The World Economy in 2023: A Recession Year?

By INSEAD Knowledge

How current market and economic conditions will shape the year ahead.

We entered 2023 with increasing pessimism about a slowdown in growth. Almost without exception, all forecasts suggest that a global recession will take place. From a historical point of view, this feels like the most announced recession ever.

This negative consensus is the outcome of a diverse set of trends that are coming together:

- The slowdown in Chinese growth through a combination of zero-Covid policies and set of structural weaknesses in its economy
- The effects of one of the largest energy-price shocks the world has ever seen
- The instability caused by geopolitical tensions (including the invasion of Ukraine by Russia and increasing tensions between China and the United States)
- The war on inflation that most central banks are fighting with higher interest rates
- The failure of technology to provide a sustainable basis for productivity growth

In this session, INSEAD Professor of Economics Antonio Fatás sized up the state of the world economy and elaborated on how these trends will shape our future in 2023 and beyond.

Find article at
https://knowledge.insead.edu/economics-finance/world-economy-2023-recession-year

About the author(s)

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