



## PRESS RELEASE

### SOUTHEAST ASIA: GROWTH REMAINS SOLID IN THE MEDIUM TERM – 5.6% IN 2012-2016, SAYS OECD

Jakarta, Indonesia, 29 November 2011 – Growth for the six Southeast Asian economies, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Viet Nam, will be 5.0% in 2011, and is projected to be 5.6% during 2012- 2016, 2% lower than in 2010. Global uncertainties and natural disasters shed a negative light on the growth prospects of the region but compared with sluggish OECD economies, overall Southeast Asia will have a solid growth performance through 2016, says the *OECD Southeast Asian Economic Outlook* released today.

As growth in external demand moderates for the region, ASEAN economies are turning towards domestic drivers of growth in the medium term and are beginning to explore 'green growth' as an alternative strategy for long-term sustainable development.

#### Real GDP Growth (Annual percentage changes)\*

	2010	2011	2016	Average 2003-07	Average 2012-16
Indonesia	6.1	6.3	6.9	5.5	6.6
Malaysia	7.2	4.6	5.6	6.0	5.3
Philippines	7.3	4.5	5.1	5.7	4.9
Singapore	14.5	5.6	4.8	7.5	4.6
Thailand	7.8	2.5	4.9	5.6	4.5
Viet Nam	6.8	5.9	6.7	8.1	6.3
Average of six countries	7.6	5.0	5.9	6.1	5.6
China	10.4	9.3			
India	8.8	7.7			
Average of Emerging Asia	9.5	8.2			

In response to global uncertainty and the new challenges of region, the nature of growth in Asia is now changing, becoming more balanced, inclusive and sustainable. Mario Pezzini, Director of the OECD Development Centre, said: *'A new type of economic growth is needed in Southeast Asia. Every cloud has a silver lining. The global uncertainty is an opportunity to re-invent growth.'*

Recent efforts have been undertaken. Previously heavily dependent on external demand, domestic drivers will play a more important role in Southeast Asian economies going forward. Large-scale investments in infrastructure and private consumption, driven by the growing middle class and reforms in social policies, are two increasing engines of growth in the region.

Implementing structural policies necessary for enhancing productivity is critical to the success of Southeast Asian countries in dealing with the impact of global macroeconomic uncertainty and other external shocks. Many Southeast Asian countries already recognise the need to shift their development

strategies in ways that reflect the changing growth dynamics of the world economy. They are including several new elements in their five-year national development plans.

The *OECD Southeast Asian Economic Outlook* explores national structural policies in detail in its Country Notes. Formulating new development strategies requires the adoption of comprehensive packages of reform measures, including human capital development, healthcare, infrastructure development, SME development, taxation, labour market reform and agriculture.

Green growth offers a viable development model for ASEAN countries in the long term, as its aim is to use natural resources wisely and unlock new sources of growth. Although ASEAN's CO<sub>2</sub> emissions remain modest relative to OECD countries, emissions from ASEAN countries are growing faster - by 5.5 % a year between 1990 and 2010 compared to 0.7 % in the OECD. As a fast-growing economic bloc with a projected population of 700 million by 2030, ASEAN countries will make a much larger contribution to global CO<sub>2</sub> emissions.

Despite recent initiatives, much work still remains to foster green growth in the region. Balancing short-term economic needs and long-term environmental imperatives is a big challenge, especially for lower-income ASEAN countries. Better use of environmental tax instruments, access to green technologies, more public-private partnerships in energy conservation, and taking part in the global carbon market will all be determining tools.

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#### **NOTES TO THE EDITORS**

##### **The Southeast Asian Economic Outlook**

The Southeast Asian Economic Outlook (SAEO) is the new regional economic outlook published by the OECD Development Centre and serves as the OECD's reference on Asia's economic growth, development and regional integration. It focuses on the ten Association of Southeast Asian Nations (ASEAN) countries - Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam - and addresses relevant economic issues in China and India in order to fully reflect economic developments in the region. For more information, please consult [www.oecd.org/dev/asiapacific](http://www.oecd.org/dev/asiapacific).

##### **The OECD Development Centre**

The Development Centre ([www.oecd.org/dev](http://www.oecd.org/dev)) helps policy makers in OECD and partner countries find innovative solutions to the global challenges of development and poverty alleviation. It is a unique institution within the OECD and the international community, where the governments of Member and developing and emerging countries, enterprises and civil society organisations discuss questions of common interest informally.

\* Source: OECD Southeast Asian Economic Outlook 2011/12 (forthcoming); OECD Economic Outlook 2011/2, No. 90 for China and India.