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PHDCCI Analysis on IMF World Economic Outlook Update June 2026

PHDCCI Research Bureau

IMF World Economic Outlook Update

Table: Overview of the World Economic Outlook Projections (Percent change, unless noted otherwise)

Indicator	2024	2025	2026 (Projection)	2027 (Projection)
World Output	3.5	3.5	3.0	3.4
Advanced Economies	1.9	1.9	1.7	1.8
United States	2.8	2.1	2.3	2.2
Euro Area	1.0	1.4	0.9	1.2
Germany	-0.5	0.2	0.7	1.0
France	1.4	0.9	0.6	0.9
Italy	0.8	0.5	0.5	0.5
Spain	3.5	2.8	2.1	1.8
Japan	-0.2	1.1	0.6	0.7
United Kingdom	1.0	1.4	1.0	1.3
Canada	2.0	1.9	1.1	1.7
Other Advanced Economies	2.5	3.0	2.8	2.3
Emerging Market and Developing Economies	4.5	4.5	3.8	4.5
Emerging and Developing Asia	5.5	5.6	5.0	4.8
China	5.0	5.0	4.6	4.1
India	7.1	7.7	6.4	6.7
Emerging and Developing Europe	3.8	2.0	1.9	2.1
Russia	4.9	1.0	1.1	1.1
Latin America and the Caribbean	2.4	2.4	2.4	2.7
Brazil	3.4	2.3	2.4	2.2
Mexico	1.5	0.5	1.2	1.9
Middle East and Central Asia	3.1	3.7	0.7	6.5
Saudi Arabia	2.6	4.6	1.7	5.5
Sub-Saharan Africa	4.2	4.5	4.3	4.5
Nigeria	4.1	4.0	4.1	4.3
South Africa	0.5	1.1	1.1	1.3

- Global growth is projected to be 3% in 2026 and 3.4% in 2027, down from the average of 3.5% observed in 2024–25
- The modest slowdown reflects the effects of the war in the Middle East being partly offset by accelerated demand-driven momentum in the global technology cycle thanks to advances in artificial intelligence (AI) and its adoption. The impact varies widely based on countries' exposure to the war and position in the technology value chain.
- Global headline inflation is expected to increase from 4.1% in 2025 to 4.7% in 2026 before declining to 3.9% in 2027, these projections indicate that the disinflation trend in place since the beginning of 2024 has stalled.
- India remains among the fastest growing major economies, with growth projected at 6.4%, supported by strong momentum in private consumption and services activity.

Source: International Monetary Fund World Economic Outlook Update
For the notes to the table check: https://www.imf.org/-/media/files/publications/weo/2026/update/july/english/text.pdf