

Global Economic Development

As of January 2019

High Level Seminar on the Future of Economic Statistics
3-5 June, Shanghai, China

Economic Analysis and Policy Division
UNDESA, New York



UNITED NATIONS
DEPARTMENT OF ECONOMIC
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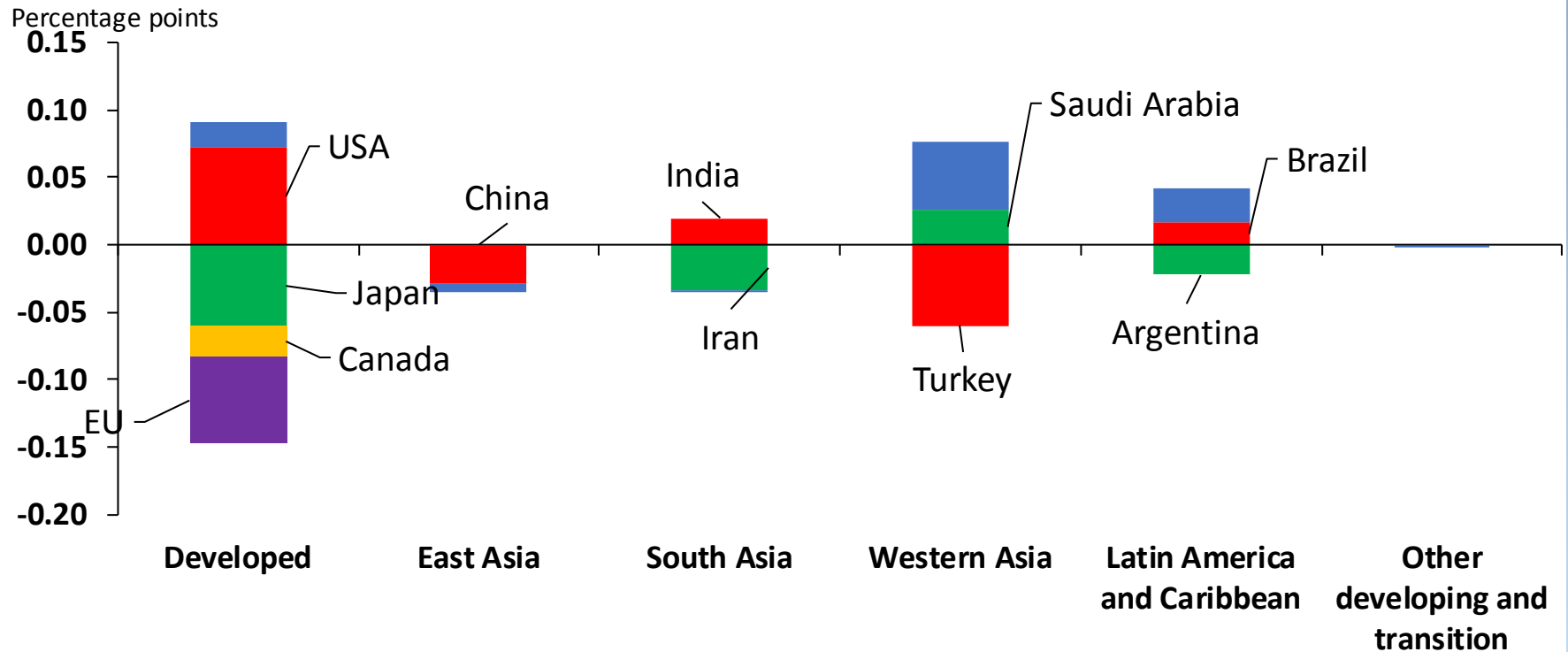
Key messages

- On the surface, global economic growth remains steady, masking underlying risks and imbalances
- Confluence of risks threaten short-term outlook: trade tensions, financial fragilities, climate risks
- Economic growth is uneven and is often failing to reach where it is most needed
- Underlying vulnerabilities endanger longer-term progress towards the implementation of the 2030 Agenda for sustainable development



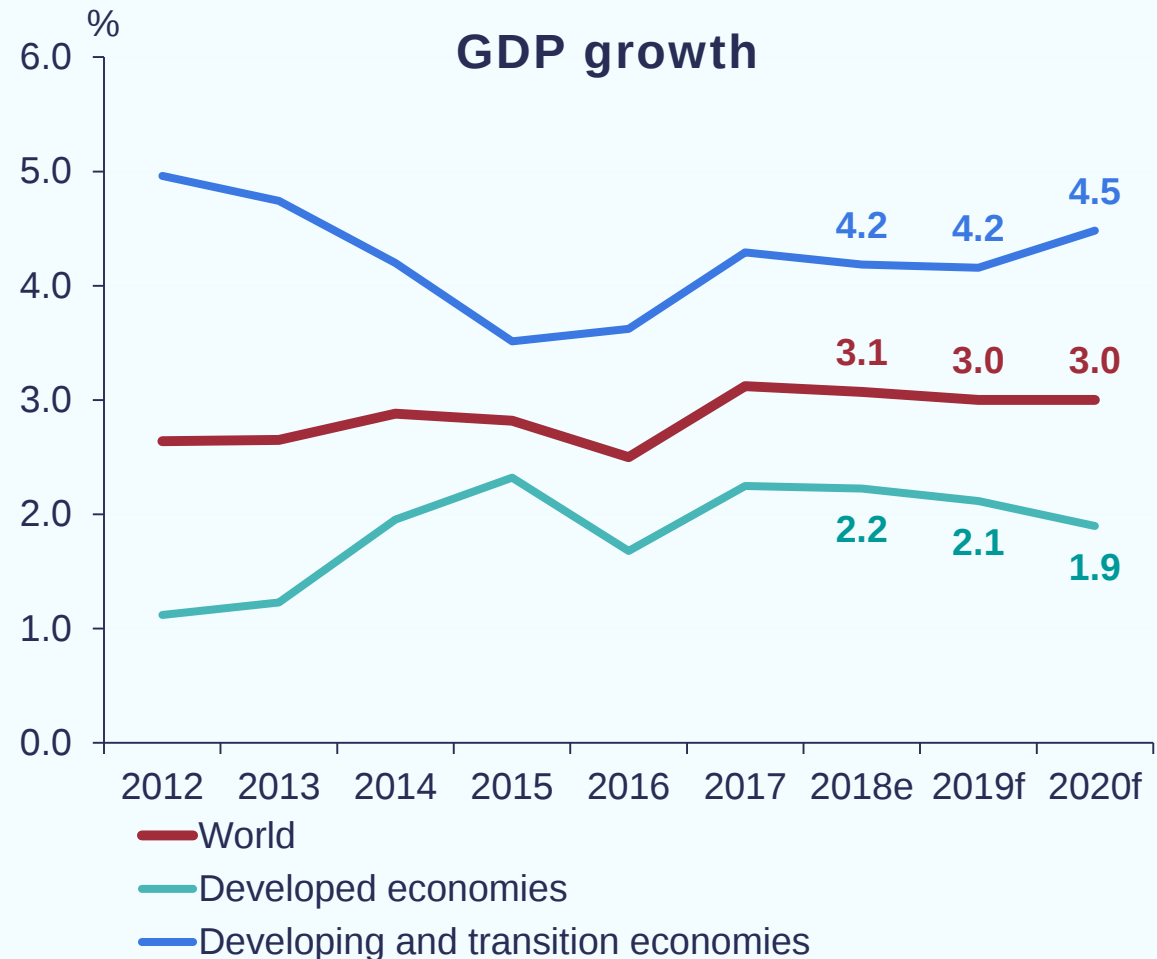
Majority of developing countries saw faster growth in 2018

Shifting contributions to world gross product growth, 2017-2018



On the surface growth appears steady...

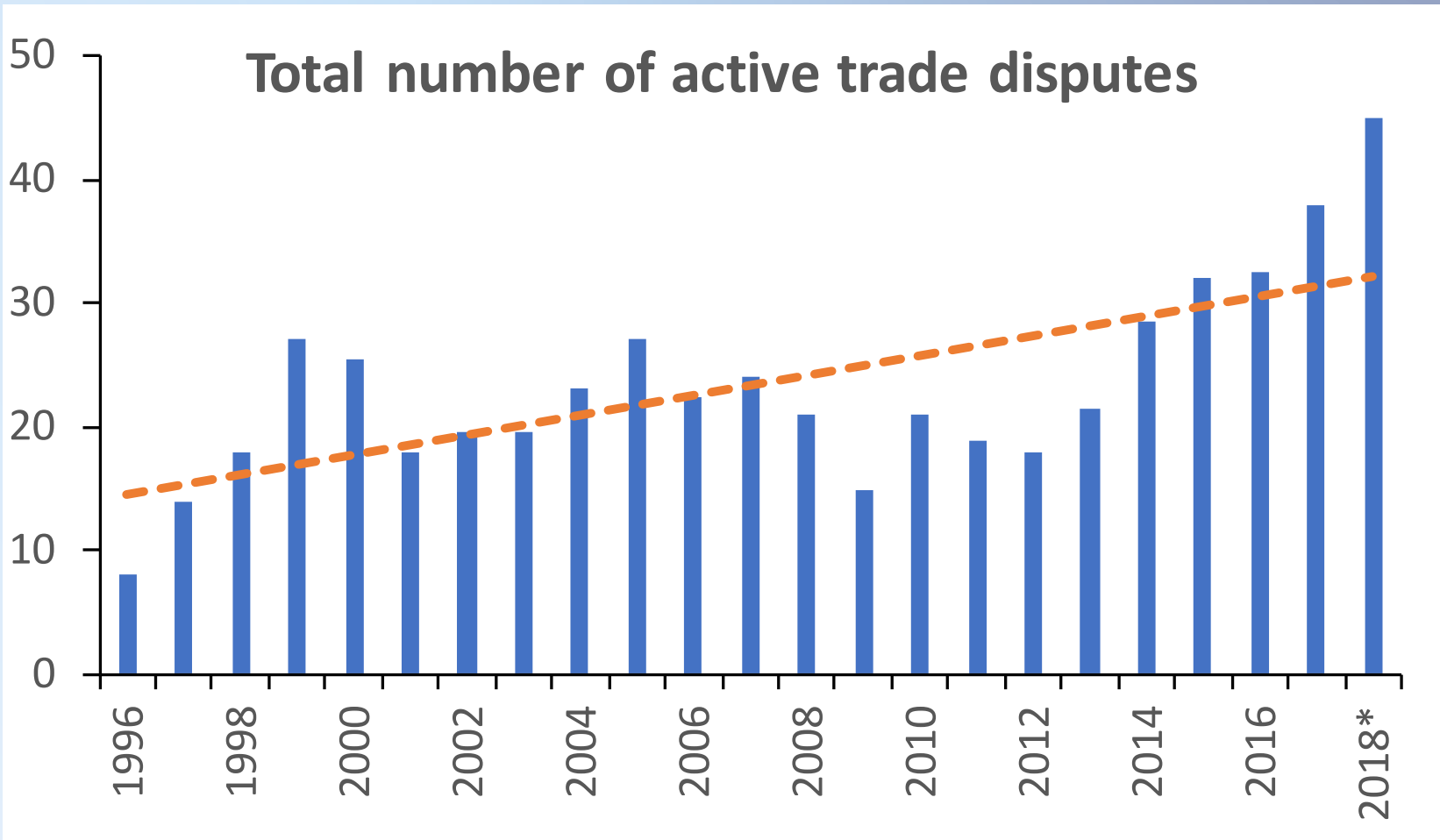
- Acceleration in over ½ the world in 2017 and 2018
- Many developed countries close to potential
- East and South Asia remain relatively strong
- Commodity exporters recovering



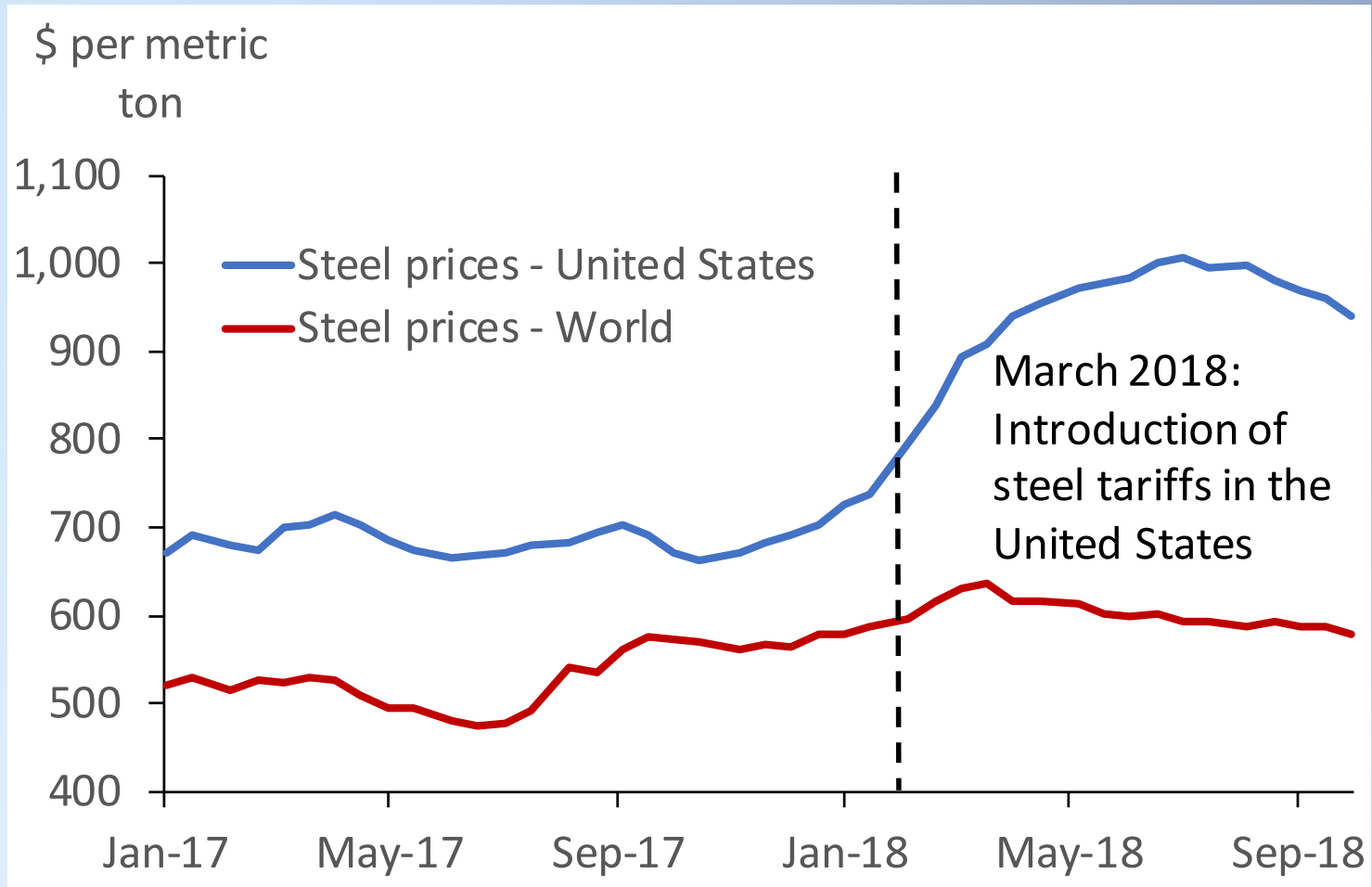
... but may have peaked



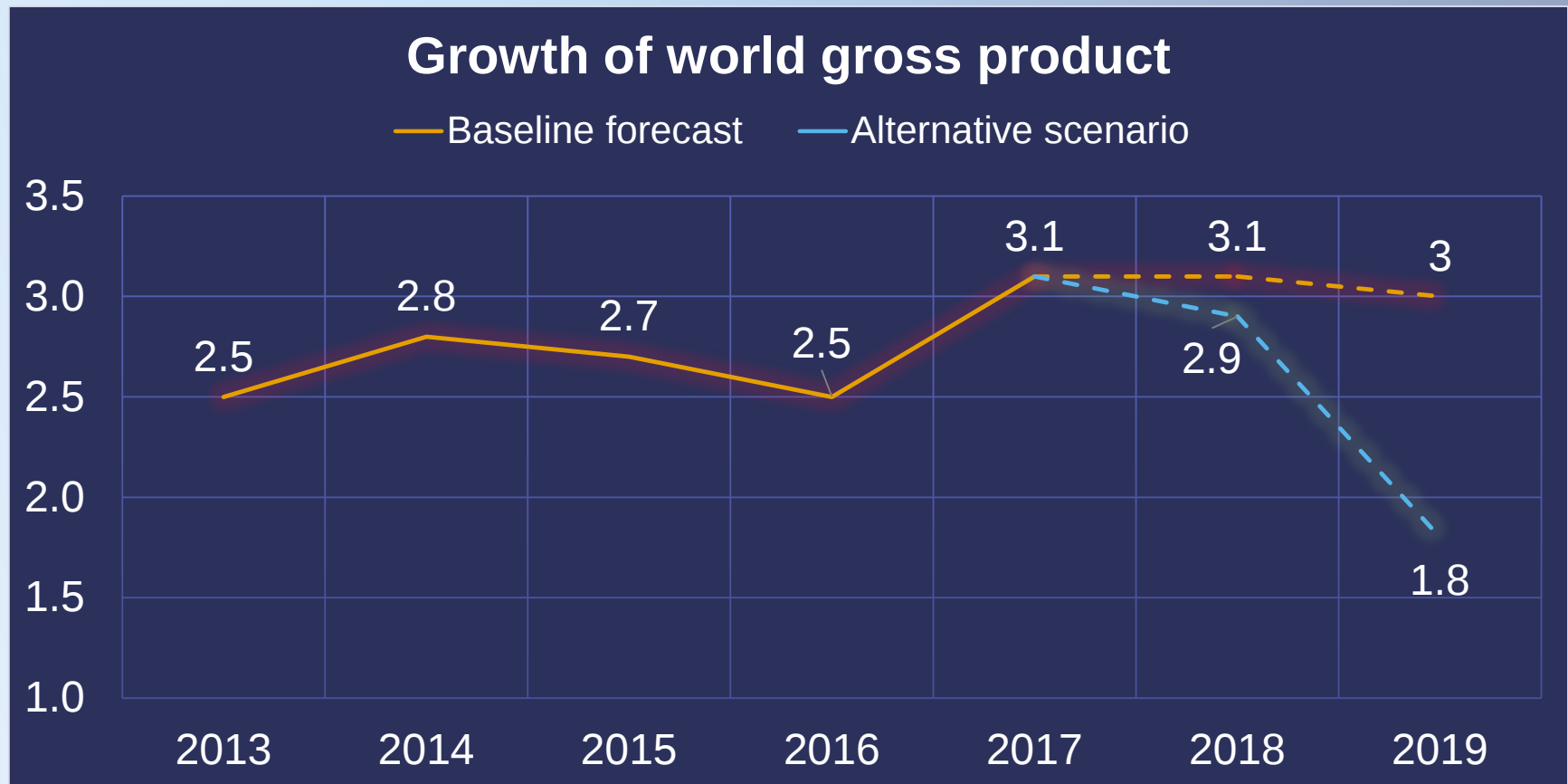
Global trade tensions pose a threat to the outlook...



Trade disputes have already impacted certain sectors...

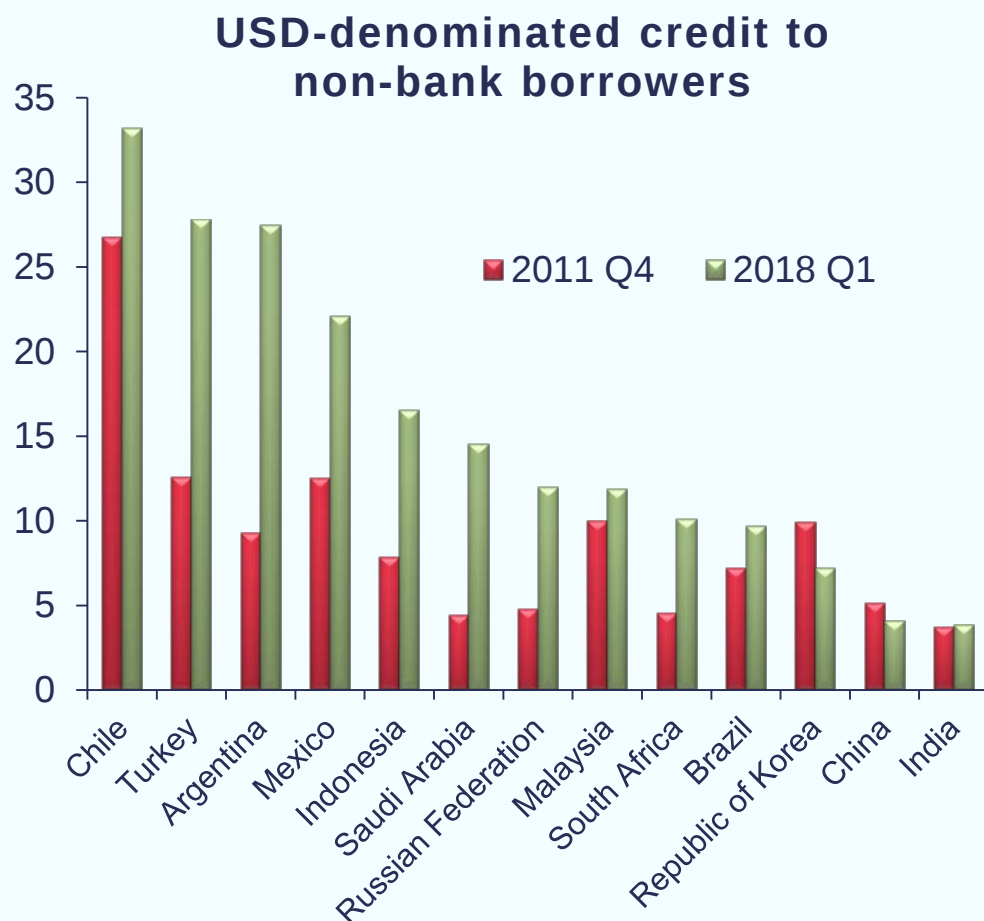
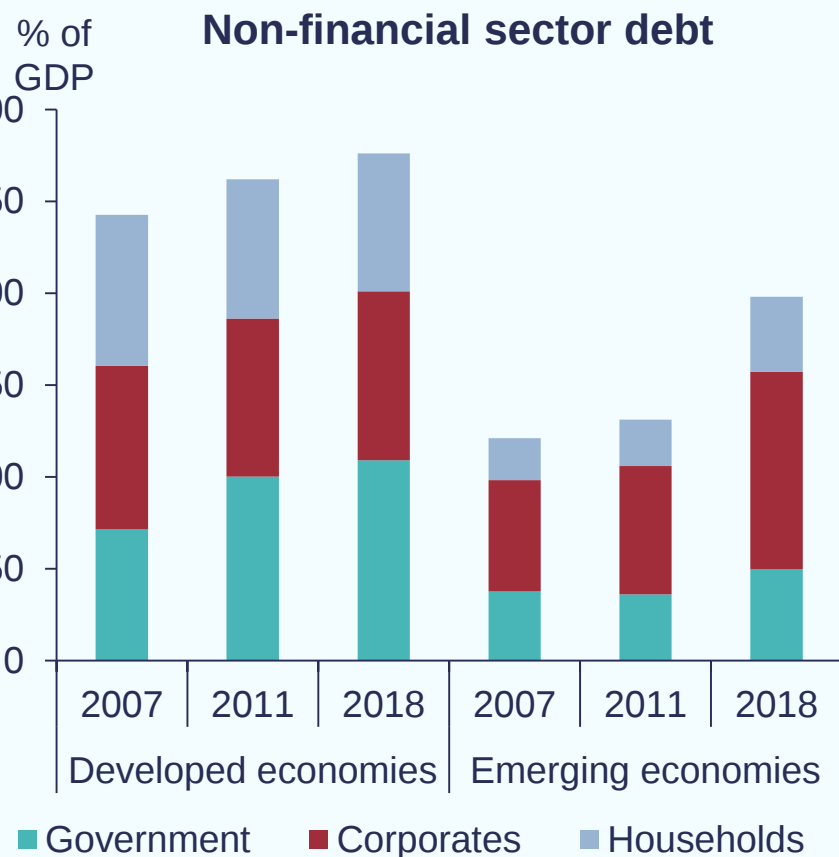


Extended escalation of trade tensions could slow global growth sharply



High levels of global debt pose a threat to financial sustainability

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2019



...especially where FX debt is rising



Potential triggers of financial stress

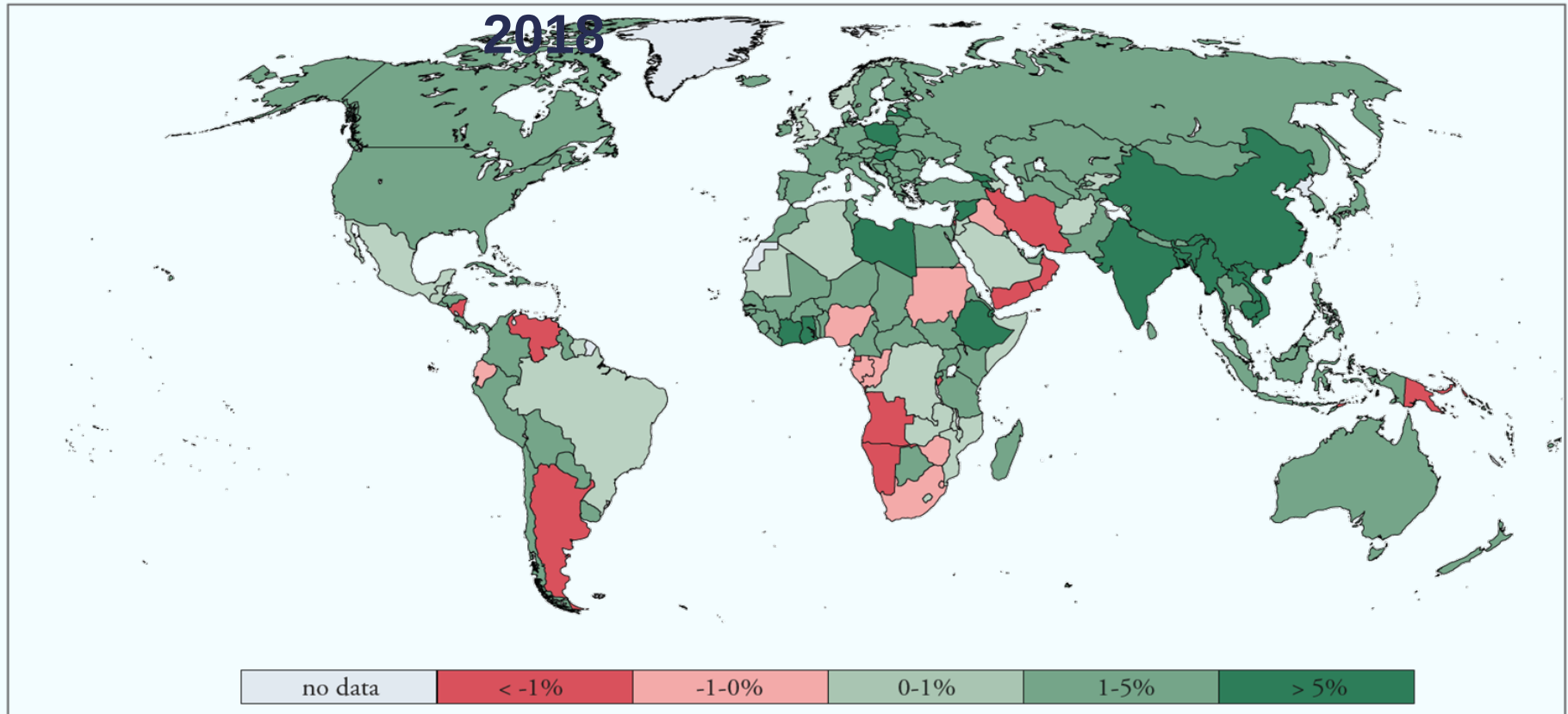
- **Global trade tensions**
- **Monetary policy adjustment in developed economies**
- **Commodity price shocks**
- **Policy disruption in Europe associated with 'Brexit'**
- **Domestic political or economic disruptions**



Economic growth is uneven...

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GDP per capita growth, 2018



Disclaimer: The designations employed and the presentation of material on this map do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

...and often failing to reach where it is most needed



www.bit.ly/wespreport

Many countries continue to be left behind

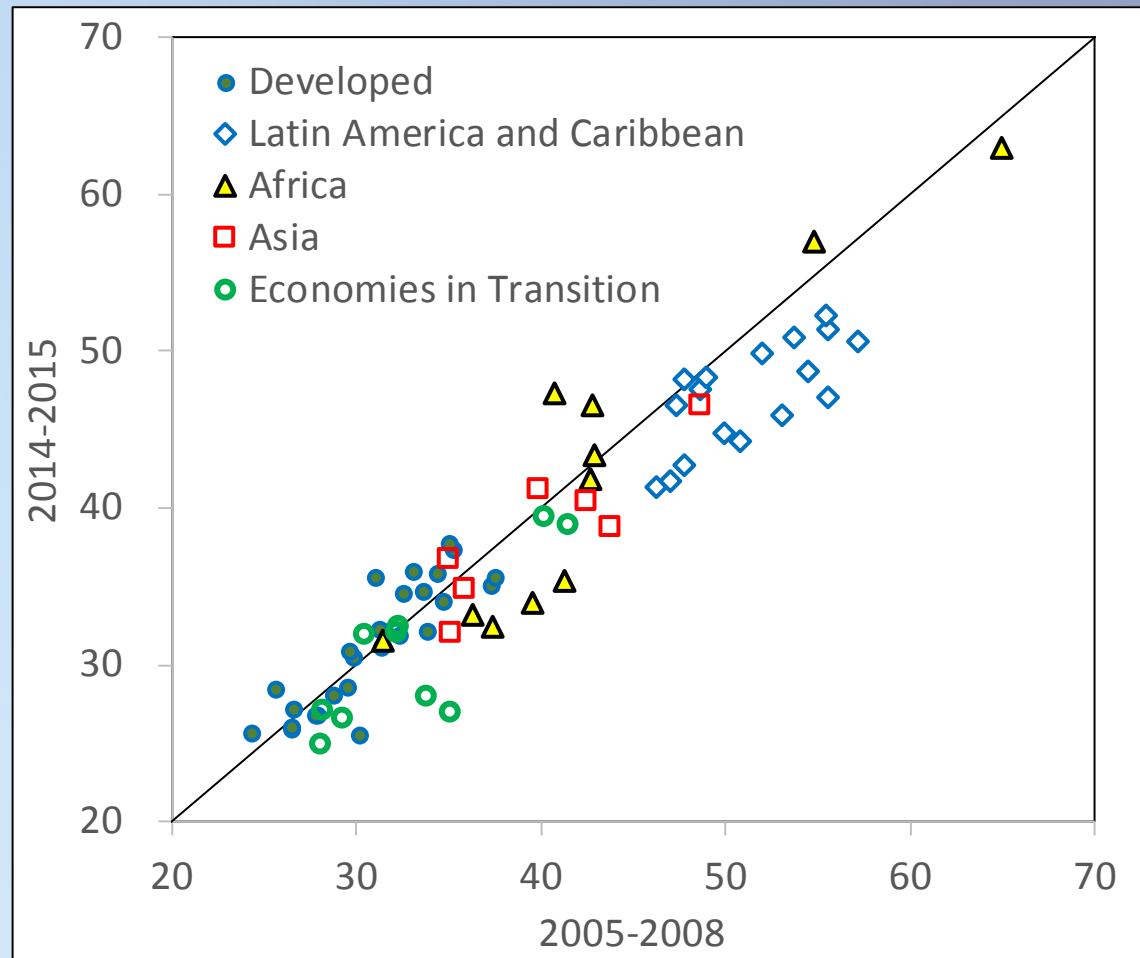
- In 2018, 47 developing and transition economies had less than 1% per capita growth
- Majority of these (38) have experienced below-average growth since 1980
- Most (41) highly dependent on commodities
- Several face long-standing armed conflict or civil unrest and political instability



Even with steady global growth, high inequality constrains higher living standards

Improvements in Latin America:

- **Cyclical factors**
- **Minimum wage policy**
- **Education policy**
- **Government transfers**



Scenarios for poverty reduction, 2030

Baseline: Constant inequality

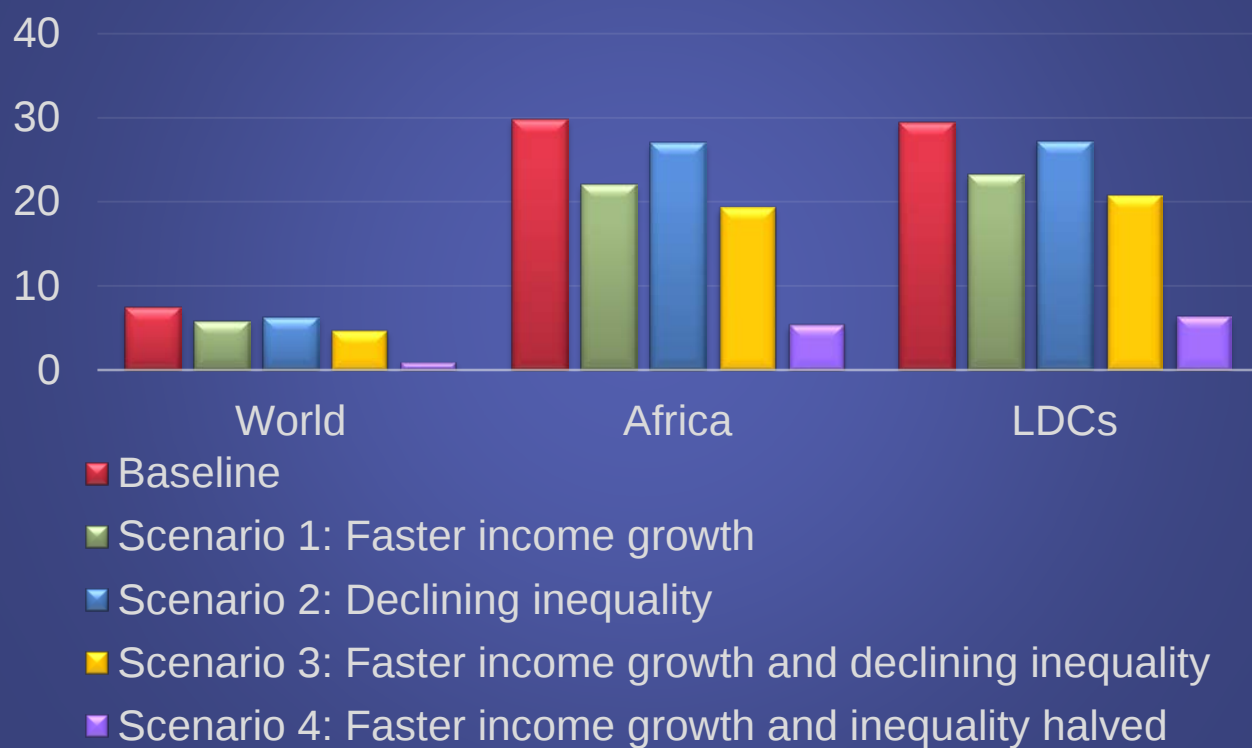
Scenario 1:
Consumption per capita growth at least 4% pa

Scenario 2: Reduce inequality 0.5% pa

Scenario 3:
Combine 1 and 2

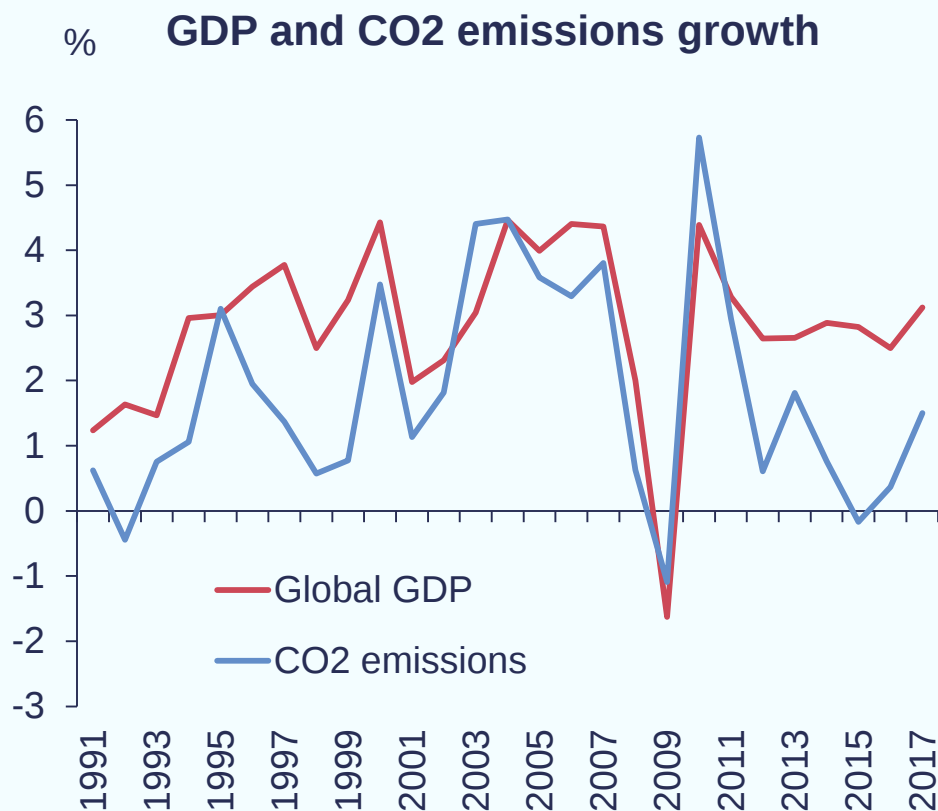
Scenario 4:
Combine 1 and reduce inequality by 50% by 2030

Extreme poverty headcount ratios, scenarios for 2030

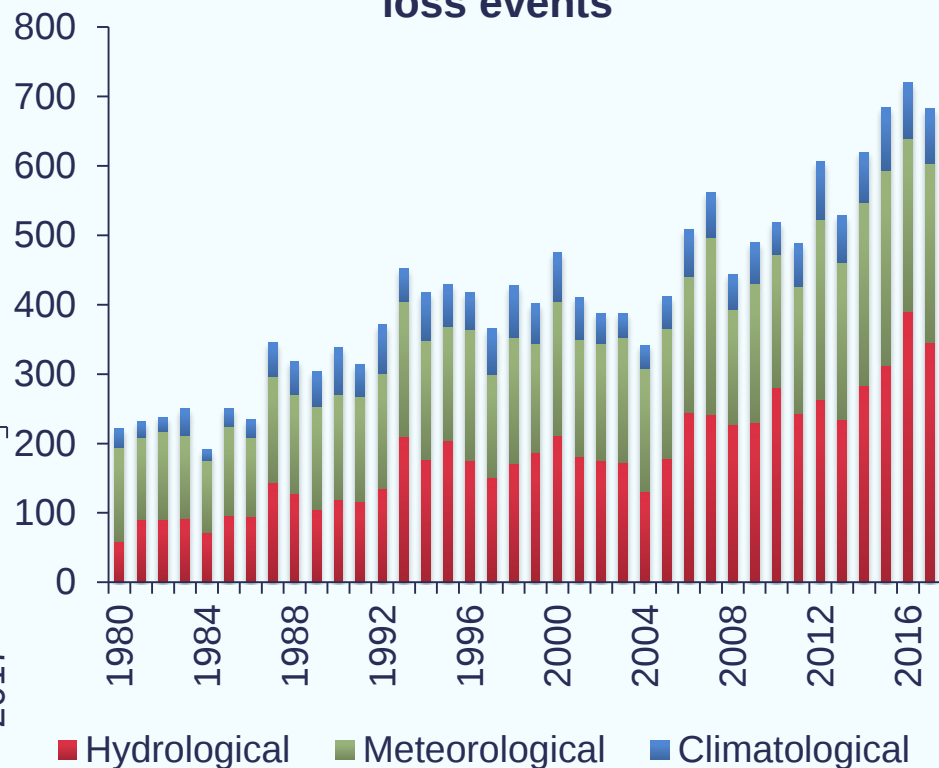


Transition towards sustainable production and consumption...

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Number of relevant weather-related loss events



...is not happening fast enough



Concluding remarks

- A dynamic and inclusive global economy is central to delivering the 2030 Agenda
- The essential transition towards sustainable production and consumption is not happening fast enough.
- While containing short-term risks, there is urgent need to advance the longer-term development strategy towards economic, social and environmental goals.
- Decisive actions rely on a multilateral, cooperative and long-term approach to global policymaking in key areas, including climate change, sustainable finance, sustainable production and consumption, and redressing inequality.



THANK YOU!

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