



Trajectory of the World Economy: Macroeconomic Forecasts for Global GDP

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ABSTRACT

The purpose of this research is reflected in the analysis of the evolution of global GDP in the period 2019–2024 and the highlighting of forecasts for 2025 and 2026, made by major international financial institutions such as the IMF, World Bank, and OECD. In the period 2019–2024, many changes occurred in the global economy caused by a series of disruptions such as the COVID-19 pandemic, geopolitical tensions, accelerated inflation, and energy shocks, which resulted in this period being marked by heightened volatility.

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1. Introduction

The evolution of the global economy is currently marked by profound changes and highlights a macroeconomic environment influenced by a volatile geopolitical context and characterized by uncertainty, differing growth rates between countries, and the effects of shocks on global supply chains. Although the global economy has demonstrated a significant capacity to adapt to disruptive events such as energy crises, inflationary pressures, and geopolitical tensions, the current trajectory of the world economy reflects a transition towards a slower and more volatile growth model (IMF, 2023). Analyzing the trajectory of the global economy becomes essential and allows for understanding the trend that production, international trade, and investments will follow in the coming years.

To assess the overall state of the international economy and to anticipate the pace of economic growth, an essential tool is used, namely macroeconomic forecasts for global GDP. International financial institutions draw attention to the fact that the evolution of the global economy is likely to be marked by inflationary pressures, changes in aggregate demand, and vulnerabilities in financial markets (OECD, 2024). According to international institutions, the disparities between advanced and emerging economies are widening, creating an economic environment with uneven developments and continuously changing risks (World Bank, 2024). Thus, the analysis of forecasts for global GDP contributes to shaping the economic landscape for the upcoming period by identifying the direction in which the world economy is heading and the determining factors that may influence economic growth in the future. There are several definitions given by international institutions for GDP, one notable being that provided by the International Monetary Fund, according to which Gross Domestic Product represents the total value of final goods and services produced in an economy over a certain period, usually a year, and is the main macroeconomic indicator used in measuring national economic activity (IMF, 2024).

The World Bank also defines GDP as the sum of the gross value added generated by resident producers of an economy, including product taxes and excluding subsidies, being one of the most important measures of economic performance (World Bank, 2024). Another illustrative definition is that given by the OECD (Organisation for Economic Co-operation and Development), according to which GDP measures the total value of final goods and services produced within a country's territory, representing the fundamental indicator used in macroeconomic analysis and international comparisons (OECD, 2020). Additionally, in the official manual within the System of National Accounts, GDP represents the total value of production intended for final consumption, gross capital formation, and net exports, constituting the central indicator for measuring economic performance (United Nations, 2009).

In international economic analysis, the importance of global GDP is significant because it is the central indicator used to assess the aggregated economic performance of the world economy and to interpret the developments of the international economic cycle, being an essential benchmark in the comparative analysis

of growth between countries (Krugman, 2019). However, as a measure of well-being, it has certain limitations because although global GDP summarizes aggregated economic production, it does not adequately reflect income distribution, environmental degradation, unpaid work, or quality of life — reasons why it is considered an imperfect measure of well-being (Stiglitz et. al., 2010).

Regarding the global GDP and the redistribution of economic power in the modern world, the ongoing changes in the structure of global GDP highlight the increasing share of emerging economies in world production, a phenomenon interpreted as a “historic rebalancing” of the world economy, with major implications for trade, finance, and international economic policy (Maddison, 2007).

This paper analyzes the evolution of real GDP for the period under review: 2019–2026, both at the global level and separately for advanced economies and emerging and developing economies.

2. The evolution of real GDP in the period 2019–2024 at the global level and the forecast for 2025–2026

In Table 1 regarding the evolution of real global GDP in the period 2019–2024, a fluctuating trend of this macroeconomic indicator can be observed, determined by the effects of economic shocks with a major impact on the entire global economy, and also illustrating how economies respond to a series of exogenous and unforeseen factors such as the outbreak of the COVID-19 pandemic, rising inflation and inflationary pressures, geopolitical tensions, and the energy crisis.

Thus, in the pre-pandemic period, in 2019, economic growth was recorded at 2.9%, however, the following period marked a significant contraction of real global GDP to -2.7%, as a result of economic lockdowns and restrictions imposed by the COVID-19 pandemic, which significantly disrupted the evolution of the global economy.

After a process of structural adjustment at the global level, with the gradual removal of restrictions, a strong recovery followed with a subsequent rebound through the resumption of economic activity worldwide, recording the highest level of real GDP in the analyzed period, namely 6%. The year 2022 also saw growth, albeit more moderate, namely 3.6%, due to geopolitical tensions and inflationary pressures.

Tabel 1. Global Real GDP Growth, 2019–2024

| Year | Global Real GDP Growth (%) |
|------|----------------------------|
| 2019 | 2.9 |
| 2020 | -2.7 |
| 2021 | 6.0 |
| 2022 | 3.6 |
| 2023 | 3.0 |
| 2024 | 3.0 |

Source: International Monetary Fund (IMF), World Economic Outlook Database, October 2024, available at: <https://www.imf.org/en/publications/weo/weo-database/2024/october>, accessed on 12.08.2025

This was followed by a period of moderate and balanced growth during 2023–2024, with the trend of global real GDP growth stabilizing around 3%. The global economy was in the process of recovery and stabilization after the shocks caused by the Covid-19 pandemic and the energy crisis, managing to maintain a relatively robust growth pace.

This period marks a transition towards a new macroeconomic balance, and the relative stability reflects the adaptation of economies to increasingly high financing costs, the resilience of consumption in certain regions, with a reorientation of monetary policies towards tightening, with very large interest rate increases in advanced economies, which has had significant effects on investment and consumption. Under these conditions, there are still certain vulnerabilities and potential sources of volatility, such as geopolitical risks, the persistence of uncertainties, energy price volatility, and global economic fragmentation.

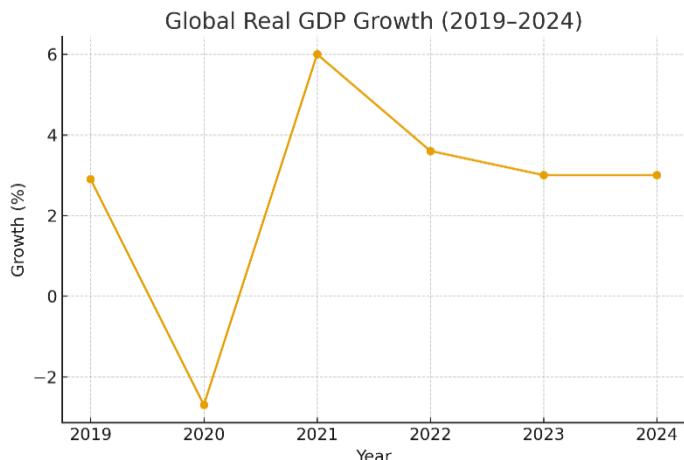


Figure 1. Global Real GDP Growth (2019-2024)

Source: International Monetary Fund (IMF), World Economic Outlook Database, October 2024, available at: <https://www.imf.org/en/publications/weo/weo-database/2024/october>, accessed on 12.08.2025

By systematizing, it can be stated that Figure 1 illustrates three stages the global economy went through during the period 2019-2024: three stages:

1. Pre-crisis period (2019) — marked by moderate and stable growth.
2. The shock created by the Covid-19 pandemic and rapid recovery (2020-2021) — sharp contraction followed by a rebound and substantial growth.
3. Structural adjustment and stabilization (2022-2024) — a trend of moderate growth accompanied by gradual stabilization, typical of post-crisis periods.

These stages show how, over a period of 5 years, the global economy went through extreme phases of the economic cycle, thus reflecting the variation of economic cycles and the profound reconfiguration of global macroeconomic evolution, mainly as a result of economies' reactions to external factors.

3. Real GDP growth in the period 2019-2024 for advanced economies and emerging and developing economies, and the forecast for 2025-2026

As can be seen in Table 2, throughout the analyzed period, the growth rate of real GDP recorded by emerging economies is higher than that recorded by advanced economies, both in the period prior to the COVID-19 pandemic and during the economic recovery.

Thus, in 2019, before the onset of the COVID-19 pandemic, emerging economies were already recording a higher growth rate of 3.7% compared to advanced economies at 1.9%, which demonstrates that, in the long term, emerging countries grow faster due to convergence potential, more favorable demographics, and the development and expansion of investments in these countries.

Unfortunately, the year 2020, against the backdrop of the COVID-19 pandemic, recorded a severe contraction of GDP both in advanced and in emerging economies, although the magnitude of the shock was different. Thus, in conditions where in advanced economies the contraction was severe, down to -4.5%, in emerging economies the contraction was more moderate, around -1.9%. This result indicates a relatively higher resilience of some large emerging economies, but also the strong impact on some important sectors in developed countries.

Table 2. Real GDP Growth for Advanced and Emerging Economies (2019-2026)

| Year | Advanced Economies (%) | Emerging Economies (%) |
|------|------------------------|------------------------|
| 2019 | 1.9 | 3.7 |
| 2020 | -4.5 | -1.9 |
| 2021 | 5.4 | 6.5 |
| 2022 | 2.6 | 4.1 |
| 2023 | 1.6 | 4.2 |
| 2024 | 1.8 | 4.3 |

Source: International Monetary Fund (IMF). (2025). World Economic Outlook Database, available at: <https://www.imf.org/en/publications/weo>, accessed on 02.10.2025.

The following period was marked by a robust recovery for both emerging and advanced economies, with a spectacular increase in emerging economies up to 6.5% and in advanced economies up to 5.4%, which occurred as a result of the easing of restrictions, the resumption of economic activities, and the adoption of expansionary fiscal and monetary policies. The years 2022-2023 were characterized by inflationary pressures and geopolitical tensions, and as a result, the growth rate moderated, especially in advanced economies,

recording 1.6% in 2023, while emerging economies recorded steady growth, around 4%. The different trend persisted throughout 2024, with growth of 1.8% in advanced economies compared to 4.3% in emerging economies.

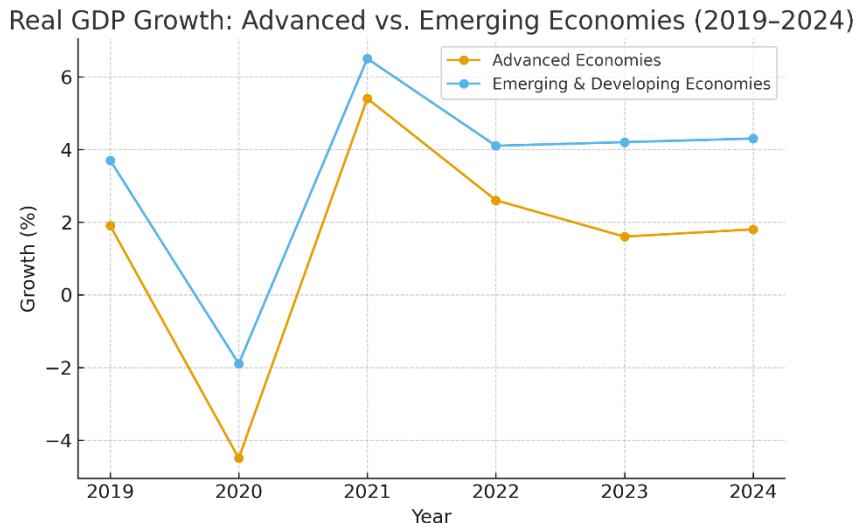


Figure 2. Real GDP Growth: Advanced vs. Emerging Economies (2019-2024)

Source: International Monetary Fund (IMF). (2025). World Economic Outlook Database, available at: <https://www.imf.org/en/publications/weo>, accessed on 02.10.2025.

The forecasts for 2025–2026 indicate a steady growth rate, but still differing between advanced and emerging economies. Thus, advanced economies are expected to record a more modest level, between 1.5–1.6%, compared to emerging economies, which are anticipated to achieve growth of 4%-4.2%, indicating that the convergence process between emerging and developed countries continues, but global uncertainties, tighter financial conditions, and geopolitical tensions are tempering this pace.

Table 3. Real GDP Forecast (2025-2026)

| Year | Advanced Economies (%) | Emerging Economies (%) |
|------|------------------------|------------------------|
| 2025 | 1.6 | 4.2 |
| 2026 | 1.5 | 4.0 |

Source: International Monetary Fund (IMF). (2025). World Economic Outlook Database, available at: <https://www.imf.org/en/publications/weo>, accessed on 02.10.2025.

Throughout the entire period analyzed, it was observed that emerging economies consistently grow faster than advanced economies, both in the pre-COVID-19 pandemic phase when there was economic expansion, and during the shock periods of the pandemic, as well as in the post-pandemic economic recovery period. The different pace observed between the two groups of economies indicates the evolution of investment flows and global trade, with significant implications for rebalancing the world economy in favor of emerging countries.

4. Conclusions

The period analyzed records the most abrupt global economic cycle, and the pandemic shock of 2020 remains the most severe global economic decline in recent decades.

The world economy thus experienced a period of expansion in 2019, followed by the unprecedented collapse in 2020, with global GDP falling by approximately -2.7%, then a strong but uneven recovery occurred in which emerging and developing economies recorded consistently higher growth rates compared to advanced economies, and the final stage, namely the post-pandemic one, was characterized by moderate growth and stabilization.

The shock of the Covid-19 pandemic deeply affected both groups, but the recovery was asymmetric, which confirmed the development gap and the high potential for catch-up growth of emerging economies. Thus, advanced economies bounced back more slowly after the severe shock of 2020 compared to emerging economies, which experienced a faster recovery due to domestic demand, infrastructure investments, and lower production costs, which also influenced and amplified the post-pandemic growth differential.

The impact was universal, but clearly asymmetric between regions. The economic recovery from 2021–2022 was rapid but unevenly distributed. In 2021, global GDP grew by around 6%, regaining much of the losses, while advanced countries resumed activity only gradually, whereas emerging economies

experienced much faster dynamics. In the period 2023–2024, the global economy enters a phase of stabilization, with growth but at moderate rates. Global growth stabilizes around 3%, amid inflationary pressures, restrictive monetary policies, rising interest rates, and geopolitical tensions. Economic ascent becomes much slower than in 2021, but more sustainable.

Forecasts for 2025–2026 indicate robust but moderate global growth. Advanced economies are expected to register a more tempered level of growth, between 1.5–1.6%, compared to emerging economies, which are projected to grow by 4%–4.2%.

In conclusion, the evolution of global GDP over the analyzed period illustrates a very volatile cycle, characterized by a sharp contraction in 2020, a rapid recovery in 2021, moderate stabilization in 2023–2024, and robust but moderate growth in 2025–2026. The main engine of the world economy becomes the emerging economies, becoming the main driver of global growth, while advanced economies experience a phase of mature and moderate growth, reflecting the transition toward a multipolar global economy.

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