
The worst of the global slowdown will soon be over: BNY Mellon

By Editor Test *Thu, Aug 16, 2012*

"We disagree with the disaster scenarios for Europe," said the bank's chief economist, Richard Hoey.

There will be a moderate strengthening of global economic indicators in late 2012 and 2013, according to BNY Mellon chief economist Richard Hoey's August 2012 [Economic Update](#). He expects global GDP of 3% and a "growth recession" for 2012, as the worst of the global slowdown passes.

European policymakers will support the integrity of the euro rather than face the severe losses that would follow its dissolution, according to BNY Mellon. "For that reason, we do expect the euro to survive," Hoey said in a release. "The euro should continue to include most of its current members."

Hoey believes the rescue of the euro to come too late to stop a European recession, but foresees no financial apocalypse there.

"We believe that Europe is currently in the worst phase of the European recession and the stronger countries can exit recession in late 2012 or early 2013," Hoey added. "We disagree with the disaster scenarios for Europe. However, even after the current European recession ends, we expect a multiyear period of sluggish economic activity, given unfavorable demographics, competitiveness challenges and legacy debt issues."