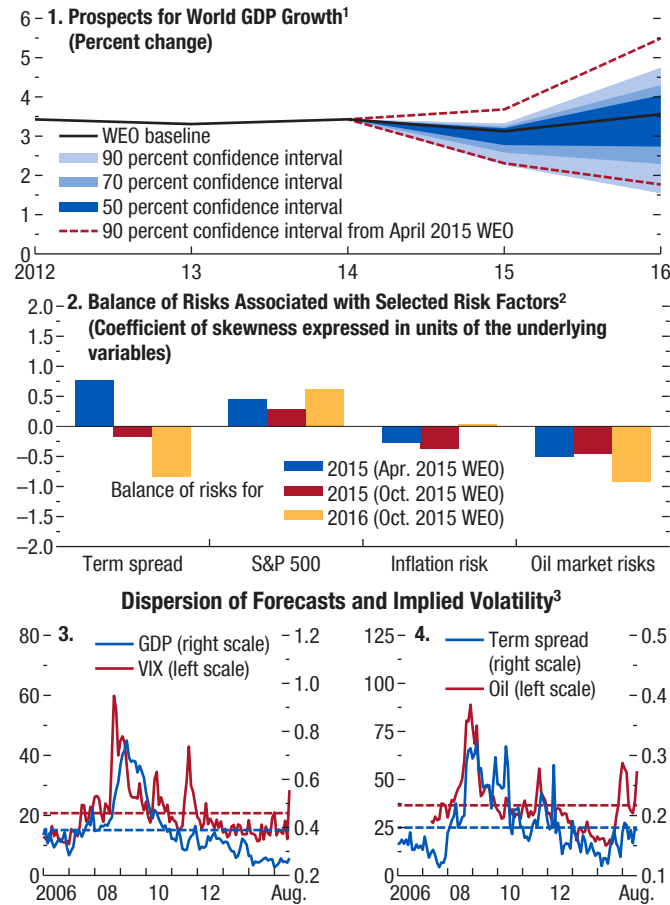


**Figure 1.14. Risks to the Global Outlook**

The fan chart, which indicates the degree of uncertainty about the global growth outlook, suggests that upside risks to the forecast have narrowed compared to the April 2015 *World Economic Outlook* (WEO), while the distribution of downside risks is broadly unchanged. The distribution of the risks to the forecast for global growth is thus tilted more to the downside. Measures of forecast dispersion and implied volatility for equity and oil prices as well as the term spread in major advanced economies suggest an increase in perceived uncertainty about key variables for the global outlook.



Sources: Bloomberg, L.P.; Chicago Board Options Exchange (CBOE); Consensus Economics; Haver Analytics; and IMF staff estimates.

<sup>1</sup>The fan chart shows the uncertainty around the WEO central forecast with 50, 70, and 90 percent confidence 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 of the April 2009 WEO for details. The 90 percent intervals for the current-year and one-year-ahead forecasts from the April 2015 WEO are shown relative to the current baseline.

<sup>2</sup>The bars depict the coefficient of skewness expressed in units of the underlying variables. The values for inflation risks and oil price risks enter with the opposite sign since they represent downside risks to growth.

<sup>3</sup>GDP measures the purchasing-power-parity-weighted average dispersion of GDP growth forecasts for the G7 economies (Canada, France, Germany, Italy, Japan, United Kingdom, United States), Brazil, China, India, and Mexico. VIX is the CBOE Standard & Poor's 500 (S&P 500) Implied Volatility Index. Term spread measures the average dispersion of term spreads implicit in interest rate forecasts for Germany, Japan, the United Kingdom, and the United States. Oil is the CBOE crude oil volatility index. Forecasts are from Consensus Economics surveys. Dashed lines represent the average values from 2000 to the present.