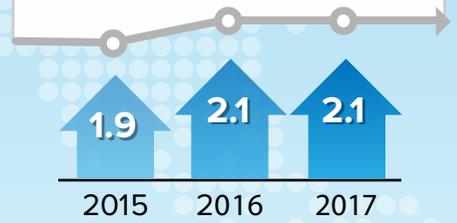


# FUTURE GROWTH RATES

Growth will pick up more gradually than projected in fall 2015, especially in emerging market and developing economies.

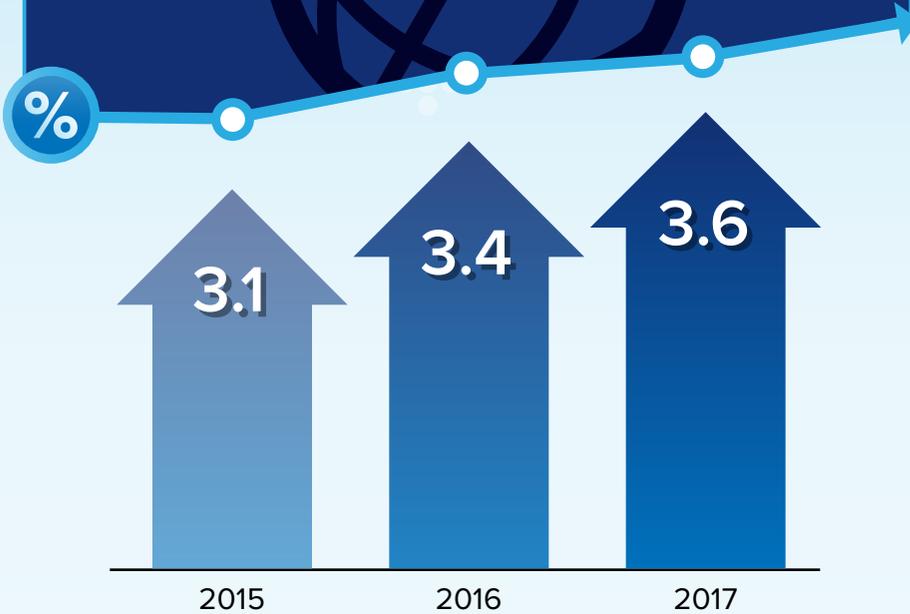
## Advanced Economies

A continued modest recovery should gradually close the output gap between real vs. potential GDP.



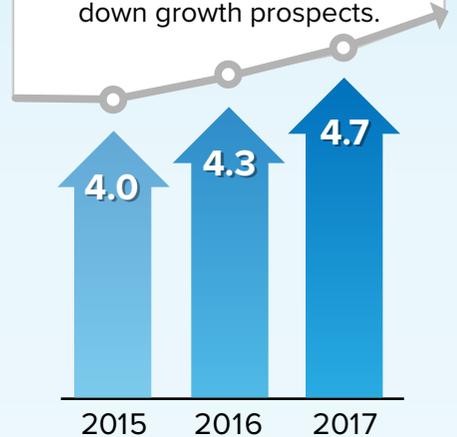
## Global Economy

Global demand and activity remain subdued, as three key transitions continue to influence the global outlook (see transitions below).



## Emerging Market & Developing Economies

China's slowdown and rebalancing, lower commodity prices, and other strains in some larger emerging market economies are likely to weigh down growth prospects.



# TRANSITIONS AND RISKS



**Transition:** The slowdown and rebalancing of economic activity in China away from investment and manufacturing toward consumption and services

**Risk:** A sharper-than-expected slowdown could take a toll on trading partners and have global financial market repercussions (including declines in confidence).

**Transition:** Lower prices for energy and other commodities

**Risk:** Further price drops will worsen the growth outlook for already-strained commodity producers.

**Transition:** The gradual tightening in U.S. monetary policy

**Risk:** Further dollar appreciation would put additional pressures on firms in emerging market economies.

### Other Risks

New economic or geopolitical shocks could further delay a pickup in activity in countries currently in economic distress.