

Global economic recovery losing momentum: Moody's

LONDON, May 15 (Xinhua) -- Global economic recovery has lost momentum over the past three months, with several economies still facing significant challenges and are unlikely to resume "normal" growth rates soon, the investors service of international credit rating agency Moody's said on Wednesday. In a report titled "Update to Global Macro Outlook 2013-14: Loss of Momentum," Moody's expected the euro area economy to experience a deeper and lengthier recession than previously thought, while the U.S. sequestration cuts would weigh on the recovery momentum visible in the private sector. According to flash estimates released by Eurostat, the 27-member EU will see its GDP fall by 0.1 percent in the EU27 in the first quarter of 2013. The euro area economy, meanwhile, will also shrink by 0.2 percent. Moody's said some major emerging market economies also faced challenges in spurring investment growth to drive sustainable increases in national income. Overall, the rating agency expected the real GDP growth of developed economies in the G20 countries to stand at around 1.2 percent in 2013 followed by 1.9 percent in 2014. The G20's emerging economies, however, could stand at around 5.5 percent in both 2013 and in 2014, which is somewhat weaker than Moody's February forecast.