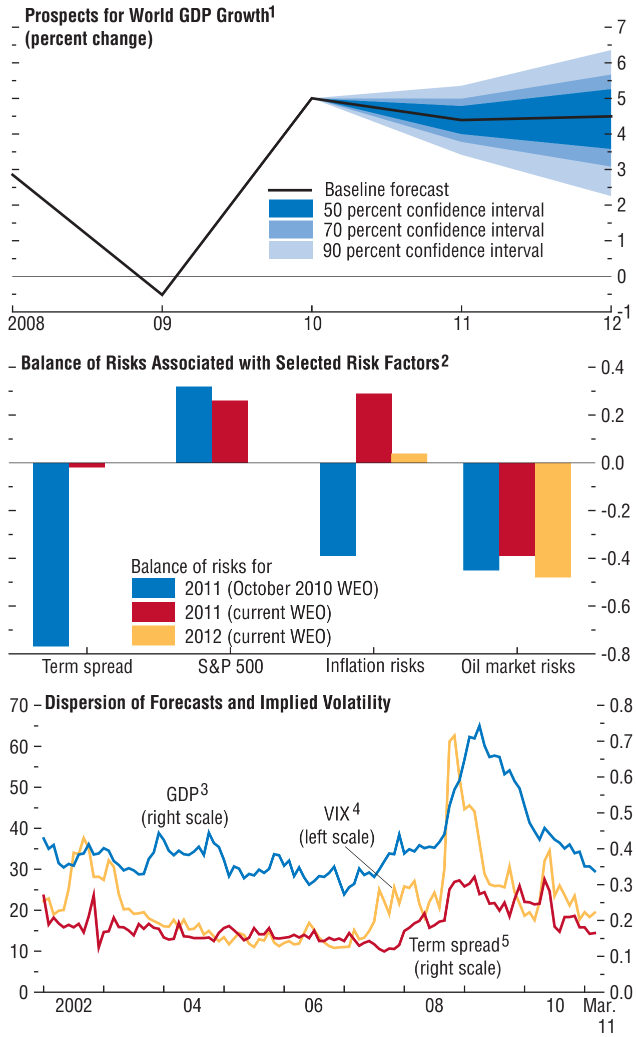
Figure 1.13. Risks to the Global Outlook

Risks to global growth have receded, as evidenced by the falling dispersion of analysts' forecasts. Nonetheless, they remain mainly to the downside. For 2012, this reflects mainly concerns about high oil prices.



Sources: Bloomberg Financial Markets; Chicago Board Options Exchange; Consensus Economics; and IMF staff estimates.

[1]The fan chart shows the uncertainty around the WEO central forecast with 50, 70, and 90 percent probability intervals. As shown, the 70 percent confidence interval includes the 50 percent interval, and the 90 percent confidence interval includes the 50 and 70 percent intervals. See Appendix 1.2 in the April 2009 WEO for details.

[2]Bars depict the coefficient of skewness expressed in units of the underlying variables. The values for inflation risks and oil market risks are entered with the opposite sign, since they represent downside risks to growth. The balance of risk for 2012 is not available for the S&P 500 index and the term spread.

[3]The series measures the dispersion of GDP forecasts for the G7 economies (Canada, France, Germany, Italy, Japan, United Kingdom, United States), Brazil, China, India, and Mexico.

[4]VIX: Chicago Board Options Exchange Market Volatility Index.

[5]The series measures the dispersion of term spreads implicit in interest rate forecasts for Germany, Japan, the United Kingdom, and the United States.