

ANNUAL GROWTH RATES

One-off events hampered first-quarter activity in North America, resulting in a slight downgrade in growth projections for 2015.



RISKS TO GROWTH

Lower oil prices may still boost growth in advanced economies, but downside risks persist.

NEAR-TERM RISKS:

- 1 Increase in financial market volatility, including from Greece
- 2 Economic distress from geopolitical factors

MEDIUM-TERM RISKS:

- 1 Advanced economies not reaching full employment
- 2 Lower commodity prices undermining growth in low-income countries
- 3 Further U.S. dollar appreciation creating balance sheet challenges for dollar debtors
- 4 Sharper-than-expected slowdown in China



POLICY PRIORITIES

More can be done to ensure the projected pickup in global growth materializes:

ADVANCED ECONOMIES:

Continue accommodative monetary policies.

Countries with fiscal space should increase infrastructure investment.

Countries with high debt should aim for debt-reduction policies that minimize the drag on economic activity.

Adopt structural reforms.

EMERGING MARKET AND DEVELOPING ECONOMIES:

Support demand through tax reform and spending reprioritization.

Adopt structural reforms to raise productivity and remove production bottlenecks.