

# A snapshot of the world economy **September 2022**

## Recession looms for the developed world

Our economists have **downgraded** forecasts for global economic growth

They are now **predicting recessions** in the US, eurozone and UK in 2023

Apart from during the height of the Covid-19 pandemic, the global economy is facing its **worst year** since 2009

**-1.1%** Schroders' new 'baseline' forecast for US economic output in 2023

[Read article](#)

Source: Schroders Economics Group, as at August 2022.

## Blistering pace of US rate rises take effect

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Proportion of 'monetary' indicators on *Schroders Recession Dashboard* flashing red

Barring the 'Great Recession' of 2008 to 2009, this is the highest proportion in three decades

Point towards US recession in the **next five to 13 months**, consistent with the baseline forecast of the *Schroders Economics Group*

Source: Schroders Economics Group, 31 August 2022.

## Droughts complicate efforts to decarbonise

Countries could turn to zero-carbon sources of energy to avoid rise in carbon emissions

Emissions-free nuclear power meets the majority of France's electricity needs

Heatwaves have impacted nuclear output

But French nuclear reactors rely on rivers for cooling and this summer's droughts has hit capacity

Month	Daily % of total nuclear capacity lost
May	~0.5
June	~1.5
July	~3.5
Aug	~5.5

Source: EDF, Schroders Economics Group, as at August 2022.

Source: Schroders as at September 2022.

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