

Recent developments: Economic growth in the East Asia and Pacific (EAP) region strengthened in early 2024. In China, growth edged up, as exports expanded robustly. Infrastructure and manufacturing investment were firm, the former benefiting from public spending. In contrast, real estate investment continued to decline due to the ongoing downturn in the property sector. The authorities implemented additional measures to support the property sector, including facilitating liquidity provision to developers, and reducing down payment requirements for borrowers. Following a strong expansion in 2023, consumer spending was subdued in early 2024 amid weak consumer confidence.

In other parts of the EAP region, growth strengthened in some economies in early 2024 as exports began to recover from a slump in 2023 caused by a downturn in global goods trade. In addition, manufacturing activity showed signs of improvement. In some tourism-dependent economies, service exports continued to benefit from the recovery in global tourism. Private consumption growth remained resilient across the region, aided by low inflation. However, investment was subdued, partly reflecting the delayed impact of monetary policy tightening and heightened global and domestic uncertainty.

Outlook: Growth in EAP is projected to decline to 4.8 percent this year, as a slowdown in China offsets faster growth in several other large economies. Growth in EAP is then expected to continue softening, to 4.2 percent in 2025 and 4.1 percent in 2026, as growth in China continues to slow, outweighing a slight pickup elsewhere in the region. Compared with January projections, growth in EAP is expected to be 0.3 percentage point higher in 2024 and 0.2 percentage point lower in 2025.

In China, growth is projected to slow to 4.8 percent in 2024, 0.3 percentage point higher than January forecasts, mainly reflecting stronger-than-expected activity in early 2024, particularly exports. Following a strong expansion in 2023, consumption is expected to slow markedly this year amid weak consumer confidence. Overall investment growth will remain tepid, supported by government spending but dampened by enduring property sector weakness. Real estate activity is not envisaged to stabilize until toward the end of the year, supported by measures to prop up the sector. Growth is projected to soften further, to 4.1 percent in 2025—0.2 percentage point lower than forecast in January owing primarily to a weaker outlook for investment—and 4.0 percent in 2026, as potential growth is weighed down by slowing productivity, weakened investment, and mounting demographic headwinds.

In EAP excluding China, following below-average growth last year, activity is projected to pick up to 4.6 percent this year. Growth will be supported by an upswing in global goods trade that will benefit exports and industrial activity, offsetting the effects of softening growth in China. Accelerations of activity are expected to be strongest in some of the most export-orientated economies, including Thailand and Viet Nam. The global tourism recovery from the pandemic is nearing completion but continues in EAP where reopening was delayed in some countries, notably in China. This will help boost service exports in some economies, including Cambodia and Thailand. In 2025, growth is expected to edge up to 4.7 percent, and then to 4.8 percent in 2026 as global trade firms and growth rates across the region converge toward potential.

Risks: Although risks to the regional outlook have become somewhat more balanced since January, they remain tilted to the downside. Downside risks include a proliferation of armed conflicts and heightened geopolitical tensions around the world, further trade policy fragmentation, and weaker-than-expected growth in China, with adverse spillovers to the broader region. Tighter-than-expected financial conditions and natural disasters, including more frequent climate change-related extreme weather events—notably damaging tropical storms and floods—could also result in slower-than-projected growth. In contrast, faster-than-expected U.S. growth could have positive spillovers to regional activity.

East Asia and Pacific Country Forecasts

(Annual percent change unless indicated otherwise)

	2021	2022	2023e	2024f	2025f	2026f
GDP at market prices (average 2010-19 US\$)						
Cambodia	3.0	5.2	5.4	5.8	6.1	6.4
China	8.4	3.0	5.2	4.8	4.1	4.0
Fiji	-4.9	20.0	8.0	3.5	3.3	3.3
Indonesia	3.7	5.3	5.0	5.0	5.1	5.1
Kiribati	8.5	3.9	4.2	5.6	2.0	2.1
Lao PDR	2.5	2.7	3.7	4.0	4.1	4.1
Malaysia	3.3	8.7	3.7	4.3	4.4	4.3
Marshall Islands^a	1.0	-0.6	3.0	3.0	2.0	1.5
Micronesia, Fed. Sts.^a	3.0	-0.9	0.8	1.1	1.7	1.1
Mongolia	1.6	5.0	7.1	4.8	6.6	6.3
Myanmar^{a b}	-12.0	4.0	1.0	1.0
Nauru^a	7.2	2.8	0.6	1.4	1.2	1.0
Palau^a	-13.4	-2.0	0.8	12.4	11.9	3.5
Papua New Guinea	-0.8	5.2	2.7	4.8	3.1	3.0
Philippines	5.7	7.6	5.6	5.8	5.9	5.9
Samoa^a	-7.1	-5.3	8.0	5.5	3.5	2.7
Solomon Islands	-0.6	-4.1	1.9	2.8	3.1	3.0
Thailand	1.6	2.5	1.9	2.4	2.8	2.9
Timor-Leste	2.9	4.0	2.1	3.4	4.0	3.8
Tonga^a	-2.7	-2.0	2.6	2.5	2.2	1.6
Tuvalu	1.8	0.7	3.9	3.5	2.4	2.2
Vanuatu	0.6	1.9	2.5	3.7	3.5	3.1
Viet Nam	2.6	8.0	5.0	5.5	6.0	6.5

Source: World Bank.

Note: e = estimate; f = forecast. World Bank forecasts are frequently updated based on new information and changing (global) circumstances. Consequently, projections presented here may differ from those contained in other Bank documents, even if basic assessments of countries' prospects do not significantly differ at any given moment in time.

a. Fiscal-year-based numbers.

b. Data for Myanmar beyond 2024 (which corresponds to the year ending March 2025) are excluded because of a high degree of uncertainty.