



OECD Interim Economic Outlook Turning the Corner

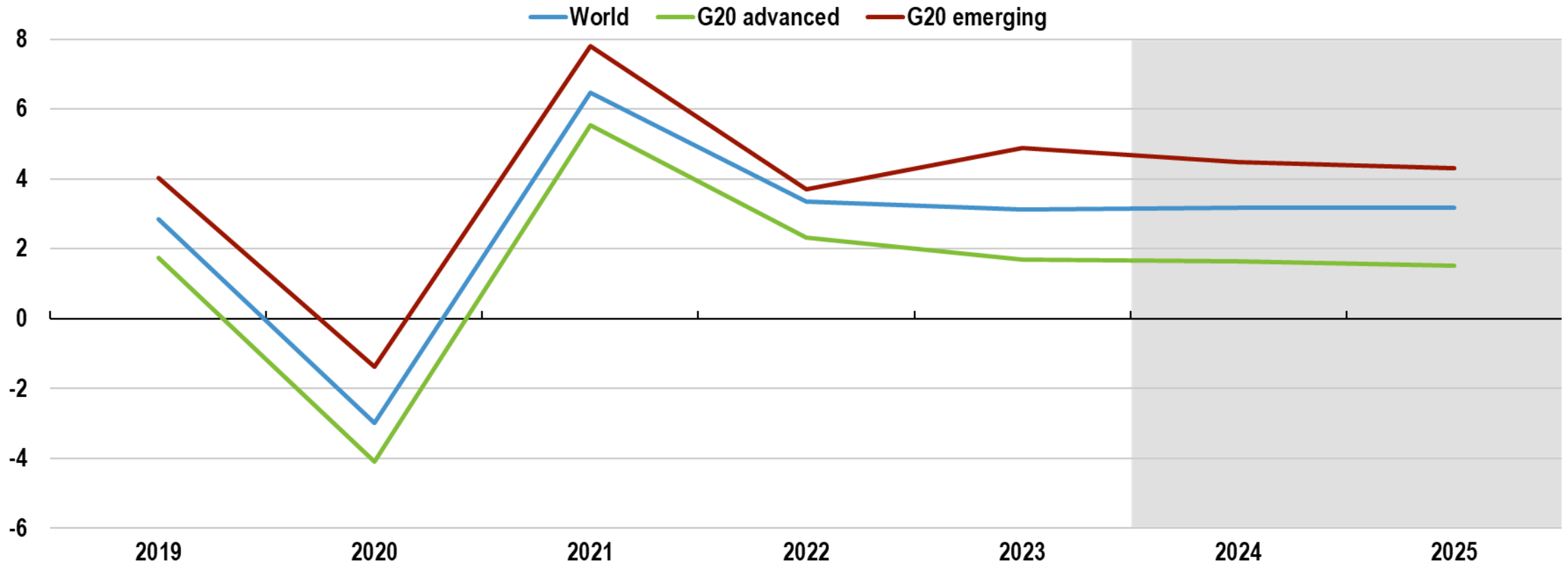
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Growth remains resilient

Real GDP growth

%, year-on-year



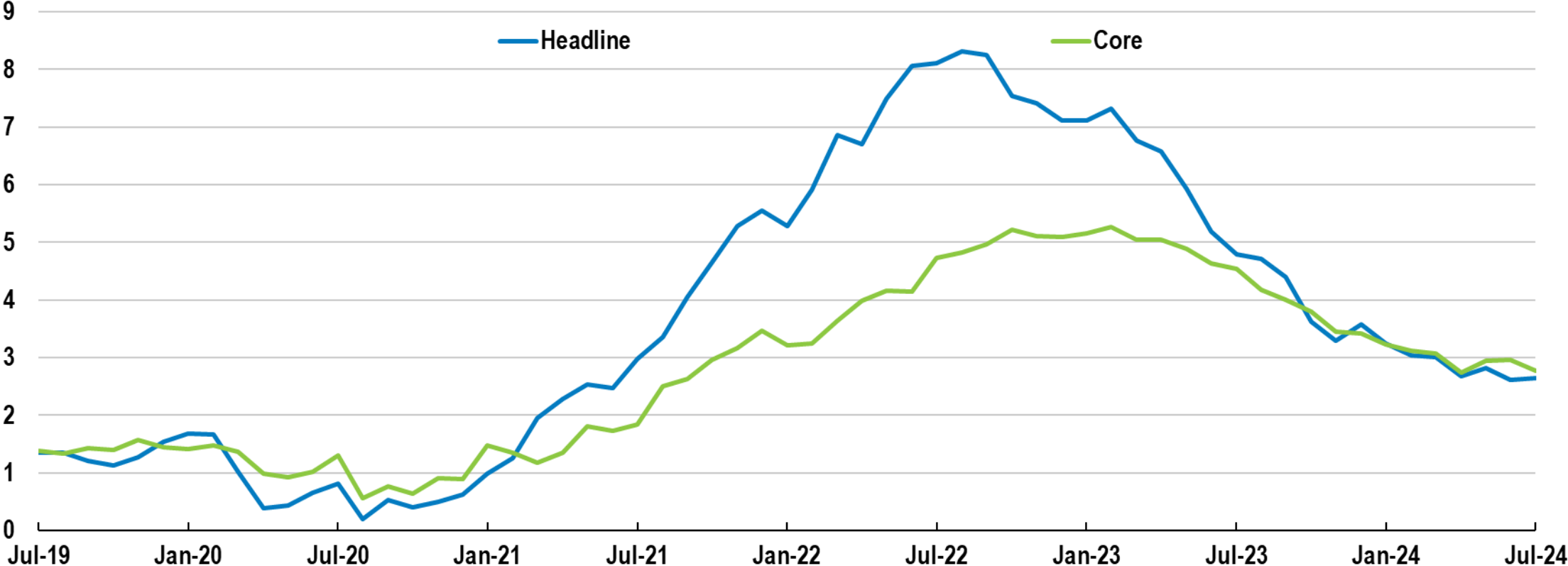
Note: Shaded area indicates projection period. G20 advanced countries are Australia, Canada, France, Germany, Italy, Japan, Korea, the United Kingdom and the United States. G20 emerging countries are Argentina, Brazil, China, India, Indonesia, Mexico, Russia, Saudi Arabia, South Africa and Türkiye.
Source: OECD Interim Economic Outlook 116 database.



Inflation is returning to central bank targets

G20 median inflation

%, year-on-year



Note: G20 sample includes Canada, Germany, Spain, France, the United Kingdom, Italy, Japan, Korea, Mexico, Türkiye, the United States, and South Africa. Personal consumption expenditure price index is used for the United States, harmonised index of consumer prices for the above-mentioned euro area member countries and the United Kingdom, and national consumer price index for all other countries.

Source: OECD Interim Economic Outlook 116 database; and OECD calculations.



GDP growth projections

Real GDP, year-on-year growth, %

▲ upward revision, by 0.3pp or more

■ no change or smaller than 0.3pp

▼ downward revision, by 0.3pp or more

	2023	2024	2025		2023	2024	2025
World	3.1	3.2	3.2	G20	3.4	3.2	3.1
Australia	2.0	1.1	1.8	Argentina	-1.6	-4.0	3.9
Canada	1.2	1.1	1.8	Brazil	2.9	2.9	2.6
Euro area	0.5	0.7	1.3	China	5.2	4.9	4.5
Germany	-0.1	0.1	1.0	India	8.2	6.7	6.8
France	1.1	1.1	1.2	Indonesia	5.0	5.1	5.2
Italy	1.0	0.8	1.1	Mexico	3.2	1.4	1.2
Spain	2.5	2.8	2.2	Russia	3.6	3.7	1.1
Japan	1.7	-0.1	1.4	Saudi Arabia	-0.7	1.0	3.7
Korea	1.4	2.5	2.2	South Africa	0.7	1.0	1.4
United Kingdom	0.1	1.1	1.2	Türkiye	5.1	3.2	3.1
United States	2.5	2.6	1.6				

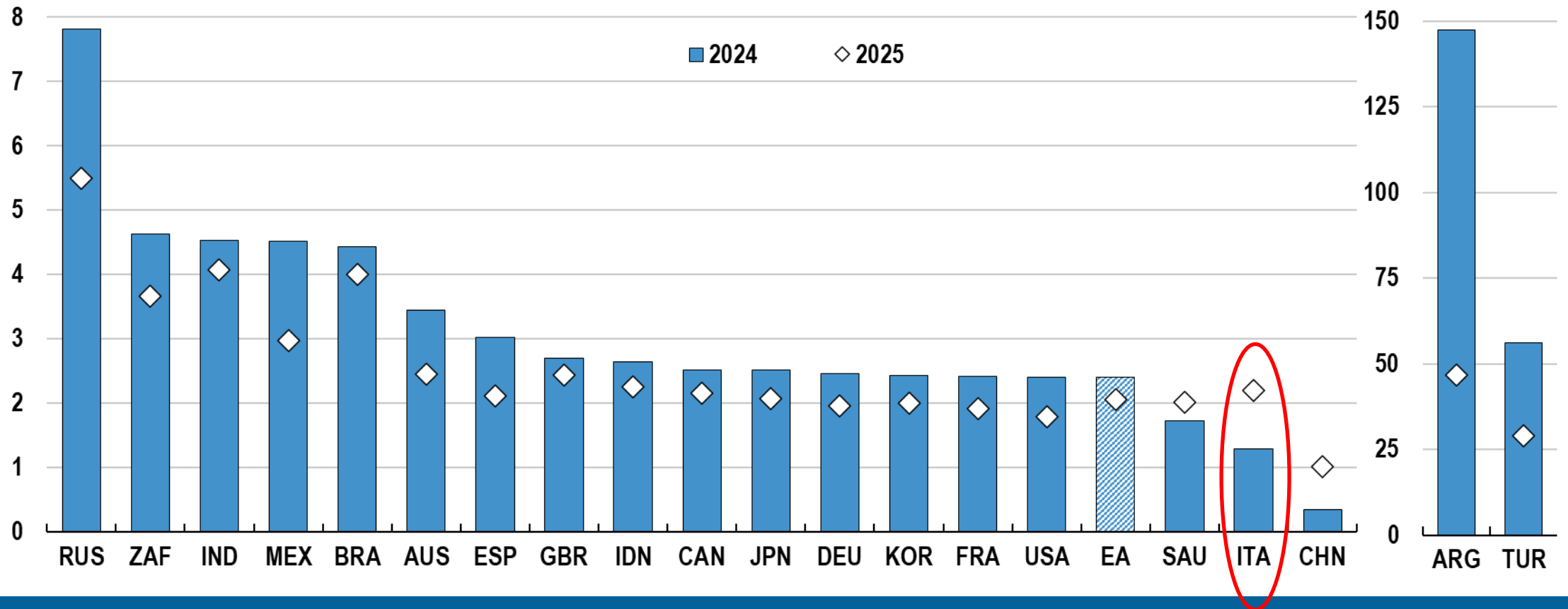
Note: Revisions relative to the latest estimates from the May 2024 Economic Outlook. India projections are based on fiscal years, starting in April. The European Union is a full member of the G20, but the G20 aggregate only includes countries that are also members in their own right. Spain is a permanent invitee to the G20. World and G20 aggregates use moving nominal GDP weights at purchasing power parities.

Source: OECD Economic Outlook 115 databases; and OECD Interim Economic Outlook 116 database.



Inflation projections

G20, headline inflation, %



Note: Figure shows the personal consumption expenditure price index for the United States, the harmonised index of consumer prices for the euro area and its member states and the United Kingdom, and the national consumer price index for all other countries. India projections are based on fiscal years, starting in April.
 Source: OECD Interim Economic Outlook 116 database.



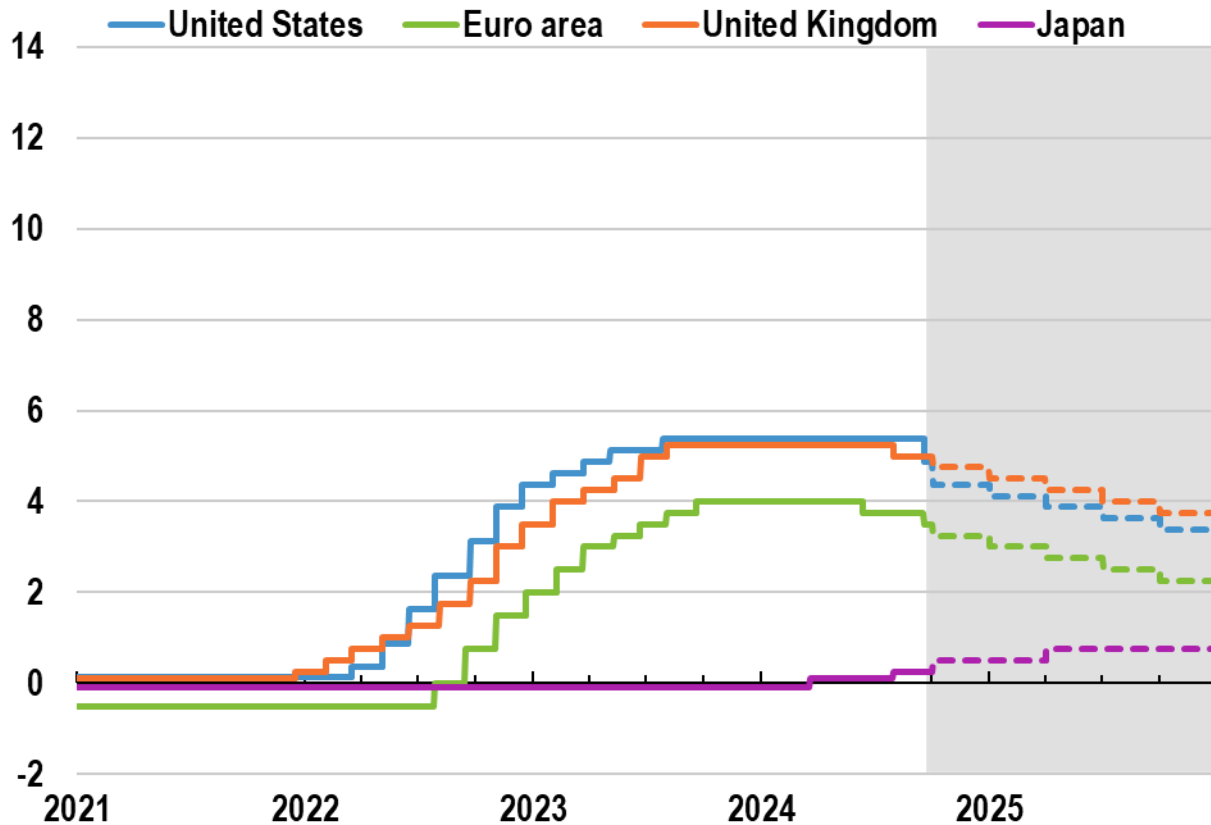
Policies



There is room to lower policy rates, but monetary policy should remain prudent

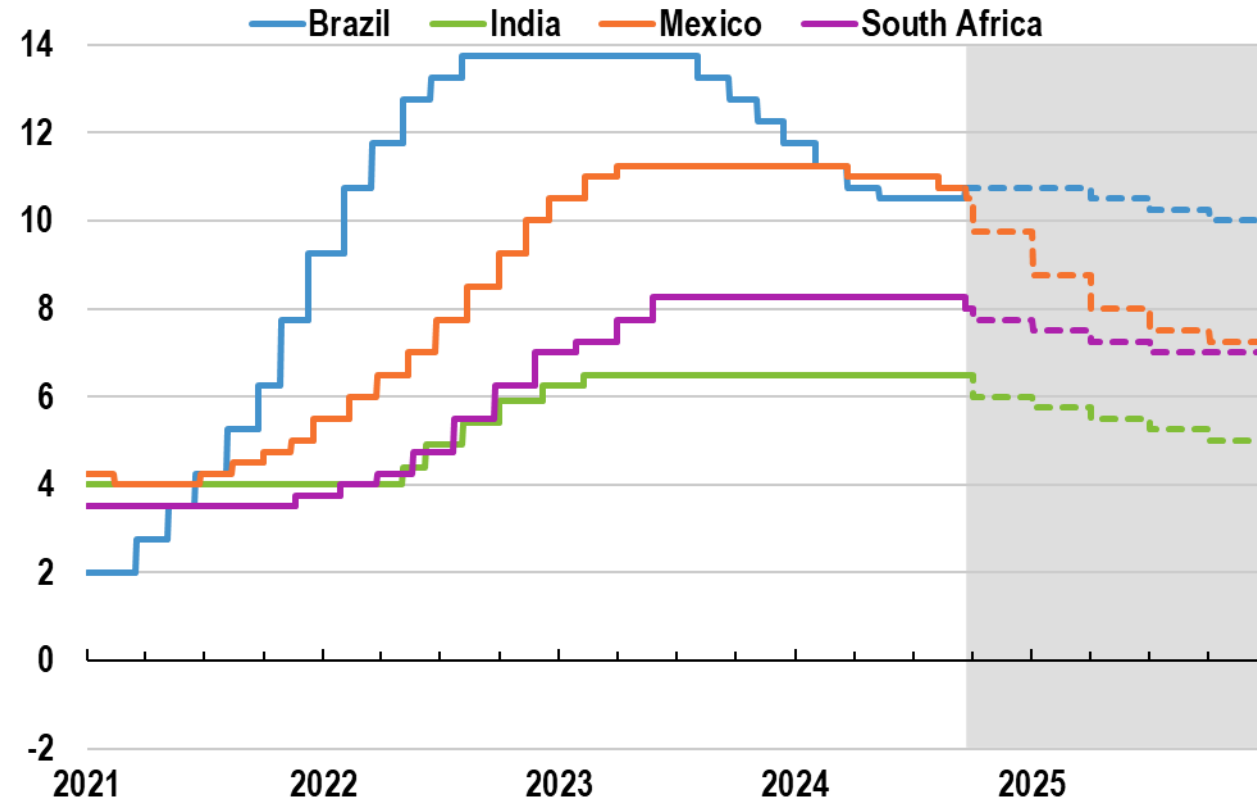
Advanced economies

Policy rates, %



Emerging market economies

Policy rates, %



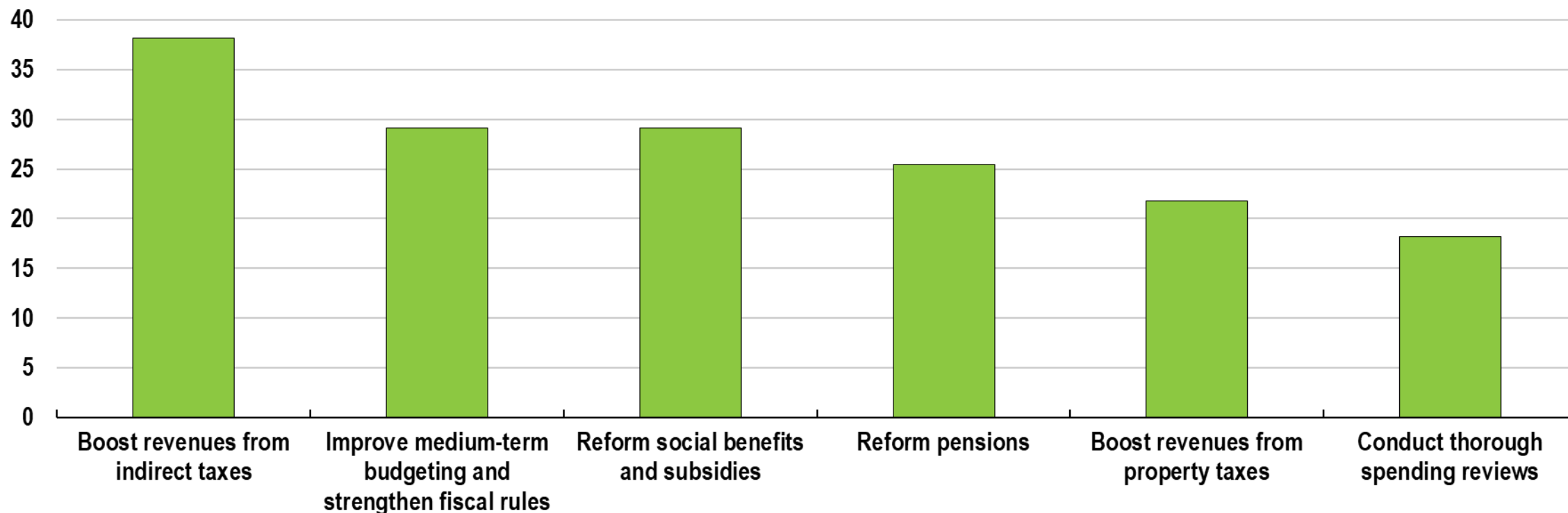
Note: Shaded area refers to OECD projections. For the United States, the policy rate refers to the midpoint of the federal funds rate range. The deposit facility rate is used as the policy rate indicator for the euro area. For Japan, from 21 March 2024 to 31 July 2024, the policy rate refers to the maximum of Bank of Japan's rate range.
Source: OECD Interim Economic Outlook 116 database.



Decisive policy action is needed to rebuild fiscal space

Priorities to improve fiscal space

% of countries for which a given OECD recommendation is cited as a priority



Note: The figure reports the share of 55 countries for which a given recommendation is made in Economic Outlook 115. "Indirect taxes" includes consumption and environmental taxes, such as fuel or carbon taxes. Reforms boosting revenues from one tax category may be offset, at least in part, by parallel reforms that lower revenues from other taxes. This would reduce the total direct effect on budget balances, although efficient tax mix switches can increase national income relative to public debt in the longer term.
Source: OECD Economic Outlook 115 database; and OECD calculations.



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