

## Global economic situation and prospects

- The world economy is projected to expand at a steady pace of 3.0 per cent in 2019 and 2020, after expanding by 3.1 per cent in 2018.
- While private consumption continues to be a key driver of GDP growth for most regions, investment activity has strengthened in many developed and developing economies.
- Global inflation remains moderate, but it is on an upward trend in the majority of countries.
- The steady global growth conceals an uneven pace of progress across the world. In 2019, per capita incomes will stagnate or grow only marginally in Central, Southern and West Africa, Western Asia and Latin America and the Caribbean.
- Poverty eradication by 2030 requires double digit growth in Africa and policy driven steep reductions in income inequality
- At the global level, falling unemployment in developed countries has been largely offset by rising unemployment in some large upper-middle-income countries, such as Argentina, Brazil and South Africa.
- For several developing economies, elevated corporate debt may constrain the pace of investment growth going forward.
- Global trade growth is moderating a rising trade tensions among the world's largest economies and tightening monetary conditions. Global trade growth is expected to remain below 4 per cent per annum in 2019-2020, below the average trade growth observed in previous decades.
- Rising policy uncertainties in the global economy and deepening country-specific vulnerabilities generated bouts of heightened financial volatility in 2018, particularly in the emerging economies.
- Amid stronger economic activity, global energy-related CO<sub>2</sub> emissions increased in 2017 and 2018. This reverses the positive trend of 2014-16. Current efforts to combat climate change are insufficient to meet the objectives of the Paris Agreement.

## Regional highlights

- GDP growth in developed economies is expected to remain relatively steady at 2.1 per cent in 2019 and 1.9 per cent in 2020. Capacity constraints are restraining economic activity in several countries.
- Economic prospects in the Commonwealth of Independent States (CIS) and South-Eastern Europe are broadly positive.
- In the CIS and Georgia, GDP growth is projected at 2.0 per cent in 2019 and 2.5 per cent in 2020 while in South-Eastern Europe growth is expected to be stable at 3.7 per cent.
- Growth in Africa is projected to increase from 3.2 per cent in 2018 to 3.4 per cent in 2019 and to 3.7 per cent in 2020. Medium-term prospects remain too low to reach many targets of the Sustainable Development Goals.
- In East Asia, robust GDP growth is projected to moderate to 5.6 per cent in 2019 and 5.5 per cent in 2020, from 5.8 per cent in 2018. East Asian economies have relatively stronger buffers to weather external shocks.
- South Asia's outlook remains moderately favourable, but economic trends are highly divergent across countries. Regional GDP is projected to expand by 5.5 and 5.9 per cent in 2019 and 2020, respectively.
- In Western Asia, GDP growth in 2019 and 2020 is expected to be modest, 2.4 and 3.4 per cent, respectively. Geopolitical tensions continue to restraint economic activity across the region.
- In Latin America and the Caribbean, growth is projected to modestly pick up from 1.0 per cent in 2018 to 1.7 per cent in 2019 and 2.3 per cent in 2020. The continued weak economic performance hampers progress towards many of the UN Sustainable Development Goals.

### About the report:

*The World Economic Situation and Prospects 2019 is a report produced by the UN Department of Economic and Social Affairs (DESA), the UN Conference on Trade and Development (UNCTAD), and the five UN regional commissions. The UN World Tourism Organization and staff from the International Labour Organization also contributed to the report. For more information, please visit: [www.bit.ly/wespreport](http://www.bit.ly/wespreport)*

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