
MULTIPLE SYSTEMIC SHOCKS: RESILIENCE AND POLICY RESPONSES

After two years of pandemic and close to a year of war in Ukraine, the world's economy struggles to find its way back to growth. Supply chains remain affected by the zero-Covid policy in China. Many commodities (food, raw materials, and fossil fuels) are suffering from erratic prices all around the world due to major downward shifts in supply that are linked to the new isolation of Russia. Public and private debt levels have never been as high as today both in emerging and developed economies. Moreover, as part of their mandate, central banks are tightening monetary policy aggressively to bring inflation down. How will the various policy responses to these multiple shocks affect the world's growth trajectory in the long-term? Is the worse still to come with global growth projected by the IMF to fall from 3,2% in 2022 to 2,7% in 2023? Are financial stability risks overrunning economic risks?