

UK only G7 economy to shrink this year as IMF deals blow to Jeremy Hunt recession decline criticism

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Britain will emerge as the “sick man” of the world’s richest countries this year, snatching the unwanted title of being the only G7 economy to contract in 2023, according to forecasts by the International Monetary Fund (IMF).

The world’s economic watchdog has slashed its expectations for UK GDP again, now pencilling in a 0.6 per cent

contraction in 2023, down from 0.3 per cent growth predicted in October.

The downgrade means Britain is stumbling behind its G7 peers. - The IMF reckons the American, French and German economies will grow 1.4 per cent, 0.7 per cent and 0.1 per cent respectively in 2023.

Raging inflation, still running above 10 per cent and more than

five times the Bank of England’s two per cent target, has eroded household spending power rapidly, squeezing demand and dragging down the economy.

The Bank’s nine successive interest rate hikes to tame price rises has heaped more misery on consumers and businesses, further hobbling the economy.

Governor Andrew Bailey and co are expected to kick borrowing costs 50 basis points higher to four per cent, a post-financial crisis high, on Thursday.

“Tighter fiscal [SOURCE](#)



Australia Dec retail spending nosedives in warning for economy

SYDNEY, Jan 31 (Reuters) - Australian retail sales recorded the biggest drop in more than two years in December, as rising borrowing costs and sky-high inflation finally sank spending, an economic shock that may lessen the need for much more policy tightening.

Retail sales fell 3.9% in De-

-cember from November, after 11 months of consecutive gains, Australian Bureau of Statistics (ABS) data showed on Tuesday, suggesting that rate hikes so far are working as intended.

That also marked the biggest drop since August 2020 when parts of the country were under a lockdown [SOURCE](#)

IMF lifts 2023 growth forecast with boost from China reopening

Global growth is set to be higher than expected this year, the IMF said Monday, raising its forecast on surprisingly strong consumption and investment while China's lifting of zero-Covid restrictions provides another boost.

World growth has been bogged down by fallout from Russia's invasion of Ukraine last year, economic downturns and efforts to rein in spiraling costs of living.

Against this backdrop, the International Monetary Fund expects the global economy to expand 2.9 percent this year, slowing from 2022 to a rate that remains weak by historical standards.

But "adverse risks have moderated" since last October's forecast..... [SOURCE](#)