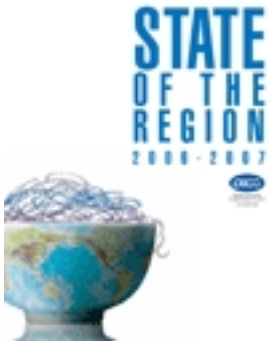
State of the Region 2006-2007



The region's GDP is set to expand by 5.0 percent this year, and possibly 4.3 percent next year, while some economies will be spectacularly above that. There has been no international conflict in the region for more than a quarter century, although in some areas there is internal unrest. Despite this positive environment, the region faces a number of continuing and emerging challenges that, unless effectively addressed, could substantially change the future outlook. Some of these are associated with the previous decades of success in economic reform and trade liberalization. Growing inequalities and resurgent protectionist sentiments remain challenges that need to be addressed if the economies of the region are to have the political and public support for further reform and market opening.

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