

ABD upgrades Economic Growth Forecast 2024 for APAC

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While inflation in the region as a whole is slowing to pre-pandemic levels, price pressures remain elevated in a number of countries. Food inflation remains elevated in South Asia, Southeast Asia, and the Pacific, partly due to adverse weather conditions and food export restrictions in some countries.

The growth forecast for the People's Republic of China (PRC), the region's largest economy, is unchanged at 4.8% this year. The ongoing recovery in services consumption and better-than-expected exports and industrial activity are supporting growth, even though China's struggling property sector has yet to stabilize. The government took additional measures in May to support the property market.

The forecast for India, the region's fastest-growing economy, also remains unchanged at 7% for fiscal 2024. India's industrial sector is projected to grow rapidly, driven by manufacturing and strong demand in the construction sector. Agriculture is expected to rebound on the back of forecasts for above-normal monsoons, while investment demand remains strong, driven mainly by public investment.

For Southeast Asia, the current-year growth forecast is maintained at 4.6%, supported by significant improvements in both domestic and external demand. The current-year forecast for the Caucasus and Central Asia is raised to 4.5% from the

previous forecast of 4.3%, partly reflecting stronger-than-expected growth in Azerbaijan and the Kyrgyz Republic. In the Pacific, the 2024 forecast remains at 3.3%, reflecting stronger tourism and infrastructure spending, as well as a pickup in mining activity in Papua New Guinea.

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Established in 1966, it is owned by 68 members—49 from the region.