



U.S. durable goods orders slip in April

Financial Markets

Hungary's central bank cut its key interest rates by another 15 basis points as expected by economists. The Magyar Nemzeti Bank on Tuesday reduced the base rate to a record low 1.65 percent from 1.8 percent. This was the third consecutive monthly reduction in rates. The bank had lowered the rate by 15 basis points each in March and April.

High Income Economies

The combined real GDP for *Organization for Economic Cooperation and Development (OECD) countries* advanced 0.3 percent in Q1, slower than the 0.5 percent expansion in Q4. Among the G7 economies, growth slowed most significantly in the United States to 0.1 percent from 0.5 percent in Q4 and that in Germany fell to 0.3 percent from 0.7 percent. Growth halved in the United Kingdom to 0.3 percent from 0.6 percent. In contrast, economic growth picked up strongly in France to 0.6 percent after showing flat growth in Q4. Growth also accelerated in Japan, doubling from 0.3 percent to 0.6 percent.

U.S. durable goods orders dipped by 0.5 percent (m/m) in April after surging up by a revised 5.1 percent in March. The drop in orders came in line with economist estimates, while the increase in the previous month was upwardly revised from the originally reported 4.0 percent jump. Excluding orders for transportation equipment, durable goods orders rose by 0.5 percent in April compared to a revised 0.6 percent increase in March.

Developing Economies

South Asia

The Board of Directors of the Global Partnership for Education, (GPE) has approved a grant of \$58.9 million to support primary education in *Mozambique, Bangladesh, Nepal* and *Rwanda*. The grant is part of a package of \$235 million that will also support improvements in the quality of primary education in Bangladesh, Nepal and Rwanda. Bangladesh will receive a \$100 million grant, Nepal a \$59.3 million grant and Rwanda a \$17.64 million grant. This funding will support the implementation of the countries' education sector plans for the coming three to four years.

Sub-Saharan Africa

African economies are expected to expand at a faster pace this year but lower oil prices and uncertain global conditions could delay an expected return to pre-crisis growth levels, the African Economic Outlook 2015 said Monday. African economies will grow by 4.5 percent in 2015 and may reach 5 percent in 2016, converging with Asia's current growth rates, according to the joint report released by the Organization for

Economic Co-operation and Development, the African Development Bank and the United Nations Development Programme.

South Africa's economy expanded at 1.3 percent (y/y) in Q1, down from a 4.1 percent increase in Q4 2014. Economists polled by Bloomberg had expected the pace of GDP growth to slow but to a less severe 1.5 percent. Weak commodity prices have taken a heavy toll on the sizeable mining industry, which was recovering from a lengthy strike which ended in June last year and was the costliest wage dispute in the history of South African mining. Separately, South Africa's jobless rate increased to 26.4 percent in Q1 2015 from 24.3 percent in Q4. It is the highest rate since 2005, as unemployment rose 12.8 percent (q/q), while employment grew at a slower 0.9 percent.

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