Euromonitor International

Global Economic Forecasts: Q2 2023

May 2023

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Scope
Key findings

GLOBAL OUTLOOK: Q2 2023

Global baseline outlook: Improved growth in an increasingly multi-speed global economy
Global inflation moderates only gradually as price pressures show signs of persistence
Rising geopolitical tensions present substantial inflation risks in the short to medium term
Likelihood of a global downside scenario remains significant amid multitude of risks
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 scenario map : Stagflation remains key global downside risk
Global Risk Index scores and rankings
Global stagflation scenario: Vulnerabilities remain high for major economies
Global bounce back scenario: Faster-than-expected bounce back possible with risks abating

KEY ECONOMIES OUTLOOK: Q2 2023

US: Growth momentum shows resilience despite mounting headwinds
US: Inflation abates as energy prices ease - yet, underlying price pressures persist
U S: The banking turmoil has increased the likelihood of a hard landing scenario
US: Significant domestic and global risks cloud forecast period
China: Rebound in private consumption and surging investment to support economic growth
China: Consumer and business confidence improve on the back of economic reopening
China: Forecast risks
India: Economic growth to ease, but will remain one of the strongest globally
India: Forecast risks
Japan: Weak foreign demand and high inflation are key downside risks
Japan: Forecast risks
Indonesia: Economic growth to ease amid weaker exports growth
Eurozone: Outlook and confidence improve as energy markets normalise
Eurozone: Overall inflation eases amid energy price drop – but core inflation has yet to peak
Eurozone: Upside and downside scenarios among potential outcomes amid high uncertainty
UK: Outlook clouded by persistent inflation, high interest rates and weak external prospects
UK: Forecast risks
Russia: Outlook remains subdued by the ramifications of the war in Ukraine
Russia: Forecast risks
Brazil: Conflicting monetary and fiscal policies fuel uncertainties and hamper growth
Brazil: Forecast risks
Mexico: Outlook slightly improves as consumer spending and manufacturing rebound

APPENDIX

Baseline and main alternative scenarios: Q2 2023
Other alternative scenarios: Q2 2023
Definitions

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