



Business English News 55 - 2024 Economic Outlook

At the start of every year, **economists** love to make **predictions**. But in such a **volatile** world, predictions are tough to make **accurately**. For 2023, many economists **forecasted** rising inflation and a “**hard landing**” for the global economy. But that didn’t happen. So, what’s **in store** for 2024? Will the challenges of 2023 **snowball** into a **recession**? Not according to MSN.com:

Although growth is estimated to be even slower in 2024, the worst is perhaps over and **headwinds** are expected to **ease**, **analysts** say. For next year, the **IMF** expects global **gross domestic product** to **expand** by 2.9 per cent, while the **World Bank** forecasts 2.4 per cent growth. “Looking at 2024, we **anticipate** uncertainty to **persist**, with **sub-trend** growth **projected** across the world’s economies,” State Street Global Advisor said in its *2024 Outlook* report.

All of this amounts to what many people are anticipating as a “**soft landing**” for the U.S. economy. The fight against **inflation** isn’t over, and consumers are still **taking it on the chin**. But **turning** the inflationary **tide** didn’t require high **unemployment**, as is often the case. The Harvard Business Review explains:

The labor market *is cooling* — at least slightly. The number of **new hires** has **declined** significantly over the last year and the number of **job openings** per **unemployed** worker has fallen as well. **Nevertheless**, the U.S. unemployment rate is still relatively low. And, as *The Economist* has **posited**, the longer-term **outlook** for workers in the U.S. and Europe looks **strong**.

This is good news for the **general public** in these regions, but **reviving** growth continues to be a challenge. **Monetary policy** is typically used in the battle against inflation, and central banks have raised **interest rates** over the past year. But now with inflation under control, banks may attempt to **kickstart** growth with lower rates, as FX Street reports:

We believe most **G10** central banks will start **cutting** policy rates in the second **quarter** of 2024; however, risks are **tilted** toward earlier easing as inflation **falls back** toward **targets**. **Emerging markets** that have **initiated** easing **cycles** already should continue cutting, while those that have been more **prudent** should start in the coming quarters. With that said, we believe **policymakers** in the **developing world** will still act **cautiously** when considering easing monetary policy.

It's not just inflation and a **lingering pandemic** that are **inspiring** caution. We're entering 2024 with a particularly **fraught geopolitical** scene. The war in the Ukraine **rages on**, and the one in the Middle East **threatens** to become an even wider **conflict**. 2024 will also feature elections in over 50 countries, including the United States. **Speculation** is **rampant** about whether **populism** and **polarization** will **wreak** even greater **havoc**. According to the Business Standard:

A **rash** of **electoral** victories that carry angry **populists** into power could push governments toward **tighter** control of trade, foreign investment and **immigration**. Such policies, said Diane Coyle, could **tip** the global economy into "a very different world than the one that we have been used to." In many places, **skepticism** about **globalization** has been **fueled** by **stagnant** incomes, declining **living standards** and growing **inequality**. Nonetheless, Coyle said, "a world of **shrinking** trade is a world of shrinking income."

Amid all this political **chaos**, climate change continues to present both challenges and opportunities. While the **proponents** of **degrowth** are unlikely to **overturn** our economic **foundations**, there's real pressure on businesses to raise their **ethical standards**. As Forbes explains:

Research continues to show that **consumers** increasingly prefer companies with a solid **commitment** to reducing their **environmental footprint**. On the other hand, as the **green economy** grows, we're learning that green solutions often lead to **bottom-line** growth. For example, Walmart **dramatically** reduced its spending on fuel and vehicle maintenance by **transitioning** to an **EV** delivery fleet.

The greening of the economy is just one **x-factor** to **contend with**. Another big one is **AI**, which is both a threat to people's **livelihood** and the key to a better society, depending on who you ask. Without a doubt, all of these factors require companies to monitor, adapt, and change **on the fly**. But many companies, and industries, are naturally **wary**, as the Business Standard reports:

Uncertainty has a **dampening effect** on the economy. Businesses tend to adopt a **wait-and-see attitude** when it comes to investment and hiring. Continuing **volatility** in geopolitical relations is the biggest concern for chief risk officers in both the **public** and **private sectors**. With **persistent** military conflicts, increasing **bouts** of extreme weather and a **slew** of major elections ahead, it's likely that 2024 will bring more of the same.

Vocabulary

Economist: Someone who studies money and how it's used in business and society. "The economist predicted a rise in inflation due to increased spending."

Prediction: Guessing what might happen in the future based on information. "Our prediction for the market growth next year is optimistic."

Volatile: When things change a lot and are hard to predict. "The volatile nature of the stock market makes it hard to predict."

Accurately: Doing something with correctness and precision. "We need to forecast sales more accurately to plan production better."

To forecast: To say what might happen in the future based on current information. "Economists forecast a downturn in the economy in the second half of the year."

Hard landing: A sudden and severe economic decline or slowdown with a sharp decrease in economic activity. "If the economy experiences a hard landing, it will affect many small businesses."

In store: About something that might happen in the future. "There's uncertainty in store for the housing market this year."

To snowball: To get bigger and bigger quickly. "Small errors can snowball into significant financial losses."

Recession: A period of at least six months of economic decline. "The last recession led to massive job losses."

Headwinds: Problems or challenges that make things difficult for a business or industry. "The industry faced headwinds due to increased regulation."

Analyst: Someone who studies and examines information to understand things better. "The analyst provided a detailed report on market trends."

IMF: International Monetary Fund; an organization that helps countries with their economies. "The IMF provided financial aid to stabilize the economy."

Gross domestic product (GDP): The total value of goods and services a country produces in a year. "The country's GDP increased by 5% last year."

To expand: To grow or get bigger. "The company plans to expand its operations internationally."

The World Bank: An organization that helps countries by giving financial and technical support. "The World Bank supports sustainable development projects."

To anticipate: To expect or foresee something happening. "We anticipate a rise in consumer demand next quarter."

To persist: To continue happening for a long time. "The issue of supply chain disruptions persisted throughout the year."

Sub-trend: Something happening below the usual trend or pattern. "The decrease in customer satisfaction is a sub-trend of declining sales."

To project: To estimate or predict something for the future. "Analysts project a decline in market volatility next month."

Soft landing: A gentle or moderate economic slowdown. "The central bank aims for a soft landing of the housing market."

Inflation: When prices for goods and services increase. "Inflation rates hit a five-year high due to rising fuel costs."

To take it on the chin: To bravely face a difficult situation. "Despite the market downturn, the company took it on the chin and adapted swiftly."

To turn the tide: To change a situation from negative to positive. "The innovative marketing strategy helped turn the tide of declining sales."

Unemployment: When people don't have jobs. "Unemployment rates rose sharply during the recession."

To cool: To make something less hot or intense. "Efforts were made to cool down the overheated housing market."

New hire: A person who recently started a job. "The new hire brought fresh perspectives to the team."

To decline: To decrease or become lower. "Sales declined due to reduced consumer confidence."

Job opening: A position available for someone to work. "The company announced several job openings in the marketing department."

Unemployed: People without jobs. "The unemployed are seeking government assistance."

Nevertheless: However or in spite of. "Sales were low; nevertheless, the company remained profitable."

To posit: To suggest or put forward an idea. "The economist posited a theory about market behavior."

Outlook: What is expected to happen in the future. "The outlook for the industry remains positive despite recent challenges."

Strong: Powerful or having a lot of influence. "The strong leadership drove the company through tough times."

General public: Regular people in society. "The ad campaign aimed to raise awareness among the general public."

To revive: To bring something back to life or make it active again. "The product launch helped revive interest in the brand."

Monetary policy: Rules or actions by a government related to money and the economy. "The central bank adjusted its monetary policy to control inflation."

Interest rates: The amount of money charged for borrowing money. "Lower interest rates encourage more borrowing and investment."

To kickstart: To start something or make it happen faster. "The stimulus package aimed to kickstart economic recovery."

G10: A group of influential countries. "Decisions made by the G10 impact global economic policies."

To cut: To reduce or make smaller. "The company decided to cut production costs to increase profits."

Quarter: A period of three months. "The company reported increased profits for the last quarter."

Tilted: Not straight or balanced. "The market is tilted towards technology stocks this year."

To fall back: To go back to a previous position or situation. "The company had to fall back on its contingency plans during the crisis."

Target: A goal or objective. "Meeting sales targets was challenging amidst the economic slowdown."

Emerging markets: Countries with growing economies and markets. "Investors looked toward emerging markets for higher returns."

To initiate: To start or begin something. "The company initiated a sustainability program to reduce its carbon footprint."

Cycle: A series of events that happen regularly. "Economic cycles impact businesses differently."

Prudent: Being careful and sensible. "Prudent financial management helped the company weather the storm."

Policymaker: Someone who decides on rules or plans for a government or organization. "Policymakers proposed new regulations to improve market stability."

Developing world: Countries that are working to become more advanced economically. "Investors see potential in the developing world's emerging markets."

Cautiously: Doing something carefully, watching for potential problems. "The company proceeded cautiously with its expansion plans."

Lingering: Something that stays around for a long time. "The effects of the pandemic lingered, impacting supply chains."

Pandemic: An outbreak of a disease across a large area or the world. "The pandemic severely affected global trade."

To inspire: To make someone feel excited or hopeful. "The success story of the entrepreneur inspired many to start their businesses."

Fraught: Filled with worry or problems. "The negotiations were fraught with disagreements and delays."

Geopolitical: Related to politics between countries. "The company's decision was influenced by geopolitical tensions."

To rage on: When something continues with a lot of force or energy. "Despite efforts, the debate over the policy change continues to rage on in the industry."

To threaten: To say something bad might happen. "Possible trade tariffs threaten to impact the company's profitability."

Conflict: Disagreement or fighting between people or groups. "The conflict between the labor union and management resulted in a work stoppage."

Speculation: Making guesses without all the facts. "The stock market saw a surge in speculation following the earnings announcement."

Rampant: When something bad is happening a lot and is hard to control. "Corruption was rampant in the industry, leading to investigations."

Populism / Populists: Ideas or people that say they represent the regular people against the powerful. "The populist movement gained momentum amid dissatisfaction with current policies."

Polarization: When people or groups are strongly divided. "The issue caused deep polarization among stakeholders, hindering progress."

To wreak havoc: To cause a lot of damage or trouble. "The cyberattack wreaked havoc on the company's IT infrastructure."

Rash: Doing something quickly without thinking. "The hasty decision resulted in a rash investment that led to losses."

Electoral: Related to voting or elections. "The electoral process attracted a record number of voters this year."

Tight: When something is restricted or there's not much available. "Tightening market conditions has led to increased competition among suppliers."

Immigration: When people move from one country to another to live there. "Immigration policies affect the labor market and workforce diversity."

To tip: When something changes suddenly or reaches a point where it might change. "The announcement help tip the market into positive territory."

Skepticism: Doubt or not being sure about something. UK spelling = scepticism. "There was widespread skepticism about the company's financial outlook."

Globalization: When countries and people around the world are connected more. "Globalization has transformed how businesses operate across borders."

To fuel: To make something stronger or more intense. "The positive reviews fueled interest in the product."

Stagnant: When something doesn't change or grow. "The stagnant economy posed challenges for businesses seeking expansion."

Living standards: How well people live, including things like money and housing. "Improving living standards is a key goal for social development."

Inequality: When things aren't fair or equal for everyone. "Addressing income inequality is crucial for a healthy society."

Shrinking: Getting smaller or reducing in size. "The shrinking consumer interest impacted sales."

Chaos: A state of confusion or disorder. "The sudden policy change led to chaos in the market."

Proponent: Someone who supports a particular idea or cause. "The CEO was a strong proponent of environmentally friendly practices."

Degrowth: The idea of using fewer resources and making less stuff to help the environment. "The concept of degrowth gained attention as an alternative economic model."

To overturn: To change something completely. "The court's decision to overturn the previous ruling came as a surprise."

Foundations: The basic ideas or principles of something. "The project's success is built on strong foundations of teamwork."

Ethical standards: Rules about what's right or wrong in how people behave. "The company adheres to strict ethical standards in its operations."

Consumers: People who buy and use goods and services. "Understanding consumers' preferences is vital for product development."

Commitment: Being dedicated or promising to do something. "The company showed commitment to sustainability by reducing carbon emissions."

Environmental footprint: How much someone or something affects the environment. "The company aimed to reduce its environmental footprint through green initiatives."

Green economy: An economy that's focused on protecting the environment. "Investments in renewable energy are driving the growth of the green economy."

Bottom-line: The most important or crucial part of something. "The bottom-line impact of the new policy was significant."

Dramatically: In a big or impressive way. "The company improved its market share dramatically in the last quarter."

To transition: To move from one thing to another. "We plan to transition to renewable energy sources for future projects."

EV: Electric Vehicle. "The demand for EVs increased due to rising fuel prices."

X-factor: An unknown or special quality that makes something unique. "The company's innovative approach is its X-factor in the market."

To contend with: To deal with or face a challenge. "The company had to contend with supply chain disruptions."

AI: Artificial Intelligence. "AI is revolutionizing various industries with its capabilities."

Livelihood: How someone makes a living or earns money. "Agriculture is the primary livelihood for many in rural areas."

On the fly: Doing something quickly or without much planning. "The decision was made on the fly, without considering long-term consequences."

Wary: Being cautious or careful about something. "Investors were wary of the market's volatility."

Uncertainty: Not being sure about what might happen. "Economic uncertainty is affecting investment decisions."

Dampening effect: When something makes a situation less intense. "The interest rate cut had a dampening effect on inflation."

Wait-and-see attitude: Not making a decision until later. "The investors adopted a wait-and-see attitude before committing."

Volatility: When things change a lot and are unpredictable. "The stock market showed high volatility during the trading week."

Public sector / Private sector: Different parts of the economy - public is government-run, private is businesses. "The public sector invested in infrastructure, while the private sector focused on innovation."

Persistent: Something that continues for a long time. "The persistent trade tensions affected global markets."

Military conflict: Fighting or war between countries or groups.

Bout: A short period or instance of something. "The bout of inflation affected consumer spending."

Slew: A large number or amount of something. "The company announced a slew of new product releases."

Language Review

A. Collocations

Match words from each column to make collocations found in the article.

1. Hard	a. rates	
2. Monetary	b. the tide	
3. Emerging	c. policy	
4. Living	d. havoc	
5. To wreak	e. landing	
6. Interest	f. markets	
7. To turn	g. public	
8. General	h. standards	

B. Vocabulary Quiz

- Which of the following verbs does NOT relate to say or think what might happen in the future?
 - To forecast
 - To project
 - To predict
 - To posit
- At least six months of economic decline indicates _____.
 - A recession
 - Unemployment
 - A soft landing
 - A cycle
- Which of the following words have the same meaning? Select all that apply:
 - Prudent
 - Fraught
 - Cautious
 - Rampant

4. A poor economic situation may lead to decreasing _____ and increasing _____.
- a. Immigration / globalization
 - b. Populism / standards
 - c. Living standards / inequality
 - d. Environmental footprint / bottom-line
5. _____ describes a situation in which you are not sure what is going to happen.
- a. Uncertainty
 - b. Persistence
 - c. Skepticism
 - d. Conflict
6. "Monetary policy" typically involves changing _____ in order to cool inflation or motivate economic activity.
- a. Gross domestic product
 - b. Unemployment
 - c. Quarters
 - d. Interest rates
7. A word that means "however" or "but" is...
- a. ...persist
 - b. ...nevertheless
 - c. ...livelihood
 - d. ...bout
8. Which of the following words relate to a decrease or reduction? Select all that apply:
- a. To snowball
 - b. Tide
 - c. To cool
 - d. To kickstart
 - e. To cut
 - f. To inspire
 - g. Fraught
 - h. Rash
 - i. To shrink
 - j. Proponent

Answers

A. Collocations

1/e, 2/c, 3/f, 4/h, 5/d, 6/a, 7/b, 8/g

B. Vocabulary Quiz

1/d, 2/a, 3/a, c, 4/c, 5/a, 6/d, 7/b, 8/c, e, i