

Global Economic Situation and Prospects

- The **world economy** is projected to grow by 3.2% per annum in 2018 and 2019, an upward revision of 0.2 and 0.1 percentage points, respectively.
- Forecasts for GDP growth in 2018 have been **revised upward** in nearly 40% of countries since December.
- GDP growth in the **LDCs** is forecast to reach 5.2% in 2018 and 5.5% in 2019 – a significant improvement on 2015-2016, but well below the SDG target of 7%.
 - Of the LDCs, **Bangladesh, Myanmar, Cambodia, Ethiopia and the United Republic of Tanzania** are expected to grow by close to 7 per cent.
- **Investment growth** accounted for more than $\frac{3}{4}$ of the acceleration in global growth in 2017.
- **World trade growth** is expected to moderate from 4.3% in 2017 to 3.8% in 2018, under an assumption that trade tensions do not escalate further.
 - Under an alternative scenario that sees **world trade tensions** and barriers spiral, world trade growth could come to a halt, and global GDP growth slow to 1.8%.
- **Renewables** account for more than 60% of all newly installed power capacity in 2017, but only for 12.1 % of global power generation.
 - At the 2017 **rate of energy transition**, it would take more than 55 years for the share of renewables in total capacity to reach 50%.

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). This report updates the WESP 2018 released in December 2017.

For more information, please visit: <https://www.un.org/development/desa/dpad/wesp-report>

Table I
Growth of world output, 2016–2019

	Annual percentage change				Change from World Economic Situation and Prospects 2018 forecast ^a	
	2016	2017 ^b	2018 ^c	2019 ^c	2018	2019
World	2.5	3.1	3.2	3.2	0.2	0.1
Developed economies	1.6	2.3	2.2	2.1	0.2	0.2
United States of America	1.5	2.3	2.5	2.3	0.4	0.2
Japan	0.9	1.7	1.6	1.5	0.4	0.5
European Union	2.0	2.4	2.2	2.0	0.1	0.0
EU-15	1.9	2.2	2.0	1.8	0.1	0.0
EU-13	3.1	4.6	3.9	3.6	0.2	0.1
Euro area	1.8	2.3	2.1	1.9	0.1	0.1
Other developed countries	1.9	2.4	2.3	2.3	-0.1	0.1
Economies in transition	0.3	2.0	2.1	2.2	-0.1	-0.2
South-Eastern Europe	3.0	2.2	3.0	3.4	-0.1	0.1
Commonwealth of Independent States and Georgia	0.2	2.0	2.1	2.1	-0.1	-0.2
Russian Federation	-0.2	1.5	1.7	1.7	-0.2	-0.2
Developing economies	4.0	4.6	4.8	4.8	0.1	0.0
Africa	1.6	3.7	3.6	3.9	0.1	0.2
North Africa	2.7	6.6	4.5	4.8	0.3	0.6
East Africa	5.5	5.7	6.0	6.1	0.2	-0.1
Central Africa	-1.0	-0.1	1.8	2.8	-0.2	0.3
West Africa	0.2	2.2	3.5	3.4	0.2	0.0
Southern Africa	0.7	1.4	1.9	2.3	-0.4	-0.2
East and South Asia	6.1	6.0	5.9	5.9	0.1	0.0
East Asia	5.7	6.1	5.8	5.7	0.0	0.0
China	6.7	6.9	6.5	6.3	0.0	0.0
South Asia	8.0	6.0	6.6	6.8	0.2	-0.1
India ^d	7.1	6.7	7.5	7.6	0.3	0.2
Western Asia	3.2	3.0	3.3	2.7	0.9	0.0
Latin America and the Caribbean	-0.9	1.0	2.1	2.5	0.0	0.0
South America	-2.4	0.6	1.9	2.5	0.0	0.0
Brazil	-3.5	1.0	2.4	2.7	0.4	0.2
Mexico and Central America	3.0	2.3	2.5	2.6	-0.1	0.0
Caribbean	-0.5	0.3	2.0	2.2	0.2	0.3
Least developed countries	3.9	4.7	5.2	5.5	-0.1	0.0
Memorandum items:						
World trade ^e	2.4	4.3	3.8	3.8	0.3	0.2
World output growth with purchasing power parity-based weights	3.2	3.7	3.9	3.8	0.2	0.1

Source: UN/DESA.

^a Adjusted to 2012 prices.

^b Partly estimated.

^c Forecast, based in part on Project LINK.

^d Fiscal year basis.

^e Includes goods and services.