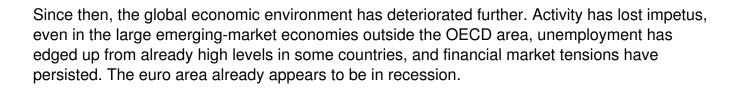
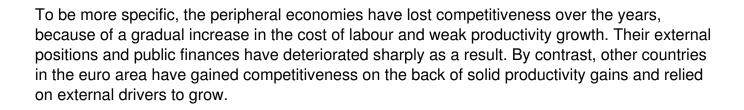
Given current levels of uncertainty, it is quite a challenge to discuss the outlook for the global economy in the months to come. But I will take the risk, and share the OECD's assessment of the forces shaping the near-term outlook, the risks surrounding our projections and the major policy challenges facing many OECD countries.
And, of course, I cannot avoid mentioning the challenges for the euro area, as we celebrate a 'bitter-sweet' 10th anniversary of the euro.
The outlook for the global economy
When we published our latest OECD Economic Outlook in November, the global economic prospects were already very gloomy. At that time, we presented a scenario where OECD output was projected to grow by around 1.6 per cent in 2012 and 2.3 per cent in 2013. That scenario represented a significant downward revision from our previous projections and was predicated on the absence of disorderly sovereign defaults, systemic bank failures and excessive fiscal tightening in the United States.



Because the uncertainty around our projections was particularly large, we considered an even bleaker alternative. This darker scenario could be triggered by different events, including a worsening situation in the banking system, further contagion in euro area sovereign debt markets or excessively tight fiscal policy in the United States.

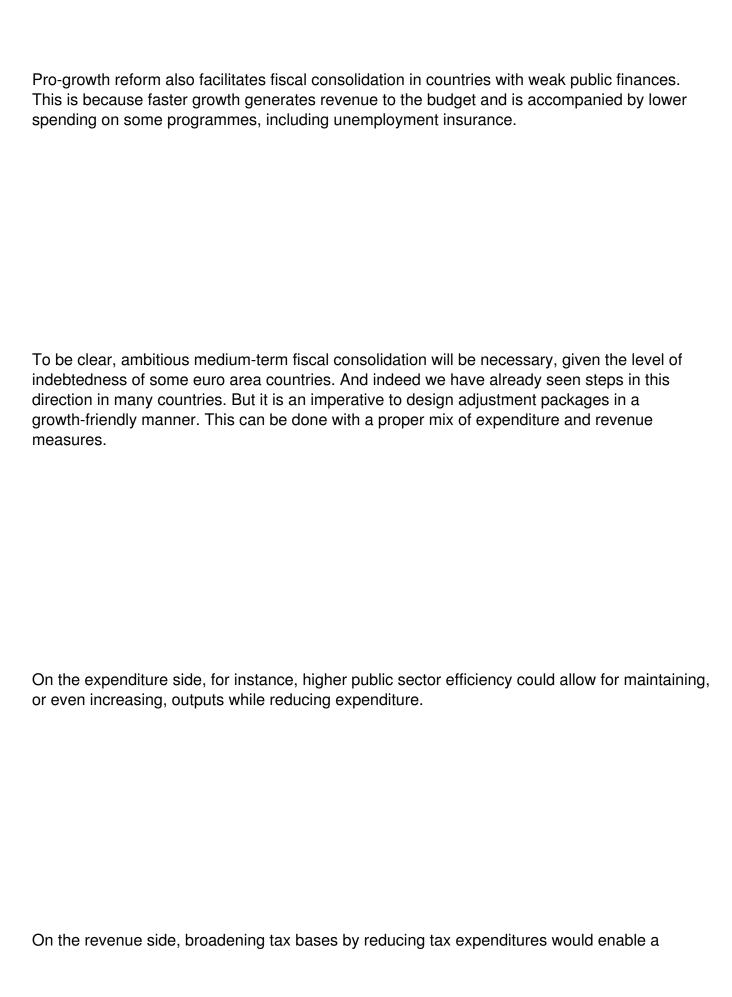
The bottom line is: in a situation of great uncertainty, all depends on policy action to restore confidence. Prospects could be significantly brighter if measures were taken to solve the euro area sovereign debt and banking crises and a credible medium-term fiscal programme were enacted in the United States. As the economists put it, we could have multiple equilibria for the global economy, and appropriate policies could trigger a move from a "bad" equilibrium towards a "good" one.

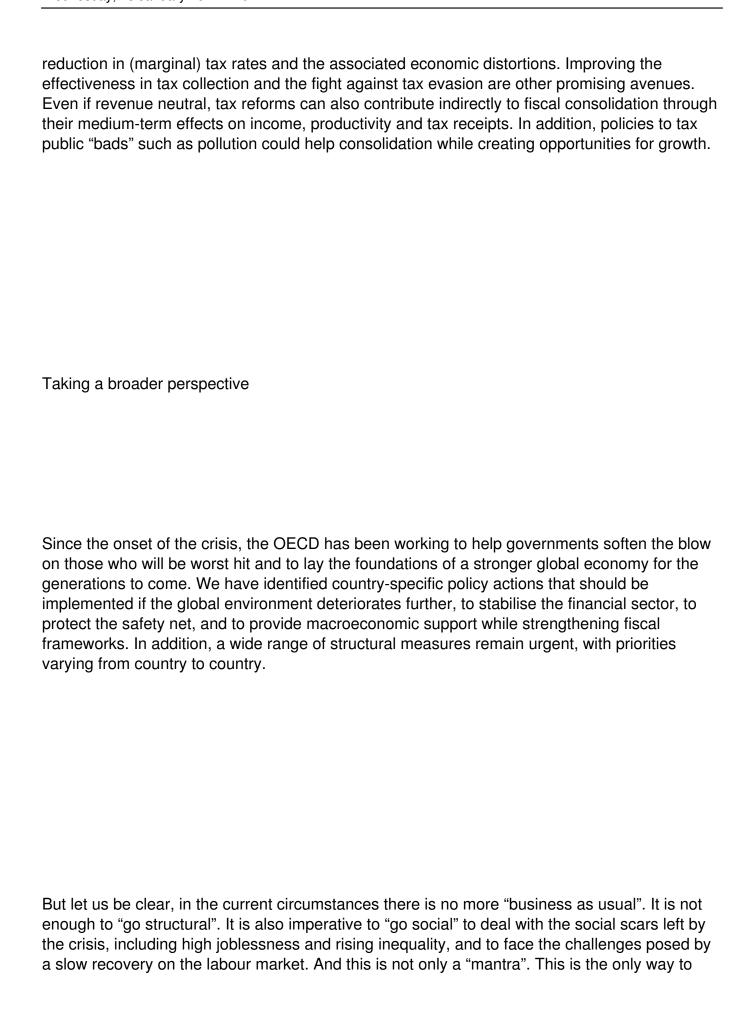
put in place as a matter of urgency. Indeed, this is the crux of the matter.



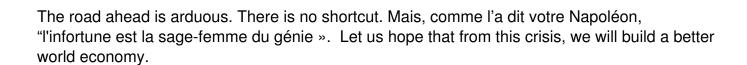
Given the structural underpinnings of the euro-area crisis, it should not be a surprise that structural reforms tailored to specific country conditions lie at the core of the long-term resolution of the euro area woes. Countries will have to rebalance their engines of growth, and this can only be achieved by removing structural rigidities within individual countries – in labour and product markets, for example – that hold back competitiveness and growth.

For example, reforms to liberalise sectors, such as retailing or professional services, which are often sheltered from competition, could contribute to rebalancing by unleashing opportunities for investment in those countries with large external surpluses. Likewise, labour and product market reforms could foster productivity growth in those countries that have lost competitiveness and accumulated large external imbalances.





really invest in our future.
We thus call on countries to tackle resolutely the tragedy of unemployment, which risks becoming structural, and particularly youth unemployment, as we can neither accept nor afford a lost generation. Youth unemployment stands at around 20% in OECD countries; it is higher still in France and reaches close to 50% in Spain.
We also call on countries to reverse the long-term trend of rising inequalities, which also lies at the heart of the current crisis. Our recent report "Divided We Stand" provides powerful evidence that the benefits of growth do not trickle down automatically and that inequality does not foster social mobility. We thus need comprehensive strategies for inclusive growth.
[] on the prospects for the global economy, I can only say, once again, that all will depend on policy action and leadership. But this is in fact good news. It means that we can put "better policies for better lives" at the centre of our policy efforts and tackle this crisis.



Fuente: Remarks by Angel Gurría, OECD Secretary-General, delivered at the "Colloque Risque Pays COFACE 2012" Paris, 16 January, 2012