



Global Economic Forecasts: Q2 2023

May 2023

Table of Contents

INTRODUCTION

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

US: 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

About Euromonitor International

Euromonitor International is an independent market intelligence provider. Data, insight and analysis stem from in-the-field research spanning 210 national markets.

Content ranges from the in-depth and country-specific, to key strategic themes with a global range and significance. Products cover a comprehensive range of insights and market data, but can be broadly categorised as:

- **Strategy Briefings:** Global or regional in scope, and focussing on the most important themes shaping consumer demand, the key markets, competitive environment and future outlook across a range of industries.
- **Company Profiles:** Analysis dedicated to the world's most significant companies, with detailed insight into their activities, focus of operations, their competitors, their geographic presence and performance.
- **Country Reports:** For an in-depth understanding of specific countries, whether by industry, economic metrics or consumer trends and lifestyles. These reports cover current trends, consumer demand, market potential and future prospects, with country-specific local insight and comprehensive data, unavailable elsewhere.

For more information on this report, further enquiries can be directed via this link www.euromonitor.com/global-economic-forecasts-q2-2023/report.