

Global economic situation and prospects

- The world economy is projected to grow at a steady pace of 3% per annum, 2017-2019.
- Nearly two-thirds of countries worldwide experienced stronger growth in 2017 than in 2016.
- Argentina, Brazil, Nigeria and the Russian Federation, as these economies emerge from recession, contributed roughly a third of the rise in the rate of global growth between 2016 and 2017.
- Gross fixed capital formation accounted for roughly 60% of the acceleration in global economic activity in 2017.
- Global financial conditions were benign in 2017, with rising asset prices, exceptionally low volatility, and a rebound in portfolio flows to emerging economies.
- All developing regions are expected to record positive labour productivity growth in 2017, for the first time since 2011.
- World merchandise trade is growing at its fastest pace since the global financial crisis, driven largely by stronger import demand in East Asia.
- Renewables account for more than half of all newly installed power capacity, but only for 11.3 % of global power generation.
- International shipping and aviation emissions have continued to rise, and remain outside the purview of the Paris Agreement.

Regional highlights

- In 2016, GDP per capita declined in Central, Southern and West Africa, as well as South America. Negligible per capita growth is expected in these regions in 2017-2019.
- Failure to redress inequalities and tackle longer-term structural issues that impede economic growth may leave a quarter of the population of Africa in extreme poverty by 2030.
- East Asia, South Asia and East Africa will continue to see annual growth above 5% in 2018 and 2019.

- In 2017, East and South Asia accounted for nearly half of global growth.
- In 2017, China grew at a faster pace of 6.8%, marking its first acceleration in annual growth in six years.
- Prospects for Western Asia remains overshadowed by oil market developments and geopolitical factors.
- Following a return to positive growth in 2017, the economic recovery in Latin America and the Caribbean is set to gain further traction in 2018-2019. Average growth will, however, remain well below the rates observed during the commodity boom of the 2000s.
- Activity in the CIS area is strengthening, with a return to growth in the Russian Federation. The region is forecast to grow by 2.0-2.5% in 2018-2019, weaker than in the pre-crisis period as cyclical and structural factors constrain both near-term and long-run prospects.
- Despite a more robust growth performance in the EU, youth unemployment stands at 16.6% EU-wide, with more than one third of youth without work in some countries.

Growth of world output, 2015-2019

						Change from WESP 2017 forecast	
	2015	2016	2017 ^a	2018 ^b	2019 ^b	2017	2018
World	2.7	2.4	3.0	3.0	3.0	0.3	0.1
Developed economies	2.2	1.6	2.2	2.0	1.9	0.5	0.2
United States of America	2.9	1.5	2.2	2.1	2.1	0.3	0.1
Japan	1.1	1.0	1.7	1.2	1.0	0.8	0.3
European Union	2.2	1.9	2.2	2.1	1.9	0.4	0.3
EU-15	2.1	1.8	2.0	1.9	1.8	0.4	0.2
EU-13	3.8	2.9	4.2	3.6	3.5	1.0	0.3
Euro area	2.0	1.8	2.1	2.0	1.9	0.4	0.3
Other developed countries	1.6	1.8	2.5	2.4	2.2	0.5	0.2
Economies in transition	-2.2	0.4	2.2	2.3	2.4	0.8	0.3
South-Eastern Europe	2.0	2.9	2.5	3.2	3.3	-0.6	-0.1
Commonwealth of Independent States and Georgia	-2.4	0.3	2.2	2.3	2.4	0.8	0.3
Russian Federation	-2.8	-0.2	1.8	1.9	1.9	0.8	0.4
Developing economies	3.9	3.8	4.3	4.6	4.7	-0.1	-0.1
Africa	3.1	1.7	3.0	3.5	3.7	-0.2	-0.3
North Africa	3.2	2.8	4.8	4.1	4.1	1.3	0.5
East Africa	6.7	5.4	5.3	5.8	6.2	-0.7	-0.5
Central Africa	1.7	0.6	0.7	2.1	2.5	-2.7	-2.1
West Africa	3.2	0.3	2.4	3.3	3.4	-0.7	-0.8
Southern Africa	1.9	0.6	1.2	2.3	2.5	-0.6	-0.3

East and South Asia	5.8	6.0	6.0	5.8	5.9	0.1	-0.1
East Asia	5.7	5.6	5.9	5.7	5.6	0.3	0.1
China	6.9	6.7	6.8	6.5	6.3	0.3	0.0
South Asia	6.2	7.7	6.3	6.5	7.0	-0.6	-0.4
India ^c	7.6	7.1	6.7	7.2	7.4	-1.0	-0.4
Western Asia	3.6	3.0	1.9	2.3	2.7	-0.6	-0.7
Latin America and the Caribbean	-0.6	-1.3	1.0	2.0	2.5	-0.3	-0.1
South America	-1.9	-2.7	0.4	1.8	2.4	-0.5	-0.2
Brazil	-3.8	-3.6	0.7	2.0	2.5	0.1	0.4
Mexico and Central America	3.1	2.5	2.5	2.6	2.6	0.1	0.3
Caribbean	0.2	-0.8	0.2	1.8	2.0	-1.2	0.0
Least developed countries	4.2	4.3	4.8	5.4	5.5	-0.4	-0.1
World trade ^d	2.9	2.2	3.7	3.5	3.6	1.0	0.2
World output growth with PPP-based weights ^e	3.3	3.1	3.6	3.7	3.7	0.1	0.0

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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