

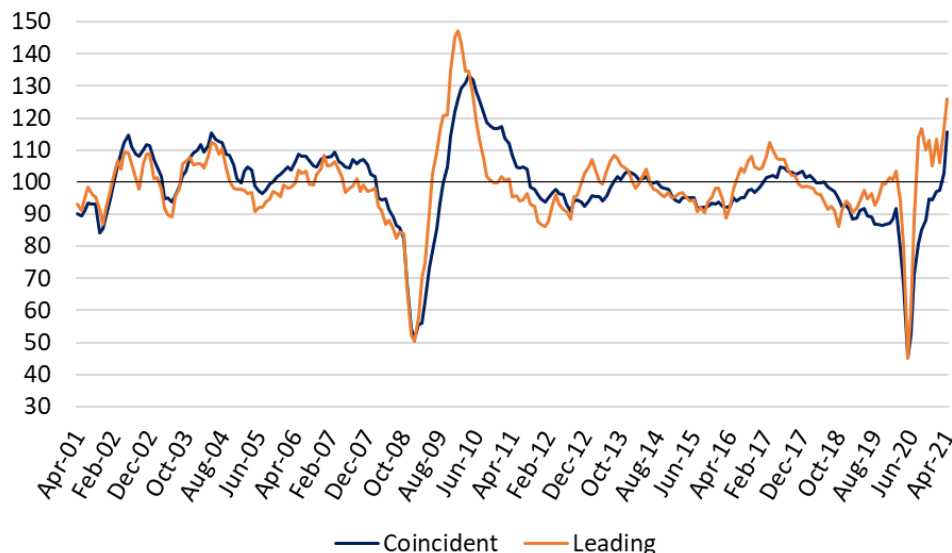
# Press Release

Rio de Janeiro and Zurich, 9th April 2021, 3 pm (local time) – 1 pm (UTC).

## Global Barometers continue to increase

The Global Economic Barometers increase markedly for the second successive month. This reflects, among other things, the progress in vaccination programs against COVID-19 in various countries and thus the perspective of accelerating the level of global activity in the coming months. This month, all investigated regions improve both their current assessment of the situation and their expectations for the near future.

**Global Economic Barometers: Coincident vs Leading**  
(Mean Jan/10 to Dec/19 =100, seasonally adjusted)



Source: KOF ETH Zurich and FGV IBRE

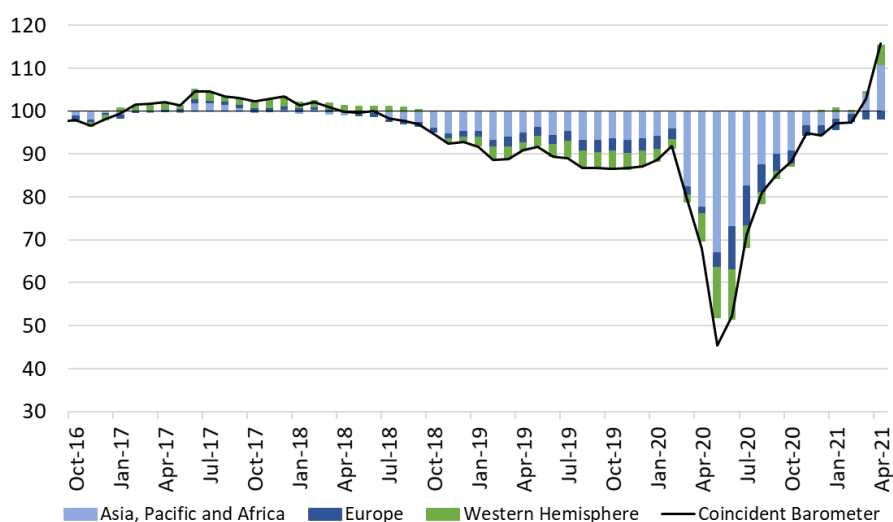
The Coincident Global Barometer rises by 13.0 points in April, from 102.8 points to 115.8 points, reaching its highest level since 2011. The Leading Global Barometer increases 9.2 points, to 125.9 points, its highest level since June 2010. All regions developed positively this month, both regarding the assessment of the present situation and the expectations for the near future.

“Despite Variants of Concern of the virus creating new waves of the pandemic in several countries, firms are confident that the economic recovery can and will continue. Apparently, the world economy has become more resilient with respect to the virus.”, evaluates Jan-Egbert Sturm, Director of KOF Swiss Economic Institute.

## Coincident Barometer – indicators of regions and sectors

All the regions contribute positively to the aggregate result of the Coincident Barometer in April. The *Asia, Pacific and Africa* region contributes 6.8 points, or 52%, to the rise in the Coincident Global Barometer, while the *Western Hemisphere* and *Europe* contribute 3.9 and 2.4 points, respectively. Despite the still high levels of uncertainty regarding the COVID-19 pandemic, assessment of the present situation is appreciably brighter. 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

| Coincident Barometer and Regional Coincident Indicators |                          |              |                    |                      |
|---|--------------------------|--------------|--------------------|----------------------|
| Period  | Asia, Pacific and Africa | Europe       | Western Hemisphere | Coincident Barometer |
| Feb-20  | 92.5                     | 91.0         | 92.5               | 91.9                 |
| Mar-20  | 69.5                     | 92.8         | 94.4               | 79.3                 |
| Apr-20  | 61.6                     | 84.0         | 74.2               | 67.9                 |
| May-20  | 43.6                     | 52.1         | 52.5               | 45.3                 |
| Jun-20  | 53.7                     | 55.6         | 53.7               | 52.3                 |
| Jul-20  | 69.9                     | 68.9         | 80.2               | 71.1                 |
| Aug-20  | 78.5                     | 81.4         | 89.5               | 81.0                 |
| Sep-20  | 82.4                     | 86.0         | 93.7               | 85.3                 |
| Oct-20  | 83.6                     | 90.9         | 98.6               | 88.2                 |
| Nov-20  | 93.7                     | 92.8         | 100.4              | 94.9                 |
| Dec-20  | 93.7                     | 89.0         | 101.1              | 94.3                 |
| Jan-21  | 96.3                     | 92.9         | 103.0              | 97.1                 |
| Feb-21  | 98.1                     | 91.5         | 100.6              | 97.4                 |
| Mar-21  | 106.7                    | 92.0         | 101.5              | 102.8                |
| <b>Apr-21</b>   | <b>118.2</b>             | <b>103.5</b> | <b>117.5</b>       | <b>115.8</b>         |
| Cumulative Var. Mar/20-Apr/21                           | 25.7                     | 12.5         | 25.0               | 23.9                 |

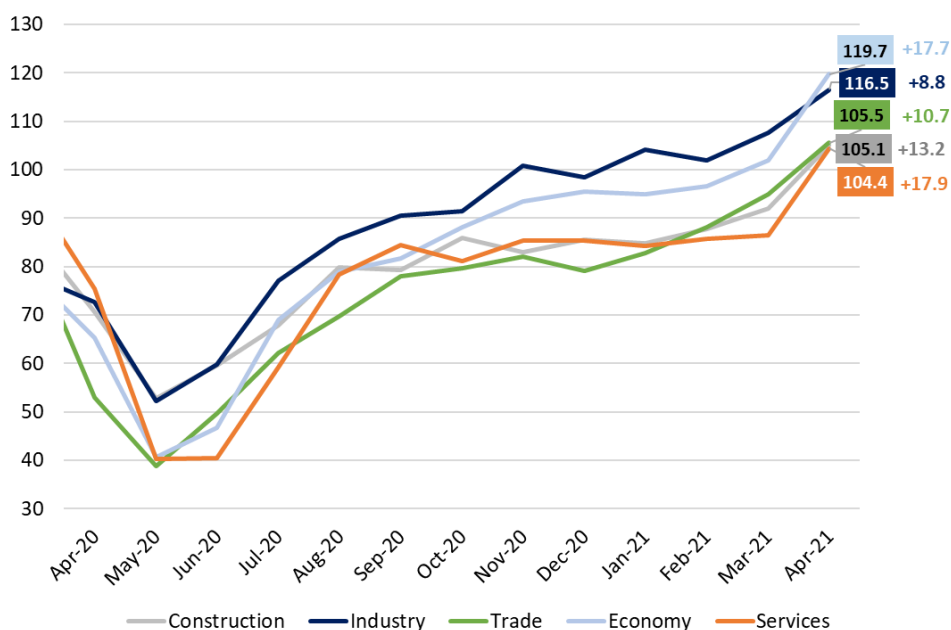
Source: KOF ETH Zurich and FGV IBRE

| 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  | -13.6                     | 0.3        | 0.5                | -12.6                |
| Apr-20  | -4.6                      | -1.8       | -4.9               | -11.4                |
| May-20  | -10.6                     | -6.6       | -5.4               | -22.6                |
| Cum. Contrib. Mar/20-May/20                                   | -28.8                     | -8.1       | -9.8               | -46.6                |
| Jun-20  | 6.0                       | 0.7        | 0.3                | 7.0                  |
| Jul-20  | 9.5                       | 2.8        | 6.5                | 18.8                 |
| Aug-20  | 5.0                       | 2.6        | 2.3                | 9.9                  |
| Sep-20  | 2.3                       | 0.9        | 1.0                | 4.3                  |
| Oct-20  | 0.8                       | 1.0        | 1.2                | 2.9                  |
| Nov-20  | 5.9                       | 0.4        | 0.4                | 6.7                  |
| Dec-20  | 0.0                       | -0.7       | 0.2                | -0.6                 |
| Jan-21  | 1.5                       | 0.8        | 0.5                | 2.8                  |
| Feb-21  | 1.1                       | -0.3       | -0.6               | 0.3                  |
| Mar-21  | 5.1                       | 0.1        | 0.2                | 5.4                  |
| <b>Apr-21</b>   | <b>6.8</b>                | <b>2.3</b> | <b>3.9</b>         | <b>13.0</b>          |
| Cum. Contrib. Jun/20-Apr/21                                   | 44.0                      | 10.6       | 15.9               | 70.5                 |
| Cum. Contrib. Mar/20-Apr/21                                   | 15.2                      | 2.5        | 6.1                | 23.9                 |

Source: KOF ETH Zurich and FGV IBRE

All five sectors identified contribute positively to the aggregate result. The largest contributions come from the set of variables reflecting the *aggregated development of economies (Overall Economic Development)*, followed by *Industry*. This is the first time since 2017 that all five subindicators are above the level of 100 points (long-run neutrality).

### Sectoral Coincident Indicators

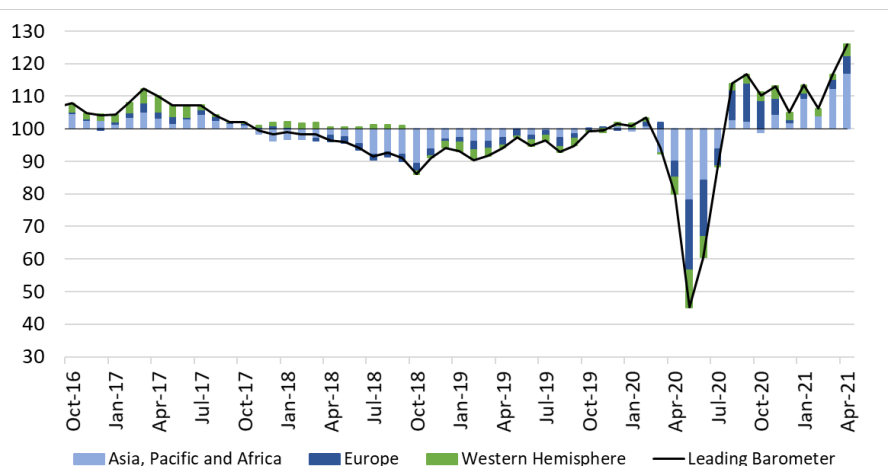


Source: KOF ETH Zurich and FGV IBRE

## Leading Barometer – indicators of regions and sectors

The Leading Global Barometer leads the world economic growth rate cycle by three to six months on average. Like the Coincident Barometer, in April 2021, the leading indicators of the three regions each contribute positively to the 9.2-point rise in the Leading Global Barometer. The *Asia, Pacific and Africa* contributes 4.7 points, *Europe* 2.5 points, and, after negatively influencing the aggregate result in the two previous months, the *Western Hemisphere* contributes 2.0 points.

### Regional Contributions to the Leading Global Economic Barometer



Source: KOF ETH Zurich and FGV IBRE

| Leading Barometer and Regional Leading Indicators |                          |              |                    |                   |
|---|--------------------------|--------------|--------------------|-------------------|
| Period  | Asia, Pacific and Africa | Europe       | Western Hemisphere | Leading Barometer |
| Feb-20  | 101.6                    | 106.1        | 104.5              | 103.5             |
| Mar-20  | 87.6                     | 109.0        | 99.3               | 94.2              |
| Apr-20  | 83.4                     | 77.7         | 79.3               | 79.9              |
| May-20  | 63.8                     | 0.7          | 55.5               | 45.2              |
| Jun-20  | 73.7                     | 19.9         | 75.2               | 60.4              |
| Jul-20  | 89.7                     | 75.9         | 98.8               | 88.3              |
| Aug-20  | 104.5                    | 142.7        | 107.7              | 113.9             |
| Sep-20  | 103.9                    | 153.7        | 110.4              | 116.7             |
| Oct-20  | 98.0                     | 139.9        | 110.8              | 110.2             |
| Nov-20  | 107.5                    | 122.7        | 114.1              | 113.0             |
| Dec-20  | 103.2                    | 103.7        | 108.8              | 105.0             |
| Jan-21  | 114.9                    | 108.4        | 109.4              | 113.4             |
| Feb-21  | 106.4                    | 100.0        | 108.9              | 106.2             |
| Mar-21  | 120.2                    | 112.8        | 105.9              | 116.7             |
| <b>Apr-21</b>                                     | <b>127.7</b>             | <b>124.7</b> | <b>114.1</b>       | <b>125.9</b>      |
| Cumulative Var. Mar/20-Apr/21                     | 26.2                     | 18.5         | 9.5                | 22.4              |

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   | -8.5                      | 0.6        | -1.3               | -9.3              |
| Apr-20   | -2.5                      | -6.7       | -5.1               | -14.3             |
| May-20   | -12.0                     | -16.7      | -6.0               | -34.7             |
| Cum. Contrib. Mar/20-May/20                                | -23.0                     | -22.8      | -12.4              | -58.3             |
| Jun-20   | 6.1                       | 4.2        | 5.0                | 15.2              |
| Jul-20   | 9.7                       | 12.1       | 6.0                | 27.9              |
| Aug-20   | 9.0                       | 14.4       | 2.2                | 25.6              |
| Sep-20   | -0.3                      | 2.4        | 0.7                | 2.8               |
| Oct-20   | -3.6                      | -3.0       | 0.1                | -6.5              |
| Nov-20   | 5.7                       | -3.7       | 0.9                | 2.8               |
| Dec-20   | -2.6                      | -4.1       | -1.4               | -8.0              |
| Jan-21   | 7.3                       | 0.9        | 0.1                | 8.4               |
| Feb-21   | -5.3                      | -1.8       | -0.1               | -7.2              |
| Mar-21   | 8.5                       | 2.7        | -0.7               | 10.5              |
| <b>Apr-21</b>  | <b>4.7</b>                | <b>2.5</b> | <b>2.0</b>         | <b>9.2</b>        |
| Cum. Contrib. Jun/20-Apr/21                                | 39.2                      | 26.6       | 14.8               | 80.7              |
| Cum. Contrib. Mar/20-Apr/21                                | 16.2                      | 3.8        | 2.4                | 22.4              |

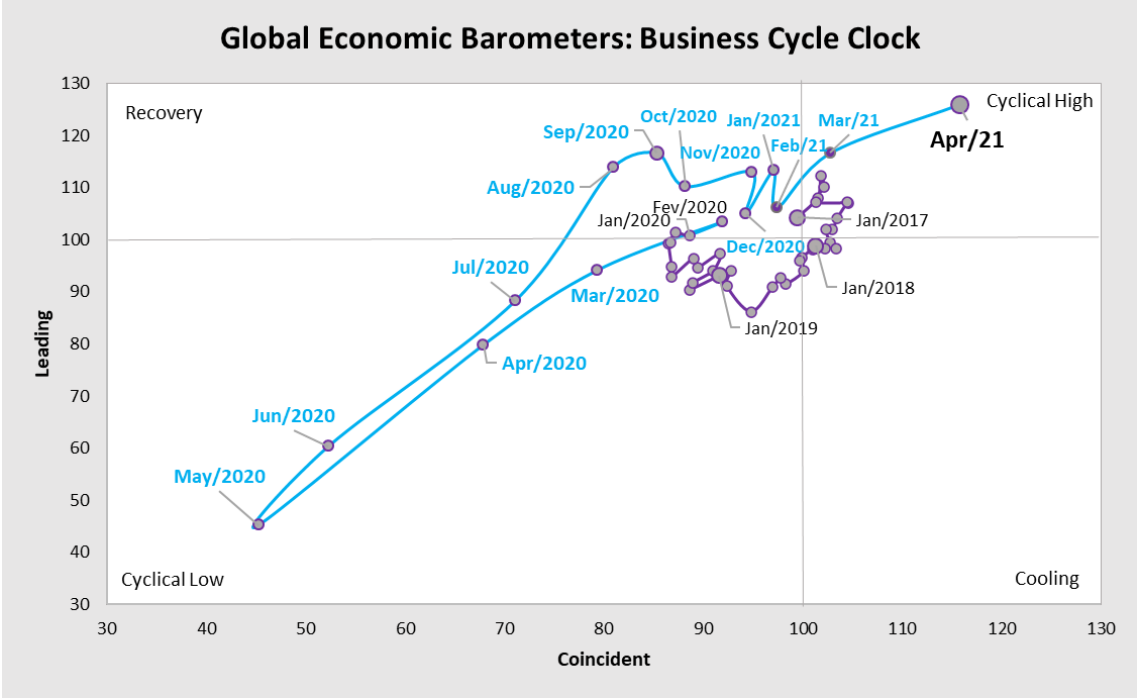
Source: KOF ETH Zurich and FGV IBRE

All the Leading Barometer sectors increase in April, influenced by the continuity of vaccination campaigns around the world and the possibility of the economy returning to a situation of normality. With the results, all five sectors record levels above 120 points, reflecting a highly optimistic economic outlook regarding the near future. *Construction* and *Trade* are the most optimistic sectors. After the big blow to the *Services* sector, this is the first time that the sector has, globally, recovered the losses incurred between March and May of last year, advancing to a higher level than that of *Industry*.

| Sectoral Leading Indicators                                       |              |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|
| Period  | Construction | Economy      | Industry     | Trade        | Services     |
| Feb-20  | 100.1        | 105.1        | 102.3        | 100.9        | 109.6        |
| Mar-20  | 102.9        | 87.4         | 93.8         | 97.3         | 108.1        |
| Apr-20  | 85.0         | 78.8         | 87.0         | 68.9         | 63.4         |
| May-20  | 55.0         | 55.8         | 40.9         | 67.2         | 33.7         |
| Jun-20  | 69.2         | 74.9         | 54.4         | 79.2         | 42.6         |
| Jul-20  | 79.8         | 93.7         | 90.4         | 90.3         | 72.4         |
| Aug-20  | 114.8        | 111.7        | 118.9        | 101.7        | 99.3         |
| Sep-20  | 102.3        | 111.2        | 122.0        | 98.9         | 129.2        |
| Oct-20  | 106.9        | 113.3        | 109.6        | 94.2         | 121.8        |
| Nov-20  | 109.2        | 110.4        | 118.6        | 101.0        | 100.7        |
| Dec-20  | 108.0        | 107.6        | 107.0        | 90.1         | 99.4         |
| Jan-21  | 108.1        | 111.0        | 119.2        | 100.2        | 101.2        |
| Feb-21  | 110.7        | 109.5        | 106.5        | 100.8        | 93.7         |
| Mar-21  | 111.7        | 122.6        | 117.0        | 107.4        | 104.3        |
| <b>Apr-21</b>   | <b>130.1</b> | <b>128.5</b> | <b>121.1</b> | <b>129.9</b> | <b>121.4</b> |
| % of losses between Mar/20 and May/20 were recovered until Apr/21 | 167%         | 147%         | 130%         | 186%         | 116%         |

Source: KOF ETH Zurich and FGV IBRE

In April, all five identified sectors contribute positively to the aggregate result of the Leading Barometer, with *Trade* and *Industry* contributing more than 2.0 points. The other sectors contribute over 1.5 points each to the aggregate result.



| Period | <i>Global Coincident Barometer</i><br>Vintages |                   | <i>Global Leading Barometer</i><br>Vintages |                   |
|--------|--|-------------------|---|-------------------|
|        | <i>April 2021</i>                              | <i>March 2021</i> | <i>April 2021</i>                           | <i>March 2021</i> |
| Apr-20 | 67.9   | 67.3              | 79.9  | 80.0              |
| May-20 | 45.3   | 45.9              | 45.2  | 46.3              |
| Jun-20 | 52.3   | 54.0              | 60.4  | 62.9              |
| Jul-20 | 71.1   | 70.1              | 88.3  | 88.3              |
| Aug-20 | 81.0   | 81.2              | 113.9                                       | 113.0             |
| Sep-20 | 85.3   | 86.6              | 116.7                                       | 115.4             |
| Oct-20 | 88.2   | 87.2              | 110.2                                       | 109.5             |
| Nov-20 | 94.9   | 95.2              | 113.0                                       | 112.3             |
| Dec-20 | 94.3   | 94.8              | 105.0                                       | 103.8             |
| Jan-21 | 97.1   | 96.9              | 113.4                                       | 112.6             |
| Feb-21 | 97.4   | 97.9              | 106.2                                       | 105.2             |
| Mar-21 | 102.8  | 102.4             | 116.7                                       | 117.1             |
| Apr-21 | 115.8  |                   | 125.9                                       |                   |

\* 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/en/forecasts-and-indicators/indicators/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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