

ASEAN+3 Regional Economic Outlook – January 2025 Update

Solid Growth Amid Higher Uncertainties

Regional Surveillance
January 21, 2025



Key Highlights

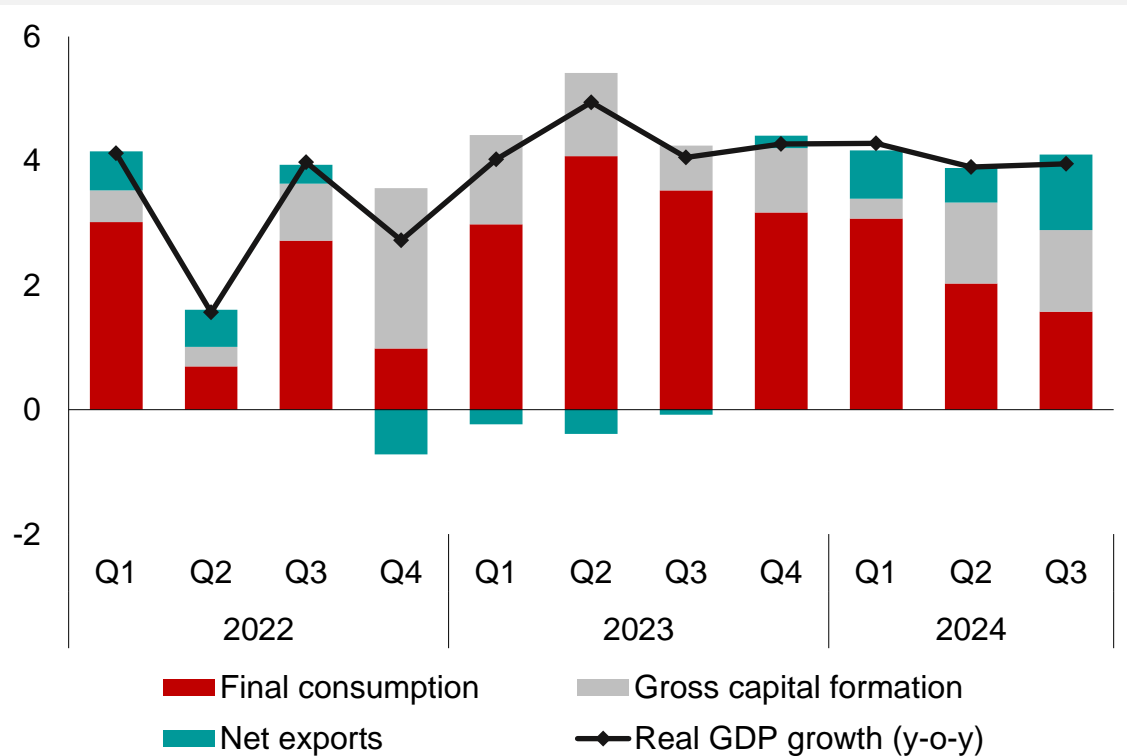
- 1 Robust growth:** ASEAN+3 growth remained robust in 2024, to be sustained into 2025, underpinned by strong domestic demand and improvement in exports.
- 2 Stable inflation:** Inflation will remain stable in 2025—with modest increases in some economies due to stronger domestic demand and supply side adjustments.
- 3 Higher uncertainties:** Uncertainties have increased markedly, with key risks including US protectionist policies, tighter financial conditions and commodity price spikes.

Growth is anchored by domestic demand, and lifted by improving external demand

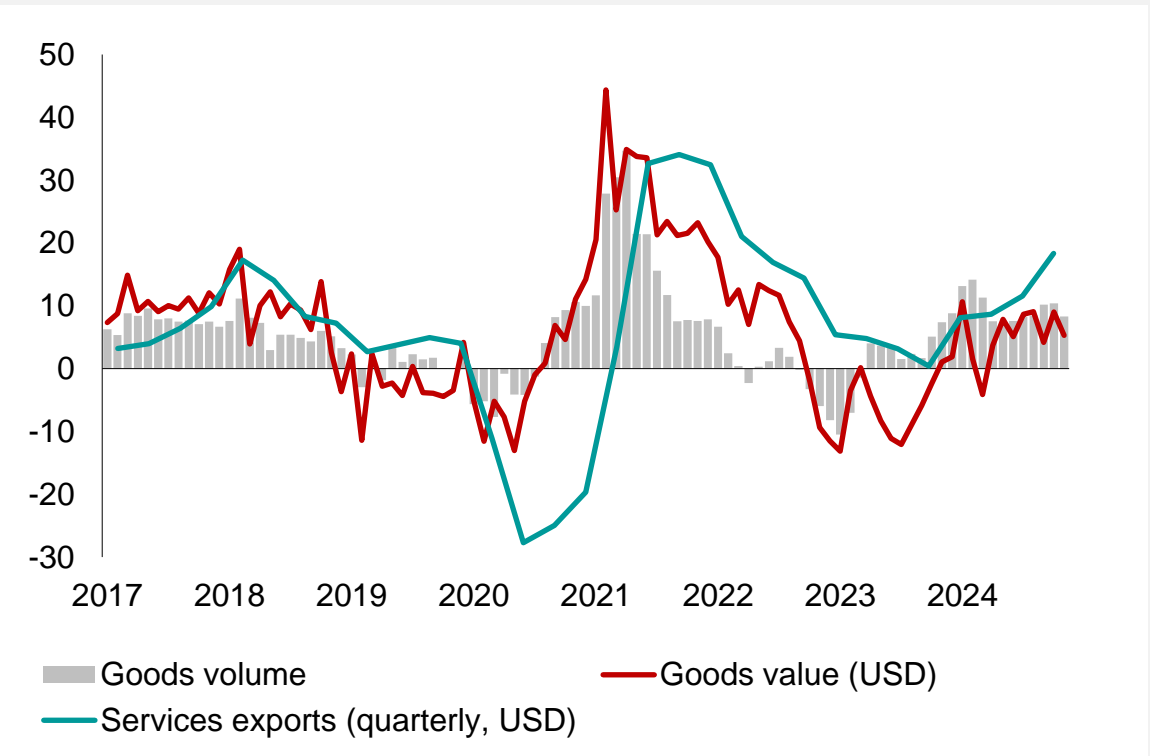
Domestic demand continued to be firm in the region, with stronger growth in investment

Exports improved further, driven by strong demand for manufactured goods and a recovering tourism sector

Selected ASEAN+3: Contribution to Real GDP Growth
(Percent, year-on-year)



Selected ASEAN+3: Export Growth
(Percent, year-on-year)



Source: National authorities via Haver Analytics; AMRO staff calculations.
Note: Statistical discrepancies are not shown. Excludes Cambodia, Lao PDR, Myanmar, and Vietnam due to data unavailability.

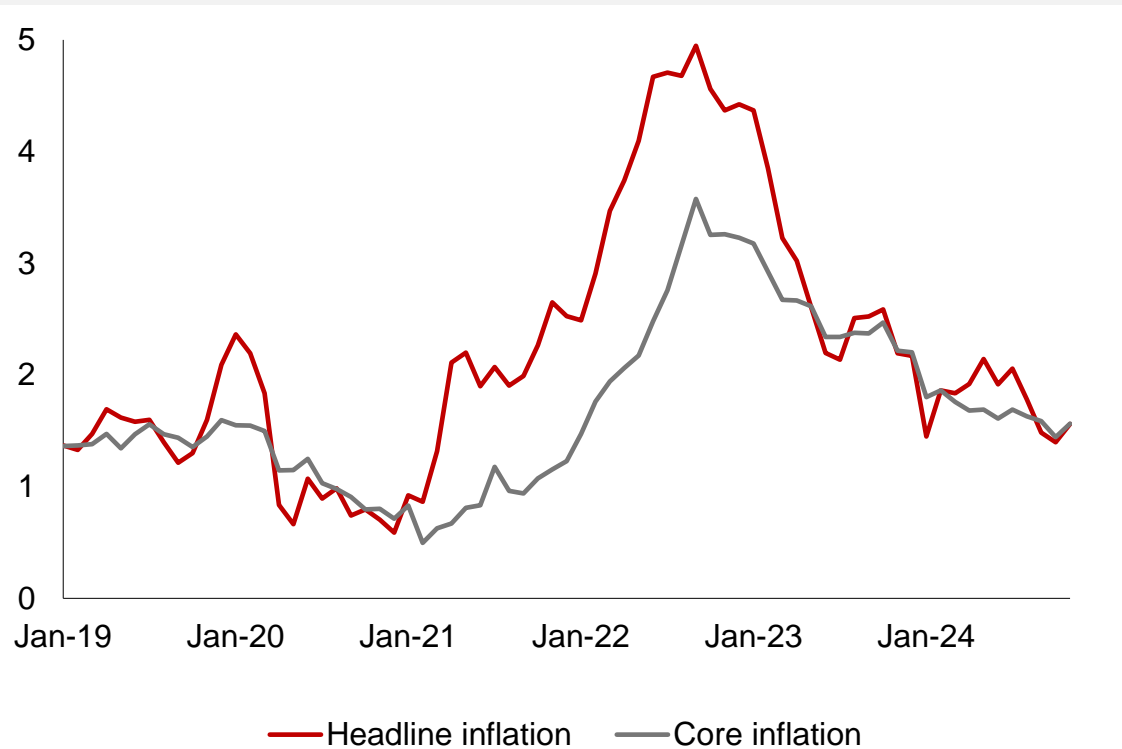
Source: National authorities via Haver Analytics; AMRO staff calculations.
Note: Goods exports data are up to November 2024. Volume growth is a 3-month moving average; services exports data (quarterly) are up to Q3 2024.

Headline inflation continued to moderate following lower global commodity and transportation prices

Headline inflation continued to moderate, with core inflation remaining well-contained in the fourth quarter of 2024

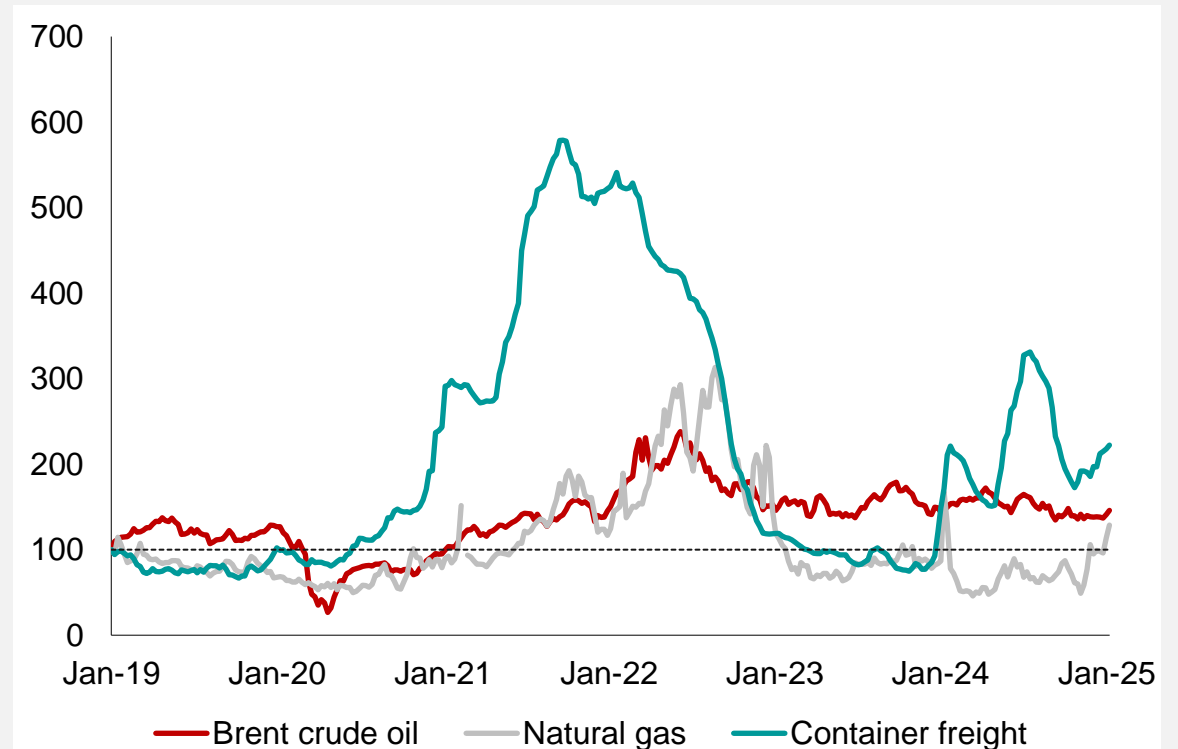
Global energy and transportation prices remained broadly stable

Selected ASEAN+3: Average Headline and Core Inflation
(Percent, year-on-year)



Source: National authorities via Haver Analytics; AMRO staff calculation.
Note: Core inflation excludes food and energy. For Singapore, core inflation refers to the MAS core inflation. Data excludes Lao PDR and Myanmar.

World: Commodity and Freight Prices
(Index, 4 January 2019 = 100)



Source: Energy Information Administration; Drewry Shipping Consultants Ltd, via Haver Analytics; AMRO staff calculations.
Note: Freight costs refer to the Drewry Composite Freight Rate for 40-foot containers. 7-day moving average of daily data for crude oil and natural gas, and weekly data for freight cost.

Performance in regional financial markets were mixed, driven by both global and country-specific factors

Equity markets weakened amid increased US policy uncertainty

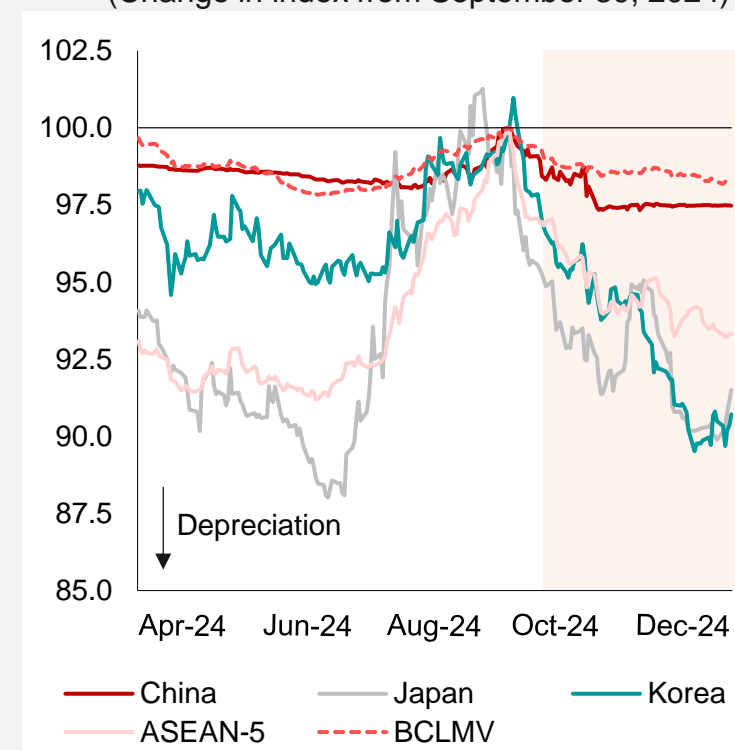
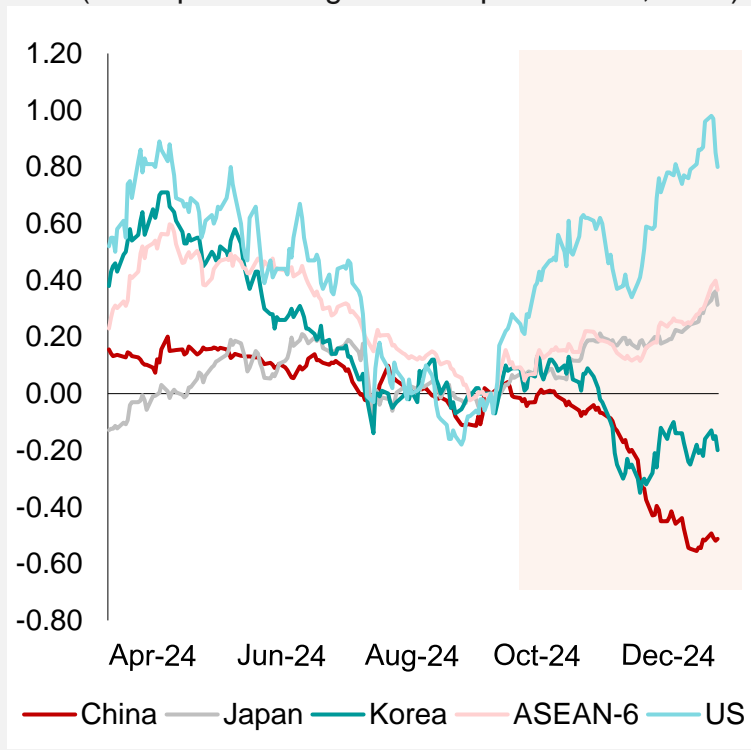
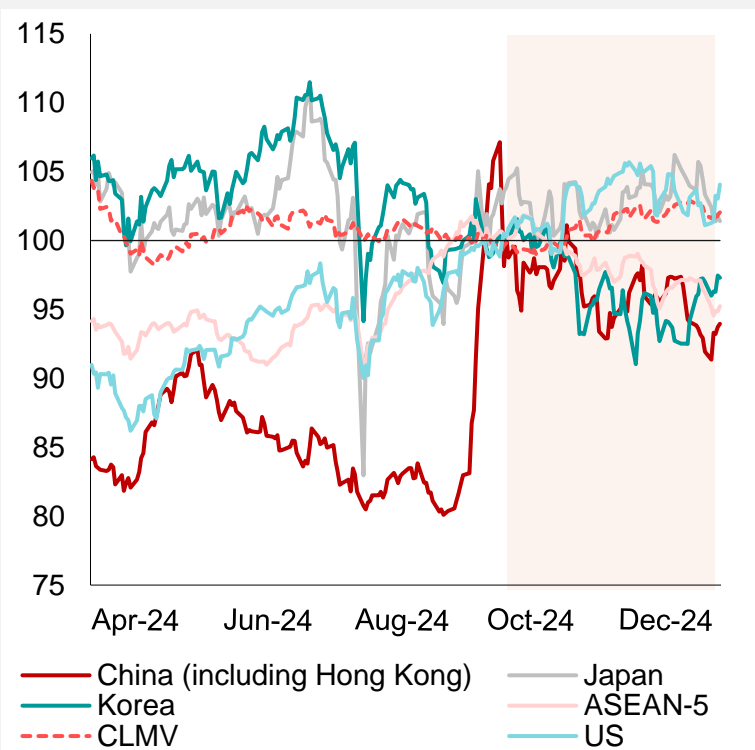
Performance of regional bond markets were mixed

Exchange rates were under depreciation pressure against a stronger US dollar

Selected ASEAN+3: Equity Market Indices
(Change in index from September 30, 2024)

Selected ASEAN+3: 10-year Government Bond Yields
(Basis point change from September 30, 2024)

Selected ASEAN+3: Exchange Rates against the US dollar
(Change in index from September 30, 2024)



Source: National authorities via Haver Analytics; AMRO staff calculations.
Note: ASEAN-5 is the simple mean of returns in the benchmark equity indices of Indonesia, Malaysia, the Philippines, Singapore, and Thailand. Data as of 17 January 2025.

Source: National authorities via Haver Analytics and AMRO staff calculations.
Note: ASEAN-6 (average) is the simple mean of changes for Indonesia, Philippines, Malaysia, Singapore, Thailand, and Vietnam. Data as of 17 January 2025.

Source: National authorities via Haver Analytics and AMRO staff calculations.
Note: ASEAN-5 and BCLMV are the simple mean of the changes in bilateral exchange rate against the US dollar of member economies within the group. Data as of 17 January 2025.

ASEAN+3 growth forecast is revised down slightly for 2025, reflecting actual outturn and impact from US trade policies

AMRO Staff Baseline Growth Estimates and Forecasts, 2024–25
(Percent year-on-year)

Economy	2023	AREO 2024 October Quarterly Update		AREO 2024 January Quarterly Update	
		2024 ^f	2025 ^f	2024 ^f	2025 ^f
ASEAN+3	4.3	4.2	4.4	4.2	4.2
Plus-3	4.4	4.1	4.3	4.0	4.0
China	5.2	5.0	5.1	5.0	4.8
Hong Kong, China	3.3	3.3	3.0	2.7	2.6
Japan	1.5	0.5	1.4	0.1	1.3
Korea	1.4	2.5	2.0	2.2	1.9
ASEAN	4.2	4.7	4.9	5.0	4.8
Brunei Darussalam	1.4	4.0	2.1	5.0	3.0
Cambodia	5.0	5.6	5.9	5.7	5.8
Indonesia	5.0	5.1	5.2	5.1	5.1
Lao PDR	4.2	4.5	4.6	4.5	4.6
Malaysia	3.6	4.7	4.9	5.1	4.7
Myanmar	3.5	1.8	2.0	3.2	1.0
Philippines	5.5	6.1	6.3	5.8	6.3
Singapore	1.1	2.4	2.0	4.0	2.7
Thailand	1.9	2.8	3.3	2.8	3.1
Vietnam	5.0	6.2	6.6	7.1	6.5

● Revised upwards from October ● Revised downwards from October ● Maintained from October

Source: National authorities via Haver Analytics, and AMRO staff estimates.

Note: f = forecast. Regional aggregates for growth are estimated using the weighted average of 2023 GDP on purchasing power parity basis. Myanmar's GDP forecast covers April 1 of the reference year to March 31 of the following year. Forecasts are as of 21 January 2025.

Downward revision in inflation due mainly to more muted demand pressures and lower commodity prices

AMRO Staff Baseline Inflation Estimates and Forecasts, 2024–25
(Percent year-on-year)

Economy	2023	AREO 2024 October Quarterly Update		AREO 2024 January Quarterly Update	
		2024 ^f	2025 ^f	2024 ^f	2025 ^f
ASEAN+3	6.3	4.9	4.1	5.1	4.6
<i>ASEAN+3 ex. LA and MM</i>	2.8	1.9	2.3	1.7	2.1
Plus-3	2.3	1.8	2.0	1.7	1.8
China	0.2	0.5	1.3	0.2	1.1
Hong Kong, China	2.1	1.9	2.3	1.8	2.2
Japan	3.3	2.4	2.2	2.6	2.2
Korea	3.6	2.4	2.0	2.3	1.8
ASEAN	8.0	6.1	4.9	6.5	5.7
<i>ASEAN ex. LA and MM</i>	3.0	2.0	2.4	1.8	2.2
Brunei Darussalam	0.4	0.1	0.7	-0.4	0.9
Cambodia	2.1	0.4	2.3	0.4	1.5
Indonesia	3.7	2.7	2.5	2.3	2.5
Lao PDR	31.2	25.0	15.0	23.1	15.0
Malaysia	2.5	2.3	3.6	1.9	2.7
Myanmar	24.4	20.0	15.0	27.5	25.0
Philippines	6.0	3.3	3.1	3.2	3.2
Singapore	4.8	2.8	2.5	2.4	1.8
Thailand	1.2	0.7	1.5	0.7	1.3
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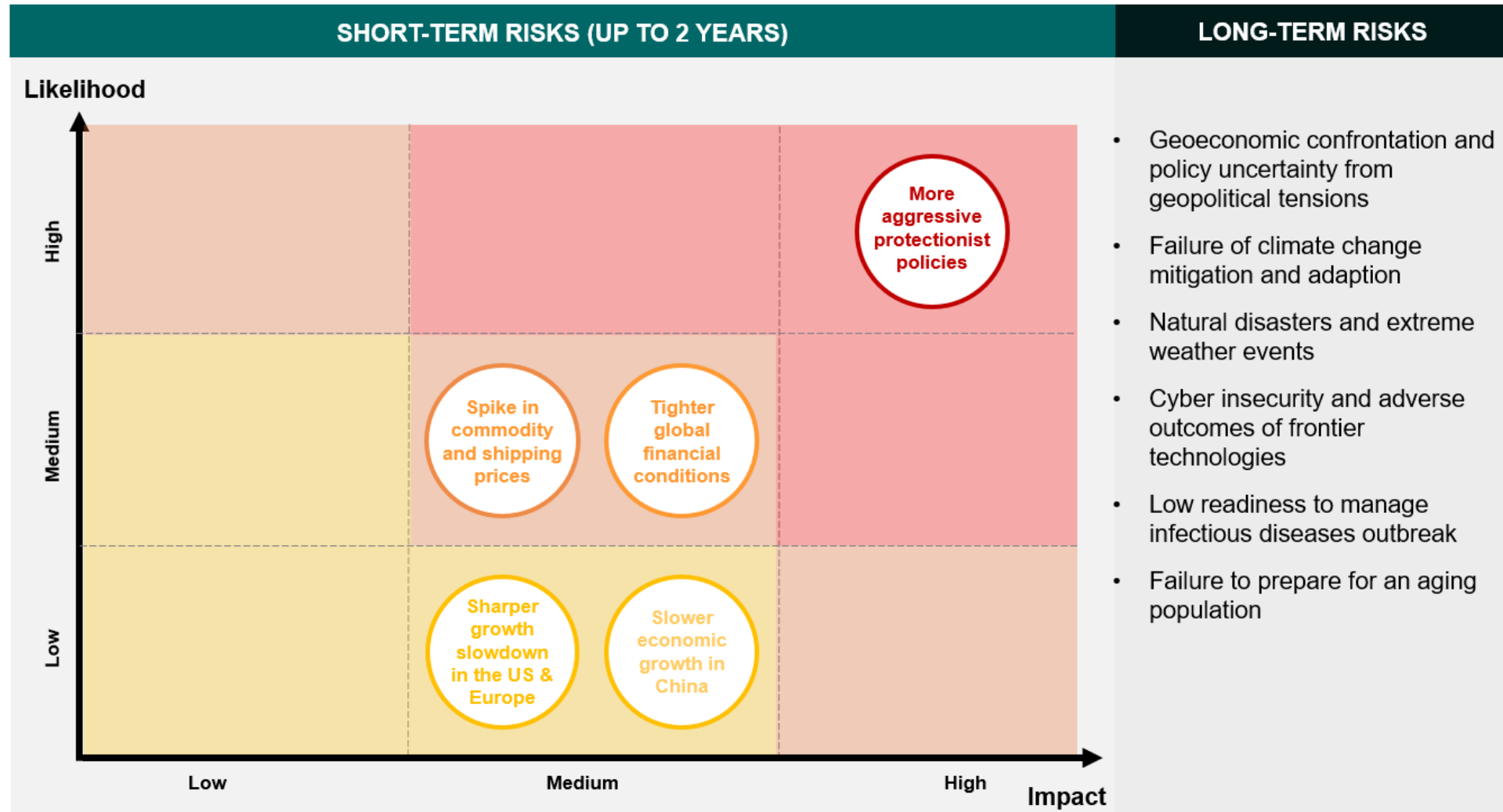
● Maintained from October

Source: National authorities via Haver Analytics, and AMRO staff estimates.

Note: f = forecast. Regional aggregates are computed using simple averaging. LA refers to Lao PDR, MM refers to Myanmar, and covers April 1 of the reference year to March 31 of the following year. Forecasts are as of 21 January 2025.

Uncertainties surrounding the outlook has increased markedly

Regional Risk Map
(January 2025)

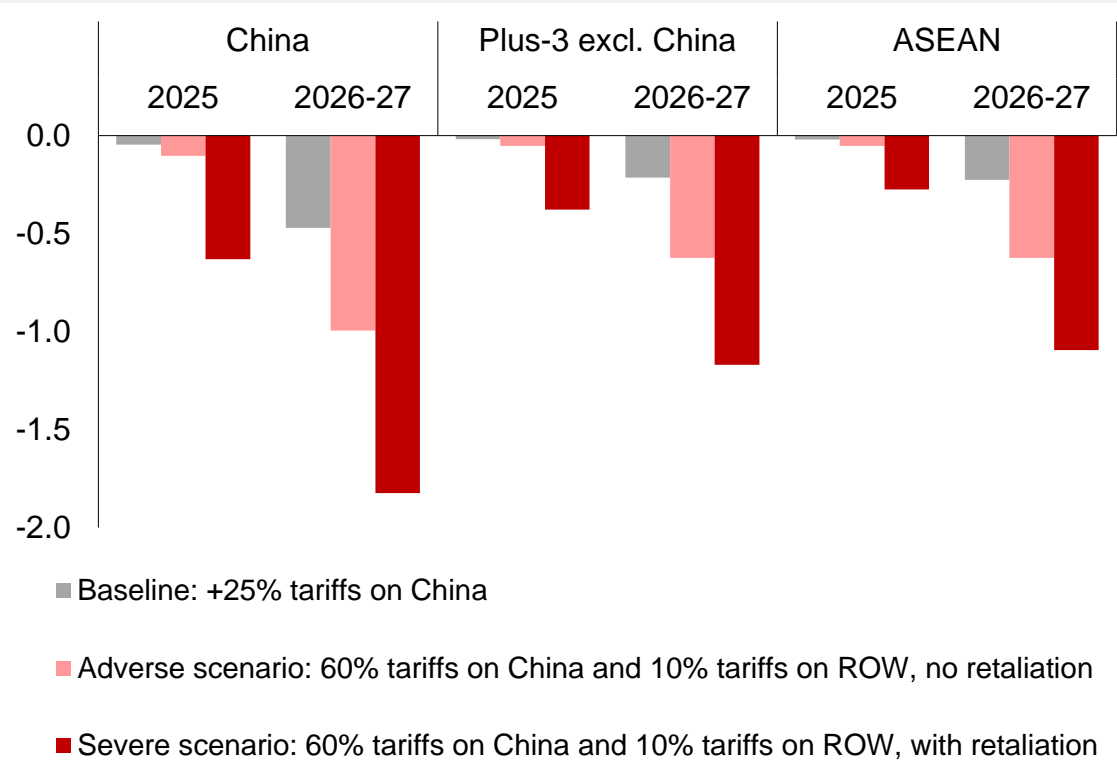


Source: AMRO staff assessment.

Key policy shifts by President Trump would have material impact on ASEAN+3

Scenario analysis points to considerably worse outcomes, especially with tariff retaliations

ASEAN+3: Impact of US Tariffs on GDP Growth
(Percentage point)



Source: Oxford Economics Model, AMRO staff calculations

Note: Regional aggregates are weighted using 2023 GDP on PPP basis. Brunei Darussalam, Cambodia, Lao PDR and Myanmar are excluded due to data unavailability. Estimates do not take into account the indirect impact(s) that could arise from the tariff measures such as those from adverse sentiments channel etc.

- Uncertainty relating to the **protectionist policies from the US** poses considerable risk to the outlook for the ASEAN+3 region
- **Higher tariffs will dampen regional growth**, with the severity depending on the magnitude and response from affected economies
- Over time, a sharp increase in protectionism could **lower regional growth by 1-2 percentage points**, the worst since the Asian Financial Crisis (excluding pandemic years)

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- 3 Higher uncertainties:** Uncertainties have increased markedly, with key risks including US protectionist policies, tighter financial conditions and commodity price spikes.

Thank you



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