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United States and Global Macroeconomic Projections from 2024 to 2034

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United States and Global Macroeconomic Projections from 2024 to 2034

Wendy Zeng, William Johnson, and Lorin Rudin-Rush

Abstract

The U.S. Department of Agriculture (USDA), Economic Research Service (ERS) International Macroeconomic Data Set provides historical and 10-year projected macroeconomic variables for 181 countries, as well as regional and income groupings, which account for around 99 percent of the world economy, measured in Gross Domestic Product (GDP). The main macroeconomic variables include the real Gross Domestic Product (real GDP), Consumer Price Index (CPI), exchange rates, and population. These indicators are the benchmark for the 2024 annual USDA Baseline agricultural supply and demand projections, providing a 10-year outlook on U.S. and global agricultural variables. These projections also relay information on the overall health of international economies in the near future to the USDA and its stakeholders, which include a variety of policymakers and market participants. These projections were based on available data and expectations as of August 2024, and were published in November 2024. This report details the macroeconomic projections from 2024 to 2034. To help users interpret the projection numbers, this report also provides the state of the global economy and an analysis of the influence of events over 2024 in various regions and countries. This report provides the documentation for the fundamental macroeconomic assumptions and analysis to support the 2024 edition of the USDA's Baseline analysis (USDA, 2025). This report does not account for changes in the macroeconomic assumptions and analysis since August 2024.

Keywords: macroeconomics, forecasts, Gross Domestic Product, inflation, Consumer Price Index

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Overview

The USDA United States and Global Macroeconomic Projections from 2024 to 2034 predict slow but steady growth to 2034. The macroeconomic assumptions and analysis presented in this report form the basis for USDA's Agricultural Projections to 2034 (USDA, 2025). The aim of this report is to expand further on the economic trends in the USDA's Macroeconomic Data Set, released in 2024, that affect the trajectory of U.S. and global production and trade of the main agricultural commodities to 2034.¹ The data used in this report are compiled from U.S. Government and international agency projections, USDA, Economic Research Service (ERS) regional and country experts, and private forecast services. The macroeconomic projections were completed using data available as of August 2024 based on expectations at that time and does not account for changes in the macroeconomic assumptions and analysis since August 2024.

Based on the economic environment in 2024, the USDA Baseline projects a resilient global economy as influential high- and middle-income economies avoided recessions despite economic stressors. The inflationary surge that began in 2022 has started cooling, leading central banks in high-income countries to ease monetary policy, although monetary authorities in developing countries have taken a more cautious approach (IMF, 2024b).

Challenges to future growth include supply chain disruptions and persistently high prices in some sectors of the global economy. Projections grounded in 2024 economic assumptions indicate growth is projected to continue in the face of wage growth and overall strong demand.

Methodology for the International Macroeconomic Data Set

The International Macroeconomic Data Set provides annual economic indicators for 181 countries, which account for about 99 percent of the world's Gross Domestic Product (GDP). The data set includes both historical and 10-year projected data for population, GDP, GDP per capita, Consumer Price Index (CPI), and exchange rates. Macroeconomic variables are presented for individual countries, the European Union (EU), and various other regional and economic aggregations such as by income level. Data are in constant terms based on 2017 U.S. dollars.

The projections are calculated based on data compiled annually in August from multiple private forecast subscription services, U.S. Government published data, international agencies' projections, and the USDA, ERS regional and country experts. A comprehensive list of sources is available on the documentation section of the USDA, ERS international macroeconomic data webpage.

The USDA, ERS draws upon forecasts prepared by other U.S. Government agencies and forecasts informed by proprietary data sources. The first 3–4 annual data points of the projections are adjusted based on USDA country analysts' knowledge of the current situation in each country. Macroeconomic analysts define a smooth transition to the long-run growth rate for the final 4 years of the projections.

¹ The Office of Management and Budget (OMB) requires 10-year projections because it provides a long-term perspective for budget planning and policy decisions. These projections help assess the fiscal impact of current policies and identify potential future challenges. They are used as a benchmark to evaluate proposed legislation and ensure budget enforcement procedures are followed.

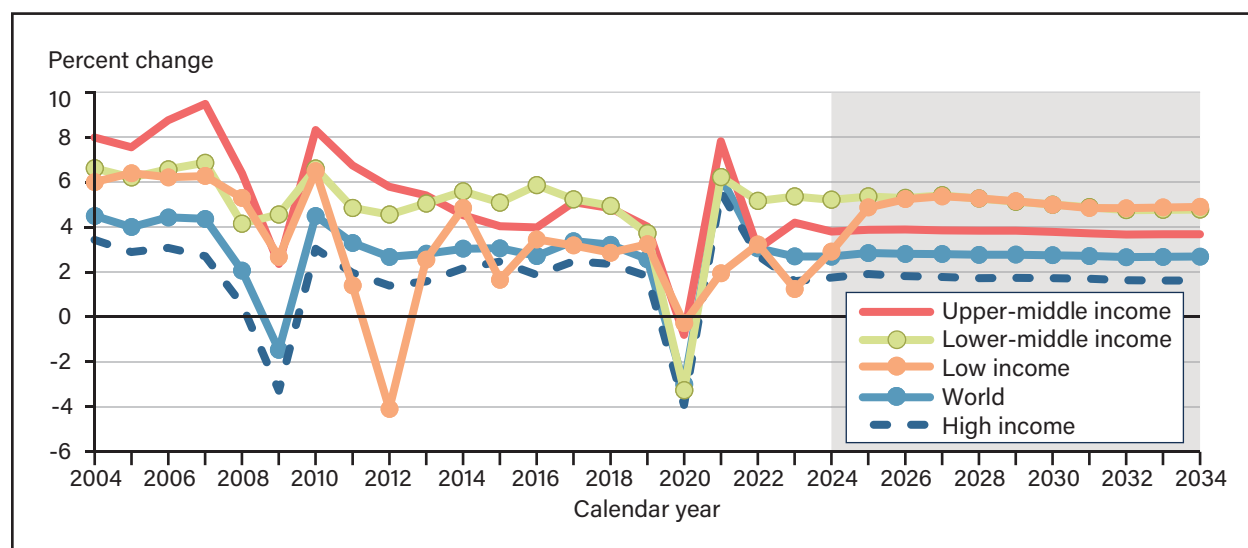
Major Economic Trends and Current Events

Stability in Global Gross Domestic Product Growth

Based on data from August 2024, global growth is projected to slowly and steadily increase over the coming decade. Factors with the potential to negatively affect growth include setbacks in global supply chains and upward pressure on certain commodity prices. Factors that have helped stabilize growth and could positively affect growth include continued disinflation, growth in trade, and growth in consumer demand. The global Gross Domestic Product (GDP) growth projections reported for 2025 show only small or negligible differences compared to the projections reported the previous year (Zeng et al., 2024). Based on the August 2024 macroeconomic assumptions, growth is projected at 2.8 percent in 2025 and 2026. Over the decade from 2025–34, global growth is projected to average 2.7 percent, the same as the previous decade’s average growth rate. The projected annual average growth over the next 10 years of global per capita real GDP is 1.9 percent.²

Figure 1

Annual real Gross Domestic Product growth by global region, 2004–34



Note: The shaded region represents projected period.

Source: USDA, Economic Service based on World Bank World Development Indicators, S&P Global, Oxford Economics Forecasting, as well as estimated and projected values, all converted to a 2017 base year.

Global Disinflation

Progress on global disinflation continues based on the August 2024 macroeconomic data and assumptions, despite persistent inflation in the service sector (IMF, 2024a; Kemp, 2024). Nominal wages continue growing faster than price inflation, signaling that upward pressures on overall inflation rates will continue. Central banks in high-income economies started easing their monetary policy response to inflation to reduce constraints on economic growth (Rovnick et al., 2024). Central banks in lower-income countries tend to be more cautious in lowering interest rates out of concern for depreciation against the U.S. dollar and risks from interest rate differentials (IMF, 2024b). Over the next decade, global average annual CPI growth is projected at 4.0 percent, reflecting a higher long-term average compared to rates before the Coronavirus (COVID-19) pandemic (2014–19).

² Note that these long-term projections (i.e., projections to 2034), for GDP as well as each of the other macroeconomic variables, should be understood as projections of the economy’s steady state. Year-by-year fluctuations around this steady state are left unanalyzed (beyond any developments that were already underway in August 2024) since there is nothing in our methodology that would be able to predict them.

Supply Chains and International Trade Routes

Regional conflicts and weather events have combined to disrupt global trade routes away from major canals, posing risks to trade and global growth in the near term and potentially the long term. As an example of a weather-induced disruption, in the Panama Canal, drought conditions throughout 2023 have reduced water levels in the reservoirs used to feed the canal system (Arslanalp et al., 2023). This impeded the canal's ability to handle large volumes of traffic, increasing the cost of shipping through the canal. The regions most adversely affected by this particular disruption are those with nearby ports on the Pacific coast of the Americas, the Caribbean, and East Asia.

In the Middle East, escalating conflicts are affecting the Suez Canal. The increased risk of attack has diverted trade from the Red Sea shipping lane (Karnali et al., 2024). The regions most affected by this disruption are those with nearby ports in the Middle East, Europe, Asia, and Africa. These ongoing events have increased the use of trade routes around the Cape of Good Hope. Trade in nonperishable goods such as dry grains and liquefied natural gas are less affected by the longer route. However, uncertainty surrounding these conflicts could still drive shipping costs higher, increase prices, and hinder efforts to lower inflation in the near term, potentially affecting inflation and economic growth in the long term (Beattie, 2024; Murray et al., 2024).

Food, Energy, and Commodity Prices

Food prices in the United States are projected to rise by 2.0 percent in 2025, slightly down from 2.2 percent in 2024, mostly due to increases in the cost of food away from home relative to food at home (Sweitzer, 2024). The increases in food-at-home prices are mainly in meat, poultry, fish, and eggs. Forecasted increases may reflect uncertainty about the effect of a bird flu outbreak in cattle, which could disrupt dairy, poultry, and egg supplies, hindering efforts to reduce food price inflation (Douglas & Polansek, 2024).

The global outlook for food prices for 2025 is uncertain. Food prices in the Eurozone have increased by 1.6 percent year over year in June 2024. This is down from 12.5 percent year over year in June 2023 (Eurostat, 2024). Globally, food prices in June 2024 have decreased by about 4 percent year over year. This is a lower rate compared to the previous year (20 percent decrease) in June 2023 (IMF, 2023). These trends could indicate short-term stability for global food prices and reduced risk of inflation in food commodities.

The August 2024 data project electricity prices in the United States to rise by 1 percent in 2025 due to lower natural gas prices (U.S. Energy Information Administration, 2024), the lowest increase since 2020. Crude oil prices are projected to decrease slightly to under \$75 per barrel in 2025, according to the Congressional Budget Office's (CBO) Energy Information Administration (EIA) refiner acquisition cost. These price decreases are projected to continue through 2028 before beginning an upward rise projected through 2034 (CBO, 2024). The escalating conflicts in the Middle East have contributed to increases in oil prices, although these increases are relatively mild compared to historical standards (Domonoske, 2024). U.S. crude oil and natural gas production is projected to continue increasing through the end of the decade, driven by demand for U.S. exports (U.S. Energy Information Administration, 2023). Increased foreign demand for natural gas could increase costs for domestic fertilizer producers. Higher input costs and low commodity prices would increase costs and lower revenue for U.S. agricultural producers.

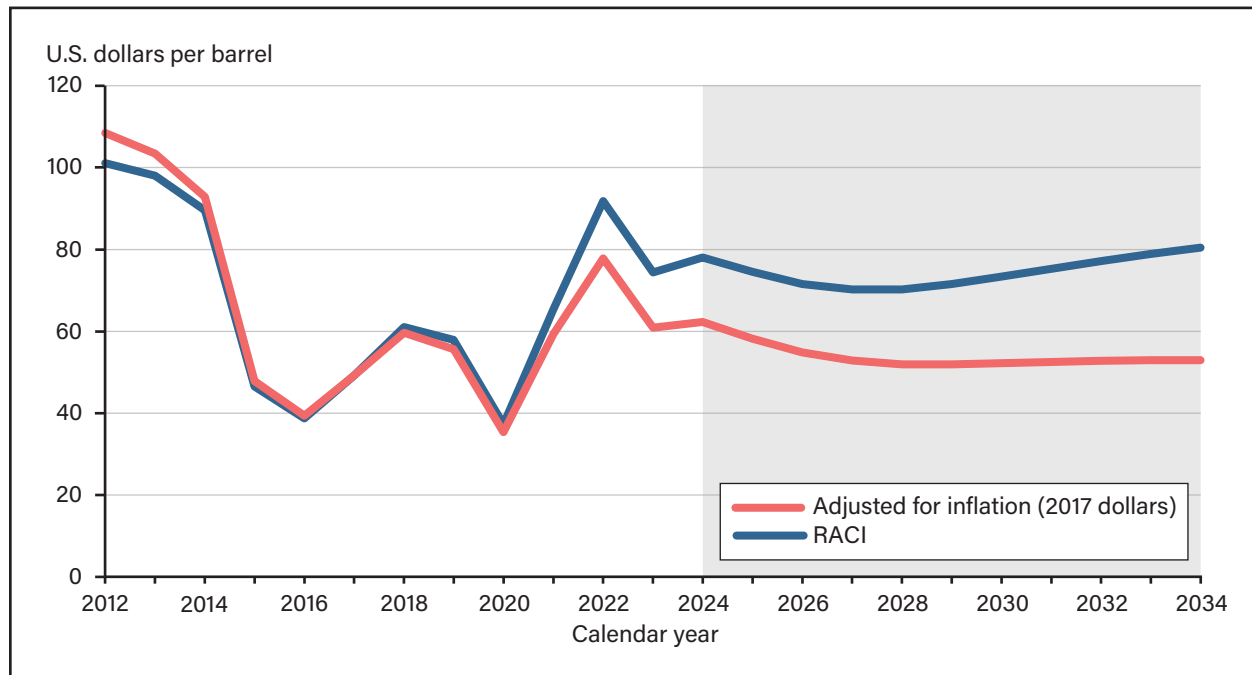
According to the U.S. EIA, the Organization of the Petroleum Exporting Countries (OPEC) and OPEC+³ countries are projected to continue reducing production through 2025. This is not projected to increase the price of crude oil even as consumption is projected to increase to 1.6 million barrels a day globally in 2025 compared to 1.1 million in 2024. The reduction in global demand for oil is primarily due to

³ OPEC countries include Algeria, Congo, Equatorial Guinea, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Saudi Arabia, United Arab Emirates, and Venezuela. OPEC+ countries include Azerbaijan, Bahrain, Brunei, Brazil, Kazakhstan, Malaysia, Mexico, Oman, Russia, South Sudan, and Sudan.

projected reductions in Chinese consumption, while the reduced supply from OPEC+ nations is likely to be offset by increased supply from Brazil, Canada, Guyana, and the United States (U.S. Energy Information Administration, 2024).

Figure 2

Crude oil price: Refiner's acquisition cost of imports, 2012–34



RACI = refiner's acquisition cost of imports.

Note: The shaded region represents the projected period.

Source: USDA, Economic Research Service (ERS) using International Financial Statistics of the International Monetary Fund, IHS Global Insight, Oxford Economics Forecasting, as well as estimated and projected values developed by USDA, ERS.

Regional Projections

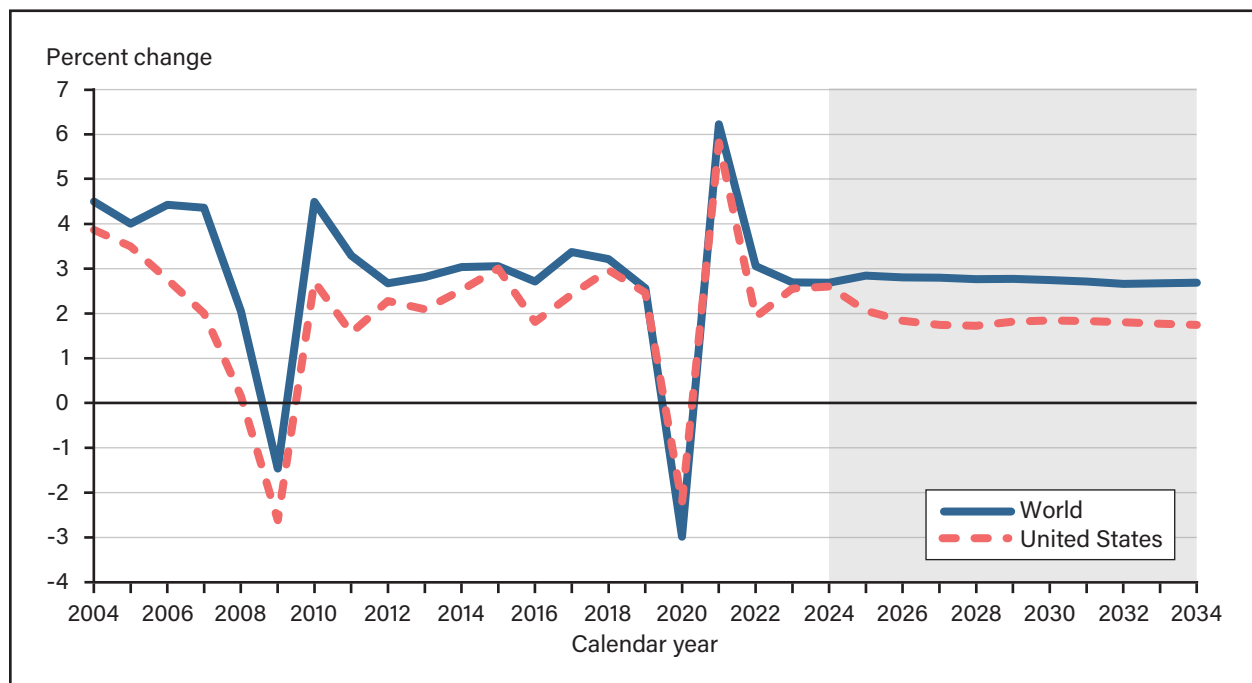
Gross Domestic Product Projections

United States

The United States faced challenges in the past few years due to high inflation, central bank tightening, supply chain issues, and the spillover effects of the war in Ukraine (Zeng et al., 2024) but avoided a recession in 2024. Based on data from August 2024, the United States economy is projected to continue to grow slowly but steadily over the coming decade. Gross Domestic Product (GDP) growth is projected at 2.1 percent in 2025 and 1.8 percent in 2026. Over the next decade, growth is projected to average 1.8 percent annually, a decrease compared to the previous decade annual average of 2.3 percent.

The United States experienced a sharp slowdown in job growth as the unemployment rate jumped to 4.3 percent in July 2024 compared to its five-decade low of 3.4 percent in April 2023 (Mutikani, 2024). Aggregate demand is projected by the International Monetary Fund (IMF) to slow in the future, reducing potential growth, but will be sustained by a robust labor market and growth in real wages (IMF, 2024b).

Figure 3
Annual U.S. and world real Gross Domestic Product growth, 2004–34



Note: The shaded region represents the projected period.

Source: USDA, Economic Research Service (ERS) based on World Bank World Development Indicators, S&P Global, Oxford Economics Forecasting, as well as estimated and projected values developed by USDA, ERS all converted to a 2017 base year.

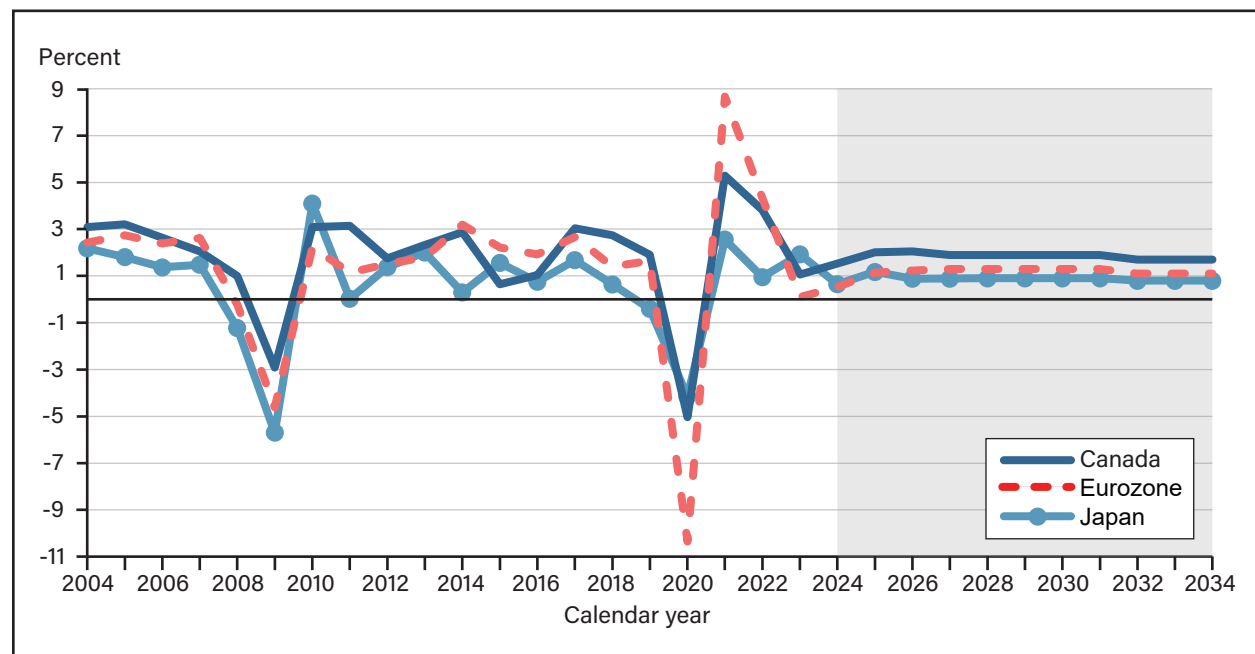
High-Income Economies

High-income economies⁴ (excluding the United States) are also projected to recover steadily, but growth is anticipated to remain slow over the next decade. GDP growth is projected to increase to a projected average of 1.8 percent in both 2025 and 2026 before settling at 1.7 percent toward the end of the decade, a slight increase compared to 1.6 percent growth in the previous decade.

In the European Union (EU-27), GDP growth is projected to nearly double from 0.9 percent in 2024 to 1.7 percent in both 2025 and 2026. However, growth over the next decade is unchanged from the previous decade's 1.6 percent annual average.

⁴ The World Bank Country Classification provides a detailed description of the countries included in each income categorization (World Bank, 2023).

Figure 4

Annual Japan, Eurozone, and Canada real Gross Domestic Product growth, 2004–34

Note: The shaded region represents the projected period. Eurozone refers to the currency union of the 20 member states of the European Union that use the euro as their primary currency.

Source: USDA, Economic Research Service (ERS) based on World Bank World Development Indicators, S&P Global, Oxford Economics Forecasting, as well as estimated and projected values developed by USDA, ERS all converted to a 2017 base year.

The United Kingdom remains the sixth-largest economy in the world, and Europe remains its largest trading partner. The UK GDP growth rate is projected to more than double in 2025 at 1.1 percent and increase slightly to 1.2 percent in 2026, with growth in the next decade being roughly on par with the previous decade's growth average of 1.3 percent. While Brexit continues to affect exports, domestic and external demand is projected to increase over the next few years and support growth (Williams, 2024).

In Canada, GDP growth is projected to increase to 2.0 percent in 2025 and 2026. Over the next decade, growth is projected at 1.9 percent annual average compared to 1.6 percent over the previous decade. Canada's growth prospects are assisted by a strong U.S. economy as its biggest trading partner and being closely integrated with the U.S. economy. As one of the world's largest oil exporters, Canada's GDP growth is projected to benefit from strong demand in the energy commodity markets. Declining inflation will allow Canada's central bank to begin easing interest rates, which will further help reduce pressure on economic growth (U.S. Energy Information Administration, 2024).

Japan is projected to slowly return to standard monetary policy, as its central bank ended the period of negative interest rates in March 2024 (Kihara, 2024). The Japanese government is projected to increase defense spending and focus on supply chain resilience, which will deepen collaboration with the United States and allies in Europe and Asia (Yamaguchi, M., 2024; Yamaguchi, T., 2024). An aging population and softer consumer demand continue to constrain GDP growth. Japan's growth is projected to increase to 1.2 percent in 2025 before stabilizing to 0.9 percent growth in 2026. Over the next decade, Japan's growth is projected to remain stable at 0.9 percent average compared to 0.6 percent in the previous decade.

Middle- and Low-Income Economies

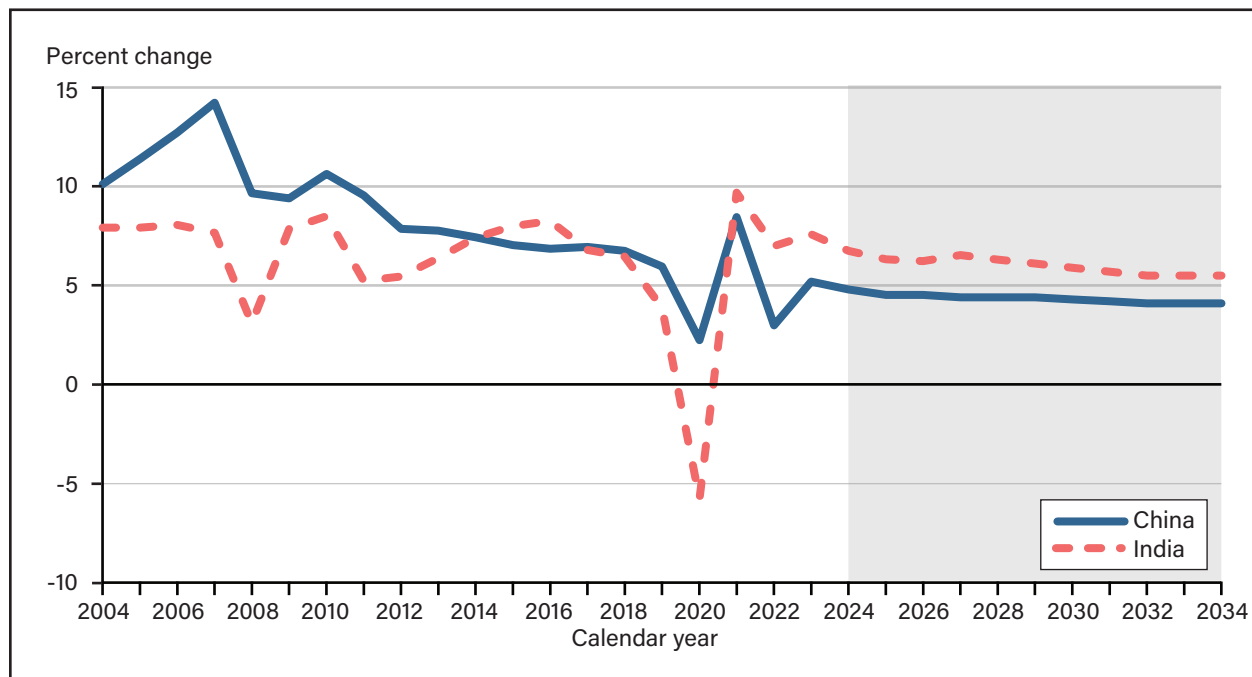
Real GDP growth in middle- and low-income economies is projected to continue to outpace the growth of high-income countries over the next 10 years. Specifically, upper-middle-income countries are projected at 3.9 percent growth in 2025 and continue in this range over the next decade with 3.8 percent annual growth compared to the 4.0 percent annual average growth of the previous decade. Lower-middle-income countries are projected to grow 5.4 percent in 2025 and begin declining to a 5.1 percent annual average for the next decade, a marked increase over the 4.4 average of the previous decade. Low-income countries are projected to grow 4.9 percent in 2025. This closely tracks lower-middle-income countries, growing on average 5.0 percent per year for the next decade compared to the previous 2.3 percent decade average growth.

Surpluses of grains and oilseeds could reduce food costs in middle- and low-income countries, but low prices of these commodities could also hinder growth in export-oriented countries in the short term. The rerouting of maritime trade could increase traffic to ports on the western coast of Africa and ports south of the Horn of Africa. Countries with ports on the Red Sea may experience increased friction in maritime trade due to the increased risk of attacks by the Houthis (Bacrot & Faure, 2024). This rerouting could increase growth in countries seeing higher port traffic, while reducing growth prospects for countries with ports close to the affected canals.

The economies of East Asia are projected to experience steady GDP growth in 2025 and 2026 of 3.6 percent, leading to a decade average of 3.4 percent, down from 4.1 percent growth in the previous decade. The decline is driven by low growth rates in Korea and Hong Kong, combined with lower projected growth in China. China's growth outlook for the next decade is 4.3 percent compared to the previous decade's 5.7 percent. Retaliatory tariffs from US trading partners commenced in 2018. As a result, Chinese imports to the United States have increased China's share of trade with non-U.S. partners; its share of World trade has not decreased as of August 2024 (Ahya, 2024).

South and Southeast Asian economies are projected to grow by 6.1 and 4.7 percent in 2025, respectively. Southeast Asian economies are projected to average 4.4 percent GDP growth over the next decade, up from 3.9 percent growth in the previous decade. South Asian economies are projected to average 5.8 percent growth in the next decade, up from 5.5 percent in the previous decade. Increased barriers to trade, such as export bans and retaliatory tariffs, could hamper growth in South Asia. The June 2024 elections in India left the ruling coalition with a smaller majority than projected, which could increase the influence of farmers on government policy. India's ban on certain types of rice exports created an opportunity for increased production and trade of agricultural commodities in the region (Tchaichareon & Sriring, 2023; Mogul, 2024; Savage & Jilani, 2024). Sudden leadership changes in Bangladesh have left the country with an interim government that hoped to hold elections before the end of 2025 (Reuters, 2024). Short-term economic disruption could lead to lower economic growth in 2025 and 2026, while long-term economic prospects could depend on the priorities of the next Bangladesh government (Parkin, 2024).

Figure 5

Annual China and India real Gross Domestic Product growth, 2004–34

Note: The shaded region represents the projected period. Eurozone refers to the currency union of the 20 member states of the European Union that use the euro as their primary currency.

Source: USDA, Economic Research Service (ERS) based on World Bank World Development Indicators, S&P Global, Oxford Economics Forecasting, as well as estimated and projected values developed by USDA, ERS all converted to a 2017 base year.

In Latin America, real GDP growth outside of Argentina and Brazil is projected to drive a growth rate of 2.7 percent in 2025 and 2.8 percent in 2026. In the next decade, Latin America is projected to grow by 3.0 percent, up from 0.9 percent in the previous decade. Guyana is projected to leverage its newfound mineral wealth and strength on the oil market to continue growing its GDP, but growth is projected to moderate by the early 2030s (Munoz-Cortijo & Arnal, 2024). Threats to growth for the region include the 2024 contested election in Venezuela, which increased the risk of regional conflict, and the resurgence of inflation in Argentina and Brazil (Janetsky, 2024).

Growth in the Other Caribbean and Central America⁵ economies is projected to remain steady for the next decade, averaging 2.8 percent GDP growth per year compared to 2.0 percent in the previous decade. The Dominican Republic and Panama are the major contributors to that growth, projected to average 4.0 percent and 3.2 percent in the next decade, respectively.

Sub-Saharan Africa is projected to grow by 3.9 percent in 2025 and 2026, with steady GDP growth hovering around 4.0 percent per year for the next decade compared to 2.2 percent in the previous decade. The Other West African Community,⁶ comprised of 14 West African countries, is a major driver of growth. The region is projected to grow an average of 5.4 percent per year for the next decade, up from 5.0 percent growth in the previous decade. Threats to growth in West Africa include high prices of grain due to reliance on imported rice from India and wheat from Ukraine and competing bans on grains and pulse exports within the region.

⁵ Countries in Other Caribbean and Central America include Antigua and Barbuda, Bahamas, Barbados, Belize, Costa Rica, Cuba, Dominica, Dominican Republic, El Salvador, Grenada, Guatemala, Haiti, Honduras, Jamaica, Nicaragua, Panama, Puerto Rico, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago.

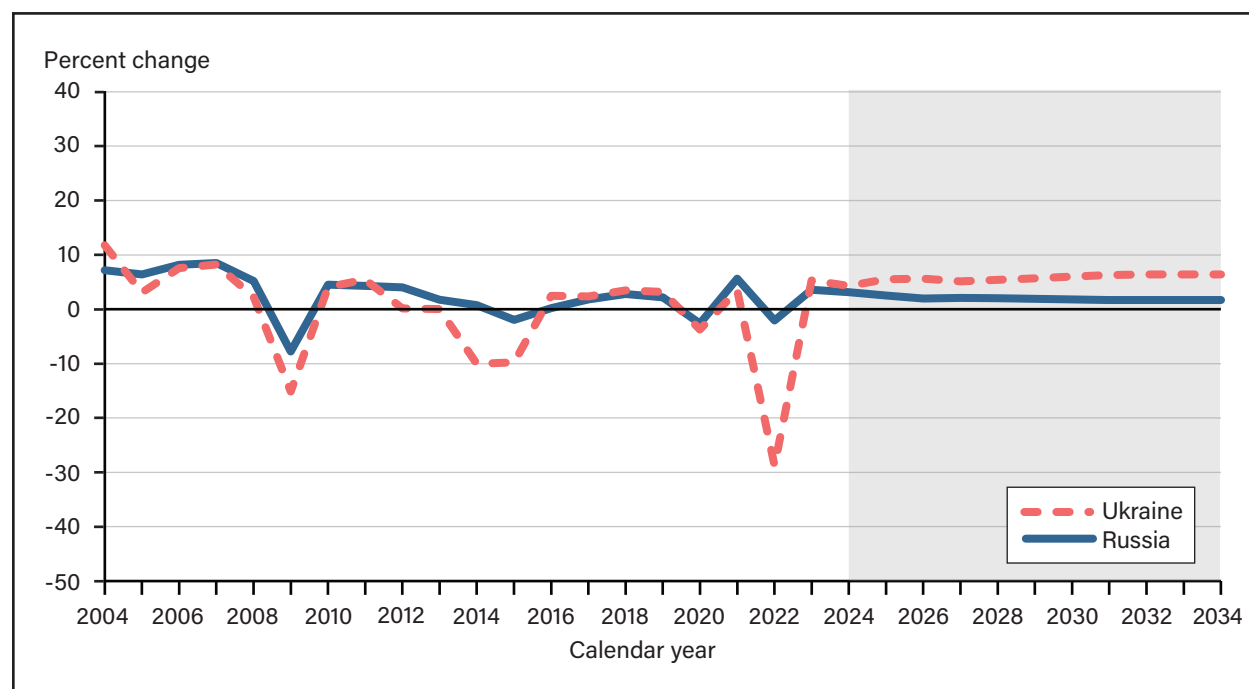
⁶ The members of the Other West African Community category include Benin, Burkina Faso, Cabo Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Senegal, Sierra Leone, and Togo.

Increased port traffic on the west coast of Africa, driven by trade disruptions in the Red Sea, could lead to higher than projected growth for the western part of Sub-Saharan Africa.

Countries in the Middle East and North Africa are projected to average 3.2 percent GDP growth per year for the next decade, an increase from 2.8 percent growth in the previous decade. OPEC+ members are cutting crude oil production to increase revenues for 2025. Failure to increase revenues could result in lower than projected growth for countries with mineral wealth. This scenario is more likely to occur if non-OPEC oil production keeps up with the demand for crude oil (U.S. Energy Information Administration, 2024). Additionally, prospects for growth could diminish by countries reliant on Red Sea ports as traffic favors alternate routes (Beattie, 2024; Bacrot & Faure, 2024).

Figure 6

Annual Russia and Ukraine real Gross Domestic Product growth, 2004–34



Note: The shaded region represents the projected period.

Source: USDA, Economic Research Service (ERS) based on World Bank World Development Indicators, S&P Global, Oxford Economics Forecasting, as well as estimated and projected values developed by USDA, ERS all converted to a 2017 base year.

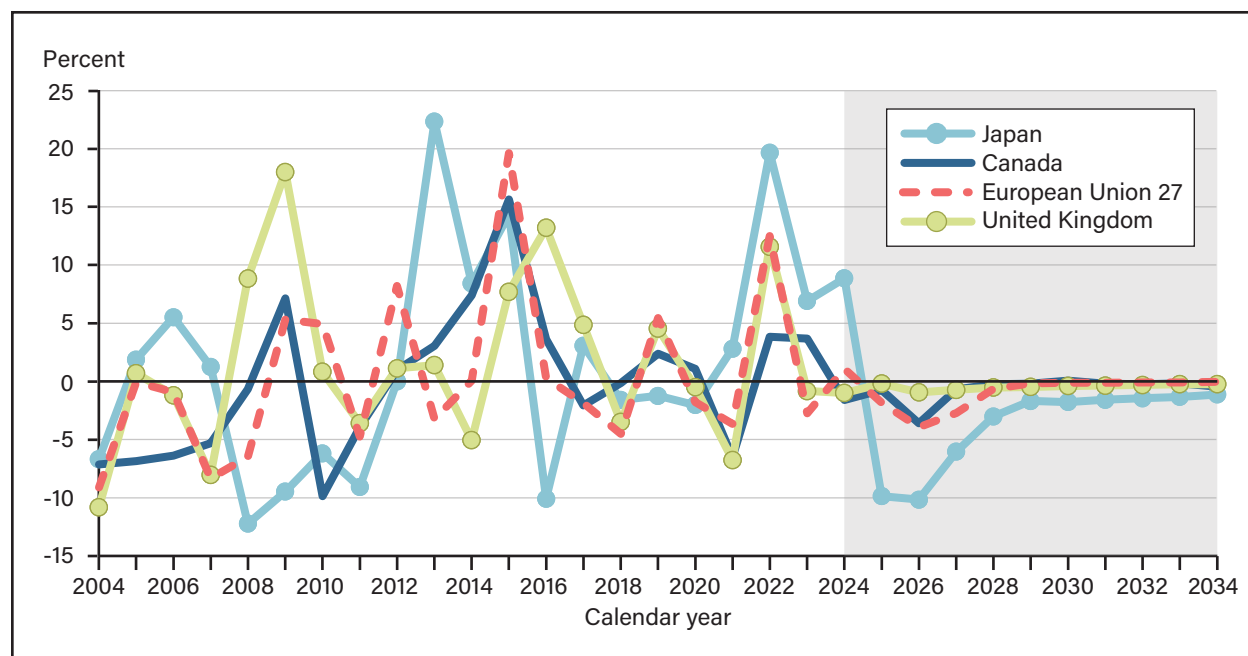
Figure 6 shows economic projections for GDP growth are higher in Ukraine than in Russia for the next decade. In 2026, Ukraine is projected to achieve 5.6 percent growth, while Russia's projected growth rate is 2.0 percent. Over the next decade, Ukraine is projected to reach 5.9 percent average annual growth as the economy continues to repair ongoing damages of the war that brought the previous decade's average annual growth to -1.8 percent. Russia's growth projections average 1.9 percent growth over the next decade, an increase over the previous decade's 1.3 percent growth. Long-term projections are uncertain in the midst of an active conflict, but there are some short-term factors that could impact growth. The 2024 incursion of the Kursk Oblast by Ukrainian forces is unlikely to directly affect the global wheat supply (Ulyabina & Rastogi, 2024). However, the lack of an agreement between the countries to protect grain shipments in the Black Sea could lead to disruptions in the world wheat supply. This could increase the cost of food in the Middle East and Africa, reducing the ability of affected countries to control inflation. However, these goods are resilient to trade disruptions, and a potential disruption may not have a large impact (Ulyabina & Rastogi, 2024). Finally, increased sanctions on Russian financial institutions could be a factor in the low projected growth rate (U.S. Treasury, 2024).

Exchange Rate Projections

The value of the U.S. dollar increased relative to most other currencies during 2024. This was likely due in part to the U.S. Federal Reserve maintaining higher interest rates than most other countries, as higher interest rates generate higher demand (and hence a higher valuation) for a country's currency. A higher value of the dollar benefits U.S. consumers due to lower costs of imported goods but hurts U.S. exports by making exports more expensive to purchase (Rennison et al., 2024). Based on the August 2024 data, these trends were projected to reverse from 2025 onward, due in part to the Federal Reserve potentially lowering interest rates in the long term (Nam, 2024), but the timing and magnitude of changes to interest rate policies are uncertain, and many other factors that can affect currency values creates significant uncertainty to the outlook.

Figure 7

Select high-income countries, annual percent change in nominal exchange rates with the United States, 2004–34

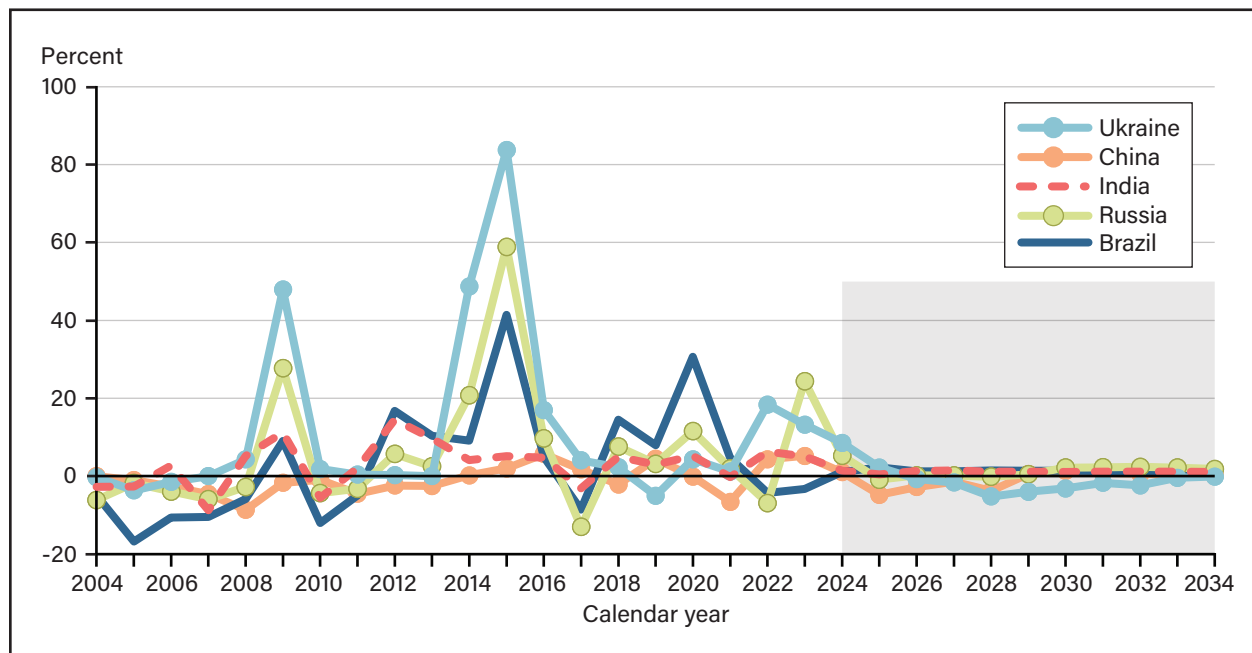


Note: The shaded region represents the projected period.

Source: USDA, Economic Research Service (ERS) based on World Bank World Development Indicators, S&P Global, Oxford Economics Forecasting, as well as estimated and projected values developed by USDA, ERS all converted to a 2017 base year.

Among high-income countries, Japan provided an example of currency depreciation relative to the dollar in 2024, with a projected reversal projected in 2025. The value of the Japanese yen relative to the U.S. dollar reached its lowest level in more than 30 years during 2024. In April 2024, the Finance Ministers of Japan, South Korea, and the United States held a trilateral meeting in Washington, DC, and released a press statement that acknowledged that Japan and Korea have “serious concerns” about the depreciation of the Japanese yen and the Korean won against the dollar (U.S. Treasury, 2024).

Figure 8

Select medium-income countries, annual percent change in nominal exchange rates with the United States, 2004–34

Note: The shaded region represents the projected period.

Source: USDA, Economic Research Service (ERS) based on World Bank World Development Indicators, S&P Global, Oxford Economics Forecasting, as well as estimated and projected values developed by USDA, ERS all converted to a 2017 base year.

The currencies of most low- and medium-income countries also depreciated relative to the dollar during 2024. This had a negative effect on emerging economies that have borrowed in U.S. dollars, as a higher value of the dollar relative to their currency makes paying back their debt more expensive (IMF, 2024b).

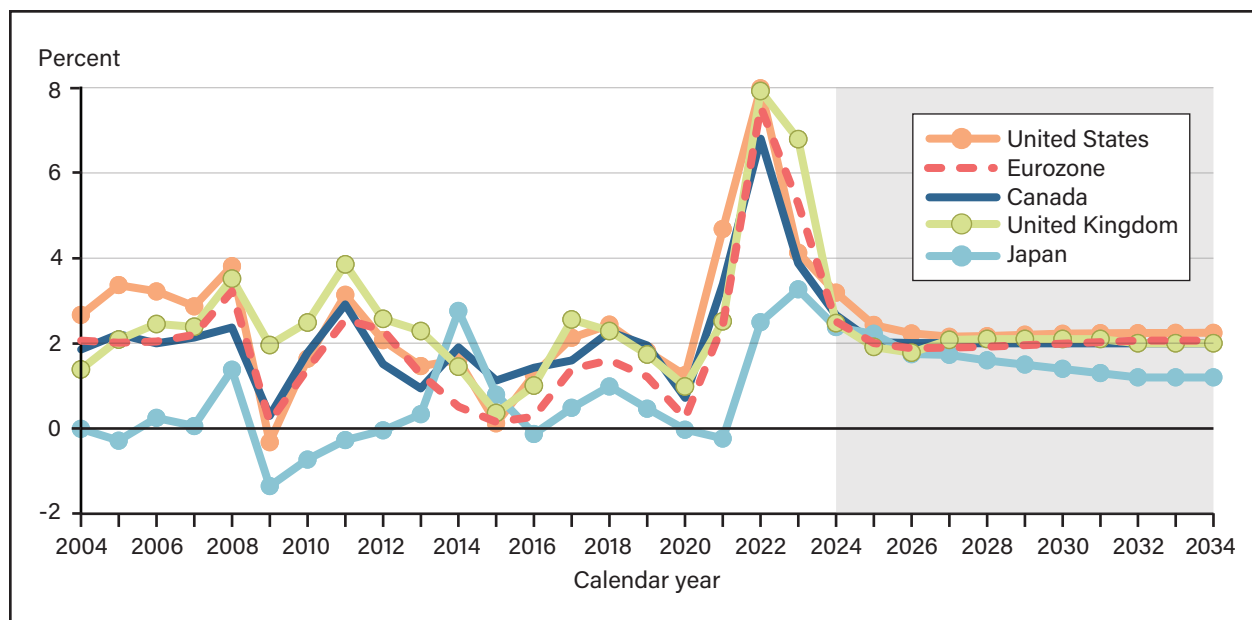
Inflation Projections

Inflation in most countries fell quickly in 2023. However, beginning in 2024, inflation started to fall more slowly in most countries, and this slowdown is projected to continue over the next decade. Inflation subsided more quickly in 2024 in the European Union and Canada than in the United States. High global inflation was particularly persistent in the services sector (IMF, 2024b).

From the perspective of the August 2024 data and macroeconomic assumptions, inflation is projected to continue to decline in most countries in 2025 and remain on a decreasing trajectory the rest of the decade, likely driven by declining energy prices. Lower energy prices helped low- and middle-income countries reduce inflation to pre-pandemic levels in 2024. Shocks such as trade disruptions and geopolitical tensions are a source of uncertainty in these projections and would put upward pressure on prices, especially for goods with complex global supply chains (S&P Global, 2024).

Figure 9

Select high-income countries, annual Consumer Price Index growth, 2004–34

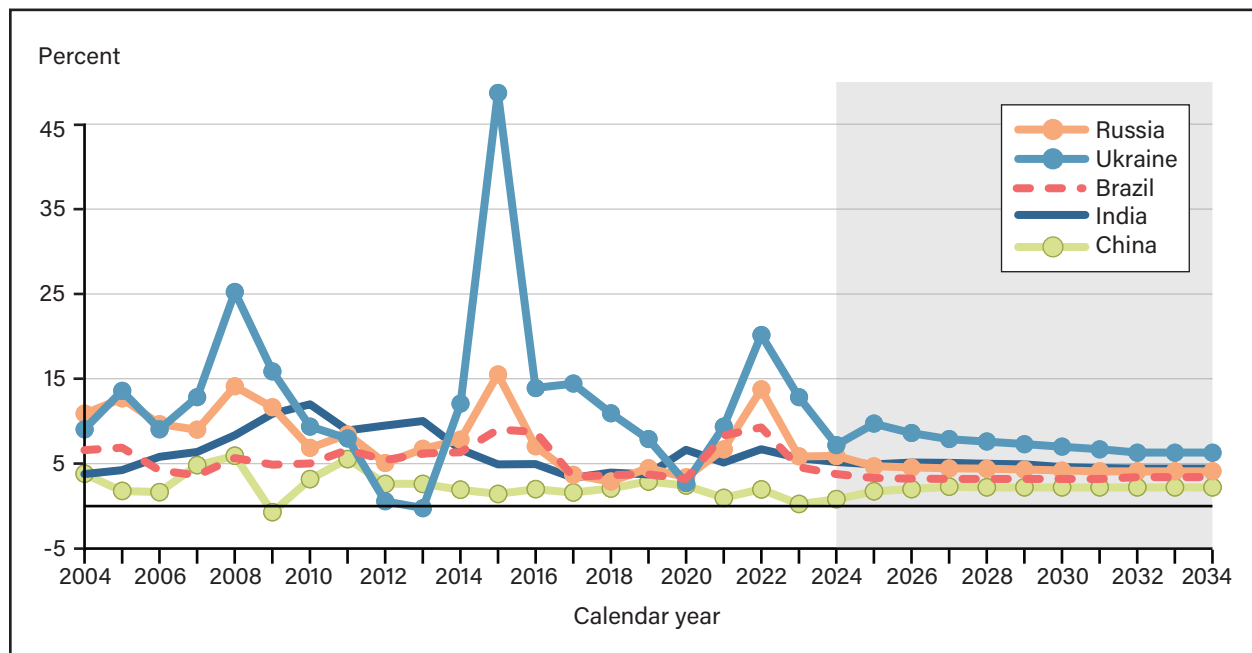


Note: The shaded region represents the projected period. Eurozone refers to the currency union of the 20 member states of the European Union that use the euro as their primary currency.

Source: USDA, Economic Research Service (ERS) based on World Bank World Development Indicators, S&P Global, Oxford Economics Forecasting, as well as estimated and projected values developed by USDA, ERS all converted to a 2017 base year.

Figure 10

Select middle-income countries, annual Consumer Price Index growth, 2004–34



Note: The shaded region represents the projected period.

Source: USDA, Economic Research Service (ERS) based on World Bank World Development Indicators, S&P Global, Oxford Economics Forecasting, as well as estimated and projected values developed by USDA, ERS all converted to a 2017 base year.

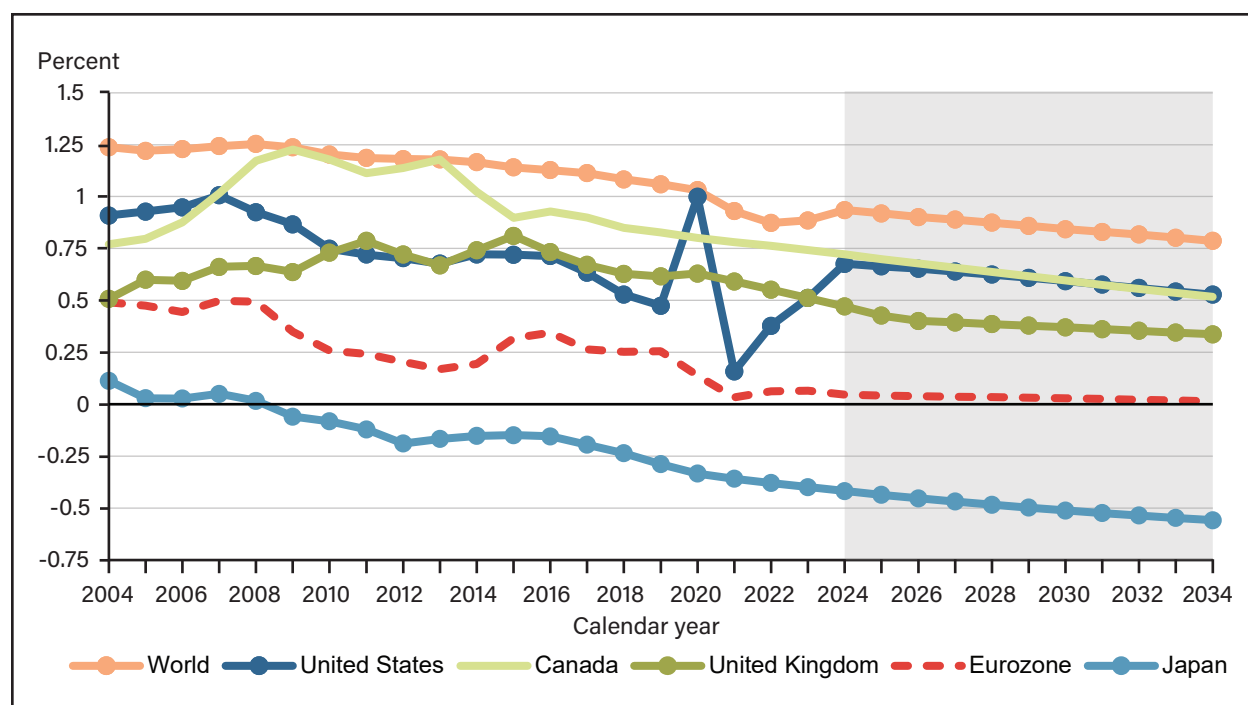
Population Projections

The long-term trend of decreasing population growth is projected to continue over the next decade for most countries due to declining fertility rates (Hay, 2024). This trend is especially dramatic for Japan, whose population growth rate has been below zero (i.e., the Japanese population has been shrinking) since 2009. The European Union is projected to have a negative population growth rate in 2025, a continued trend from 2024 that is projected to continue for the next decade. The population of China is projected to grow slightly in 2025, but growth is projected to become negative by 2034.

Ukraine's population declined by approximately 10 percent in both 2022 and 2023, due to outward migration and devastation from the war with Russia (Libanova, 2023). The population is projected to recover somewhat in 2025 through 2028, although this is highly dependent on how the Russia-Ukraine conflict evolves. However, even after a recovery, Ukraine's population growth is projected to resume its negative long-term trend by 2030. Russia's population also has been declining since 2018; this trend is projected to continue through 2034.

Figure 11

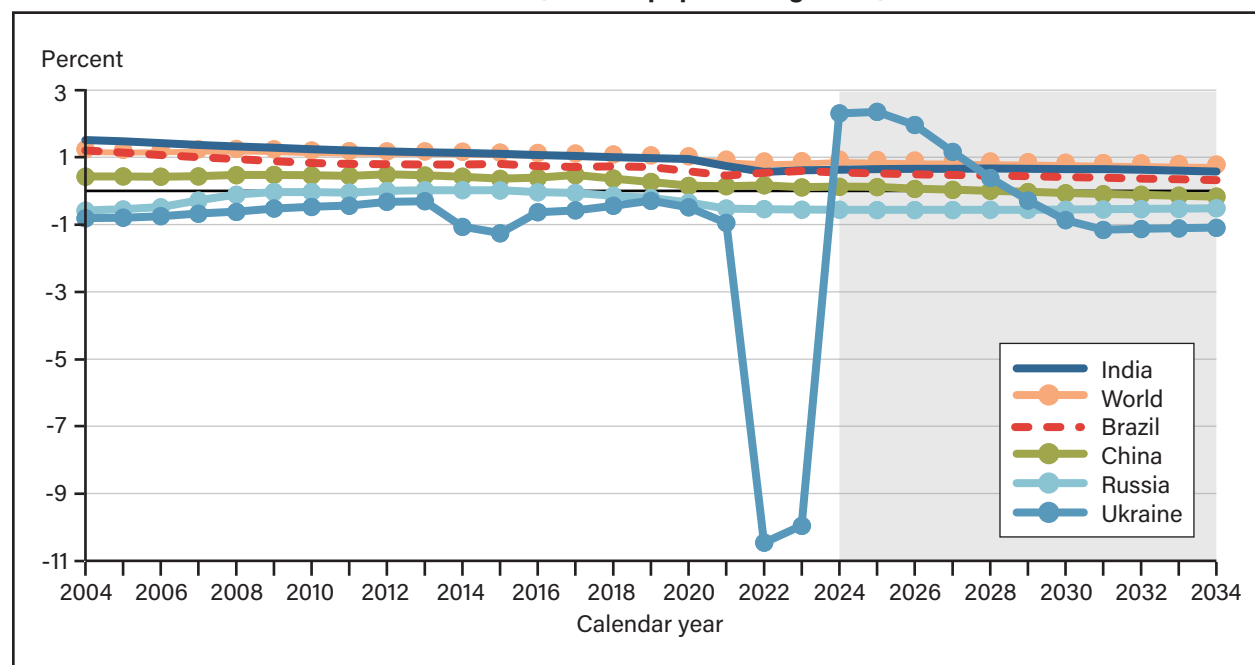
World and select high-income countries, annual population growth, 2004–34



Note: The shaded region represents the projected period. Eurozone refers to the currency union of the 20 member states of the European Union that use the euro as their primary currency.

Source: USDA, Economic Research Service (ERS) based on World Bank World Development Indicators, S&P Global, Oxford Economics Forecasting, as well as estimated and projected values developed by USDA, ERS all converted to a 2017 base year.

Figure 12

World and select middle-income countries, annual population growth, 2004–34

Note: The shaded region represents the projected period.

Source: USDA, Economic Research Service (ERS) based on World Bank World Development Indicators, S&P Global, Oxford Economics Forecasting, as well as estimated and projected values developed by USDA, ERS all converted to a 2017 base year.

Conclusion

Based on data from August 2024, the United States economy is projected to grow by an annual average of 1.8 percent per year over the next decade, a modest decrease compared to growth in the previous decade. This decrease implies that the U.S. economy is navigating the economic challenges of the past few years and emerging into a slow and steady era of recovery. Globally, economic growth is on a similar path of resilience and recovery, as growth rates are projected to be equal to the average rates from the previous decade. However, challenges and destabilizing forces impacting inflation, trade regimes, and consumer demand can hinder growth projections. Declining population growth rates in some countries due to falling fertility rates may exert challenges for their economies. For the United States and globally, the rate of inflation slowed in 2024 due in part to central banks implementing tighter monetary policy over the previous 2 years before gradually easing their monetary policy in 2024. The United States tightened monetary policy more than most countries, causing the value of the U.S. dollar to rise. Disinflation is projected to continue over the next decade, even as central banks continue easing their monetary policy. However, the projected rate of inflation over the next decade is still higher compared to average rates of inflation during the pre-pandemic years (2015–19).

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