

UPSIDE

Strengthened global activity during second half of 2013

Euro area moving from recession to recovery

Higher export demand in emerging markets

U.S. budget deal to boost final demand in 2014

TO ENSURE GROWTH, IMF RECOMMENDS:

Advanced economies:

- avoid premature monetary policy tightening
- repair balance sheets
- implement structural reforms to boost growth

Emerging market and developing economies:

- manage vulnerabilities from capital flow volatility
- safeguard financial stability after rapid credit growth
- implement structural reforms to boost growth

Possible deflation in advanced economies

Weak domestic demand in emerging markets

Stagnation in euro area

Capital flow volatility to some emerging markets

RISKS

GROWTH



World Advanced Emerging Markets & Developing