



# GROUP OF TWENTY

## G20 REPORT ON STRONG, SUSTAINABLE, BALANCED, AND INCLUSIVE GROWTH

2024



Prepared by Staff of the  
**INTERNATIONAL MONETARY FUND\***

\*Does not necessarily reflect the views of the IMF Executive Board

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## EXECUTIVE SUMMARY

**The medium-term growth outlook for most G20 economies is at its weakest in decades.** The global economy has proven to be resilient throughout the disinflationary process though momentum has slowed over the past year. Growth is expected to remain stable in the short term, but medium-term growth prospects remain lackluster, with five-year-ahead growth in most G20 economies expected to be weaker than pre-pandemic averages. Persistent structural headwinds, notably subdued productivity growth, reinforced in some countries by adverse demographic trends, continue to hold back potential growth in several G20 advanced and emerging market economies. Goeconomic fragmentation and rising protectionism, high public debt, and excessive greenhouse gas emissions pose significant risks to the sustainability of growth. While some domestic and external imbalances persist, progress on inclusion is stalling. Among African Union (AU) economies, medium-term growth is expected to recover and return to pre-pandemic averages. However, many challenges to short-term sustainability and inclusion remain across the AU.

**A renewed emphasis on credible medium-term fiscal consolidation is urgently needed to avoid disruptive adjustments.** Most G20 economies are recommended to impose moderately to substantially more contractionary fiscal policy in the near- and medium-term than projected, aimed at rebuilding buffers and restoring debt sustainability, with the recommended pace of frontloading depending on the availability of fiscal space. In most G20 and AU economies, monetary policy should be carefully calibrated and sequenced to ensure a return to inflation targets. Macro-financial policies are projected to be in line with recommendations for most G20 economies, while for some AU countries a broader tightening of financial settings than projected is recommended.

**Targeted structural reforms are essential to boost productivity.** Most G20 and AU countries must reform fiscal policy frameworks to support lasting consolidation, for example, to tighten limits of public spending (most advanced economies), mobilize domestic revenue (most emerging market and developing economies), and enhance transparency (most AU members). Reforms related to education and skills, and the energy transition are also assessed as high priority for G20 economies. In several AU economies, governance reforms are also urgent. Simulations suggest that following policy recommendations and implementing priority reforms can improve the medium-term growth outlook, and reduce public debt and external imbalances.

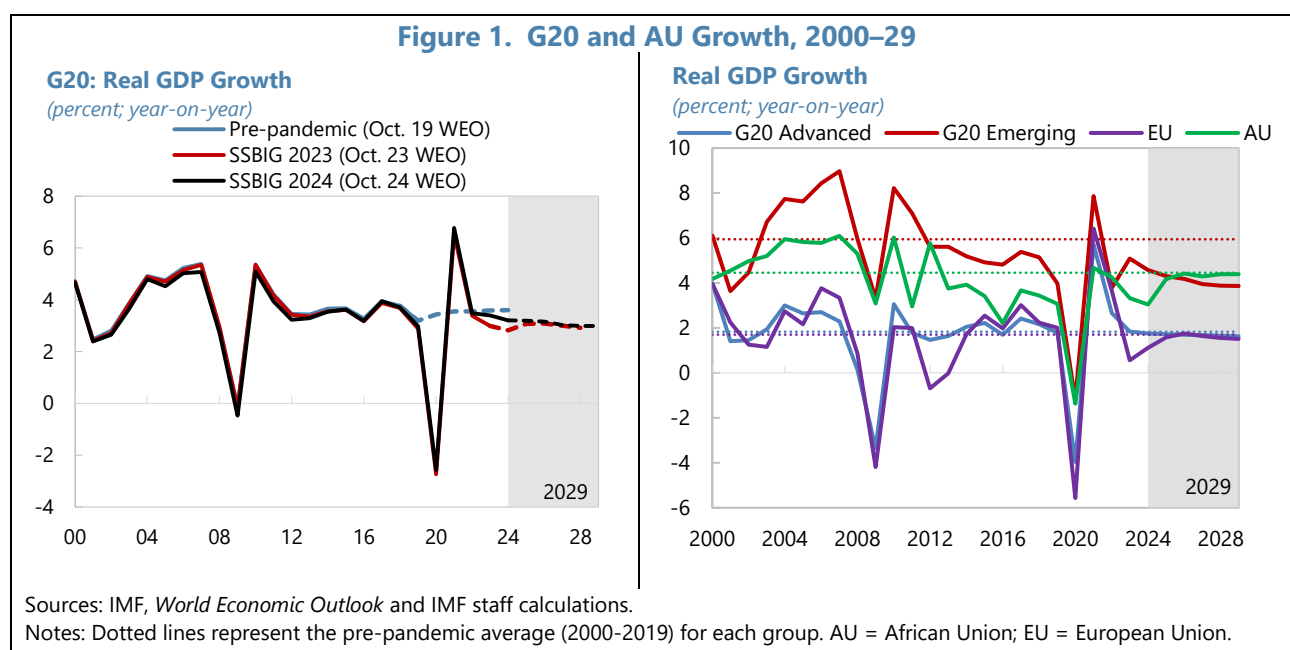
**Multilateral cooperation is key to lifting medium-term growth prospects and addressing global challenges.** International coordination can reinvigorate medium-term growth prospects by strengthening international trade and investment, addressing global challenges such as climate change and goeconomic fragmentation, facilitating debt restructuring, and mitigating the potentially harmful effects of industrial policies.\*

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## ASSESSING PROGRESS TOWARDS STRONG, SUSTAINABLE, BALANCED, AND INCLUSIVE GROWTH

Medium-term growth prospects for most G20 countries continue to be the weakest in decades, driven by sluggish productivity growth. High public debt ratios and excessive greenhouse gas emissions pose severe risks to the long-run sustainability of growth, while some domestic and external imbalances persist and progress on inclusiveness is stalling. Medium-term growth projections for the AU point to a recovery to pre-pandemic levels, although challenges to the short-term sustainability and inclusiveness remain.<sup>1</sup>

### A. The Growth Outlook Remains Weak



**1. Changes to the near-term growth outlook differ across G20 members compared to one year ago.** Since the publication of the 2023 G20 Report on Strong, Sustainable, Balanced, and Inclusive Growth (SSBIG), the short-term global growth outlook for 2024 and 2025 has remained broadly unchanged, with growth revised upwards slightly and hovering around 3.2 percent (Figure 1, LHS). Economic activity has proved resilient despite significant central bank interest rate hikes to restore price stability in the face of shocks from regional conflicts and related disruptions to commodities production, supply chains, and shipping. Core inflation has been gradually approaching inflation targets in most G20 countries without major increases in unemployment. Thus, for several G20 countries the improvements to growth prospects reflects the increased probability of a smooth landing by 2025 (Figure AII.2, LHS). By contrast, in several African Union (AU) members, inflationary

<sup>1</sup> Annex I provides definitions of the strength, sustainability, balance, and inclusiveness of growth used in this Report.

pressures remain high as the deceleration of consumer prices has been very slow over the past year, while growth is expected to remain broadly unchanged in the short term.

## 2. The medium-term growth outlook is at its weakest in decades for most G20 countries.

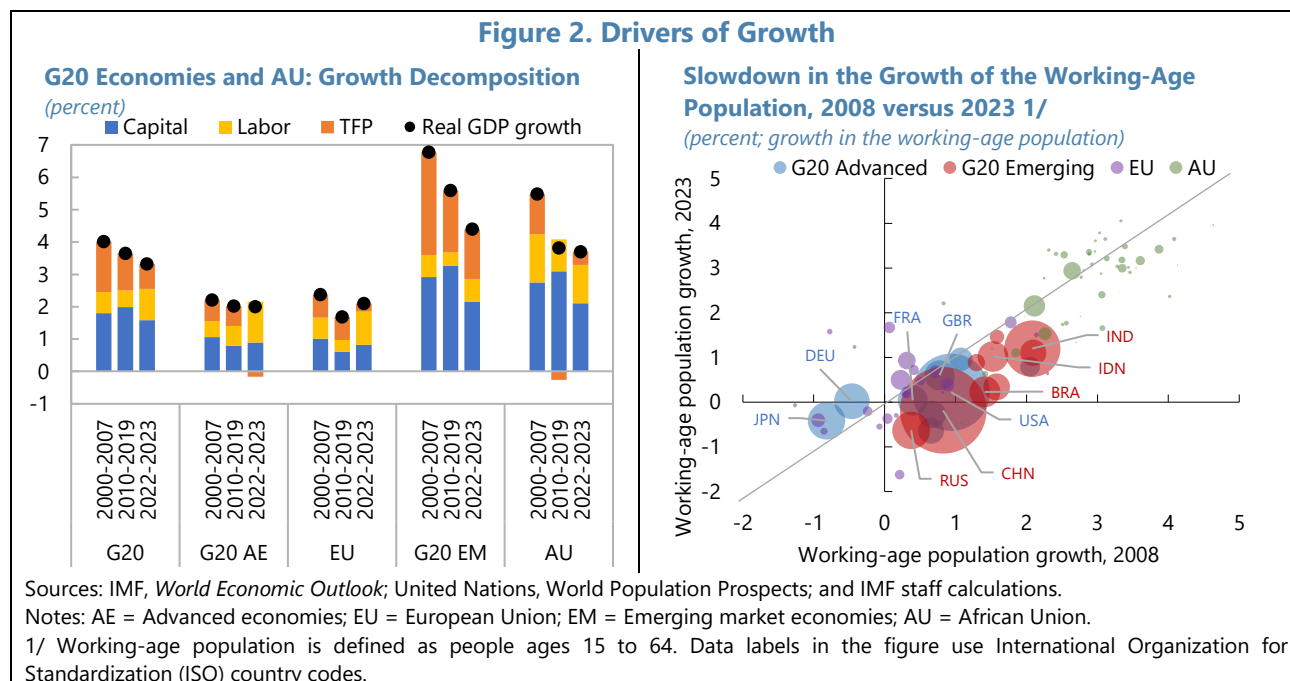
Economic activity in the G20 is anticipated to slow on average over the medium term, driving a broader global deceleration.<sup>2</sup> For the vast majority of G20 countries, growth in 2029 is projected to be lower than that registered on average during the two decades prior to the COVID-19 pandemic (Figure All.3). On aggregate, G20 growth is projected at 3.0 percent by 2029, down from 3.7 percent in 2023 and a pre-pandemic (2000–19) average of 3.7 percent (Table 1). This moderation is mainly driven by an expected weakening of medium-term growth of G20 emerging market economies, from 5.1 percent in 2023 to 3.9 percent in 2029, as the downward trend in growth observed for several emerging market and developing economies since the global financial crisis (GFC) is anticipated to continue (Figure 1, RHS). The projected moderation of medium-term growth of G20 advanced economies—and that of the EU—is less marked (from 1.8 percent in 2023 to 1.6 percent in 2029), but the downward trend that started in the early 2000s is projected to persist. By contrast, economic activity in the African Union (AU) is forecast to accelerate, with growth increasing from 3.3 percent in 2023 to 4.4 percent in 2029, thereby returning close to pre-pandemic average levels (4.4 percent in 2000–2019).<sup>3</sup>

## 3. Weak productivity remains the major driver of the moderation in growth.

For half of the G20 advanced economies and about one third of the G20 emerging market economies, total factor productivity (TFP) growth decreased and turned negative in 2022–23 (Figure 2, LHS, and Figure All.4). In several G20 countries, the deceleration in economic activity was also exacerbated by a broad decline in private investment, as the weaker growth prospects and increased uncertainty dragged on business confidence. The productivity slowdown began after the GFC for advanced economies (notably in *Italy*) and in the wake of the pandemic and the war in Ukraine for G20 emerging market economies (notably *Russia* and *Türkiye*). For a number of large G20 countries, slower (working-age) population growth has also translated into a declining contribution from labor (Figure 2, RHS). TFP growth in the AU declined markedly during 2010–23 and remains weak. The contribution of labor in the AU, driven by more favorable demographic developments, increased compared to the pre-pandemic decade, but was largely offset by a declining contribution from capital over the same period (see Chapter 3 of the April 2024 IMF [World Economic Outlook](#)).

<sup>2</sup> In 2023, the G20 economies (the 19 member countries plus the European Union) accounted for 63 percent of world population and 80 percent of global GDP, measured in 2017 PPP international dollars (of that, 32.7 percent is accounted for by the nine G20 advanced economies and 40.6 percent by the 10 G20 emerging market economies). The 54 countries member of the African Union account for 18 percent of world population and 5.1 percent of global GDP.

<sup>3</sup> The African Union is made up of 55 Member States which represent all the countries on the African continent. Aggregates for the AU are computed using data for 54 IMF members, see Annex I. For details on the outlook for AU economies, see the October 2024 IMF [Regional Economic Outlook: Sub-Saharan Africa](#) and the October 2024 IMF [Regional Economic Outlook: Middle East and Central Asia](#).



**4. The global slowdown in TFP growth reflects, among other factors, a large decline in allocative efficiency.** A fall in allocative efficiency—the extent to which capital and labor are allocated to the most productive firms in the economy—has contributed to a decline in TFP growth, notably for emerging market economies in Europe and, to a lesser but still pronounced extent, in *China* and advanced economies in Europe. This decline primarily reflects decreased efficiency within sectors with the exception of *China*, where a growing share of sectors with lower allocative efficiency is the main driver of the decline in TFP growth.<sup>4</sup> While transitory factors (such as the incomplete adjustment by firms to shocks) account for some of the decline in allocative efficiency globally, a larger role is likely played by structural factors (such as the efficiency of markets and the quality of institutions governing them).<sup>5</sup> As discussed more in detail below, countries with weak TFP growth prospects need to facilitate faster and more efficient resource allocation to revive productivity growth, including by implementing structural reforms aimed at enhancing business dynamism and harnessing digitalization.

<sup>4</sup> Other countries and country groups—such as emerging market economies outside of Europe, including countries in the AU—lack sufficiently representative data at the firm level to permit a comparable analysis of allocative efficiency. In some of these countries, labor market informality may be reducing allocative efficiency and contributing to slower TFP growth.

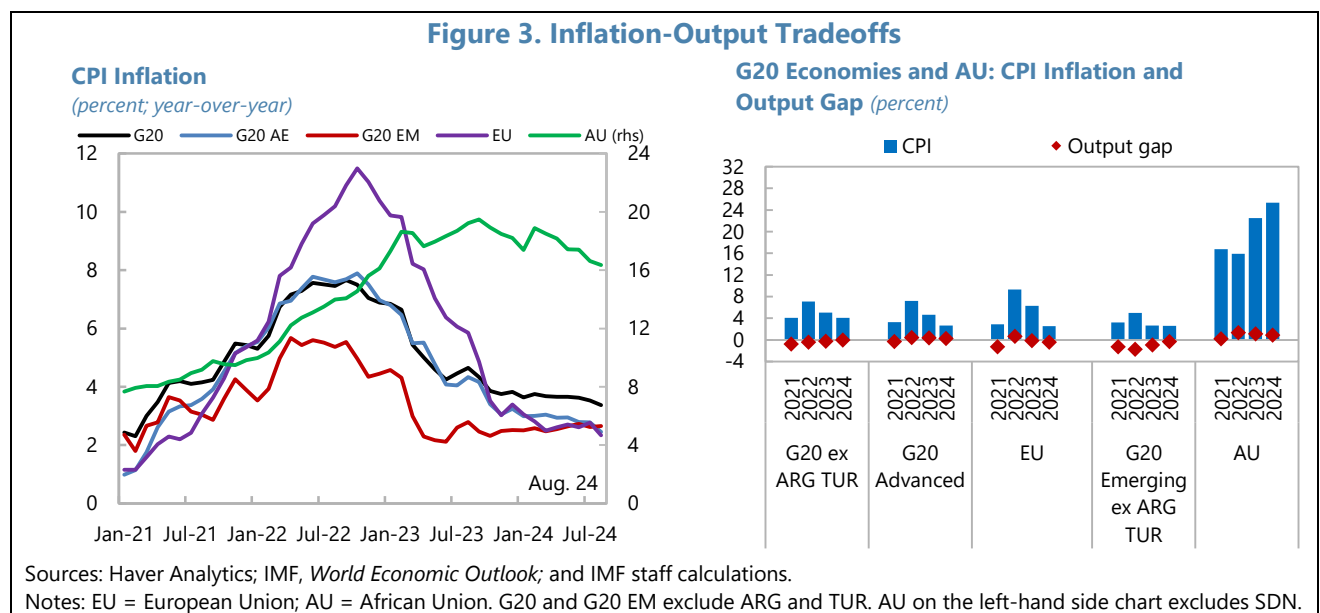
<sup>5</sup> Other factors behind the decline in total factor productivity growth include: waning gains from information and communication technology (Fernald 2015); declining business dynamism (Decker and others 2016; Akcigit and Ates 2021); tighter credit conditions, limiting new tech investments (Adler and others 2017; Duval, Hong, and Timmer 2020); slower expansion of cross-border capital flows and trade since 2008; and, for emerging and developing economies specifically, weaker investment and efficiency gains, sluggish sectoral reallocation and adverse shocks such as natural disasters, epidemics, wars, and financial crises (Dieppe and others 2021). For an in depth discussion of the drivers behind the decline in growth, see Chapter 3 of the April 2024 IMF [World Economic Outlook](#). In addition, the October 2024 IMF [Regional Economic Outlook: Europe](#) analyzes drivers of lower productivity growth in European economies.

## B. Sustainability at Risk

### 5. Output gaps are closing, and inflation is approaching target in most countries.

- CPI inflation has declined markedly in most G20 and EU countries since the peaks of 2022 with the notable exceptions of *Argentina* and *Türkiye* (Figure 3, LHS, and Figure All.6). As a result, several of these countries have seen inflation converging to levels very close to target, while output gap estimates are closing (Figure 3, RHS). The disinflation process is expected to continue, and for most G20 countries, inflation is likely to return to target during the course of 2025. In a few countries, the return to target is expected to take place from low levels (e.g., *China* and *Italy*). Price stability is also anticipated to be accompanied by a moderate growth slowdown in 2025, but with limited risk of recession.
- Inflation remains high in several AU countries, although there are signs that during 2024 the growth of consumer prices has started to moderate. For several AU countries, upside pressures on inflation due to the effect of higher food prices amid currency depreciation and underperformance in agriculture implies that the convergence of inflation to target might take longer than for most G20 countries.

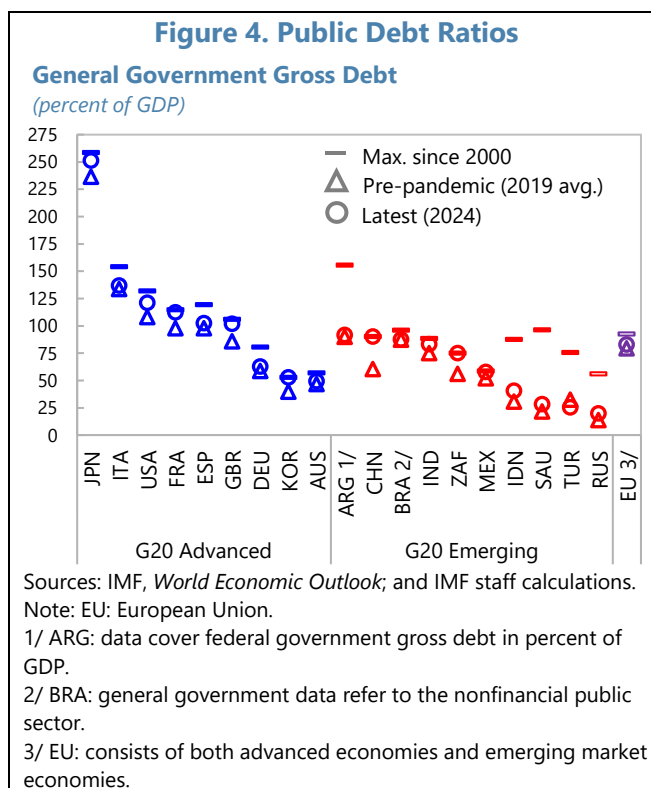
**6. While the outlook for inflation has improved, inflation-output tradeoffs are potentially changing, risking growth.** At the start of the recent spike in inflation, negative supply shocks interacted with increased demand to steepen the relationship between economic slack and inflation Philips curve (see Chapter 2 of the October 2024 IMF [World Economic Outlook](#)). In other words, inflation accelerated faster than expected, when unemployment declined. But in a similar vein, this meant central bankers could raise interest rates and curb inflation without a large reduction in output. However, further disinflation could be more costly as supply constraints unwind and the inflation-output tradeoff becomes more acute, with a marked increase in the sacrifice ratio.



**7. Growth is likely to be less sustainable over the medium and long term as public debt ratios remain high and rising debt service costs constrain fiscal space.** Despite some progress in containing public debt ratios in most G20 countries since 2009, the exceptional fiscal measures needed to support households and firms during the pandemic have left their mark on public finances, with public debt ratios increasing markedly (Figure 4). In parallel, public debt servicing costs have surged rapidly since 2022 in most countries, following the increase in interest rates (Figure AII.9, LHS). Persistent high debt levels pose significant challenges to growth, as many countries face increasing financing needs, related to aging, climate change, the digital transition, and broader development (Arslanalp and Eichengreen 2023; Chapter 2 of the October 2024 IMF [Fiscal Monitor](#)).

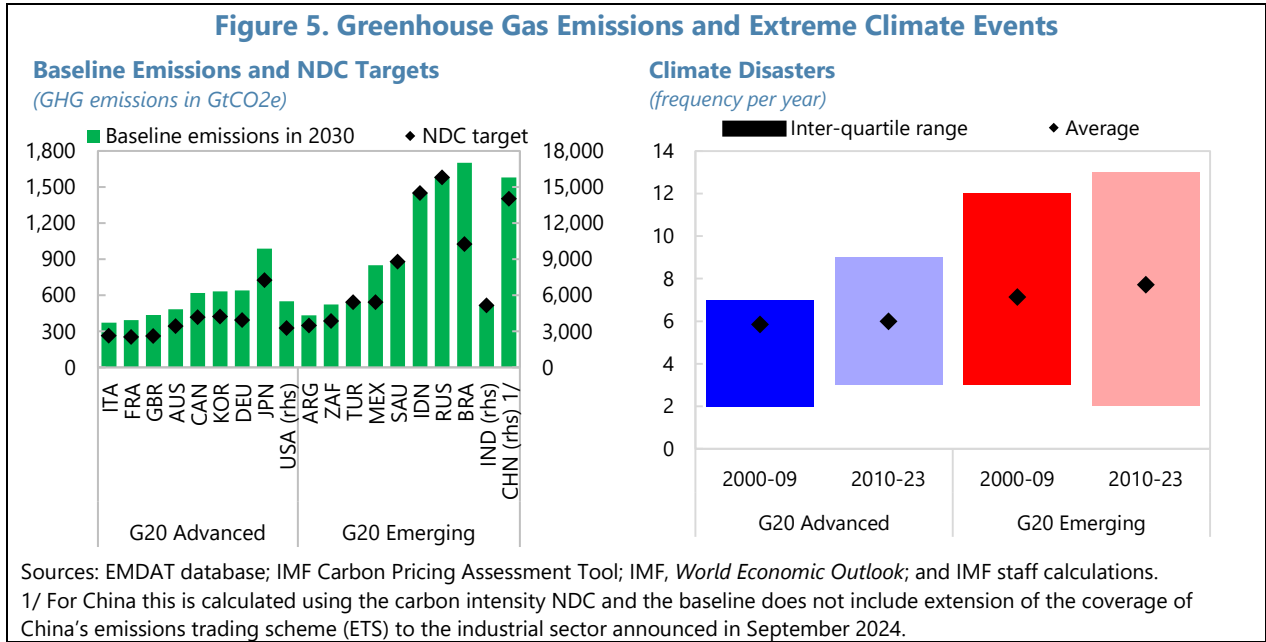
While the expected decline in interest rates is likely to help reduce pressures, additional risks from exchange rate instability persist for those G20 members where a significant fraction of public debt is denominated in foreign currency (Figure AII.9, RHS) or held by foreign investors (Bertaut and others 2023). In addition, frontier markets in Africa are still grappling with high borrowing costs, despite some moderation in spreads so far in 2024, and some emerging markets may have trouble refinancing debt maturing on the horizon at sustainable interest rates, as borrowing costs have become sensitive to countries' fiscal buffers (see Chapter 1 of the October 2024 IMF [Global Financial Stability Report](#)). With risks tilted to the downside (see Chapter 1 of the October 2024 IMF [Fiscal Monitor](#)) rebuilding fiscal buffers without endangering the growth outlook might become increasingly challenging.

**8. Excessive greenhouse gas (GHG) emissions pose severe risks to the medium- to long-run sustainability of growth underpinning the need to accelerate the green transition.** Output has become much less emissions-intensive in recent decades (Figure AII.7, LHS), suggesting that growth can be compatible with cutting emissions. However, total emissions returned to an increasing trajectory, especially amongst G20 emerging market economies, following a short-lived decline between 2020 and 2021 due to the pandemic-related lockdowns (Figure AII.7, RHS). Moreover, in all G20 advanced economies and half of G20 emerging market economies, 2030 baseline emissions remain above those consistent with Nationally Determined Contributions (NDCs) targets (Figure 5, LHS). Thus, on current policies, it is becoming increasingly challenging for global average temperature to remain below 2 degrees Celsius above the pre-industrial level in the long term. In such a scenario, weather anomalies will likely become more frequent and continue to disrupt activity, with the effects (e.g., destruction of capital, migration of workers, and weakened investment and labor productivity)



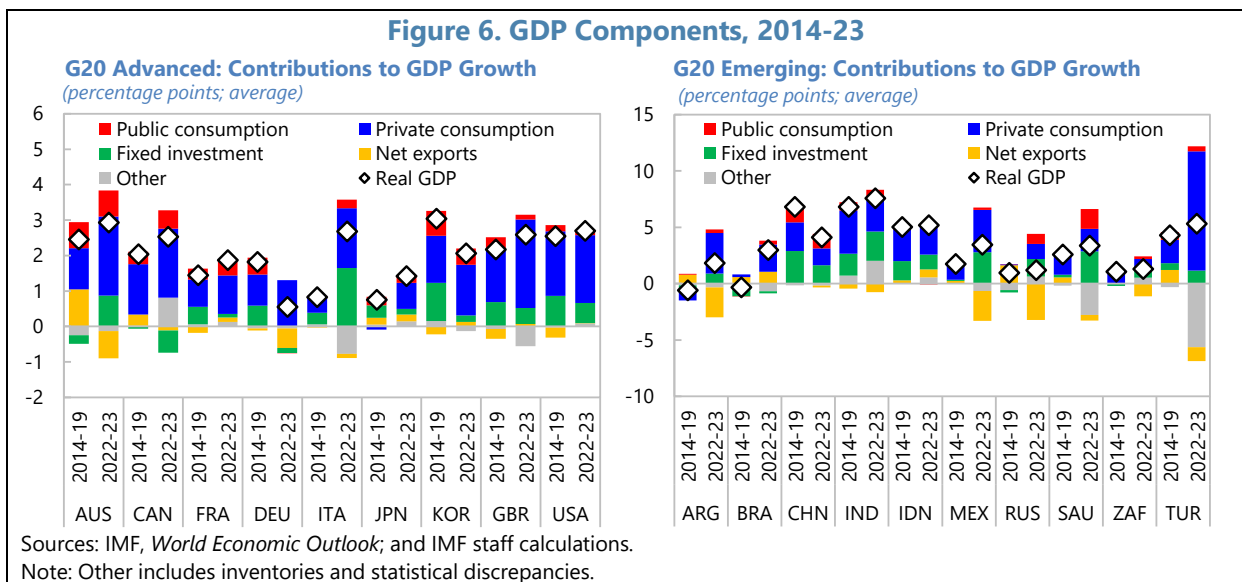


often falling disproportionately on emerging market and developing economies and on the most vulnerable (Figure 5, RHS).

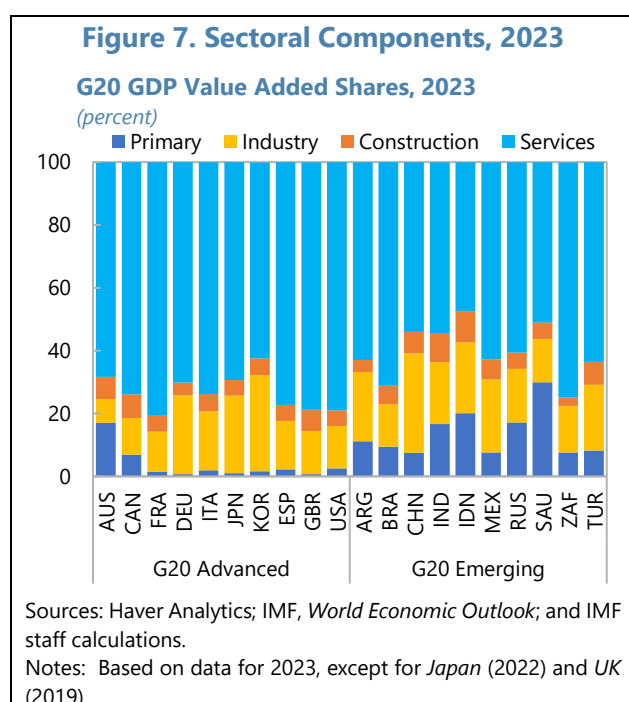


### C. Imbalances Persist

**9. Marked heterogeneity in the composition of growth persists within the G20, highlighting risks to countries that are more dependent on specific GDP components.**



- Growth contributions.** In most countries, recent growth has been primarily driven by private consumption, which is playing a larger role compared to pre-pandemic averages, with a few notable exceptions (e.g., *China* and *South Africa*) (Figure 6). By contrast, the contribution of fixed investment contracted, especially in G20 advanced economies (e.g., *France*, *Germany*, and *Korea*), with the exception of *Italy* where investment picked up. Net exports acted as a drag on growth in the post pandemic period in some G20 emerging market economies (e.g., *Argentina*, *Mexico*, and *Russia*). Beyond short-term cyclical dynamics, the average contribution of different GDP expenditure components varies across the G20 (Figure All.8). Some countries have tended to rely relatively less on private consumption (e.g., *China* and *Japan*), suggesting scope for policies to support domestic rebalancing in order to reduce reliance on more volatile components of growth, and to induce sizeable welfare gains. At the same time, large differences can also be found in the contribution of public investment (e.g., *Germany* and *Italy*), indicating the potential for some countries with relatively more fiscal space to increase public infrastructure investment to enhance productivity.
- Sectoral contributions.** Value added by sector also differs markedly across G20 economies with relatively greater shares in services for advanced economies compared to most emerging market economies (Figure 7). Sectoral diversification—including expanding the services sector—can enhance resilience to sector-specific and external shocks, as well as promote sustainable growth and improved living standards. A more balanced model of growth should also focus on activities with lower GHG emissions.



**10. Private debt ratios remain high for households and non-financial corporations.** Non-financial private sectors in most G20 countries managed to reduce their debt ratios since the peaks observed around the GFC, through a process of gradual deleveraging. At the same time, debt ratios of households and firms in several G20 countries remain elevated, in some cases having increased compared to pre-pandemic levels (Figure 8). Furthermore, the migration of lending to less regulated nonbank financial institutions leaves private agents more vulnerable (see Chapter 2 of the April 2024 IMF [Global Financial Stability Report](#)). Additional risks are concentrated in private sectors with a relatively high debt exposure denominated in foreign currency, which can be observed especially in some G20 emerging market economies (Figure All.9, RHS), endangering their resilience in case of exchange rate shocks. Moreover, many corporates may face challenges in debt servicing even in the

context of declining global interest rates, given increasing risks of an abrupt repricing of credit (see Chapter 1 of the October 2024 IMF [Global Financial Stability Report](#)).

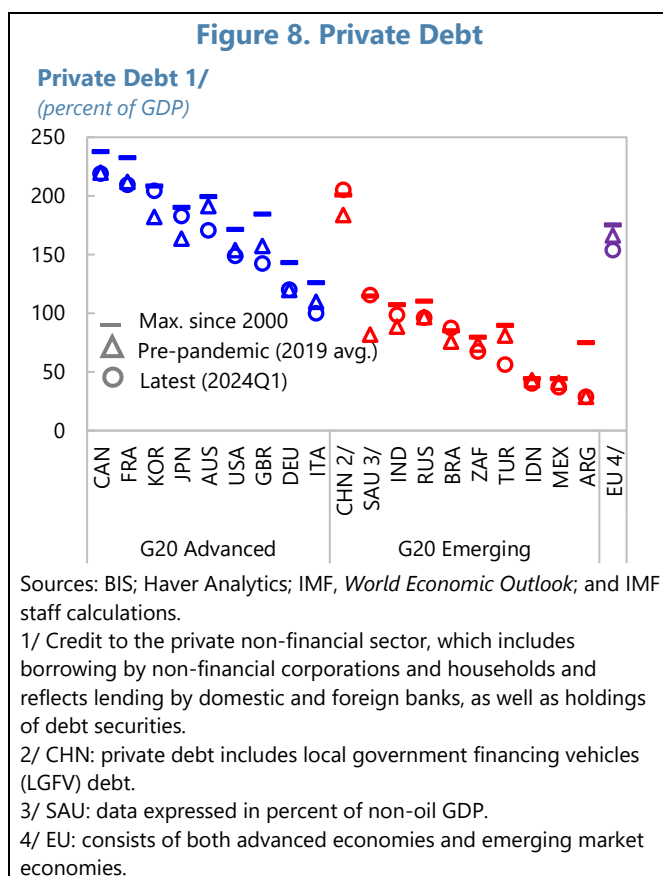
### 11. Global current account imbalances narrowed significantly in 2023.

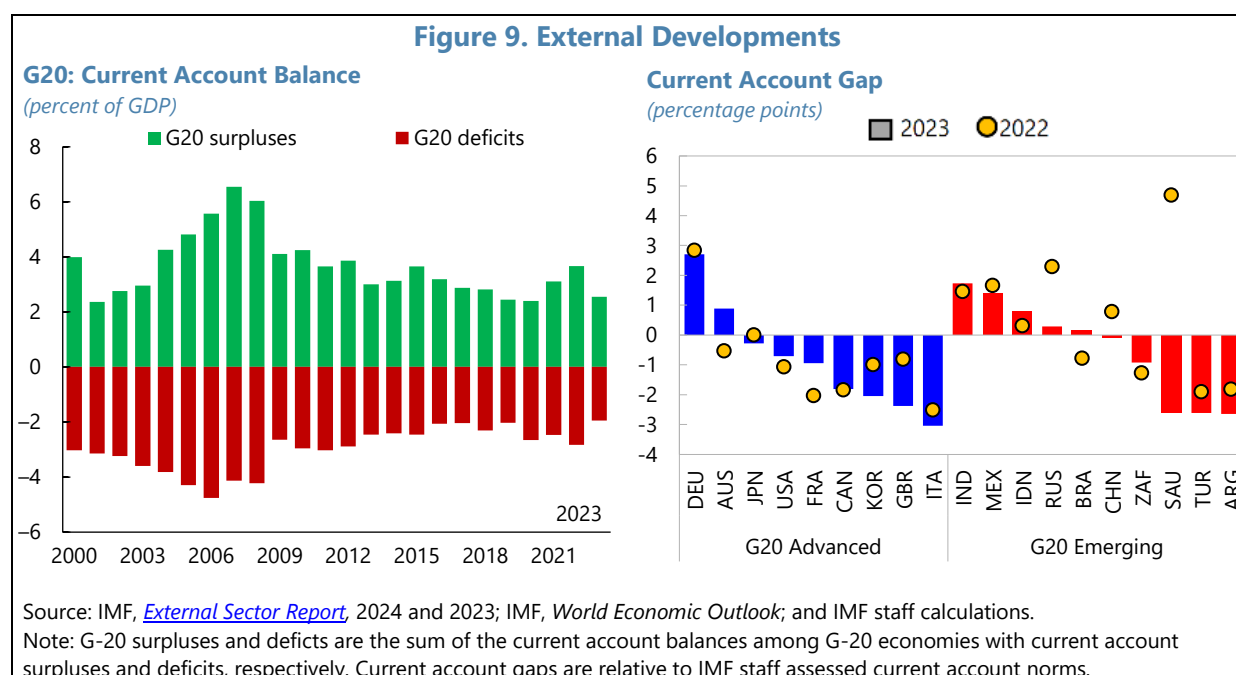
The global current account balance moderated in 2023, converging toward pre-COVID levels after a sustained expansion during 2020–22 (Figure 9, LHS). The narrowing reflected a reversal of large current account surpluses in commodity exporting countries, continued recovery from the COVID-19 pandemic and a slowdown in global trade in goods during 2023 (see the 2024 IMF [External Sector Report](#)). Over the medium run, the global current account balance is projected to continue narrowing, as current account deficit countries embark on fiscal consolidation and commodity prices moderate. Risks to the outlook are sizable and tilted toward a widening global balance.

They include include a divergence from projected medium-term fiscal consolidation plans, increasing geopolitical fragmentation, global spillovers from a prolonged real estate slowdown in *China*, and renewed commodity price spikes amid regional conflicts.

**12. Excess imbalances remain broadly unchanged in 2023 relative to 2022.** The latest assessment of economies' external positions and the appropriateness of current account balances reports that excess global current account balances have remained broadly unchanged relative to 2022, as a decrease in excess balances in several large economies was offset by increases in smaller economies (see the 2024 IMF [External Sector Report](#)) (Figure 9, RHS). While part of current account surpluses and deficits reflects differences in fundamentals and desirable medium-term policies, excess global current account balances could exacerbate the risks of sudden stops and disruptive currency and capital flow movements, while contributing to increasing geoeconomic fragmentation and raising trade barriers. Narrowing excess global current account balances would reduce the risk of financial crisis, improve resource allocation, and help preserve support for multilateralism.

**13. Domestic imbalances can feed through to external imbalances.** Recent years have seen a growing use of industrial policies among several advanced economies and emerging market and developing economies. In 2023, countries have implemented over 2,500 industrial policy measures worldwide (Evenett and others 2024). Of these, more than 70 percent are trade distorting and cover





at least a fifth of world trade. Key economies—*China*, the EU, and the *United States*—accounted for around half of these measures. Even when justified by the presence of market failures or motivated by national security or economic (including food) security concerns, industrial policy measures need to be assessed against the potential high costs, which include a misallocation of resources, reduced productive investment and adverse spillovers to trading partners. This is especially the case for public support at sectoral level to selected “priority” sectors, running the risk of giving rise to excess capacity in some industrial sectors. Significant distortionary supply-side support, especially in the presence of weak domestic demand, has the potential to fuel trade tensions and generate spillovers. Scaling back such policies and removing trade and investment restrictions would raise domestic productivity and ease fragmentation pressures, thereby supporting the growth outlook.

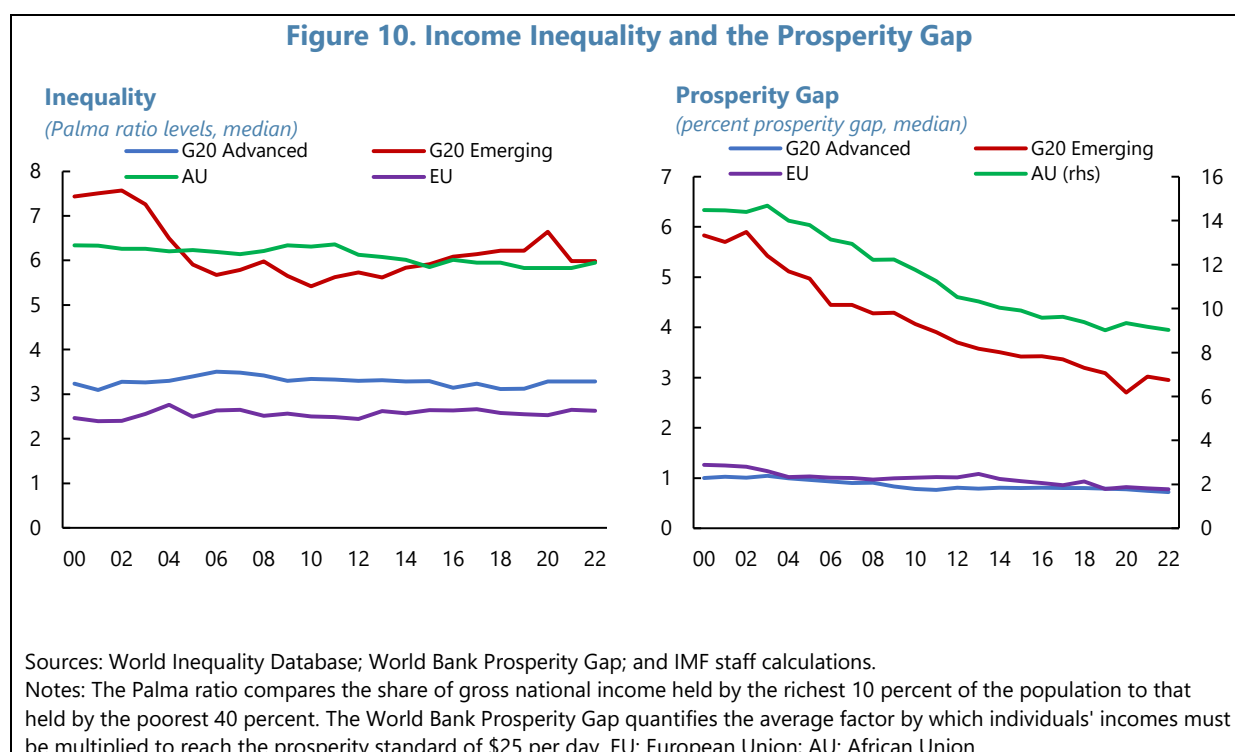
## D. Stalling Progress on Inclusiveness

**14. Progress toward inclusive growth has stalled.** Recent trends show that inequality remains high globally, and the fight against poverty has been hindered since the COVID-19 pandemic. The Palma ratio—defined as the ratio of the income share of the richest 10 percent of the population to that of the poorest 40 percent—has been broadly constant among G20 advanced economies, while it has been steadily increasing among G20 emerging market economies over the last decade (Figure 10, LHS). However, patterns vary across members.

- Inequality has continued to rise or to stall in those G20 countries with already high levels of inequality since the 2000s (Figures AII.11 and AII.12). This includes some advanced economics—e.g., *Italy* and the *United States*, where the Palma ratio has increased by 20 and

60 percent, respectively—and many emerging market economies which continue to experience persistently high levels of inequality (e.g., *Brazil*<sup>6</sup>, *Mexico*, and *South Africa*).

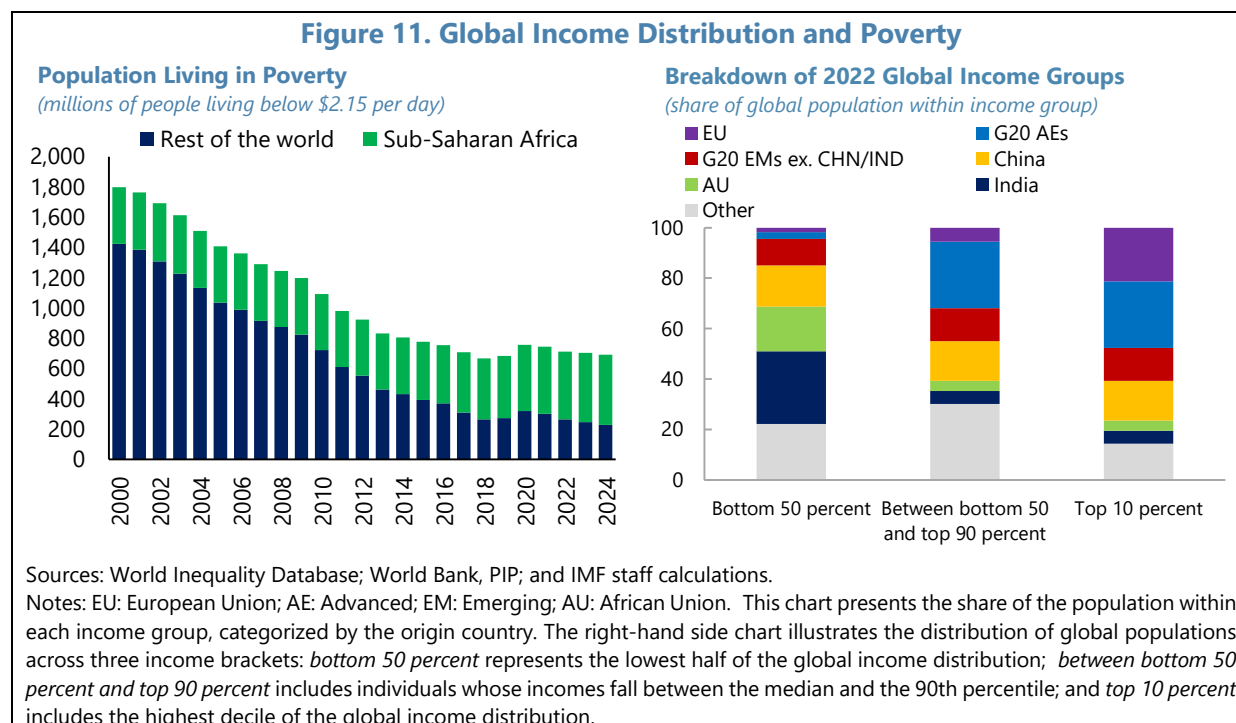
- In contrast, other G20 countries have successfully reduced inequality. Within the EU, *Estonia*, *Latvia*, and *Slovakia* have reduced inequality by more than 15 percent since the 2000s, while others have maintained relatively low inequality levels, e.g., *Finland*, *Netherlands*, and *Sweden*.
- Progress in reducing the prosperity gap—which measure the average factor by which incomes need to be multiplied to bring everyone’s income in the world to \$25 per day—has flattened among G20 countries and remains relatively high for countries within the AU (Figure 10, RHS).<sup>7</sup>



**15. The pace of reduction in poverty has also slowed since the pandemic and remains geographically concentrated.** Since 1980 close to 800 million people have been lifted out of extreme poverty, driven largely by reforms in *China*. But progress has stalled in recent years and even reversed during the COVID-19 pandemic, with around 692 million people—the majority living in the Sub-Saharan Africa region of the African Union—now falling below the international poverty line, slightly

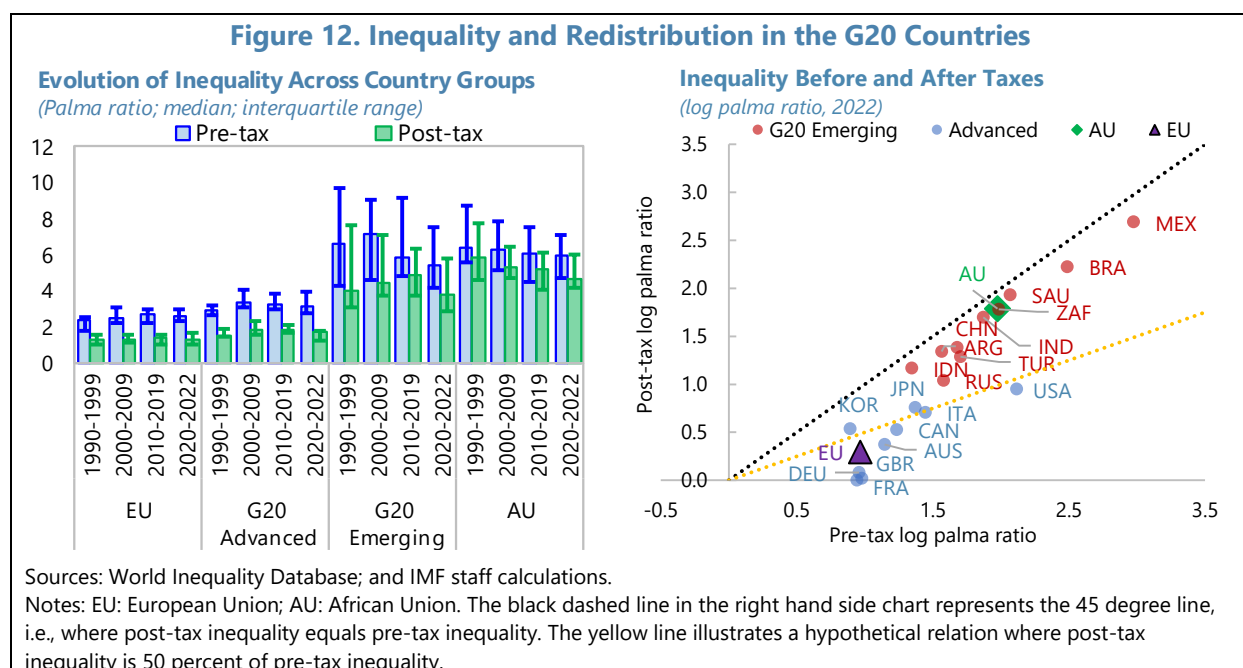
<sup>6</sup> For Brazil, some inequality indicators point to a gradual decline. Yet, inequality levels remain high across all indicators.

<sup>7</sup> Inclusive growth is a multidimensional concept that encompasses not only the reduction of inequality but also the enhancement of overall income growth across the distribution. The World Bank's shared prosperity initiative specifically targets income growth for the bottom 40 percent of the population, identifying the gap necessary to achieve a standard income level of \$25 per day—and hence ensuring that economic growth is inclusive and benefits all segments of the population.



above pre-pandemic levels (Figure 11, LHS). As of 2022, G20 emerging markets—notably India and China—and the AU account for the lion share of the bottom 50 percent of the global income distribution (Figure 11, RHS). At the same time, G20 emerging markets also have a fair representation in the top income groups, reflecting still high within-country inequality levels.

**16. Redistribution has varied across the G20 and has been insufficient to alleviate inequality.** Since 2000, net (post-tax) income inequality has remained broadly unchanged for the median G20 advanced and emerging market economy, but has declined for the median AU economy—although substantial heterogeneity persists within the AU and G20 emerging market economies (Figure 12, LHS). Redistribution reduces inequality by more than 50 percent in G20 advanced economies, as measured by the difference between the pre- and post-tax Palma ratio (Figure 12, RHS). Within advanced economies, some countries show larger equity gains from redistribution, notably in the *euro area* and *Australia*. Meanwhile, in G20 emerging markets and the AU, redistribution offsets at most 30 percent of within-country inequality (Figure 12, RHS). Going forward, the current level of social transfers is poised to decrease inequality in most G20 advanced economies and most countries within the AU, but it is insufficient to bring down the already high levels of inequality in G20 emerging market economies (see Annex III and G20 Background Note on the [Impact of Growth on Inequality and Social Outcomes](#), July 2024).

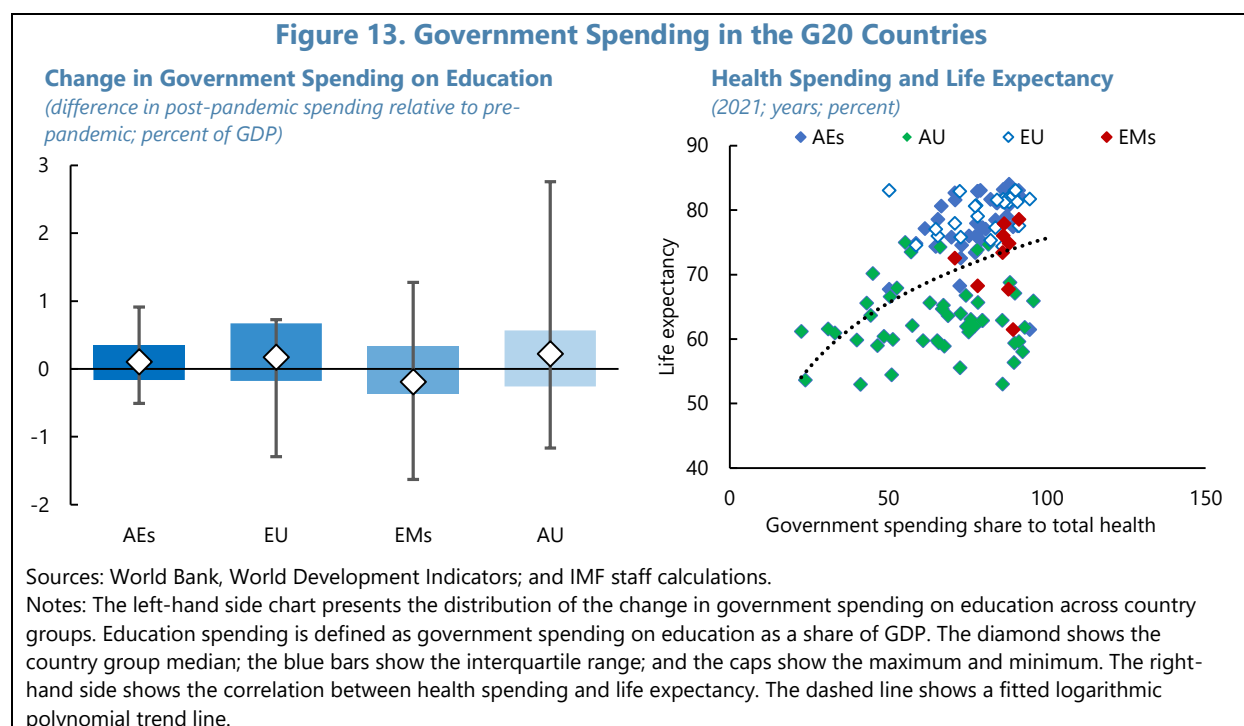


**17. Social spending trends are likely to determine different outcomes for inequality across the G20.** Given limited increases in education spending relative to pre-pandemic levels (Figure 13, LHS), inequality is at risk among G20 emerging market economies and the AU compared to advanced economies, as spending is less likely to help curb inequality for the former (see Annex III). Similarly, public health expenditure shows large heterogeneity within the G20 countries and tends to be associated with weaker life expectancy, reflecting important differences in social safety nets across countries (Figure 13, RHS). Where inequality remains elevated, policymakers should prioritize fiscal reforms to introduce or improve social safety nets—including through targeted spending—to help soften growth-inequality tradeoffs (see Annex III). Such reforms must also be supported by stronger domestic revenue mobilization and robust macroeconomic frameworks to avoid additional pressure on public finances.

**18. Integrating women and migrants remains a priority to boost inclusive growth.**

- Poorer development outcomes tend to be associated with lower gender equality.** There is significant dispersion in gender development in G20 emerging market economies and the AU (Figure 14, LHS). G20 advanced economies, the EU, and some G20 emerging market economies—notably *Argentina*, *Brazil*, and *Russia*—exhibit high gender equality, while other G20 emerging market economies are lagging—such as *India* and *Saudi Arabia*. Among AU members, *Namibia* and *Seychelles* show strong performance in gender equality, with gender development levels comparable to G20 advanced economies; while other countries face significant challenges in achieving gender parity (e.g., *Chad* and *Somalia*). Nevertheless, female labor market participation continues to lag that of men across the G20, with the median labor participation gap exceeding 20 percent (Figure 14, RHS). Female labor market participation gaps are even larger for G20 emerging economies—the median gap is 30

percent and exceeds 50 percent in *India, Saudi Arabia, and Türkiye*. Furthermore, progress in reducing gender gaps has plateaued in both the AU and G20 advanced economies.



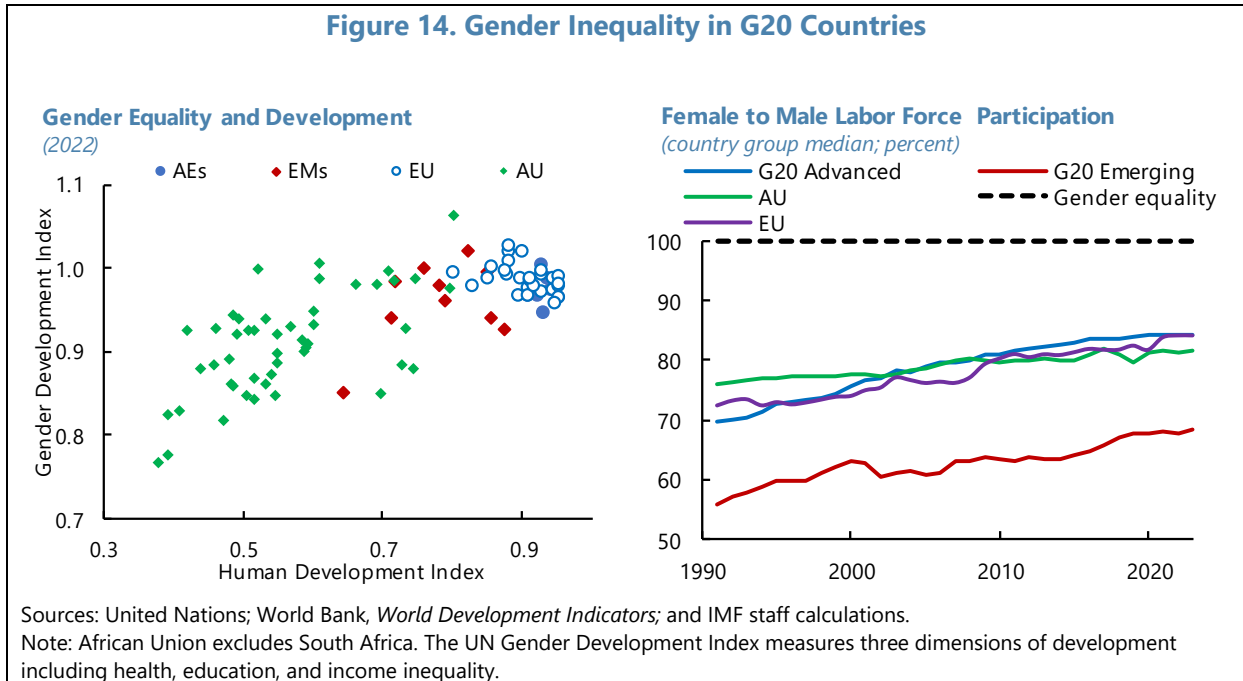
- **The effectiveness of policies targeted at reducing gender gaps also varies across countries.** In advanced economies and emerging market economies, policies that facilitate women's work-life balance and target investments in child and elderly care can help boost female labor market participation.<sup>8</sup> Low-income and developing countries in the AU should prioritize reducing gender disparities in opportunities—including in financial inclusion (see Figure All.16)—and promoting human capital development. Lastly, gender-responsive budgeting, legal reforms that enhance women's rights in the workplace, and eliminating gender biases in the tax system would also effectively promote gender equality.<sup>9</sup>
- **Policies to integrate migrants vary significantly across the G20.** Recent years show limited progress in integrating migrants in most countries except in *Brazil, the EU, France, and Türkiye* (Figure 15, LHS). Furthermore, there is a weak correlation between labor market integration policy adequacy and net migration inflows, reflecting potential misallocation of migrants (Figure 15, RHS). Stepping up efforts targeted at integrating migrants in the labor market could bring substantial output gains amid population aging (see, for example, Caselli and others 2024), by leveraging the full potential of the labor force and complementarities

<sup>8</sup> For example, Canada has in place policies to improve affordability of childcare services (for more details, see the [Canada 2024 Staff Report](#), which lays out the potential impacts of these policies).

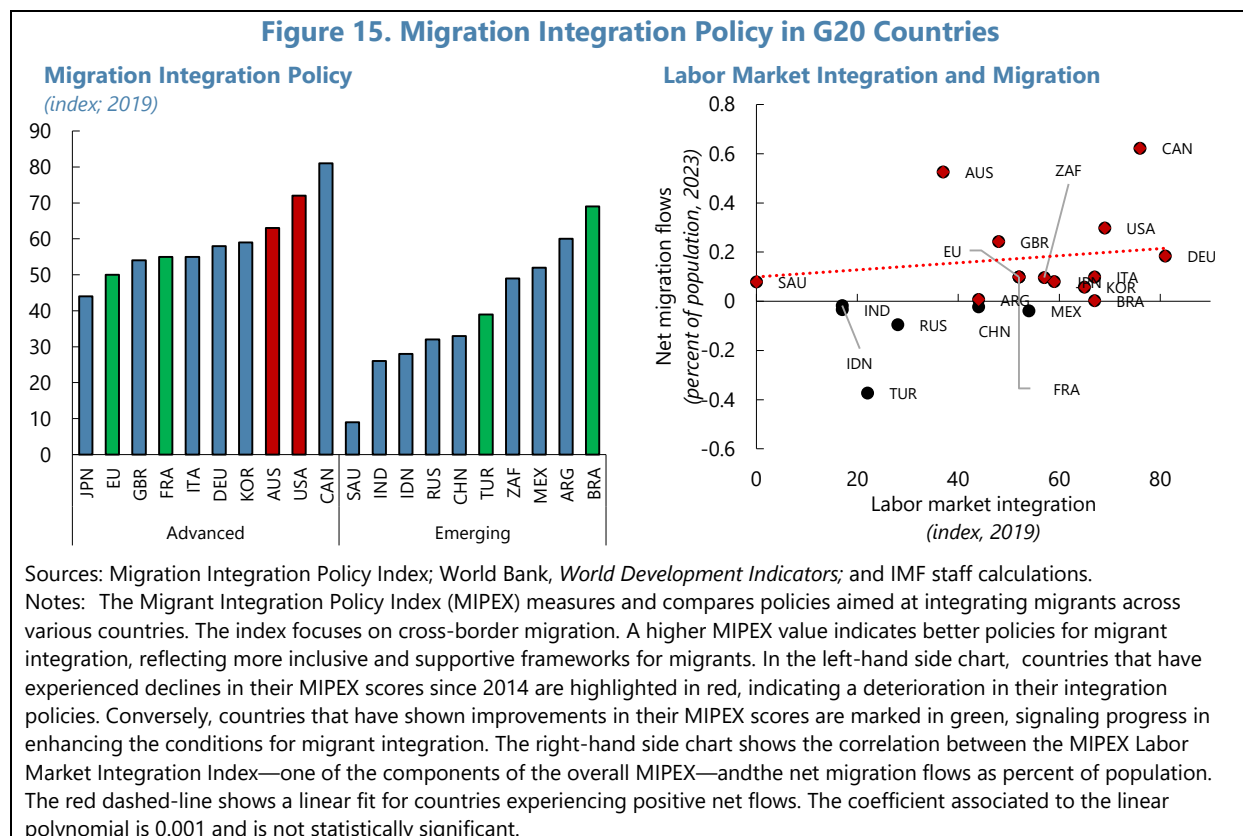
<sup>9</sup> For example, Mexico has made significant progress in removing legal impediments for women's economic and political empowerment (see [Staff Report](#) for the Mexico 2023 Article IV Consultation).



between immigrant and native workers (Peri and Ottoviano 2011; Peri 2010; Peri 2016). Policies should be tailored to address the unique challenges of different migrant categories—for example, refugees often need immediate aid and specialized integration support early on (Bahar and others 2024; Foyed and Peri 2016)—while also ensuring the supply of public services can keep up with population increases (Caselli and others 2024).



**19. Trade fragmentation via rising protectionism presents a significant challenge to inclusive growth by generating disproportionately large costs for the most vulnerable.** Tariffs have a direct price effect for both final consumers and domestic firms and are regressive, disproportionately burdening lower-income households who spend a larger portion of their income on cheaper imported products (Fajgelbaum and others 2024). In sectors where consumer price impacts might be more muted, protectionism also distorts investment choices (Cavallo and others 2021). In addition, trade fragmentation poses a risk of reducing output globally, with emerging market and developing economies being particularly vulnerable (Hakobyan and others 2023).



## POLICY CHALLENGES

For the majority of G20 members, recommended monetary policies are broadly aligned with projections. The stance of fiscal policy in the short term is contractionary for most of the G20, but greater consolidation is needed to rebuild buffers and restore debt sustainability. Macro-financial policies are broadly assessed to be well aligned to safeguard financial stability and are projected to be in line with recommendations. For some AU countries, recommendations are for a broader or deeper tightening of financial settings than projected. While structural reform priorities vary across countries, the vast majority of G20 and AU countries need reforms to fiscal policy frameworks, either to tighten public spending limits (most advanced economies), mobilize domestic revenue (most emerging market and developing economies), or enhance transparency (AU countries). Simulations for the G20 suggest that following all policy recommendations and implementing priority reforms can lift medium-term growth significantly, improve the outlook for public debt, and reduce external imbalances. Multilateral cooperation is essential not only to reinvigorate medium-term growth prospects but also to address global challenges including climate change, fragmentation pressures and debt restructuring efforts.

## A. Macroeconomic Policies Must Ensure a Smooth Landing Amid Consolidation and Financial Stability

### Monetary Policy

**20. Recommended monetary policies are broadly aligned with projections to deliver a smooth landing.** Central banks need to remain focused on restoring price stability. In all cases, policy should remain flexible and adjust based on the analysis of incoming data, as well as guide market expectations and reduce uncertainty through the use of well-designed and transparent policy communication frameworks.

- Monetary policy in most G20 advanced economies is expected to remain contractionary in 2024, even among central banks that started to cut interest rates, while in 2025 a move towards a less restrictive stance is expected, as inflation converges to target (Figure 16, LHS). Exceptions include the *United Kingdom*, where core inflation remains more persistent and monetary policy is expected to remain substantially contractionary through 2025, and *Japan*, where an expansionary policy for an extended period is deemed necessary to ensure that inflation converges sustainably to target.
- Among G20 emerging market economies the picture is more heterogeneous as inflation path projections vary. Where inflation remains above target, policy is expected to remain substantially contractionary through 2024 (e.g., *Mexico*), through 2025 (e.g., *Brazil*), or to tighten in 2025 (e.g., *Türkiye*). Elsewhere, policy is expected to remain neutral (e.g., *India* and *Indonesia*) or moderately expansionary (e.g., *China*). In *China*, policy is expected to remain slightly expansionary amid low core inflation, with the recommendation being to loosen monetary policy moderately more than projected.
- In approximately half of AU countries, persistently high inflation and slow disinflation require a contractionary monetary policy stance throughout 2025 (Figure AII.17). For most members, recommendations are aligned with current monetary policies underlying projections, but for about one in three countries a moderately more contractionary stance is advised, given higher and more persistent inflation associated with higher food prices amid currency depreciation and underperformance in agriculture.

Figure 16. Monetary and Fiscal Policy

		Projected monetary policy stance		Recommended change to monetary policy stance	
		2024	2025	2024	2025
Advanced economies	JPN	Green	Green		
	AUS	Orange	Yellow		
	EA	Orange	Yellow		
	KOR	Orange	Yellow		
	CAN	Red	Orange		
	GBR	Red	Red		
	USA	Red	Orange		
Emerging market economies	CHN	Green	Green	Green	Green
	IND	Yellow	Yellow		
	IDN	Yellow	Orange		
	SAU	Orange	Orange		
	ARG	Orange	Orange		
	ZAF	Orange	Yellow		
	TUR	Orange	Red		
	BRA	Red	Red		
	MEX	Red	Orange		
	RUS	Red	Red	Grey	Grey

		Projected fiscal policy stance			Recommended change to fiscal policy stance		
		2024	2025	2026-29	2024	2025	2026-29
Advanced economies	CAN	Green	Red	Yellow	Down	Up	
	FRA	Green	Orange	Orange			
	JPN	Green	Red	Yellow	Down		Down
	AUS	Green	Yellow	Orange	Down	Down	Up
	KOR	Yellow	Orange	Yellow			
	USA	Orange	Orange	Orange		Down	Down
	DEU	Red	Orange	Orange	Up	Up	
	ITA	Red	Yellow	Orange	Down	Down	Up
	GBR	Red	Red	Orange			
Emerging market economies	IDN	Green	Orange	Orange	Down		
	MEX	Green	Red	Yellow	Down		
	CHN	Green	Orange	Orange	Down	Down	Down
	BRA	Yellow	Orange	Red	Down	Down	
	RUS	Yellow	Red	Yellow	Grey	Grey	Grey
	ZAF	Yellow	Orange	Orange	Down	Down	Down
	IND	Orange	Orange	Yellow		Down	Down
	ARG	Red	Red	Yellow			
	SAU	Red	Red	Red		Down	Down
	TUR	Red	Red	Yellow	Down		Up

Key (stance)	
Substantially expansionary	Green
Moderately expansionary	Light Green
Neutral	Orange
Moderately contractionary	Red
Substantially contractionary	Dark Red
Not available	Grey

Key (difference)	
Substantially more expansionary: $\Delta ir < -100$ basis points	Green
Moderately more expansionary: $-100 \text{ basis points} \leq \Delta ir < 0$	Light Green
Unchanged: $\Delta ir \approx 0$ (approximately)	Orange
Moderately more contractionary: $0 < \Delta ir \leq 100$ basis points	Red
Substantially more contractionary: $\Delta ir > 100$ basis points	Dark Red
Not Available	Grey

Key (difference)	
Substantially more expansionary or less contractionary	Green
Moderately more expansionary	Light Green
Unchanged	Orange
Moderately more contractionary	Red
Substantially more contractionary or less expansionary	Dark Red
Not available	Grey

Sources: IMF staff estimates and recommendations.

Notes: Euro area (EA): the European Central Bank conducts monetary policy for the euro area as a whole, including for DEU, FRA, and ITA. RUS: policy recommendations are not available. SAU: has a fixed exchange rate. IDN: the central bank's multi-instrument toolkit has been set to keep the overall monetary policy stance neutral and the overall stance is projected to remain neutral in 2025. While the current monetary policy rate is assessed to be above neutral, projected rate cuts are expected to bring real rates closer to the neutral rate. CHN: the fiscal stance is mainly based on the assessment of the structural primary balance and excludes the impact of a recommended one-off package of fiscal support for the real estate sector financed by the central government.

## Fiscal Policy

**21. Greater fiscal consolidation is needed in most G20 countries to rebuild buffers and restore debt sustainability.** However, there is substantial heterogeneity in timing in these recommendations, depending on the availability of fiscal space. Overall, carefully calibrated fiscal consolidation which safeguards growth-enhancing measures (e.g., public investment) is critical in the medium-term to create fiscal space and ensure debt sustainability. In emerging markets that are in, or at high risk of, debt distress—including some AU countries—a well-timed fiscal consolidation might need to be accompanied with debt restructuring to achieve debt sustainability.

- The stance of fiscal policy in 2024 and 2025 is expected to be contractionary for most G20 advanced economies (e.g., *Germany, Italy, United Kingdom*), with some exceptions, such as *Canada, France* and *Japan* in 2024. The general recommendation is to impose moderately to substantially more contractionary fiscal policy in the near- and medium-term than projected, including the phase-out of extraordinary support measures such as energy subsidies (Figure 16, RHS). *Germany* is a notable exception to the recommendation of more contractionary fiscal policy, reflecting a need to increase public investment for digitalization and the green transition. Recommendations for more frontloaded consolidation reflect, among other factors, the lack of fiscal space (*Italy*) or the need to support disinflation (*Australia*). In *Japan*, despite the presence of some fiscal space, the call for frontloaded consolidation reflects the need to further expand fiscal space for the long-term, given age-related spending pressures. Elsewhere, the recommended consolidation is more backloaded, reflecting the need to address longer-term debt sustainability concerns (e.g. *United States*).
- The picture is similar in G20 emerging market economies, with fiscal policy is generally expected to be contractionary in 2024 and 2025 (e.g., *Argentina, India, Saudi Arabia* and *Türkiye*). This is appropriate given the need to ensure debt sustainability. Consistent with this, where recommendations are to deviate from projections, the call is for tighter policy in most cases, except for *Türkiye* in the medium-term, due to a recommendation to return to the projected path of medium-term consolidation after a temporary tightening relative to projections. In some cases, the recommendation is for an evenly paced consolidation relative to projections (e.g., *South Africa*). Elsewhere, the recommendation to tighten further than projections is more backloaded, given the presence of some fiscal space (e.g., *Saudi Arabia*).
- For the majority of AU members, the stance of fiscal policy is contractionary to rebuild buffers both in the short and medium run, and recommendations tend to align with projections (Figure All.18). In cases where recommendations differ from projections, countries with no fiscal space or fiscal space at risk are more likely to see recommendations of tighter policy at all horizons (e.g., *Algeria* and *Gabon* with no fiscal space, and *Uganda* and *Tunisia* with fiscal space at risk). For G20 emerging market economies and the AU that are at high risk of debt distress, fiscal consolidation might need to be accompanied with debt restructuring to restore sustainability.

**22. Gradual and appropriately-timed fiscal consolidation can successfully bring down debt and restore macroeconomic stability with positive implications for medium-term growth.** This is even more likely when accompanied by growth-enhancing structural reforms and strong institutional frameworks (see Chapter 3 of the [April 2023 IMF World Economic Outlook](#)).

## Financial Sector Policy

**23. Macro-financial policies are well aligned to safeguard financial stability.** Projections of macro-financial policy actions are broadly in line with recommendations for most G20 countries (Figure 17). *Japan* is the exception, where further tightening of selected financial settings is recommended. A broader or deeper tightening of financial settings than projected is recommended for some AU economies (Figure All.19). Macroprudential buffers deployed during the pandemic and the energy crisis should also be gradually rebuilt to ensure financial stability.

**24. Prudent policymaking should aim at mitigating potential downside scenarios.**

Current accommodative financial conditions could facilitate the buildup of vulnerabilities, which might amplify adverse shocks, especially in the context of elevated economic and geopolitical uncertainty (see Chapters 1 and 2 of the October 2024 IMF [Global Financial Stability Report](#)). Macroprudential measures are essential to ensure that capital and liquidity buffers in banking systems are adequate to support the provision of credit through periods of stress, and to mitigate persisting financial vulnerabilities, such as those stemming from large foreign-currency-denominated debt exposures, elevated economic uncertainty, the build up of risk taking in the nonbank financial sector, and risks associated to potential volatility in some real estate markets.

Figure 17. Macro-Financial Policy

		Projected macro-financial policy action		Recommended macro-financial policy action	
		2024	2025	2024	2025
Advanced economies	AUS				
	FRA				
	DEU				
	ITA				
	JPN				
	GBR				
	CAN				
	KOR				
	USA				
	Emerging market economies	CHN			
IDN					
ARG					
BRA					
IND					
MEX					
SAU					
ZAF					
TUR					
RUS					

Key (stance)	
Broad or deep loosening of financial settings	
Selected loosening of financial settings	
On hold	
Selected tightening of financial settings	
Broad or deep tightening of financial settings	
Not available	

Sources: IMF staff estimates and recommendations.

Notes: ESP: permanent invitee. Euro area: the European Central Bank conducts monetary policy for the euro area as a whole, including for DEU, ESP, FRA, and ITA. RUS: policy recommendations are not available. SAU: has a fixed exchange rate.

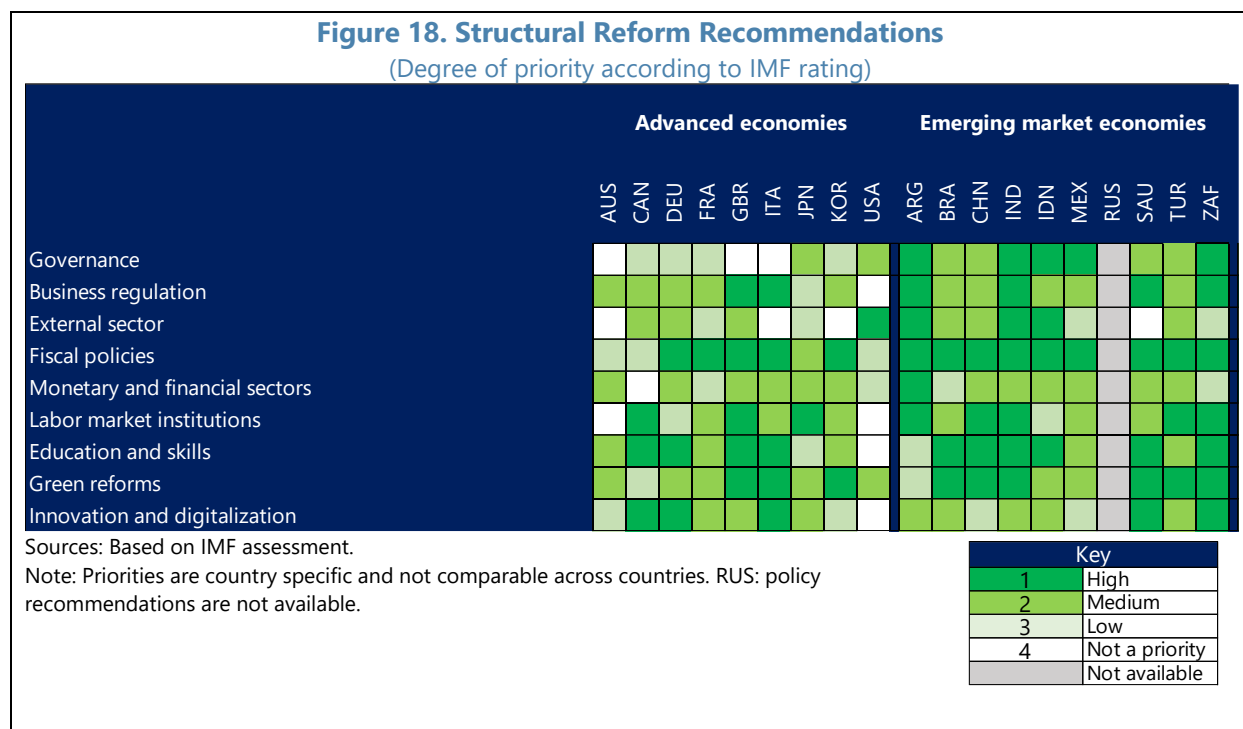
## B. Structural Reforms Are Urgently Needed to Lift Medium-Term Growth

### 25. Structural reforms remain critical in many areas (Figure 18).<sup>10</sup>

- G20 advanced economies must prioritize reforms to fiscal policies, education and skills, and for the energy transition.** More than half of the G20 advanced economies need to give high priority to fiscal policy reforms, most often to tighten limits of public spending. An exception is *Germany*, where a relaxation of spending rules is recommended to allow for an increase in public investment. For almost half of countries, high priority is also assigned to reforms on education and skills. Reforms aimed at facilitating the green transition are also assessed to be of high or moderate priority in almost all countries.
- Reforms to fiscal policy frameworks are of high priority in all G20 emerging market economies.** Fiscal policy reforms are considered to be of high priority for all G20 emerging markets, with domestic revenue mobilization mentioned most frequently as a major aim of these reforms, consistent with the presence of gaps in investment and social spending and an untapped tax potential (G20 Note on [Stepping up domestic resource mobilization](#), June 2024). Education and skills reforms and green reforms are assigned to be of high priority in two thirds of cases. For more than half of G20 emerging markets, reforms to governance and labour markets are also considered important.
- For the AU, reforms targeting fiscal policies, governance, and education and skills rank highest.** Almost 90 percent of AU economies require high-priority reforms of fiscal policy, including mobilizing greater tax revenues, controlling public spending, and enhancing transparency, while also maintaining essential social spending (see Figure AII.20). For about three quarters of AU economies governance reform needs rank very high, often with the aim of strengthening the rule of law, fighting corruption, improving Public Financial Management (PFM) and Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) frameworks, and enhancing transparency, efficiency and accountability of government and state-owned enterprise sector. For about half of AU countries high priority is also assigned to reforms aimed at improving education and skills, with frequent references to the need to increase the quality and access to primary, secondary and tertiary education, reduce skill mismatches and bolster skills and vocational training. For about 40 percent of AU countries also reforms to business regulation, credit markets, and green sector are assign high importance.

<sup>10</sup> Structural reforms are classified within nine categories, ranging. For examples of specific reforms within each category see Annex I.

**26. The payoffs from structural reforms are largest when they are sequenced, well-packaged and reflect social consensus.** Targeted and carefully sequenced structural reforms in a wide range of areas are needed in most large G20, EU, and AU countries to revive productivity growth and stimulate faster medium-term growth, especially when fiscal space is limited, while also combating climate change. Evidence suggests that well-calibrated reforms have the potential to yield



a substantial growth dividend (Budina and others 2023). For instance, implementing first-generation reforms that alleviate the most critically binding constraints to economic activity—notably governance, business regulation, and external sector reforms—can help front-load output gains by promoting domestic and foreign investment and enhancing labor productivity. Moreover, jointly implementing multiple structural reforms with complementary benefits can increase the reform payoffs substantially by exploiting synergies and reducing costs. At the same time, social consensus plays a crucial role in ensuring that reforms are sustainable and their benefits are widely shared, through active and effective communication and with complementary and compensatory measures that consider the potential distributional effects of the reforms (Chapter 3 of October 2024 IMF [World Economic Outlook](#)).

**27. Digitalization and artificial intelligence (AI) could drive a lasting recovery in productivity.** To do so requires improving digital infrastructure, investing in human capital and coordination on global rules. IMF estimates suggest that for the global economy, AI could boost productivity gains substantially in the medium- to long-term.<sup>11</sup> However, gains are likely to be unevenly distributed across regions and advanced economies tend to be better equipped for AI

<sup>11</sup> See Box 3.3 in Chapter 3 of the April 2024 IMF [World Economic Outlook](#).



adoption. This underscores the importance for international cooperation to improve AI readiness and integration in less-prepared economies to ensure potential gains from AI are distributed fairly globally, also across individuals (Cazzaniga and others 2024).<sup>12</sup> In this context, appropriate fiscal policies can mitigate the negative labor market and distributional effects of AI and allow for a more even distribution of the gains (Brollo and others 2024).

### C. Recommended Policies and Reforms Can Lead to Strong and Sustainable Growth, While Reducing Imbalances and Disparities

**28. Following all policy recommendations and implementing priority reforms can lift medium-term growth prospects significantly.**<sup>13</sup>

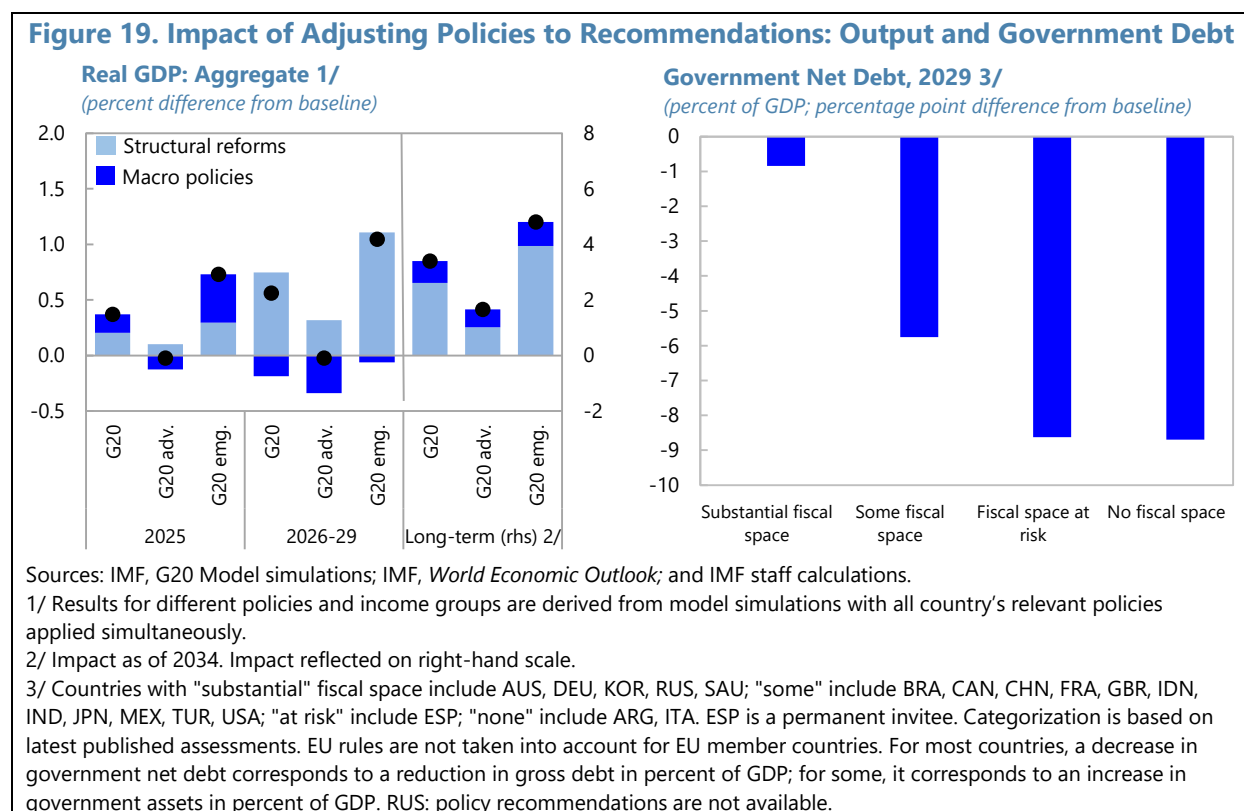
- **Macroeconomic policies.** The growth impact of implementing macroeconomic policy recommendations would be negative for advanced economies in the short- and medium-term, largely reflecting recommended fiscal tightening in most AEs (an exception is *Germany*), which drives a decline in demand. However, the impact is positive in the long-term, as lower government debt encourages private investment, including through international spillovers in the form of lower global interest rates (particularly in *Australia*, *Canada*, and *Korea*). In emerging market economies, the impact is positive at every horizon considered, though largest in the long-term. The short-term boost in growth is primarily driven by the recommendation of more public investment and looser monetary policy in *China*, while the long-term increase in growth reflects positive spillovers from AE fiscal tightening, via global interest rates, as well as domestic policy changes (e.g., higher public investment in *China* and *Indonesia*).
- **Structural Reforms.** Implementing priority structural reforms would boost growth in both advanced and emerging market economies, with larger benefits materializing in the medium and long term (Figure 19, LHS). The boost to growth would be larger in emerging market economies (e.g., *Argentina*, *China*, *India*, and *South Africa*), reflecting higher priority ratings and larger scope for progress, particularly in business regulation. Notwithstanding, some advanced economies would also see significant growth increases (e.g., *France*). In G20 advanced economies, the short- and medium-term combined impact of macroeconomic policies and structural reforms on growth is slightly negative. However, the combination of these policies and reforms ultimately boosts growth in the long-term.

**29. Implementing recommended policies would improve the outlook for public debt.** The medium-term improvement in the public debt outlook is broad-based, reflecting the increase in growth and the broad policy recommendation for additional fiscal tightening—*Germany* and, to a

<sup>12</sup> To help authorities craft appropriate policies, the IMF has developed an AI Preparedness Index, available at: [www.imf.org/external/datamapper/datasets/AIP](http://www.imf.org/external/datamapper/datasets/AIP).

<sup>13</sup> Quantitative analysis is undertaken using the IMF economic model for the G20. Due to model and data limitations, the model simulation, and the results appearing in Figures 19 and 20, do not consider policy recommendations for, or spillovers to, the African Union.

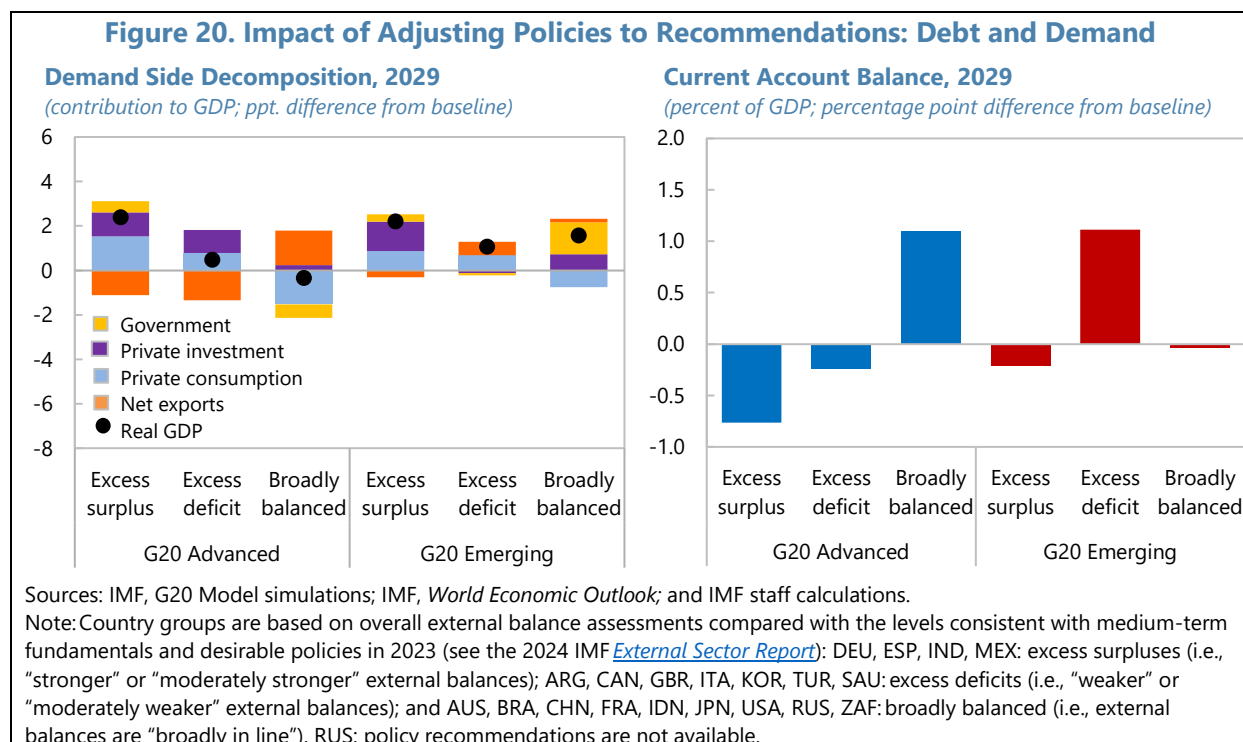
lesser extent, *Mexico* are exceptions. Indeed, the reduction in public debt burdens is larger in countries identified as having less fiscal space (Figure 19, RHS)—an encouraging sign as these are the countries where a reduction in the government debt burden is a higher priority.



**30. External imbalances can be reduced under recommended policies.** The impact on external balances is largely driven by the adoption of macroeconomic policies rather than from priority structural reforms, with international spillovers from more contractionary fiscal policy playing a key role.

- Countries with *excess current account surpluses*—particularly G20 advanced economies—would see a decline in their current account balances (Figure 20, RHS) alongside a decline in net exports (Figure 20, LHS).
- G20 emerging market economies with *excess deficits* as a whole would see a significant improvement in current account balances, though this masks heterogeneity. The large improvement in *Saudi Arabia* due to fiscal consolidation drives the bulk of the change, while *Argentina* and *Türkiye* see a small deterioration and improvement, respectively, on account of international spillovers.
- G20 advanced economies with *excess deficits* would see a small decline in their current account balances due to spillovers from fiscal contractions elsewhere (an exception is *Italy*).

- *Broadly balanced* G20 advanced economies see a large improvement in current account balances, driven by *Japan* and the *United States*, following fiscal consolidation, as evidenced by the significant drag on growth from fiscal tightening in that group (Figure 20, RHS). Whereas *broadly balanced* G20 emerging market economies experience a slight decline in their current account balances. Most economies in this group are relatively unaffected except for *Russia*, which sees a decline, and *South Africa*, which sees an offsetting increase.



## D. Multilateral Cooperation is Essential to Address Global Challenges

**31. Strengthening international trade and investment are instrumental for achieving stronger and more sustainable growth.** Strengthening rules-based multilateral frameworks has the potential to decrease uncertainty, encourage investment and FDI, and foster trade flows. Such measures are critical in the current environment, which is characterized by an outlook for weaker trade growth, as well as risks to growth from geoeconomic fragmentation. The latter has the potential to reduce markedly global output (up to 7 percent of GDP), with emerging and developing economies most affected (see Chapter 4 of the April 2023 IMF [World Economic Outlook](#)).

**32. Multilateral coordination can mitigate the unintended consequences and potentially harmful effects of industrial policy.** Sectoral policies are being increasingly adopted by both advanced economies and emerging market and developing economies, justified in part by economic and national security concerns. However, such policies may include provisions, such as local content requirements, that could be inconsistent with WTO rules and hamper trade, technology transfers, and the green transition. Moreover, even minor distortions in the implementation of industrial policies

such as subsidies that target innovation in certain sectors can negate the social benefits expected (see Chapter 2 of the April 2024 IMF [Fiscal Monitor](#)). Therefore, poorly designed industrial policies have the potential to weaken growth, endanger its medium-term sustainability, increase imbalances, and amplify inequalities. International cooperation to address common challenges such as climate change and strengthen rules in agriculture and industrial subsidies can mitigate these effects and help reduce damaging cross-border spillovers.

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**Table 1. Real GDP Growth**  
(percent)

	Year over Year								
	Projections (Oct. 2024)						Deviations (from Oct. 2023)		
	2022	2023	2024	2025	2028	2029	2024	2025	2028
<b>World</b>	<b>3.6</b>	<b>3.3</b>	<b>3.2</b>	<b>3.2</b>	<b>3.1</b>	<b>3.1</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>
Advanced Economies	2.9	1.7	1.8	1.8	1.7	1.7	0.4	0.0	0.0
Euro area	3.3	0.4	0.8	1.2	1.3	1.2	-0.4	-0.6	0.0
Emerging Market and Developing Economies	4.0	4.4	4.2	4.2	3.9	3.9	0.2	0.1	0.0
G20 1/	3.3	3.7	3.4	3.2	3.0	3.0	0.6	0.2	0.1
Advanced G20 2/	2.7	1.8	1.8	1.7	1.7	1.6	0.5	0.0	0.0
Emerging G20 3/	3.8	5.1	4.6	4.3	3.9	3.9	0.6	0.2	0.2
Argentina	5.3	-1.6	-3.5	5.0	3.3	2.4	-6.3	1.7	0.8
Australia	3.9	2.0	1.2	2.1	2.3	2.3	0.0	0.1	0.0
Brazil	3.0	2.9	3.0	2.2	2.5	2.5	1.5	0.3	0.5
Canada	3.8	1.2	1.3	2.4	1.8	1.6	-0.3	0.0	0.1
China	3.0	5.2	4.8	4.5	3.4	3.3	0.6	0.4	0.0
France	2.6	1.1	1.1	1.1	1.4	1.3	-0.2	-0.7	0.0
Germany	1.4	-0.3	0.0	0.8	0.8	0.7	-0.9	-1.2	-0.1
India 4/	7.0	8.2	7.0	6.5	6.5	6.5	0.7	0.2	0.2
Indonesia	5.3	5.0	5.0	5.1	5.1	5.1	0.0	0.1	0.1
Italy	4.7	0.7	0.7	0.8	0.7	0.7	0.0	-0.2	-0.2
Japan	1.2	1.7	0.3	1.1	0.6	0.5	-0.7	0.5	0.2
Korea	2.7	1.4	2.5	2.2	2.1	2.0	0.3	-0.1	0.0
Mexico	3.7	3.2	1.5	1.3	2.1	2.1	-0.6	-0.2	0.0
Russia	-1.2	3.6	3.6	1.3	1.2	1.2	2.5	0.3	0.3
Saudi Arabia	7.5	-0.8	1.5	4.6	3.5	3.5	-2.5	0.4	0.4
South Africa	1.9	0.7	1.1	1.5	1.5	1.5	-0.7	-0.1	0.1
Spain 5/	6.2	2.7	2.9	2.1	1.6	1.6	1.2	0.0	0.0
Türkiye	5.5	5.1	3.0	2.7	3.7	3.9	0.0	-0.5	0.5
United Kingdom	4.8	0.3	1.1	1.5	1.4	1.3	0.5	-0.5	-0.1
United States	2.5	2.9	2.8	2.2	2.1	2.1	1.3	0.4	0.0
European Union	3.7	0.6	1.1	1.6	1.6	1.5	-0.4	-0.5	-0.1
African Union	4.3	3.3	3.0	4.2	4.4	4.4	-0.7	0.0	0.2

Sources: IMF, *World Economic Outlook*, October 2024 and October 2023.

1/ G20 aggregates exclude the European Union.

2/ Includes *Australia, Canada, France, Germany, Italy, Japan, Korea, United Kingdom*, and *United States*.

3/ Includes *Argentina, Brazil, China, India, Indonesia, Mexico, Russia, Saudi Arabia, South Africa*, and *Türkiye*.

4/ For *India*, data and forecasts are presented on a fiscal year basis, with FY 2023/24 starting in April 2023.

5/ *Spain* is a permanent invitee.