

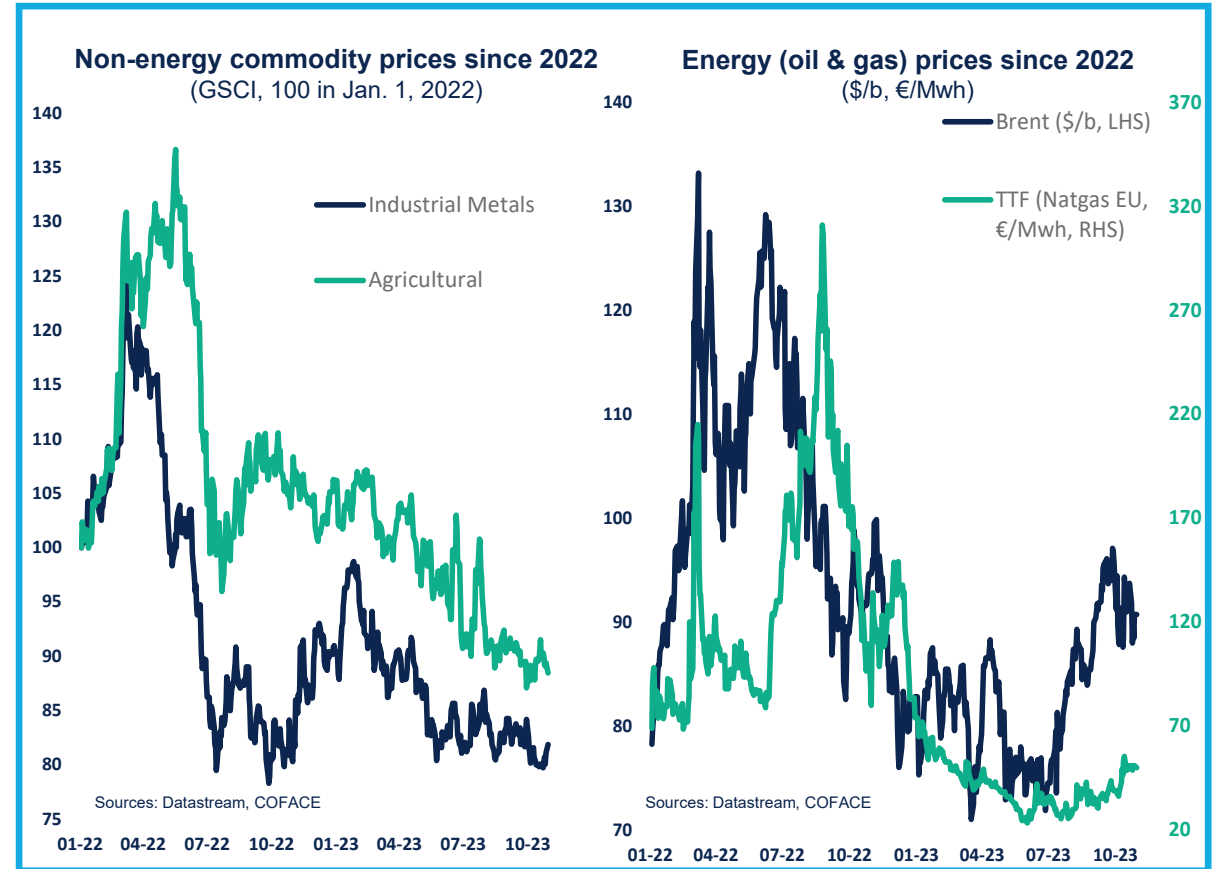
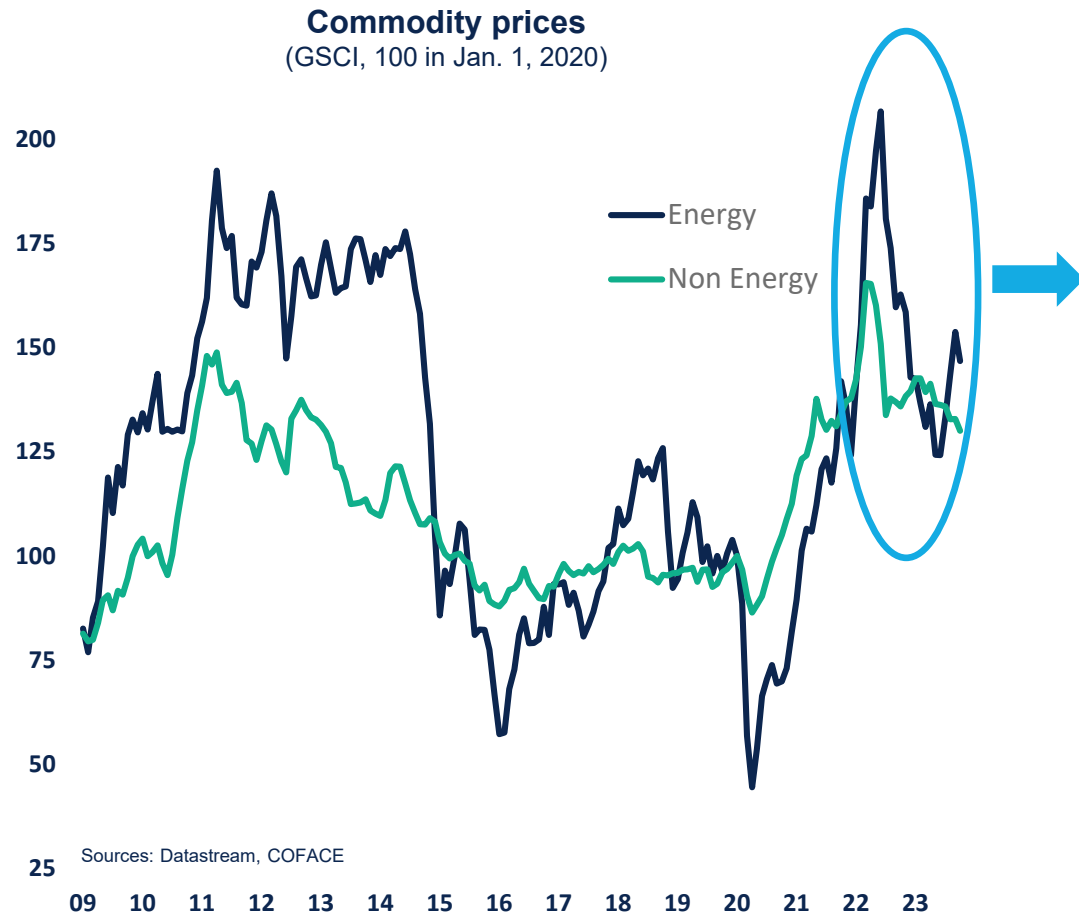


# 2024 GLOBAL ECONOMIC OUTLOOK : FROM ONE RISK TO ANOTHER

**JEAN-CHRISTOPHE CAFFET**

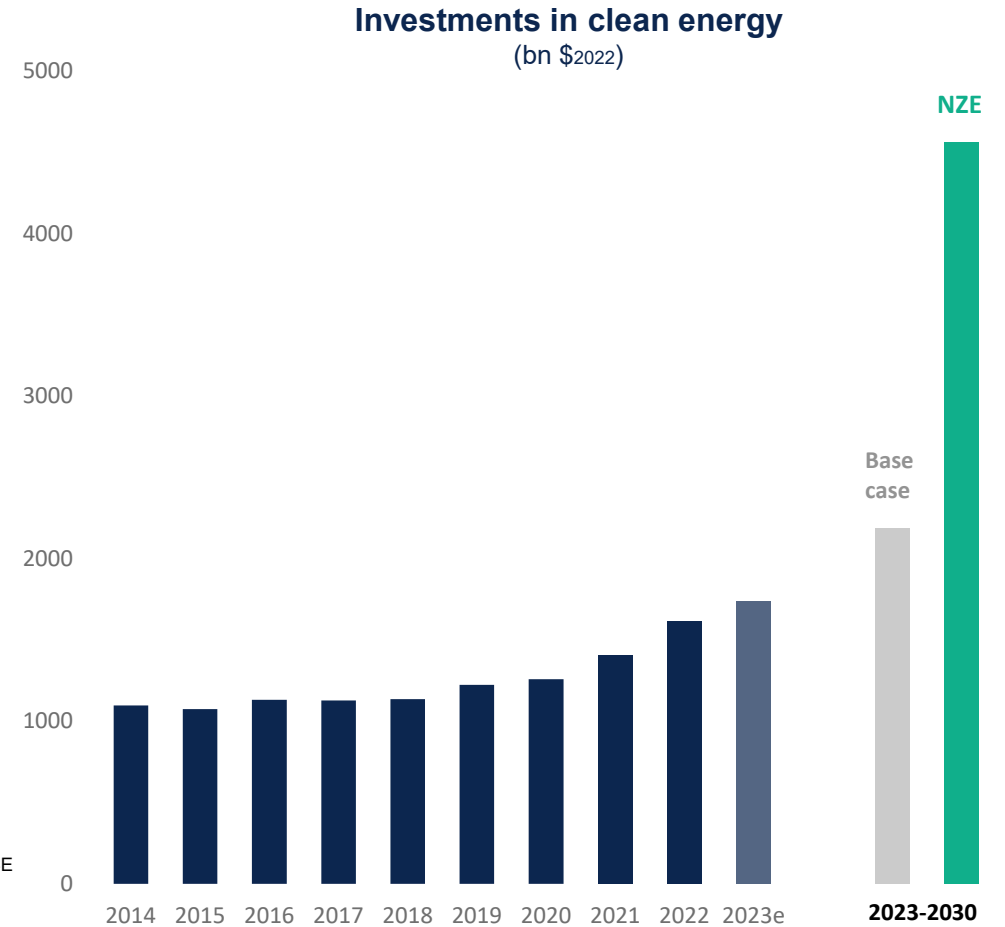
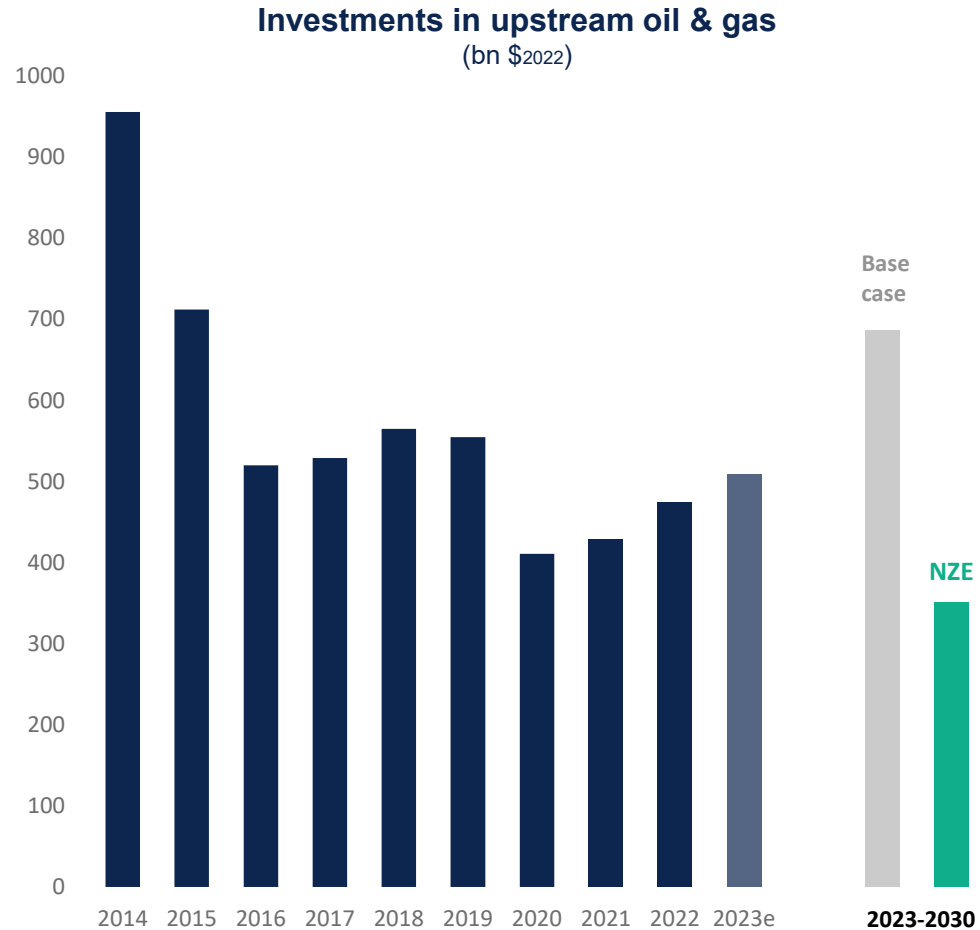
**GROUP CHIEF ECONOMIST, COFACE**

# COMMODITY PRICES: SOME RELIEF



CONCERNS ABOUT DEMAND OUTWEIGHING SUPPLY FEARS – EXCEPT FOR OIL (& RICE)

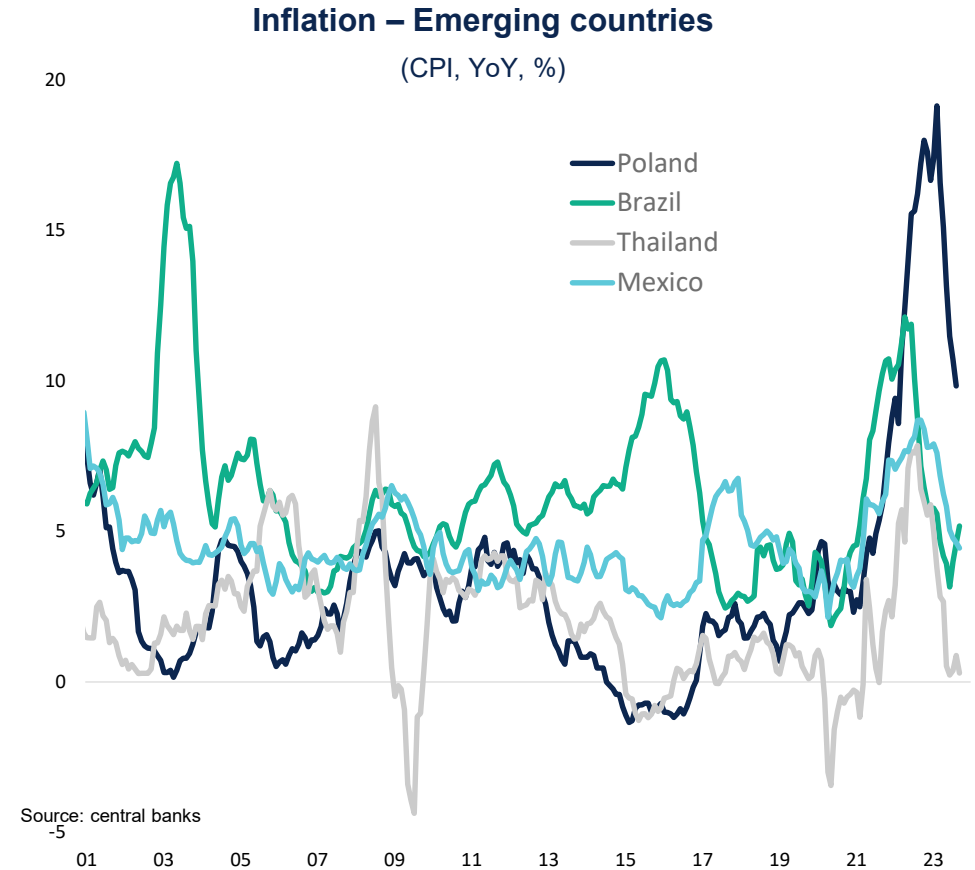
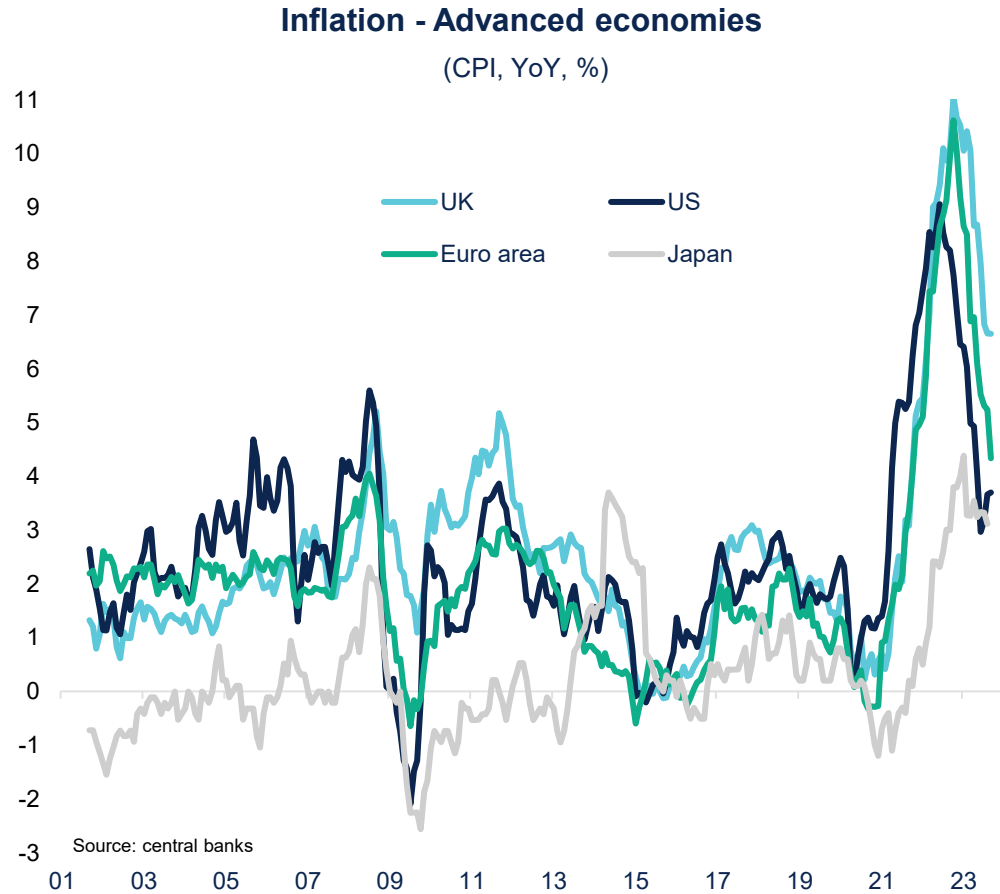
# THE ENERGY CRISIS IS NOT BEHIND US



Sources: IEA, COFACE

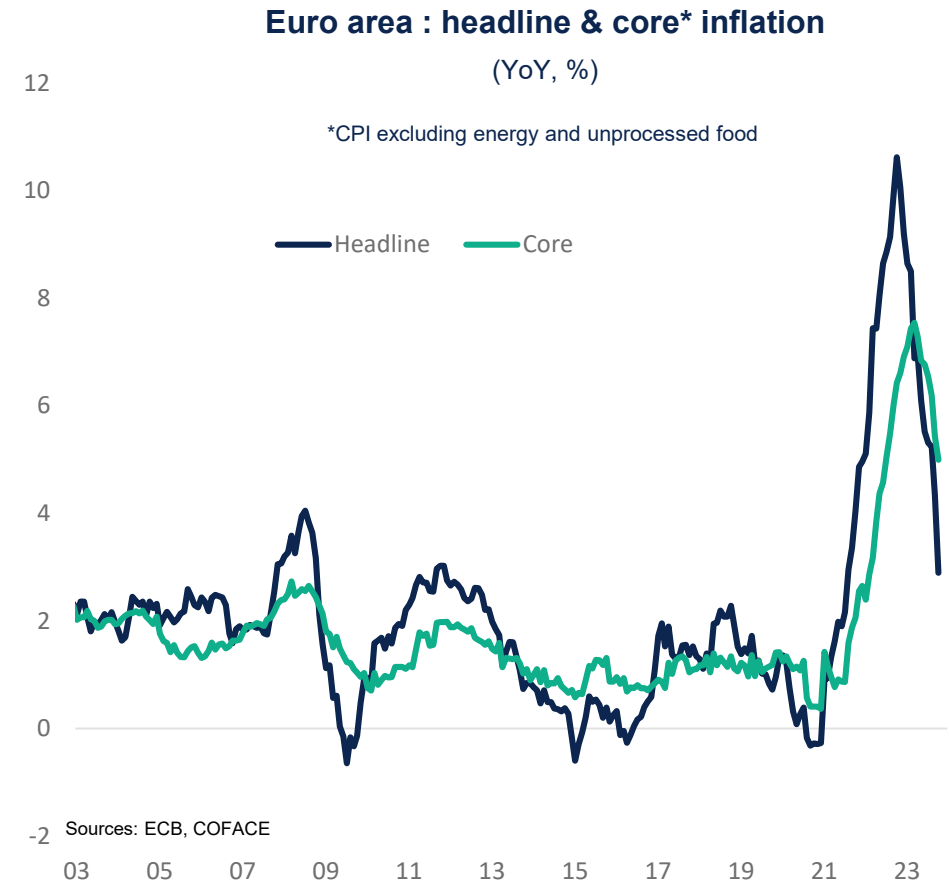
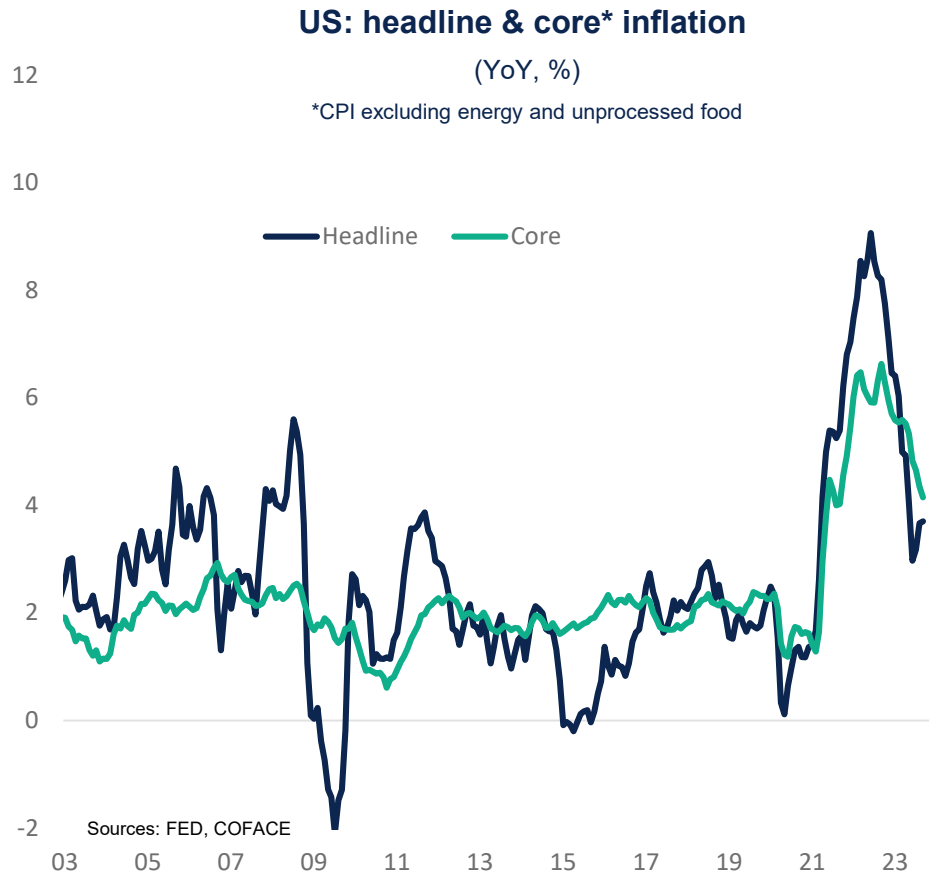
GLOBAL ENERGY INVESTMENT FAR BELOW WHAT IS NEEDED, IN ALL SCENARIOS

# INFLATION : THE PEAK IS (WELL) BEHIND US



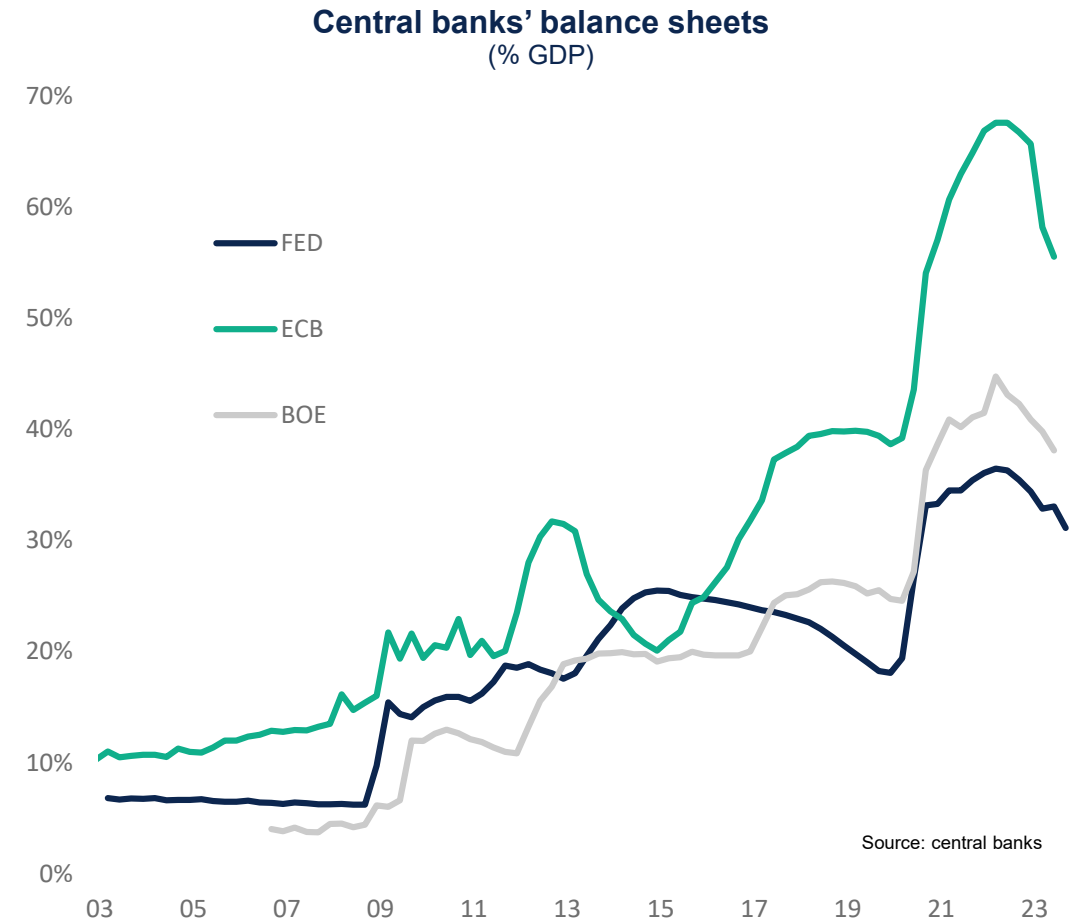
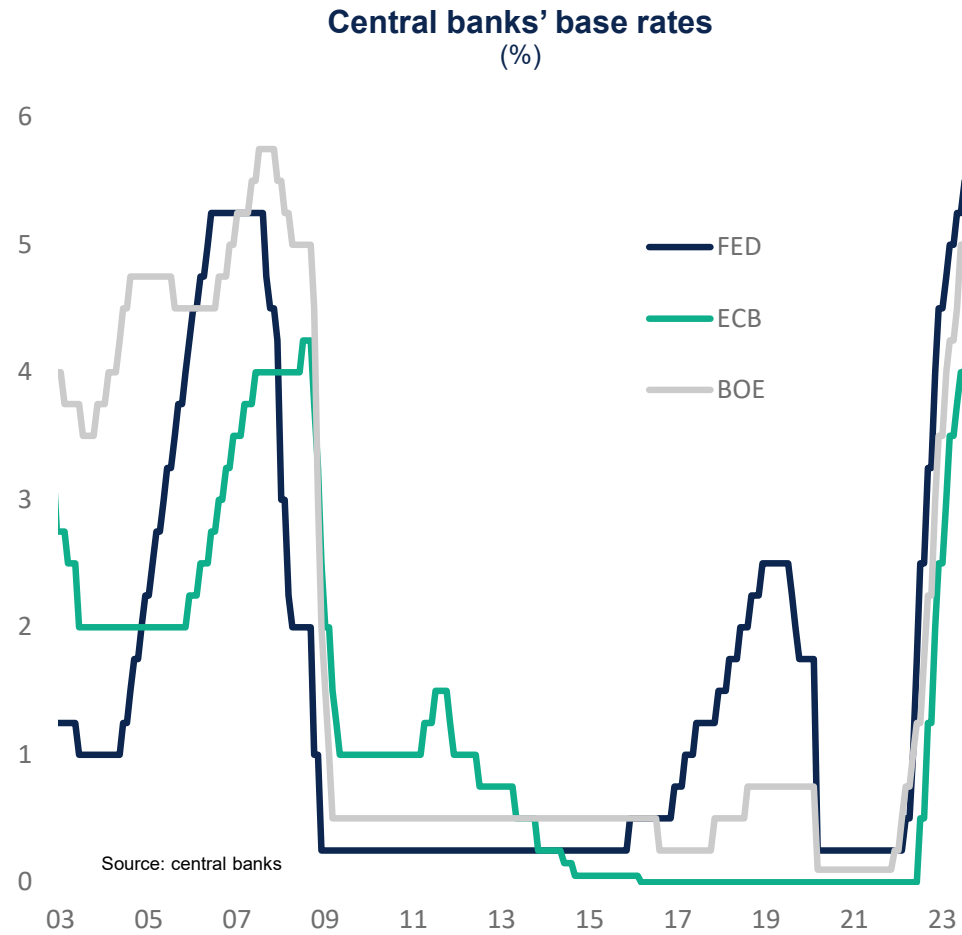
INFLATION IS GOING DOWN (ALMOST) EVERYWHERE

# (DIS)INFLATION : THE HARDEST PART LIES AHEAD



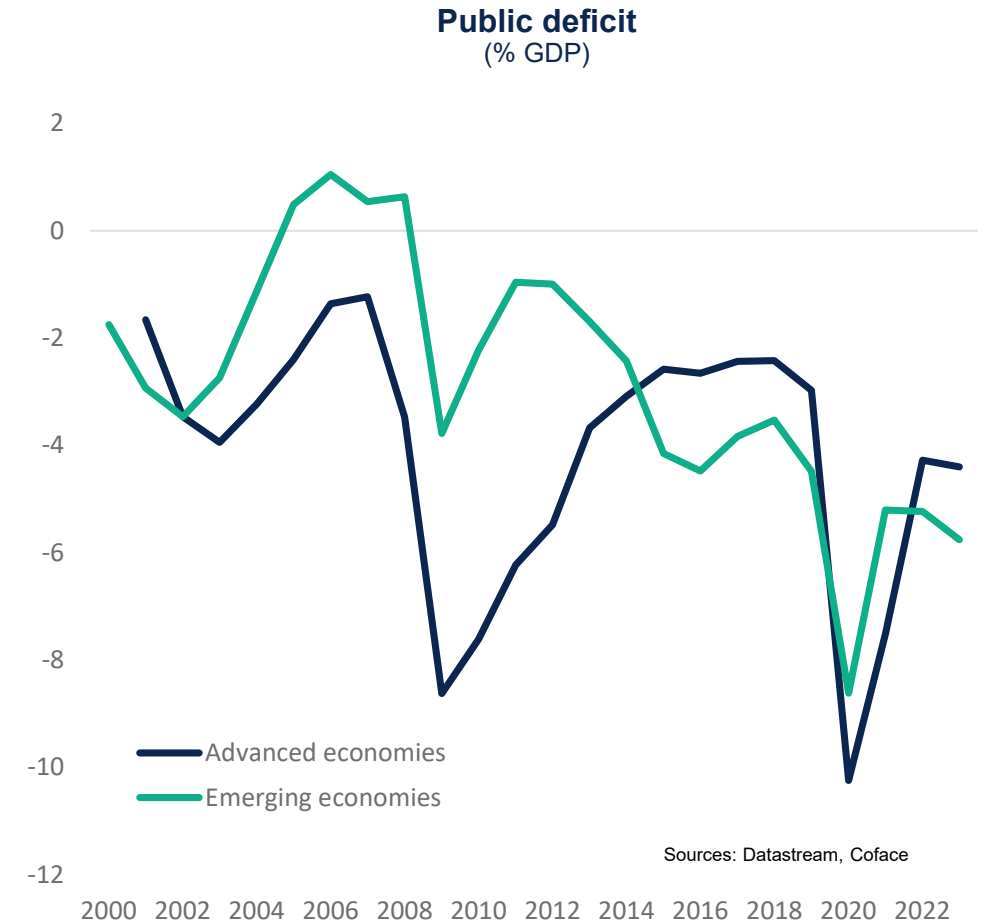
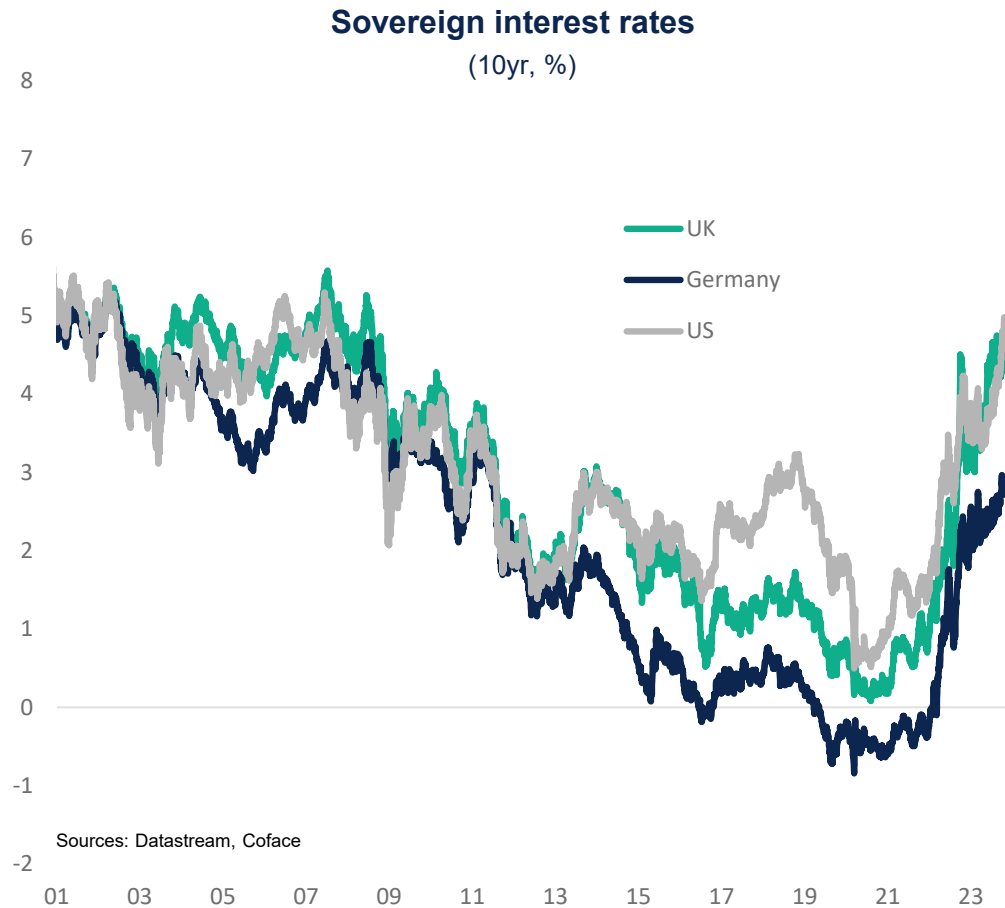
**HEADLINE INFLATION DOWN MAINLY OWED TO BASE EFFECTS ON ENERGY & GOODS PRICES  
CORE RATES STILL WELL ABOVE CENTRAL BANKS' TARGETS**

# MONETARY TIGHTENING : FAST & FURIOUS



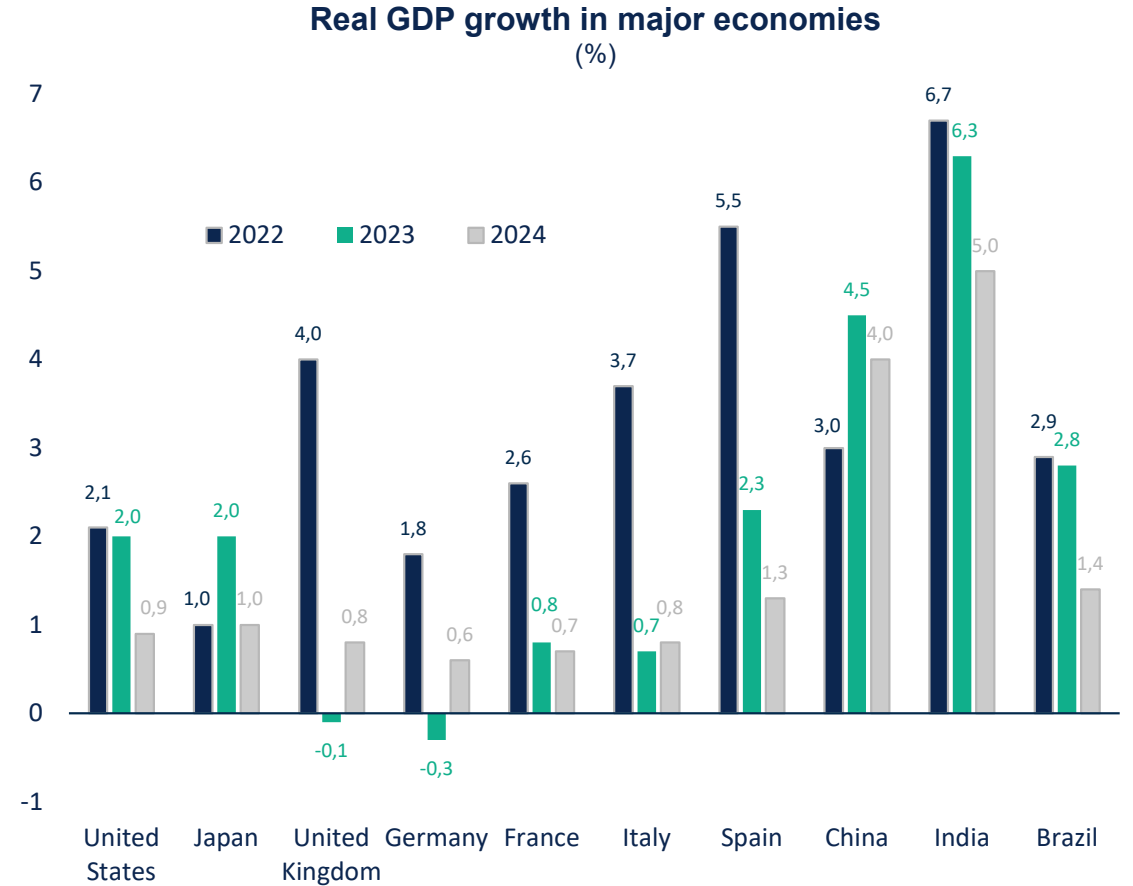
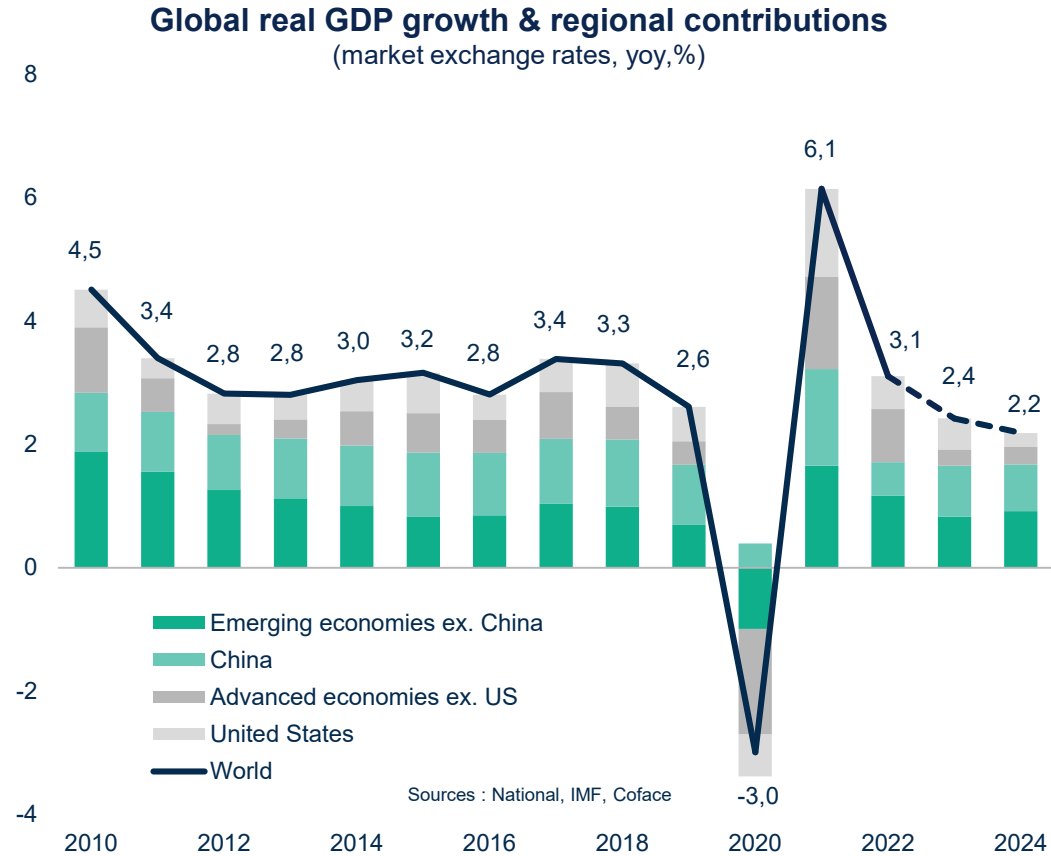
**RATE HIKES ARE OVER, BUT NO (REAL) PIVOT TO EXPECT IF NOTHING BREAKS  
TIME TO SHRINK THE BALANCE SHEET?**

# AN INCREASINGLY COMPLICATED BUDGETARY EQUATION



**RECORD-HIGH PUBLIC DEBT, STILL VERY LARGE DEFICITS AND RISING INTEREST RATES:  
A DANGEROUS COCKTAIL IN A SLOWING GROWTH ENVIRONMENT**

# CENTRAL SCENARIO : GDP GROWTH FORECASTS



**SLOWDOWN (ALMOST) EVERYWHERE IN 2023  
PERSISTENT SUB-PAR GROWTH IN ADVANCED ECONOMIES IN 2024**



# Q3 2023 COUNTRY & SECTOR RISK ASSESSMENTS – SUMMARY

## COUNTRIES

2 UPGRADES  
5 DOWNGRADES

## SECTORS

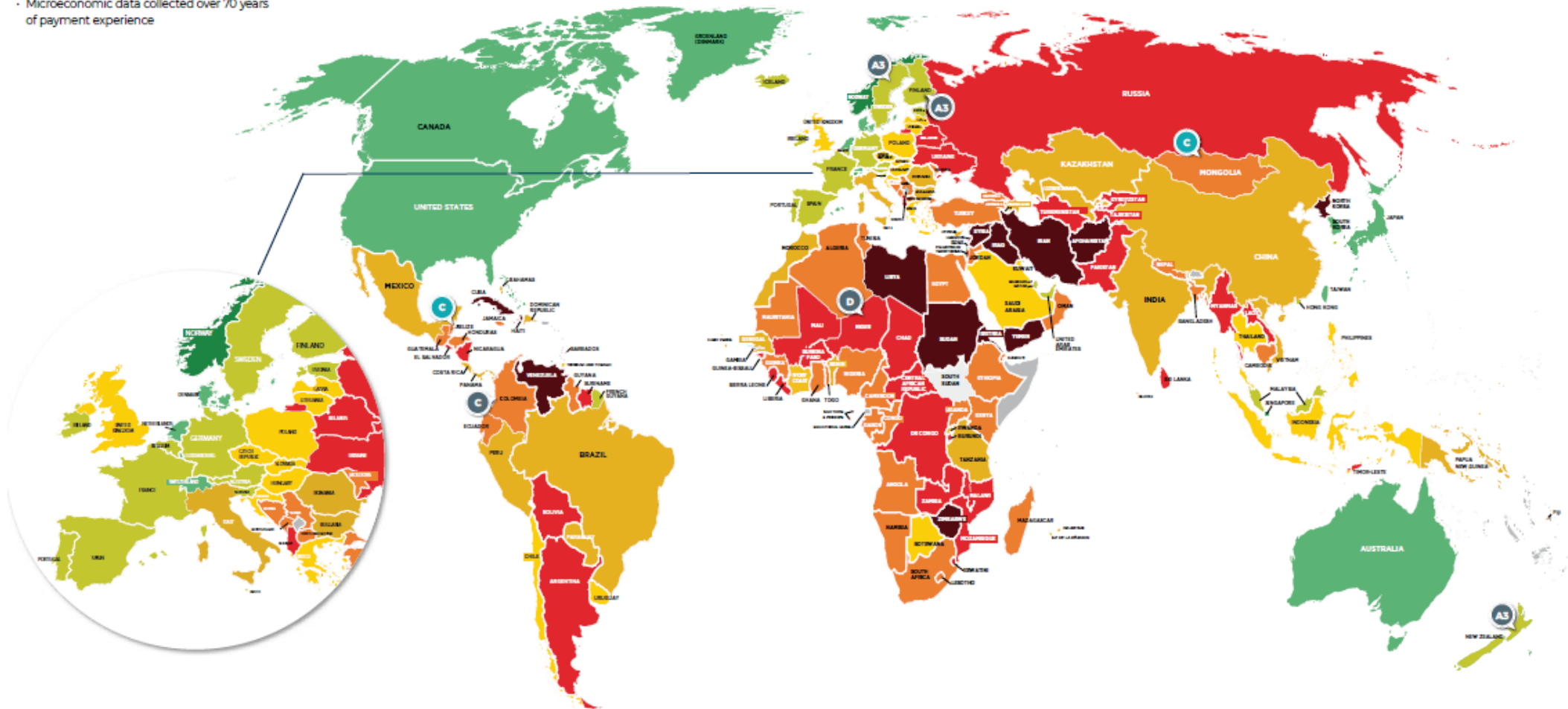
17 UPGRADES  
16 DOWNGRADES

# COUNTRY RISK ASSESSMENT MAP – Q3 2023

## 162 COUNTRIES UNDER THE MAGNIFYING GLASS

### A UNIQUE METHODOLOGY

- Macroeconomic expertise in assessing country risk
- Comprehension of the business environment
- Microeconomic data collected over 70 years of payment experience



# REGIONAL SECTOR RISK ASSESSMENT MAP – Q3 2023

	Asia-Pacific	Central & Eastern Europe	Latin America	Middle East & Turkey	North America	Western Europe
Agri-food						
Automotive						
Chemical						
Construction						
Energy						
ICT*						
Metals						
Paper						
Pharmaceuticals						
Retail						
Textile-Clothing						
Transport						
Wood						

\* Information and Communication Technologies  
Source: Coface

# WHAT DOES ALL THAT MEAN FOR CORPORATE INSOLVENCIES?

Weaker **GDP/turnover** growth

+

Higher **cost** pressures

*(energy, manufacturing inputs, wages, working capital...)*

=

**Lower operating margins**

+

Higher for longer **interest rates** (debt servicing)

*+ no cut in corporate tax rates in sight (likely increases in some countries)*

=

**Even lower bottom line net income**

+

High corporate **indebtedness**

+

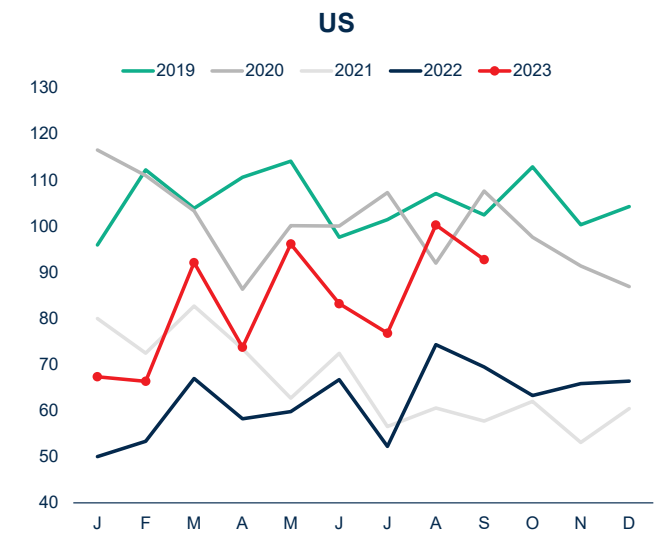
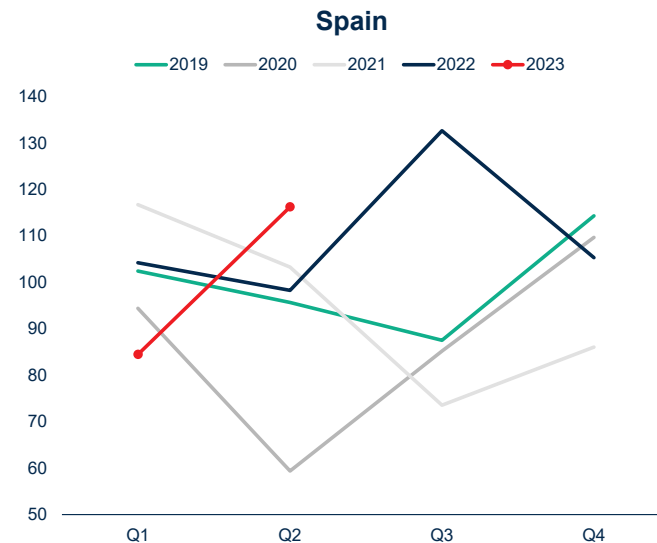
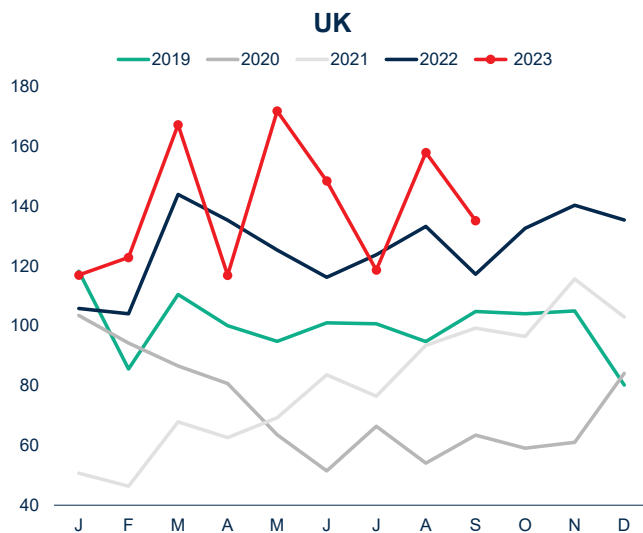
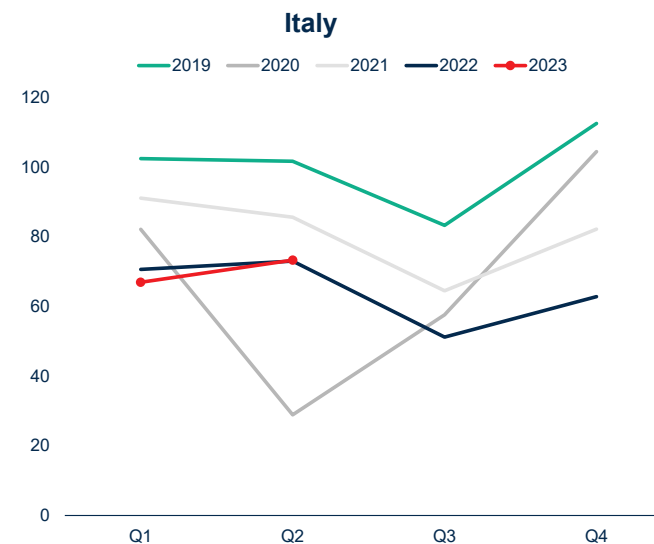
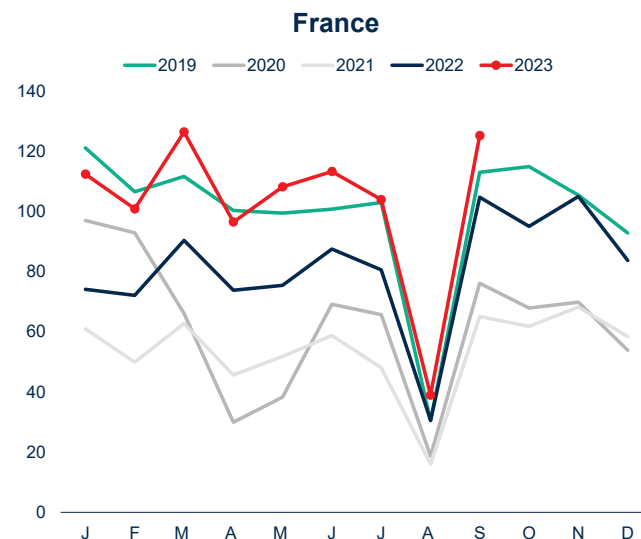
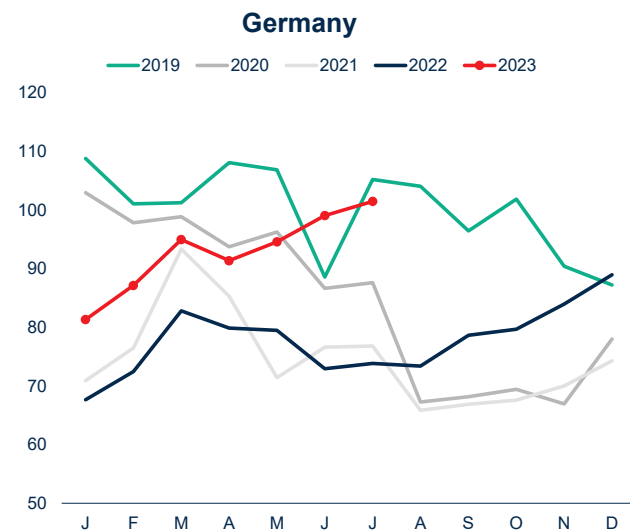
No more **fiscal** room for large bailout programs

=

**INSOLVENCIES REGIME TO EDGE SUBSTANTIALLY HIGHER**

# BUSINESS INSOLVENCIES: ACCELERATION AHEAD (1)

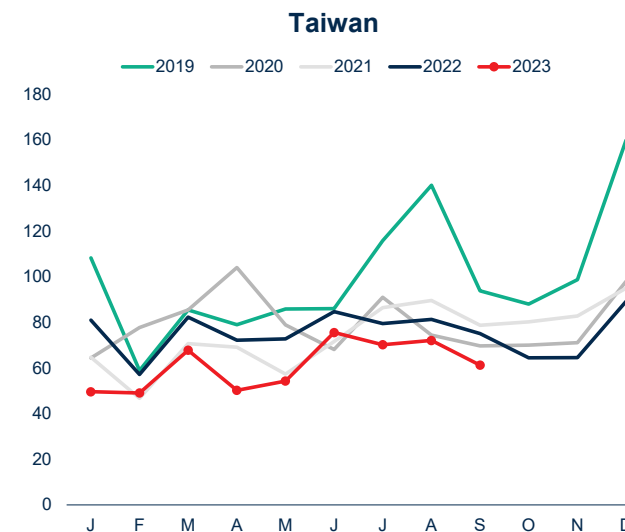
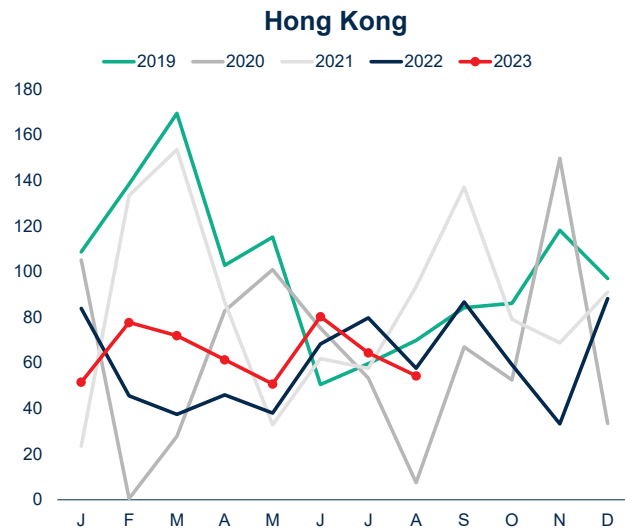
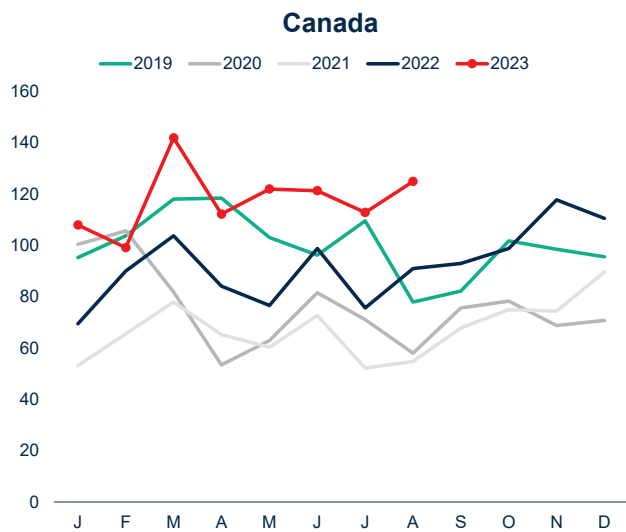
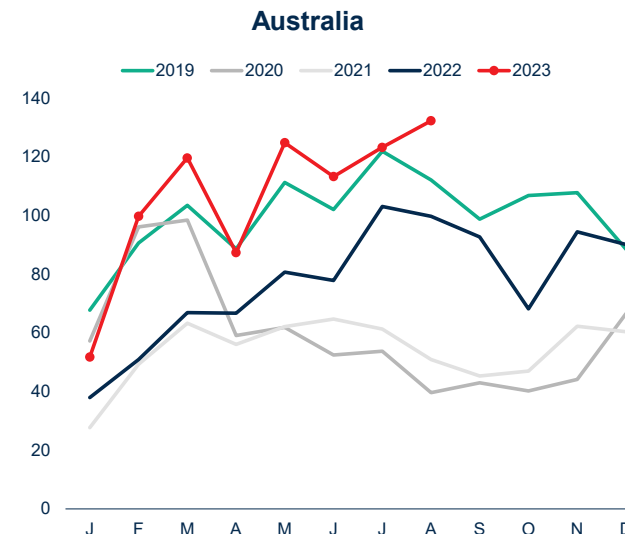
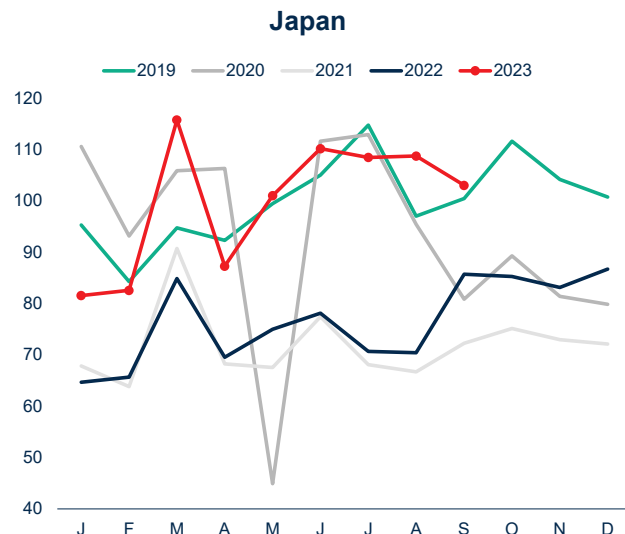
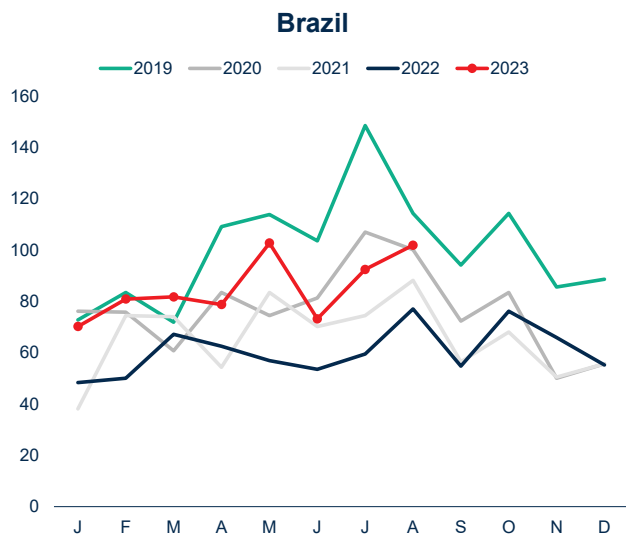
Corporate insolvencies  
(100 = average 2019)



Sources: national, Ellisphere, Coface

# BUSINESS INSOLVENCIES: ACCELERATION AHEAD (2)

Corporate insolvencies  
(100 = average 2019)

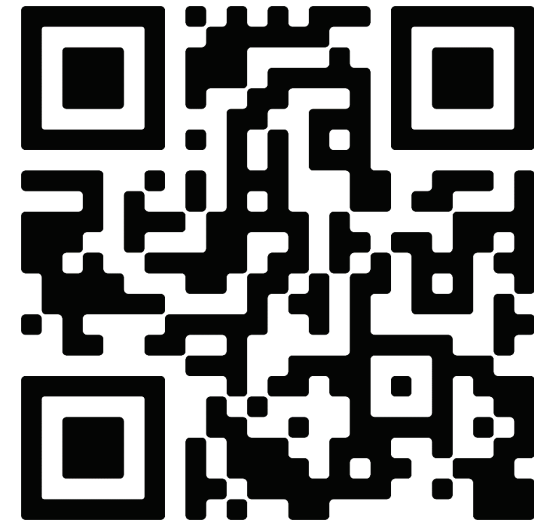


Sources: national, Coface

**TO GET OUR LATEST  
ECONOMIC ANALYSIS**

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COMPANY PAGE  
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# COFACE ECONOMIC OUTLOOK 2024 & URBA360 PRODUCT LAUNCH EVENT

9 NOVEMBER 2023, SINGAPORE

