

# Global Economic Forecasts: Q2 2022

May 2022

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## INTRODUCTION

Scope

Key findings

## GLOBAL OUTLOOK: Q2 2022

Global baseline outlook: Ukraine war spill-overs reduce economic growth and raise inflation

Major commodity supply shocks have worsened inflation outlook

Above trend global inflation expected to continue in 2022-2024 amid rising interest rates

Pandemic impacts on global economy continue to moderate outside China

Downside risks have increased substantially

Real GDP annual growth forecasts and revisions from last quarter: AE

Real GDP annual growth forecasts and revisions from last quarter: EMDE

Inflation forecasts

Central bank interest rates quarterly forecasts

Global risk map: Rising global stagflation risk

Global Risk Index scores and rankings

Global stagflation: Main global risk

COVID-19 pessimistic scenario: Worsening pandemic remains a risk

COVID-19 optimistic scenario: A faster global recovery possible but unlikely

## KEY ECONOMIES OUTLOOK: Q2 2022

US: Negative supply shocks and low consumer confidence worsen economic outlook

US: Forecast risks

US: Inflation may have peaked but is expected to remain high in 2022-2023

US: Consumer confidence is low despite strong labour market

China: Tighter coronavirus restrictions and lower global export demand worsen outlook

China: Forecast risks

China: Gap between consumer and producer price inflation a sign of low demand conditions

China: Economic activity likely declined in recent months

India: General outlook

India: Forecast risks

Japan: General outlook

Japan: Forecast risks

Indonesia: Economic volatility rises in Q2 as the recovery faces mounting obstacles

Eurozone: Worsening outlook and increasing uncertainty after start of war in Ukraine

Eurozone: Forecast risks

Eurozone: Inflation rises to unprecedented levels

Eurozone: Private sector confidence has declined though still above historic average

UK: General outlook

UK: Forecast risks

Russia: General outlook

Russia: Forecast risks

Brazil: General outlook

Brazil: Forecast risks

Mexico: Global economic disruption significantly slows Mexico's recovery in Q2

## APPENDIX

Summary 1 baseline scenario and main downside risks: Q2 2022

Definitions

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