

About the report

The *World Economic Situation and Prospects* is an annual UN flagship publication on the state of the world economy, viewed through the lens of the 2030 Agenda for Sustainable Development. It is a joint product of the UN Department of Economic and Social Affairs (UN DESA), the UN Conference on Trade and Development (UNCTAD) and the five UN regional commissions (Economic Commission for Africa (ECA), Economic Commission for Europe (ECE), Economic Commission for Latin America and the Caribbean (ECLAC), Economic and Social Commission for Asia and the Pacific (ESCAP) and Economic and Social Commission for Western Asia (ESCWA). The World Tourism Organization (UNWTO), UN Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLS), and the International Labour Organization (ILO) also contributed to the report.

Key facts

- Global growth slowed to a 10-year low of 2.3% in 2019, with a modest uptick projected at 2.5% in 2020 and 2.7% in 2021.
- Globally, 1 in 5 countries will see per capita incomes stagnate or decline in 2020.
- Elevated trade tensions pushed global trade growth down to 0.3% in 2019 from 3.9% in 2018. A modest recovery to 2.3% in 2020 is likely assuming trade disputes do not re-escalate.
- Average growth of GDP per capita for commodity-dependent developing countries has fallen from 2.9% per annum in the period 2010-2014 to only 0.5% in 2015–2019.
- Aggregate GDP in least developed countries is projected to expand by 5.1% in 2020 and 5.4% in 2021. However, LDCs collectively remain far from achieving at least 7% GDP growth per annum.
- The EU is expected to see only modest growth of 1.6% in 2020 and 1.7% in 2021, with exporters facing numerous challenges.
- GDP growth for Africa is projected to increase from 2.9% in 2019 to 3.2% in 2020, but is insufficient for meaningful progress towards sustainable development. Despite some bright spots (such as Ethiopia, Rwanda, Cote D'Ivoire) Africa as a whole has experienced a decade of near stagnation in per capita GDP.
- To eradicate poverty in Africa by 2030, GDP per capita growth of over 8% per annum is needed— much higher than the actual per capita growth of 0.5% per annum recorded over the last decade.
- GDP growth in East Asia slowed from 5.7% in 2018 to 5.2% in 2019. The region is projected to sustain the same pace of growth in 2020, but it remains vulnerable to a renewed escalation of trade tensions.
- Economic growth slowed in South Asia, dropping from 5.6% in 2018 to 3.3% in 2019. Growth is expected to pick up to 5.1% in 2020 on the back of fiscal stimulus.
- In Latin America and the Caribbean average per capita GDP today is about 4% below its 2014 level. A slow and uneven recovery is projected, with growth rising from 0.1% in 2019 to 1.3% in 2020 and 2.0% in 2021.
- Economic growth in Western Asia is forecast at 2.4% in 2020 and 2.8% in 2021, but prospects are clouded by volatile oil prices, deterioration in the real estate sector, and geopolitical tensions.

- GDP of the CIS and Georgia is expected to grow by 2.3% in 2020 and 2.4 % in 2021, but the region faces risks, including weaker commodity prices, banking sector vulnerabilities and external debt payments.
- 85% of all monetary policy changes in 2019 went towards easing rather than tightening, marking the broadest shift in global monetary policy since the global financial crisis.
- Interest payments are diverting resources from development finance. Between 2010 and 2019, the share of government revenue spent on interest payments increased in over 70% of developing countries.

Key forecasts

Table I.1
Growth of world output and gross domestic product

Annual percentage change	2017	2018	2019 ^a	2020 ^b	2021 ^b	Change from WESP 2019	
						2019	2020
World	3.2	3.0	2.3	2.5	2.7	-0.7	-0.5
Developed economies	2.4	2.2	1.7	1.5	1.7	-0.4	-0.4
United States of America	2.4	2.9	2.2	1.7	1.8	-0.3	-0.3
Japan	1.9	0.8	0.7	0.9	1.3	-0.7	-0.3
European Union	2.6	2.0	1.4	1.6	1.7	-0.6	-0.4
EU-15	2.4	1.8	1.2	1.4	1.6	-0.6	-0.4
EU-13	4.8	4.3	3.8	3.3	3.2	0.2	-0.2
Euro area	2.5	1.9	1.2	1.4	1.5	-0.7	-0.5
Other developed countries	2.6	2.3	1.7	1.8	1.9	-0.5	-0.4
Economies in transition	2.2	2.7	1.9	2.3	2.5	-0.2	-0.3
South-Eastern Europe	2.5	3.9	3.1	3.4	3.4	-0.6	-0.3
Commonwealth of Independent States and Georgia	2.1	2.7	1.8	2.3	2.4	-0.2	-0.3
Russian Federation	1.6	2.3	1.1	1.8	2.0	-0.3	-0.3
Developing economies	4.5	4.2	3.4	4.0	4.3	-0.9	-0.6
Africa	2.9	2.7	2.9	3.2	3.5	-0.5	-0.5
North Africa	4.0	2.6	3.4	3.6	3.7	0.0	0.0
East Africa	5.4	6.3	6.0	6.0	6.2	-0.3	-0.5
Central Africa	0.3	1.6	2.7	2.9	3.1	0.1	-0.9
West Africa	2.7	3.3	3.5	3.6	3.8	0.0	-0.2
Southern Africa	1.1	0.9	0.3	0.9	1.9	-1.8	-1.7
East and South Asia	6.1	5.7	4.8	5.2	5.2	-0.7	-0.4
East Asia	5.9	5.7	5.2	5.2	5.2	-0.3	-0.2
China	6.8	6.6	6.1	6.0	5.9	-0.2	-0.2
South Asia	6.8	5.6	3.3	5.1	5.3	-2.4	-1.0
India ^c	7.2	6.8	5.7	6.6	6.3	-1.9	-0.8
Western Asia	2.6	2.3	1.0	2.4	2.8	-1.3	-1.0
Latin America and the Caribbean	1.2	0.9	0.1	1.3	2.0	-1.6	-1.0
South America	0.7	0.4	-0.1	1.1	2.0	-1.4	-1.2
Brazil	1.3	1.1	1.0	1.7	2.3	-1.1	-0.8
Mexico and Central America	2.4	2.3	0.5	1.6	1.9	-2.0	-0.7
Caribbean	-0.2	1.6	1.2	5.7	3.4	-0.8	3.7
Least developed countries	4.5	4.6	4.9	5.1	5.4	-0.1	-0.6
Memorandum items							
World trade ^d	5.7	3.9	0.3	2.3	3.2	-3.4	-1.6
World output growth with PPP weights ^e	3.8	3.6	2.9	3.2	3.4	-0.7	-0.5

Source: UN DESA.
a Partly estimated.
b Forecast.
c Fiscal year basis.
d Includes goods and services.
e Based on 2010 benchmark.

Note: Country-level GDP growth and inflation forecasts for 179 countries are provided in the Statistical annex of the report.

~ ~ ~

For more information, please visit: www.bit.ly/wespreport. Media contact: Dan Shepard, UN Department of Global Communications, shepard@un.org, +1 (212) 963-9495