

Key messages

- The world economy has strengthened as lingering fragilities related to the global financial crisis subside. In 2017, global economic growth reached 3 per cent – the highest growth rate since 2011 – and growth is expected to remain steady for the coming year.
- The improved global economic situation provides an opportunity for countries to focus policy towards longer-term issues such as low carbon economic growth, reducing inequalities, economic diversification and eliminating deep-rooted barriers that hinder development.
- Investment conditions have generally improved against a backdrop of low financial volatility, reduced fragility in the banking sector, recovery in a number of commodity sectors and a more solid global macroeconomic outlook.
- Uncertainties over trade policy, the impact of balance sheet adjustment in major central banks, as well as rising debt and longer-term financial risks can still adversely impact investments.
- Global financial markets have been remarkably buoyant in 2017. However, these benign conditions mask several lingering risks and uncertainties in the global financial system.
- Many developing economies and economies in transition, especially those with distressed financial sectors, remain vulnerable to spikes in risk aversion, a disorderly tightening of global liquidity conditions, and sudden capital withdrawal.

- Recent improvements in growth remain unevenly distributed across countries and regions. Economic prospects for many commodity exporters remain particularly challenging. Negligible growth in per capita gross domestic product is anticipated in several parts of Africa, Western Asia, and Latin America and the Caribbean— the impact regions combined are home to 275 million people living in extreme poverty.

Second tier messages

- The acceleration in economic growth creates an increasing necessity to consider its links to environmental sustainability, as global CO₂ emissions have started to rise.
- Very few least developed countries are expected to reach the Sustainable Development Goal target for GDP growth of "at least 7 per cent", as countries continue to be hindered by institutional deficiencies, inadequate basic infrastructure, high levels of exposure to natural disasters, as well as challenges to security and political instability.
- Stronger global economic growth can do little on its own to help those afflicted by conflict situations, where there is little scope for meaningful progress towards sustainable development.

About the report:

The World Economic Situation and Prospects report is the UN's flagship publication on expected trends in the global economy. WESP is produced annually by the UN Department of Economic and Social Affairs (DESA), the UN Conference on Trade and Development (UNCTAD), the five UN regional commissions and the World Tourism Organisation (UNWTO).

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