

'Broadly positive' outlook for Asia-Pacific threatened by rising global uncertainty, warns UN report

1 May 2017 – Warning that despite a broadly positive economic outlook for 2017, Asia-Pacific economies are vulnerable to rising global uncertainty and trade protectionism, the United Nations social and economic development arm in the region has called for better governance and stronger fiscal management resources to sustain and improve economic growth.

In its latest edition of the [Economic and Social Survey of Asia and the Pacific](#), the UN Economic and Social Commission for Asia and the Pacific (UNESCAP) noted that the region's developing economies are projected to grow at 5.0 and 5.1 per cent in 2017 and 2018, respectively, a steeper-than-anticipated increase in those risks could reduce average regional growth in 2017 by up to 1.2 percentage points.

As we enter the second year of the [2030 Agenda](#) for Sustainable Development, economic growth in Asia-Pacific economies is steady but modest amid prolonged weak external demand and rising trade protectionism," said Shamshad Akhtar, the Executive Secretary of UNESCAP, in a [news release](#) announcing the findings.

Overcoming such challenges is also important given the role of better governance for effective resource mobilization as well as the use of fiscal resources to advancing the 2030 Agenda.

In addition to ensuring sustained and robust economic growth, policymakers will need to address social and environmental challenges in order to improve the quality of this growth," she added.

According to UNESCAP, economic expansion has been accompanied by rising income inequality with inadequate creation of "decent jobs" in the region, which trails the world in social protection coverage. Furthermore, its study has shown that developing Asia-Pacific economies use twice as many resources per dollar of Gross Domestic Product (GDP) as the rest of the world.

When institutions are weak, inequalities tend to increase and the pace of poverty reduction declines," noted the UN Asia-Pacific development arm, adding: "The quality of governance also affects environmental outcomes, as reflected in [...] environmental rules and safeguards, and initiate ecological innovation and technological transfer."

To address such challenges, UNESCAP has called for effective governance, including a proactive fiscal policy through productive investments in such areas as infrastructure, social protection and resource efficiency.

Effective governance can also for example, improve health outcomes in the Pacific, promote economic diversification in north and central Asia, create decent jobs in south and south-west Asia, reduce development gaps in south-east Asia, and accelerate ecological innovation in east and north-east Asia.