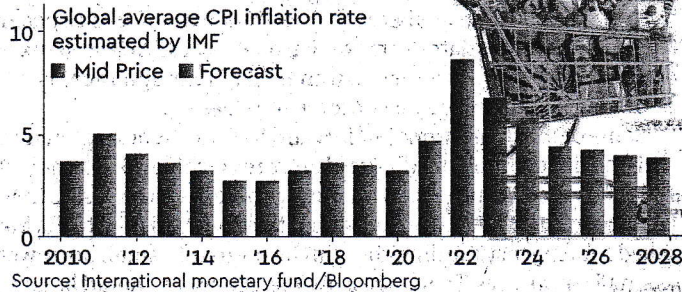


Global economy moving closer to soft landing: G20

WORLD INFLATION IS RETREATING FROM POST-COVID HIGHS



MANUELA TOBIAS
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THE GLOBAL ECONOMY has a growing chance of pulling off a soft landing, finance chiefs said in a draft of the G20's closing statement at this week's meeting in Brazil, citing faster-than-expected disinflation as one of the risks.

"We note that the likelihood of a soft landing in the global economy has increased," said the draft communique dated February 23, seen by *Bloomberg News*. "Risks to the global economic outlook are more balanced. Upside risks include faster-than-expected disinflation."

The text isn't final and wording is subject to intensive negotiations in Sao Paulo, before the arrival of finance ministers on Wednesday. The G20 gathering has already been marked by sharp divisions, especially over the wars in Ukraine and Gaza that are roiling global politics. The draft text refers to "conflicts in many regions of the world" among the challenges, without naming them, as well as "geoeconomic tensions."

The statement reflects a relatively upbeat view of a global economy that's struggled in recent years to overcome the impact of the pandemic, soaring inflation and a sharp increase in interest rates.

"Inflation has receded in most economies, thanks in large part to appropriate monetary policies, the easing of supply chain bottlenecks" and moderating commodity prices, the G20 draft said.

The International Monetary Fund last month boosted its forecast for global economic growth in 2024 to 3.1%, citing a better-than-expected expansion in the US and fiscal support from China.

At a press conference in Sao Paulo on Tuesday, US treasury secretary Janet Yellen emphasised the US role, saying that "America's path to a soft landing has underpinned global growth."

She noted that "inflation has been coming down in many countries," while stopping short of suggesting that interest-rate cuts might now be appropriate.

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