

High-level thematic roundtable

“Socio-economic outlook, emerging challenges and solutions”

Monday, 22 April 2024, 11:00-12:00 hours (as of 18 April 2024)

Background

The Asia-Pacific region continues to play a major role in propelling the global economy, accounting for 64 per cent of global economic growth in 2023. The year 2024 is expected to see higher gross domestic product (GDP) growth and moderating inflation, showcasing the economic resilience of the region.

At the same time, job creation is subdued and there are concerns regarding rise in poverty and inequalities. Similarly, although global commodity prices have decreased from their 2022 peaks, consumer inflation remains relatively high, thus curtailing household consumption in many economies of the region. More worryingly, the high cost of living is hurting the poor and lower-income segments of the population the most and is contributing to economic inequalities. The subsequent monetary policy tightening, while helping to manage inflation expectations going forward, has resulted in tight financial conditions, and rising debt servicing burdens for households, businesses and governments. In addition to higher borrowing costs and fragile external demand, business investment is being undermined by continuing geopolitical uncertainty. This, together with the scarring effects of the pandemic, does not bode well for long-term productivity growth in the region. Finally, room for fiscal policy support to weather these economic headwinds has shrunk amid rising debt distress risk in many Asia-Pacific countries.

These challenging macroeconomic conditions are unfolding against the backdrop of megatrends, such as climate change, demographic shifts, and rapid technological innovations. These megatrends offer both challenges and opportunities and are likely to affect the fiscal positions and the way governments design and implement their policies. At the same time, there is an increasing awareness that the narrow policy focus on economic growth in the past decades has led to environmental degradation and contributed to socio-economic disparities. Indeed, there is an urgent need to revisit the macroeconomic policy objectives that go beyond just maximizing GDP and are consistent with the ambitions of the 2030 Agenda for Sustainable Development.

Considering this panorama, a pressing policy issue is the urgent need to increase investments to accelerate progress towards the Sustainable Development Goals (SDGs) and climate ambitions. The current substantial and rising financing gap only points to the urgency of increasing these investments. To help policymakers prioritize and maximize the impact of investments, the United Nations has identified six SDG transition pathways: jobs and social protection; education; digitalization; food systems; climate; and energy and the UN Secretary-General proposed the initiative "SDG Stimulus to deliver the 2030 Agenda for Sustainable Development". This ambitious yet achievable initiative aims to tackle the high cost of debt, scale up long-term financing for development, and expand contingency financing to countries in need. Mobilizing the substantial volumes of public and private financing for the SDGs and climate action will require, among other considerations such as strengthening fiscal positions, a transformation of financial systems and reform of the international financial architecture.

Objectives

Against this background, the objective of the roundtable is to discuss the socio-economic outlook in Asia and the Pacific, identify challenges as well as opportunities and develop an understanding of potential policy recommendations.

Examples of key issues to be discussed include:

- An immediate policy concern is to improve near-term economic prospects, ensure macroeconomic and financial stability, and mitigate the impact of higher cost of living on poor and vulnerable populations. What would be the contours of an appropriate policy package to address these concerns?
- Given the large spending needs to achieve the SDGs and climate ambitions, amidst tight fiscal and public debt positions, high interest rate and risk premia, and less developed financial markets, what policy lessons and good practices for domestic resource mobilization strategies can be highlighted?
- To realize the Secretary-General's proposal on "SDG Stimulus to deliver the 2030 Agenda", how can the international community work more closely to boost the availability of and access to affordable and long-term development financing and reform the international financial architecture?
- Megatrends, such as climate change, demographic shifts and rapid technological shifts present both opportunities and risks for the socio-economic outlook of the region. What policy actions are needed for the region to seize the potential opportunities while managing associated risks?
- Economic development that goes beyond GDP and gives due weight to inequalities and environment concerns requires a revisit of mainstream macroeconomic approaches and a shift in the mindset of policymakers and development stakeholders. What changes are needed to realize a new development paradigm that is consistent with the ambitions of the 2030 Agenda?

Speakers

Special remarks

- Ms. Fatima Yasmin, Vice-President (Sectors and Themes), Asian Development Bank
- Ms. Doreen Bogdan-Martin, Secretary-General, International Telecommunications Union

Panelists

- Prof. Danny Quah, Dean, Lee Kwan Yew School of Public Policy, National University of Singapore
- Ms. Sommarat Chantararat, Executive Director, Puey Ungphakorn Institute for Economic Research
- Mr. Nazeem Noordali, Chief Operating Officer, International Islamic Trade Finance Corporation