IMF nudges global growth forecast up to 3.1%, warns of rising debt and AI investment risks

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News

In its World Economic Outlook (WEO) released on 13 Oct 2026 at the IMF–World Bank Annual Meetings in Bangkok, Thailand, the International Monetary Fund raised its 2026 global growth forecast from 3.0% to 3.1%, with 3.4% for 2027. India is projected at 7.0% for both 2026 and 2027 – the fastest among major economies. The IMF said AI investment is propping up growth but a correction could follow if productivity gains fail to appear, and that rising public debt could push up borrowing costs.

Key facts

Global growth	2026 – 3.1% (3.0% in July); 2027 – 3.4%
India	2026 – 7.0%; 2027 – 7.0% (fiscal-year basis)
Released	13 Oct 2026 – IMF–World Bank Annual Meetings, Bangkok (12–18 Oct)
Risks	Public debt to top 100% of world GDP before 2030 (Georgieva); AI investment correction risk; Middle East war, oil prices
Leadership	MD Kristalina Georgieva; Chief Economist Silvana Tenreyro (since 10 Aug 2026)

Background

- IMF: created with the World Bank at the Bretton Woods (USA) conference in July 1944; HQ Washington DC; 191 members. Special Drawing Rights (SDR) are the IMF's international reserve asset.
- IMF reports: World Economic Outlook (WEO – April and October; updates in January and July), Fiscal Monitor, Global Financial Stability Report (GFSR). The World Bank publishes 'Global Economic Prospects' (GEP).
- The Annual Meetings are held outside Washington every third year – Marrakech (Morocco) in 2023, Bangkok in 2026. Silvana Tenreyro, a former Bank of England MPC member, succeeded Pierre-Olivier Gourinchas.

Tamil Nadu link: Tamil Nadu targets a US$1 trillion economy by 2030. Tamil Nadu leads India's electronics exports, so the AI-linked electronics investment wave matters for the State.

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