

Key Findings

- The report projects a modest recovery in global growth for 2017-18, but this does not signal a robust and sustained revival of global demand.
- The global economy is trapped in a self-perpetuating cycle of weak investment, dwindling world trade, flagging productivity growth and high debt. This is hampering progress towards the Sustainable Development Goals (SDGs).
- A return to strong and balanced global growth is not expected for several years unless there are concerted policy efforts to stimulate investment and productivity.
- Growth in the developed economies is expected to improve but remain moderate, weighed down by weak investment and policy uncertainty.
- Commodity exporters are expected to see some recovery in growth, as commodity prices trend higher and inflationary pressures moderate.
- East and South Asia remain the world's most dynamic regions, benefiting from robust domestic demand and supportive macroeconomic policies.
- Average GDP growth in the least developed countries (LDCs) remains well below the SDG target of at least 7 per cent, posing a risk to both critical public expenditure and sufficient private financing for achieving the SDGs.
- The level of global carbon emissions has stalled for two consecutive years, which reflects positive developments regarding energy efficiency and renewable energy, but also slower GDP growth in major emitters. Despite advancements in renewable energy investment, especially in developing countries, renewable energy still accounts for only a small share of global power generation.

Policy Challenges

- Greater efforts are required to mobilise domestic and international resources that help finance much-needed investment in the LDCs.
- A more balanced and effective policy mix is needed, one that moves beyond the current excessive reliance on monetary policy. Macroeconomic policy should be fully integrated with structural reforms and measures that address the social and environmental dimensions of sustainable development.

- In the face of pressing global challenges, there is a need for greater international policy cooperation and coordination, including measures to mitigate the negative spillover effects of macroeconomic policies, to promote a fair and equitable global trade system, to expedite clean technology transfer and raise climate finance, to strengthen international tax cooperation, and to address challenges posed by large movements of refugees and migrants.

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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