The Slowdown In Global Growth Is A Hot Topic Of Late

View from the Observation Deck

1. The goal of today’s blog post is to lend a little bit of perspective to the discussion surrounding the slowdown in economic growth around the globe.

2. We included China’s real GDP growth trajectory in the chart because of its rising influence on global growth. China became the world’s second-largest economy at the midpoint of 2010, according to Bloomberg.

3. What some investors may not know is that China’s government publicly announced in early 2012 that it was scaling back its minimum real GDP growth target rate to 7.5%, according to The New York Times.

4. In other words, the tempering of economic growth in China was intentional. At the time it was set, the 7.5% minimum target growth rate qualified as the slowest pace in 22 years.

5. The IMF is forecasting a real GDP growth rate of 6.8% for China in 2015, which may be fueling some of the concern of late.

6. With respect to world economic output, while there has been a notable decline from the 5.4% growth rate posted in 2010, growth has hovered near the 3.5% level since 2012.

7. While global growth has certainly slowed since 2010, current levels do not suggest that a recession is looming, in our opinion.

This chart is for illustrative purposes only and not indicative of any actual investment.