

### Key Messages

- Global economic growth forecasts have been revised upward to 3.2 per cent for 2018 and 2019 as short-term growth prospects have strengthened further due to an improved outlook for the developed economies, robust international trade growth, and the revival of investment.
- Rising trade tensions between major economies, increased uncertainty over monetary policy adjustment in the developed countries, elevated debt levels, and an increase in geopolitical tensions have the potential to derail the current upturn.
- An escalation of trade barriers and retaliatory measures would pose a threat to the strength and sustainability of global growth with potentially large repercussions, especially for the developing economies.
- Intensified efforts to tackle high or rising levels of inequality, particularly through institution building and targeted social policies, can help to ensure that recent economic gains are more widely shared and to advance SDGs implementation.
- Accelerated economic growth powered by fossil-fuel energy bears significant environmental costs. Reforming fossil fuel subsidies and taxation could speed the pace of energy transition and accelerate progress towards an environmentally sustainable growth, consistent with the objectives of the Paris Agreement on climate change.