

Giulia Fracas
Francesca Polini
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OH! G.O.D.

~~Governors Of Demand~~
World goes negative

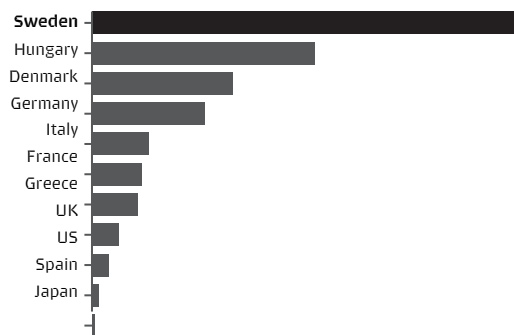
IUAV
Infodesign course
held by M. Ferrari
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A.A. 2015 / 2016

A SWEDEN

The less european country ever

To tow the Swedish economy were mainly two factors: interest rates kept very low by the central bank and a strong increase in public and private spending to meet migrants emergency.

Asylum seekers per million of population in 2014



The Swedish economy advanced a seasonally adjusted **0.5%** on the quarter in the three months to March of 2016, following an upwardly revised **1.6% expansion** in the previous period and missing market expectations of **0.7% growth**. In 2014 both private and public spending rebounded, as well as fixed investment which grew the most in seven years.

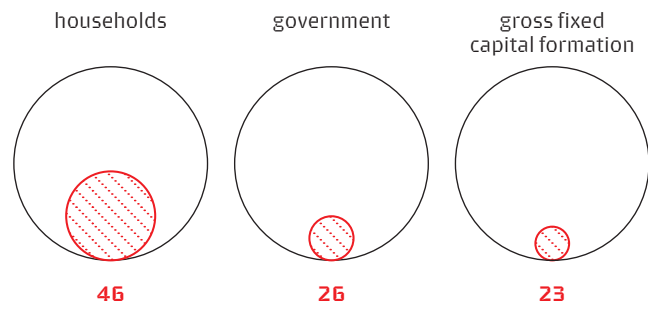
Imagine a bank that pays negative interest. Crazy as it sounds, several of Europe's central banks have cut key interest rates below zero and kept them there for more than a year. Now Japan is trying it, too. For some, it's a bid to reinvigorate an economy with other options exhausted. Others want to push foreigners to move their money somewhere else. Either way, it's an **unorthodox choice that has distorted financial markets** and triggered warnings that the strategy could backfire. If negative interest rates work, however, they may mark the start of a new era for central banks.

A DENMARK

In Denmark, the central bank, Nationalbanken, doesn't have an inflation target. Its goal is to keep its currency steady against the euro to **protect trade** with the eurozone. With the euro falling in recent years, the Danish central bank cut rates repeatedly, going negative for the first time in mid-2012 in a bid to keep its currency in check. The policy has achieved its main objective because appreciation pressure on the krone has "disappeared completely."

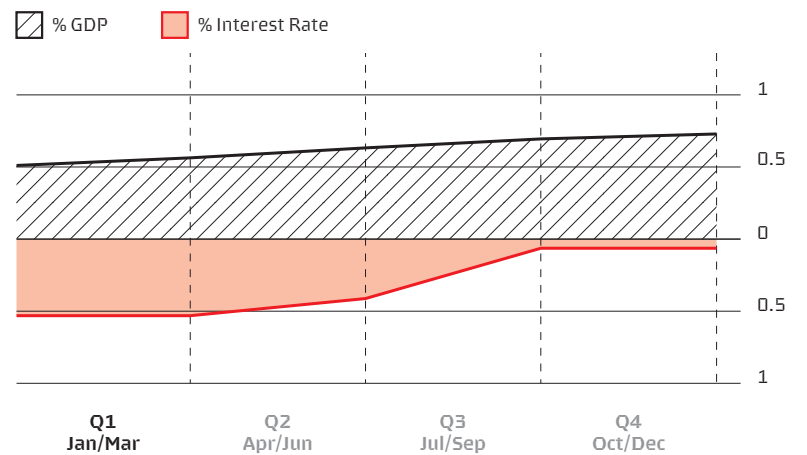
Denmark's GDP growth rebounded slightly after the very weak data recorded in Q3 2015. However, the economy is likely to grow below 1% for 2016 as a whole. Nevertheless, employment growth continues to be strong, with private sector adding **3,200 employees** in January. Inflation in January had decelerated as expected but seems likely to remain positive.

Expenditures as a % of GDP



Kinds of negativity

- A best one
- B little improvements
- C worst one



C EURO AREA

Unemployment

Even if ECB needs time to reach a lower unemployment level the effect of the choice seems to be positive.

