

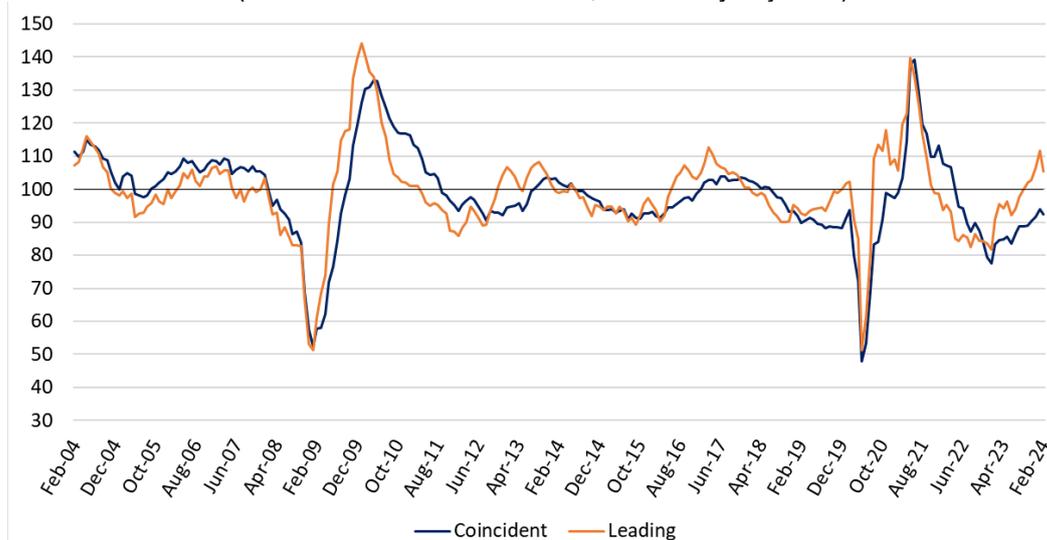
# Press Release

Rio de Janeiro and Zurich, 9 February 2024, 2 pm (local time) – 1 pm (UTC)

## Global Economic Barometers fail to continue their upward series

The Global Barometers decline in February after seven consecutive months of increases. The Coincident Barometer remains below average, while the Leading Barometer remains above average. This decline is a warning that the recovery process is fragile.

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



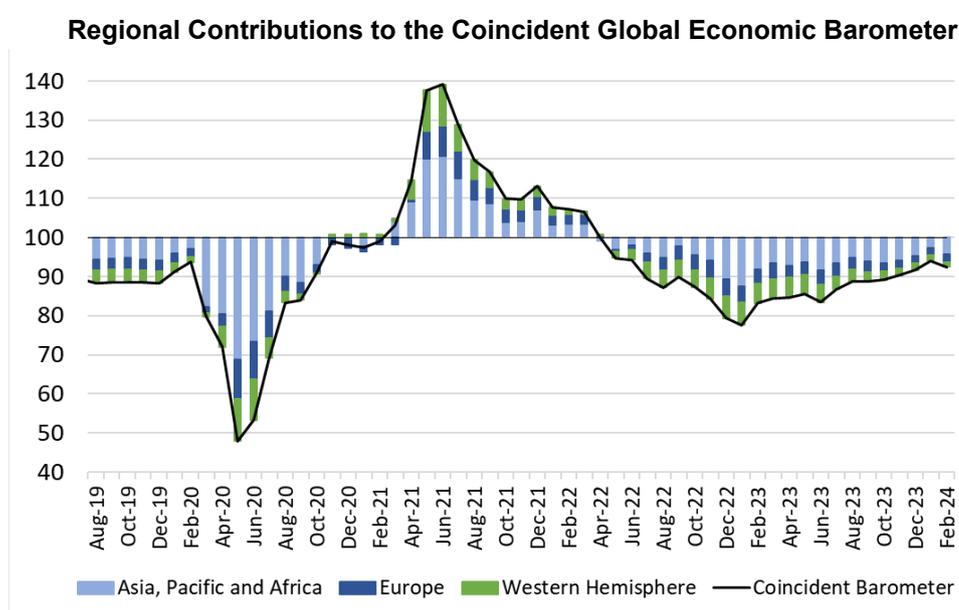
Source: KOF, ETH Zurich and FGV IBRE

In February, the Coincident Global Economic Barometer falls by 1.6 points and the Leading Barometer by 6.0 points to 92.4 and 105.5 points, respectively. In both cases, the *Asia, Pacific & Africa* region is the largest contributor to the decline, with the other regions contributing more discreetly in different directions. The gap between the two indicators has narrowed this month, but remains high at 13.1 points.

“This month the barometers report a clear bump in the road to recovery. As this setback is almost entirely driven by data from the Asian region, and is most visible in construction-related data, it is likely that the direct and indirect consequences of the problems in China's housing sector are at least part of the story. However, with the overall leading indicator still well above both its long-term average and the overall coincident indicator, the overall picture remains one of a recovering global economy” evaluates KOF director Jan-Egbert Sturm the latest results.

## Coincident Barometer – regions and sectors

The decline in the Coincident Barometer in February is mainly driven by the indicator for the *Asia, Pacific & Africa* region, with a negative contribution of -1.6 points, as the contributions from *Europe* and the *Western Hemisphere* of -0.2 and +0.2 points, respectively, offset each other this month. The regional coincident indicators continue to hover above the 90 mark, pointing to a modest recovery in world economic activity. The graph below shows the contribution of each region to the deviation of the Coincident Barometer from its historical average of 100 points.

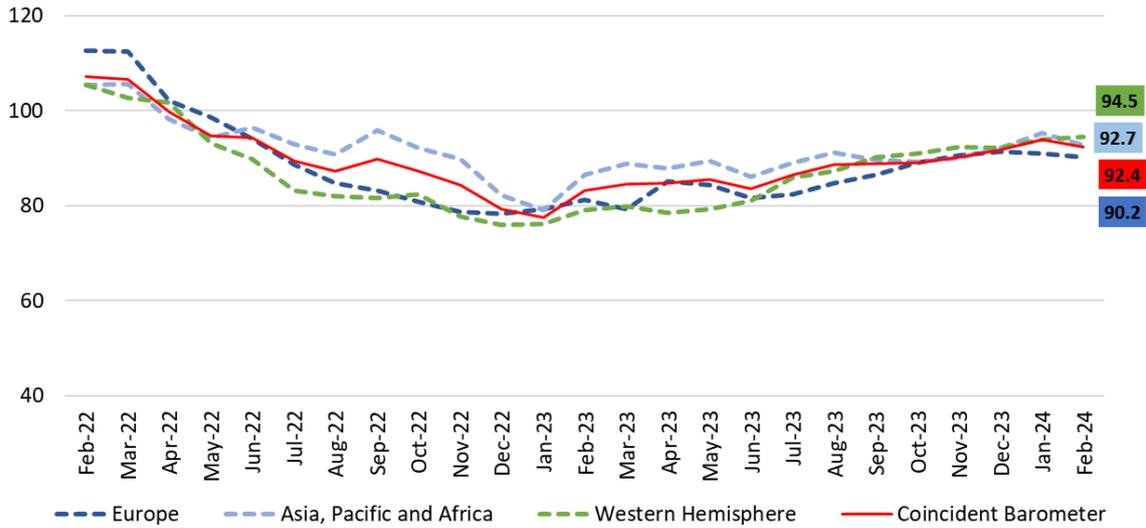


Source: KOF, ETH Zurich and FGV IBRE

<b>Regional Contributions to Changes in the Coincident Barometer</b>				
<i>Period</i>	<i>Contributions per Regions</i>			<i>Monthly Variation</i>
	<i>Asia, Pacific and Africa</i>	<i>Europe</i>	<i>Western Hemisphere</i>	<i>Coincident Barometer</i>
Worst pandemic moment: Cum. Contrib. Mar/20-May/20	-28.3	-8.2	-9.3	-45.9
Cum. Contrib. Jun/20-Feb/23	23.2	6.3	5.8	35.4
Mar-23	1.5	-0.4	0.1	1.3
Apr-23	-0.6	1.2	-0.3	0.2
May-23	0.9	-0.2	0.2	0.9
Jun-23	-2.1	-0.5	0.4	-2.1
Jul-23	1.9	0.2	1.2	3.1
Aug-23	1.3	0.4	0.3	2.1
Sep-23	-1.0	0.4	0.7	0.1
Oct-23	-0.3	0.5	0.1	0.3
Nov-23	0.5	0.3	0.4	1.2
Dec-23	1.3	0.1	-0.1	1.4
Jan-24	2.0	0.0	0.4	2.3
<b>Feb-24</b>	<b>-1.6</b>	<b>-0.2</b>	<b>0.2</b>	<b>-1.6</b>
Cum. Contrib. Last 12 months	3.8	1.8	3.6	9.2
Cum. Contrib. Mar/20-Feb/24	-1.3	-0.1	0.1	-1.3

Source: KOF, ETH Zurich and FGV IBRE

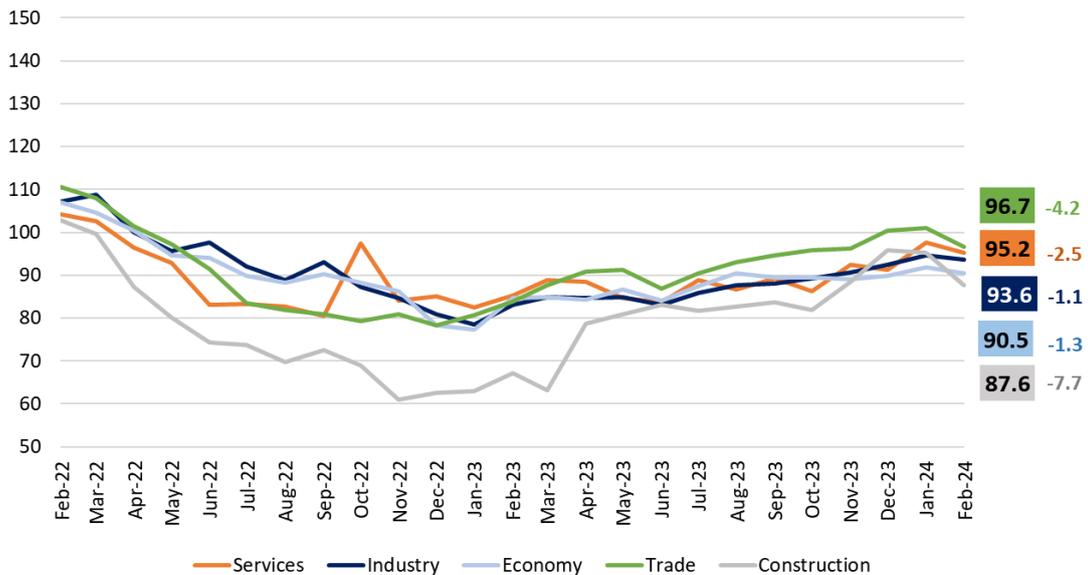
### Coincident Global Barometers – Regions



Source: KOF, ETH Zurich and FGV IBRE

Among the Coincident sector indicators, all declined in February, particularly *Construction*, which returned to the 80-point range, and recorded the lowest level among the indicators.

### Coincident Global Barometers – Sectors

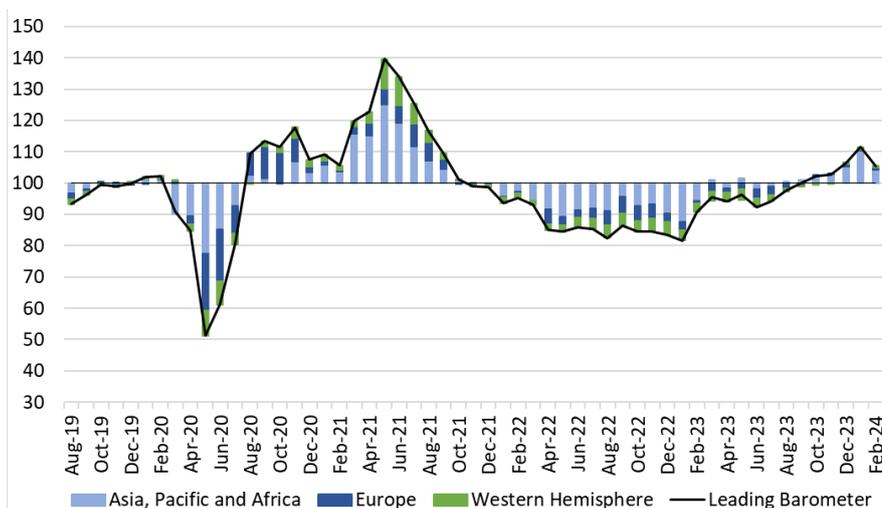


Source: KOF, ETH Zurich and FGV IBRE

## Leading Barometer – regions and sectors

The Leading Global Barometer leads the world economic growth rate cycle by an average of three to six months. In February, the largest negative contribution comes from the *Asia, Pacific & Africa* region, with -6.1 points. The *Western Hemisphere* makes a modest contribution of -0.2 points, while *Europe* moves in the opposite direction, adding 0.3 points to the final indicator. The indicator for the *Asia, Pacific & Africa* region reflects a revision of the positive outlook recorded in the previous month, while the expectations for *Europe* and the *Western Hemisphere* remain side-by-side at a level that is still favorable.

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

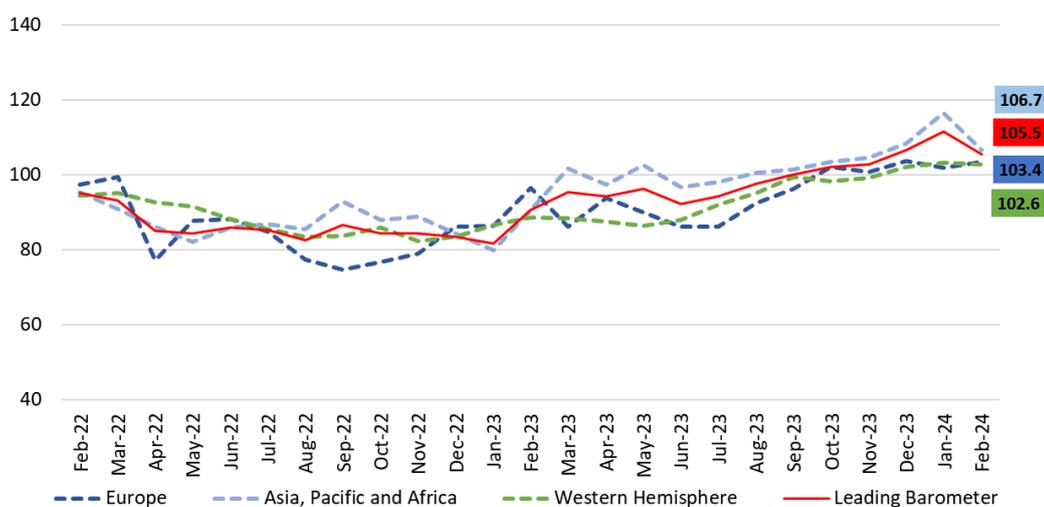


Source: KOF, ETH Zurich and FGV IBRE

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	-23.7	-18.6	-8.7	-51.0
Cum. Contrib. Jun/20-Feb/23	16.7	17.4	5.3	39.4
Mar-23	6.9	-2.0	-0.1	4.7
Apr-23	-2.7	1.5	-0.2	-1.3
May-23	3.2	-0.7	-0.3	2.2
Jun-23	-3.6	-0.8	0.4	-4.1
Jul-23	0.9	0.0	1.0	1.9
Aug-23	1.5	1.2	0.7	3.5
Sep-23	0.5	0.8	1.0	2.4
Oct-23	1.3	1.2	-0.3	2.1
Nov-23	0.7	-0.3	0.3	0.7
Dec-23	2.4	0.6	0.7	3.7
Jan-24	5.1	-0.4	0.2	5.0
<b>Feb-24</b>	<b>-6.1</b>	<b>0.3</b>	<b>-0.2</b>	<b>-6.0</b>
Cum. Contrib. Last 12 months	10.1	1.4	3.2	14.8
Cum. Contrib. Mar/20-Feb/24	3.1	0.2	-0.2	3.2

Source: KOF, ETH Zurich and FGV IBRE

### Leading Global Barometers – Regions



Source: KOF, ETH Zurich and FGV IBRE

In February, all the Leading sector indicators declined, with *Economy (aggregated business and consumer evaluations)* being the only one to register a level below 100 points.

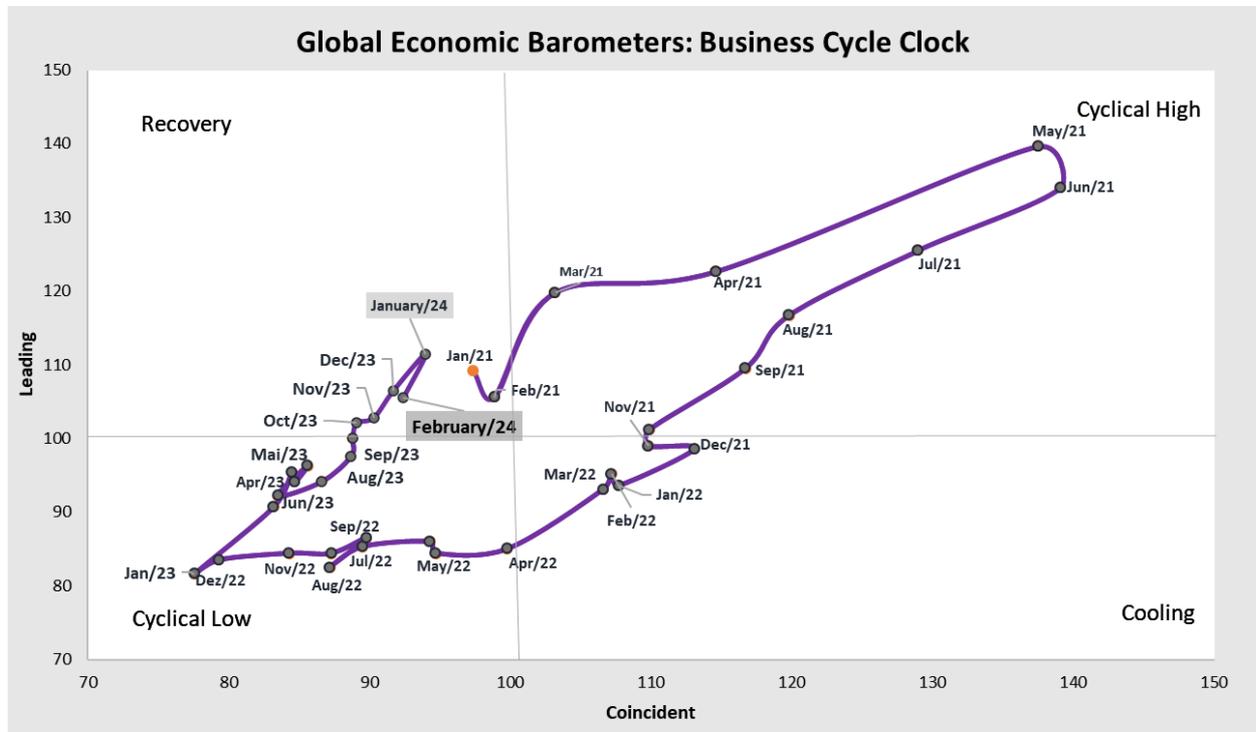
Sectoral Leading Indicators					
Period	Construction	Economy	Industry	Trade	Services
Feb-20	98.0	104.0	100.9	103.7	106.8
Mar-20	104.4	79.3	94.2	103.0	95.5
Apr-20	91.4	82.3	91.7	71.8	59.4
May-20	59.9	61.8	48.9	54.0	46.0
Worst pandemic moment: Cum. Variation. Mar/20-May/20	-38.1	-42.2	-51.9	-49.7	-60.8
Cum. Variation Jun/20-Feb/23	17.4	31.2	43.8	31.3	48.2
Mar-23	80.8	101.1	95.3	95.1	91.6
Apr-23	85.8	99.1	94.0	91.5	90.3
May-23	80.8	107.5	94.2	90.4	89.6
Jun-23	91.1	99.8	89.4	90.4	88.6
Jul-23	98.4	94.8	91.1	101.3	106.2
Aug-23	95.8	100.3	95.5	98.2	105.3
Sep-23	102.4	102.2	97.4	102.0	104.4
Oct-23	90.3	106.0	100.3	104.7	108.6
Nov-23	98.9	105.7	99.4	107.4	113.0
Dec-23	107.6	106.4	103.8	111.4	115.5
Jan-24	116.9	110.6	107.9	120.8	116.3
<b>Feb-24</b>	<b>113.1</b>	<b>99.2</b>	<b>105.6</b>	<b>115.0</b>	<b>109.1</b>
Cum. Variation Last 12 months	-16.4	29.8	9.0	-3.7	-4.8
Cum. Variation Mar/20-Feb/24	15.0	-4.8	4.7	11.2	2.3

Source: KOF, ETH Zurich and FGV IBRE

Period	<i>Global Coincident Barometer</i> Vintages		<i>Global Leading Barometer</i> Vintages	
	February 2024	January 2024	February 2024	January 2024
	Feb-23	83.2	83.0	90.7
Mar-23	84.5	84.6	95.4	95.4
Apr-23	84.7	84.8	94.1	94.0
May-23	85.6	85.6	96.3	96.3
Jun-23	83.5	83.5	92.2	91.7
Jul-23	86.6	86.7	94.1	94.0
Aug-23	88.7	88.7	97.6	97.8
Sep-23	88.8	88.8	100.0	100.6
Oct-23	89.1	89.2	102.1	102.3
Nov-23	90.3	90.4	102.8	102.5
Dec-23	91.7	92.0	106.5	106.0
Jan-24	94.0	94.5	111.5	111.1
Feb-24	92.4		105.5	

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

Source: KOF, ETH Zurich and FGV IBRE



Source: KOF, ETH Zurich and FGV IBRE

## 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 Getúlio 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 remained stable since the April 2020 edition.

**More information on the Global Economic Barometers is available on the KOF site:**  
<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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