

**Pacific High-level Policy Dialogue on
“The Role of Macroeconomic Policy and Energy Security in supporting
Sustainable Development in the Pacific”**

8-9 October 2012, Nadi, Fiji

**Jointly organized by
UN ESCAP and Sustainable Development Working Group of the Council of Regional
Organizations in the Pacific (CROP)**

**Session 1 – Stimulating and Sustaining Growth, Building Resilience: the
Role of Macroeconomic Policies**

Presentation

**Regional Economic Challenges and Macroeconomic Policies for
Sustainable Development**

by

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Regional Economic Challenges and Macroeconomic Policies for Sustainable Development

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Key messages



- Asia-Pacific economies face **diverse challenges**, including global slowdown, jobs, inequality, natural disasters and commodity prices
- Pacific Islands are particularly vulnerable to **high energy prices** and have set renewable energy targets
- **Macroeconomic policies** could help achieve these targets and more broadly, support the three pillars of **sustainable development**

Global economic slowdown

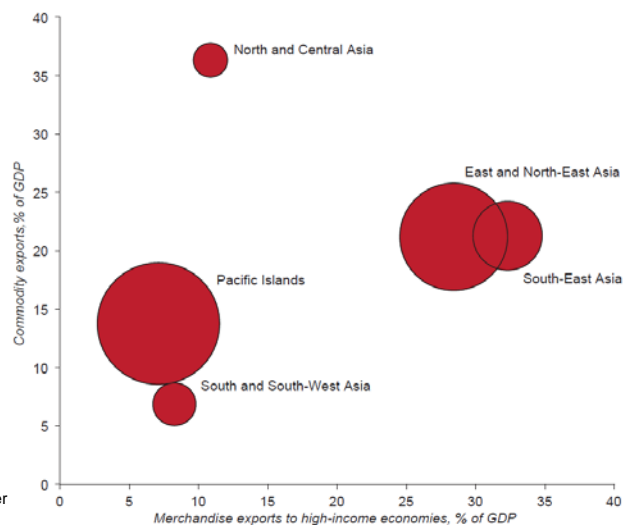


- Drops in confidence more wide-spread in **Europe** (*EC's Economic Sentiment Indicator falling for consecutive months*)
- Housing market recovery in the **U.S.**, but output and employment growth weak while fiscal cliff pending
- **Fiscal austerity** in response to sovereign debt crisis – but is it working?
- New government bond-buying programmes announced by **ECB and Fed**

Asia-Pacific's external exposure



- **Trade channel**
(*East and South Asian exports to the EU fell by 7.2% y-y in 2Q*)
- **Financial channel**
(*Deleveraging could dry up credit, trade finance*)



Source: ESCAP Survey 2012

Note: A larger bubble reflects a greater extent of cross border banking activities.

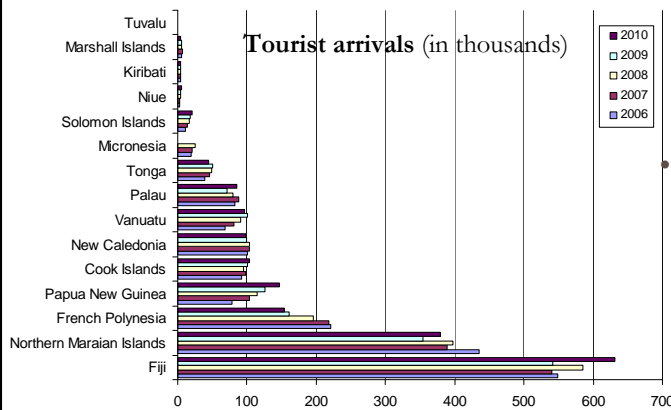
Impact on Pacific Islands



- **Investment** and **jobs** hit by the global economic downturn (*ex. Yazaki plant in Samoa*)

- **Tourism** relatively resilient, but **remittances** declining in some cases

- Fiscal space affected by lower **tax revenues**, declines in **wealth funds**

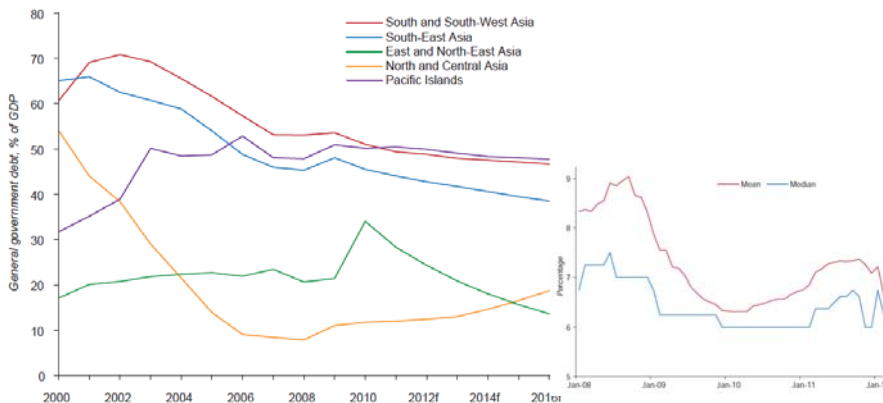


Source: UN World Tourism Organization

Fiscal & monetary policy space

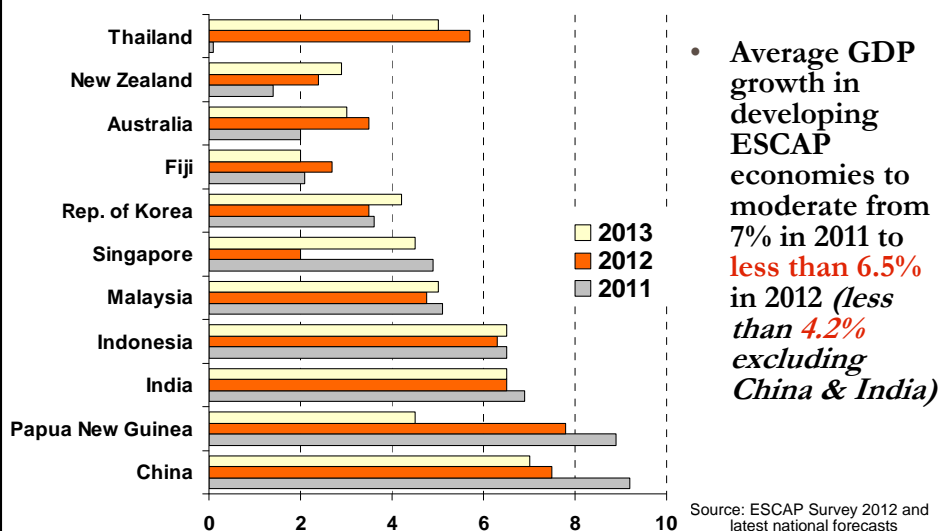


- Compared to developed economies, Asia-Pacific's **public debt** (as % of GDP) is lower and **policy interest rate** higher



Source: ESCAP Survey 2012

Outlook for selected economies



Socio-economic & environmental challenges

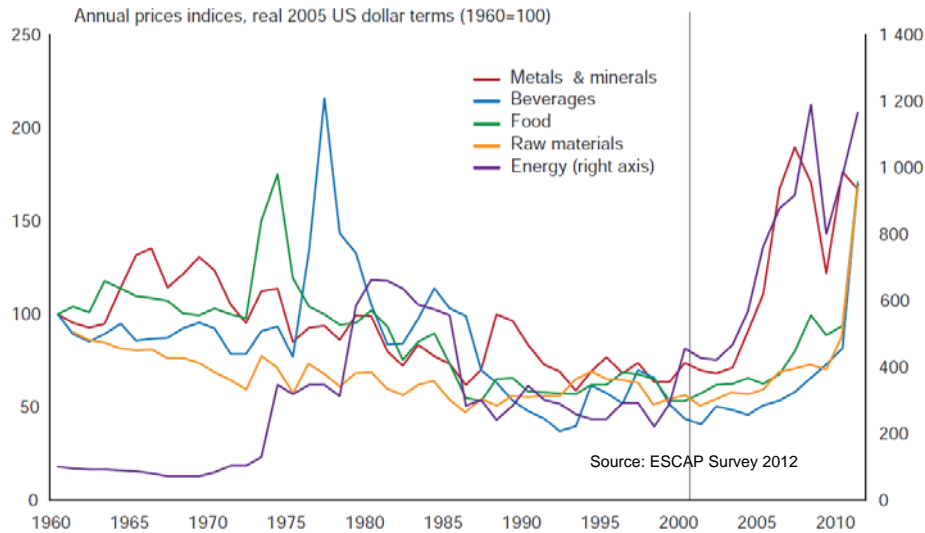


- **Jobs** – labour productivity and working conditions, opportunities for youth
- **Urbanization** – housing, water and sanitation challenges
- **Inequality** – rising even as poverty declines, constraining social development & MDG progress
- **Natural disasters** – losses of \$267 billion for Asia-Pacific in 2011 alone

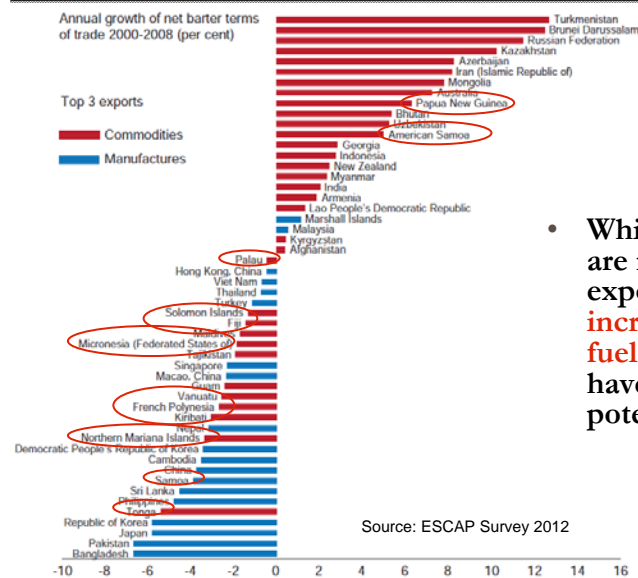
Commodity prices



- Highly **volatile**, but also steadily **rising** since 2000



Terms of trade shock

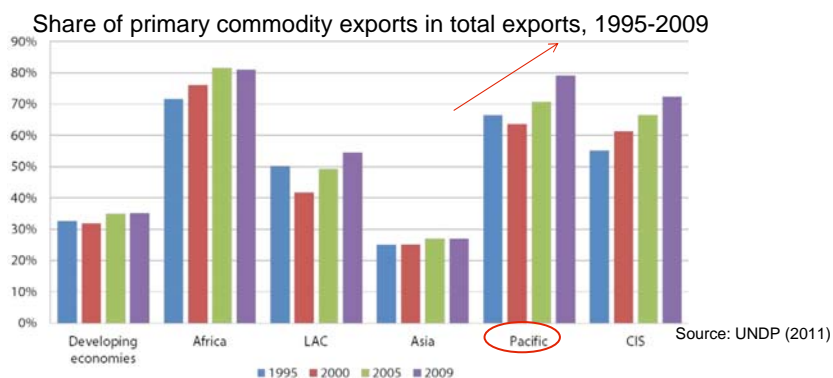


- While Pacific Islands are mostly commodity exporters, **large increases in imported fuel and food prices** have undone any potential gains

Increasing vulnerability



- Pacific Islands experienced lower average growth and higher volatility among all SIDS
- **Concentration on primary products** increases vulnerability to terms of trade shocks



Energy price impact on the economy



- Heavy reliance on imported fossil fuels, on average **13% of GDP**
- Higher impact on **transport costs** due to **remoteness**

预览已结束，完整报告链接和二维码如下：

https://www.yunbaogao.cn/report/index/report?reportId=5_7415

