BETWEEN INFLATION, FINANCIAL INSTABILITY AND DEBT: THE PATTERNS OF ECONOMIC GROWTH IN THE POST-CRISIS WORLD

XI Annual Conference on the Global Economy
“Re-balancing of the world economy: in search of new models for global development”

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Institute for Energy and Finance Foundation

https://t.me/IEFnotes

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2022 conference title was «On the brink of recession: What is the scale of possible crisis?

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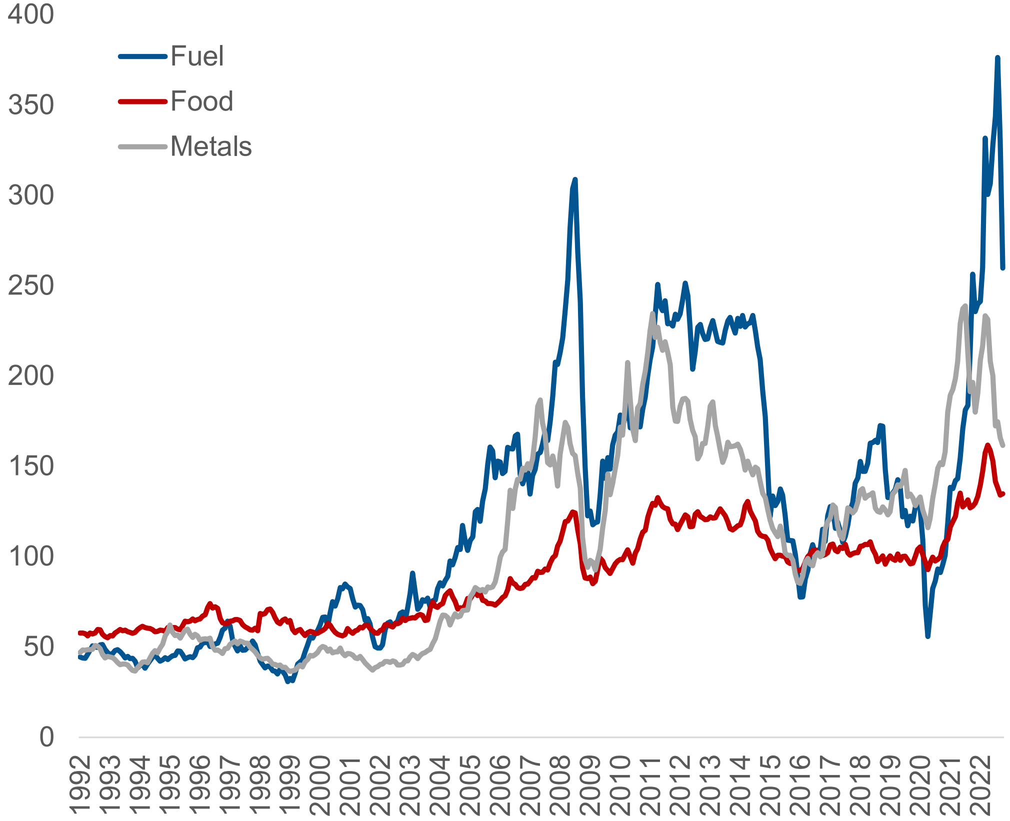
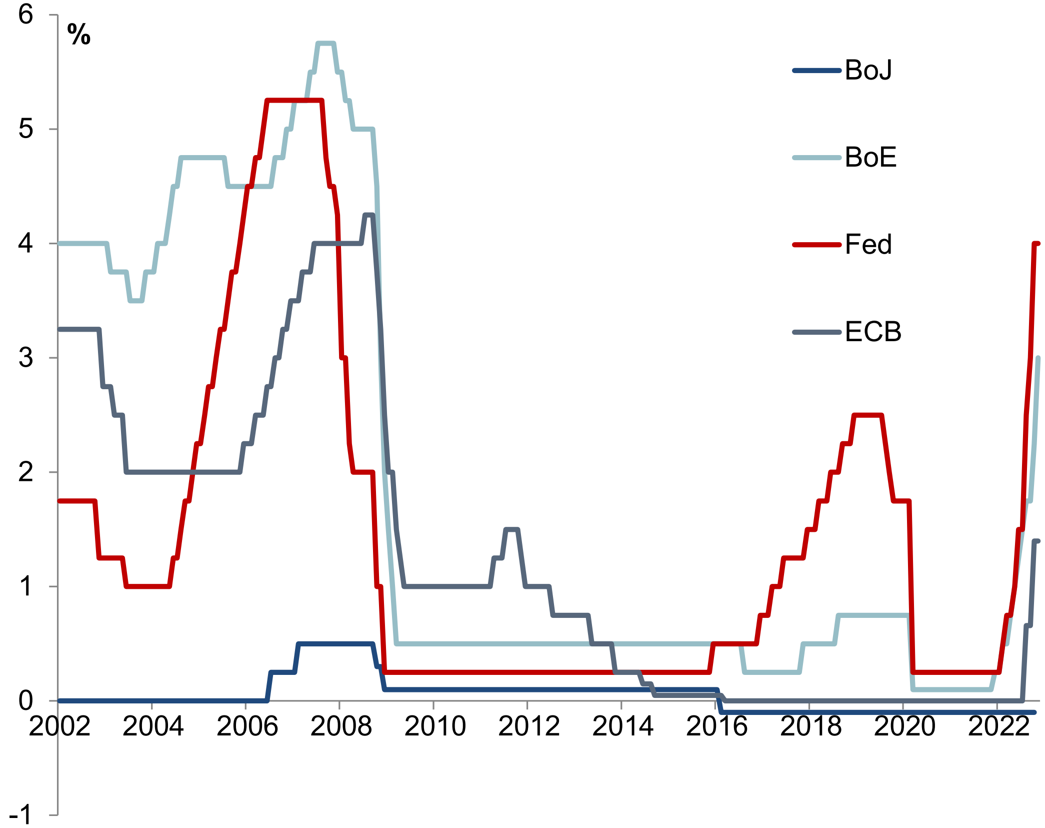
Commodity prices indexes, 1992 – 2022 (October)



Inflation rate in major developing economies



Source: national statistics & central banks

Economic activity was robust in 2023

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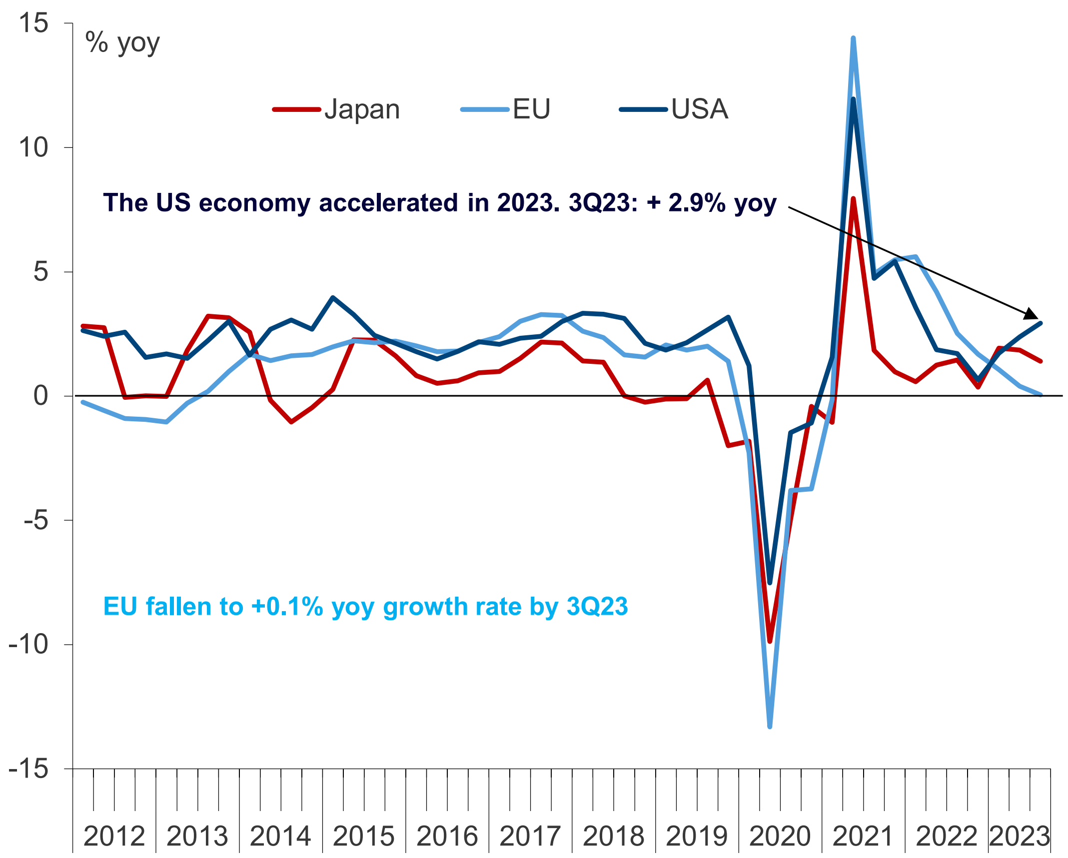
GDP growth rates of major developed economies



GDP growth rates of major developing economies

Source: national statistics, OECD, IMF

Energy prices pressure had faded to a larger extent

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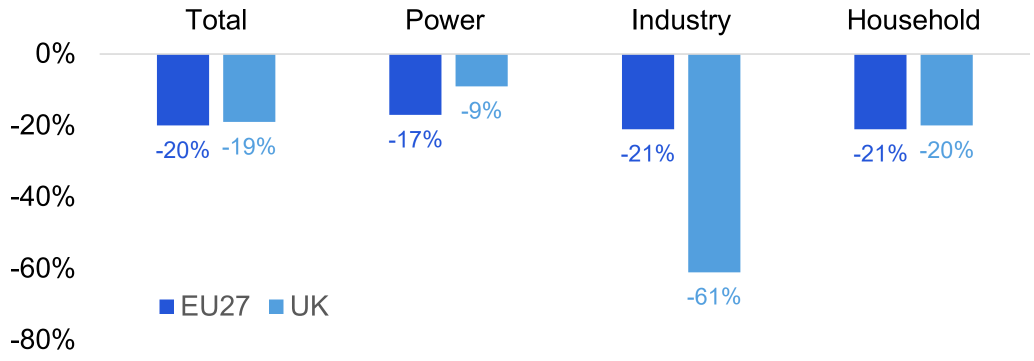
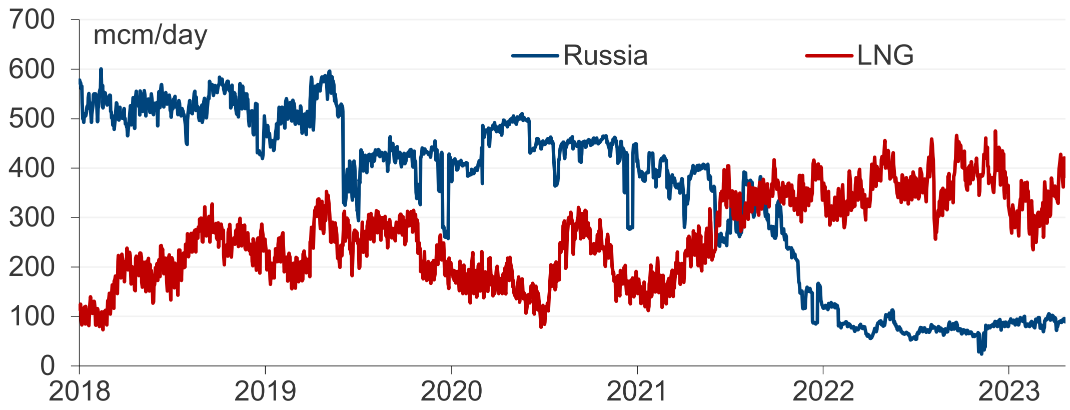
TTF gas prices returned to pre-crisis levels …

… as demand had fallen by 22-25%

Gas demand change in 2Q23 compared to 2019-21 average levels



and increased LNG inflows partially substituted Russian pipeline gas



Source: EEX, Eurostat, ENTSO-G

Global economy looks stronger that was expected

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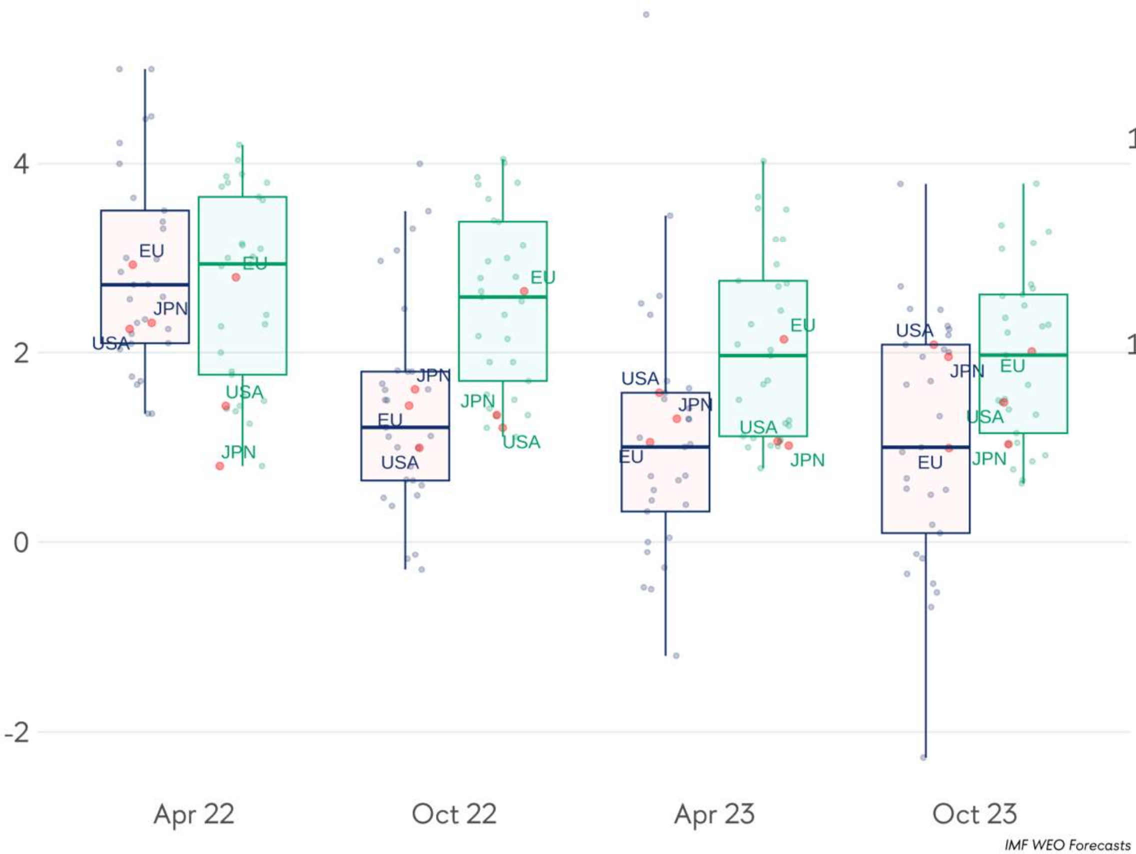
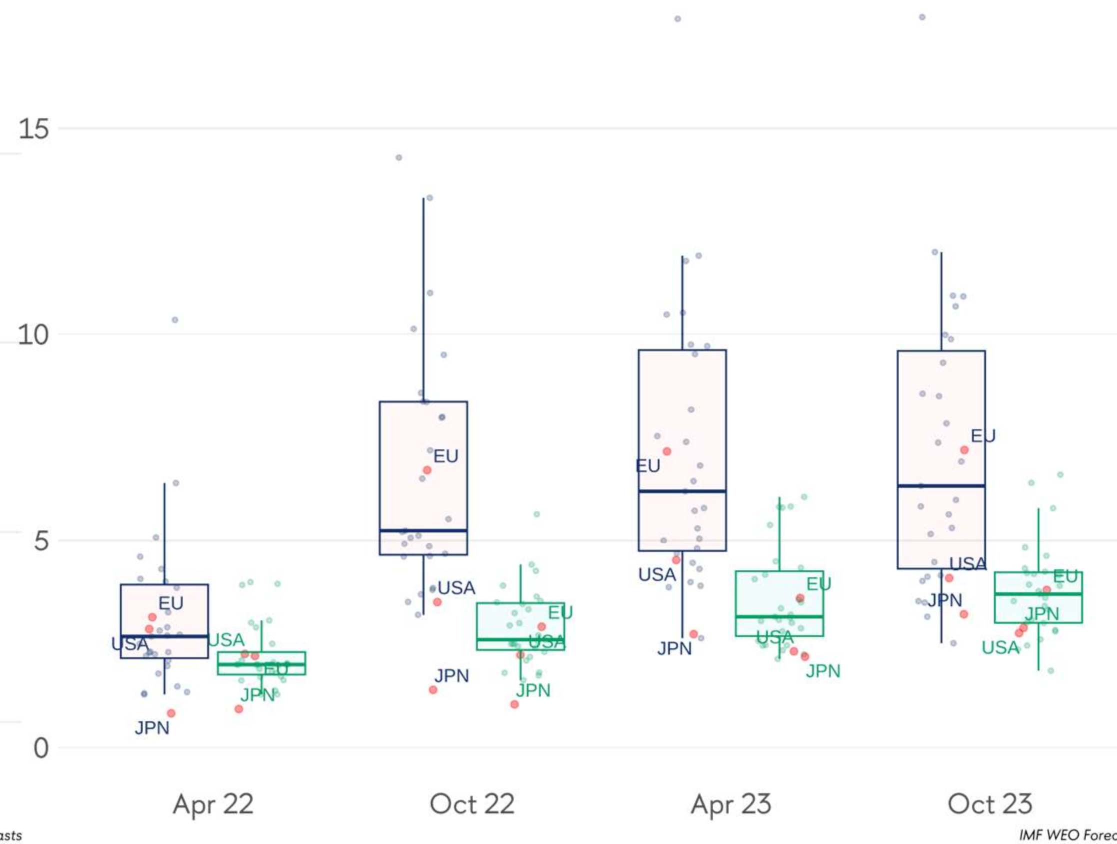
Economic growth forecast revisions for 2023 and 2024



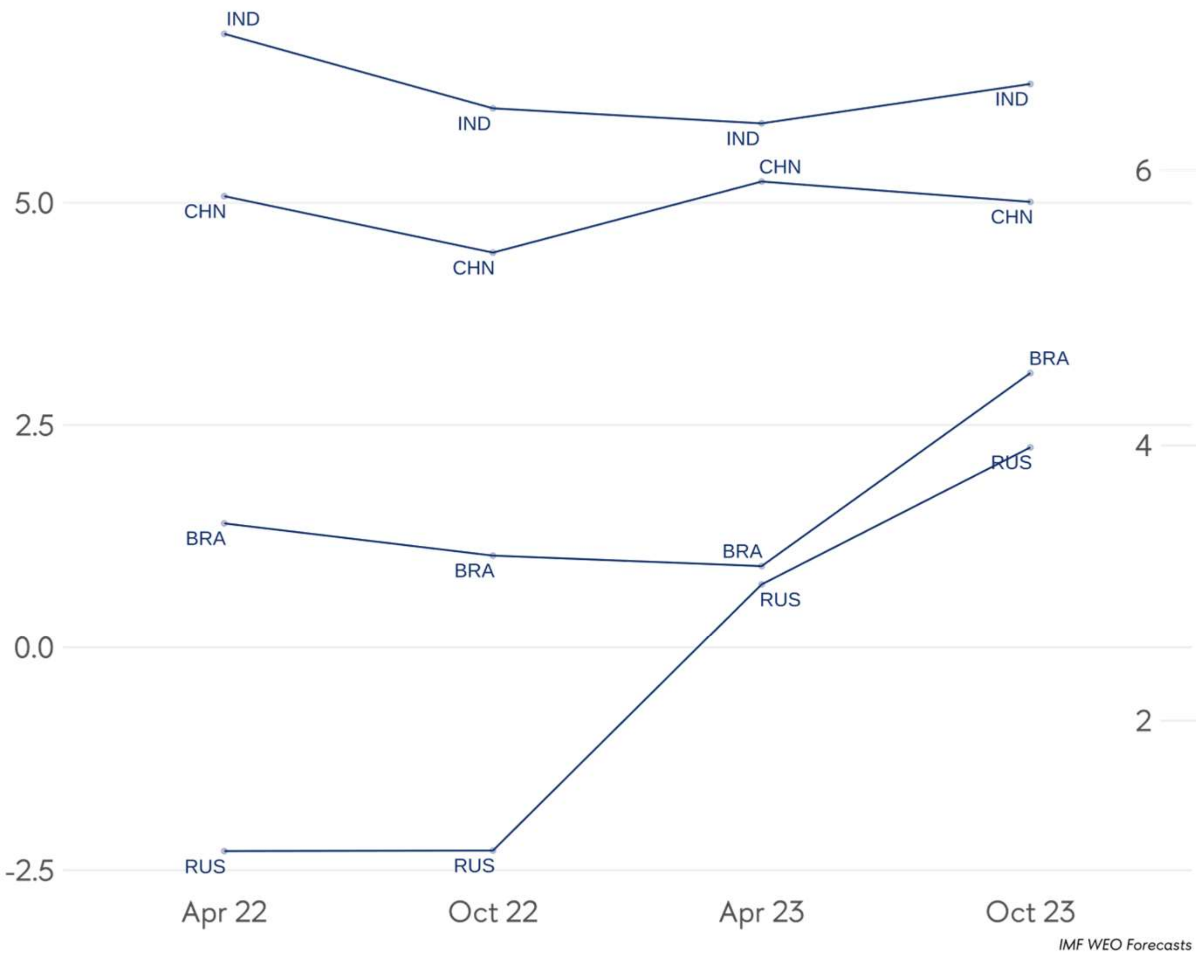
Inflation forecast revisions for 2023 and 2024



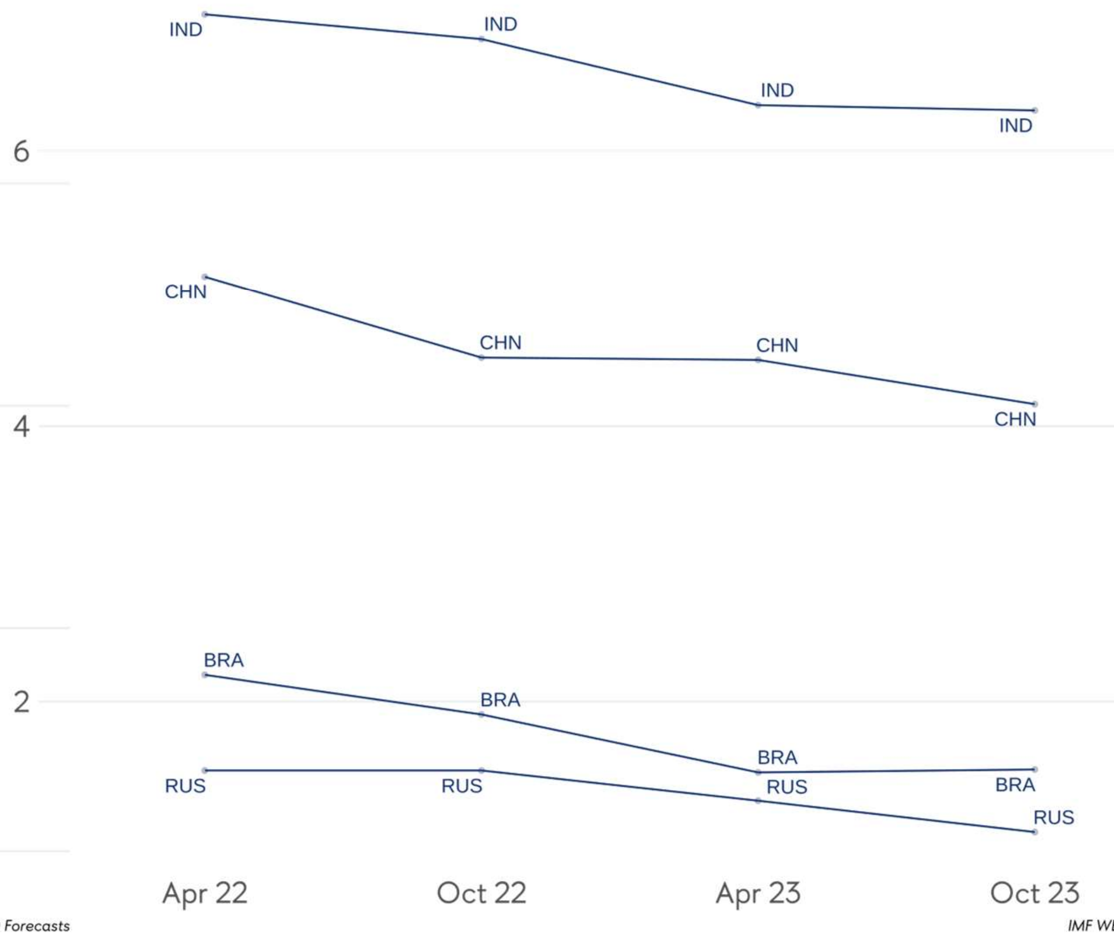
Source: national statistics, OECD, IMF

EM economies are stronger in 2023, weaker in 2024

2023



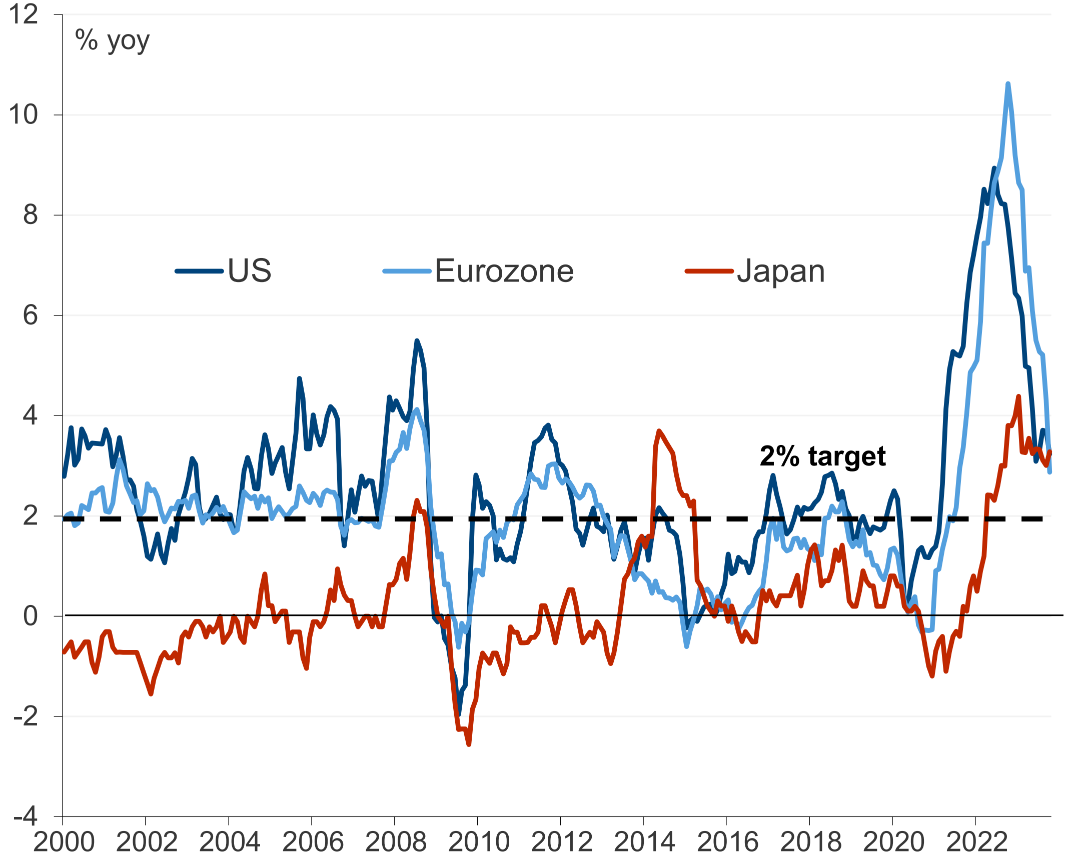
2024



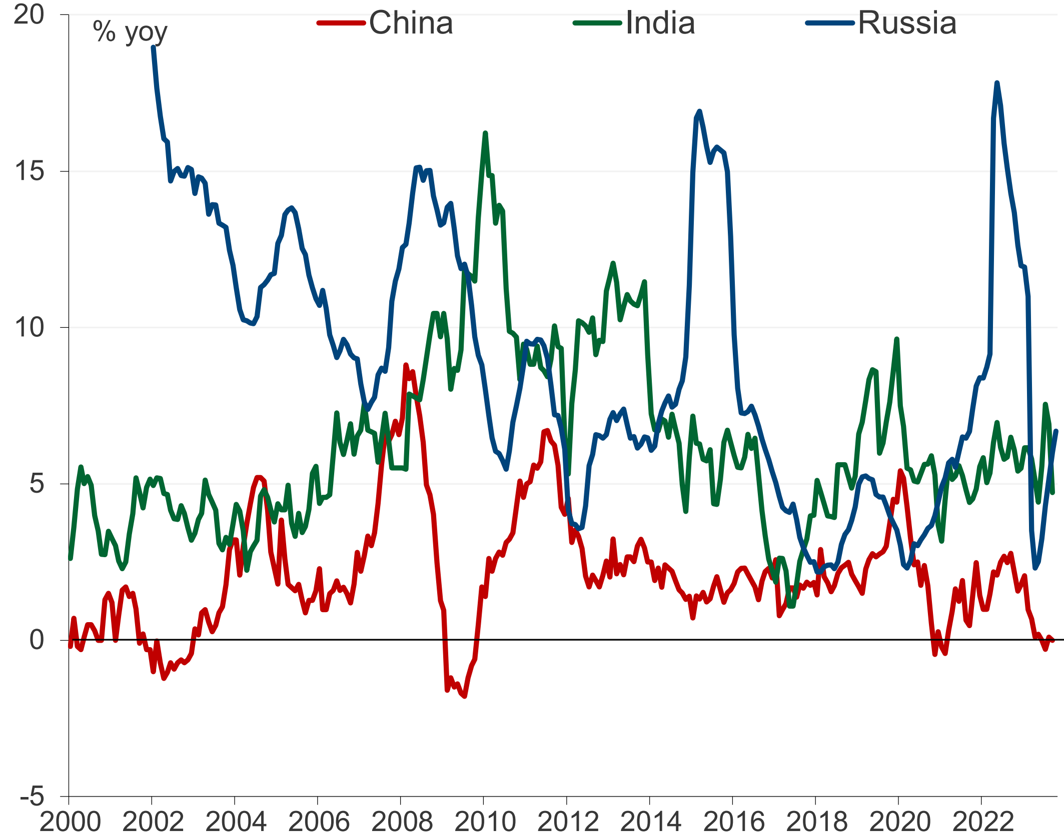
Source: IMF

Inflation peaked out but is still above targets

Inflation rate in major developed economies



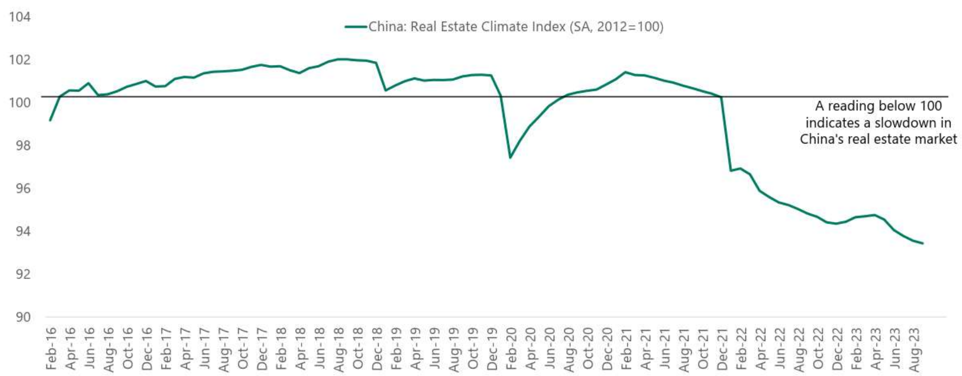
Inflation rate in major developing economies



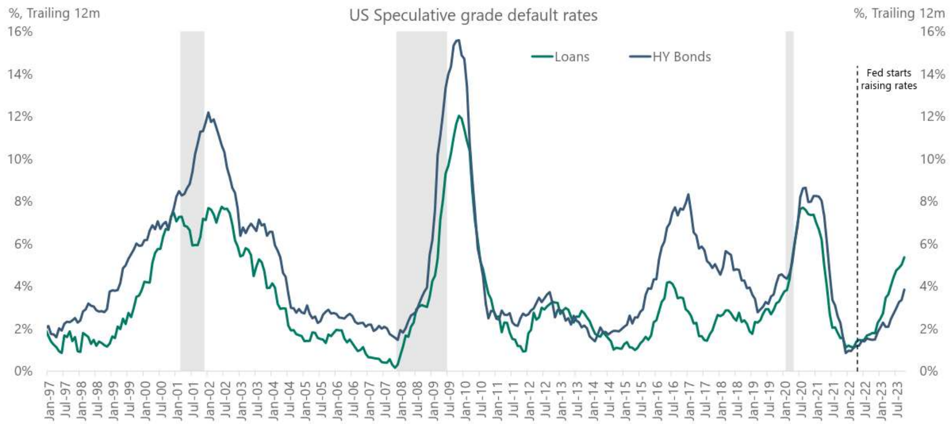
Source: national statistics & central banks

Soft landing is the probable outcome, but …

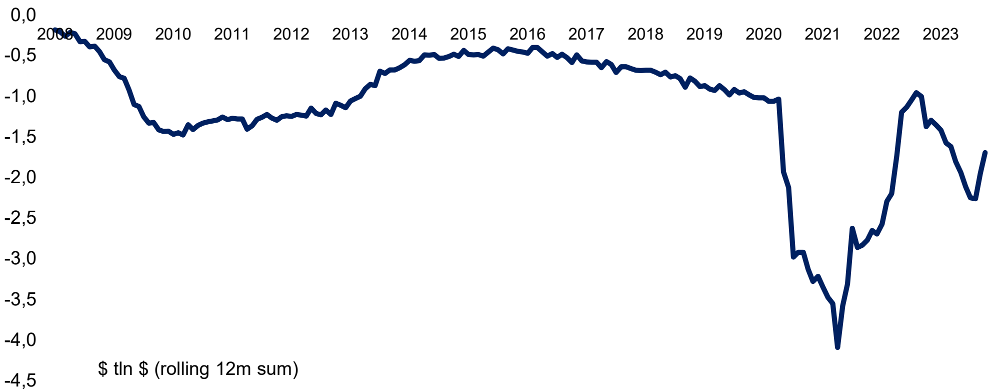
China real estate sector (25% of GDP) in in deep recession



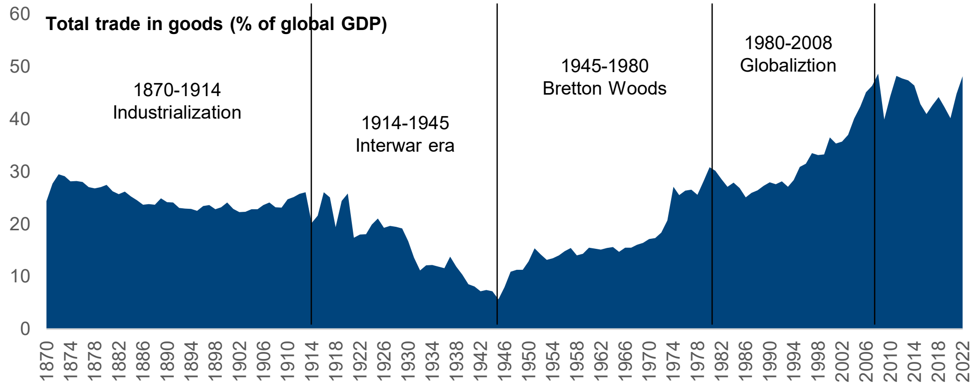
Higher interest rates increase the debt service burden



The US fiscal deficit remains large and must be cut



Fragmentation of global markets is a risk, especially in commodities



Source: Apollo, FRED, IMF