China's auto activity is slowing, raising questions about the country's ability to foster consumer-led economic growth, an economist says.

What does the theme song from the sitcom "Friends" have to do with the global economy?

Apparently, one lyric describes the current situation perfectly, indicating that it's "stuck in second gear" with emerging nations finding "it hasn't been your day, your month or even your year," **Gregory Daco**, head of **U.S. Macroeconomics** at **Oxford Economics**, said at a recent forum of the **Georgia State Robinson College of Business Economic Forecasting Center.**

The program, "A Fresh Look at Regional Dynamics," featured Mr. Daco as well as **Robert Dye,** SVP and chief economist for the **Comerica Bank**; **Michael Toma, director, Center for Regional Analysis** at **Armstrong State University,** as well as the forecasting center's director, **Rajeev Dhawan.**

Overall, Mr. Daco expressed serious concerns about **China**, **Japan** and **Brazil** but saw encouraging signs for **Greece, India** and the **European Union**.

Speaking a few weeks after China's stock market upheaval, Mr. Daco said there were plenty of signs to indicate economic stagnation in the country. Housing has a five-year backlog and consumer spending, such as in the automobile market, was down.

"We expected the Chinese economy to slow down and eventually become more balanced. Even the Chinese government put its growth at a slower 10 percent, with alternative indicators nailing it at about 3 percent," he says. "What was unexpected was the speed of the plunge."

Chinese industrial output and exports are back to about 1997 levels, which is almost half of what was produced in 2009, he said. In addition, total investments have been going downhill since 2013 with net exports, private consumption, public consumption and building expected see slower growth well into 2018, he said.

"China is highly volatile and the world's markets, including the U.S., need to prepare for a lower pace of economic activity. How will that country having 2 to 3 percent growth impact the other economies going forward will be a challenge. The super commodity demand is over," he said.

On the other hand, Mr. Daco sees long-term (not necessarily short-term) potential for India. He cited an open government, the B**ank of India** having greater maneuverability to lower the interest rate without worrying about inflation and private-sector confidence as reasons for believing it is a "bright spot among the emergers."

"The euphoria of the Indian economy has given way to cautious optimism due to its slow progress on reforms, stagnant private investment and subdued growth in the consumption indicators," he says. He expects the country to end the year with an overall growth of 7.5%.

The worst performing country of the emerging nations is Brazil, he says. “Wherever we look, there’s an ugly story to be told,” he said. “There is stubbornly high inflation, eroding consumers’ purchasing power, tightened credit markets, increasing household debt and the deterioration in the labor market. The outlook for growth in 2016 is not good.” In fact, he predicts Brazil to stay in recession, with growth declining 2.4 percent in 2015 and 0.3 next year.

Mr. Daco also took a tour of other markets around the world. **Russia** is feeling the pressure of its government’s geopolitical gambles and the resulting global sanctions, decreased oil prices and renewed pressure on the ruble. GDP there should fall 4.6 percent year over year and consumer spending should see sharp retrenchment, he said.

Japan is still struggling, and downside risks remain especially as household spending slips. Both the exchange rate and stock market have been feeling gravity’s effects since 2012, and Mr. Daco believes the government’s missteps have impeded growth. “I see moderate to zero growth,” he says. The eurozone’s GDP growth should hit about 1.5 percent by 2018, consistent with 2016 and 2017 predictions, he said.

Greece remains a big problem and a risk to Europe but he believes its exposure will be greatly reduced.

Dr. Dhawan issued his quarterly **“Forecast of the Nation”** at the seminar, but he also spoke briefly about the world’s economy. He called China’s economy “stalled” and Europe’s “limping,” but said that GDP growth in the upcoming quarters is predicated on healthy domestic consumer demand and the return to investment spending — despite recent stock market turmoil.

While he noted China’s turbulent stock market was proof that “China’s economy needs a jump-start,” the silver lining was that the devaluation provided “positive news for the economy overall,” boosting domestic profit margins on imported goods.