

cover

disclaimer

historical gdp

mastercard
index of
women entre..

inflation/
supply
bottlenecks

Commodities

fed balance
sheet
reduction

au uk us
labour market

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mastercard economics institute

Global Economy



jun 2022



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Notes & Disclaimer

About the Mastercard Economics Institute

Mastercard Economics Institute launched in 2020 to analyze macroeconomic trends through the lens of the consumer. A team of economists, analysts and data scientists draws on Mastercard insights - including Mastercard SpendingPulse™ - and third-party data to deliver regular reporting on economic issues for key customers, partners and policymakers.

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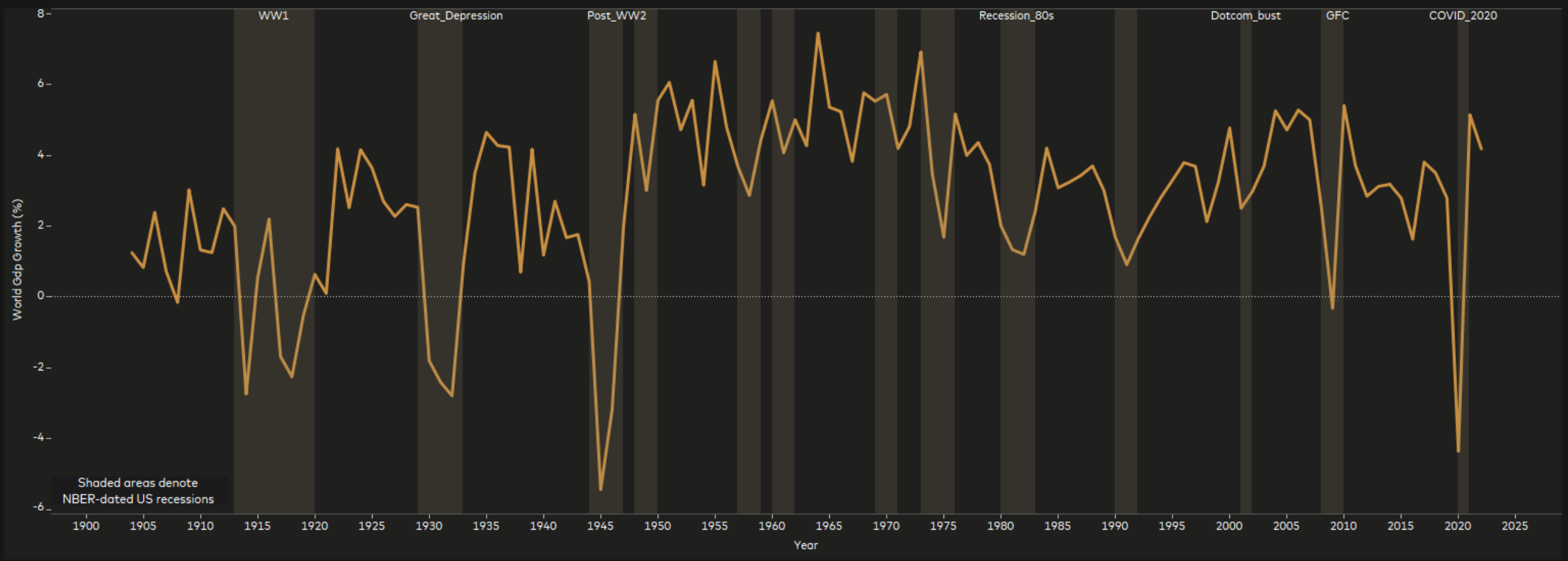
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2020: Unprecedented slowdown

the pandemic caused a global recession not seen since WW2

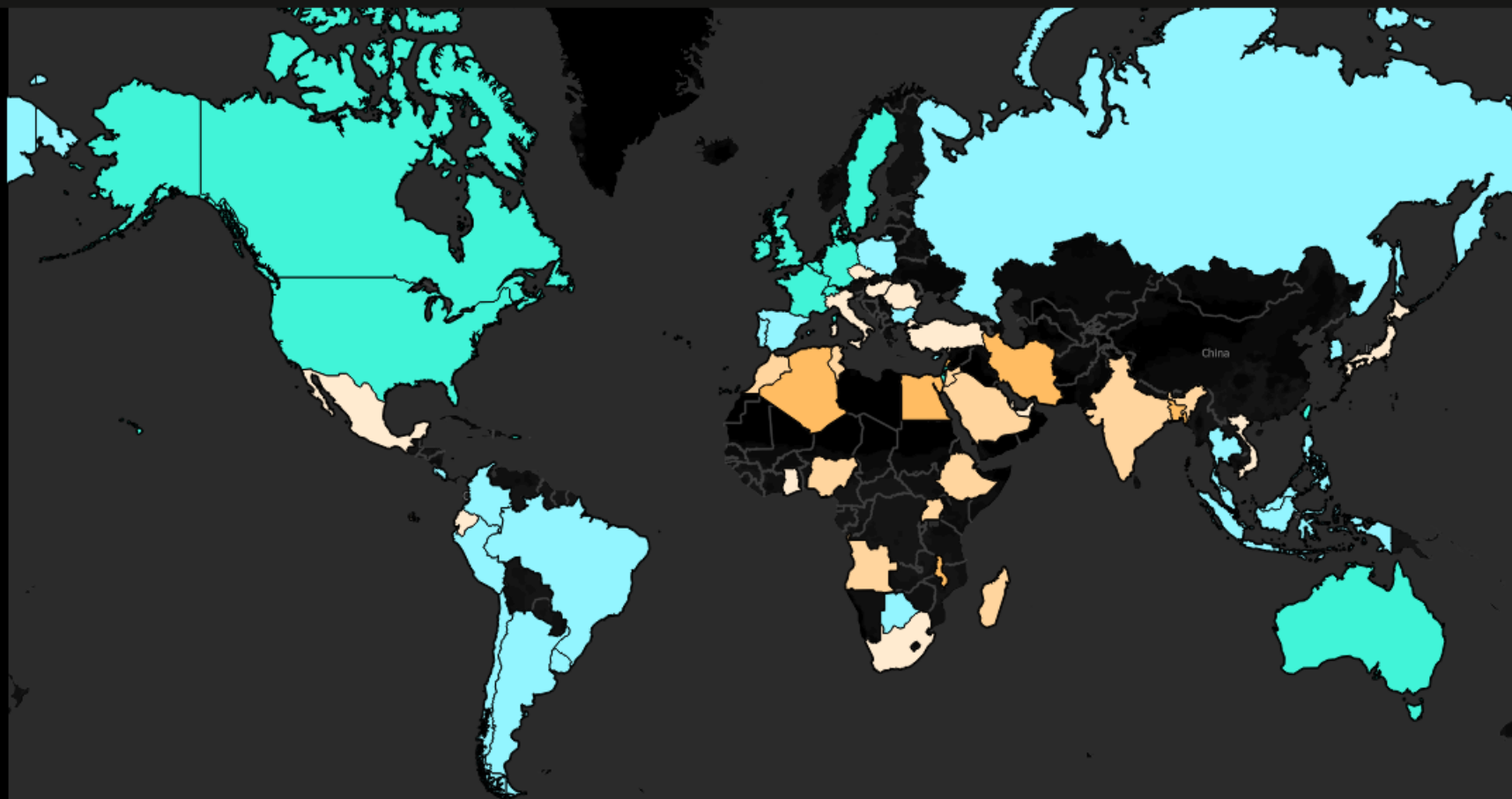
World GDP growth - historical



Unmistakable resilience and adaptability among women worldwide

Despite headwinds, women's employment rose in 14 of the economies assessed by this study in 2021

Mastercard Index of Women Entrepreneurs 2021 global ranking



supply bottlenecks persisting despite easing somewhat; while commodity prices flare

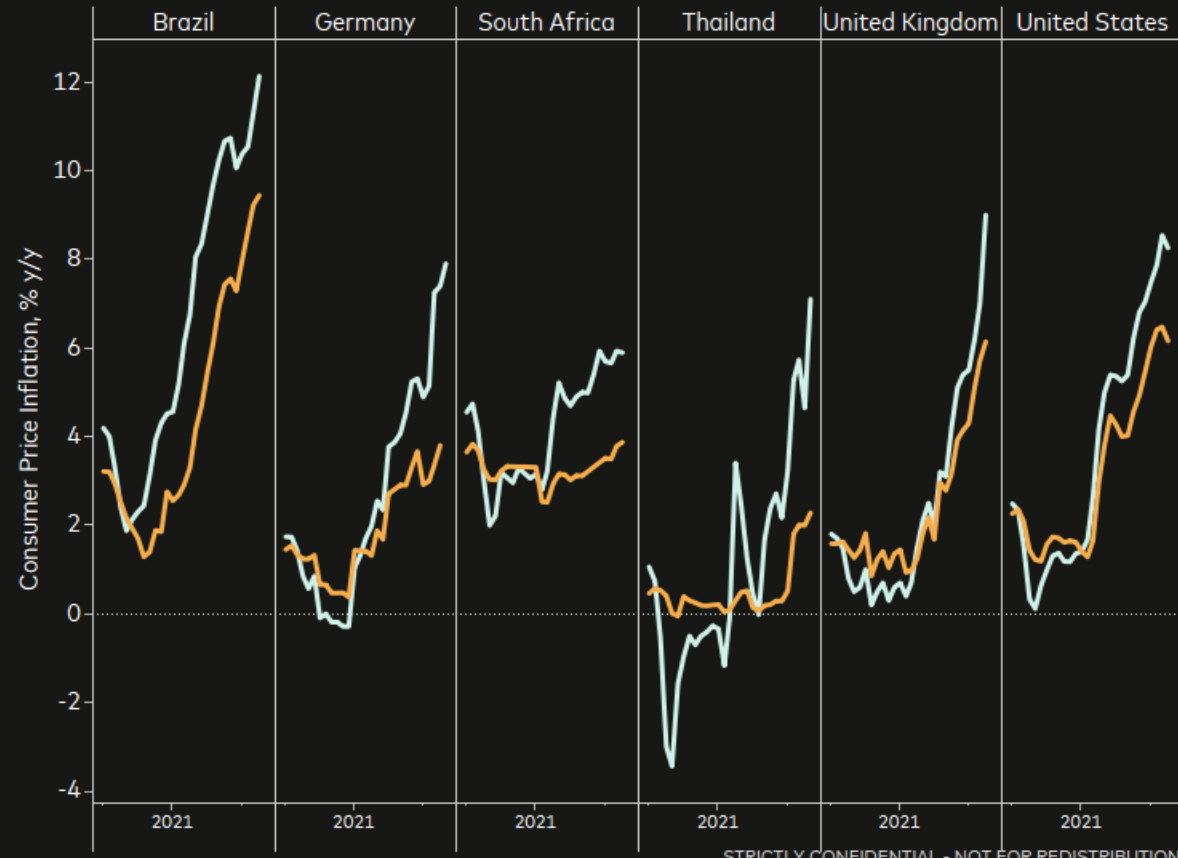
supply bottlenecks, evident by longer delivery time and inventory drawdowns, could add to inflationary pressures, which is already feeling the heat from commodity price increases

Global Supply Chain Pressure Index, Commodity Prices



Core CPI Headline CPI

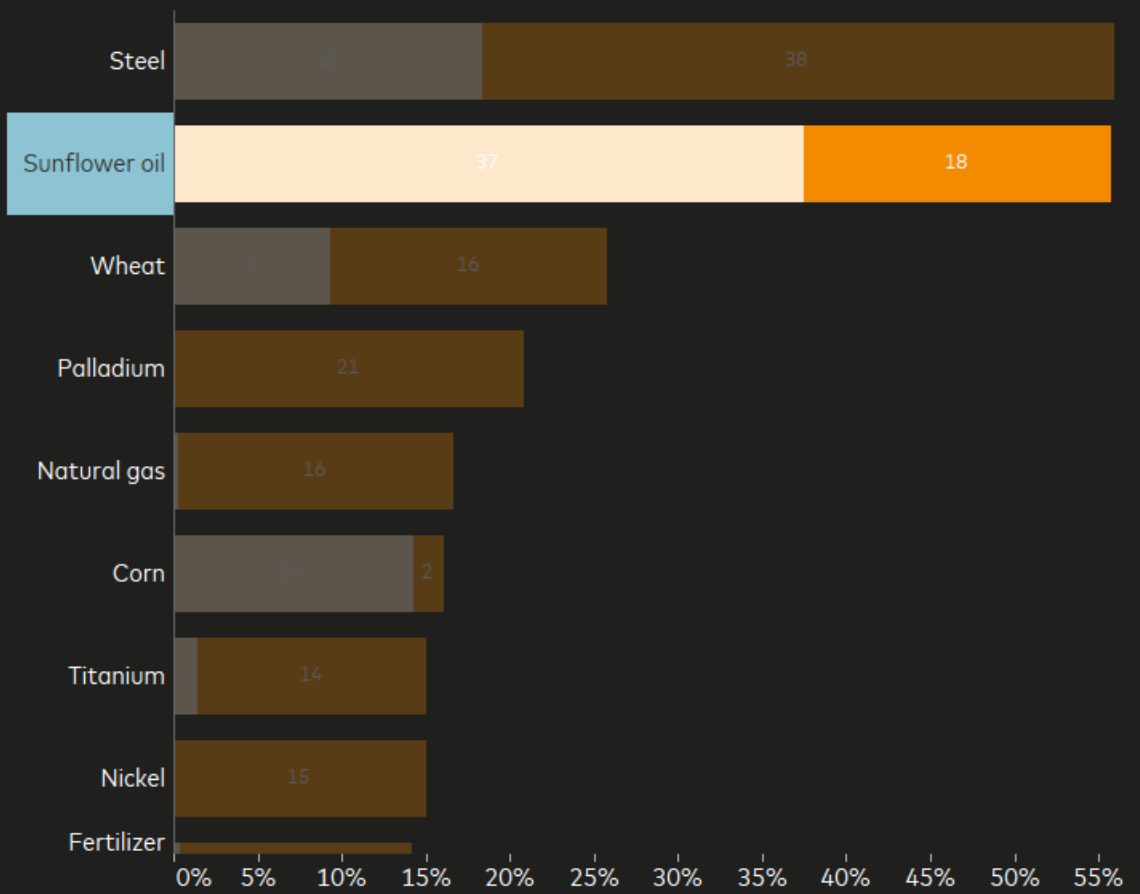
Consumer Price Inflation



Russia is a major energy, metals and agricultural exporter

a disruption in Russian commodity supplies has boosted global commodity prices, raising inflation for commodity importers

Russia and **Ukraine**'s share of global exports in 2019



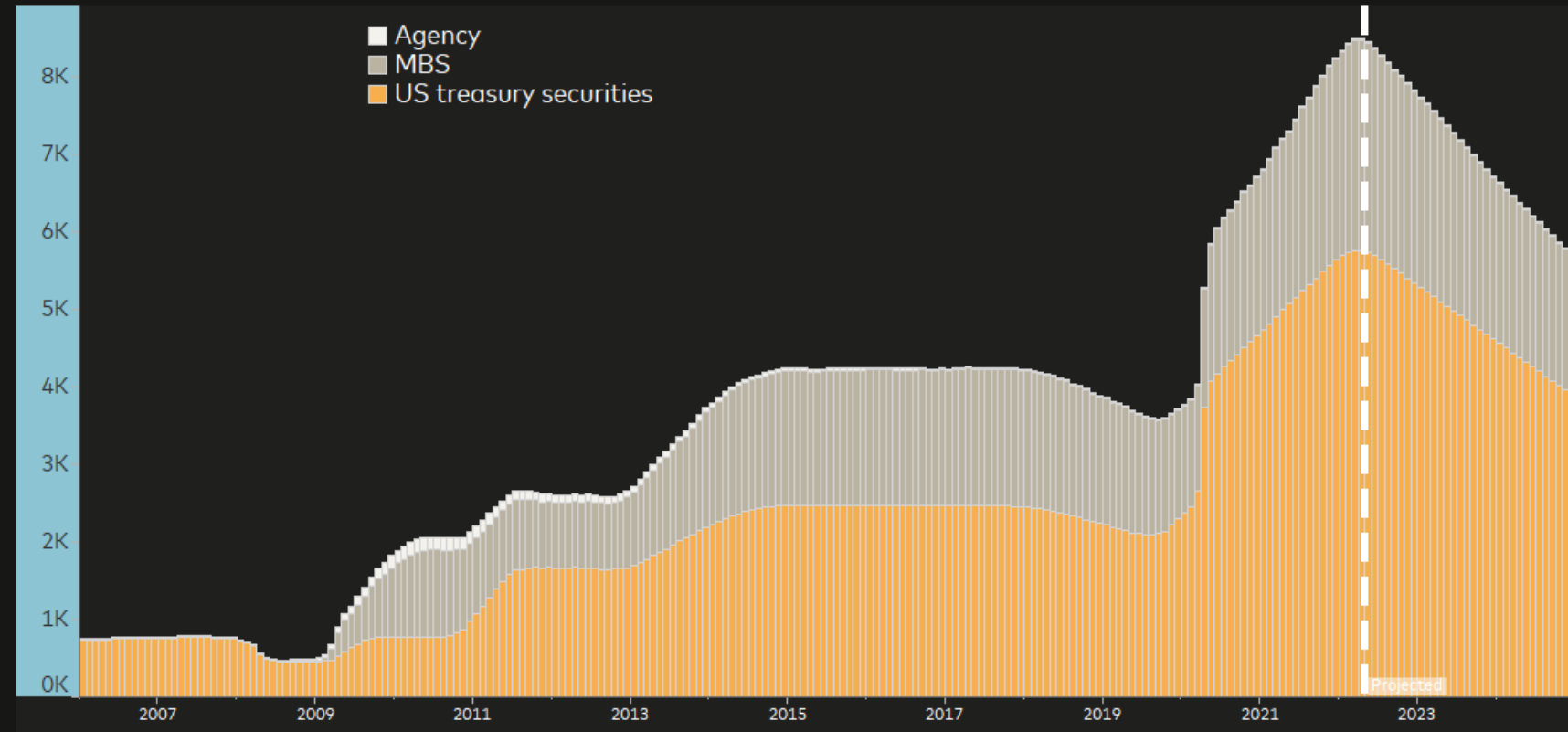
Sunflower oil prices
Bloomberg Generic 1st Sunflower Seed, \$/MT



Fed is on track to shrink its balance sheet: quantitative tightening QT (shrinking) adds to the tightening of financial conditions from rate hikes

- the Fed has started unwinding its massive balance sheet (nearly 40% of GDP) that includes trillions of dollars of bonds purchased during the pandemic
- in effect, this is the equivalent of additional monetary tightening on top of the expected rate hikes
- the pace of "quantitative tightening" is expected to be rapid this time, nearly matching the rate of "quantitative easing" and much faster than the last cycle

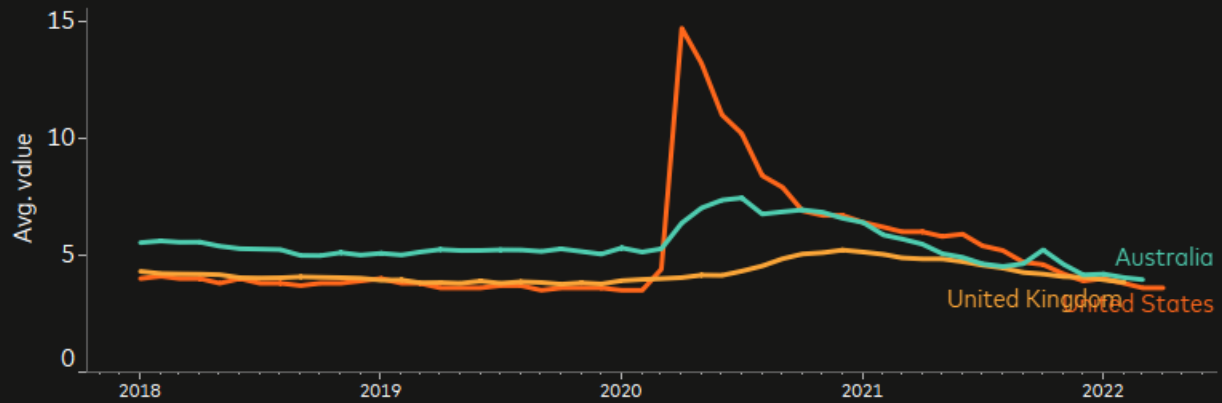
Securities held outright by the Federal Reserve (\$ bil.)



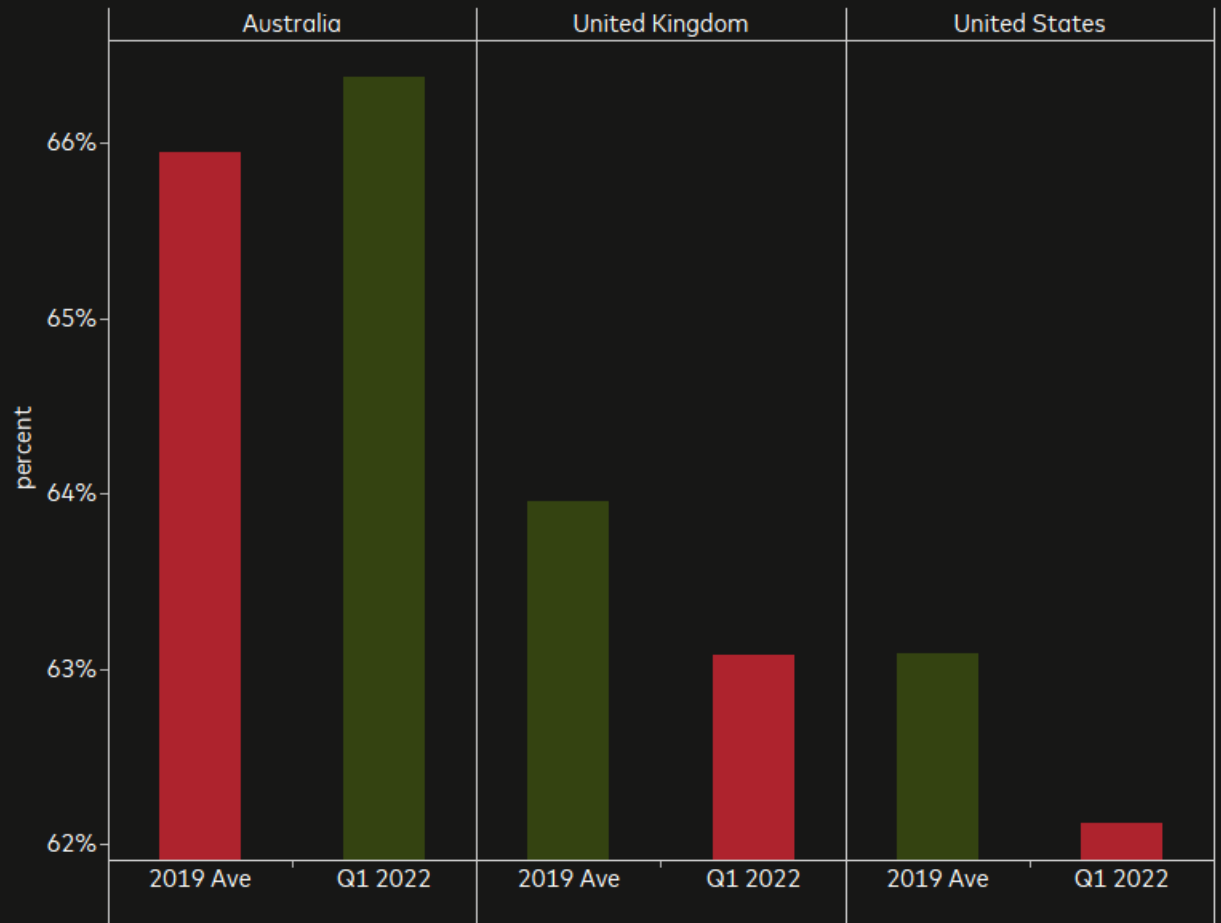
tightening of labour market conditions could give rise to higher wage growth

Australia's unemployment rate fell to multi-year lows, with labour force participation rate exceeding pre-pandemic levels.

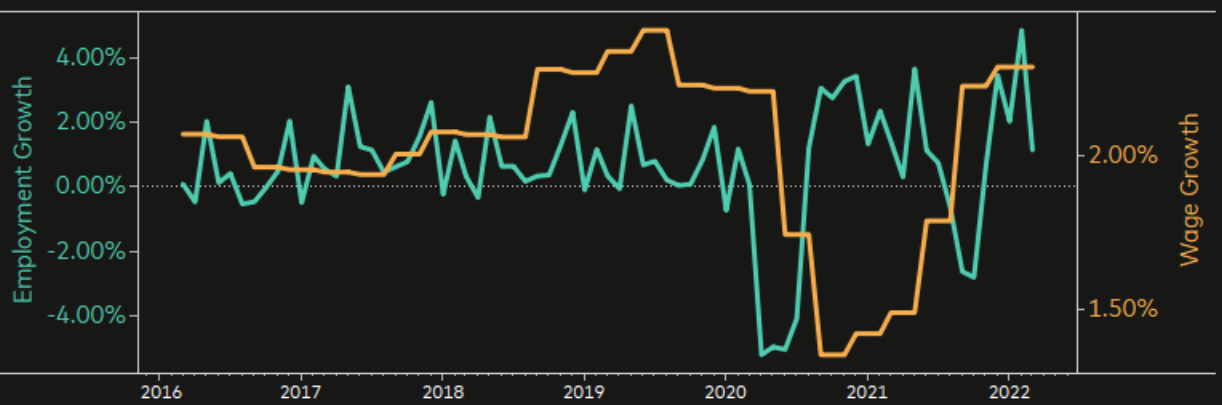
Unemployment rate by country



Labour force participation rate by country



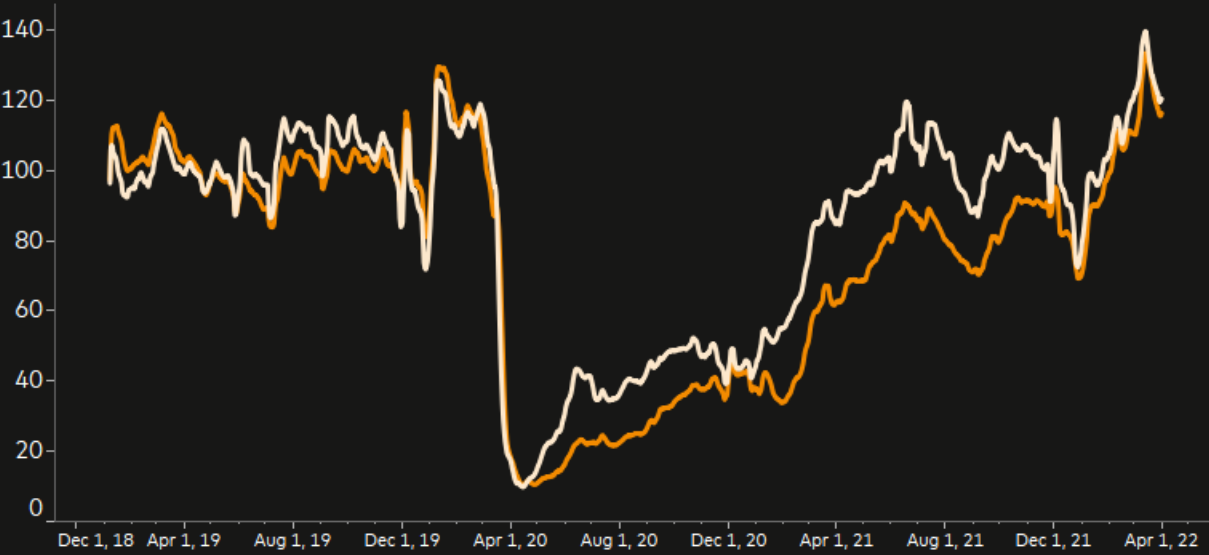
Employment and Wage Growth (YoY %)



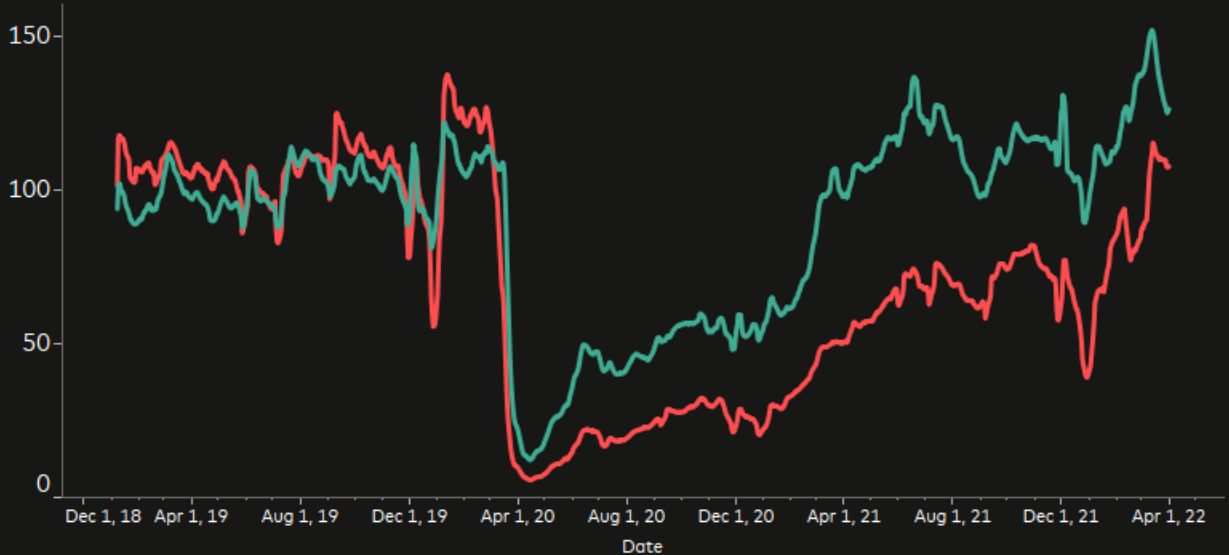
travel recovery underway, with leisure travel leading the charge

short haul domestic flights continue to outperform, but international is reemerging with the reopening United States

the number of domestic vs. international bookings where Q4'2019 = 100



the number of consumer vs. commercial bookings where Q4'2019 = 100



the share of domestic vs. international bookings



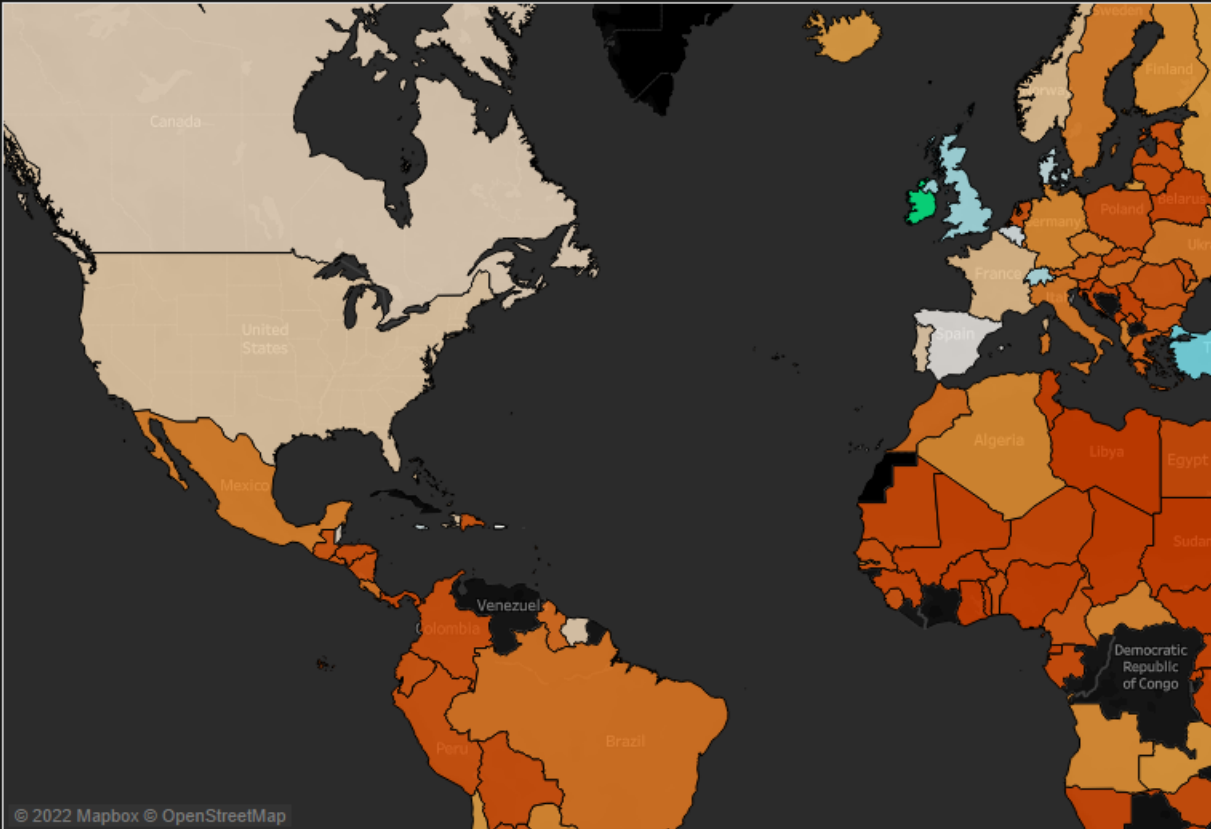
the share of consumer vs. commercial bookings



the pandemic accelerated a sticky shift to retail e-commerce

the share of e-commerce spend within the retail and services space took flight during the pandemic, and remains higher than pre-crisis levels. The shift to digital was also more sustained for countries with higher level of digital maturity. The African continent as a whole, however, is a key laggard in digital adoption

Share of ecommerce spend in Retail, Period:Latest

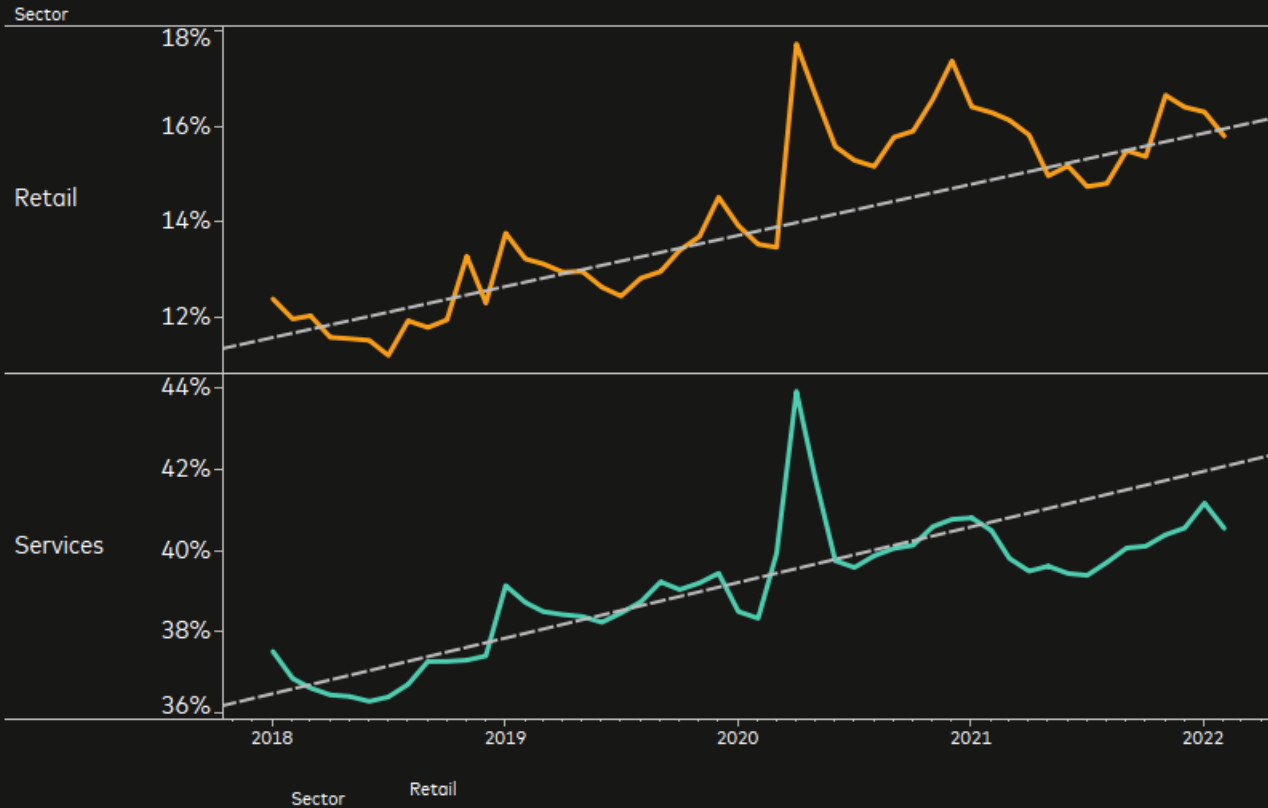


Avg. Share U.. 0% 40% Period Latest

SOURCE: MASTERCARD ECONOMICS INSTITUTE

● Retail ● Services

United States: e-commerce share of total spend



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