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World Bank sees stronger global growth as rich economies expand

The world economy is projected to strengthen this year, with growth picking up in developing countries and high-income economies appearing to be finally turning the corner five years after the global financial crisis, according to the World Bank’s newly-released Global Economic Prospects (GEP) report.

Global GDP growth is projected to firm from 2.4% in 2013 to 3.2% this year, stabilizing at 3.4% and 3.5% in 2015 and 2016, respectively, with much of the initial acceleration reflecting stronger growth in high-income economies.

Growth in developing countries will pick up from 4.8% in 2013 to a slower than previously expected 5.3% this year, 5.5% in 2015 and 5.7% in 2016. While the pace is about 2.2 percentage points lower than during the boom period of 2003-07, the slower growth is not a cause for concern. Almost all of the difference reflects a cooling off of the unsustainable turbo-charged pre-crisis growth, with very little due to an easing of growth potential in developing countries. Moreover, even this slower growth represents a substantial (60%) improvement compared with growth in the 1980s and early 1990s.

GEP website: www.worldbank.org/globaloutlook

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