

moribund in a number of advanced economies and the number of homes at risk of foreclosure remains significant. In the meantime, new risks are appearing because of booming real estate markets in emerging market economies. Finally, the risk of overheating in some emerging market economies cannot be ignored. Growth in these economies could surprise on the upside in the short term because of relatively loose macroeconomic policies, but medium-term risks are to the downside. These risks represent higher interest rates, weaker future income growth and the potential for a large drop in commodity prices.