
Global Economic Outlook – October 2024

Soft economic landing but elevated steady-state rates underscore balanced economic risk for the global economy

Macroeconomic Council, Scope Ratings GmbH, 1 October 2024



Executive summary

We maintain our outlook for a soft landing for the global economy despite the fastest rise in rates on modern record. Interest rates are expected to remain above pre-pandemic levels even as central banks have started cutting rates. We are forecasting global growth of 3.3% for this year, up from 3.2% in 2023, and slightly increasing to 3.4% in 2025. We summarise macro projections for several major economies in **Table 1** below, with full forecasts in **Tables 2 and 3**.

Mid-year economic outlook:

Resilient global economy and tight labour markets: We estimate global growth of 3.3% for 2024 and 3.4% for 2025. This represents an upward revision of 0.2ppps for each year from our end-2023 expectations. Slight adjustments are driven by somewhat-higher growth projected for the United States and China. We expect the US to grow at an above-potential 2.8% growth this year and 2.7% next year. By contrast, the euro-area recovery has weakened, driven by the manufacturing sector and a sluggish German economy. Within Europe, growth of the euro-area periphery continues to outperform. We expect growth in Europe to be moderately stronger in 2025 than the subdued growth estimated for this year. We expect the UK economy to grow by a moderate 1.0% this year, an upward revision of 0.6ppps from our end-2023 projections. Labour markets remain tight across the advanced economies, pressuring price rises.

Balanced economic risks for this year: Entering 2024, Scope assumed a balanced global-economic risk outlook for the year. While more upside factors have materialised than downside risks year-to-date, core macro risks remain possibilities, because of: i) further upside inflation surprises, which could pause or even reverse rate cuts; ii) intensifying geopolitical risks; iii) financial-market instability re-emerging; and/or iv) a market re-appraisal of sovereign risks amid budgetary challenges. As an example, risks in France could trigger a further market response if budgetary risks are not addressed.

Tight American elections culminate a decisive year at the ballot box: US elections on 5 November 2024 will play an historic role in determining the institutional, policy-making and credit outlooks internationally for 2025 and beyond. Currently, the race is very tight between Vice President Kamala Harris and former President Donald Trump, with Harris leading within the majority of national polling but likely requiring a margin of victory within the national popular vote to win the Electoral College and the presidency. The congressional ballot is also tight with more Democrat Senate seats up for grabs this year than Republican seats.

Higher funding rates for longer following rate cuts: The Federal Reserve, European Central Bank and Bank of England have begun rate-cut cycles in recent months, later than economists and markets anticipated but consistent with Scope assumptions of cuts beginning latest 2H this year. We expect the three central banks to gradually trim rates in the near term but less significantly than economists have been forecasting and markets pricing in, suggesting more-elevated neutral rates than before the cost-of-living crisis. This is driven by core inflation remaining moderately above 2% in the near term, even as it recedes gradually, alongside resilient labour markets. In addition, US elections add uncertainty, including for disinflation prospects, with former president Trump committing to tariff rises.

Table 1: Scope's growth forecasts, summary, as of 1 October 2024

Country/region	Real GDP growth (%)							
	2021	2022	Baseline scenario					Medium-run potential
			2023	2024E	Diff. from Dec.*	2025F	Diff. from Dec.*	
Euro area	6.1	3.4	0.4	1.0	↓ 0.1	1.6	↓ 0.1	1.4
Germany	3.6	1.4	(0.1)	0.0	↓ 0.3	0.9	↓ 0.7	0.8
France	6.8	2.6	1.1	1.0	-	1.3	↓ 0.2	1.35
Italy	8.3	4.1	1.0	0.8	↓ 0.0	1.0	↓ 0.3	1.0
Spain	6.7	6.2	2.7	2.4	↑ 0.6	2.2	↑ 0.3	1.75
Netherlands	6.2	5.0	0.1	0.8	↓ 0.5	1.6	↓ 0.2	1.4
United Kingdom	8.6	4.8	0.3	1.0	↑ 0.6	1.5	-	1.5
Türkiye	11.4	5.5	5.1	3.5	↑ 0.2	3.2	↓ 0.3	3.9
United States	6.1	2.5	2.9	2.8	↑ 0.6	2.7	↑ 0.7	2.0
China	8.4	3.0	5.2	5.0	↑ 0.6	4.5	↑ 0.4	4.0
Japan	2.8	1.1	1.7	0.0	↓ 0.8	0.9	↑ 0.5	0.4
World	6.5	3.5	3.2	3.3	↑ 0.2	3.4	↑ 0.2	2.6

*Changes compared with December 2023's 2024 [Sovereign Outlook](#) forecasts. Negative growth rates presented in parentheses.

Source: Scope Ratings forecasts, regional and national statistical offices, IMF.

Table 2. Global economic outlook: growth, inflation and official rates, 2021-2025F

Country/region	Real GDP growth (annual average, %)							Medium-run potential	Headline inflation ² (annual average, %)						Policy rates (EOP, %)					
	2021	2022	2023	2024E	Diff. from Dec-23 ¹	2025F	Diff. from Dec-23 ¹		2021	2022	2023	2024E	Diff. from Dec-23 ¹	2025F	Diff. from Dec-23 ¹	End-2021	End-2022	End-2023	End-2024	End-2025
Euro area³	6.1	3.4	0.4	1.0	↓0.1	1.6	↓0.1	1.4	2.6	8.4	5.4	2.4	↓0.4	2.2	-	(0.5)	2.0	4.0	3.0	2.5
Germany	3.6	1.4	(0.1)	0.0	↓0.3	0.9	↓0.7	0.8	3.2	8.7	6.0	2.5	↓0.2	2.3	-					
France	6.8	2.6	1.1	1.0	-	1.3	↓0.2	1.35	2.1	5.9	5.7	2.5	↓0.3	1.8	↓0.1					
Italy	8.3	4.1	1.0	0.8	↓0.0	1.0	↓0.3	1.0	1.9	8.7	5.9	1.2	↓1.2	2.0	↑0.1					
Spain	6.7	6.2	2.7	2.4	↑0.6	2.2	↑0.3	1.75	3.0	8.3	3.4	3.0	↓0.3	2.3	-					
Netherlands	6.2	5.0	0.1	0.8	↓0.5	1.6	↓0.2	1.4	2.8	11.6	4.1	1.6	-	2.3	-					
Belgium	6.9	3.0	1.4	1.2	↓0.1	1.3	↑0.1	1.2	3.2	10.3	2.3	4.2	-	2.1	-					
Austria	4.4	4.9	(0.7)	0.5	↓0.3	1.6	↑0.1	1.2	2.8	8.6	7.7	3.8	-	2.4	-					
Ireland	15.7	8.7	(5.7)	0.3	↓2.8	4.3	↑0.8	4.0	2.4	8.1	5.2	3.0	↓0.3	2.9	↑0.8					
Finland	2.7	1.5	(1.2)	-0.3	↓1.0	1.8	↑0.5	1.2	2.1	7.2	4.3	1.2	↓0.6	2.0	-					
Portugal	5.7	6.8	2.3	1.9	↑0.7	2.2	↑0.6	1.8	0.9	8.1	5.3	2.8	↓0.7	2.0	↓0.2					
Greece	8.4	5.6	2.0	2.0	↓0.2	1.8	↓0.5	1.0	0.6	9.3	4.2	2.7	↑0.3	2.6	↑0.3					
Slovakia	4.8	1.9	1.6	2.6	↑0.7	2.9	↑0.6	2.6	2.8	12.1	11.0	5.2	-	3.0	-					
Luxembourg	7.2	1.4	(1.1)	2.3	↑0.7	2.9	↑0.6	2.5	3.5	8.2	2.9	2.6	↓0.5	2.8	↑0.7					
Lithuania	6.2	2.4	(0.3)	2.2	↓0.2	2.8	↓0.4	2.5	4.6	18.9	8.7	1.1	↓2.1	2.8	↑0.4					
Slovenia	8.4	2.9	1.9	2.3	↑0.1	2.7	-	2.5	2.0	9.3	7.2	4.0	-	2.8	-					
Latvia	4.1	3.1	(0.0)	1.6	↓0.6	2.2	↓0.7	2.5	3.2	17.2	9.1	1.4	↓1.5	2.9	↑0.4					
Estonia	7.2	(0.0)	(3.1)	-0.3	↓2.3	3.2	↑0.5	2.2	4.5	19.4	9.1	3.8	↑0.6	2.3	-					
Cyprus	9.9	5.1	2.5	2.8	↑0.1	3.0	↓0.0	3.0	2.3	8.1	3.9	2.4	-	2.2	-					
Malta	13.0	4.4	7.8	4.2	↑0.3	3.6	↑0.2	3.5	0.7	6.1	5.6	3.0	-	2.3	-					
Croatia	10.2	7.0	3.1	3.3	↑1.3	3.1	↑0.5	2.8	2.6	10.8	7.9	3.7	↓1.1	2.6	↓0.1					
Western Europe ex-euro area																				
United Kingdom	8.6	4.8	0.3	1.0	↑0.6	1.5	-	1.5	2.6	9.1	7.3	2.6	↓0.2	2.8	↑1.0	0.25	3.5	5.25	4.75	4.0
Switzerland	5.6	3.1	0.7	1.0	↓0.4	1.4	-	1.5	0.6	2.8	2.1	1.6	-	2.0	-	(0.75)	1.0	1.75	0.75	0.75
Sweden	5.7	1.6	(0.1)	0.4	↑0.7	2.0	↓0.1	1.8	2.2	8.4	8.5	3.0	↓0.7	1.5	↓0.6	0.0	2.5	4.0	2.75	2.25
Norway	4.0	3.0	0.7	1.2	↑0.3	2.0	↑0.6	1.8	3.5	5.8	5.5	3.4	↓0.6	2.6	↓0.1	0.5	2.75	4.5	4.5	3.75
Denmark	7.4	1.5	2.5	2.1	↑0.7	1.9	-	1.5	1.9	7.7	3.3	2.0	-	1.9	↓0.4	(0.60)	1.75	3.6	2.6	1.85
EU central and eastern Europe ex-euro																				
Poland	6.9	5.9	0.1	2.5	↓0.3	3.1	↑0.1	3.0	5.2	14.4	11.4	4.1	↑0.6	5.6	↑2.5	1.75	6.75	5.75	5.75	5.75
Romania	5.7	4.1	2.1	2.4	↓0.6	2.8	↓0.6	3.75	5.1	13.8	10.4	6.0	↓0.5	4.5	↑0.5	1.75	6.75	7.0	6.25	5.5
Czech Republic	4.0	2.9	0.0	0.6	↓1.0	2.2	↓0.6	2.5	3.8	15.1	10.7	2.2	↓0.5	1.9	↓0.3	3.75	7.0	6.8	4.0	3.0
Hungary	7.0	4.6	(0.7)	2.2	↓0.2	3.3	↑0.2	2.5	5.1	14.6	17.1	4.0	↓1.1	3.8	↓0.1	2.4	13.0	10.75	6.25	5.0
Bulgaria	7.1	4.2	2.0	2.4	-	3.0	↑0.3	2.75	3.3	15.3	9.5	2.5	↓1.3	2.6	↓0.3	0.0	1.3	3.8	3.25	2.5
Non-EU emerging Europe																				
Türkiye	11.4	5.5	5.1	3.5	↑0.2	3.2	↓0.3	3.9	19.6	72.3	53.9	55.0	↓5.0	30.0	↑5.0	14.0	9.0	42.5	45.0	37.5
Ukraine	3.4	(28.8)	5.3	3.8	↑0.3	3.5	↓1.5	2.5	9.4	20.2	12.8	5.5	↑1.4	7.1	↑2.1	9.0	25.0	15.0	13.0	11.5
Serbia	7.7	2.5	2.5	3.6	↑0.6	4.4	↑0.9	4.0	4.1	12.0	12.4	4.4	-	3.4	-	1.0	5.0	6.5	5.25	4.0
Georgia	10.6	11.0	7.5	7.5	↑2.8	5.4	↑0.4	5.0	9.6	11.9	2.5	1.6	↓0.6	2.9	↓0.1	10.5	11.0	9.50	7.5	7.0
Rest of World (Advanced)																				
United States	6.1	2.5	2.9	2.8	↑0.6	2.7	↑0.7	2.0	4.7	8.0	4.1	2.9	↑0.1	2.5	↑0.1	0-0.25	4.25-4.5	5.25-5.5	4.25-4.5	3.75-4
China ⁴	8.4	3.0	5.2	5.0	↑0.6	4.5	↑0.4	4.0	0.8	1.9	0.3	0.5	↓0.2	1.8	↓0.6	3.8	3.65	3.45	3.25	3.15
Japan ⁵	2.8	1.1	1.7	0.0	↓0.8	0.9	↑0.5	0.4	(0.2)	2.5	3.2	2.6	↓0.3	2.3	↑0.4	(0.1)	(0.1)	(0.1)	0.25	0.5
Africa																				
South Africa	5.0	1.9	0.7	0.8	↓0.4	1.4	↓0.1	1.5	4.6	7.0	6.1	4.7	↓0.3	4.3	↓0.2	3.75	7.0	8.25	7.75	7.0
Egypt	3.3	6.6	4.2	3.3	↓0.5	3.8	↓0.7	5.5	5.9	21.3	33.6	39.0	↓1.0	26.0	↑1.0	8.25	16.25	19.25	27.25	25.0
Morocco	8.2	1.4	3.6	3.0	↓0.4	3.3	↓0.1	3.5	1.3	6.7	6.1	3.5	-	2.9	-	1.5	1.5	3.0	2.75	2.5
World	6.5	3.5	3.2	3.3	↓0.2	3.4	↑0.2	2.6	4.7	8.7	6.8	5.8	↑0.3	4.4	↑0.3					

Negative values shown in parentheses. Source: Scope Ratings forecasts, Macrobond, IMF.

¹Changes compared with Scope's December 2023 2024 Sovereign Outlook forecasts. ²HICP headline inflation for euro-area member states; otherwise, CPI headline inflation.

³Shown for the euro-area policy rate is the ECB deposit facility rate. ⁴Shown for China's policy rate is the one-year bank prime loan rate. ⁵Shown for Japan's policy rate is the deposit rate on current account balances.

Table 3. Global economic outlook: unemployment, fiscal metrics, 2021-28F

Country/region	Unemployment rate ⁶ (annual average, %)					General government balance (% of GDP)						Public debt level (% of GDP)					
	2021	2022	2023	2024E	2025F	2021	2022	2023	2024E	2025F	2028F	2021	2022	2023	2024E	2025F	2028F
Euro area	7.8	6.7	6.6	6.6	6.5	(5.2)	(3.7)	(3.6)	(3.1)	(2.8)	(2.1)	95	91	88	88	87	86
Germany	3.6	3.1	3.0	3.4	3.3	(3.6)	(2.5)	(2.5)	(2.2)	(1.8)	(0.8)	69	66	63	63	62	60
France	7.9	7.3	7.4	7.5	7.5	(6.6)	(4.8)	(5.5)	(5.1)	(4.6)	(3.5)	113	111	110	112	113	113
Italy	9.5	8.1	7.7	7.2	7.0	(8.7)	(8.6)	(7.4)	(4.7)	(3.9)	(3.0)	147	141	137	139	141	143
Spain	15.0	13.0	12.2	11.8	11.6	(6.7)	(4.7)	(3.6)	(2.7)	(2.5)	(2.0)	117	112	108	105	103	99
Netherlands	4.2	3.5	3.6	3.7	3.7	(2.2)	(0.1)	(0.3)	(2.1)	(2.3)	(3.0)	50	48	45	47	48	51
Belgium	6.3	5.6	5.5	5.6	5.6	(5.4)	(3.6)	(4.4)	(4.5)	(4.7)	(5.4)	108	104	105	107	108	114
Austria	6.2	4.7	5.1	5.5	5.6	(5.8)	(3.3)	(2.7)	(2.8)	(2.6)	(2.3)	83	78	78	77	77	77
Ireland	6.2	4.5	4.3	4.4	4.6	(1.5)	1.7	1.7	1.6	1.3	0.8	53	43	43	42	38	31
Finland	7.6	6.8	7.2	8.0	7.7	(2.8)	(0.4)	(2.7)	(3.4)	(2.5)	(1.3)	73	74	77	80	82	84
Portugal	6.7	6.2	6.6	6.5	6.2	(2.9)	(0.3)	1.2	0.5	0.5	0.5	125	112	99	94	89	78
Greece	14.8	12.5	11.0	10.6	10.2	(7.0)	(2.5)	(1.6)	(0.7)	(0.4)	(1.3)	195	173	162	152	144	133
Slovakia	6.8	6.2	5.8	5.9	5.8	(5.2)	(1.7)	(4.9)	(5.9)	(5.0)	(3.0)	61	58	56	59	59	62
Luxembourg	5.4	4.6	5.2	5.6	5.9	0.5	(0.3)	(1.3)	(1.6)	(1.9)	(1.5)	25	25	26	27	29	31
Lithuania	7.1	6.0	6.9	7.3	7.6	(1.1)	(0.6)	(0.8)	(1.9)	(2.4)	(1.4)	43	38	38	38	38	36
Slovenia	4.7	4.0	3.7	3.6	3.5	(4.6)	(3.0)	(2.5)	(3.0)	(2.7)	(2.3)	74	73	69	68	67	65
Latvia	7.5	6.8	6.5	6.8	6.6	(7.2)	(4.6)	(2.2)	(2.8)	(2.9)	(2.0)	44	42	44	43	44	44
Estonia	6.2	5.6	6.4	8.1	7.6	(2.5)	(1.0)	(3.4)	(3.3)	(4.3)	(2.9)	18	19	20	23	26	33
Cyprus	7.5	6.3	5.9	6.4	6.1	(1.8)	2.7	3.1	2.6	2.5	1.3	99	86	77	71	65	52
Malta	3.8	3.5	3.1	2.6	2.5	(7.6)	(5.5)	(4.9)	(4.2)	(3.5)	(2.8)	54	52	50	53	54	55
Croatia	7.5	6.7	6.1	6.0	5.7	(2.5)	0.1	(0.7)	(1.7)	(1.5)	(1.0)	78	68	63	59	58	54
Western Europe ex-euro area																	
United Kingdom	4.7	3.9	4.1	4.4	4.4	(7.9)	(4.7)	(6.0)	(5.2)	(4.3)	(4.3)	105	100	101	102	104	110
Switzerland	3.0	2.2	2.0	2.3	2.5	(0.3)	1.2	0.5	0.7	0.4	0.1	41	38	38	35	33	30
Sweden	8.9	7.5	7.7	8.4	8.3	0.0	1.2	(0.6)	(1.1)	(0.6)	0.3	37	34	32	36	36	33
Norway	4.4	3.3	3.6	4.1	4.2	10.3	25.6	16.3	14.4	13.3	10.9	41	37	42	39	36	32
Denmark	5.1	4.5	5.1	5.4	5.2	4.1	3.3	3.1	1.6	0.8	0.1	41	34	29	28	27	27
EU central and eastern Europe ex-euro																	
Poland	3.4	2.9	2.8	3.0	3.0	(1.8)	(3.4)	(5.1)	(5.1)	(4.8)	(4.3)	54	49	50	53	55	60
Romania	5.6	5.6	5.6	5.4	5.3	(7.2)	(6.3)	(6.6)	(6.8)	(6.3)	(4.9)	49	48	49	52	54	59
Czech Republic	2.8	2.4	2.6	2.6	2.6	(5.1)	(3.2)	(3.7)	(2.2)	(3.1)	(0.9)	41	43	42	45	46	45
Hungary	4.0	3.6	4.0	4.0	3.8	(7.2)	(6.2)	(6.7)	(5.4)	(4.5)	(2.8)	77	74	74	74	73	70
Bulgaria	5.2	4.2	4.3	4.4	4.2	(2.8)	(0.8)	(3.1)	(2.8)	(2.9)	(2.8)	24	23	23	25	26	30
Non-EU emerging Europe																	
Türkiye ⁷	12.0	10.5	9.4	10.5	11.5	(2.8)	(10.3)	(5.2)	(5.2)	(3.4)	(2.9)	40	31	30	31	31	32
Ukraine ⁷	10.4	n/a	n/a	n/a	n/a	(3.4)	(16.1)	(20.4)	(18.7)	(9.9)	(6.1)	49	78	84	92	95	98
Serbia	11.1	9.6	9.4	9.1	8.7	(3.3)	(0.1)	(1.3)	(2.2)	(2.6)	(2.2)	56	53	49	49	49	48
Georgia	20.6	17.3	16.4	13.5	13.0	(6.0)	(2.6)	(2.3)	(2.6)	(2.2)	(2.2)	49	39	39	40	39	36
Rest of World (Advanced)																	
United States	5.4	3.6	3.6	4.1	4.0	(11.1)	(4.1)	(8.8)	(7.6)	(8.0)	(7.7)	125	120	122	124	127	135
China ⁸	5.1	5.6	5.2	5.1	5.0	(6.0)	(7.5)	(7.1)	(7.3)	(7.5)	(7.8)	72	77	84	90	95	107
Japan	2.8	2.6	2.6	2.6	2.5	(6.1)	(4.4)	(5.8)	(6.9)	(3.4)	(3.8)	254	257	252	256	255	256
Africa																	
South Africa	34.3	33.5	32.4	33.4	33.9	(5.5)	(4.3)	(6.0)	(5.0)	(5.3)	(5.6)	69	71	73	75	76	80
Egypt	7.4	7.3	7.0	7.3	7.3	(7.0)	(5.8)	(5.8)	(10.9)	(12.2)	(9.0)	90	89	96	98	95	87
Morocco	12.4	11.9	13.0	12.7	12.9	(6.0)	(5.4)	(4.4)	(4.0)	(3.8)	(3.3)	69	72	71	70	69	67
World																	

Negative values shown in parentheses. Source: Scope Ratings forecasts, Macrobond, IMF.

⁶Unemployment rate data source is Eurostat for EU member states; national unemployment series otherwise. ⁷Türkiye and Ukraine budget-balance figures are for the central-government budget balance.

⁸Unemployment is survey-based urban unemployment rate.

Annex I: Related research

[Global economic update: soft landing reinforces prospect of higher-for-longer interest rates, June 2024](#)

[2024 Sovereign Outlook: Soft economic landing and turn of the global rate cycle balance fiscal and geopolitical risks for sovereigns, December 2023](#)

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