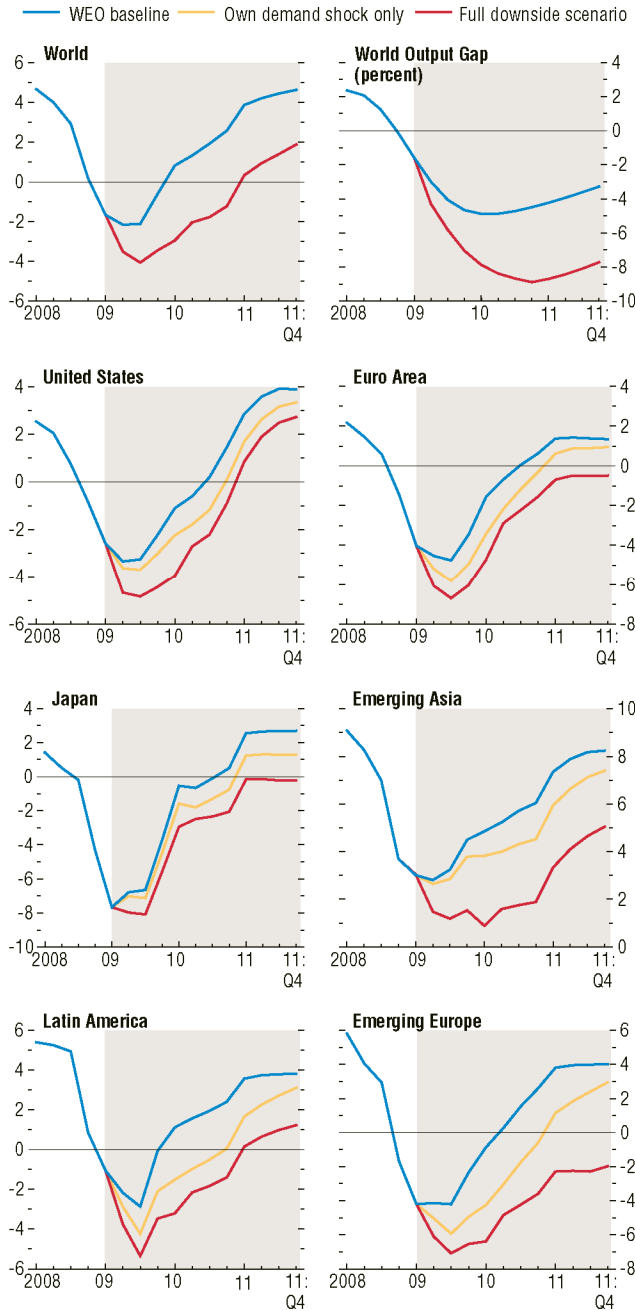


Figure 1.12. Downside Scenario

(Percent change in output from a year earlier unless otherwise noted)

With weak policy implementation, the global economy would be vulnerable to a further intensification of negative macrofinancial feedbacks. The downside scenario presented here, based on a global macroeconomic model, represents the impact of a variety of region-specific demand shocks and shows how the total impact on real GDP growth would be further magnified by trade linkages. See Appendix 1.3 for additional details.



Sources: WEO database; and model simulations.