

## World Bank Makes Predictions for Global Economy



Despite Sputtering Global Economy, Developing Nations' Growth Potential High

For VOA Learning English, this is the Economics Report in Special English.

The World Bank released its Global Economic Prospects report this week. World Bank experts are using the words "fragile" and "uncertain" to describe the economic recovery this year.

The report predicts the international economy will grow a little over two percent in 2013. Slightly greater economic expansion is expected in 2014 and 2015.

Predictions of limited growth have become familiar since the financial crisis four years ago. Wealthy countries are expected to have slower growth than developing ones as they deal with larger amounts of debt and big budget deficits.

World Bank President Jim Yong Kim is urging developing countries to become drivers of growth. But he notes that it was important to build a foundation for growth that can last over time.

He said, "What we are suggesting is that we cannot wait for the return

growth in the high income countries. We really need developing countries to think about setting the stage for medium- and long-term growth. We have to continue to support developing countries in making investments in infrastructure, in health, in education.”

Andrew Burns is lead author of the report. He says it is not only important to build roads and bridges, but to invest money in health care and effort in government reforms. Some high-growth developing countries, such as China, are spending a lot on public works projects, but spend little on health care.

The report notes the threat of European nations failing to make debt payments has eased. The World Bank President says Europe and America have approved some measures to deal with economic weakness. But financial policy remains a work in progress.

He said, “So despite promising, and sometimes courageous measures taken in Europe...issues remain in the Eurozone and of course we have fiscal policy issues in the United States.”

The World Bank notes that budget deficits are decreasing in most other high-income nations. But these nations continue to carry a lot of debt compared to the size of their economies.

Developing countries are positioned for stronger growth. But they will face basic risks to economic progress over the next few years. World Bank chief Kim said he is concerned that low supplies of important grains, such as wheat and corn, could bring high food prices, hurting the poor.

The World Bank offers knowledge, assistance and loans to developing countries. Economic conditions in high-income nations affect the developing world because they are the largest and most developed markets for exports. Such nations are also the providers of investment that can fuel economic growth.