



PRESS RELEASE

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GLOBAL ECONOMY UNDER PRESSURE COULD SLOW TO 2.3%, SIGNALS UN TRADE AND DEVELOPMENT (UNCTAD)

- **Global growth is expected to slow to 2.3% in 2025 - a recessionary trend linked to escalating trade tensions and uncertainty**
- **Developing economies face risks and worsening external conditions, but growing South-South trade and greater regional economic integration are opportunities**
- **UNCTAD calls for greater international policy coordination and strengthened regional trade**

Geneva 16 April 2025 – The world economy is on a recessionary trajectory, driven by escalating trade tensions and persistent uncertainty, UN Trade and Development (UNCTAD) alerts in its new report, [“Trade and Development Foresights 2025 - Under pressure: Uncertainty reshapes global economic prospects”](#).

Global growth is projected to slow to 2.3% in 2025, placing the world economy on a recessionary path, the report says. It cites mounting threats including trade policy shocks, financial volatility and a surge in uncertainty that risk derailing the global outlook.

Global trade tensions escalate

Rising trade tensions are impacting global trade, with UNCTAD noting that recent tariff measures are disrupting supply chains and undermining predictability. “Trade policy uncertainty is at a historical high,” the report notes, “and this is already translating into delayed investment decisions and reduced hiring.”

Challenges for the Global South

The slowdown will affect all nations, but UNCTAD remains concerned about developing countries and especially the most vulnerable economies. Many low-income countries face a “perfect storm” of worsening external financial conditions, unsustainable debt and weakening domestic growth.

UNCTAD underlines the real threat to economic growth, investment, and development progress, particularly for the most vulnerable economies.

South-South trade and regional integration offer opportunities

UNCTAD points to the growth of trade among developing countries (South-South trade) as a source of resilience.

Already accounting for about one third of global trade, “the potential of South-South economic integration offers opportunities for many developing countries”, the report notes.

Policy options

UNCTAD urges dialogue and negotiation, alongside stronger regional and global policy coordination, building on existing trade and economic ties.

“Coordinated action will be essential to restore confidence and keep development on track,” the report concludes.

About UN Trade and Development:

UN Trade and Development (UNCTAD) is dedicated to promoting inclusive and sustainable development through trade and investment. With a diverse membership, it empowers countries to harness trade for prosperity.

Note to Editors: Additional background information and quotes can be provided upon request.

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