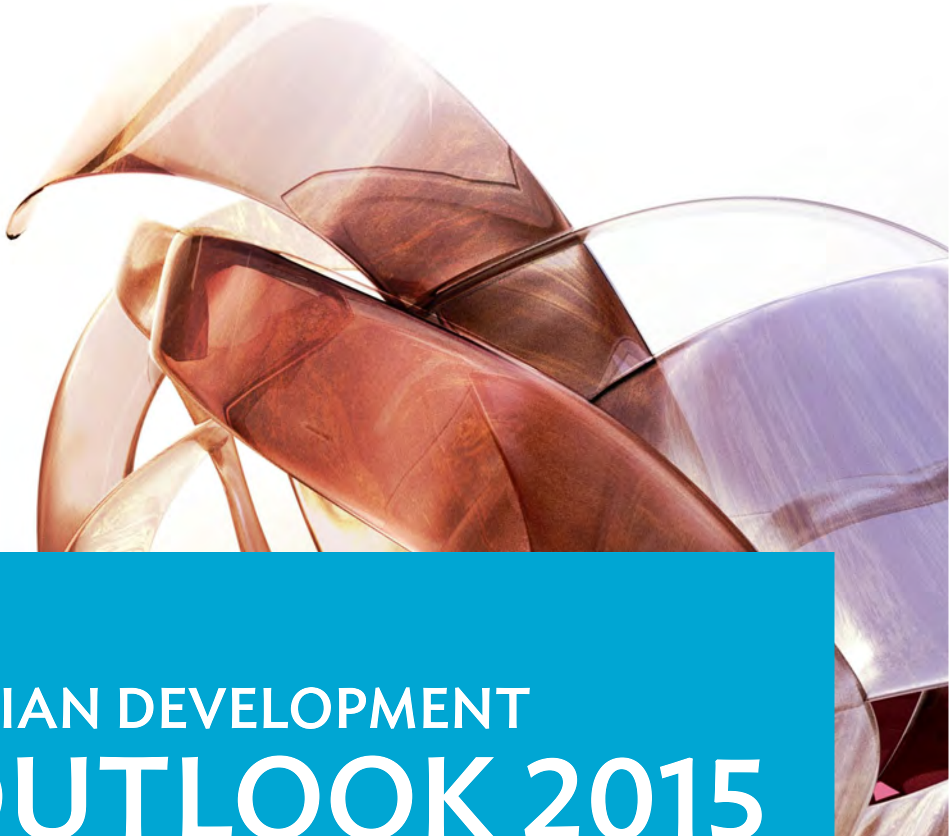

ASIAN DEVELOPMENT OUTLOOK 2015 UPDATE

ENABLING WOMEN, ENERGIZING ASIA

HIGHLIGHTS

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ADO 2015 Update—Highlights

Growth in developing Asia faced strong headwinds in the first half of 2015. Regional growth is forecast to slow from 6.2% in 2014 to 5.8% in 2015, with a slight rebound to 6.0% in 2016.

The region must strengthen its ability to respond to external shocks. Emerging markets are facing receding capital flows and depreciating currencies—a trend that may be exacerbated by the upcoming rise in US interest rates. Implementing macroprudential policies and developing local currency bond markets can bolster financial system resilience and mitigate risks to borrowers.

Currently moderating growth highlights the need to identify untapped resources in the region. As noted in the theme chapter, *Enabling Women, Energizing Asia,* developing Asia has made considerable progress in closing gender gaps in health and education over the past several decades. Today, narrowing gender gaps in the labor market is a good way to give the region a considerable growth boost—and, at the same time, do the right thing for women as individuals.

Shang-Jin Wei

Shang-Jin Wei
Chief Economist
Asian Development Bank

Bracing for economic headwinds

Transition to a new normal

- **Developing Asia faces considerable headwinds.** Growth forecasts for gross domestic product (GDP) in the region are revised down to 5.8% in 2015 and 6.0% in 2016 from the *Asian Development Outlook 2015* (*ADO 2015*) forecast, published in March, of 6.3% for both years. Delayed recovery in the major industrial economies and moderating prospects for the large economies of the People's Republic of China (PRC) and India weigh on the outlook, slackening the projected pace below even the 2014 rate of 6.2%.

  » **Recovery in the major industrial economies picks up after a slow start.** In the first half of 2015, harsh winter weather and labor disputes in West Coast ports slowed growth in the United States (US), while an unexpectedly weak recovery in consumption and investment slowed expansion in Japan. On the other hand, the receding threat of a Greek debt crisis provided a fillip to growth projections for the euro area. Together, the major industrial economies are projected to expand by 1.9% in 2015, 0.3 percentage points slower than the *ADO 2015* projection, and 2.3% in 2016.

  » **Slowing investment and weak exports ease growth in the PRC.** Despite robust consumption demand, economic activity fell short of expectations in the first 8 months of the year as investment and exports underperformed. Growth is forecast to slow from 7.3% in 2014 to 6.8% in 2015. As external demand strengthens with the pickup in growth in the industrial countries, and as improved financial conditions support investment, downward pressure on growth will ease. The PRC is projected to grow by 6.7% in 2016.

  » **Prospects for India's growth acceleration await a pickup in external demand and reform progress.** GDP decelerated in the first quarter of fiscal year 2015 (ending 31 March 2016), as external demand weakened and investors hesitated awaiting further action on structural reform. Forecasts in *ADO 2015* are revised down by 0.4 percentage points to 7.4% in FY2015. Growth is expected to pick up to 7.8% in FY2016 as key elements of the government's economic reform package reach fruition.

- » **The pickup in Southeast Asia's large economies is delayed.** For the five large economies in the Association of Southeast Asian Nations (ASEAN), the growth forecast for this year is lowered to 4.8%—a slight uptick from 2014—before accelerating to 5.3% next year. Subdued demand from the major industrial economies and the PRC dampened exports. Faster-than-expected growth in Viet Nam was more than offset by weakness in the other three economies. Planned infrastructure investment has fallen behind schedule in Indonesia and the Philippines, and Thailand's recovery to date has been sluggish.

- **Soft global commodity prices keep inflation low.** Global oil prices have remained low as food prices declined under favorable supply conditions. Relatively soft domestic demand will let regional inflation slip from 3.0% in 2014 to 2.3% in 2015 before it bounces back to 3.0% in 2016. Although forecast inflation is much lower than the regional long-run rate of about 4%, the impending rise in US interest rates may constrain scope in the region for loosening monetary policy to boost domestic demand.

- **Forecasts for the regional current account surplus are maintained.** Developing Asia's current account surplus is forecast to widen from the equivalent of 2.4% of regional GDP in 2014 to 2.5% in 2015 before falling back slightly to 2.3% in 2016. The projections are the same as in *ADO 2015*, as narrowing surpluses in commodity-exporting countries are offset by improved external balances for commodity importers.

Responding to capital flows

- **Capital flows ebb from the region and growth momentum slows.** For 11 economies in emerging East, Southeast, and South Asia, capital inflows reversed beginning in the second quarter of 2014. By the first quarter of 2015, net outflows had exceeded $125 billion. Capital outflows have likely further intensified since then as investors anticipated the upcoming US interest rate hike and growth slowed in the region. As a consequence, developing Asia has seen risk premiums rise, currencies weaken, and stock markets decline. Disruption from financial instability threatens to further slow the region's growth momentum.

- **Monetary policy may be torn between stabilizing finance and stimulating demand.** Policy makers in the region may be forced to respond in kind to the increase in the US interest rate to maintain their domestic financial stability. Historically, capital outflows from emerging Asia closely coincide with episodes of rising US interest rates. The policy response is necessary to contain destabilizing capital flow reversals, but it constrains action to boost domestic demand and revive growth.

- **Macroprudential policy can enable monetary policy independence.** By putting limits on destabilizing capital flows, the authorities may create scope for independent monetary policy that can be used to counter downturns in the business cycle. In this regard, implementing macroprudential policies to manage debt flows without impeding foreign direct investment is the most effective way to gain policy independence.

Corporate debt and the strengthening dollar

- **US dollar strength may put Asian companies with large foreign debt at risk.** Over the past few years, Asian corporations have increased their US dollar borrowings to take advantage of low US interest rates. The rising US dollar now confronts these companies with debt servicing costs that are higher in local currency terms. In addition, tighter liquidity ahead could make refinancing this debt more difficult and expensive.

- **Some corporations with foreign debt have only limited foreign revenues as a natural hedge.** Data from a sample of large nonfinancial corporations show the share of foreign currency debt incurred by firms in Indonesia, Sri Lanka, and Viet Nam exceeding 65%. While corporations in Malaysia and the Republic of Korea have substantial foreign revenues, fewer firms in Indonesia, the Philippines, and Viet Nam can rely on overseas earnings. High leverage and short-term debt can exacerbate risk from high foreign currency exposure.

- **Vibrant domestic finance can mitigate risk from currency depreciation.** Because firms resort to foreign borrowings if the domestic financial market is not large or liquid enough, a well-developed and liquid domestic financial system can reduce corporate reliance on foreign currency borrowings. Authorities may also limit unhedged foreign currency exposure by corporations and encourage more foreign direct investment inflows to help improve resilience.

The PRC and commodity exporters in developing Asia

- **Moderating growth in the PRC raises concerns for commodity exporters.** Commodity prices have fluctuated significantly since 2000, but recent trends have been decidedly downward. An index of global commodity prices fell by more than 45% from its peak in April 2011 to the end of August 2015. World prices for crude oil and metals, declining since 2011, fell more sharply in 2014. Just as rising prices coincided with periods of high growth and investment in the PRC, recent price drops mesh with the narrative of PRC deceleration and reduced reliance on investment-driven growth.

- **Commodity exporters heavily dependent on the PRC are more vulnerable.** Lower demand from the PRC will affect growth rates in developing Asia directly through reduced trade and indirectly through lower global commodity prices. The effects will depend on the share of commodities in each economy's export basket, hitting especially those with considerable direct commodity exports to the PRC. A declining appetite in the PRC for energy, metals, and other commodities, and soft global prices, are worries for a number of economies in developing Asia that depend heavily on commodity exports: Azerbaijan, Brunei Darussalam, Indonesia, Kazakhstan, and Mongolia.

Outlook by subregion

- **Developing Asia's growth is moderating over the forecast horizon.** The first half of 2015 has been softer than expected across the board, and projections for all subregions are adjusted downward from *ADO 2015* for both 2015 and 2016.

- **East Asia will grow more moderately in the near term.** Growth faltered in all economies in the subregion in the first half of 2015. Weaker-than-expected outcomes in the PRC and indications of softness in 2016 prompt downward revisions to growth projections for the subregion's largest economy. Growth in the PRC is expected to drop to 6.8% from 7.3% in 2014, but support from strengthening external demand plus accommodative monetary and fiscal policies should contain further growth moderation to 6.7% in 2016. East Asia is expected to expand at 6.0% in both 2015 and 2016, a considerable slowdown from 6.5% in 2014. Inflation will remain moderate and below the *ADO 2015* forecast. It is forecast to fall to 1.4% in 2015 and rise to 2.1% in 2016, mainly tracking the expected trend in global commodity prices. Although Mongolia now has inflation slowing to below double digits—to 7.6% in both 2015 and 2016—it remains the outlier in a subregion otherwise marked by low inflation.

- **South Asia is picking up more moderately than forecast.** Growth acceleration in India has been more modest than forecast in *ADO 2015* as slower implementation of planned major reforms have stymied the expected revival in investment, and as sagging exports have created headwinds. In Nepal, a catastrophic earthquake in April that caused great loss of life and extensive devastation, including to transport, has pared growth in 2015 and limits the pace of recovery in 2016, despite plans for extensive reconstruction. In the Maldives, a deep slump in tourist arrivals this year has undercut growth, but tourism and growth are expected to rebound in 2016. Growth in South Asia is now projected at 6.9% in 2015, below the 7.2% March forecast but up from 6.7% in 2014. Growth is forecast to rise further to 7.3% in 2016. Low world oil prices benefitted import-dependent South Asia, as did falling global food prices. Forecasts for inflation in South Asia are trimmed by 0.1 percentage points to 5.0% in 2015 and 5.5% in 2016.

- **Southeast Asia's projected growth recovery is delayed to next year.** Subdued economic growth in the major industrial economies and the PRC weakened export demand. Thailand has yet to bounce back from its 2014 slump, while infrastructure investment has fallen behind schedule in Indonesia and the Philippines. Drought in several countries, and floods in Myanmar, have hurt agriculture. Viet Nam, by contrast, is growing faster than anticipated earlier this year, powered by foreign direct investment and buoyant private consumption. Subregional growth is forecast to be 4.4% in 2015—the same pace as in 2014 but below the 4.9% forecast in *ADO 2015*. Expected improvements in exports and infrastructure investment are seen lifting growth to 4.9% in 2016. Inflation in most economies is milder than projected in March. However, inflation that was higher than anticipated in Indonesia, the biggest economy in Southeast Asia, keeps the subregional inflation projection at 3.0% for 2015 and lifts it to 3.3% for 2016.

- **Central Asian commodity exporters endure weak prices and prospects.** Export revenues crimped by low oil and gas prices have constrained growth in the subregion's energy exporters: Azerbaijan, Kazakhstan, Turkmenistan, and Uzbekistan. Weak remittances have limited consumption in energy-importing Armenia, Georgia, Kyrgyz Republic, and Tajikistan, as well as in Uzbekistan. As it adjusts to lower global commodity prices and recession in the Russian Federation, Central Asia is expected to grow at 3.3% in 2015 and 4.2% in 2016. The sharp depreciation of the Kazakh tenge on 20 August raises the inflation forecast for Kazakhstan in 2015 from 6.0% to 8.9%, with lagged inflationary effects spilling into 2016. Subregional inflation is now expected to hit 8.1% in 2015 and to dip to 7.5% in 2016.

- **The Pacific faces a dimmer economic outlook.** Papua New Guinea, the dominant economy in the subregion, was affected by the drop in oil and gas prices more than previously expected as the fall in revenue undercut public spending. Growth in the Pacific is now forecast at 6.7% in 2015 and 3.9% in 2016. Robust tourist arrivals are boosting the outlook for Kiribati and Palau, while a pickup in public investment is expected to spur growth in Fiji. As inflation in the Pacific was generally moderate in the first half of 2015—other than in Nauru—the forecast for the year is revised down from 5.0% to 4.2%. Inflation will pick up slightly to 4.4% in 2016.

ENABLING WOMEN, ENERGIZING ASIA

Enabling women, energizing Asia

The unfinished agenda for gender equality

- **Dramatic changes in recent decades have created a 'New Asia.'** Despite periods of crisis, developing Asia's real GDP per capita averaged 5.6% annual growth from 1990 to 2014. It helped lift nearly 1 billion people out of extreme poverty from 1990 to 2011. The region is becoming more urban as labor gravitates to higher wage opportunities in cities, and more globalized as its shares of world output and exports expand. While some economies have a window of opportunity to reap the benefits from a large share of working age population, some others are already showing signs of aging. One of the ways to harness this dividend and mitigate stagnation under an aging population is to bring more women into the workforce.

- **Despite notable progress, gender equality is an unfinished agenda.** From 1970 to 2013, developing Asia saw primary school enrollment double, secondary enrollment triple, and tertiary enrollment multiply by sixfold. However, girls' average schooling remains significantly below the world average of 8.1 years, while boys' schooling approaches the world average of 8.6 years. Rates of infant and child mortality among girls have dropped, narrowing that gender gap, but a strong preference for sons is still felt. Along with the spread of affordable prenatal screening technology, it has motivated gender-specific abortions and caused disturbingly high ratios at birth of boys over girls, particularly in South and East Asia. Despite gains in education and health, women's workforce participation in the region fell from 56% in 1990 to 49% in 2013.

- **Bringing women up to par with men can yield ample untapped benefits.** Erasing disparities against women has *intrinsic* value as it realizes their basic rights and promotes social justice. It also has *instrumental* value because it is good for development. Banishing job discrimination and closing gender gaps in employment improves how the available human capital is used, by deploying talent to occupations that can make the most of it. Eliminating gender disparity in the region would increase per capita income by 70% in roughly 60 years. Gender equality mitigates income inequality as well because women are on the whole poorer than men. Narrowing the gender gap thus yields twin benefits: better well-being for individual women and, for society, better use of human resources.

- **Helping women earn independent incomes can catalyze social change.** Economic independence enables women to acquire credit, buy property, save for the future, and distribute household resources more equitably between sons and daughters, thus enhancing the family's human capital and economic well-being. As this phenomenon spreads, it inspires other women to follow suit. This creates a positive feedback loop, as the next generation of women builds on the gains made by the current generation. Equalizing opportunities puts women in a stronger position to improve conditions for other women of a mind to make the move, get jobs that use their abilities, and catch up with men in terms of pay and benefits.

Facilitating labor market entry

- **Social norms powerfully deter women's job seeking but are not immutable.** Such factors as men's dominance in household decisions, social norms defining appropriate jobs, and restricted mobility continue to curtail women's freedom to work outside the home in many developing Asia economies. Further, women in Asia spend three times as many hours on household chores and family care as do men, severely limiting their time for other activities. However, women's greater participation in paid work in the formal sector can foster social change. Working mothers inspire their daughters to work outside the home, and they teach homemaking skills to their sons, which is partly why these boys are more likely to grow up to have working wives.

- **Appropriate education and skills improve women's employment prospects.** One-third of East Asia's remarkable economic growth from 1960 to 1985 came from sound investments in primary education. Yet girls in some Asian countries still commonly drop out of elementary school to support the family. Although girls' increased participation has reversed gender disparity in tertiary education from male advantage to female, many families send sons rather than daughters for vocational training, limiting girls' chances of taking up skilled occupations. Young women with little education are pushed into low-end manufacturing and services in the informal sector, where they endure poor working conditions for low pay. Access to high-quality education and training is essential to redress income inequality and enhance productivity and growth.

- **Improving opportunities for women requires institutional and legal reform.** The legal framework can help overcome traditional gender biases. Establishing the principle of equal treatment regardless of gender has payoffs in the labor market. For example, equal inheritance rights to property can entrust to entrepreneurial women potential collateral for loans. Regarding labor regulation, many Asian economies have laws that ensure equal treatment in hiring but still restrict women's working hours or the jobs they can take. Institutional reform to facilitate access to credit—such as Viet Nam's inclusion of microfinance institutions in credit registries—can boost female-owned enterprises. More reform is needed to remove institutional and legal hurdles and ease women's entry into the workforce.

Expanding occupational choices

- **Breaking down occupational silos expands women's workforce roles.** Poor, uneducated women often have no alternative to self-employment, as perhaps petty traders or waste-pickers. Even among educated women, those who aspire to land technical or senior positions often find themselves segregated into clerical and support positions. Because educational aspirations are formed early in life, breaking down occupational silos requires raising awareness in the home about the benefits of educating girls and providing opportunities for vocational training outside of traditional "women's work." In Nepal, vocational training and education enabled low-income women to challenge gender stereotypes and enter occupations conventionally treated as "men's work," such as vehicle repair. Improving work environments, facilitating childcare for working mothers, and expanding parental leave can help attract and retain women employees and facilitate their career growth toward more responsible positions.

- **Fresh opportunities for women in the New Asia come with challenges.** Creating a supportive environment for women entrepreneurs and expanding job opportunities for women in the export manufacturing sector can pay big dividends toward greater gender equality.

  - **Registered enterprises owned by women proliferate but face constraints.** General improvement of the business environment can enhance women's opportunities as entrepreneurs, but legal reform for gender equality is sometimes also needed, particularly where rights to property are unequal. In Bhutan, mobile banking has enhanced credit delivery to female micro and small entrepreneurs to help them build up substantial assets and hold title to land and other property.

- » **Some export-oriented industries boost women's participation in the workforce.** Globalization has opened jobs for women in high-value service and manufacturing sectors: business process outsourcing in the Philippines, textile manufacturing in Bangladesh and Viet Nam, and electronic parts assembly in Thailand and Taipei,China. Further, evidence from the PRC suggests that more open trade facilitates women's entry into management and the professions. A comprehensive policy package that improves conditions in the workplace, removes restrictions on job options, and ensures rights to equal wages and work hours is needed to dismantle the multiple barriers that keep women from taking full advantage of these opportunities.

- **Benefits to families and society accrue as women rise in the workplace.** In Bangladesh, the expansion of women's paid work in garment factories has enhanced their bargaining power at home, improving health and education options for the family. Companies with higher female representation in corporate management and the boardroom perform better on measures of leadership, work environment, and coordination and control, enabling higher profits. Yet, on average, less than 10% of Asian corporate board members are female—with Thailand standing out at nearly 14%—compared with a quarter or so in Germany and the US. To increase women's representation in boardrooms and senior management positions, Malaysia, for example, has established quotas. Women's political representation can shape social norms and the legal framework, but gender bias exists here too. Barely 10% of ministerial positions in developing Asia are filled by women, or just a third of the 29% in the euro area. Involving women in local leadership improved the provision of public goods in Bangladesh, Cambodia, Fiji, and the Philippines.

Equalizing worker compensation

- **Women in paid employment continue to make less than men.** Women around the world earned 20% less than men on average in 2010, showing negligible improvement over the previous 2 decades. The wage gap in developing Asia is not unusual, as women in the region earned 77% of average male earnings in 2005–2011, about the same as in the advanced economies. Causes differ by economy: occupation differences are an issue in Viet Nam, for example, while a tendency toward part-time work is more important in Indonesia. Lower pay may discourage women from entering the workforce, and it may deter parents' investment in educating and training their daughters, thereby limiting their future options.

- **Gender gaps in pension benefits leave aging women vulnerable to poverty.** Only 18% of women in developing Asia are covered by some form of pension, compared with 35% coverage for men in the region and for women globally. Ensuring financial security for women in their old age requires a pension system designed with a gender dimension. It should ensure that contributory pension schemes cover the self-employed and workers in the informal sector, that pension accounts credit time away on maternity leave, and that noncontributory pensions are provided publicly as needed. Reform should also equalize the statutory age of retirement.

- **Maternity and childcare benefits strengthen workforce attachment.** Employers in the region commonly provide maternity leave with pay, usually 100% of the salary. Maternity leave helps employers retain workers and maintain their human resources, while the prospect of returning to the same job gives women an incentive to invest in skills. However, extended leave for maternity and childcare can let a woman's skills grow rusty and discourage return to the job. Policies to sustain women's full-time career development should therefore support early return to work by improving childcare, supporting the cost of playschool, offering tax relief for working mothers, and encouraging fathers to share the burden through paternity leave.

Unleashing women's potential

- **Women's engagement in paid work can start a virtuous cycle.** Long entrenched social norms and cultural attitudes that clearly delineate "men's work" and "women's work" will not surrender overnight, but women who take on new roles in society are catalysts for change. In the labor market, developing Asia must address its unfinished gender agenda along three lines.

  » Enhance through better education and skills provision girls' competencies in light of the emerging needs of the labor market in the New Asia, thereby enabling them to move up the career ladder. In addition to high-quality education, girls need vocational training programs that target them specifically toward boosting their chances of landing a well-paid job or starting their own small business.

  » Remove legal props for gender discrimination by lifting constraints on entrepreneurship, expanding and facilitating women's access to information and communication technology, and ensuring fair compensation to men and women alike.

- » Emphasize policy that encourages women as they move beyond stereotypical jobs by widening the path for their ascent into decision-making roles. Even temporary quotas designed to boost their representation in corporate and political leadership can help change social norms and improve women's status, such that quotas may become unnecessary.

- **Women earning income create a positive feedback loop for social change.** As more women take up new opportunities for paid labor, they powerfully catalyze change that challenges entrenched cultural and social norms. A woman with a job gains bargaining power within her household, which helps to mold the attitudes of the next generation. Gainfully employed women become examples for others to follow, affecting the decisions families make about young girls' future prospects. As they gain influence in business, civil service, and politics, women bring important issues of family and social dimensions to the national agenda. Eliciting women's best contributions to the workforce not only improves equality for women, it promises to boost economic growth and energize Asia. Everyone wins.

Growth rate of GDP (% per year)

Subregion/Economy	2014	2015		2016	
		ADO 2015	*Update*	*ADO 2015*	*Update*
Central Asia	**5.1**	**3.5**	**3.3**	**4.5**	**4.2**
Azerbaijan	2.8	3.0	3.0	2.8	2.8
Kazakhstan	4.3	1.9	1.5	3.8	3.3
East Asia	**6.5**	**6.5**	**6.0**	**6.3**	**6.0**
China, People's Rep. of	7.3	7.2	6.8	7.0	6.7
Hong Kong, China	2.5	2.8	2.4	2.9	2.7
Korea, Rep. of	3.3	3.5	2.7	3.7	3.4
Taipei,China	3.8	3.7	1.6	3.6	2.6
South Asia	**6.7**	**7.2**	**6.9**	**7.6**	**7.3**
Bangladesh	6.1	6.1	6.5	6.4	6.7
India	7.3	7.8	7.4	8.2	7.8
Pakistan	4.1	4.2	4.2	4.5	4.5
Sri Lanka	4.2	...	6.3	...	7.0
Southeast Asia	**4.4**	**4.9**	**4.4**	**5.3**	**4.9**
Indonesia	5.0	5.5	4.9	6.0	5.4
Malaysia	6.0	4.7	4.7	5.0	4.9
Philippines	6.1	6.4	6.0	6.3	6.3
Singapore	2.9	3.0	2.1	3.4	2.5
Thailand	0.9	3.6	2.7	4.1	3.8
Viet Nam	6.0	6.1	6.5	6.2	6.6
The Pacific	**6.7**	**9.9**	**6.7**	**4.8**	**3.9**
Fiji	5.3	4.0	4.0	4.0	4.5
Papua New Guinea	8.4	15.0	9.0	5.0	3.0
Developing Asia	**6.2**	**6.3**	**5.8**	**6.3**	**6.0**
Major industrial economies	**1.4**	**2.2**	**1.9**	**2.4**	**2.3**

Notes: In light of Sri Lanka's revisions to the GDP series in July 2015, the *ADO 2015* GDP growth forecasts are not comparable with current estimates and have been omitted. Developing Asia refers to the 45 members of the Asian Development Bank. Central Asia comprises Armenia, Azerbaijan, Georgia, Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan. East Asia comprises the People's Republic of China; Hong Kong, China; the Republic of Korea; Mongolia; and Taipei,China. South Asia comprises Afghanistan, Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan, and Sri Lanka. Southeast Asia comprises Brunei Darussalam, Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Viet Nam.

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Inflation (% per year)

Subregion/Economy	2014	2015		2016	
		ADO 2015	Update	ADO 2015	Update
Central Asia	**5.7**	**6.7**	**8.1**	**6.6**	**7.5**
Azerbaijan	1.4	6.0	6.0	5.5	5.5
Kazakhstan	6.7	6.0	8.9	6.2	7.9
East Asia	**1.9**	**1.7**	**1.4**	**2.2**	**2.1**
China, People's Rep. of	2.0	1.8	1.5	2.3	2.2
Hong Kong, China	4.4	3.3	3.2	3.4	3.3
Korea, Rep. of	1.3	1.3	0.8	2.1	2.0
Taipei,China	1.2	0.5	−0.5	1.0	0.5
South Asia	**6.2**	**5.1**	**5.0**	**5.6**	**5.5**
Bangladesh	7.4	6.5	6.4	6.2	6.2
India	5.9	5.0	5.0	5.5	5.5
Pakistan	8.6	5.8	4.5	5.8	5.1
Sri Lanka	3.2	2.0	2.0	5.0	5.0
Southeast Asia	**4.1**	**3.1**	**3.0**	**3.1**	**3.3**
Indonesia	6.4	5.5	6.7	4.0	5.1
Malaysia	3.1	3.2	2.4	2.9	2.9
Philippines	4.1	2.8	2.0	3.3	3.0
Singapore	1.0	0.2	−0.2	1.5	1.0
Thailand	1.9	0.2	−0.7	2.0	1.5
Viet Nam	4.1	2.5	0.9	4.0	4.0
The Pacific	**3.2**	**5.0**	**4.2**	**4.1**	**4.4**
Fiji	0.5	2.5	2.5	2.5	3.0
Papua New Guinea	5.2	7.0	6.0	5.0	6.0
Developing Asia	**3.0**	**2.6**	**2.3**	**3.0**	**3.0**
Major industrial economies	**1.3**	**0.7**	**0.4**	**1.9**	**1.5**

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The Pacific comprises the Cook Islands, Fiji, Kiribati, the Marshall Islands, the Federated States of Micronesia, Nauru, Palau, Papua New Guinea, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu, and Vanuatu. Major industrial economies comprise the United States, the euro area, and Japan.

Data for Bangladesh, India, and Pakistan are recorded by fiscal year. For India, the fiscal year spans the current year's April through the next year's March. For Bangladesh and Pakistan, the fiscal year spans the previous year's July through the current year's June.

Asian Development Outlook 2015 Update Highlights

The full report is available on the ADB website at www.adb.org/ado2015-update

About the Asian Development Bank

ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to the majority of the world's poor. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

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