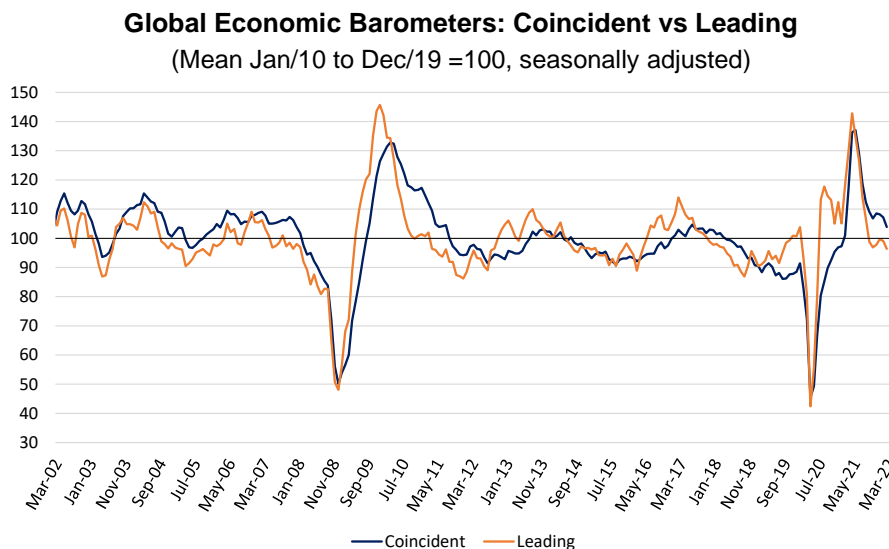


## Press Release

Rio de Janeiro and Zurich, March 10, 2022, 10 am (local time) – 12 pm (UTC.).

### The Global Barometers decline and reinforce normalization tendency in the first quarter of 2022

The Global Economic Barometers are dropping more sharply in March. This partly reflects the normalization of the global economy at the beginning of 2022 and is largely driven by changed assessments in Asia. The coincident indicator remains relatively strong, but the distancing of the leading indicator from the historical mean of 100 points may be a first sign of a stronger deceleration than previously forecast for the coming months.



Source: KOF ETH Zurich and FGV IBRE

The Coincident Global Economic Barometer falls 3.3 points in March to 103.9 points, the lowest level since March 2021 (100.9 pts), while the Leading Global Economic Barometer decreases 2.7 points, to 96.4 points, the lowest level since July 2020 (80.8 pts). The result of both barometers was strongly influenced by the *Asia, Pacific, and Africa* region. The data on which the barometers are based are mostly from the period before the outbreak of war in Ukraine. Therefore, this war and the further economic escalation, including renewed price increases for energy commodities, should only be included in the current results to a very limited extent.

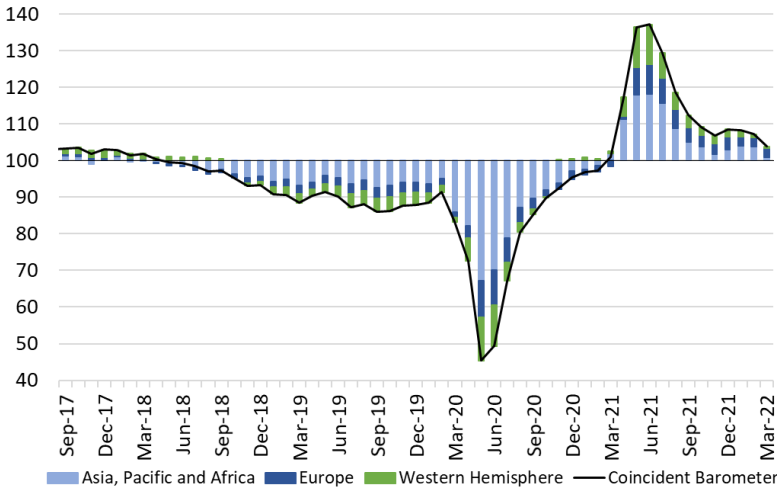
“The price increases spreading around the world and their effects on monetary policy decisions are already the main challenge to maintaining the rate of recovery in economic activity since the cooling off of social distancing measures. The immediate impact of the conflict in the Ukraine is already being felt in additional price increases among the main commodities, significantly increasing the uncertainty

surrounding the development of economic activity across all sectors and regions.”, evaluates Paulo Picchetti, researcher of FGV IBRE.

**Coincident Barometer – regions and sectors**

In March, the *Asia, Pacific, and Africa* region contributes -3.0 points (93%), to drop in the Coincident Global Barometer. The *Western Hemisphere* contributes -0.3 points, while *Europe’s* indicator remains stable this month. The regional indicator for *Europe*, at a level of 112 points, remains the highest among the three regions. The graph below illustrates the contribution of each region to the deviation of the Coincident Barometer from the historical average of 100 points.

**Regional Contributions to the Coincident Global Economic Barometer**

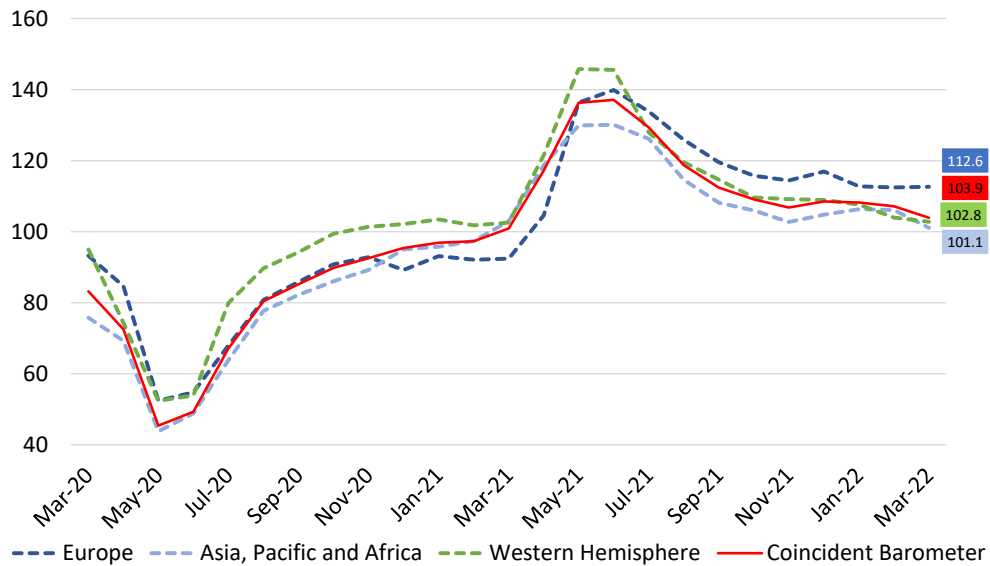


Source: KOF ETH Zurich and FGV IBRE

Regional Contributions to Changes in the Coincident Barometer				
Period	Contributions per Regions			Monthly Variation
	Asia, Pacific and Africa	Europe	Western Hemisphere	Coincident Barometer
Worst pandemic moment: Cum. Contrib. Mar/20-May/20				
	-28.0	-8.1	-9.9	-46.0
Cum. Contrib. Jun/20-Feb/21				
	31.5	8.5	12.5	51.5
Mar-21	3.3	0.1	0.2	3.6
Apr-21	9.4	2.5	4.5	16.3
May-21	6.7	6.5	5.9	19.1
Jun-21	0.1	0.7	-0.1	0.8
Jul-21	-2.4	-1.2	-4.2	-7.8
Aug-21	-6.9	-1.7	-2.1	-10.6
Sep-21	-3.8	-1.3	-1.1	-6.3
Oct-21	-1.3	-0.7	-1.2	-3.3
Nov-21	-1.9	-0.3	-0.1	-2.3
Dec-21	1.2	0.5	-0.1	1.7
Jan-22	1.0	-0.9	-0.3	-0.3
Feb-22	-0.1	-0.1	-0.9	-1.1
Mar-22	<b>-3.0</b>	<b>0.0</b>	<b>-0.3</b>	<b>-3.3</b>
Cum. Contrib. Mar/21-Mar/22				
	2.2	4.2	0.2	6.6
Cum. Contrib. Mar/20-Mar/22				
	5.7	4.6	2.8	12.1

Source: KOF ETH Zurich and FGV IBRE

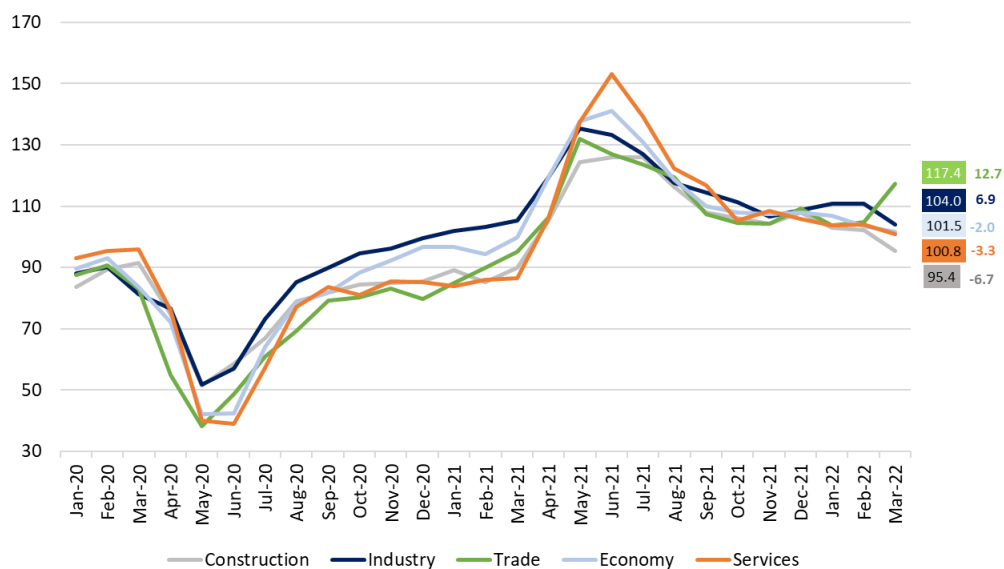
### Coincident Global Barometers – Regions



Source: KOF ETH Zurich and FGV IBRE

Four of the five coincident sector indicators decrease this month, with *Industry* and *Construction* standing out with marginal losses of almost 7.0 points. In the opposite direction, the indicator for *Trade* records its highest level since May 2021. With this result, the indicator reached 117 points and is the highest among all sectors.

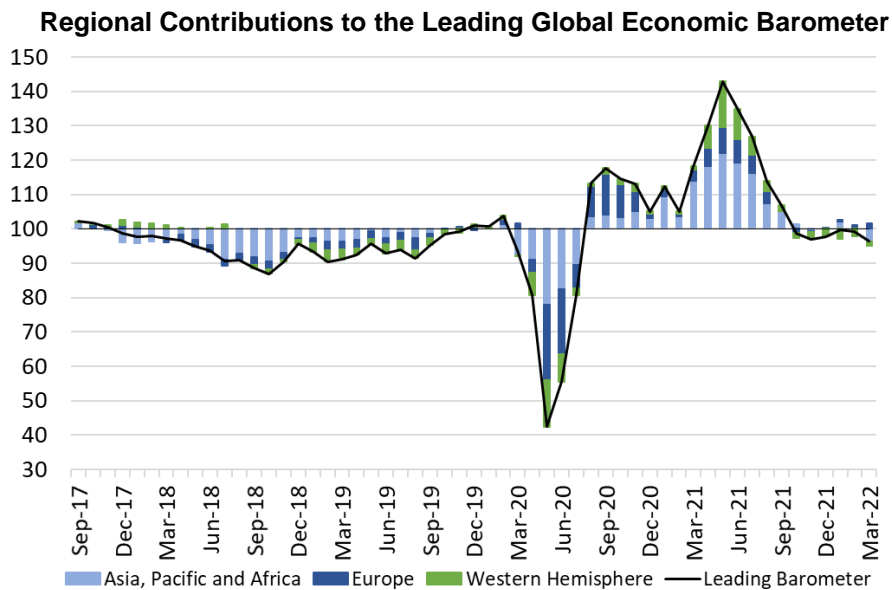
### Coincident Global Barometers – Sectors



Source: KOF ETH Zurich and FGV IBRE

## Leading Barometer – regions and sectors

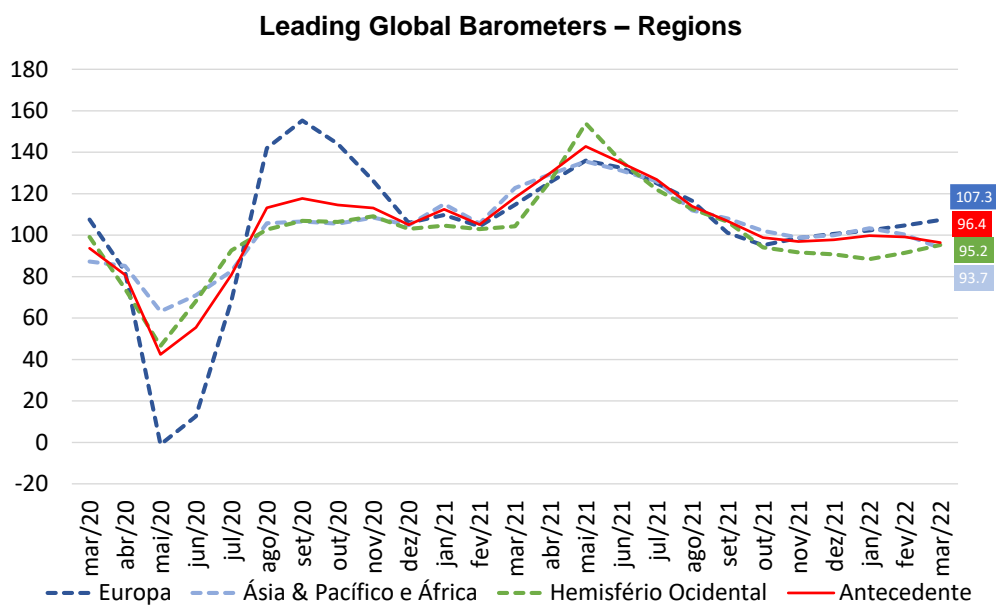
The Leading Global Barometer leads the world economic growth rate cycle by three to six months on average. The *Asia, Pacific and Africa* region is the only region to contribute negatively to the development of the Leading Barometer in March 2022, with -4.1 points. The *Western Hemisphere* contributes positively, with 0.9 points, followed by *Europe* with 0.5 points.



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
Worst pandemic moment: Cum. Contrib. Mar/20-May/20	-23.6	-23.3	-14.6	-61.4
Cum. Contrib. Jun/20-Feb/21	21.0	19.8	8.8	49.6
Mar-21	10.5	2.2	0.3	13.0
Apr-21	4.2	2.3	5.5	11.9
May-21	3.7	2.2	6.9	12.8
Jun-21	-2.7	-0.8	-4.6	-7.9
Jul-21	-3.1	-1.5	-3.4	-8.1
Aug-21	-8.7	-1.9	-2.3	-12.9
Sep-21	-2.4	-3.2	-1.5	-7.1
Oct-21	-3.6	-1.3	-3.1	-8.0
Nov-21	-2.0	0.8	-0.6	-1.9
Dec-21	0.7	0.4	-0.2	0.9
Jan-22	2.0	0.3	-0.6	1.9
Feb-22	-1.8	0.5	0.8	-0.6
Mar-22	<b>-4.1</b>	<b>0.5</b>	<b>0.9</b>	<b>-2.7</b>
Cum. Contrib. Mar/21-Mar/22	-7.3	0.5	-1.9	-8.7
Cum. Contrib. Mar/20-Mar/22	-9.9	-3.0	-7.7	-20.5

Source: KOF ETH Zurich and FGV IBRE

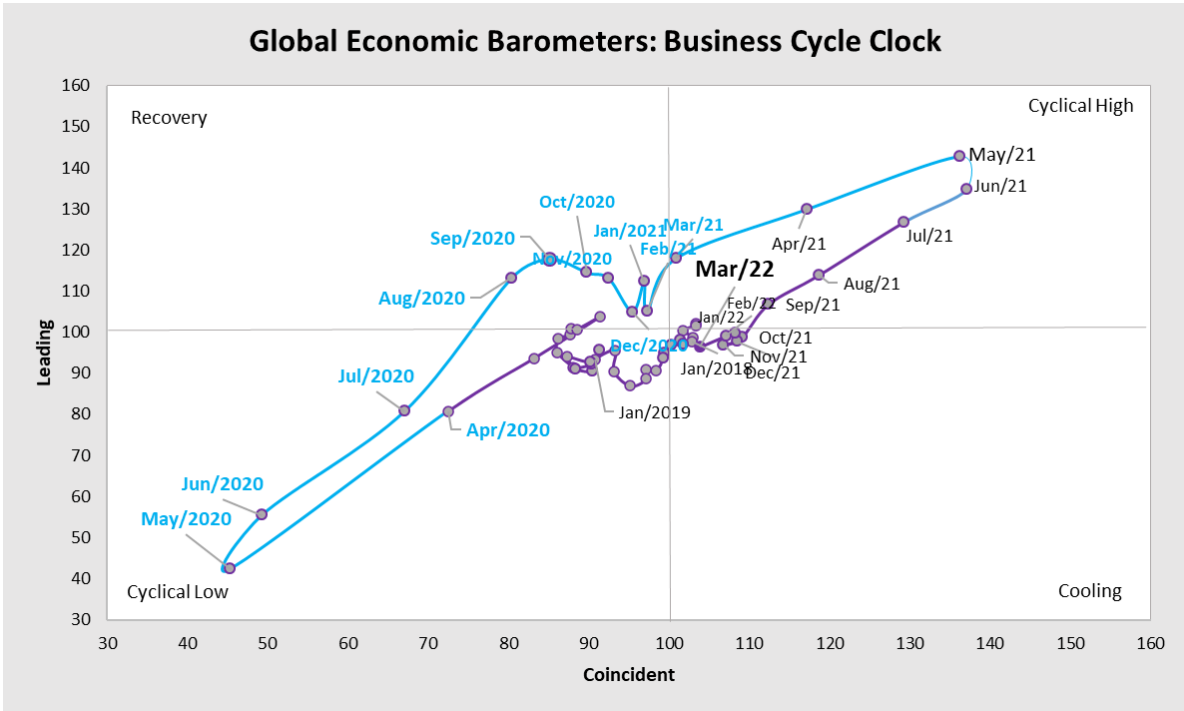


Source: KOF ETH Zurich and FGV IBRE

In March 2022, except for *Industry*, all leading sector indicators decline. *Construction* records its lowest level since July 2020 (77.9 pts), while the *Services* sector remains at the opposite side with an indicator still above 100 points.

Sectoral Leading Indicators					
Period	Construction	Economy	Industry	Trade	Services
Feb-20	99.7	106.7	102.3	103.0	108.4
Mar-20	104.0	87.2	93.0	93.4	109.0
Apr-20	85.7	83.8	88.0	61.1	65.7
May-20	57.3	47.6	40.2	59.2	37.1
Worst pandemic moment: Cum. Variation. Mar/20-May/20					
	-42.4	-59.1	-62.1	-43.8	-71.3
Cum. Variation. Jun/20-Feb/21					
	52.0	55.4	67.3	38.9	62.3
Mar-21	112.4	120.0	119.9	112.5	105.7
Apr-21	129.9	124.2	123.5	149.0	137.8
May-21	142.0	132.9	140.5	149.3	149.0
Jun-21	135.6	126.8	134.9	134.2	135.1
Jul-21	137.7	114.7	125.3	132.7	132.5
Aug-21	122.4	106.3	111.8	114.6	129.2
Sep-21	115.1	95.7	105.4	114.7	120.9
Oct-21	103.3	88.9	97.8	114.1	104.8
Nov-21	103.8	89.8	94.6	105.6	112.2
Dec-21	104.0	92.5	94.8	113.6	102.3
Jan-22	99.0	88.3	103.0	103.8	106.3
Feb-22	96.0	95.8	99.2	103.3	104.9
<b>Mar-22</b>	<b>83.4</b>	<b>91.7</b>	<b>99.4</b>	<b>99.1</b>	<b>103.1</b>
Cum. Variation. Mar/21-Mar/22					
	-26.0	-11.2	-8.1	1.0	3.6
Cum. Variatiom. Mar/20-Mar/22					
	-16.4	-15.0	-2.9	-3.9	-5.3

Source: KOF ETH Zurich and FGV IBRE



Source: KOF ETH Zurich and FGV IBRE

Period	<i>Global Coincident Barometer</i> <i>Vintages</i>		<i>Global Leading Barometer</i> <i>Vintages</i>	
	<i>March 2022</i>	<i>February 2022</i>	<i>March 2022</i>	<i>February 2022</i>
Mar-21	100.9	101.0	118.1	118.2
Apr-21	117.2	117.4	130.0	130.1
May-21	136.3	136.4	142.8	142.6
Jun-21	137.1	137.0	134.9	134.6
Jul-21	129.3	129.3	126.8	126.3
Aug-21	118.7	118.9	113.9	114.2
Sep-21	112.4	112.4	106.8	107.1
Oct-21	109.1	109.2	98.8	99.3
Nov-21	106.8	106.8	96.9	96.9
Dec-21	108.5	108.4	97.8	97.7
Jan-22	108.2	108.1	99.7	99.8
Feb-22	107.2	107.9	99.1	99.6
Mar-22	103.9		96.4	

\* 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), in which 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 been kept 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, <https://doi.org/10.3929/ethz-b-000401651>. First analyses of their performance can be found in Klaus Abberger, Michael Graff, Oliver Müller and Jan-Egbert Sturm (2022), *Composite Global Indicators from Survey Data: the Global Economic Barometers*, *Review of World Economics*, (forthcoming), <https://doi.org/10.1007/s10290-021-00449-8>.

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