



Under embargo until 9 January 2025, 12:30 pm EST

**Following stronger than expected performance in 2024,
economies of the Commonwealth of Independent States and Georgia
will face a slowdown in 2025, according to UN flagship economic report**

***Tightening sanctions, labour shortages and restrictive monetary policy constrain
Russian economic prospects, while smaller CIS economies will return to their
long-run growth trajectory***

Moscow, 16 January – Following a better-than-anticipated economic outcome in most countries in the Commonwealth of Independent States (CIS) and Georgia in 2024, growth is expected to moderate in 2025, according to the **UN World Economic Situation and Prospects (WESP) 2025**. The regional outlook remains clouded by significant downside risks and uncertainties associated with the war in Ukraine and broader geopolitical tensions.

The UN flagship economic report predicts that global growth will remain at 2.8 per cent in 2025, unchanged from 2024. While the global economy has demonstrated resilience, withstanding a series of mutually reinforcing shocks, growth remains below the pre-pandemic average of 3.2 per cent, constrained by weak investment, sluggish productivity growth, and high debt levels.

The report notes that lower inflation and ongoing monetary easing in many economies could provide a modest boost to global economic activity in 2025. However, uncertainty still looms large, with risks stemming from geopolitical conflicts, rising trade tensions and elevated borrowing costs in many parts of the world. These challenges are particularly acute for low-income and vulnerable countries, where sub-par and fragile growth threatens to further undermine progress towards the Sustainable Development Goals (SDGs).

“Countries cannot ignore these perils. In our interconnected economy, shocks on one side of the world push up prices on the other. Every country is affected and must be part of the solution—building on progress made,” said António Guterres, United Nations Secretary-General, in the foreword to the report. “We’ve set a path. Now it’s time to deliver. Together, let’s make 2025 the year we put the world on track for a prosperous, sustainable future for all.”



The Commonwealth of Independent States and Georgia: Slowdown expected in 2025

Economic growth in 2024 has been better than expected in most of the countries in the Commonwealth of Independent States (CIS) and Georgia, with aggregate GDP of the region expanding by an estimated 4.2 per cent. Regional growth is projected to moderate to 2.5 per cent in 2025, reflecting an anticipated slowdown in the Russian economy and the return of other countries that registered above their historical trend growth in 2023–2024, in part due to a surge in intermediary trade with the Russian Federation, to a more moderate growth trajectory.

The economy of the Russian Federation has expanded by an estimated 3.8 per cent in 2024, supported by increased government spending and investment and stable export revenues. Defence-related activities have played a major role in the country's strong growth performance. Private consumption has remained strong thanks to tight labour market and large social payments. Taking into account that the economy was operating at excess capacity, the Central Bank sharply tightened monetary policy in 2024. GDP growth is projected to decelerate to 1.5 per cent in 2025 despite large fiscal spending, as labour shortages curb output and monetary policy will remain restrictive.

The economy in Ukraine got off to a strong start in 2024; however, economic activity weakened in the aftermath of attacks by the Russian Federation against the country's energy infrastructure. GDP growth, estimated at 4 per cent for 2024, is projected to decline to 2.7 per cent in 2025, which would leave the economy about 20 per cent smaller than in 2021. The cost of post-conflict reconstruction in Ukraine, estimated at \$486 billion in early 2024 is likely to increase due to damages to the country's power generation systems.

Other CIS economies have also performed well in 2024, benefitting from new opportunities in the Russian market and trade in intermediate goods and services with the Russian Federation. The development of common transport and energy infrastructure has boosted investments in Central Asia. Remittance flows to the Caucasus and Central Asia have remained strong despite the tightening of migrant employment regulations in the Russian Federation. Growth in these economies is expected return to a more sustainable trajectory in 2025.

South-Eastern Europe: The EU pledges further assistance to the region

The countries of South-Eastern Europe have maintained their economic dynamism in 2024. Regional GDP growth is estimated to have averaged 3.4 per cent in 2024, with 3.6 per cent growth projected for 2025, backed by strengthening private consumption and continuing foreign direct



investment (FDI) inflows. Serbia's economy may sustain a growth rate of 4 per cent in 2025, supported by public investment related to the Expo 2027 exhibition in Belgrade. Despite rising food prices, disinflation has continued in 2024, boosting consumer confidence and enabling monetary easing in countries with flexible exchange rate systems.

The new European Union Growth Plan for the Western Balkans incorporates a €6 billion financial instrument for the period 2024—2027 and could help boost intra-regional integration and growth when implemented.

Critical minerals: A vital opportunity for accelerating sustainable development

The report highlights the potential of critical minerals for the energy transition—such as lithium, cobalt, and rare earth elements—and also for accelerating progress towards the SDGs in many countries.

For resource-rich developing countries, rising global demand for critical minerals presents a unique opportunity to boost growth, create jobs, and increase public revenues for investment in sustainable development. However, the report warns that these opportunities come with significant risks. Poor governance, unsafe labour practices, environmental degradation, and over-reliance on volatile commodity markets could exacerbate inequalities and harm ecosystems, undermining long-term development gains.

“Critical minerals have immense potential to accelerate sustainable development, but only if managed responsibly,” said Li Junhua, United Nations Under-Secretary-General for Economic and Social Affairs. “Governments must adopt forward-looking policies and comprehensive regulatory frameworks to drive sustainable extraction, equitable benefit-sharing, and investments in building productive capacities to maximize the development gains from these resources.”

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The report will be available on 9 January 2025, 12:30 pm EST on https://www.bit.ly/UN_WESP2025 and desapublications.un.org once the embargo has been lifted.

Hashtag: #WorldEconomyReport

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