications | Phone +41 44 633 99 48 | [kofcc@kof.ethz.ch](mailto:kofcc@kof.ethz.ch)