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United Nations, March 18 (RHC)-- The world's poorest and most vulnerable countries will suffer the most from a pandemic downturn, the UN's conference on trade and development (UNCTAD) said in its latest report.

According to UNCTAD, the pandemic, which is expected to leave the global economy nursing \$10tn (£7.2tn) of losses by the end of the year, will end with pre-crisis problems unresolved. "The brunt of the hit to the global economy is being felt in developing countries with limited fiscal space, tightening balance of payments constraints and inadequate international support," UNCTAD said.

The report warns that “COVID-19 will likely have lasting economic, as well as health consequences, which will require continued government support.” The prediction comes in spite of the UNCTAD becoming the latest international body to revise its growth projection for 2021 upwards. It expected the global economy to grow by 4.7% this year, up from the 4.3% it projected six months ago.

UNCTAD cited recent developments in the U.S. as one reason for the revision, highlighting progress made in administering vaccines and the possible impact of President Joe Biden’s \$1.9 trillion COVID-19 aid program.

However, it noted that the global economy would be more than \$10tn smaller by the year’s end than it would have been had it continued on its pre-pandemic trend. It added the crisis had aggravated underlying problems such as inequality, indebtedness and a lack of investment.

The report from the Geneva-based body described 2020 as an “annus horribilis”, adding, “Without a change of course, the new normal for many will be an unbalanced recovery, vulnerability to further shocks and persistent economic insecurity.”

The report also said that although the global recovery, which began in the third quarter of 2020 is likely to continue through 2021, there would be “a good deal of unevenness and unpredictability, reflecting epidemiological, policy and coordination uncertainties.”

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