

### Global Growth Prospects

- The world economy is projected to grow by 2.7 per cent in 2017 and 2.9 per cent in 2018, remaining below the average growth of 3.4 per cent seen in the decade prior to the global financial crisis.
- In 2016, growth in world gross product and world trade slowed to 2.2 per cent and 1.2 per cent respectively, marking their slowest pace of expansion since the Great Recession of 2009.
- The estimate for world gross product growth in 2016 has been revised downward by 0.7 percentage points compared to a year ago, due to weaker-than expected growth in the United States, Japan, and many commodity-exporting countries in Africa, the Commonwealth of Independent States and Latin America and the Caribbean.
- Developing countries remain the main drivers of global growth, accounting for about 60 per cent of world gross product growth in 2016-18.
- Both the Commonwealth of Independent States and Latin America and the Caribbean are expected to register positive growth in 2017, following two years of contraction.

### Least Developed Countries (LDCs)

- The LDCs are expected to grow by 5.2 per cent in 2017 and 5.5 per cent in 2018 – well below the Sustainable Development Goal (SDG) target of “at least 7 per cent GDP growth.” The below-target growth poses a risk to both sufficient private financing and critical public expenditure on healthcare, education, social protection and climate change adaptation.
- Under the current growth trajectory and assuming no changes in income inequality, nearly 35 per cent of the population in LDCs may remain in extreme poverty by 2030.
- To achieve the SDGs for growth and poverty reduction, investment in the LDCs has to expand by at least 11 per cent annually through 2030, above the annual average investment growth of 8.9 per cent seen in 2010 - 2015.

## Energy and Environment

- The level of global carbon emission has stalled for two consecutive years, which reflects the declining energy intensity of economic activities, a rising share of renewables in the overall energy structure, and slower economic growth in major emitters.
- In 2015, the level of new renewable energy investment in developing countries exceeded that of developed countries by 20 per cent.

## Inflation and Commodity Prices

- Average global inflation is projected to rise from 2.4 per cent in 2016 to 2.8 per cent in 2017 and 2.9 per cent in 2018.
- Higher oil prices will have an upward impact on inflation in 2017.
- International commodity prices are expected to see, on average, a moderate increase in 2017-18.

## Growth of world output, 2014–2018

Annual percentage change	2014	2015	2016 <sup>a</sup>	2017 <sup>b</sup>	2018 <sup>b</sup>	Change from WESP 2016	
						2016	2017
World	2.6	2.5	2.2	2.7	2.9	-0.7	-0.5
Developed economies	1.7	2.1	1.5	1.7	1.8	-0.7	-0.6
United States of America	2.4	2.6	1.5	1.9	2.0	-1.1	-0.9
Japan	-0.1	0.6	0.5	0.9	0.9	-0.8	0.3
European Union	1.5	2.2	1.8	1.8	1.8	-0.2	-0.4
EU-15	1.4	2.0	1.7	1.6	1.7	-0.3	-0.5
EU-13	2.8	3.6	3.0	3.2	3.3	0.0	0.0
Euro area	1.1	1.9	1.6	1.7	1.7	-0.3	-0.3
Other developed countries	2.5	1.6	1.7	2.0	2.2	-0.4	-0.5
Economies in transition	0.9	-2.8	-0.2	1.4	2.0	-1.0	-0.5
South-Eastern Europe	0.2	2.0	2.6	3.1	3.3	0.0	0.1
Commonwealth of Independent States and Georgia	1.0	-3.0	-0.3	1.4	2.0	-1.0	-0.4
Russian Federation	0.7	-3.7	-0.8	1.0	1.5	-0.8	-0.2

Developing economies	4.3	3.8	3.6	4.4	4.7	-0.7	-0.4
Africa	3.8	3.1	1.7	3.2	3.8	-2.7	-1.2
North Africa	1.8	3.2	2.6	3.5	3.6	-1.5	-0.6
East Africa	7.0	6.6	5.5	6.0	6.3	-1.3	-0.6
Central Africa	5.4	1.5	2.4	3.4	4.2	-1.9	-0.8
West Africa	6.1	3.2	0.1	3.1	4.1	-5.1	-2.2
Southern Africa	2.7	1.9	1.0	1.8	2.6	-2.0	-1.5
East and South Asia	6.1	5.7	5.7	5.9	5.9	-0.1	0.1
East Asia	6.1	5.7	5.5	5.6	5.6	-0.1	0.0
China	7.3	6.9	6.6	6.5	6.5	0.2	0.0
South Asia	6.2	6.0	6.7	6.9	6.9	0.0	-0.1
India <sup>c</sup>	7.3	7.3	7.6	7.7	7.6	0.2	0.2
Western Asia	2.6	2.7	2.1	2.5	3.0	-0.3	-0.5
Latin America and the Caribbean	0.7	-0.6	-1.0	1.3	2.1	-1.7	-1.4
South America	0.1	-1.9	-2.3	0.9	2.0	-2.2	-1.5
Brazil	0.1	-3.9	-3.2	0.6	1.6	-2.4	-1.7
Mexico and Central America	2.5	2.7	2.3	2.3	2.2	-0.6	-1.1
Caribbean	3.1	4.0	2.7	2.7	2.8	-0.9	-0.6
Least developed countries	5.7	3.7	4.5	5.2	5.5	-1.1	-0.4
Memorandum items							
World trade <sup>d</sup>	3.8	2.6	1.2	2.7	3.3	-2.8	-2.0
World output growth with PPP weights <sup>e</sup>	3.3	3.1	2.9	3.5	3.7	-0.7	-0.4

Source: UN/DESA

a Estimated

b Forecast, based in part on Project LINK

c Fiscal year basis

d Includes goods and services

e based on 2012 benchmark

**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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