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## Global economy faces tough year

WEAKENING ACTIVITY

# GLOBAL ECONOMY FACES TOUGH YEAR

US, Europe and China slowing down simultaneously is bad news, says IMF

NEW YORK

**F**OR much of the global economy, 2023 is going to be a tough year as the main engines of global growth — the United States, Europe and China — all experience weakening activity, said the head

of the International Monetary Fund (IMF) on Sunday.

The new year is going to be "tougher than the year we leave behind", said IMF managing director Kristalina Georgieva on the CBS Sunday morning news programme *Face the Nation*.

"Why? Because the three main

economies — the US, EU and China — are all slowing down simultaneously," she said.

In October, the IMF cut its outlook for global economic growth for this year, reflecting the continuing drag from the war in Ukraine as well as inflation pressures and the high interest rates engineered by central banks like the US Federal Reserve aimed at bringing those price pressures to heel.

Since then, China has scrapped

its zero-Covid-19 policy and embarked on a chaotic reopening of its economy, though consumers there remain wary as cases surge.

"For the first time in 40 years, China's growth last year is likely to be at or below global growth," said Georgieva.

Moreover, a "bushfire" of expected Covid-19 infections there in the months ahead were likely to further hit its economy this year and drag on both regional and global growth, said Georgie-

va, who travelled to China on IMF business late last month.

"I was in China last week, in a bubble in a city where there is zero-Covid. But that is not going to last once people start traveling.

"For the next couple of months, it would be tough for China, and the impact on Chinese growth would be negative, the impact on the region will be negative, the impact on global growth will be negative," she said. **Reuters**