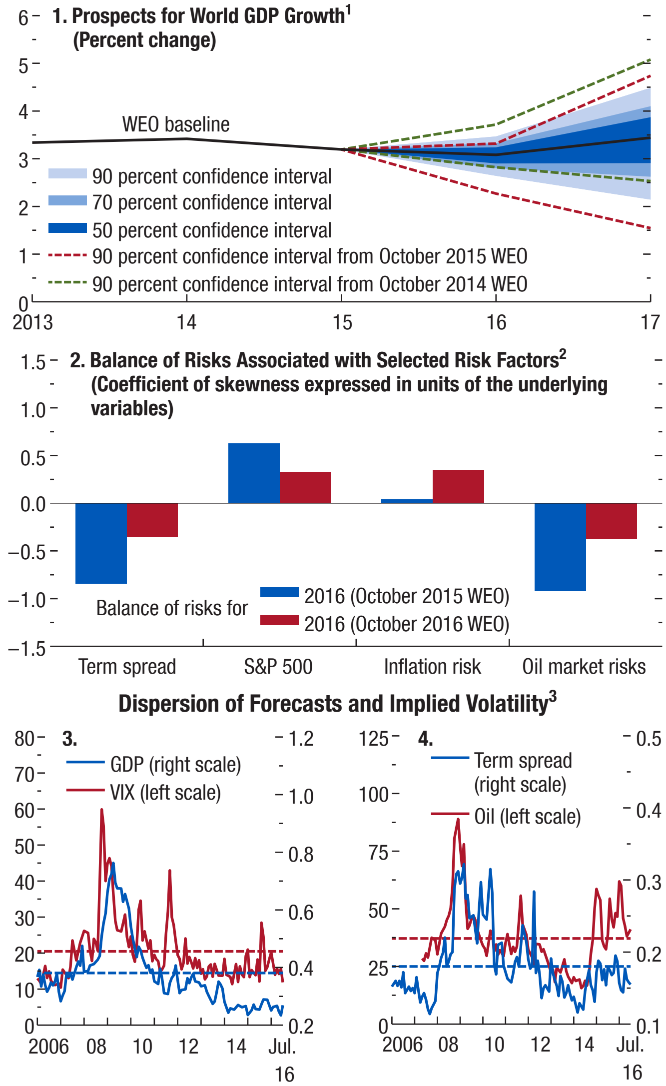
Figure 1.19. Risks to the Global Outlook

The balance of risks points to growth weaker than envisaged in the central scenario for 2016 and 2017.



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

[1]The fan chart shows the uncertainty around the *World Economic Outlook* (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 October 2015 WEO and October 2014 WEO are shown.

[2]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.

[3]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 Chicago Board Options Exchange 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.