

IMF Chief Sets New Forecasts

Reuters

HELSINKI — The International Monetary Fund forecast Wednesday that Japan would slip into recession this year, the European economy would grow by well below 2 percent, and the U.S. economy should recover in the first half of next year.

In remarks to journalists in Helsinki, the IMF managing director, Horst Koehler, said the fund would revise its growth estimates for the world economy in the coming weeks in the aftermath of the Sept. 11 terror attacks on the United States.

The IMF's last forecast for the world economy was made last month, when it predicted global economic growth of 2.6 percent in 2001 and 3.5 percent in 2002.