

Key Findings

- The report confirms the projection made in the *World Economic Situation and Prospects 2017* of a modest recovery in global growth for 2017-18. However, the strength of recovery remains insufficient in many regions for rapid progress towards achieving the Sustainable Development Goals.
- More efforts are needed to foster an environment that will accelerate medium term growth and tackle poverty through policies that address inequalities in income and opportunity. The report points to a combination of short-term policies to support consumption among the most deprived and longer-term policies such as improving access to healthcare and education and investment in rural infrastructure.
- A high degree of uncertainty in the international policy environment continues to cloud the outlook.
- The global recovery is supported by improved prospects in many developed countries and economies in transition.
- East and South Asia remain the world's most dynamic regions, benefiting from robust domestic demand and supportive macroeconomic policies.
- The outlook for some developing regions has deteriorated, particularly in Africa, where the mild recovery of many global commodity prices was eclipsed by domestic and regional pressures.
- Average GDP growth in the least developed countries (LDCs) was revised downward and remains significantly below the SDG target of at least 7 per cent, posing a risk to much needed public expenditure and progress towards improving livelihoods and tackling poverty.
- The level of global carbon emissions has stalled for three consecutive years, which reflects switches from coal to natural gas, more renewable energy in global power generation, improvements in energy efficiency and decelerated GDP growth in some major carbon emitters.

Policy Challenges

- A more balanced and effective policy mix is needed, to move past excessive reliance on monetary policy. This would include a more effective use of fiscal policy and a move beyond policies of demand management, in order to tackle structural issues.
- Rising corporate sector vulnerabilities in many emerging economies highlight the importance of closely monitoring the expansion of credit and introducing targeted prudential measures where appropriate.
- As commitments to deeper international policy coordination appear to be waning in some spheres, renewed efforts are needed to ensure progress in key areas of global importance, including aligning the multilateral trading system with the 2030 Agenda for Sustainable Development; expanding international public finance and official development aid; supporting implementation of the Paris Agreement on climate change and addressing the challenges posed by large movements of refugees and migrants.

About the report: *The World Economic Situation and Prospects as of mid-2017 updates the World Economic Situation and Prospects 2017 (United Nations publication, Sales No. E.17.II.C.2), released in January 2017.*

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