
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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