

## SNAPSHOT

## Fewer 'Acute Risks' Strengthen Global Outlook

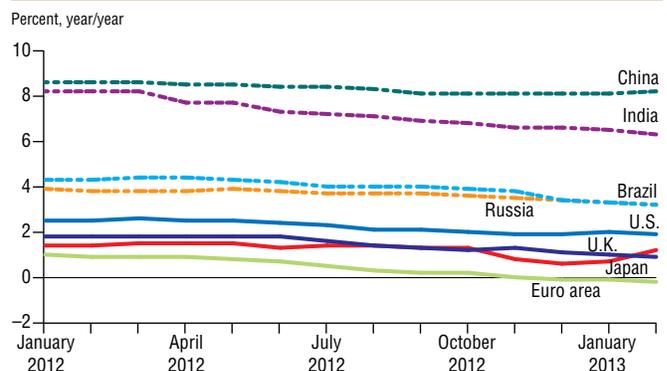
**C**autious optimism may be warranted for the 2013 global economic outlook because “acute risks” have decreased amid the easing euro zone sovereign debt crisis, according to International Monetary Fund (IMF) Chief Economist Olivier Blanchard.

The IMF, in a forecast released in January, said it anticipates 2013 global gross domestic product (GDP) growth of 3.5 percent, up from 3.2 percent in 2012. World economies should grow 4.1 percent in 2014.

“The euro area continues to pose a large downside risk to the global outlook,” the IMF said, well before recent bank difficulties in Cyprus.

Forecasts continue to point to emerging economies as drivers of world growth, with advanced economies lagging behind. Expectations of 2013 growth remained stable for most advanced economies in the first half of 2012 and then fell slightly through the second half. The declines generally leveled off in January, with a slight uptick in Japan (*see chart*). In spite of the initial report of

### Forecasts for 2013 Real GDP Growth Stabilizing



SOURCE: Consensus Economics Inc.'s *Consensus Forecasts*.

decreased U.S. GDP in fourth quarter 2012, annual growth held steady at 2.2 percent, up from 1.8 percent in 2011.

—Adapted from the *International Economic Update*, Federal Reserve Bank of Dallas

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### Southwest Economy

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