

ECONOMY

IMF Forecasts Tepid Growth in 2017

Rising protectionism, record debt levels and a continuing economic malaise in wealthy countries will drag on global growth next year despite a turnaround in several key emerging markets, the International Monetary Fund said.

Global growth should only marginally pick up in 2017 to 3.4%, from 3.1% this year, the fund said in its latest World Economic Outlook, despite central banks pushing their stimulus measures into uncharted territories.

Downgrades in the forecasts for the U.S. and the U.K. offset upgrades for Japan, Germany, India and Russia, keeping the IMF's central projections for the global economy unchanged from its last forecast in July.

A political backlash against the perceived negative effects of globalization and free trade threatens to undermine an already weak and precarious recovery, the IMF warned.

The fund shaved 0.2 percentage point from the U.K.'s forecast for next year as the June referendum to pull the country out of the European Union weighs on the country's output. The IMF said it sees U.K. growth falling to 1.1%, down from 1.8% this year.

—*Ian Talley*