

DOCUMENTATIEBLAD

CONJUNCTUUR: DE ALGEMENE TENDENSEN**Jozef Kortleven****Adviseur-generaal van Financiën*****Abstract of the article “Conjunctuur: de algemene tendensen”***

In its latest spring outlook, the IMF forecasts present robust economic growth of the world economy to continue this year and next. Growth would this year would be even somewhat higher than envisaged in its latest autumn forecast. This is all the more remarkable because it expects oil prices to consolidate at a historically high level.

As a matter of fact, oil prices were in May 2006 even more than 10 % higher than the reference price used in the IMF's forecast. However it seems that, at least in the short run, economic growth in the OECD area might suffer the impact of the recent acceleration of oil prices and a marked increase of long term and short term interest rates. In the US the housing sector seems to be weakening, which may very well spill over into less buoyant consumption; slowing of economic growth to potential is in the cards. In the euro area on the contrary, recent leading indicators are particularly strong, especially in Germany. However, the jury is still out on whether these will shortly be reflected in a proportional rise of production indicators. In the meantime the Japanese economy is now in its third year of GDP growth of 2 to 2,5 % and seems to have finally left behind a period of more than ten years of quasi-stagnation. Part of this renaissance is due to robust exports to China, which continues to experience growth at a break-neck speed.

Keywords: economic outlook, business cycle**JEL-classification:** E30, E32, E66