



ASIAN DEVELOPMENT

# Outlook 2010

## Update

The Future of Growth in Asia

Asian Development Bank

© 2010 Asian Development Bank

All rights reserved. Published 2010.  
Printed in the Philippines.

ISSN 1655-4809  
Publication Stock No. FLS102372

#### Cataloging-in-Publication Data

Asian Development Bank.  
Asian development outlook 2010 update.  
Mandaluyong City, Philippines: Asian Development Bank, 2010.

1. Economics. 2. Finance. 3. Asia. I. Asian Development Bank.

The annual *Asian Development Outlook* provides a comprehensive economic analysis of 45 economies in developing Asia and the Pacific.

The views expressed in this book are those of the authors and do not necessarily reflect the views and policies of the Asian Development Bank (ADB) or its Board of Governors or the governments they represent.

ADB does not guarantee the accuracy of the data included in this publication and accepts no responsibility for any consequence of their use.

By making any designation of or reference to a particular territory or geographic area, or by using the term “country” in this document, ADB does not intend to make any judgments as to the legal or other status of any territory or area.

ADB encourages printing or copying information exclusively for personal and noncommercial use with proper acknowledgment of ADB. Users are restricted from reselling, redistributing, or creating derivative works for commercial purposes without the express, written consent of ADB.

6 ADB Avenue, Mandaluyong City  
1550 Metro Manila, Philippines  
Tel +63 2 632 4444  
Fax +63 2 636 2444  
[www.adb.org](http://www.adb.org)

For orders, please contact:  
Department of External Relations  
Fax +63 2 636 2648  
[adbpub@adb.org](mailto:adbpub@adb.org)

# Contents

Foreword iv

Acknowledgments vi

Definitions viii

Acronyms and abbreviations viii

Highlights—*ADO 2010 Update* ix

## Part 1: Shifting global economic fortunes 1

Wavering recovery in industrial economies 4

Solid recovery in developing Asia 23

Policy foundation for growth 25

Constraints to long-term growth 33

## Part 2: The future of growth in Asia 35

Refocusing on the long term 37

Trade and growth 47

Human capital accumulation in economic growth 61

Infrastructure in economic growth 69

Financial development and economic growth 75

Key policy messages 81

## Part 3: Economic trends and prospects in developing Asia 91

Subregional summaries 93

Bangladesh 127

People's Republic of China 132

India 138

Indonesia 144

Malaysia 148

Pakistan 153

Philippines 158

Thailand 163

Viet Nam 167

## Statistical appendix 172

Statistical notes and tables 173

# Foreword

The region's resilience and subsequent recovery from the recent global economic crisis underscored its growing influence in the world economy. Since the release of the *Asian Development Outlook 2010* in April this year, developing Asia's performance has strengthened further. This *Update* raises the 2010 growth forecast to 8.2% on the back of strong results in the first half of the year. Even amid the predicted slowdown of global growth in 2011, the region's robust momentum should deliver a healthy 7.3% expansion.

In contrast, the recovery of the major industrial economies is more tentative. The global economy continues to grapple with the challenge of stimulating aggregate demand. Labor markets are still weak, and unemployment rates have gone up, delaying households' consumption and firms' investment. Many fiscal stimulus measures were expected to wind down this year, but policy makers in the industrial countries are hesitating—even backtracking—on fiscal consolidation in light of fragile growth prospects. Monetary policies, too, remain expansive in the face of the stuttering recovery.

The uncertain momentum of the global recovery is vulnerable to downside risks. Mixed economic indicators have raised the specter of a second round of contraction—a “double dip”—among industrial countries. Moreover, continued weakness in the United States mortgage market, potential sharp movements in commodity prices, and the threat of sovereign default in the eurozone further cloud the global outlook.

Turning to developing Asia, the region is beginning to assert itself more on the world economic stage: the People's Republic of China, India, the Republic of Korea, and Indonesia have all joined the world's top 20 producers. Growth prospects for the region as a whole are compelling, suggesting it will play a more active role in the global recovery.

Extensive corporate and financial sector restructuring and reform during the 1997–1998 Asian financial crisis sowed the seeds of resilience to the recent global downturn, which developing Asia has now harvested. Decisive fiscal and monetary stimulus played a central role in cushioning the impact of the recent crisis on the region and laid the foundation for recovery. As aggregate demand weakened due to collapsing exports and weak private consumption and investment, the region stepped in as the consumer of last resort and set the region on its way back up.

With relatively sound financial systems, macroeconomic stability, and favorable growth prospects, developing Asia is attracting more and more investment from the rest of the world. Its challenge now is to sustain its recovery as countries within the region begin to normalize their macroeconomic policies.

Despite developing Asia's rapid growth and exceptional resilience, the region remains home to two thirds of the world's poor. Experience shows that there is simply no substitute for rapid, long-run growth—complemented by sound fiscal and social policies—for sustained poverty reduction. Short-run stabilization has paved the way for recovery, but medium- and long-run growth will reassert itself as the region's most pressing macroeconomic priority as the recovery gathers momentum. In the policy arena, structural supply-side policies that foster factor accumulation and stimulate higher productivity will come to the fore.

The theme chapter of this *Update* examines four areas that will be pivotal for medium- and long-run growth. First, trade will continue to be a leading component, with intraregional commerce gaining importance. Human capital investment linked to each country's development needs is another important factor. Infrastructure expansion will keep countries competitive and support urbanization. Finally, financial development will enhance investment efficiency when tempered with appropriate prudential regulation.

Progress in these four areas will jointly expand developing Asia's production capacity. As the dust thrown out by the crisis settles, sustaining this growth is developing Asia's key challenge.



Haruhiko Kuroda  
President  
Asian Development Bank

# Acknowledgments

I have had the great privilege of overseeing the preparation of the key flagship publications of the Asian Development Bank (ADB), the *Asian Development Outlook* and the *Asian Development Outlook Update*, for the past two years. It has been a tremendously valuable experience, especially since the global and regional economic environments have been very challenging. I am, however, fortunate to have obtained the strong support of President Kuroda and Vice President Schäfer-Preuss during these testing times.

For this *Asian Development Outlook 2010 Update*, I am grateful to the team of economists from the Economics and Research Department that was responsible for the overall production of the publication. Special thanks go to Joseph E. Zveglich, Jr., Assistant Chief Economist, Macroeconomics and Finance Research Division, for his strong leadership, and to Editha Laviña for her unwavering dedication. The technical and research support provided by Shiela Camingue, Gemma Esther Estrada, Nedelyn Magtibay-Ramos, Cindy Castillejos-Petalcorin, Pile Quising, Aleli Rosario, and Raquel Tabanao are much appreciated as well.

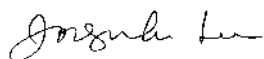
I would like to acknowledge the contributions of ADB staff from the Central and West Asia Department, East Asia Department, Pacific Department, South Asia Department, Southeast Asia Department, Economics and Research Department, and Office of Regional Economic Integration, who constituted a Regional Economic Outlook Task Force that met regularly and coordinated closely to develop consistent forecasts for the region.

I also thank the economists who contributed sections of the publication and are bylined in each chapter. Appreciated, too, is the support of subregional coordinators—Safdar Parvez and Kiyoshi Taniguchi for Central and West Asia; Jörn Brömmelhörster for East Asia; Tadateru Hayashi for South Asia; Purnima Rajapakse for Southeast Asia; and Stephen Pollard for the Pacific.

I am especially grateful to the economic editors—Michael Alba, Richard Niebuhr, and Anthony Patrick—who made substantive contributions to the theme chapter, country chapters, and other parts of the book. I also thank Jonathan Aspin for style and manuscript editing, Elizabeth E. Leuterio for typesetting and data linking, and Maria Susan Torres for graphics generation.

I appreciate Anthony Victoria's art direction of the cover design and Alvin Dennis Cristobal's watercolor artwork, and would like to acknowledge the administrative and secretarial support of Zenaida Acacio, Lagrimas Cuevas, and Elenita Pura, as well as the support and cooperation of the Publishing, Info and Web Unit of the Department of External Relations and the Logistics Management Unit of the Office of Administrative Services.

I thank Ann Quon, Omana Nair, and Andrew Perrin of the Department of External Relations, who planned and coordinated the dissemination of the *Update*. I also acknowledge the support from the hosting institutions of our dissemination activities. Finally, I appreciate the efforts of all others whom I have no room to mention here, but who have contributed to the overall production of this publication.



Jong-Wha Lee  
Chief Economist  
Economics and Research Department

## Definitions

The economies discussed in *Asian Development Outlook 2010 (ADO 2010) Update* are classified by major analytic or geographic groupings. For purposes of *ADO 2010 Update*, the following apply:

- **Association of Southeast Asian Nations (ASEAN)** comprises Brunei Darussalam, Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Viet Nam.
- **Developing Asia** is composed of the 44 developing member countries of the Asian Development Bank and Brunei Darussalam, an unclassified regional member.
- **Central Asia** covers Armenia, Azerbaijan, Georgia, Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan.
- **East Asia** comprises the People's Republic of China; Hong Kong, China; Republic of Korea; Mongolia; and Taipei, China.
- **South Asia** is made up of the Islamic Republic of Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka.
- **Southeast Asia** refers to Brunei Darussalam, Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Viet Nam.
- **The Pacific** consists of the Cook Islands, Fiji Islands, Kiribati, Republic of the Marshall Islands, Federated States of Micronesia, Nauru, Papua New Guinea, Republic of Palau, Samoa, Solomon Islands, Democratic Republic of Timor-Leste, Tonga, Tuvalu, and Vanuatu.
- Unless otherwise specified, the symbol "\$" and the word "dollar" refer to United States dollars.

*ADO 2010 Update* is generally based on data available up to **14 September 2010**.

## Acronyms and abbreviations

ADB	Asian Development Bank
ASEAN	Association of Southeast Asian Nations
bpd	barrels per day
CPI	consumer price index
EU	European Union
FDI	foreign direct investment
FTA	free trade agreement

预览已结束，完整报告链接和二维码如下：

[https://www.yunbaogao.cn/report/index/云报告?reportId=5\\_10247](https://www.yunbaogao.cn/report/index/云报告?reportId=5_10247)

