

# Global Economy 2025: Challenges, Trends, and Opportunities

The *World Economic Situation and Prospects (WESP) 2025* report by the UN Department of Economic and Social Affairs (DESA) highlights stagnated global economic growth, which remains below the pre-pandemic annual average of 3.2%. Persistent challenges like weak investment, sluggish productivity, and high debt levels continue to hamper economic performance worldwide.

The report predicts varying regional growth trajectories. The United States faces a slowdown as labor markets soften, while Europe's recovery remains sluggish due to weak productivity and an aging population. East Asia is expected to sustain strong growth, driven by China's stability and robust private consumption, while South Asia, led by India, will remain the fastest-growing region. Modest improvements in Africa's growth are forecast, despite challenges like high debt and climate-related disruptions.

Global trade is expected to grow by 3.2% in 2025, with strong Asian exports and services trade. Inflation is projected to decline to 3.4%, offering relief to businesses and households. However, developing nations continue to face inflationary pressures, with food inflation and debt burdens exacerbating poverty and insecurity.

The report also highlights the opportunities and risks posed by rising demand for critical minerals like lithium and cobalt. While these resources could fuel sustainable development, poor governance and environmental degradation could undermine long-term benefits.

To address global crises, the report calls for multilateral action, including investments in clean energy, infrastructure, and social sectors. Stronger cooperation is vital to ensure equitable growth and sustainable resource management.

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