

International Monetary Fund Cuts Global Growth Forecast



Washington, January 20 (RHC)-- The International Monetary Fund has cut its forecast for the global growth by estimating that the international economy will grow at 3.4 percent this year. The IMF has cited a sharp slowdown in China trade and weak commodity prices which it says are in turn affecting Brazil and other emerging markets, Reuters reported.

The Fund has further forecast that the world economy would grow at 3.6 percent in 2017, adding that in both 2016 and 2017 there will be a decline of about 0.2 percentage point from the previous estimates.

The IMF has emphasized that policymakers should consider ways to bolster short-term demand. It has further warned that recovery from the financial crisis could be derailed altogether if key challenges are mishandled.

The updated forecasts came as global financial markets have been roiled by worries over China's slowdown -- confirmed by official Chinese data on Tuesday -- and plummeting oil prices, added the report.

China reported that growth for 2015 hit 6.9 percent after a year in which the world's second biggest economy endured huge capital outflows, a slide in the currency and a summer stock market crash.

The Fund said a steeper slowing of demand in China remained a risk to global growth and that weaker-than-expected Chinese imports and exports were weighing heavily on other emerging markets and

commodity exporters.

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