ADB forecasts Asia-Pacific Economic Growth of 4.8% in 2023 and 2024

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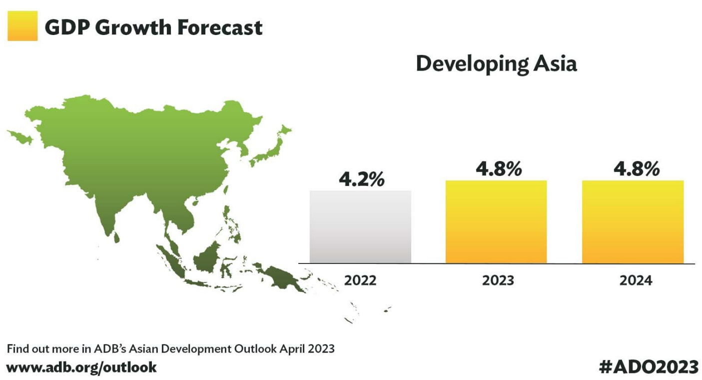

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According to theÂ *Asian Development Outlook (ADO) April 2023*Â releasedÂ on 4 April 2023, by the ADB , the Asia-Pacific region will grow by 4.8% in 2023 and 2024, with 2022 forecast for 2022.Â It is projected to improve from 4.2%.Â The economic growth rate of developing Asian countries excluding China is expected to be 4.6% in 2023 and 5.1% in 2024.Â Meanwhile, inflation in the Asia-Pacific region is projected to moderate gradually toward pre-pandemic levels, although there is considerable variation across economies.

Improvements in consumption and investment are helping many regional economies recover, offsetting the impact of higher food and energy prices caused by Russia's invasion of Ukraine and other global headwinds. Tourism and remittances are improving as pandemic restrictions are eased further. And in many tourism-dependent countries, visitor numbers are steadily improving towards pre-pandemic levels.

But the outlook carries risks. A prolonged or escalated Russian invasion of Ukraine could send commodity prices and global inflation skyrocketing again, triggering further monetary tightening. Tighter global monetary tightening, combined with the rise in debt over the past decade and during the pandemic, as seen in the recent turmoil in the banking sector in the US and Europe, has increased financial stability risks. According to the April 2023 Asian Economic Outlook, these risks must be carefully monitored and proactively addressed.

â??We expect a brighter outlook for the Asia-Pacific region and a strong recovery as we move toward normalization after the pandemic,â?• said ADB Chief Economist Albert Park. With many challenges remaining, governments in the Asia-Pacific region are working to promote trade and investment, and boost productivity and resilience. , we need to continue to focus on policies that support stronger cooperation and integration."

With the end of the zero-coronavirus strategy in December last year, China's economic growth rate is expected to increase from 3.0% in 2022 to 5.0% in 2023 and 4.5% in 2024. On the other hand, India is expected to achieve economic growth of 6.4% in 2023 and 6.7% in 2024, supported by strong domestic demand.

Favorable tourism and strong domestic demand are boosting the economies of Southeast Asian countries such as Indonesia, the Philippines, and Vietnam. The economy of Central Asia and the Caucasus region is also expected to grow steadily, reaching 4.4% in 2023 and 4.6% in 2024. Growth in the Pacific is underpinned by continued economic reopening and a recovery in tourism, which is expected to reach 3.3% in 2023 before slowing to 2.8% in 2024. .

Inflation in the Asia-Pacific region is expected to slow to 4.2% in 2023 and 3.3% in 2024 after reaching 4.4% last year. Factors such as easing pressure on supply chains, tighter monetary policy, and falling commodity prices, which are still rising, are expected to affect the inflation outlook in developing Asia.

ADB is committed to eradicating extreme poverty and working to realize a prosperous, inclusive, resilient, and sustainable Asia-Pacific region that is resilient to shocks such as climate change and disasters. Founded in 1966, ADB is made up of 68 member countries and territories, including 49 regional members.