ASEAN in the Era of Uncertainty

IIMA SYMPOSIUM

6 March 2023

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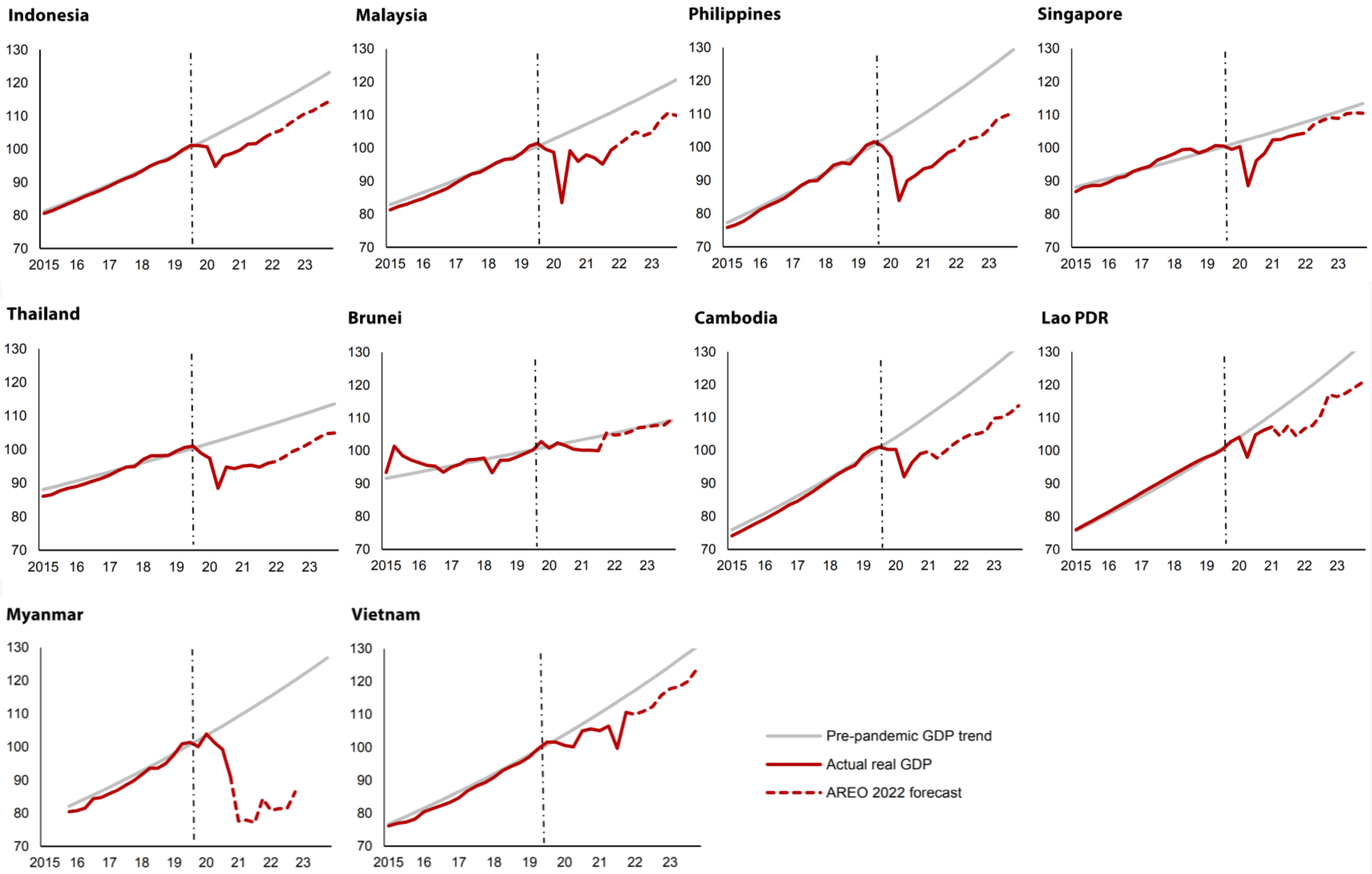
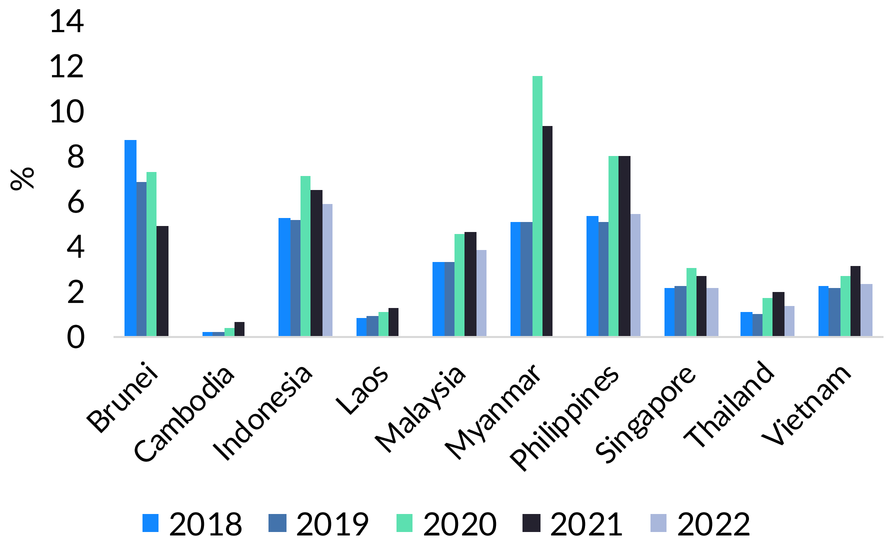
GDP Trend

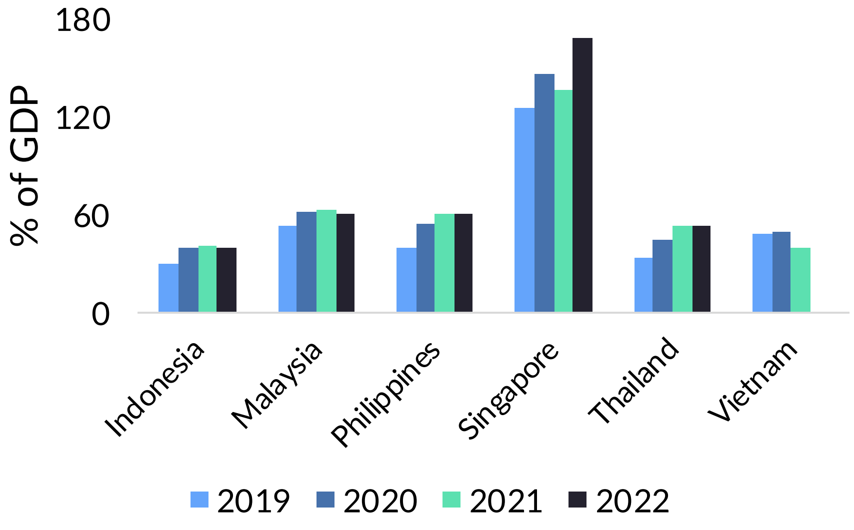


Source: Lifted from the ASEAN+3 Macroeconomic Research Office's April 2022 ASEAN+3 Regional Economic Outlook Report.

Unemployment Rate

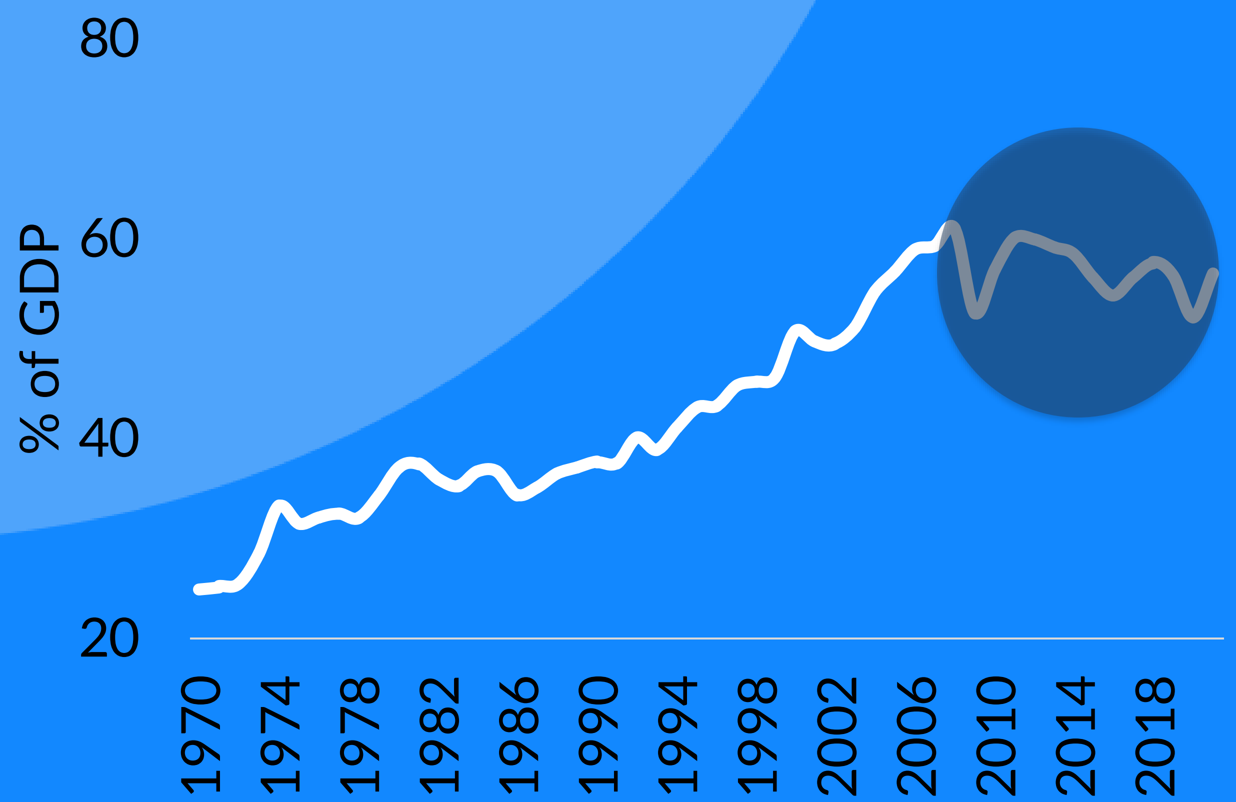


Government Debt



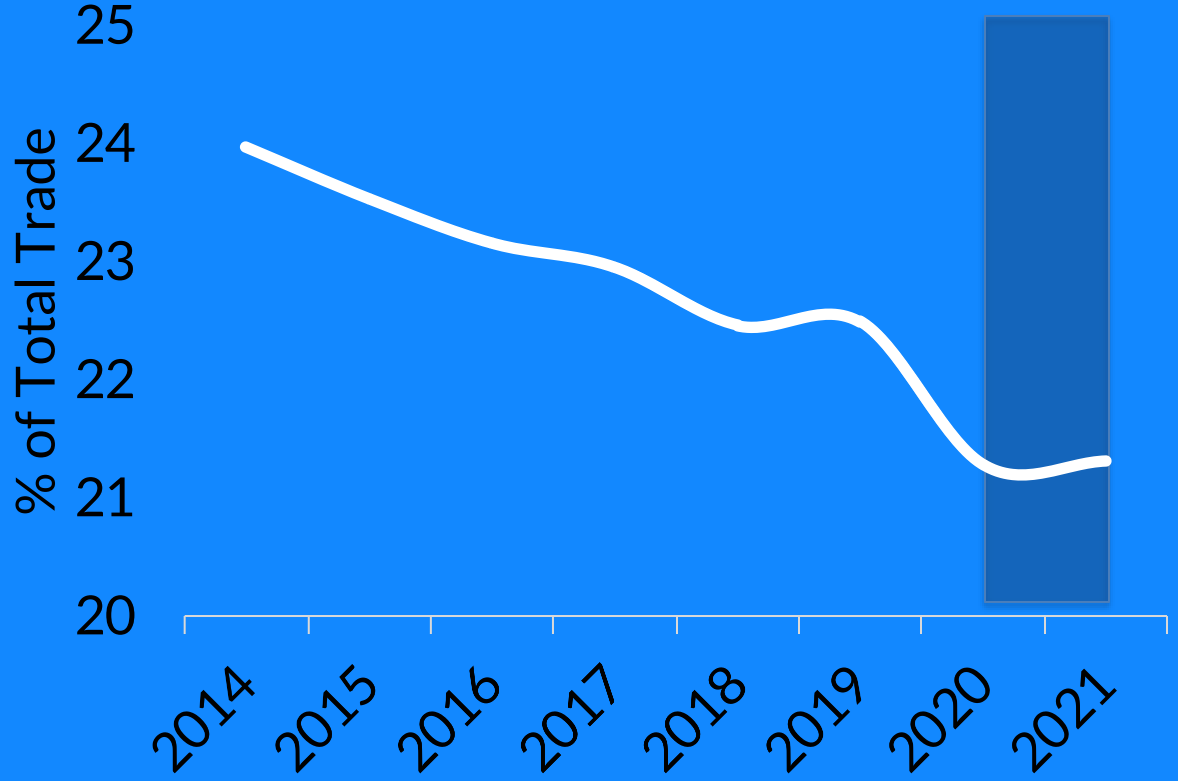
Source: National Sources, CEIC and ILO

Global Trade



Downward trend of global trade as share of world GDP since the GFC

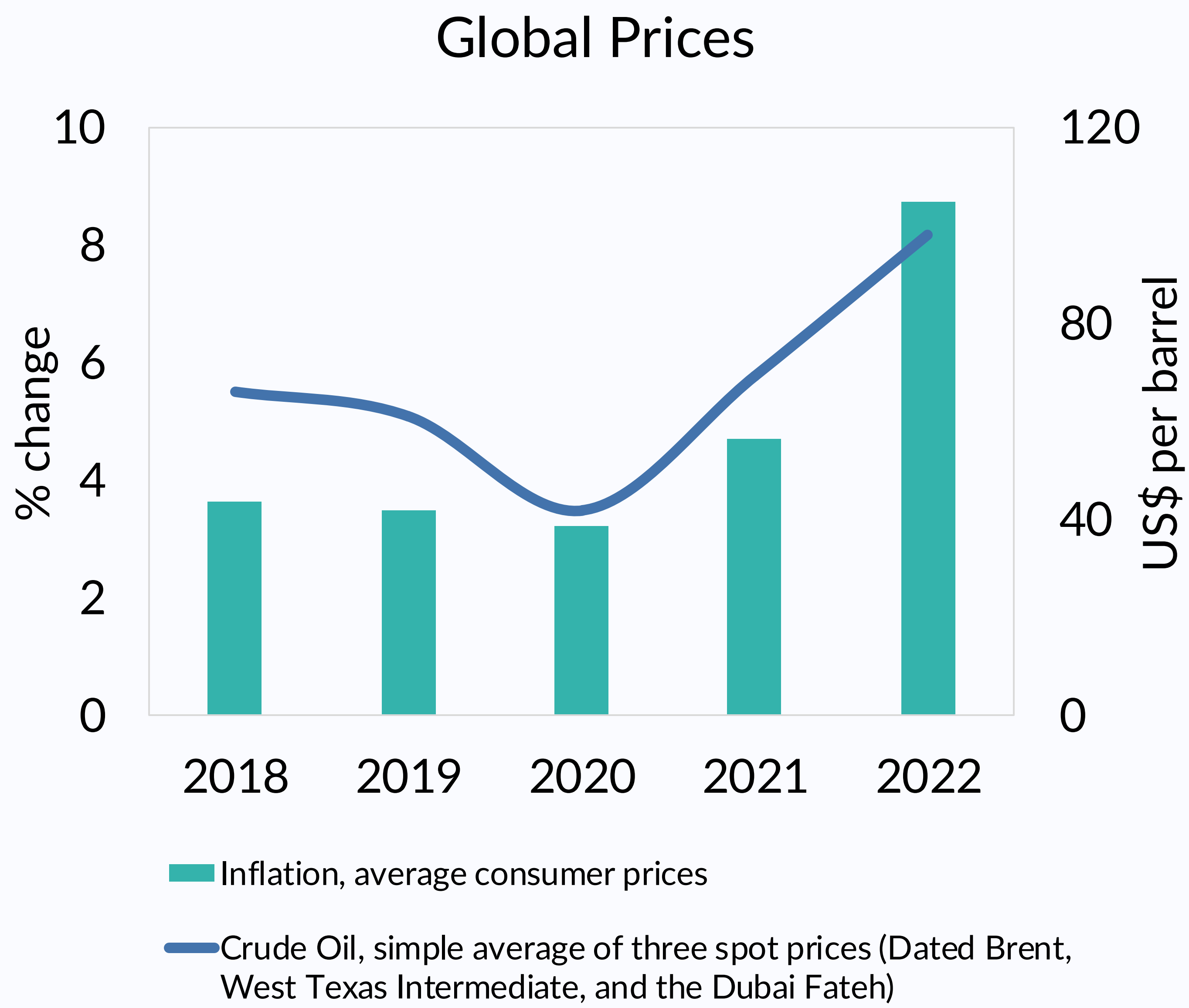
Intra-ASEAN Trade



Uptick in intra-ASEAN trade since the pandemic

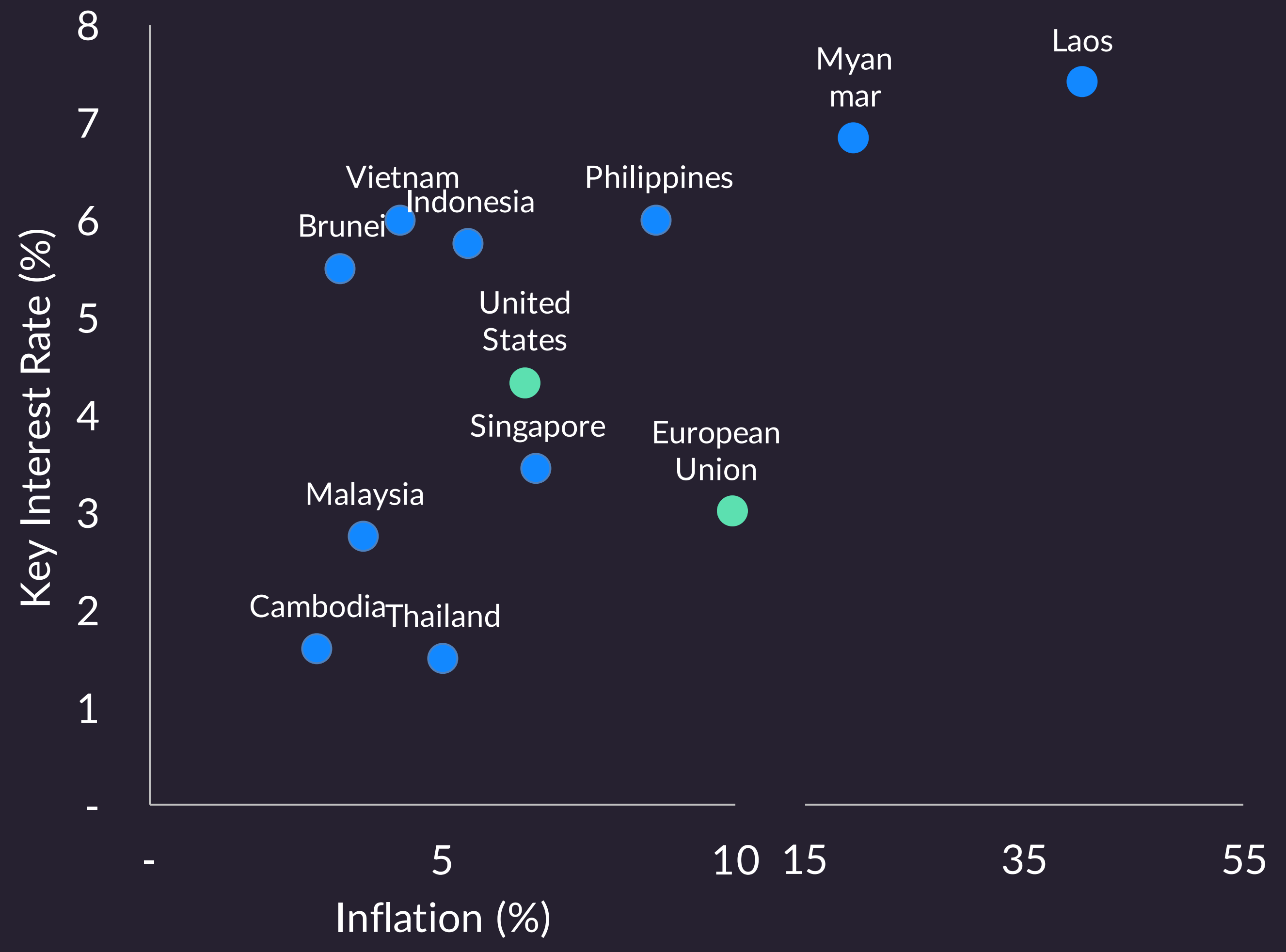
Source: CEIC, Staff Estimates

Consumption basket and oil prices

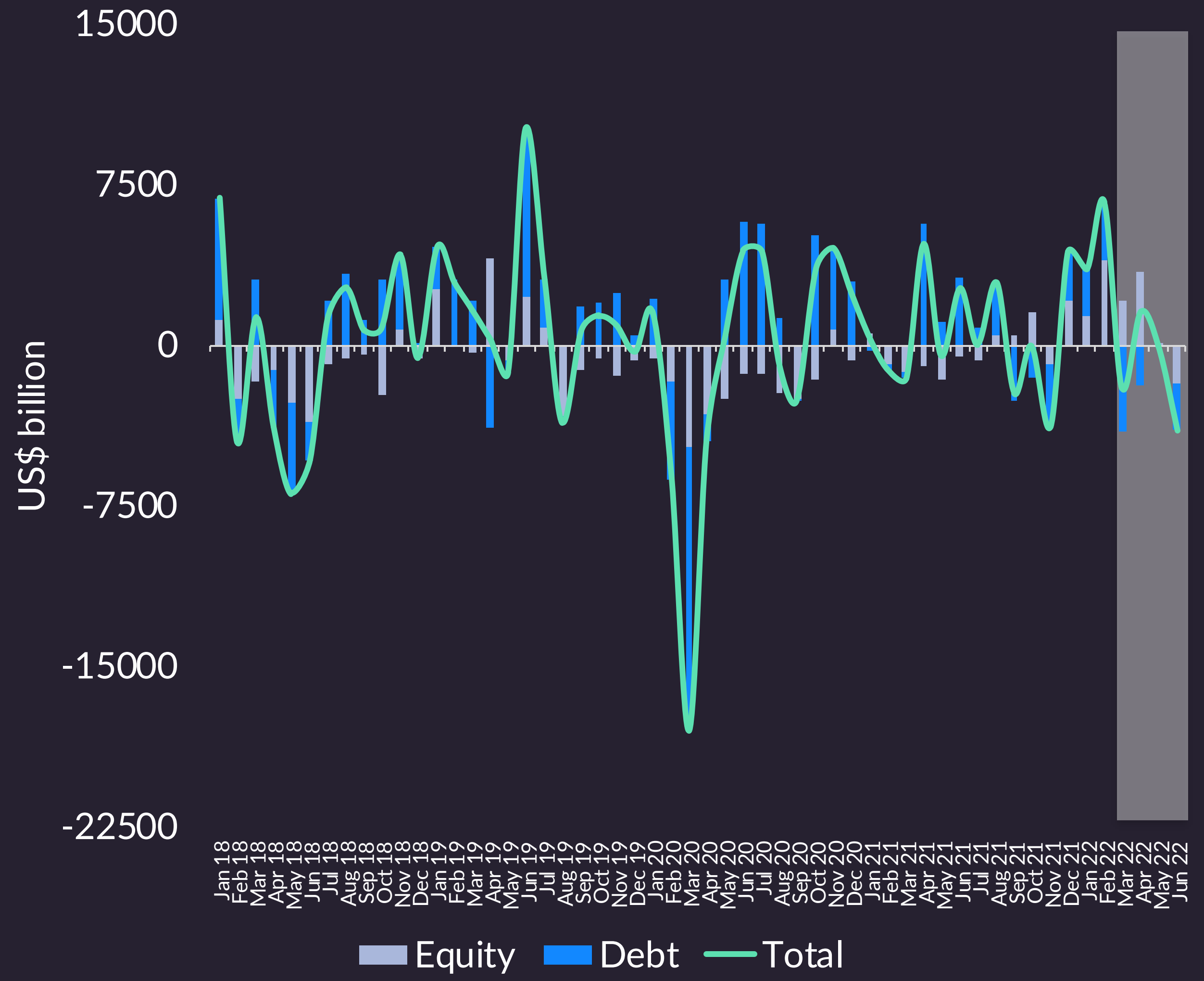


Source: CEIC

Inflation and Key Interest Rates



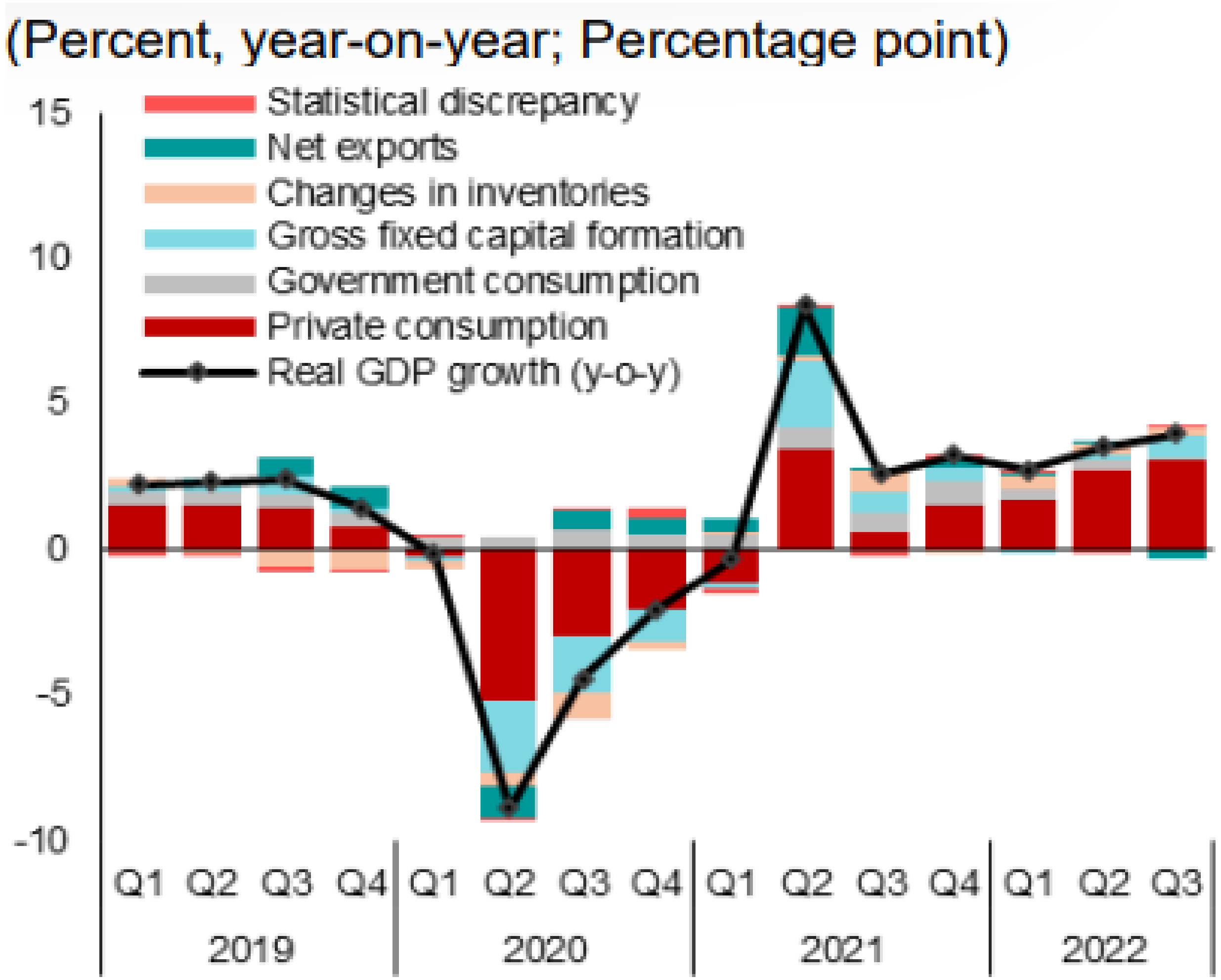
ASEAN5 Portfolio Net Inflows



Note: ASEAN5 includes Indonesia, Malaysia, Philippines, Thailand, and Vietnam. The highlighted area indicates the time period wherein successive US rate hikes occurred.

Source: CEIC, national sources, Bloomberg and Institute of International Finance

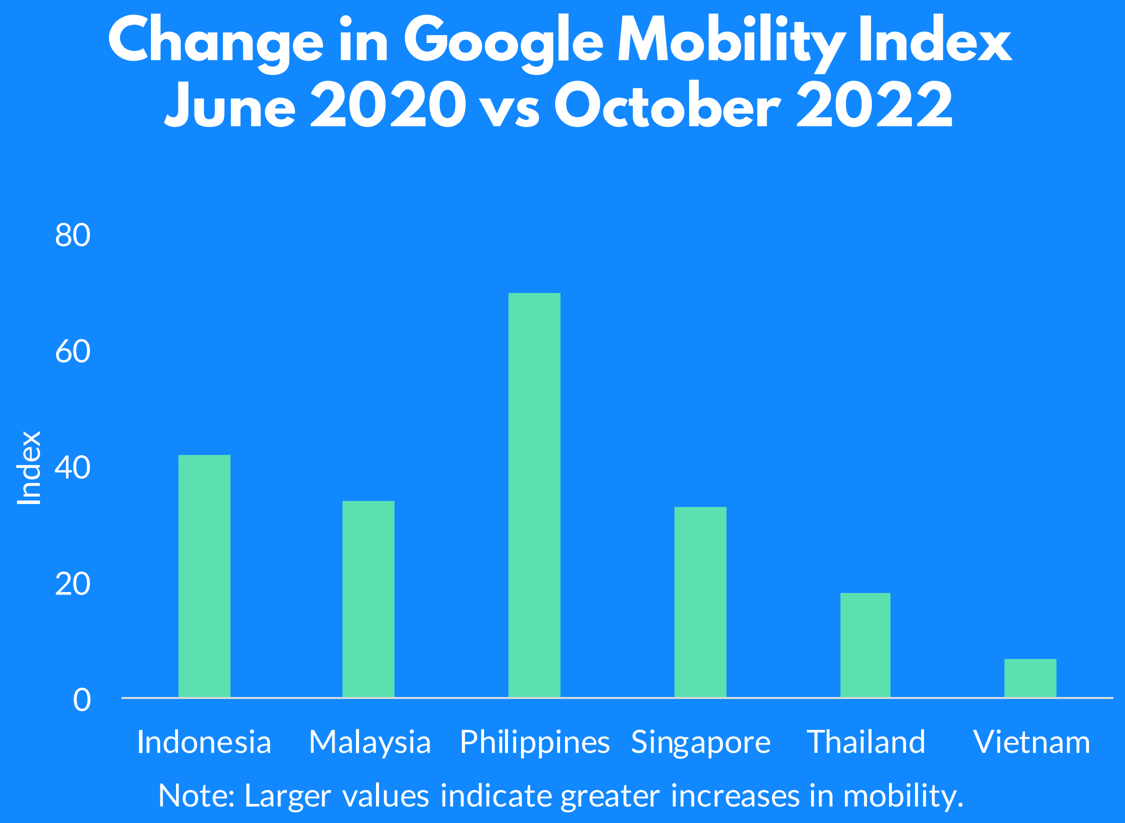
ASEAN+3 growth performance



Source: Lifted from the ASEAN+3 Macroeconomic Research Office's January 2023 Quarterly Update of the April 2022 ASEAN+3 Regional Economic Outlook Report.

Drivers of Growth

Mobility



Tourism

Source: CEIC and Our World in Data

GROWTH OUTLOOK

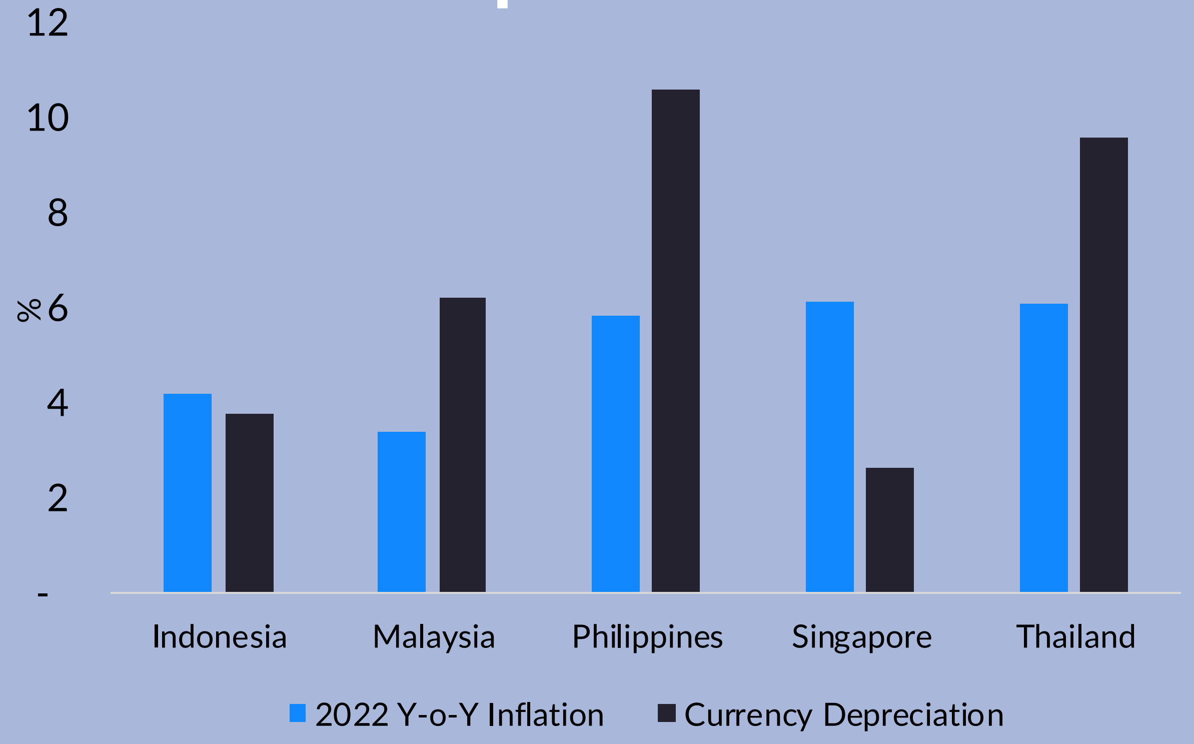
		January 2023 WEO Forecast		Difference from October 2022 WEO Forecast	
	2022 Estimate	2023	2024	2023	2024
World	3.4	2.9	3.1	0.2	−0.1
Advanced Economies	2.7	1.2	1.4	0.1	−0.2
Emerging Market and Developing Economies	3.9	4	4.2	0.3	−0.1
Emerging and Developing Asia	4.3	5.3	5.2	0.4	0
ASEAN5	5.2	4.3	4.7	−0.2	−0.2

Source: World Economic Outlook

GROWTH OUTLOOK

Policy Rates

Inflation and Currency Depreciation



Source: CEIC

Solutions & opportunities

Addressing the headwinds and maintaining the region's growth trajectory will depend on how the current headwinds are addressed.

Greater cooperation

through trade agreements and regional safety nets

New opportunities

such as digitalization and sustainable finance

Summary

KEY TAKEAWAYS

01

Covid-19 scarring, Deglobalization, inflation, and unwinding of monetary policies are some of the headwinds that continue to drive the region in an era of uncertainty.

02

ASEAN continues to buck the trend by growing firmly in 2022. However, outlook shows moderation due to downside risks.

03

Sustaining growth and successfully navigating uncertainty entails greater cooperation , coordination, and integration while leveraging on new opportunities such as sustainable finance and digitalization.