

# Lift in global economy prompts opportunities to tackle deep-rooted development issues – UN

11 December 2017 – A three per cent upturn in the global economy has paved the way to readjust policy towards longer-term issues, such as addressing climate change, tackling existing inequalities and removing institutional obstacles to development, according to a new United Nations report on global economic prospects.

Launched in New York on Monday, among other things, the World Economic Situation and Prospects ([WESP](#)) 2018 offers policy imperatives that include tackling inequality and delinking economic growth from environmental degradation.

“The World Economic Situation and Prospects 2018 demonstrates that current macroeconomic conditions offer policy-makers greater scope to address some of the deep-rooted issues that continue to hamper progress towards the Sustainable Development Goals,” stated UN [Secretary-General](#) António Guterres in the Foreword.

According to the report, 2017 global economic growth had reached three per cent – its highest since 2011 – as crisis-related fragilities and the adverse effects of other recent shocks have subsided.

The improvement is widespread. Roughly two-thirds of the world’s countries have experienced stronger growth in 2017 than in the previous year, and movement is expected to remain steady at three per cent in 2018 and 2019.

Noting that the recent pickup in global growth stems predominantly from firmer growth in several developed economies, the report states that East and South Asia remain the world most dynamic regions.

Despite the improved short-term outlook, the global economy continues to face longer-term challenges, including trade policy changes and rising geopolitical tensions.

The report highlighted that the improved macroeconomic situation has opened a door for reorienting policies, including to increase economic diversification; reduce inequality; support long-term investment; and tackle institutional deficiencies. It noted that addressing these challenges can generate stronger investment and productivity, higher job creation and more sustainable medium-term economic growth.

## ***Uneven Growth***

However, the recent economic improvements have been unevenly distributed across countries and regions.

Through 2019, negligible per capita income growth is expected in several parts of Africa, Western Asia and Latin America and the Caribbean – underscoring the urgent need to foster an environment that will both accelerate medium-term growth prospects and tackle poverty through policies that address income and opportunity inequalities.

The report also found that – hindered by institutional deficiencies, inadequate basic infrastructure and greater exposure levels to natural disasters, along with challenges to security and political instability – very few least developed countries ([LDCs](#)) are expected to reach the [Sustainable Development Goal](#) target for GDP growth of “at least 7 per cent” (SDG 8.1) in the near term.

In addition to mobilizing financial resources to meet LDC investment needs, policies must also focus on conflict prevention and removing barriers that continue to hinder more rapid progress.

After remaining flat for three consecutive years, preliminary estimates suggest that 2017 global energy-related CO<sub>2</sub> emissions increased, according to WESP.

“While the upturn in global growth is a welcome sign of a healthier economy, it is important to remember that this may come at an environmental cost,” said Under-Secretary-General for Economic and Social Affairs Liu Zhenmin.

As the frequency of weather-related shocks continues to rise, the urgent need to build resilience against climate change and prioritize environmental protection is becoming more prevalent.

International shipping and aviation emission policies, which do not fall under the purview of the [Paris Agreement](#), must be strengthened as their emissions continue to grow faster than those from road transport.

“This calls for stronger efforts to delink economic growth and environmental degradation – as also emphasized by the UN [Climate Change Conference](#) in Bonn last month,” stressed Mr. Liu.