



OECD Interim Economic Outlook

Testing resilience

Mathias Cormann
OECD Secretary-General

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**OECD Interim
Economic Outlook**

A new energy supply shock

Energy prices have spiked

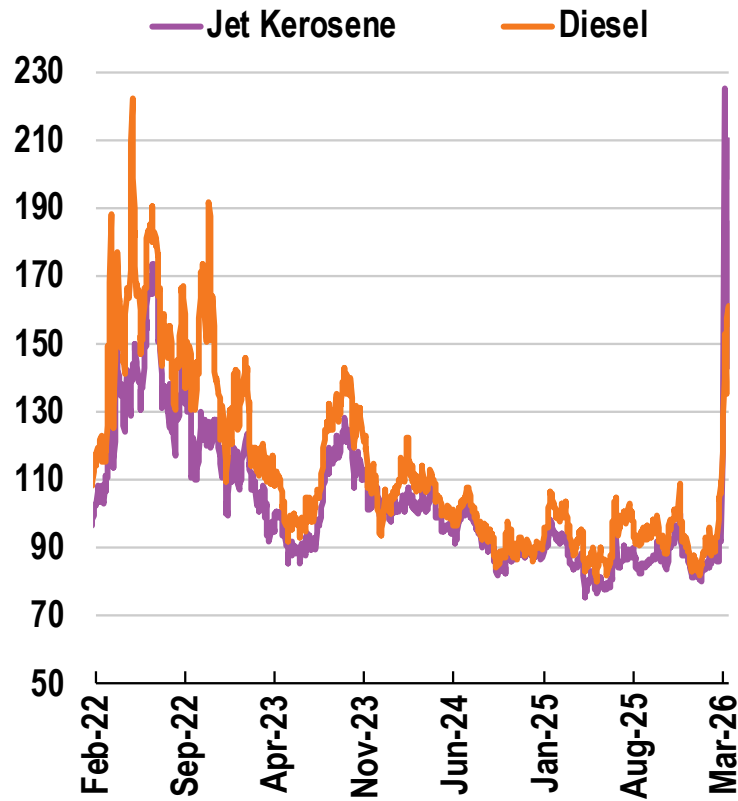
Crude oil

USD/barrel



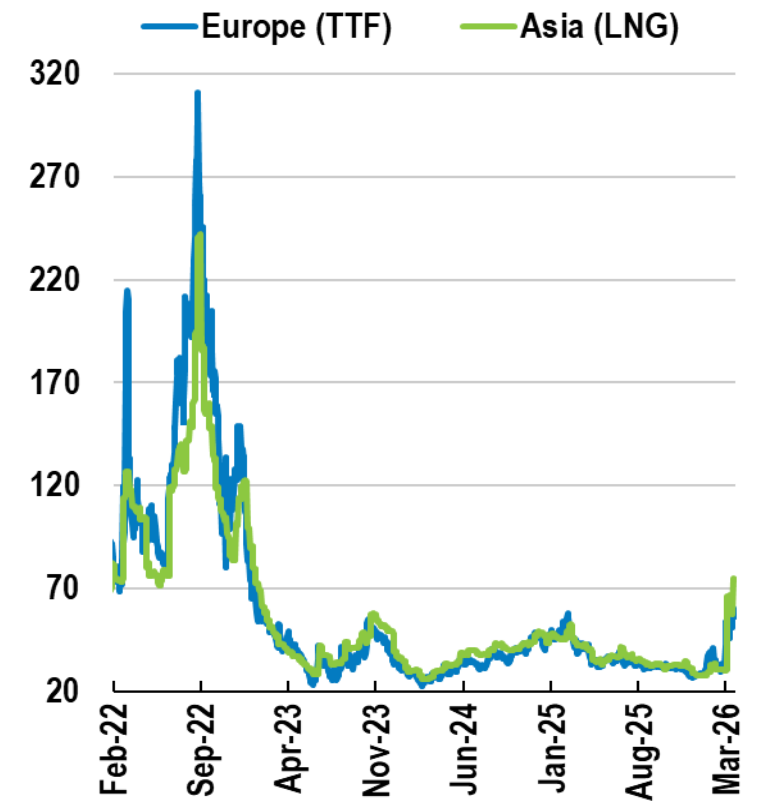
Oil distillates

USD/barrel



Gas

EUR/Megawatt per hour



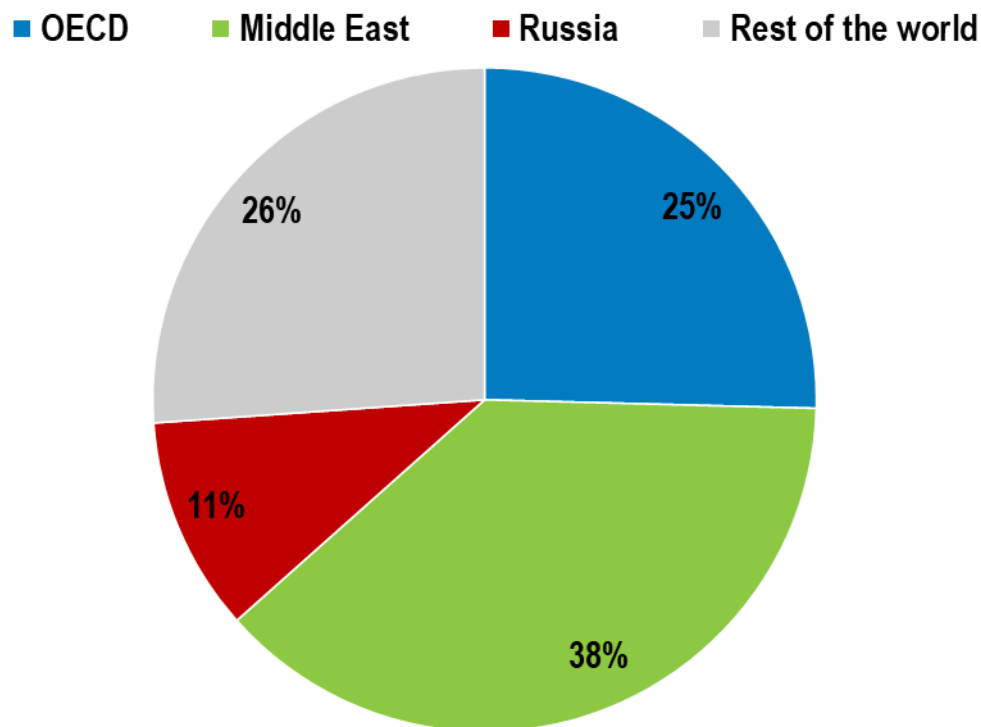
Note: Shows the evolution of Jet Kerosene FOB Singapore for Jet Kerosene; U.S. Gulf Coast Ultra-Low Sulfur No 2 Diesel Spot Price for Diesel; TTF Natural Gas Price for Europe, LNG for Asia. Latest data refers to 23 March 2026 for Brent oil, TTF and LNG, and 23 March for Jet Kerosene and Diesel.

Source: LSEG; OECD calculations.

The Strait of Hormuz is an important chokepoint for global energy trade

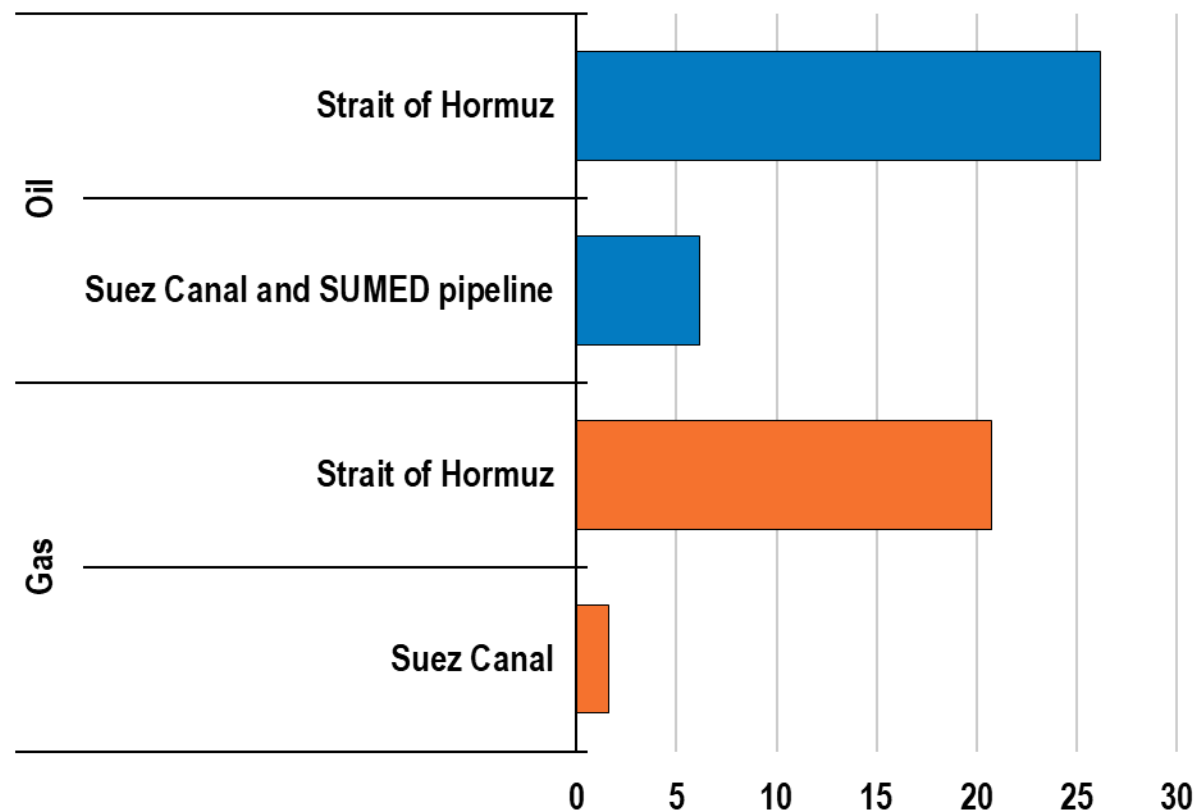
World crude oil exporters

% of world exports, 2024



Maritime chokepoints in global energy trade

% of trade in 2025H1



Note: Based on million barrels per day. Data may include lease condensates and volumes of oil in transit. Rest of the world includes exporters from Africa (11.4%), Latin America (9.2%), Asia and Europe.

Source: OPEC Annual Statistical Bulletin (ASB) 2025.

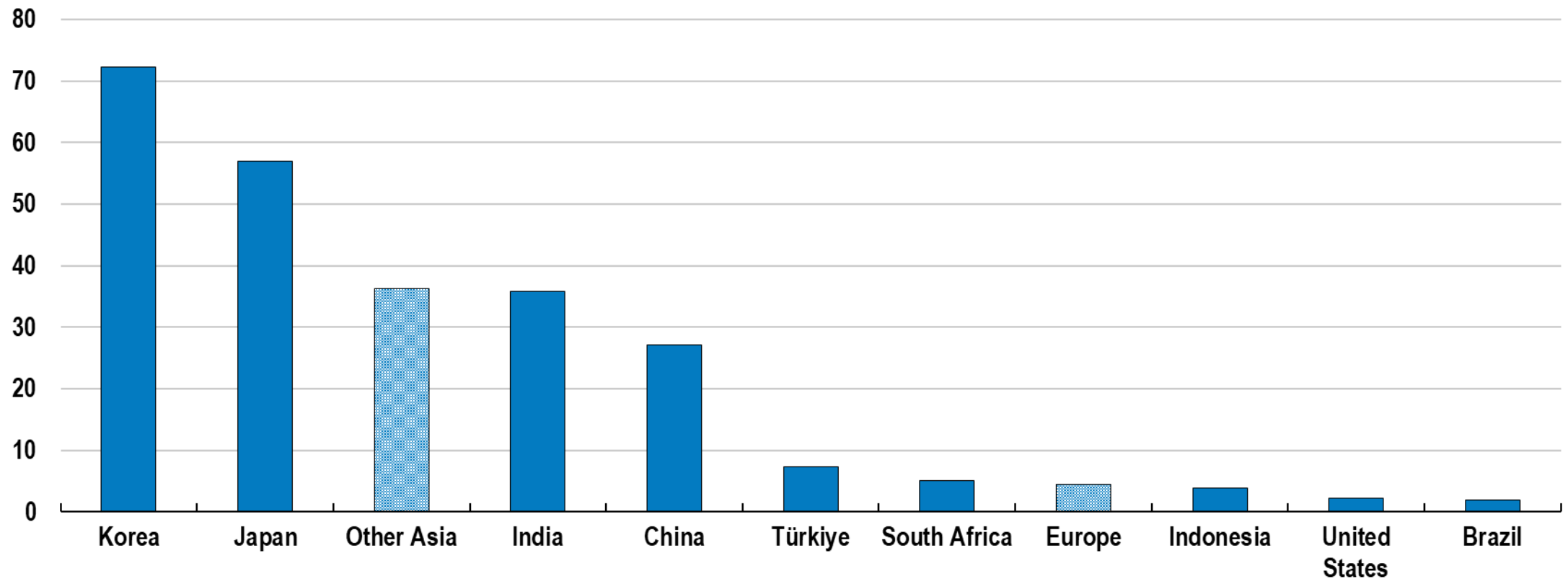
Note: Data based on total oil flows (in million barrels per day) and total LNG flows (bn cubic feet per day). The Suez-Mediterranean (SUMED) pipeline is a land-based pipeline that transports crude oil north through Egypt, connecting the Red Sea with the Mediterranean. Figures for gas are approximate values.

Source: U.S. Energy Information Administration (EIA).

A large share of oil exported through the Strait of Hormuz goes to Asian markets

Share of crude oil and condensate imports through the Strait of Hormuz in total oil demand

%, 2025



Note: Total oil demand is measured as deliveries from refineries and primary stocks, comprises inland deliveries, international marine bunkers, refinery fuel, crude for direct burning, oil from non-conventional sources and other sources of supply. Includes biofuels. Other Asia refers to SGP, TWN, THA, MYS, PHL, VNM and Europe refers to GRC, NLD, FRA, BGR, ESP, GBR, ITA, BEL, HRV, PRT, MLT, LVA, DNK, SWE, POL, SVN, NOR, DEU, FIN, IRL, ISL.

Source: IEA; OECD calculations.

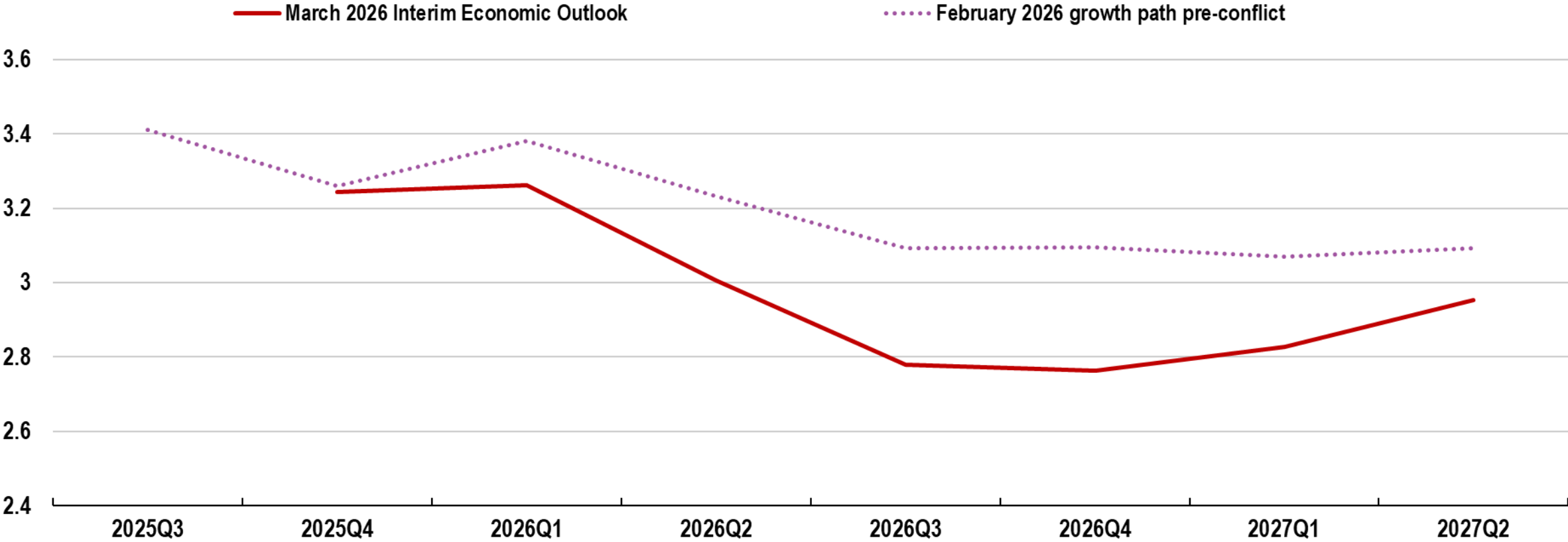
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Underlying economic conditions

The conflict in the Middle East is testing the resilience of the global economy

Global GDP growth

%, year on year



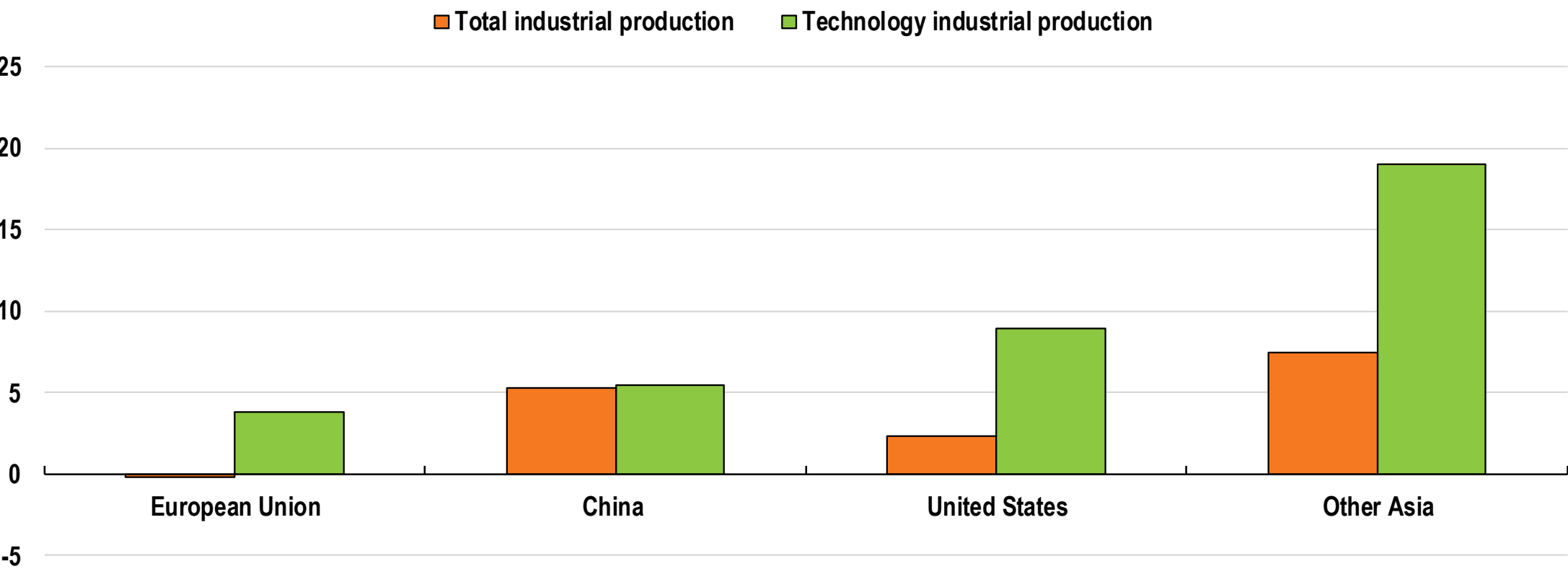
Note: Annual growth denotes the year-on-year growth rate. The preliminary February estimates incorporates new data for 2025 and a revised assessment for the first quarter of 2026, with quarter-on-quarter growth in subsequent periods set in line with that projected in the December 2025 OECD Economic Outlook'

Source: OECD Interim Economic Outlook 119 databases; and OECD Economic Outlook 118 database.

Growth has been strong in the technology sector in many countries

Growth in industrial production of computer and electronic products

Percentage change from January 2025 to January 2026

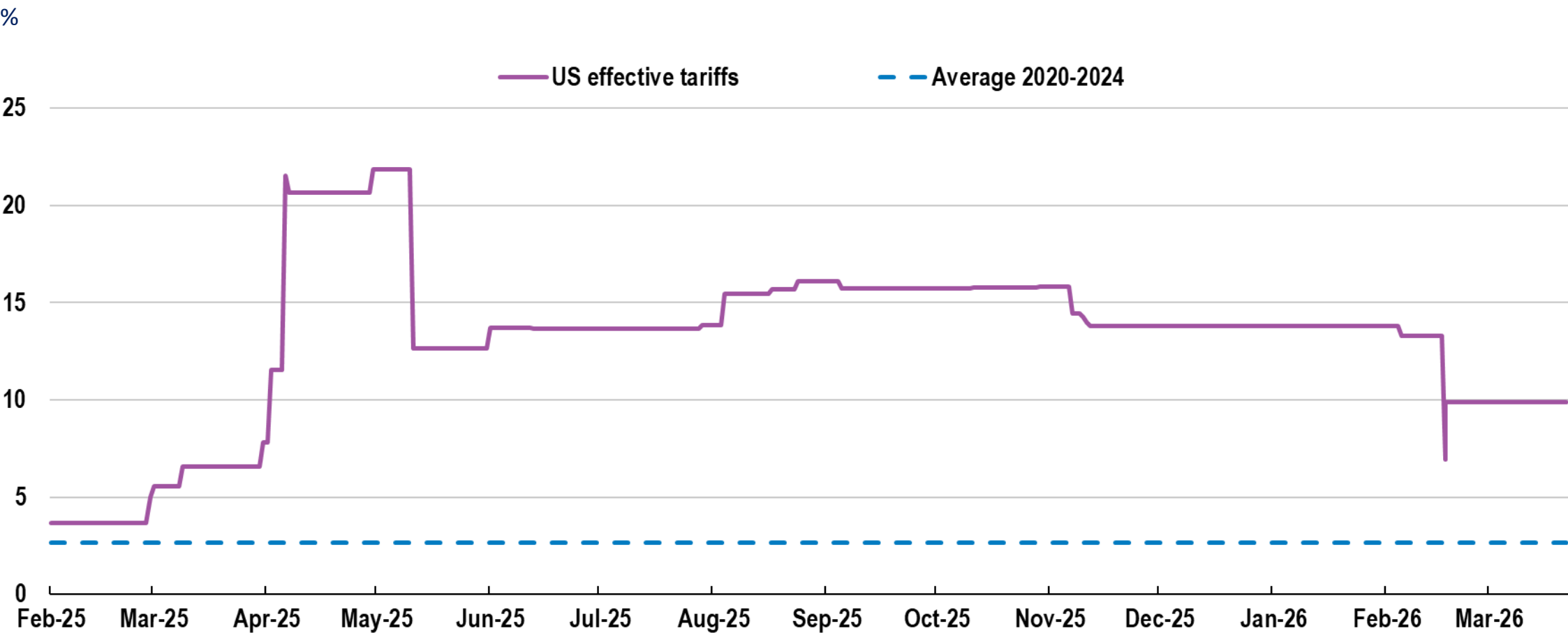


Note: Based on seasonally adjusted data in real terms. "Other Asia" is the weighted average of industrial production for Japan, Korea, Singapore and Chinese Taipei. The selected high-technology industries are: computer and electronic production for Asia, computer, electronic and optical products and electrical equipment for the EU (NACE Rev 2 C26), computers and peripheral equipment, communications equipment and semiconductors and related electronic components for the United States (NAICS 3341, 3342 and 3344), computer, communication & other electronic equipment for China.

Source: OECD Main Economic Indicators database; Eurostat; Ministry of Economic Affairs Chinese Taipei; National Bureau of Statistics of China; Statistics Korea; Statistics Singapore; Ministry of Economy Trade and Industry of Japan; US Federal Reserve; and OECD calculations

Effective tariffs have recently declined, but uncertainty remains

United States average effective tariffs



Note: The chart shows the average US effective tariffs based on the US International Trade Commission (USITC) estimate of the average effective tariffs until 2024. For 2025, the average tariff rate is calculated based on HS classifications of tariff-affected items matched to US Census Bureau data for 2024 import weights of product categories. Data classifications are based on HS8 lists as published by the US administration. The most recent data point includes an estimate of the 10% average tariff on goods not already covered by sector-specific tariffs, as well as the new list of exempted goods, as published under the Proclamation 11012 of 20 February 2026. Imports from Mexico and Canada are assumed to enjoy tariff free access for the share of goods classified as USMCA compliant (see December Economic Outlook 2025 for more details). Weights are calculated based on 2024 US Census Bureau product level data for US imports, by country. Excludes any estimate of the impact of de minimis trade policy changes, Proclamation 11001 and 11002. All tariffs are treated as effective from the effective date of the rulings. Data from 2025 show the effective date of policy changes.

Source: USITC; US Census Bureau; OECD Economic Outlook and OECD calculations

GDP growth projections

Real GDP

Year-on-year growth, %

▲ upward revision, by 0.3pp or more

▼ downward revision, by 0.3pp or more

	2025	2026	2027		2025	2026	2027
 World	3.3	2.9	3.0	 G20	3.3	3.0	3.0
 Australia	2.0	2.3	2.4	 Argentina	4.4	2.8	▼ 3.5
 Canada	1.7	1.2	1.7	 Brazil	2.3	1.5	2.1
€ Euro area	1.4	▼ 0.8	1.2	 China	5.0	4.4	4.3
 Germany	0.4	0.8	1.5	 India	7.6	6.1	6.4
 France	0.9	0.8	1.0	 Indonesia	5.1	4.8	5.0
 Italy	0.5	0.4	0.6	 Mexico	0.6	1.3	1.7
 Spain	2.8	2.1	1.7	 Russia	1.0	0.6	0.8
● Japan	1.2	0.9	0.9	 Saudi Arabia	4.5	4.0	▼ 3.6
 Korea	0.9	▼ 1.7	2.1	 South Africa	1.1	1.2	1.7
 United Kingdom	1.3	▼ 0.7	1.3	 Türkiye	3.6	3.3	3.8
 United States	2.1	▲ 2.0	1.7				

Note: Revisions relative to the latest estimates from the December 2025 Economic Outlook. India projections are based on fiscal years, starting in April. The European Union is a full member of the G20, but the G20 aggregate only includes countries that are also members in their own right. Spain is a permanent invitee to the G20. World and G20 aggregates use moving nominal GDP weights at purchasing power parities.

Source: OECD Interim Economic Outlook 119 databases; and OECD Economic Outlook 118 database.

Inflation projections

G20 economies

%

▲ upward revision, by 0.3pp or more

▼ downward revision, by 0.3pp or more

	2025		2026	2027		2025		2026	2027
 G20	3.4	▲	4.0	2.7					
 Australia	2.8	▲	4.1	2.5	 Argentina	41.9	▲	31.3	▲ 14.1
 Canada	2.1		2.4	2.0	 Brazil	5.0		4.1	3.8
€ Euro area	2.1	▲	2.6	2.1	 China	-0.1	▲	1.3	▲ 1.1
 Germany	2.3	▲	2.9	2.6	 India	2.0	▲	5.1	4.1
 France	0.9	▲	1.8	1.5	 Indonesia	1.9		3.4	▼ 2.6
 Italy	1.6	▲	2.4	1.8	 Mexico	3.8	▲	3.8	▲ 3.2
 Spain	2.7	▲	3.0	▲ 2.2	 Russia	8.7	▲	6.4	4.5
● Japan	3.2		2.4	1.9	 Saudi Arabia	2.0		1.9	2.2
 Korea	2.1	▲	2.7	2.0	 South Africa	3.2	▲	3.9	3.3
 United Kingdom	3.4	▲	4.0	▲ 2.6	 Türkiye	34.9	▲	26.7	▲ 16.9
 United States	2.6	▲	4.2	▼ 1.6					

Note: Table shows personal consumption expenditure price index for the United States, harmonized index of consumer prices for the euro area and its member states and the United Kingdom, and national consumer price index for all other countries. India projections are based on fiscal years, starting in April. Spain is a permanent invitee to the G20.

Source: OECD Interim Economic Outlook 119 database; and OECD calculations.

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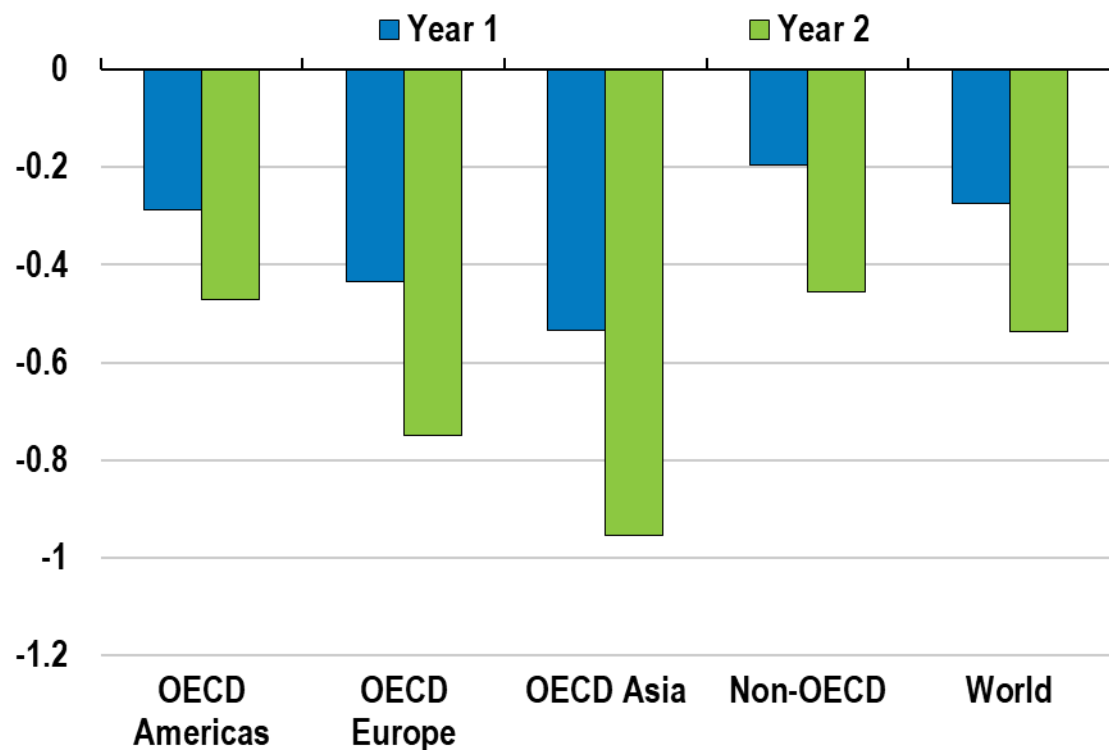
Risks

A further spike in energy prices would hit growth and inflation significantly

Impact of a higher than expected oil price increase

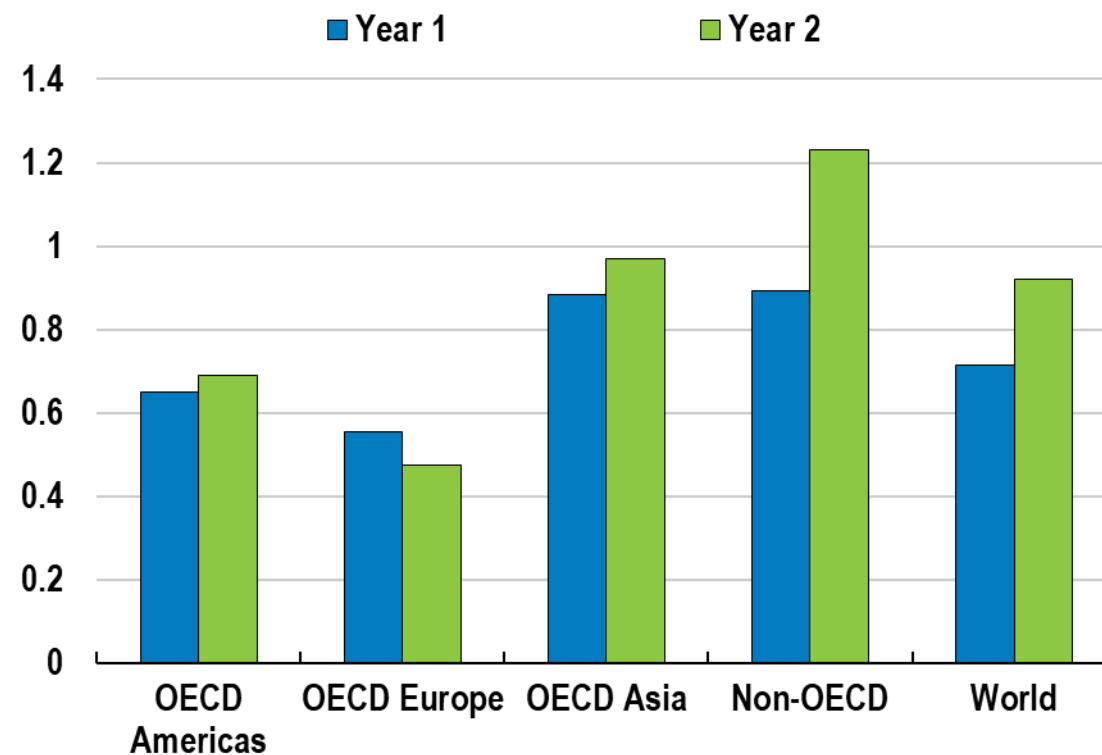
Real GDP

% change from baseline



Level of consumer prices

% change from baseline



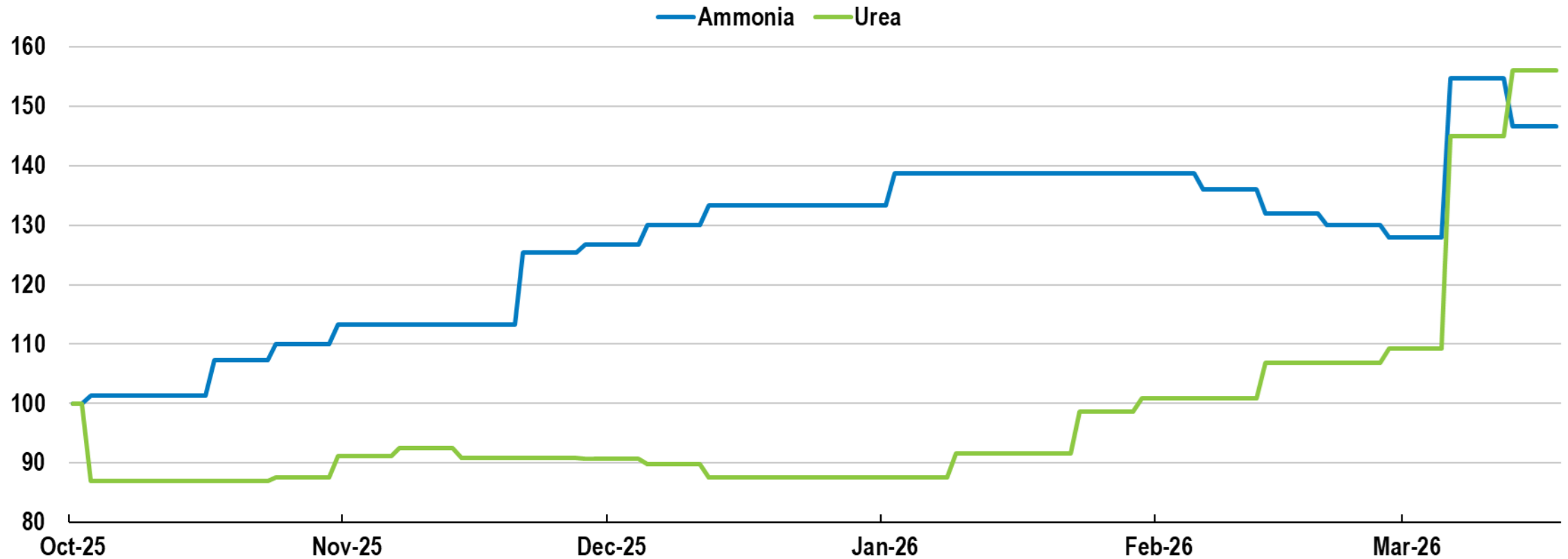
Note: The scenario assumes a shock in which oil prices rise to USD 135 in 2026 Q2 and TTF prices to EUR 77/MWh, before gradually declining while remaining above baseline levels. It further incorporates a temporary increase in investment risk premia of 50 basis points over 2026 Q2-Q4, which fade gradually thereafter.

Source: OECD calculations using the NiGEM macroeconomic model.

Higher fertiliser prices risk pushing up future food prices further

Prices of fertilisers

Spot prices, 30 September 2025 = 100



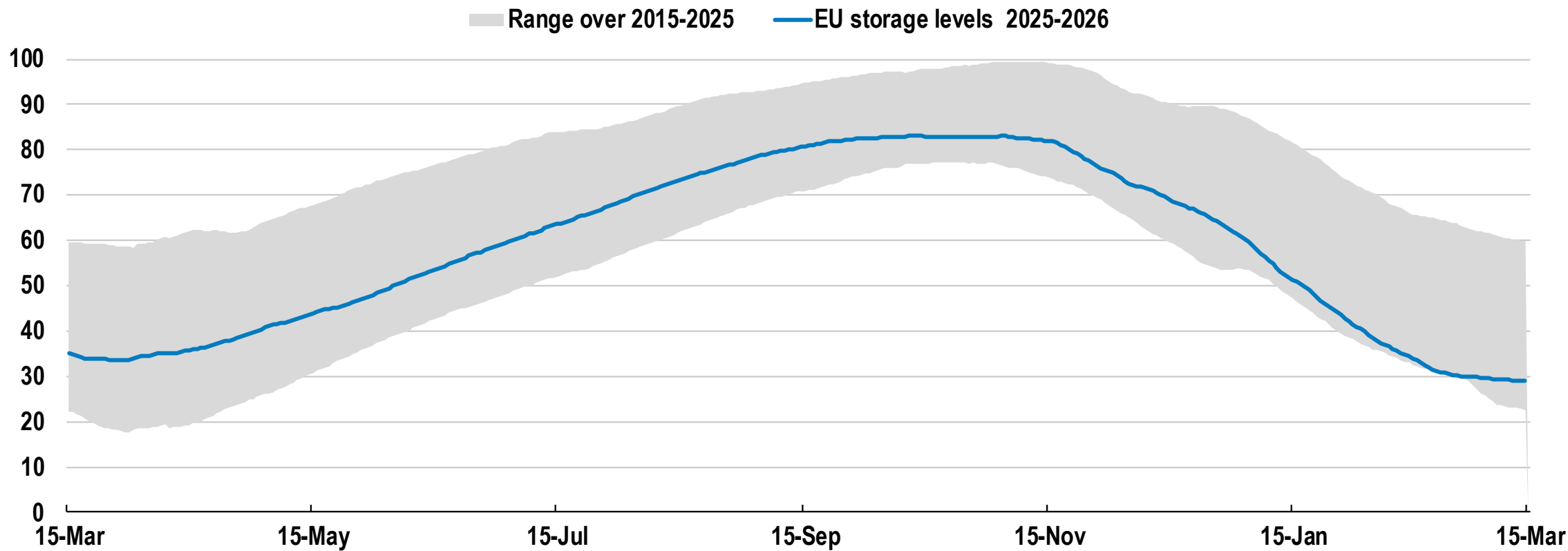
Note: Prices based on values corresponding to USD per metric tonne.

Source: Bloomberg and OECD calculations.

Europe's gas replenishing cycle risks being expensive

EU gas reserves replenishing cycle

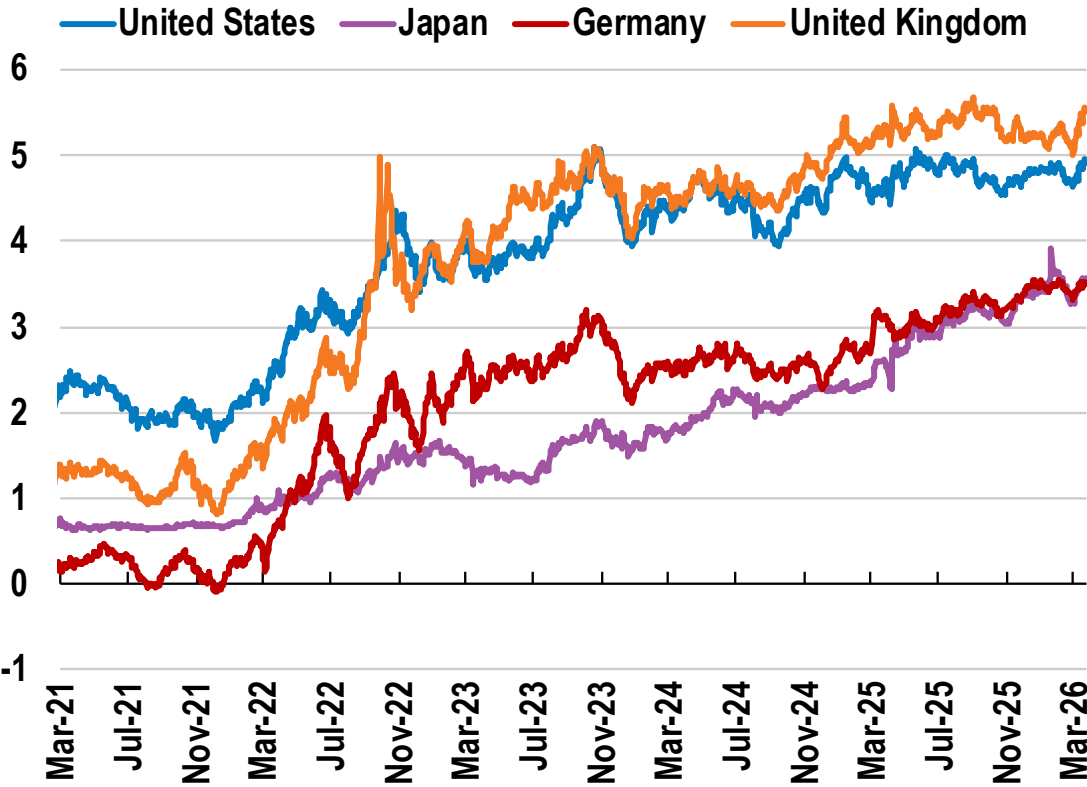
% full storage



Rising long-term sovereign yields increase fiscal risks and financial markets are volatile

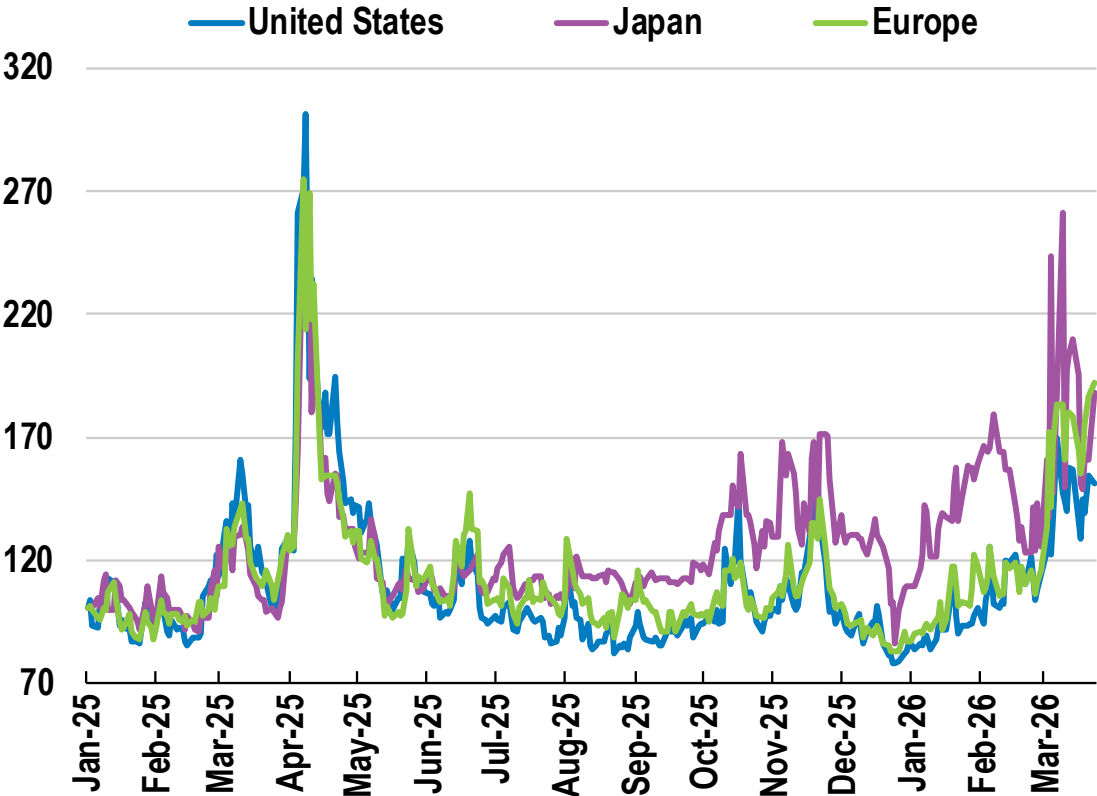
30-year sovereign bond yields

%



Equity volatility index

January 2025 = 100



Note: Latest observation 23 March 2026.

Source: LSEG; OECD calculations.

Note: The implied volatility as measured by the VIX index can be interpreted as the market expectation of risk (future volatility). Nikkei Stock Average Volatility index for Japan, the VSTOXX Volatility Index for Europe and the VIX for the United States. Data are as of 23 March 2026.
Source: LSEG, Cboe Global markets, and OECD calculations.

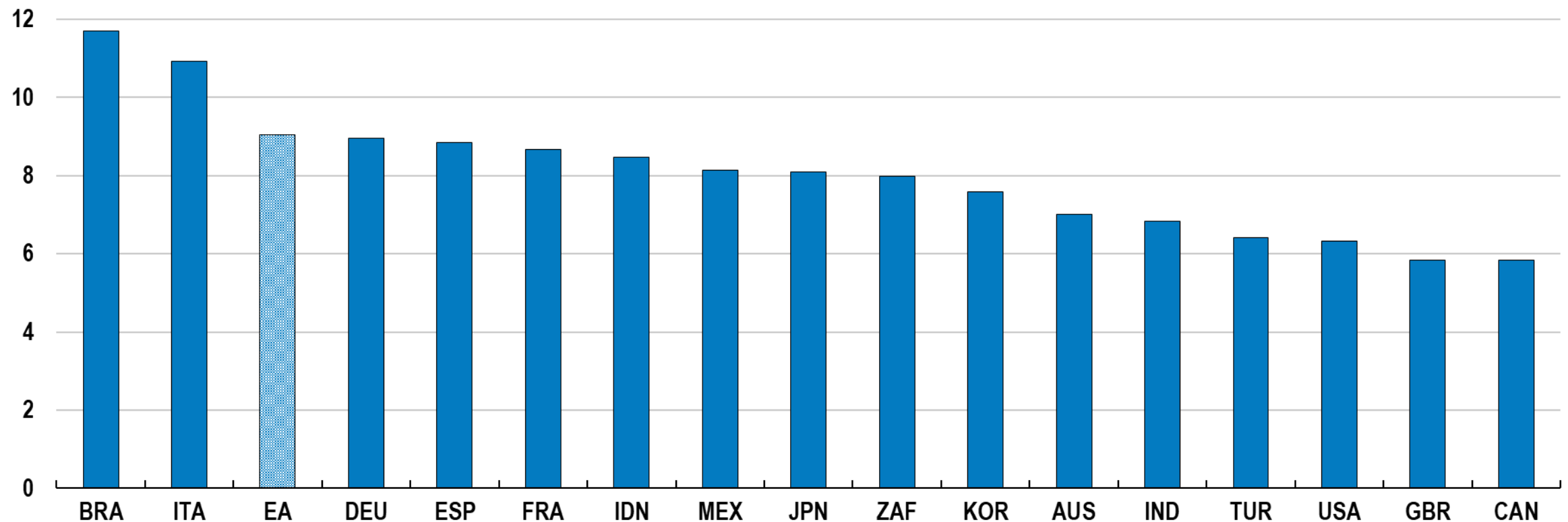
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Policies

Measures to cushion economic impact of the energy price shock should be targeted and temporary, and maintain incentives for energy savings

Share of energy expenditure in consumer basket

%, latest available



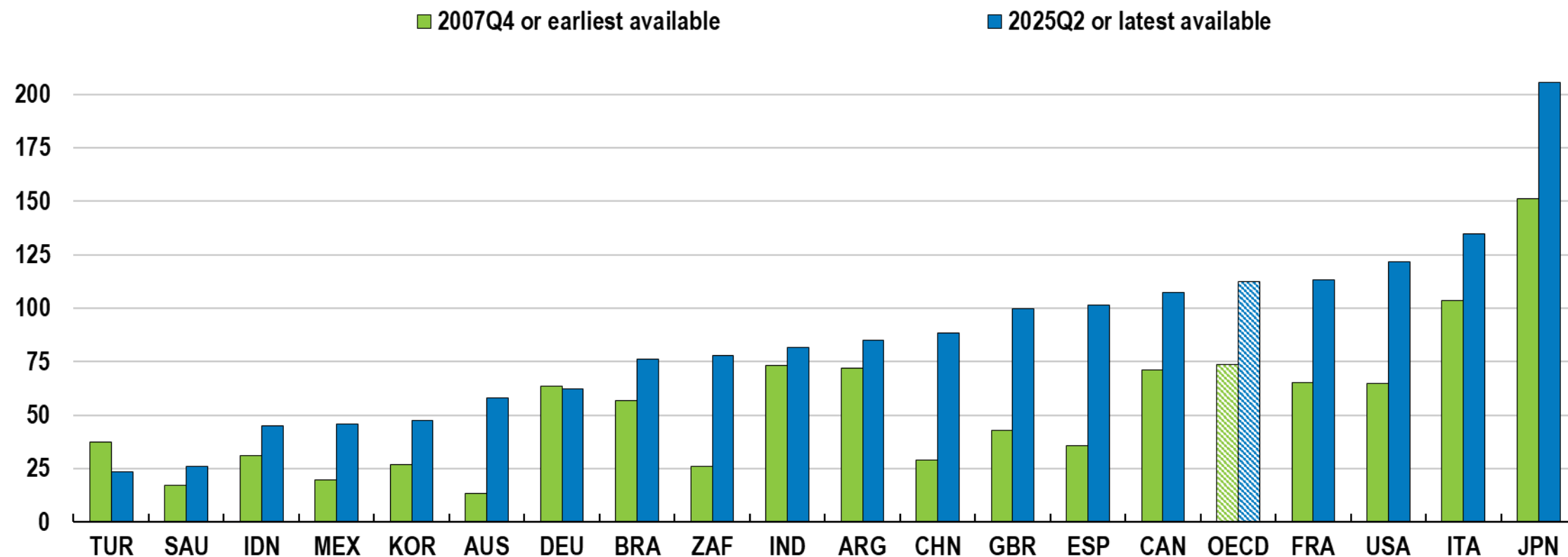
Note: Data are based on weights used for national consumer prices indices (harmonised index of consumer prices for countries in the euro area) and generally include fuels for transport equipment as well as electricity, natural gas and other fuels.

Source: OECD Consumer Price database; CEIC; Eurostat; Instituto Brasileiro de Geografia e Estatística; India, Ministry of Statistics and Program Implementation; United Kingdom, ONS; Reserve Bank of Australia; Statistics Canada; Statistics of Japan; Statistics Korea; Turkish Statistical Institute; US Bureau of Labor Statistics; and OECD calculations.

Stronger efforts are needed to safeguard the sustainability of the public finances

Government debt

% of GDP



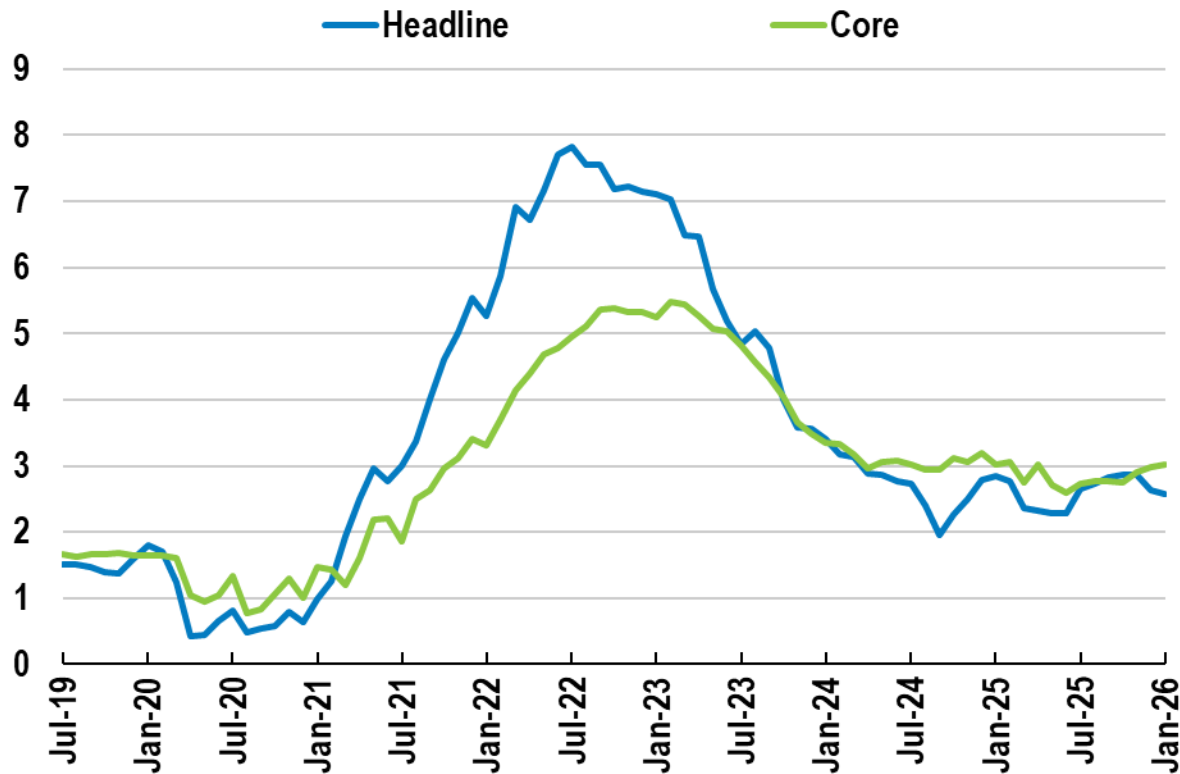
Note: Latest available is 2024Q4 for TUR, SAU, MEX, KOR, AUS, DEU, BRA, ZAF, ARG, CHN, GBR, ESP, OECD, ITA, JPN; 2023Q4 for IDN; 2024Q1 for IND; 2025Q2 otherwise. BIS Credit to General government series is used for MEX, ZAF, ARG, CHN. Debt based on the Maastricht criterion is used for European countries.

Source: BIS, OECD Interim Economic Outlook 119 database and OECD calculations.

Monetary policy should remain vigilant

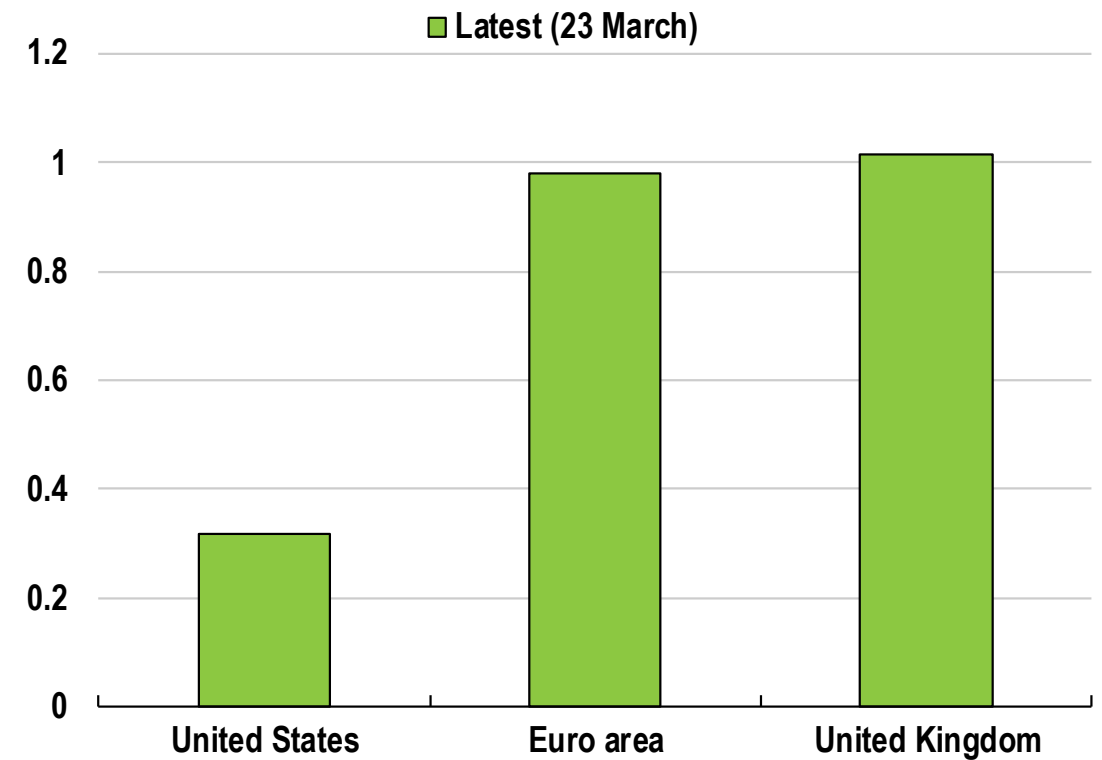
G20 median inflation

%, year-on-year



Market based 2-year inflation expectations

Increase since 27 February, percentage points



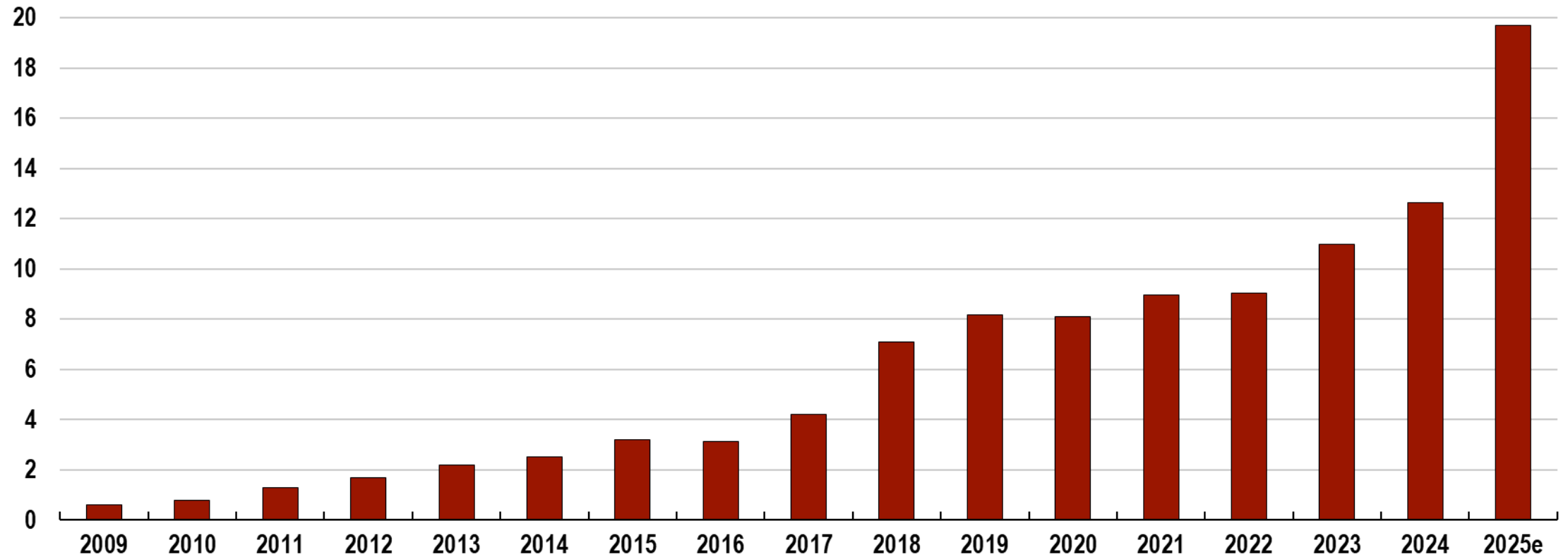
Note: For the left panel, G20 sample includes Australia, Canada, Germany, Spain, France, the United Kingdom, India, Italy, Japan, Korea, Mexico, Türkiye, the United States, and South Africa. The personal consumption expenditures deflator is used for the United States, the harmonised index of consumer prices for the above-mentioned euro area member countries and the United Kingdom, and the the national price index for all other countries. For the right panel, series shown are the 2-year inflation-linked swap mid-rate, a market-based measure of inflation compensation over the next two years, derived from inflation swap prices of the US dollar for the United States, euro for the euro area and pound sterling for the United Kingdom.

Source: OECD Short-Term Indicators database; LSEG, and OECD calculations.

Further trade restrictions would weigh on growth

Import-restrictive measures on goods introduced since 2009

% of world imports



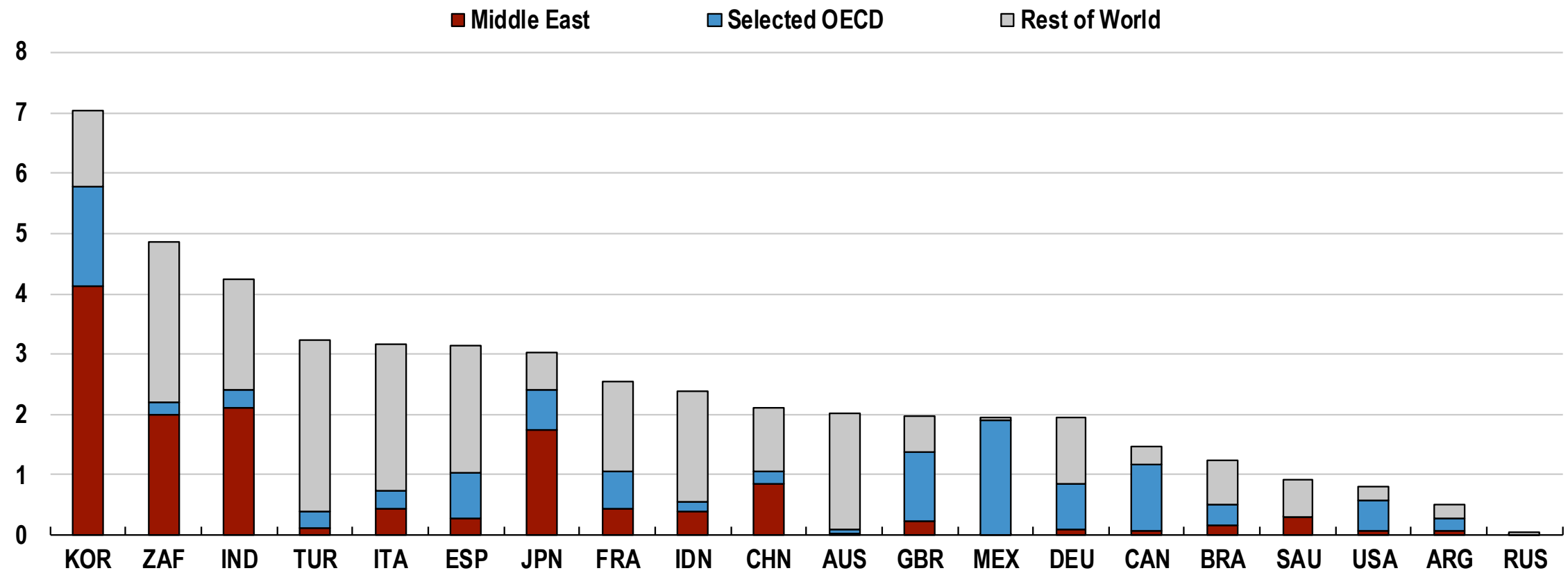
Note: The chart denotes the cumulative trade coverage of import restrictions on goods, i.e., the stockpile of import restrictions, since 2009 that remain in force. The stockpile's trade coverage refers to the estimated value of trade affected by these measures, reflecting the cumulative effect of actions taken since 2009. Trade estimates are provisional and subject to changes based on the continuous updates to UN Comtrade data. 2025e is estimate based on trade measures recorded up to 15 October 2025.

Source: WTO Overview of Developments in the International Trading Environment 2025.

Reducing reliance on fossil fuel imports would lower exposure to geopolitical risks

Oil and gas imports

% of GDP, 2024



Testing resilience

- A major disruption to energy markets has hit as the global economy was set to strengthen.
- Central banks need to remain vigilant and ensure expectations are well-anchored.
- Stronger efforts are needed to safeguard the sustainability of public finances.
- Any measures to cushion the economic consequences of the energy price shock will need to be targeted and temporary and take into account limited fiscal space.
- Improving energy efficiency and reducing dependency on fossil fuel imports can lower exposure to future supply shocks.
- Lowering trade barriers would boost output and lower inflation.

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