ASEAN+3 Quarterly Fiscal Bulletin (QFB)

ASEAN+3 Macroeconomic Research Office (AMRO)

Singapore

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The September 2026 edition of the QFB covers fiscal year-to-date (FYTD) fiscal outturns through June 2026, available as of 31 August 2026, while Key Fiscal Policy Developments and Budget Snapshots sections reflect information released during June–August 2026. For brevity, “Brunei Darussalam” is referred to as “Brunei”, and “Hong Kong, China” is referred to as “Hong Kong” in the text and figures.

Highlights

- ***Revenue outturns generally strengthened, supported by resilient economic activity and higher oil prices.*** *All economies except Japan recorded positive FYTD revenue growth, supported by stronger income and consumption taxes. Resource-related revenues also picked up in oil-producing economies as higher global oil prices began to feed through to collections.*
- ***Expenditure growth was driven mainly by fiscal responses to the energy shock, while capital spending remained constrained in some economies.*** *Spending increased in most economies, with particularly strong growth in Indonesia and Malaysia reflecting higher energy-related support.*
- ***Financing conditions have diverged across economies, while bond demand remained generally robust.*** *Government bond yields continued to rise in Japan and Korea but eased or fluctuated elsewhere following earlier increases.*
- ***Fiscal measures continued to cushion the impact of the Middle East conflict, alongside broader fiscal reforms.*** *Energy and cost-of-living support was largely maintained, while several economies introduced tax reforms to support growth and strengthen revenue mobilization. Governments also took steps to diversify financing sources and strengthen fiscal planning.*
- ***FY2027 budget proposals generally balance growth support with fiscal discipline****. Indonesia, the Philippines, and Thailand prioritize growth-enhancing spending, expenditure efficiency, and stronger revenue mobilization.*

I. Recent Fiscal Developments[1]

Revenue

1. Fiscal revenue in ASEAN+3 economies generally strengthened, supported by resilient economic growth despite heightened external uncertainty amid the ongoing Middle East conflict. All economies except Japan recorded positive fiscal year-to-date (FYTD) revenue growth in FY2026 relative to FY2025, with particularly strong increases in Hong Kong, followed by Indonesia, Korea, and Malaysia (Figure 1).[2] In contrast, revenue growth moderated in Cambodia, Singapore, and Vietnam. Revenue collection rates relative to budget estimates broadly mirrored these cross-country variations (Figure 2).

2. Fiscal revenue growth was generally supported by stronger income- and consumption-based tax collections, while higher global oil prices boosted resource-related revenue in some economies (Figure 3).

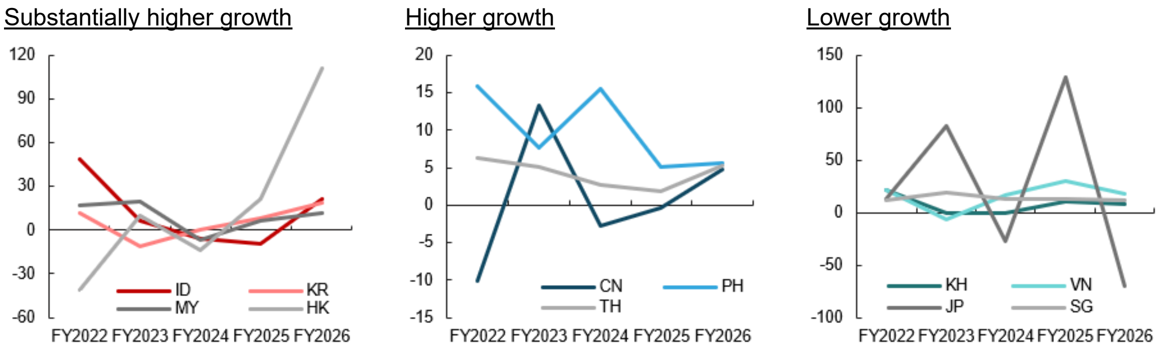
- Income-based taxes were generally strong, reflecting improved corporate earnings, labor income, and asset-market activity. The AI-driven semiconductor upcycle supported corporate earnings and tax collections in major electronics exporters, particularly Korea, Singapore, and Vietnam. Elsewhere, stronger income tax revenue reflected robust corporate profits in Cambodia, and buoyant capital market activity and improved compliance in China.

[1] ASEAN+3 member economies follow three different fiscal year (FY) calendars: January–December (all other economies); April–March (Brunei, Hong Kong, Japan, Singapore, and Myanmar); and October–September (Thailand). Q2 fiscal year-to-date (FYTD) data used to compute year-on-year growth and execution rates corresponds to the respective FY calendars as follows: January–June 2026 for economies with a January–December FY; April–June 2026 for economies with an April–March FY; and October 2025–June 2026 for economies with an October–September FY.

[2] Japan's revenue collection recorded in FQ1 is typically very low due to its tax collection and fiscal accounting arrangements. Under the National Tax Collection Fund system, part of tax receipts collected in April and May—after the fiscal year ends in March—is attributed to the preceding FY, resulting in limited recognition of the new FY's revenue during the early months of FQ1. Consequently, year-on-year growth in FQ1 revenue can be highly volatile due to the small comparison base.

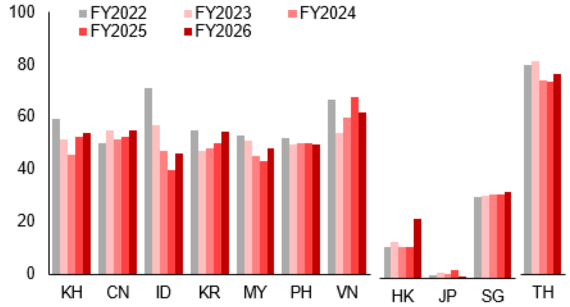
- Consumption-based taxes also increased in most economies, generally supported by resilient domestic demand and imports. VAT was particularly strong in China, Indonesia, Korea, Vietnam, and Thailand, although China's increase mainly reflected growth in industry and services and higher producer prices despite subdued consumption. Collections remained weaker in the Philippines amid slower activity and in Cambodia partly due to fuel-related tax relief.
- Resource-related revenue picked up substantially in oil-producing economies amid higher global oil prices. Indonesia's oil and gas-related income tax revenue increased by 18.3 percent, reversing declines over the previous three years.
- Non-tax revenue performance was mixed, with exceptionally large swings in Hong Kong and Japan. Hong Kong's revenue surged by 111.1 percent, largely due to a HKD 75 billion transfer from the Exchange Fund in June; excluding the transfer, revenue rose by 14.5 percent.[3] Conversely, Japan's non-tax revenue fell by 75 percent in April–May, largely reflecting a high base effect and the volatile timing of early-FY receipts rather than weaker underlying revenue performance. Elsewhere, non-tax revenue was supported by dividends, public-service receipts, or other fees in Indonesia, Korea, Singapore, and Thailand.

Figure 1. Revenue Growth, FYTD Q2 FY2026 (Percent, year-on-year)



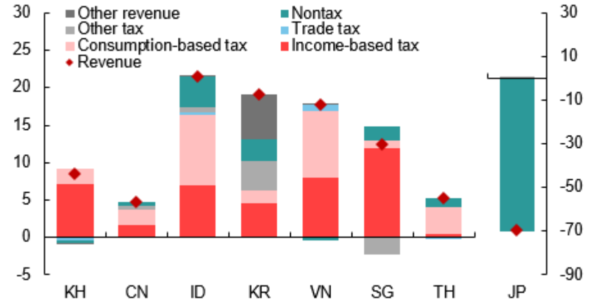
Source: National authorities via CEIC and Haver Analytics; AMRO staff estimates
Note: 1) Economies are grouped into three categories—substantially higher, higher, and lower—indicating the FYTD growth compared to the previous FY. These groupings do not reflect any fixed numerical thresholds; 2) Brunei, Lao PDR, and Myanmar were omitted due to data unavailability as of the-cut-off date.

Figure 2. Revenue Execution Rate, FYTD Q2 FY2026 (Percent of budget)



Source: National authorities via Haver and CEIC, AMRO staff estimates
Note: 1) Economies are grouped by FY calendar; 2) Execution rates are calculated against the originally approved budget and updated to reflect revised or supplementary budgets, where available; 3) Brunei, Lao PDR, and Myanmar were omitted due to data unavailability as of the-cut-off date.

Figure 3. Contribution to Revenue Growth, FYTD Q2 FY2026 (Percent, Percentage points, year-on-year)



Source: National authorities via CEIC and Haver Analytics; AMRO staff estimates
Note: 1) Revenue component data are not available for Hong Kong; 2) Brunei, Lao PDR, Malaysia, Myanmar, and the Philippines were omitted due to data unavailability as of the-cut-off date.

[3] The Exchange Fund, managed by the Hong Kong Monetary Authority (HKMA) under delegated authority from the Financial Secretary to support currency and financial stability while prudently managing its investment, recorded strong investment income in 2025. The government decided to transfer HKD 75 billion of the Fund's investment income to the consolidated government account in each of FY2026 and FY2027. The first HKD 75 billion transfer was made in June 2026, substantially boosting FQ1 revenue.

<u>Expenditure</u>

3. Expenditure increased in most ASEAN+3 economies, although growth varied considerably, reflecting differences in fiscal support measures and budget execution. Indonesia and Malaysia recorded particularly strong expenditure growth, while spending also increased in most other economies. In contrast, expenditure declined in Cambodia and Hong Kong (Figure 4). Expenditure execution also varied across economies, improving significantly in Thailand, but weakening in Cambodia and Vietnam (Figure 5).

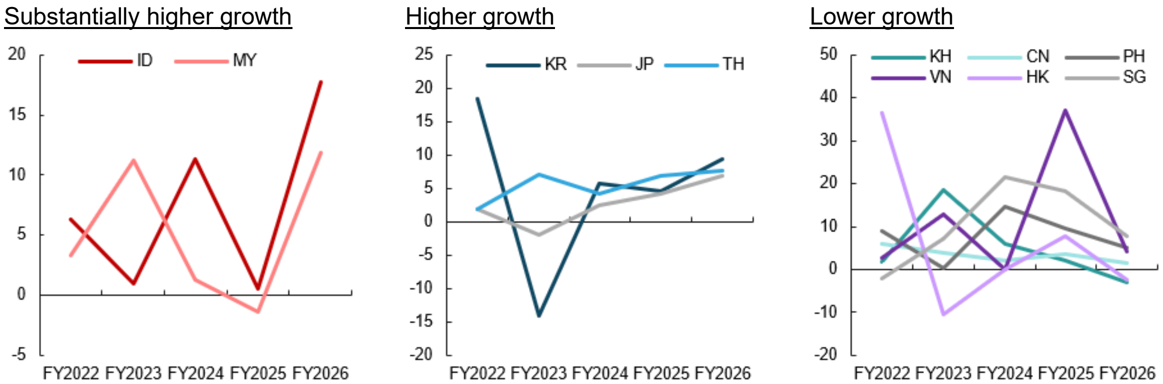
4. Expenditure growth was driven mainly by higher primary current spending, including social programs and energy-related support, while capital spending remained relatively weak in several economies (Figure 6).

- <u>Primary current expenditure generally increased, reflecting higher social spending and policy support</u>. In Indonesia and Malaysia, elevated energy prices amid the Middle East conflict increased spending on fuel subsidies and compensation, while Indonesia's Free Nutritious Meals program also contributed to expenditure growth. Elsewhere, higher current spending reflected social benefits in Cambodia and health, social security, and employment spending in China, while current non-interest spending declined in Vietnam.

- <u>Interest payments increased strongly in several economies amid higher debt levels and financing costs</u>. The increase was particularly notable in Indonesia, reflecting higher government debt and borrowing costs, while China's interest payments rose by 4.5 percent, faster than overall expenditure growth.

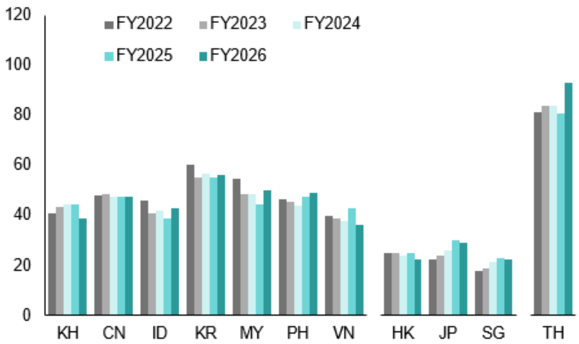
- <u>Capital expenditure remained relatively weak in several economies, reflecting implementation constraints and other country-specific factors</u>. Capital spending fell sharply in Cambodia, and capital spending in the Philippines remained constrained by disruptions to flood-control projects. In contrast, capital expenditure strengthened in Vietnam, offsetting lower current non-interest spending, and in Thailand, supported by improved budget execution following earlier budget delays. In Indonesia, capital spending was initially weak but accelerated toward the end of FQ2 as implementation of infrastructure and other priority projects picked up.

Figure 4. Expenditure Growth, FYTD Q2 2026 (Percent, year-on-year)



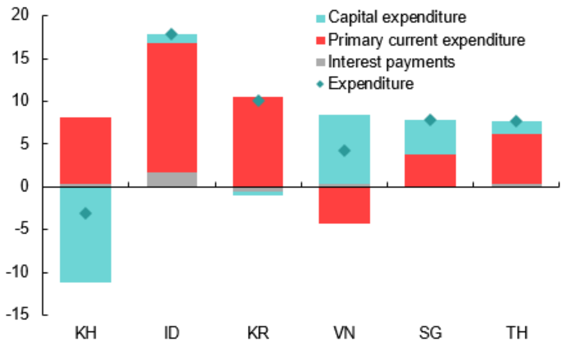
Source: National authorities via CEIC and Haver Analytics; AMRO staff estimates
Note: 1) Economies are grouped into three categories—substantially higher, higher, and lower—indicating the FYTD growth compared to the previous FY. These groupings do not reflect any fixed numerical thresholds; 2) Brunei, Lao PDR, and Myanmar were omitted due to data unavailability as of the-cut-off date.

Figure 5. Expenditure Execution Rate, FYTD Q2 2026 (Percent of the Budget)



Source: National authorities via Haver and CEIC, AMRO staff estimates
Note: 1) Economies are grouped by FY calendar; 2) Execution rates are calculated against the originally approved budget and updated to reflect revised or supplementary budgets, where available; 3) Brunei, Lao PDR, and Myanmar were omitted due to data unavailability as of the-cut-off date.

Figure 6. Contribution to Expenditure Growth, FYTD Q2 2026 (Percent, Percentage points, year-on-year)

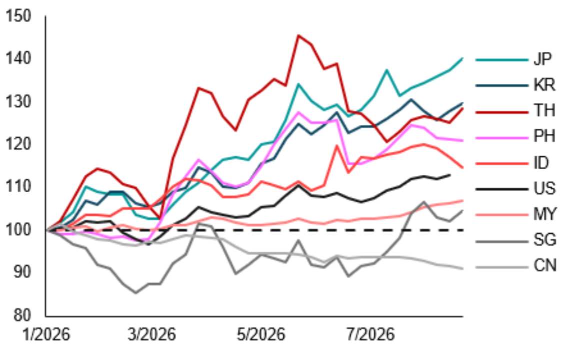


Source: National authorities via CEIC and Haver Analytics; AMRO staff estimates
Note: 1) Expenditure component data are not available for China, Hong Kong, and Japan; 2) Brunei, Lao PDR, Malaysia, Myanmar, and the Philippines were omitted due to data unavailability as of the-cut-off date.

Financing

5. 10-year government bond yields initially rose following the outbreak of the Middle East conflict, but subsequently diverged across economies. Yields in Japan and Korea continued to rise, reflecting higher global oil prices, expectations of tighter monetary policy, and, particularly in Japan, fiscal concerns. In Thailand, yields declined from June before picking up slightly in August as earlier market pressures eased, while Indonesia's yields rose steadily through July before declining modestly in August. In the Philippines, yields fell from mid-June but resumed their upward trend from mid-July. Despite these divergent movements, government bond demand generally remained robust, as reflected in relatively strong bid-to-cover ratios, although auction demand in Indonesia moderated somewhat.

Figure 7. Selected ASEAN+3: 10-year Sovereign Bond Yield (Basis point, month-end, Jan 2026=100)



Source: Haver Analytics; AMRO staff calculation

6. Sovereign credit ratings remained broadly stable across ASEAN+3 economies in 2026, although rating outlooks were revised in several economies, with mixed directions (Appendix II). Indonesia's outlook was revised from stable to negative by Moody's in February and Fitch in March, reflecting concerns over fiscal pressures and policy credibility. In the Philippines, S&P revised the outlook from positive to stable in April, followed by Fitch's revision from stable to negative amid heightened growth and fiscal risks. By contrast, Moody's improved the outlooks for Cambodia, Thailand, and China from negative to stable in April, and Vietnam from stable to positive in May, reflecting reduced downside risks and/or improved economic, fiscal, and institutional prospects. Indonesia's BBB rating and stable outlook were subsequently affirmed by S&P in July.

II. Key Fiscal Policy Measures

7. **Fiscal measures introduced in response to energy shocks following the onset of the Middle East conflict in March 2026 were largely maintained through August amid continued uncertainty.** After a surge in measures introduced in April and May, policy actions in June–August mainly involved extending existing support and introducing or expanding measures to cushion energy and cost-of-living pressures, while some temporary emergency measures were phased out. Most measures to strengthen energy and supply-chain resilience remained in place (*Box A*).

- Singapore announced second support package for households and businesses while continuing existing cost-of-living assistance. The government announced an additional SGD 900 million support package for households and SMEs (*Box B*) and continued targeted household support through CDC vouchers, GST Voucher cash payments, MediSave top-ups, and an enhanced Cost-of-Living Special Payment of up to SGD 600.
- Thailand introduced additional support to cushion households from elevated living costs, by rolling out a THB176 billion consumer support program under its THB400 billion emergency borrowing package.
- Cambodia and Myanmar extended tax relief to mitigate higher energy and input costs. Cambodia reduced fuel-related excise taxes and VAT and eliminated customs duties on fuel imports, while Myanmar extended tax exemptions on imports of diesel, fertilizer, and LNG through August.

Box A. ASEAN+3 Fiscal Measures in Response to the Middle East Conflict (Update)

ASEAN+3 economies responded to the Middle East conflict with a broad mix of measures aimed initially at addressing energy supply shortages and cushioning the immediate price and cost-of-living impacts, while also strengthening longer-term energy and supply-chain resilience. The policy response was front-loaded following the onset of the conflict, with 8 measures introduced in March, surging to 58 in April and 47 in May, before moderating to 14 in June, 12 in July, and 7 in August. By end-July, 18 measures had ended, mainly emergency interventions—such as price caps, export controls, consumption quotas and rationing, and temporary tax relief—as well as one-off or temporary cash and in-kind transfers and vouchers—while most resilience-oriented measures remained in place.

Table A.1. Key Measures in Response to the Middle East Conflict in ASEAN+3

	Response Type	Instruments	Economies	Number of (Fiscal) Measures
Addressing supply shortage	**Supply-side intervention**	• Export control • Supply stabilization • Strategic stock release	CN, ID, JP, KR, MM, PH, TH, VN	Active 12 (3) Ended 1 (0)
	Demand management	• Consumption quota • Energy-saving measures	KH, ID, KR, LA, MY, MM, PH, SG, TH, VN	Active 17 (2) Ended 2 (1)
Cushioning the impact of price surge	**Price intervention**	• Price cap • Tax exemptions/reductions • Direct price subsidy	BN, KH, CN, HK, ID, JP, KR, LA, MM, PH, TH, VN	Active 21 (18) Ended 7 (7)
	Ease of cost-of-living pressure	• Cash transfers • In-kind assistance • Vouchers and rebate	KH, HK, ID, JP, KR, MY, PH, SG, TH	Active 35 (35) Ended 6 (6)
	Credit and liquidity support	• Credit facility • Loan guarantee • Business relief	KR, LA, MY, MM, PH, SG, TH	Active 16 (15) Ended 2 (2)
Improving resilience	**Energy transition support**	• Subsidies and/or tax incentives for renewable energy, EV, and biofuels	KH, CN, ID, JP, KR, LA, MY, PH, SG, TH, VN	Active 16 (9)
	Supply chain resilience measures	• Strategic stock piling • Diversification of import sources • Bilateral energy cooperation	KH, ID, JP, KR, LA, PH, SG	Active 11 (2)

Source: National authorities; AMRO staff compilation
Note: 1) Measures announced from March 1 to August 26, 2026; 2) Numbers in parentheses indicate the number of fiscal and quasi-fiscal measures; 3) The number of measures is based on authorities' announcement and may not be consistent across economies in terms of coverage and level.

Box B. Singapore's Fiscal Support Packages

In response to the impact of oil price shock, Singapore announced targeted additional support measures to households and businesses in April and July 2026, amounting to around SGD2 billion, or 0.2 percent of GDP (Table A.1). As global energy prices remained elevated, the July package provided more targeted support for vulnerable households. It also shifted business support toward smaller and more affected firms, including SMEs and hawkers, while facilitating access to financing through enhanced government risk-sharing.

Table B.1. Singapore's Fiscal Support Packages in April and July 2026

	April Package	July Package
Headline size	Close to SGD1 billion	Around SGD0.9 billion
Main objective	Rapid relief following the initial energy price spike	Additional, more focused support as elevated prices persist
Household support	• Earlier CDC vouchers • Enhanced Cost-of-Living payment • Targeted transport-worker cash support	• Additional CDC vouchers • Additional U-Save rebates for HDB households • Enhanced ComCare (short-term financial assistance)
Business support	• Tax rebate/cash grant • Energy-efficiency grant • Direct cost co-funding	• SME cash grant • Hawker rental support • Enhanced Enterprise Financing Scheme (EFS) risk-sharing
Fiscal instruments and implications	• Primarily transfers • Tax expenditure • Direct co-funding	• Direct transfers • Contingent loan-risk exposure

Source: Ministry of Finance of Singapore; AMRO staff compilation and assessment.
Notes: (1) CDC vouchers are consumption vouchers provided to Singaporean households for spending at participating heartland merchants, hawkers and supermarkets; (2) Utility rebates (U-Save) are quarterly utilities rebates provided under the permanent GST Voucher scheme to eligible Singaporean households living in public housing flats; (3) Short-term financial assistance under the ComCare Interim Assistance is administered through Social Service Offices for individuals and families facing urgent financial hardship, generally for up to three months; and (4) Enterprise Financing Scheme (EFS) is a government risk-sharing scheme under which participating financial institutions provide loans to eligible Singapore enterprises, with Enterprise Singapore bearing a specified share of losses in the event of default.

8. Tax policy developments balanced targeted relief and growth support with efforts to broaden tax bases, rationalize tax expenditures, and strengthen tax administration.

- Several economies introduced targeted tax relief and incentives for households, businesses, and priority sectors. Japan approved a temporary reduction in the consumption tax on food and beverages from 8 percent to 1 percent for two years from April 2027. Vietnam raised the income threshold for PIT dependents, extended payment deadlines for VAT, CIT, PIT, and land rent for eligible sectors, and proposed a 30 percent income tax reduction for eligible small businesses. Cambodia provided property transfer tax relief and tax incentives for government securities, while Hong Kong and Singapore enhanced tax incentives for corporate treasury centers and investment funds, respectively. Lao PDR implemented transfer pricing and minimum tax provisions for multinational groups, increased taxation on selected sectors and raised the personal income tax exemption threshold, providing relief to lower-income earners.

- China strengthened revenue mobilization while rationalizing selected tax preferences. The authorities tightened PIT treatment of offshore trusts and phased out selected tax preferences for vehicles and energy and resource companies.

- Korea's 2026 tax revision proposal combined strategic growth support with broader tax-system and tax-expenditure reforms. The package introduced incentives to promote domestic production and investment in strategic industries, while reforming real estate taxation, including the Comprehensive Real Estate Tax (CRET), and undertaking a broad rationalization of tax expenditures (*Box C*).

- Tax administration reforms continued to emphasize digitalization, transparency, and enforcement. Myanmar introduced online tax assessment and payment for vehicle ownership transfers. Hong Kong strengthened its automatic exchange of tax information framework, while Japan tightened controls against gold-smuggling schemes exploiting consumption-tax refunds. Indonesia has fully rolled out the Core Tax Administration System to strengthen tax revenue mobilization.

Box C. Korea's Comprehensive Tax Expenditure Reform Plan

Korea's 2026 tax reform proposes a comprehensive restructuring of tax expenditures to improve their effectiveness, targeting, and fiscal efficiency. Of 241 tax expenditure measures reviewed, the government proposes to restructure 115: 20 would be terminated, 17 converted into direct spending programs, 64 redesigned, and 14 made permanent where continued support is considered warranted (Table B.1). The reform seeks to move beyond routine extensions of tax incentives by assessing whether tax expenditures remain the most effective instrument for achieving their policy objectives.

Table C.1. Korea's Tax Expenditure Reform 2026

Total	Termination	Conversion to Direct Spending	Redesign	Permanence
115	20	17	64	14

Source: Ministry of Finance and Economy of Korea.

- **Terminating ineffective or outdated incentives (20 measures).** Tax expenditures that have achieved their objectives, have low utilization, or have become less effective would be discontinued. These include the individual consumption tax reduction for hybrid vehicles and selected employment-related tax incentives. The VAT refund for hotel accommodation provided to foreign tourists would also end earlier than previously scheduled.
- **Converting tax expenditures into direct spending (17 measures)**. Where direct spending is considered more effective or equitable, tax benefits would be replaced with budgetary support. Notably, tax credits for childbirth, adoption, and marriage will be converted into direct transfers to strengthen their redistributive impact. Tax reductions for electric and hydrogen vehicles would be phased out and replaced by direct fiscal support, while the additional income deduction for public transportation spending would similarly be transitioned toward expenditure-based support.
- **Redesigning incentives to improve targeting and effectiveness (64 measures)**. A broad range of tax expenditures would be narrowed or recalibrated. Measures include tightening housing mortgage interest and education deductions; reducing preferential VAT credits for credit-card sales; raising the preferential PIT rate for foreign workers from 19 to 21 percent; and narrowing employment tax credits by excluding large corporations. Tax incentives for new-growth and national strategic technologies would also be subject to explicit expiration dates and periodic reassessment, strengthening the evaluation of technology-related tax support.
- **Providing greater certainty for effective incentives (14 measures)**. Tax expenditures assessed as requiring continued support would be made permanent, reducing repeated extensions while allowing the government to focus periodic reviews on incentives whose effectiveness or continued relevance is less certain.

9. Several economies diversified government financing sources and broadened their investor bases to support financing needs and contain borrowing costs.

- Japan, Indonesia, and Malaysia took steps to diversify their government financing and investor bases. Japan plans to broaden access to JGBs for individuals to include entities such as unlisted companies and condominium associations, aiming to cultivate stable domestic investor base and contain upward pressure on government borrowing costs. Indonesia issued its first Panda bonds, through three- and five-year bonds, as part of efforts to diversify financing instruments and deepen access to China's capital market. Meanwhile, Malaysia issued global sukuk to expand development expenditure financing initiatives alongside its established sovereign sukuk market.

- Hong Kong continued to mobilize retail financing for infrastructure investment. The government launched a new three-year Silver Bond, offering an inflation-linked return subject to a 4.25 percent floor. Proceeds will be directed toward public works under the Infrastructure Bond Framework rather than recurrent expenditure.

10. Several economies strengthened medium- and long-term fiscal planning and resource allocation, while pursuing greater spending efficiency and improving PFM.

- Japan, Korea, and Hong Kong strengthened medium- and long-term planning frameworks to guide resource allocation. Japan's Basic Policy on Economic and Fiscal Management and Reform 2026 introduced a multi-year, investment-led strategy from FY2027, prioritizing 17 strategic fields while retaining debt sustainability as a fiscal anchor. Korea launched its 2045 National Development Strategy initiative to establish a long-term framework for addressing structural challenges and guide future fiscal plans and budgets. Hong Kong initiated a consultation on its first Five-Year Plan (2026–30) to guide economic and social development, public investment, and resource allocation.

- Malaysia and Korea pursued expenditure rationalization and stronger management of public resources. Malaysia instructed federal ministries and agencies to reduce non-critical operating expenditure, targeting around RM10 billion in savings to create room for higher subsidies and other support amid the energy-price shock. Korea's annual public fund review recommended consolidation and restructuring of selected funds to improve efficiency, while its Public Institution Management Evaluation assessed 88 public corporations and quasi-governmental institutions, linking performance to executive accountability, budget measures, and performance-based compensation.

- Korea and Myanmar advanced reforms to modernize fiscal and public investment management. Korea launched its AI-ON initiative to integrate AI into budgeting, fiscal strategy, performance management, and spending reviews, including the development of an AI Budget Assistant and other analytical tools. Myanmar drafted a new PPP directive intended to establish a framework for the scrutiny and management of PPP projects.

11. Several economies strengthened fiscal support for the green transition through climate financing, spending commitments, and tax measures.

- Cambodia, Vietnam, and Singapore strengthened financing for environmental objectives. Cambodia launched a USD109 million Climate Finance Facility to mobilize private investment in low-carbon and climate-resilient projects, while Vietnam committed to allocating at least two percent of the state budget annually to environmental protection. Singapore launched its third distinct sovereign green bond and first 20-year Green SGS (Infrastructure) bond in July, which extends the government's green yield curve and supports eligible green infrastructure projects under Singapore's Green Bond Framework.

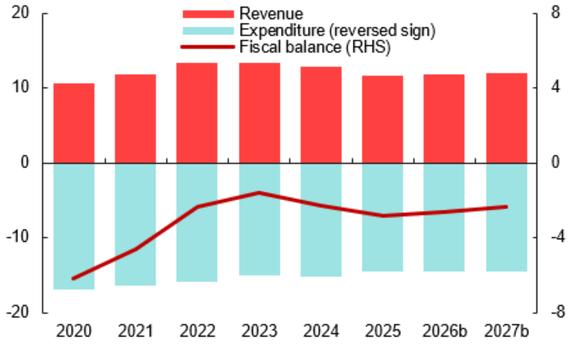
- Thailand and Indonesia expanded support for EV adoption. Thailand proposed a program combining subsidies, concessional loans, and tax incentives to replace older commercial vehicles with EVs, while Indonesia planned subsidies for electric motorcycles and VAT relief for electric cars.

- China expanded the use of environmental taxation, announcing a pilot environmental protection tax on volatile organic compound (VOC) emissions from January 2027, broadening the coverage of emissions subject to environmental taxation.

III. Budget Snapshots

12. Indonesia's FY2027 budget proposal aims to support higher economic growth and accelerate improvements in prosperity (presented to Parliament on August 14, 2026). The budget prioritizes food and energy security; human capital development; downstreaming and industrialization; resilient infrastructure and housing; local economic and rural development; and poverty reduction. Key expenditure measures include maintaining the constitutionally mandated 20 percent allocation for education, continuing the flagship Free Nutritious Meals program, and supporting the energy transition. The budget also emphasizes expenditure efficiency through consolidated government procurement, cuts to inefficient spending, and stronger accountability for government-funded projects. On the revenue side, the government aims to strengthen revenue mobilization and reduce leakages, including through a planned domestic mineral and strategic commodity exchange and continued improvements in tax administration. The fiscal deficit is projected to narrow from 2.7 percent of GDP in FY2026 to 2.4 percent in FY2027.

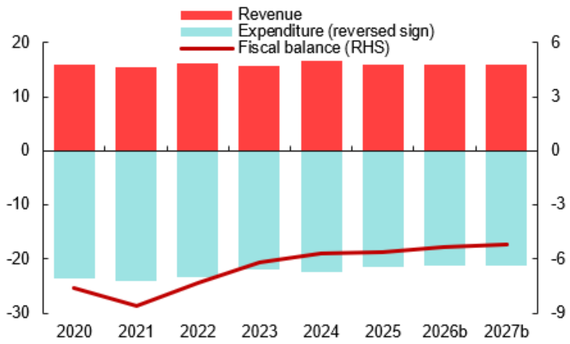
Figure 8. Indonesia: Revenue, Expenditure, and Fiscal Balance (Percent of GDP)



Source: Ministry Finance of Indonesia; AMRO staff estimate
Note: Data for 2020–2025 reflect actual fiscal outturns, while 2026–2027 are based on original budget. 2026b and 2027b use AMRO's nominal growth projections.

13. The Philippines' FY2027 proposed budget aims to promote people-centered growth and a more inclusive and resilient economy (submitted to Congress on August 11, 2026). The budget prioritizes human capital development; food security; infrastructure development; digital transformation; climate and disaster resilience; and the calibrated devolution of functions to local governments. Key expenditure measures include increased support for social services and education and continued infrastructure investment under the Build Better More Program, with capital outlays projected at 4.0 percent of GDP. Amid limited fiscal space and rising mandatory spending pressures, the budget also emphasizes expenditure efficiency through the Government Optimization Program, stronger performance-based management, and tighter controls on operating expenditure and redundant programs. On the revenue side, revenue mobilization is expected to strengthen gradually through the full implementation of recent tax policy reforms—including the VAT on Digital Services Act, CREATE MORE law, Capital Markets Efficiency Promotion Act, and the new Mining Fiscal Regime—alongside continued improvements in tax administration. The fiscal deficit is projected to remain broadly unchanged at 5.2 percent of GDP in FY2027, compared with 5.3 percent in FY2026.

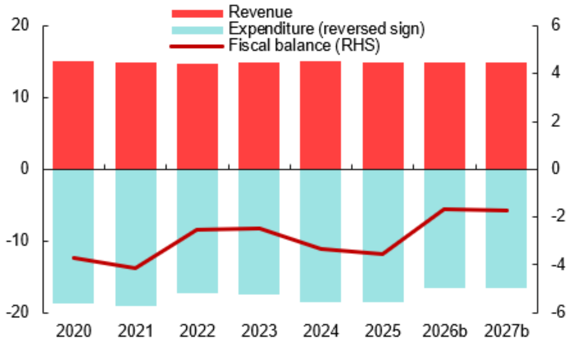
Figure 9. Philippines: Revenue, Expenditure, and Fiscal Balance (Percent of GDP)



Source: Department of Budget and Management of the Philippines; AMRO staff estimate
Note: Data for 2020–2025 reflect actual fiscal outturns, while 2026–2027 are based on original budget. 2026b and 2027b use AMRO's nominal growth projections.

14. Thailand's FY2027 draft budget aims to support economic growth, infrastructure development, and improved living standards (presented to Parliament on June 29, 2026). The budget prioritizes social opportunity and equality; public sector reform; human capital development; national security; competitiveness enhancement; and environmental development. On the expenditure side, capital spending accounts for 20.8 percent of total outlays, supporting longer-term productive capacity. The budget also emphasizes targeted, efficient, and transparent resource allocation through closer scrutiny of spending needs and greater use of alternative financing, including public-private partnerships, to ease the burden on the central budget. On the revenue side, the government aims to strengthen revenue mobilization through continued improvements in tax collection and the implementation of the Top-Up Tax regime, with the first filings and payments due by June 2027. The fiscal deficit is projected at around 1.7 percent of GDP in FY2027, broadly unchanged from FY2026 and in line with the authorities' commitment to medium-term fiscal consolidation.

Figure 10. Thailand: Revenue, Expenditure, and Fiscal Balance (Percent of GDP)



Source: Ministry of Finance of Thailand; AMRO staff estimates
Note: Data for 2020–2025 reflect actual fiscal outturns, while 2026–2027 are based on original budget. 2026b and 2027b use AMRO's nominal growth projections. AMRO's expenditure estimates exclude reserve fund replenishments, where applicable, and principal repayments, resulting in a narrower fiscal deficit than the authorities' budget figures.

IV. Fiscal Insights: AMRO Knowledge Products

15. Hong Kong, Toward an Effective Industrial Policy for Industrial Upgrading (ACR-HK 2026: Box A). Hong Kong has deployed various fiscal and policy incentives—including innovation funding, tax incentives, capital support, and strategic investments—to promote industrial upgrading. AMRO notes that policy effectiveness could be strengthened through a more coherent strategy with clearer priorities, stronger coordination, and a greater focus on sectors with a comparative advantage. Enhancing accountability, maintaining competitive neutrality, and using demand-side tools such as public procurement would improve resource allocation and support sustainable innovation-led growth.

16. Cambodia, Impact of Government Deposit Fluctuations on Banking System Liquidity (ACR-KH 2026: Box B). Government deposits reached a record high in 2026, reflecting stronger revenue collection, increased domestic borrowing, and contained spending. AMRO notes that while these deposits provide a fiscal buffer and support cashflow management, their accumulation has tightened banking system liquidity. Stronger cash and debt management, improved cashflow forecasting, and closer coordination between the Ministry of Economy and Finance (MEF) and the National Bank of Cambodia (NBC) would help smooth liquidity fluctuations and enhance policy implementation.

17. Lao PDR, Developing the Government Bond Market: Advancing Domestic Market-Based Financing (AMRO Analytical Note, 2026). Lao PDR's domestic government bond market remains small and underdeveloped, with total bonds outstanding amounting to only 15.7 percent of GDP as of end-2024, limiting domestic market-based financing. Market development is constrained by structural bottlenecks, including paper-based securities, inadequate infrastructure, limited secondary market liquidity, a narrow investor base, and misaligned bond pricing. AMRO notes that a deeper domestic bond market would strengthen fiscal sustainability, reduce refinancing risks, and enhance resilience to external financing shocks. Key policy priorities include modernizing and dematerializing securities infrastructure, improving issuance practices, broadening the investor base, strengthening interagency coordination, and maintaining macroeconomic stability to bolster investor confidence.

18. Japan, Living with High Debt: Why Market Valuation Matters (AMRO Blog, 2026). Despite gross public debt exceeding 200 percent of GDP, Japan has avoided a debt spiral owing to favorable debt dynamics, long JGB maturities, a predominantly domestic investor base, and substantial BOJ holdings. AMRO's analysis highlights a significant gap between the market value of government debt and the present value of future fiscal resources, suggesting that valuations rely heavily on continued market confidence. While Japan faces no immediate financing stress, rising age-related spending and higher interest rates could increase fiscal pressures over time. Sustained fiscal consolidation underpinned by stronger revenue mobilization and expenditure rationalization, together with productivity-enhancing structural reforms will be important to preserve fiscal sustainability and maintain investor confidence.

19. Making Tax Incentives Work Better in ASEAN+3 (AMRO Blog, 2026). Tax incentives are widely used across ASEAN+3 economies to promote investment and advance policy objectives. While they can attract investment, boost priority sectors, and spur job creation, they also entail forgone revenue and may create opportunities for tax avoidance and inefficient resource allocation. AMRO emphasizes that effective tax incentives should be anchored in three key pillars: design, management, and governance. Incentives should align with national development strategies, generate positive spillovers, and be supported by regular reviews and transparent reporting. AMRO also notes that cost-based incentives tend to be more effective than profit-based ones, helping ensure that tax incentives remain a strategic tool rather than a costly shortcut.

Appendix I. Data Notes, Fiscal Year and Budget Coverage

The *ASEAN+3 Quarterly Fiscal Bulletin (QFB)* is designed to complement the *ASEAN+3 Fiscal Policy Report (AFPR)* by providing more frequent and timely updates on near-term fiscal developments and recent policy measures across member economies.

Data and Conventions

The analysis in the QFB draws on data from national authorities and other official sources, reflecting the most recently available information at the time of preparation. Fiscal outturn typically refers to recent quarterly developments, while macroeconomic variables are based on the latest available regional projections drawn from the latest *ASEAN+3 Regional Outlook*.

To ensure consistency in cross-economy analysis, several conventions are adopted:

- **Fiscal year alignment**: Fiscal year-to-date (FYTD) fiscal outturns are reported based on each economy's fiscal year (FY) calendar. ASEAN+3 member economies follow three different FY calendars: January–December (all other economies); April–March (Brunei, Hong Kong, Japan, Singapore, and Myanmar); and October–September (Thailand).
- **Data cut-off**: The analysis reflects information available up to a specified cut-off date (31 August 2026). If data are unavailable as of the cut-off date, economies are excluded from the specific fiscal outturn analysis, although the relevant developments and fiscal measures could be discussed elsewhere in the report.
- **Classification frameworks**: For analytical purposes, tax revenues and expenditures of each economy are reclassified by AMRO staff.
  - Tax revenues are categorized into income-based, consumption-based, trade-based, and other taxes, based on the AMRO staff's assessment of the nature of underlying tax instruments.
  - Expenditures are classified into current and capital spending based on official sources; where such breakdowns are unavailable, aggregate expenditure is reported.
- **Budget data**: Budget execution analysis is based on approved budgets, with adjustments made when supplementary or revised budgets are introduced.

Given differences in reporting frequency and compilation practices, higher-frequency fiscal data may be subject to lags and revisions.

Comparability and Limitations

Efforts are made to enhance cross-economy comparability of fiscal data, but full comparability is constrained by various factors, including differences in national definitions, institutional coverage, and data compilation practices.

Fiscal data are subject to revisions as more complete information becomes available. As a result, data presented in the QFB may differ from those reported in other AMRO publications, including the *ASEAN+3 Fiscal Dashboard (FDB)* and the *ASEAN+3 Fiscal Policy Report (AFPR)*. These differences reflect variations in data vintages, definitions, and analytical treatments rather than inconsistencies in underlying sources.

	Fiscal Year	Budget Coverage	Monthly/ Quarterly Data	Note
Brunei Darussalam	April-March	Central government	Not regularly available	
Cambodia	January-December	Central government	Fully available	Monthly outturns are reported in GFS standards.
China	January-December	Central + Local government (General public budget)	Available, except for economic classification of expenditure	Expenditure breakdown is available for functional classification only.
Hong Kong, China	April-March	Central government	Only aggregates are available	
Indonesia	January-December	Central government	Fully available	
Japan	April-March	Central government (General account)	Available, except for economic classification of expenditure	1) Bond issuance and carryover are excluded from revenue, and national debt service is excluded from expenditure; 2) Expenditure breakdown is available for functional classification only.
Korea	January-December	Central government + Social security funds	Available, except for economic classification of expenditure	Expenditure breakdown is available by sources (e.g., budget, fund).
Lao PDR	January-December	Central government	Not regularly available	
Malaysia	January-December	Central government	Fully available	
Myanmar	April-March	Central government	Not regularly available	
Philippines	January-December	Central government	Fully available	
Singapore	April-March	Central government	Fully available	Revenue refers to operating revenue, excluding the net investment returns contribution (NIRC), and expenditure refers to operating and development expenditures, which exclude top-ups to endowment and trust funds.
Thailand	October-September	Central government	Fully available	
Vietnam	January-December	Central + Local government	Fully available	

Appendix II. Sovereign Credit Rating of ASEAN+3 Economies

	Moody's		S&P		Fitch	
	Ratings	Outlook	Ratings	Outlook	Ratings	Outlook
Brunei Darussalam						
Cambodia	B2 21 May 2007	**From Negative to Stable** **2 Apr 2026**				
China	A1 24 May 2017	**From Negative to Stable** **27 Apr 2026**	A+ 21 Sep 2017	Stable 21 Sep 2017	A 3 Apr 2025	Stable 3 Apr 2025
Hong Kong, China	Aa3 20 Jan 2020	Stable 27 May 2025	AA+ 21 Sep 2017	Stable 21 Sep 2017	AA- 20 Apr 2020	Stable 20 Apr 2020
Indonesia	Baa2 13 Apr 2018	**From Stable to Negative** **5 Feb 2026**	BBB 31 May 2019	Stable 27 Apr 2022	BBB 20 Dec 2017	**From stable to Negative** **4 Mar 2026**
Japan	A1 1 Dec 2014	Stable 24 Aug 2011	A+ 16 Sep 2015	Stable 9 Jun 2020	A 27 Apr 2015	Stable 25 Mar 2022
Korea	Aa2 18 Dec 2015	Stable 18 Dec 2015	AA 7 Aug 2016	Stable 15 Sep 2015	AA- 6 Sep 2012	Stable 6 Sep 2012
Lao PDR	Caa2 3 Dec 2025	Stable 14 Jun 2022	CCC+ 23 Oct 2025	Positive 23 Oct 2025	CCC+ 21 Oct 2025	
Malaysia	A3 16 Dec 2004	Stable 11 Jan 2016	A- 7 Oct 2003	Stable 27 Jun 2022	BBB+ 4 Dec 2020	Stable 4 Dec 2020
Myanmar						
Philippines	Baa2 11 Dec 2014	Stable 11 Dec 2014	BBB+ 30 Apr 2019	**From Positive to Stable** **8 Apr 2026**	BBB 10 Dec 2017	**From Stable to Negative** **20 Apr 2026**
Singapore	Aaa 14 Jun 2002	Stable 15 Nov 2003	AAA 6 Mar 1995	Stable 6 Sep 1991	AAA 14 May 2003	Stable 21 Sep 2000
Thailand	Baa1 26 Nov 2003	**From Negative to Stable** **21 Apr 2026**	BBB+ 26 Aug 2004	Stable 13 Apr 2020	BBB+ 8 Mar 2013	Negative 24 Sep 2025
Vietnam	Ba2 6 Sep 2022	**From Stable to Positive** **4 May 2026**	BB+ 26 May 2022	Stable 26 May 2022	BB+ 8 Dec 2023	Stable 8 Dec 2023

Source: Moody's, S&P Global Ratings, and Fitch Ratings; AMRO staff compilation.

Note: Covers changes from 31 Dec 2025 to 31 Aug 2026. Ratings shown are the long-term foreign-currency sovereign ratings (LT FC) from Moody's, S&P, and Fitch. Green bold denotes a rating upgrade or an upward outlook revision, while red bold denotes a rating downgrade or a downward outlook revision. The date shown is the rating effective date, i.e., the most recent date on which the country's credit rating changed. For Lao PDR, Fitch typically does not assign an Outlook to sovereigns rated 'CCC+' or below; the Outlook field is therefore left blank.

Appendix III. Key Quarterly Fiscal Data

1. Fiscal Developments, Q2 FYTD, FY2020-2026

	Revenue Growth (Percent, YoY, FYTD)							Revenue Execution (Percent of budget)						
	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
FY: Jan - Dec														
Cambodia	-3.6	-5.2	21.6	-0.7	-0.8	10.6	8.5	47.4	54.5	59.4	51.4	45.8	52.5	54.2
China	-10.8	21.8	-10.2	13.3	-2.8	-0.3	4.7	53.4	59.3	50.1	54.9	51.8	52.6	54.8
Indonesia	-9.7	9.3	48.5	6.9	-6.2	-9.0	21.4	36.3	50.9	71.3	57.2	47.1	40.0	46.3
Korea	-8.1	32.1	12.0	-11.4	-0.1	8.3	19.1	48.0	58.0	54.9	47.3	48.4	49.9	54.5
Lao PDR	-21.9	13.8	22.5	34.3	58.2	33.0	NA	43.2	41.8	43.7	48.2	56.8	55.6	NA
Malaysia	-19.1	4.6	16.8	19.4	-6.3	6.1	12.0	41.6	44.9	53.1	50.9	45.2	43.5	48.2
Philippines	-6.1	2.5	15.9	7.7	15.6	5.1	5.7	57.7	51.7	52.3	49.9	50.3	50.0	49.5
Vietnam	-10.3	15.9	21.5	-7.0	16.5	30.5	17.7	44.2	57.7	66.7	54.0	60.0	67.7	62.0
FY: Apr - Mar														
Brunei	-52.0	54.4	122.9	-64.7	10.1	-11.0	NA	NA	NA	32.0	21.3	21.5	19.2	NA
Hong Kong, China	-33.4	67.3	-40.7	10.4	-13.8	21.4	111.1	12.5	16.6	11.1	13.4	11.4	11.3	21.4
Japan	-0.5	27.9	13.6	83.2	-27.7	129.5	-69.7	0.9	1.0	1.1	1.9	1.3	2.8	0.8
Myanmar	NA	-18.2	22.3	16.9	41.0	-6.9	NA	NA	NA	20.7	21.1	22.5	17.2	NA
Singapore	-57.0	151.8	11.6	19.6	13.0	13.6	12.5	12.6	28.5	29.8	30.1	30.3	30.4	31.2
FY: Oct - Sep														
Thailand	-12.8	3.5	6.3	5.2	2.8	1.9	5.3	61.9	65.3	77.5	78.5	71.9	71.0	73.9

	Expenditure Growth (Percent, YoY, FYTD)							Expenditure Execution (Percent of budget)						
	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
FY: Jan - Dec														
Cambodia	27.1	-1.6	1.8	18.4	5.8	1.9	-3.1	41.9	43.3	41.0	43.3	44.4	44.7	39.1
China	-5.8	4.5	5.9	3.9	2.0	3.4	1.5	47.0	48.6	48.2	48.7	47.8	47.6	47.8
Indonesia	3.3	9.5	6.3	1.0	11.3	0.6	17.8	42.1	42.5	45.8	41.0	42.0	38.8	43.1
Korea	11.1	9.4	18.4	-14.1	5.7	4.7	9.4	57.0	57.2	60.3	55.1	56.6	55.3	56.5
Lao PDR	-5.1	1.1	9.1	19.1	62.8	17.8	NA	32.7	34.6	34.3	32.6	37.4	37.9	NA
Malaysia	4.2	6.0	3.4	11.2	1.3	-1.3	11.8	52.0	53.6	54.8	48.7	48.4	44.7	50.2
Philippines	26.6	9.6	8.9	0.4	14.6	9.5	4.9	49.1	49.0	46.4	45.8	44.1	47.8	49.3
Vietnam	9.5	-4.8	2.7	12.8	-0.1	37.1	4.3	41.8	41.2	40.0	38.8	37.9	43.2	36.4
FY: Apr - Mar														
Brunei	-3.5	-0.2	22.3	-6.7	-6.7	28.5	NA	NA	NA	23.3	21.4	19.0	24.1	NA
Hong Kong, China	42.1	-18.6	36.5	-10.4	0.0	7.8	-2.4	21.6	20.6	24.3	24.2	23.3	24.1	22.0
Japan	0.0	21.9	1.9	-2.0	2.4	4.2	6.9	15.4	19.8	21.6	23.5	25.5	29.1	28.4
Myanmar	9.4	-9.1	-9.7	-1.8	15.7	47.9	NA	NA	NA	17.9	16.5	15.7	18.6	NA
Singapore	43.4	-0.3	-2.1	7.1	21.4	18.3	7.9	16.7	18.0	17.6	18.5	21.0	22.4	21.8
FY: Oct - Sep														
Thailand	4.7	-1.1	1.9	7.1	4.2	6.8	7.7	78.2	72.5	79.1	81.6	81.8	78.5	90.4

Source: National authorities via Haver and CEIC; AMRO staff estimates
Note: Q2 FYTD data used to compute year-on-year growth and execution rates corresponds to the respective FY calendars as follows: January–June for economies with a January–December FY; April–June for economies with an April–March FY; and October–June for economies with an October–September FY.

2. Fiscal Developments by Quarter, FQ4 FY2024 – FQ3 FY2026

	Revenue Growth (Percent, YoY, FYTD)								Revenue Execution (Percent of budget)							
	FY2024	FY2025				FY2026			FY2024	FY2025				FY2026		
	FQ4	FQ1	FQ2	FQ3	FQ4	FQ1	FQ2	FQ3	FQ4	FQ1	FQ2	FQ3	FQ4	FQ1	FQ2	FQ3
FY: Jan - Dec																
Cambodia	-1.5	9.7	10.6	12.7	12.9	12.6	8.5		84.9	27.7	52.5	76.1	99.5	29.7	54.2	
China	1.3	-1.1	-0.3	0.5	-1.7	2.4	4.7		98.1	27.4	52.6	74.5	98.3	27.9	54.8	
Indonesia	2.4	-16.1	-9.0	-7.2	-3.0	10.5	21.4		101.7	17.3	40.0	62.0	92.0	18.2	46.3	
Korea	3.6	8.4	8.3	9.4	7.2	18.1	19.1		97.1	24.9	49.9	74.8	99.2	26.9	54.5	
Lao PDR	34.5	43.2	33.0	33.3	27.6	NA	NA		123.9	28.1	55.6	82.9	116.3	NA	NA	
Malaysia	3.1	3.1	6.1	6.7	3.5	129.3	12.0		105.5	21.2	43.5	71.1	98.9	48.2	48.2	
Philippines	15.6	6.9	5.1	2.2	0.8	13.7	5.7		103.5	22.1	50.0	74.5	98.5	23.5	49.5	
Vietnam	16.5	33.7	30.5	31.3	31.2	15.0	17.7		120.1	36.7	67.7	96.7	136.3	32.8	62.0	
FY: Apr - Mar																
Brunei	-4.4	-11.0	-9.9	-7.6	-24.7	NA			108.2	19.2	42.3	66.2	81.6	NA		
Hong Kong, China	2.8	21.4	100.0	41.3	23.5	111.1			101.0	11.3	34.2	71.7	101.3	21.4		
Japan	2.8	129.5	27.7	20.4	-16.0	-69.7			104.1	2.8	17.1	36.5	80.1	0.8		
Myanmar	29.1	-6.9	6.6	16.4	22.0	NA			99.6	17.2	38.3	62.4	99.8	NA		
Singapore	11.7	13.6	10.4	12.6	12.6	12.5			106.3	30.4	58.7	80.2	105.9	31.2		
FY: Oct - Sep																
Thailand	4.9	-0.8	2.6	1.9	1.0	3.7	4.0	5.3	100.0	21.4	41.6	71.0	97.9	22.0	42.7	73.9

	Expenditure Growth (Percent, YoY, FYTD)								Expenditure Execution (Percent of budget)							
	FY2024	FY2025				FY2026			FY2024	FY2025				FY2026		
	FQ4	FQ1	FQ2	FQ3	FQ4	FQ1	FQ2	FQ3	FQ4	FQ1	FQ2	FQ3	FQ4	FQ1	FQ2	FQ3
FY: Jan - Dec																
Cambodia	-1.8	22.8	1.9	-5.8	5.6	6.4	-3.1		87.0	28.6	44.7	61.0	90.7	27.5	39.1	
China	3.7	4.2	3.4	3.1	1.0	2.6	1.5		99.7	24.5	47.6	70.1	96.8	24.9	47.8	
Indonesia	7.6	1.4	0.6	-0.7	2.3	31.4	17.8		101.0	17.1	38.8	61.7	94.9	21.2	43.1	
Korea	4.5	-1.0	4.7	10.5	7.2	0.8	9.4		97.2	29.9	55.3	77.4	97.3	28.1	56.5	
Lao PDR	26.4	22.3	17.8	21.6	29.2	NA	NA		90.2	16.0	37.9	62.2	100.4	NA	NA	
Malaysia	-0.6	-2.4	-1.3	2.4	1.9	123.6	11.8		102.5	22.3	44.7	69.2	97.7	50.2	50.2	
Philippines	11.0	19.7	9.5	5.2	1.8	3.2	4.9		94.5	22.8	47.8	70.9	95.3	23.2	49.3	
Vietnam	8.2	8.8	37.1	29.4	31.6	23.8	4.3		101.9	16.8	43.2	63.8	111.4	16.8	36.4	
FY: Apr - Mar																
Brunei	2.2	28.5	14.5	9.2	2.0	NA			100.0	24.1	48.3	75.7	100.3	NA		
Hong Kong, China	4.4	7.8	3.5	6.8	4.9	-2.4			99.8	24.1	47.3	70.9	100.1	22.0		
Japan	-3.6	4.2	1.9	2.1	-0.1	6.9			89.4	29.1	49.8	69.5	98.0	28.4		
Myanmar	25.4	47.9	32.8	41.0	26.7	NA			93.6	18.6	34.8	57.1	95.0	NA		
Singapore	6.6	18.3	14.8	11.1	9.7	7.9			100.5	22.4	44.8	67.7	99.5	21.8		
FY: Oct - Sep																
Thailand	9.7	28.8	31.8	6.8	2.4	14.5	7.8	7.7	109.8	34.5	56.8	78.5	101.0	42.2	65.5	90.4

Source: National authorities via Haver and CEIC; AMRO staff estimates
Note: FYTD year-on-year growth and execution rates are computed for each fiscal quarter (FQ), based on the respective FY calendars.

3. Financing Indicators

10-year Bond Yield (Percent)

	2024	2025												2026						
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
China		1.6	1.7	1.8	1.6	1.7	1.7	1.7	1.9	1.9	1.8	1.9	1.9	1.8	1.8	1.8	1.8	1.7	1.7	1.7
Hong Kong, China		3.8	3.6	3.5	3.2	3.0	2.9	3.0	3.0	3.0	2.9	3.0	3.0	3.1	2.8	2.8	2.9	3.2	3.2	3.4
Indonesia		7.1	6.9	7.1	6.9	6.9	6.7	6.6	6.5	6.4	6.1	6.3	6.2	6.4	6.4	6.9	6.8	6.9	7.2	7.3
Japan		1.2	1.4	1.5	1.3	1.5	1.4	1.6	1.6	1.6	1.7	1.8	2.1	2.2	2.1	2.4	2.5	2.7	2.7	2.8
Korea		2.9	2.7	2.8	2.6	2.8	2.8	2.8	2.8	3.0	3.1	3.3	3.4	3.6	3.4	3.9	3.9	4.1	4.1	4.3
Malaysia		3.8	3.8	3.8	3.7	3.5	3.5	3.4	3.4	3.5	3.5	3.5	3.5	3.5	3.5	3.6	3.6	3.6	3.6	3.7
Philippines		6.3	6.1	6.2	6.3	6.2	6.4	6.3	6.0	5.9	5.8	5.7	5.9	6.0	5.9	6.8	6.9	7.6	7.1	7.3
Singapore		2.9	2.7	2.7	2.5	2.4	2.2	2.1	1.8	1.9	2.0	2.1	2.2	2.1	2.0	2.3	2.1	2.0	2.0	2.4
Thailand		2.3	2.2	2.0	1.9	1.8	1.6	1.5	1.3	1.4	1.7	1.7	1.7	2.0	1.7	2.2	2.2	2.3	2.1	2.1

5-year CDS Spread (Basis points)

	2024	2025												2026						
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
China		59	49	49	67	55	49	45	44	39	42	45	44	42	43	49	45	42	39	38
Hong Kong, China		37	36	37	45	39	35	33	32	29	27	25	23	24	22	25	23	23	23	23
Indonesia		78	74	85	107	87	78	74	70	74	79	76	72	72	80	94	89	89	91	92
Japan		20	18	17	20	20	21	21	20	19	20	21	25	25	26	27	28	27	27	27
Korea		37	31	33	37	30	27	24	21	20	24	23	22	21	22	30	31	25	23	23
Malaysia		48	44	49	65	55	47	43	41	40	42	41	39	39	38	46	41	36	36	37
Philippines		67	64	72	83	67	62	60	60	59	61	62	60	59	59	79	76	77	70	67
Thailand		44	42	47	64	55	46	43	40	38	42	42	40	39	38	53	53	51	45	43
Vietnam		103	97	102	130	107	96	89	84	83	91	89	86	83	80	91	93	92	88	88

Source: National authorities via Haver and CEIC; AMRO staff calculation
Note: Color scales are economy-specific and benchmark the current 10-year treasury bond yield and CDS spread against each economy's respective three-year historical distribution, with red indicating higher yields or spreads (higher borrowing costs or credit risk) and green indicating lower yields or spreads (lower borrowing costs or credit risk).