



# World Bank Predicts Largest Global Downturn Since 1940s

Discussion > Advanced 8



## Exercise 1 – Vocabulary

<b>downturn</b>	A decline in business or economic activity.
[noun]	<i>Ex: The market is experiencing a <b>downturn</b>.</i>

<b>recession</b>	A period of economic decline.
[noun]	<i>Ex: Brazil is going through its worst <b>recession</b> since the Great Depression.</i>

<b>contraction</b>	The action or process of becoming smaller.
[noun]	<i>Ex: A <b>contraction</b> in the local economy has hurt many small businesses.</i>



<b>devastate</b>	To damage or destroy; to cause severe sadness or shock.
[verb]	<i>Ex: She was <b>devastated</b> by the loss of her husband.</i>

<b>developing</b>	Seeking to become more economically advanced (of a country).
[adjective]	<i>Ex: Many children live in poverty in <b>developing</b> countries.</i>

<b>rebound</b>	To return to a higher value, level, etc. after declining.
[verb]	<i>Ex: Oil prices have started <b>rebounding</b> after hitting an all-time low in February.</i>



## Exercise 2 – Reading

*Read the text aloud with your tutor and discuss the key points.*

### **World Bank Predicts Largest Global Downturn Since 1940s**

The World Bank has predicted that global economic activity will shrink by 5.2% this year, the deepest recession since a 13.8% global contraction in 1945-46 at the end of World War II.

The 5.2% downturn will be the fourth worst global downturn over the past 150 years, exceeded only by the Great Depression of the 1930s and the periods after World War I and World War II, when the economies of many countries were devastated.

Because of the steep contraction, per capita incomes are expected to decline in more than 90% of emerging markets and developing countries. For all countries, the drop in per capita incomes is expected to average 6.2%, much larger than the 2.9% fall during the 2009 financial recession.

World Bank economists also say they expect the number of people in extreme poverty could grow by between 70 million and 100 million this year.



In January, the World Bank had estimated that the world economy would grow by a modest 2.5% this year.

For the United States, the updated World Bank forecast is for GDP to fall 7% this year, before growing 3.9% in 2021.

For China, the world's second-largest economy, the World Bank expects growth will slow this year to 1% but will rebound to 6.9% in 2021. For the 19 European countries that use the euro currency, the World Bank predicts a drop of 9.1% this year followed by growth of 4% next year.

World Bank economists cautioned that their forecast was based on an assumption that the worst of the coronavirus outbreak was coming to an end and economies would pick up fairly quickly once governments begin to reopen.

If there is a second wave of the virus that disrupts economic activity later this year, then growth will fall even further and the rebound next year will be weaker, the World Bank analysts said.



## Exercise 3 – Discussion

*Discuss the following questions with your tutor.*

1. What are your thoughts on the World Bank's economic forecast?
2. How has your place of work been impacted by the coronavirus pandemic?
3. What industries do you think will be worst affected by COVID-19?
4. Would you say that your country's economy has gotten stronger or weaker under your current leader?
5. Did you study economics in school? If so, did you enjoy it? If not, why not?
6. What industries would you say are most important to your country's economy?
7. In your opinion, what are the biggest economic problems in your country? Why do you think so?
8. Which country do you imagine will have the world's strongest economy 50 years from now?