

Global economy to weaken in 2026, says WEF survey

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The global economy is entering a period of weak growth and systemic disruption, the World Economic Forum said in its latest Chief Economists' Outlook on Tuesday.

Noting that India has emerged as the fastest-growing major economy and is projected to grow by 6.5 per cent in 2025 by the IMF, the report said the country's manufacturing ambitions face headwinds from newly-announced US tariffs of 50 per cent on exports, a development that weighs heavily on the regional outlook for the entire South Asia.

According to the survey, 72 per cent of chief economists expect global economy to weaken in 2026 amid intensifying trade disruption, rising policy uncertainty and accelerating technological change.

The findings pointed to the emergence of a new economic environment shaped by persistent disruption and growing fragmentation.

GROWTH DRIVERS

Emerging markets are anticipated to be the main engines of growth, with the Middle East and North Africa (MENA), South Asia and East Asia and Pacific seen as bright spots. One in

three chief economists expected strong or very strong growth in these regions.

The outlook for China was more mixed, with 56 per cent of chief economists anticipating moderate growth, though deflationary pressures are expected to persist.

Growth is expected to remain more stagnant in advanced economies.

In Europe, 40 per cent expect weak growth, while most chief economists (52 per cent) anticipate weak or very weak growth in the US.

The chief economists warned that advanced and developing economies are on increasingly divergent growth pathways - 56 per cent expect greater divergence over the next three years.

"The contours of a new economic environment are already taking shape, defined by disruption across trade, technology, resources and institutions," said Saadia Zahidi, Managing Director, World Economic Forum.

"Leaders must adapt with urgency and collaboration to turn today's turbulence into tomorrow's resilience," she said. The report said the global economy is undergoing one of its most turbulent periods in decades, with a convergence of shocks and structural shifts rewriting the rules of growth, trade and governance.

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