

Regional Economic Outlook

PACIFIC ECONOMIC MONITOR

July 2013 issue

Official launch at the Pacific
and PNG Update Conference
27 June 2013
Canberra, Australia



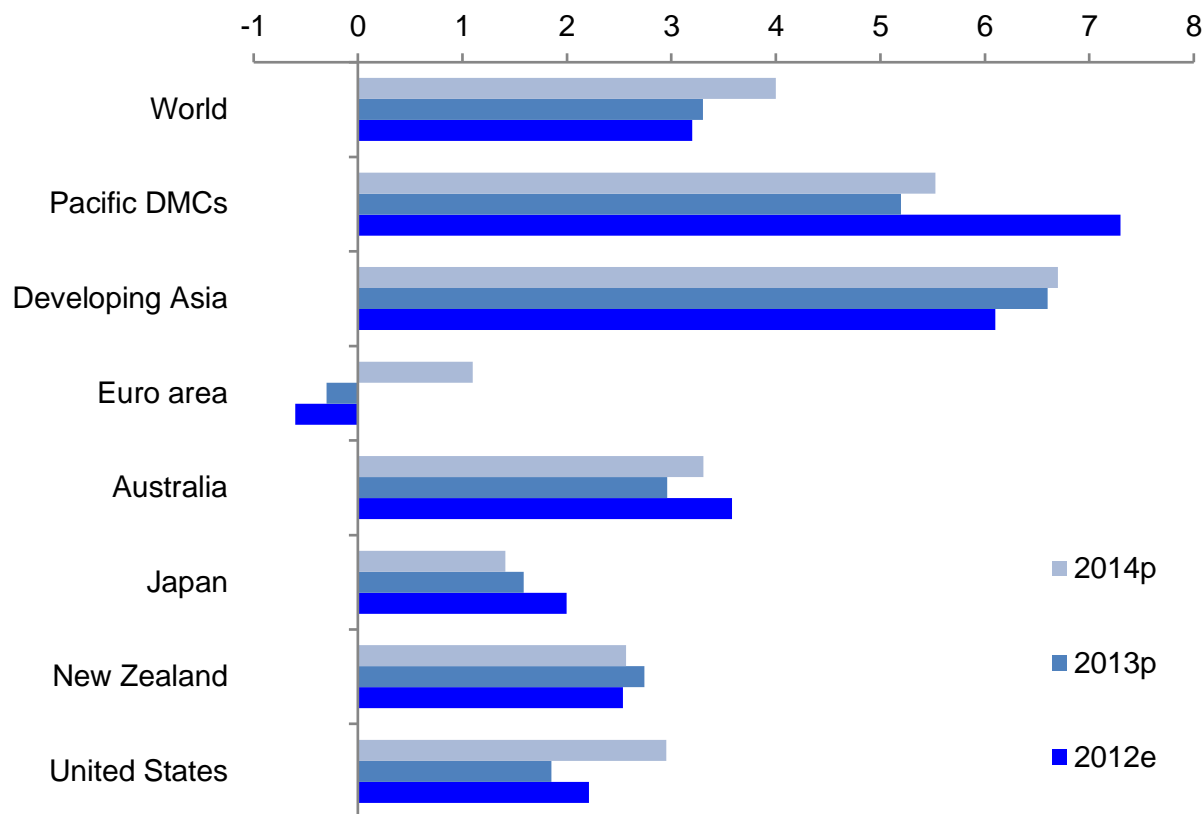
Presentation planned

- International and regional developments
 - Global growth prospects; and Pacific trade, tourism, and remittances
- Developments in Pacific Economies
 - Common economic policy issues and challenges
- Policy Theme—regional economic cooperation and integration

International and regional developments

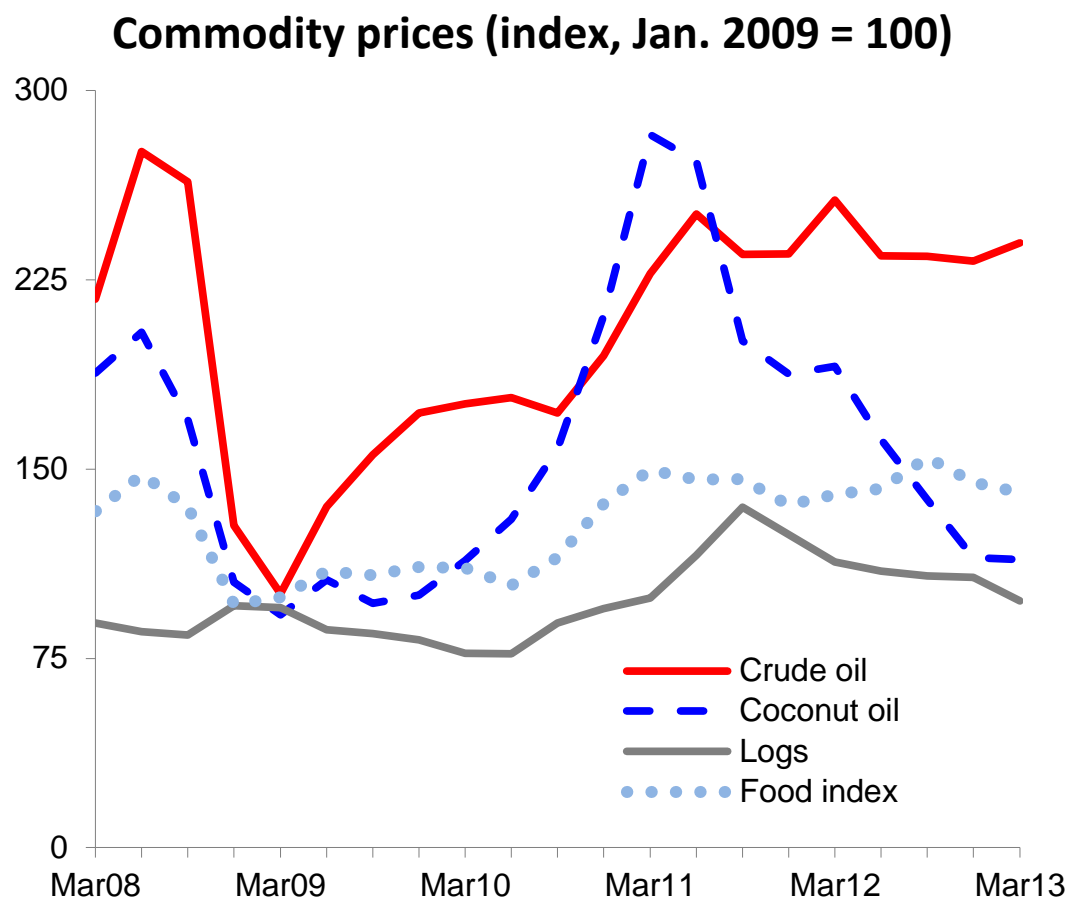
- **Weak global economy:** Outlook generally improving in 2014

Growth globally and in selected economic regions (percent annual)



Sources: IMF.2013. World Economic Outlook (April); and ADB. 2013. Asian Development Outlook Update.

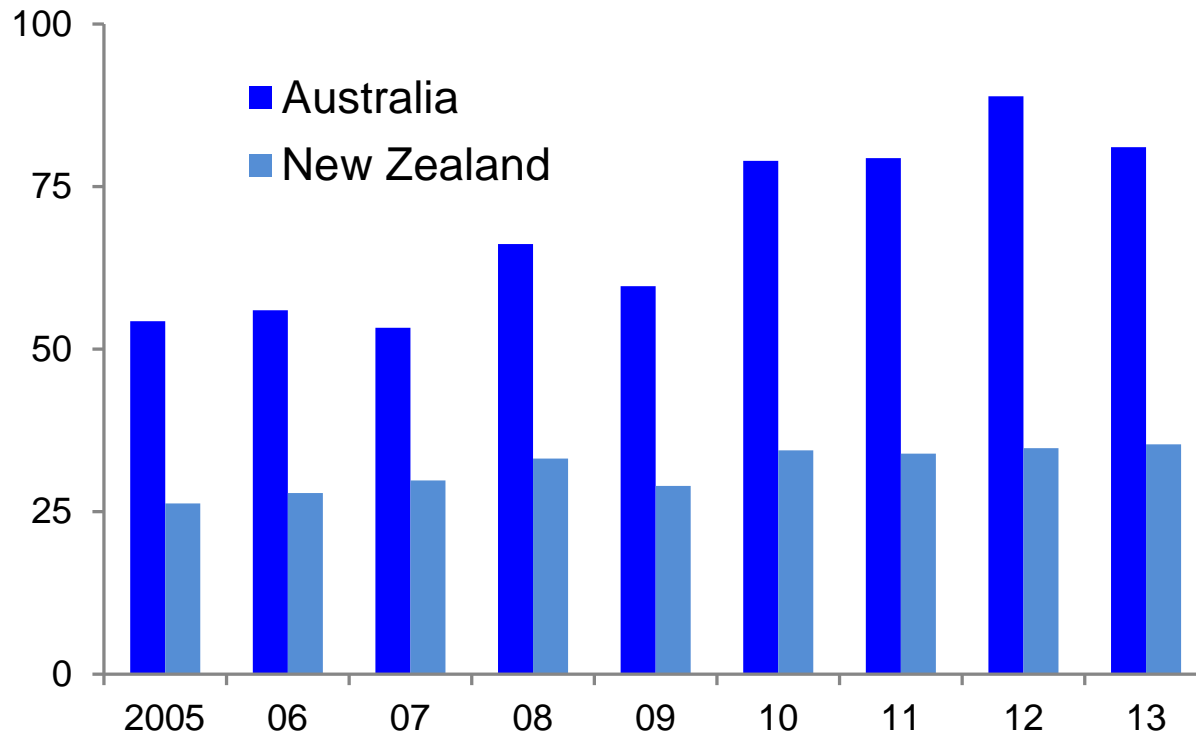
■ Continuing price declines, leading to falls in export earnings



Source: World Bank Commodity Price Data (Pink Sheets)

- Tourism to the Pacific down from 2012 high, but generally remains robust

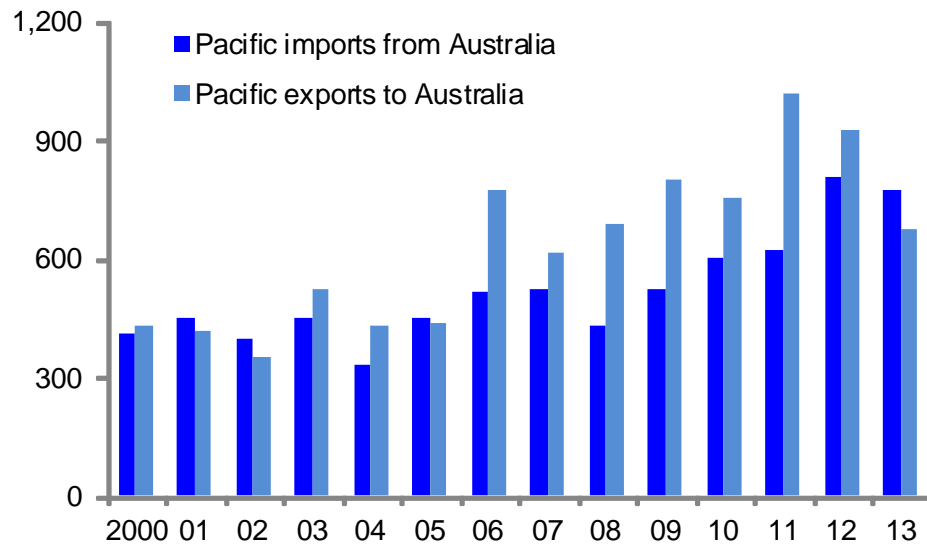
Tourist departures to Pacific destinations
(‘000. January to March)



Mixed trends for Pacific trade with Australia and New Zealand

Pacific trade with Australia

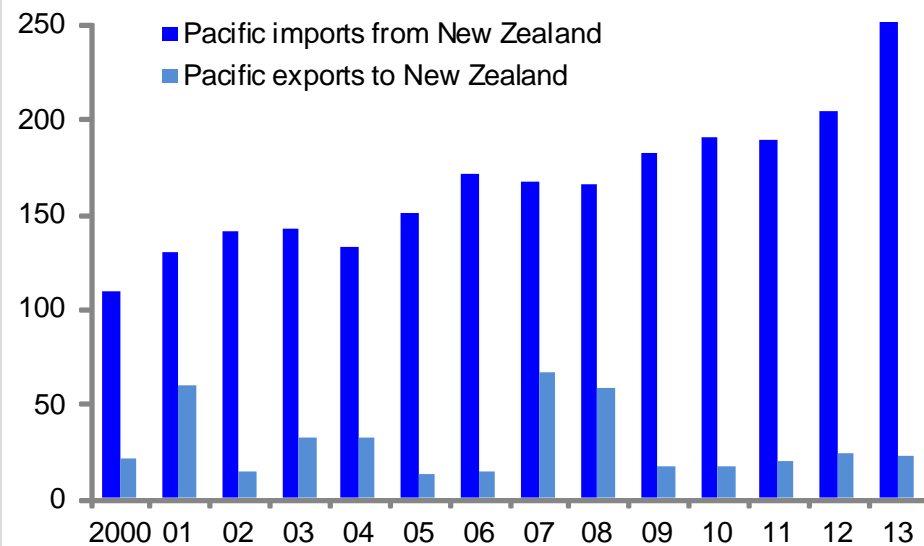
(A\$ million, January-December totals)



Source: Australian Bureau of Statistics.

Pacific trade with New Zealand

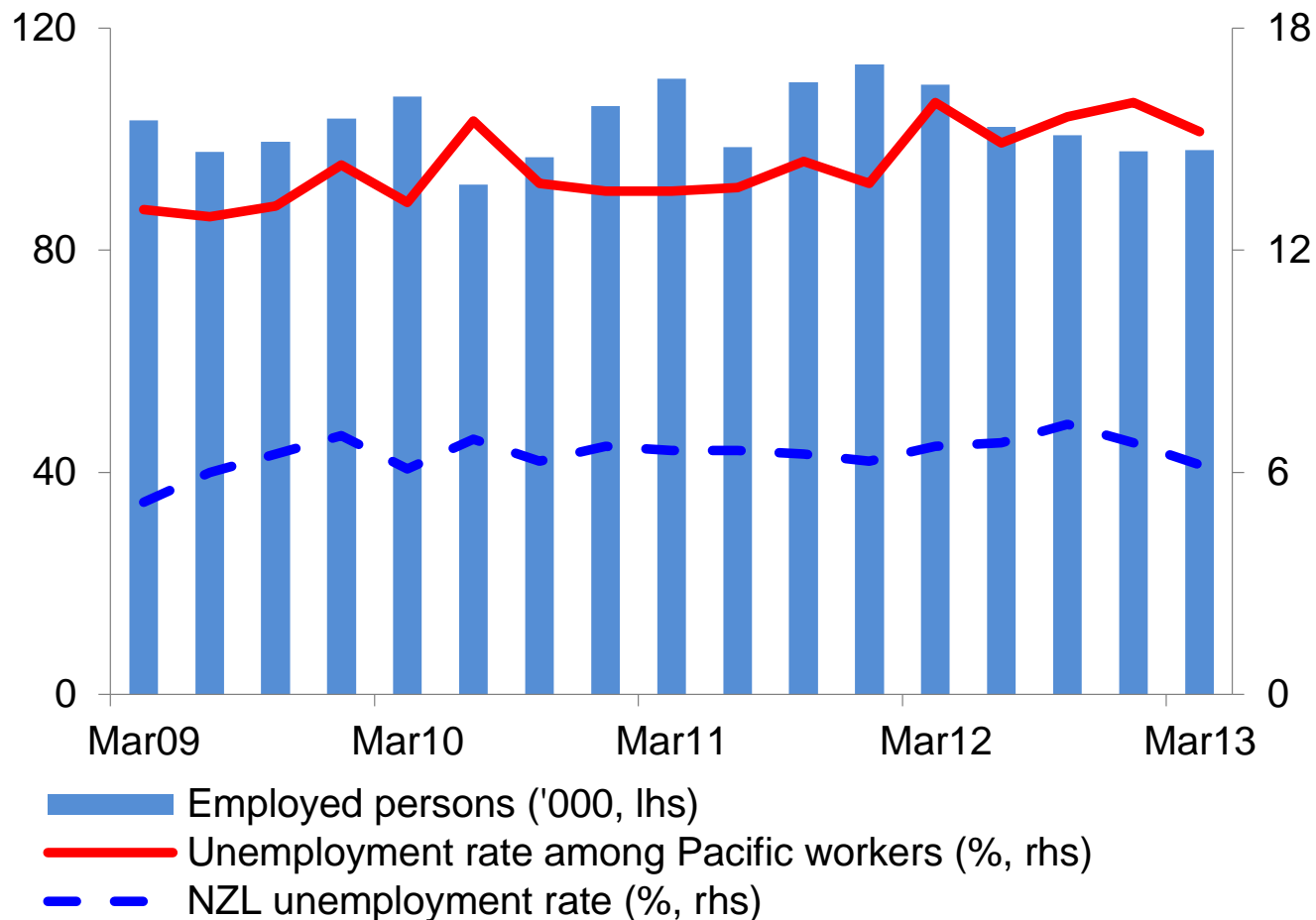
(NZ\$ million, January-December totals)



Source: Statistics New Zealand.

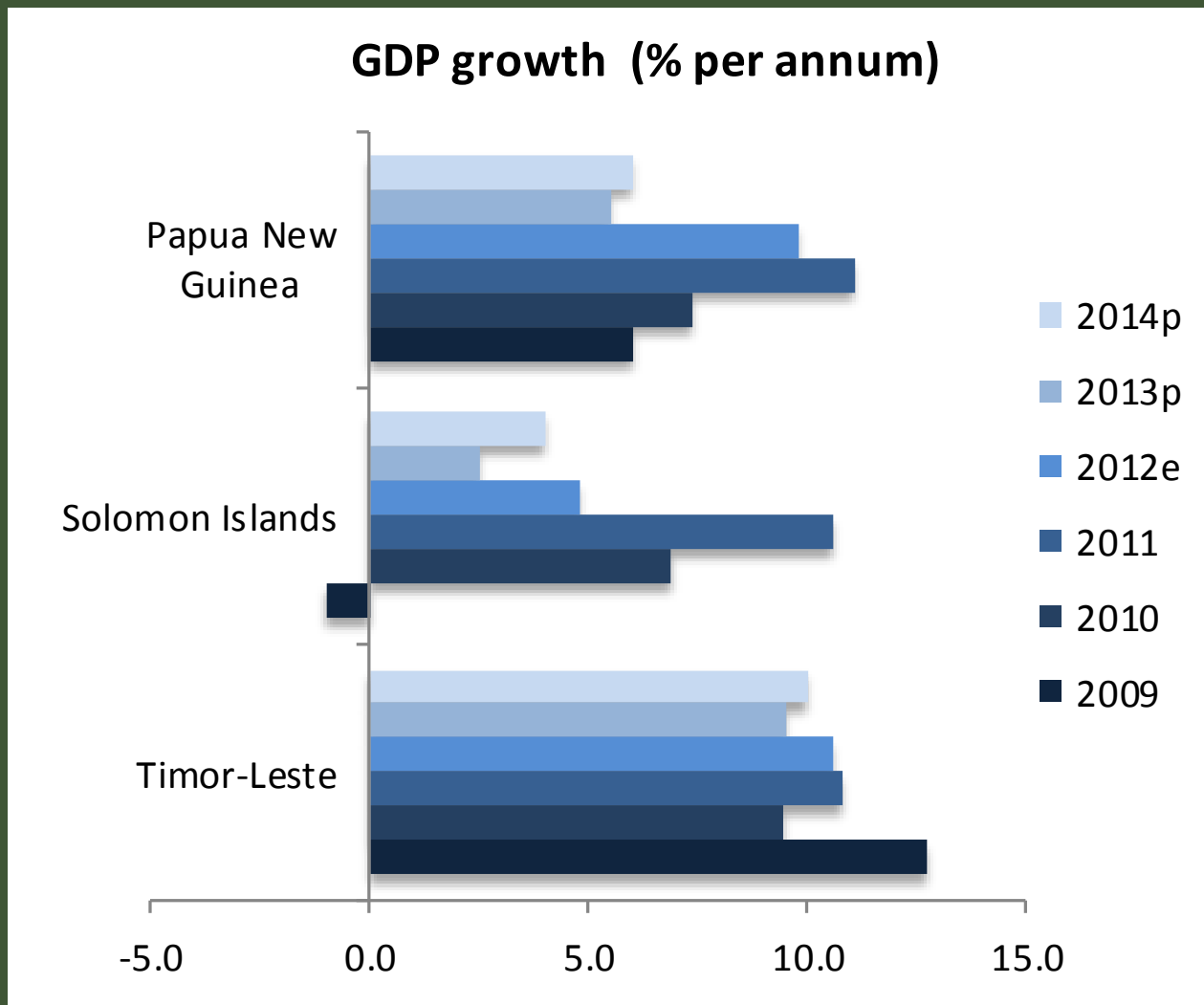
■ Employment overseas & remittances— Slight decline of employment in NZ

Employment of Pacific workers in NZL (quarterly)

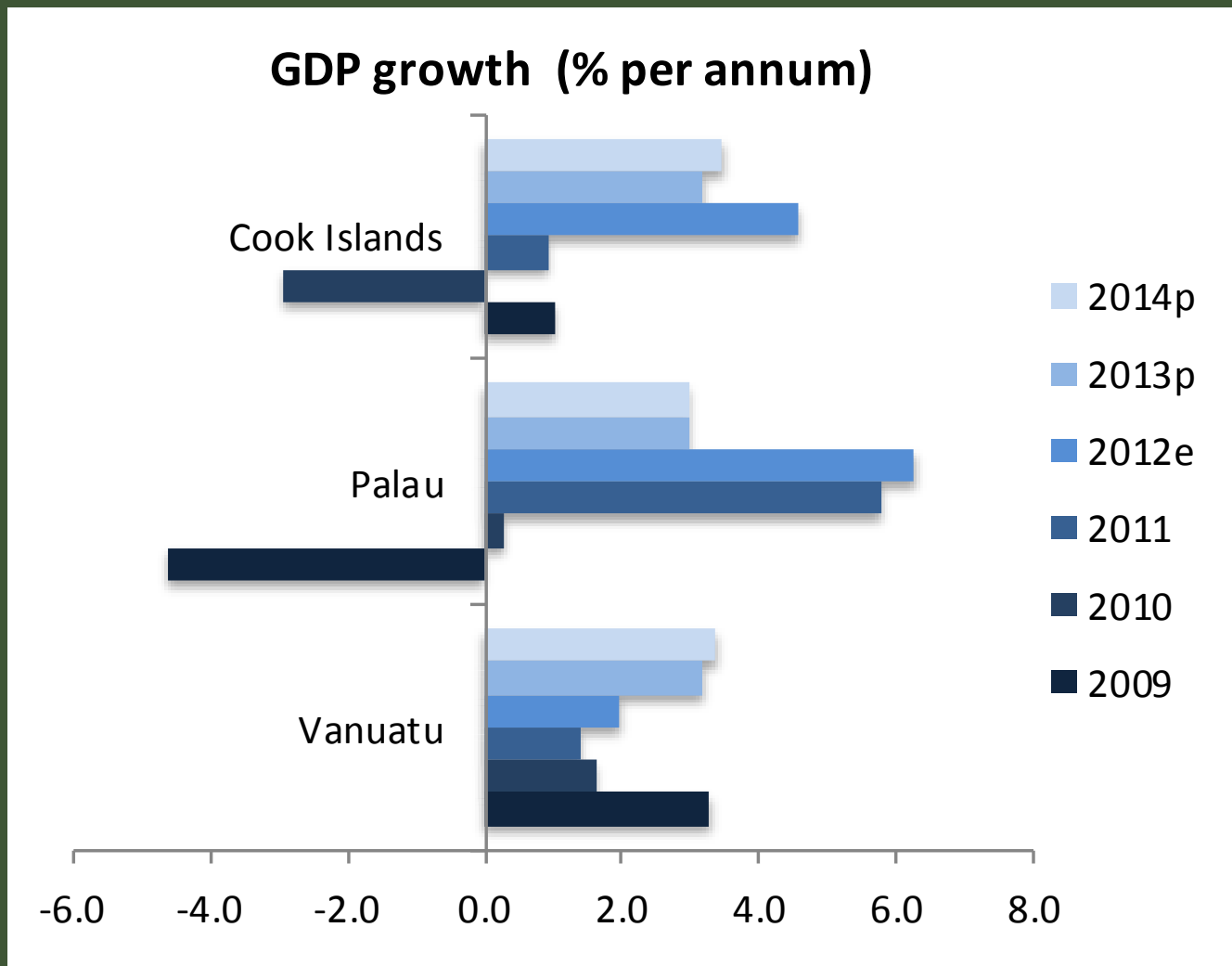


Growth and inflation trends in the Pacific

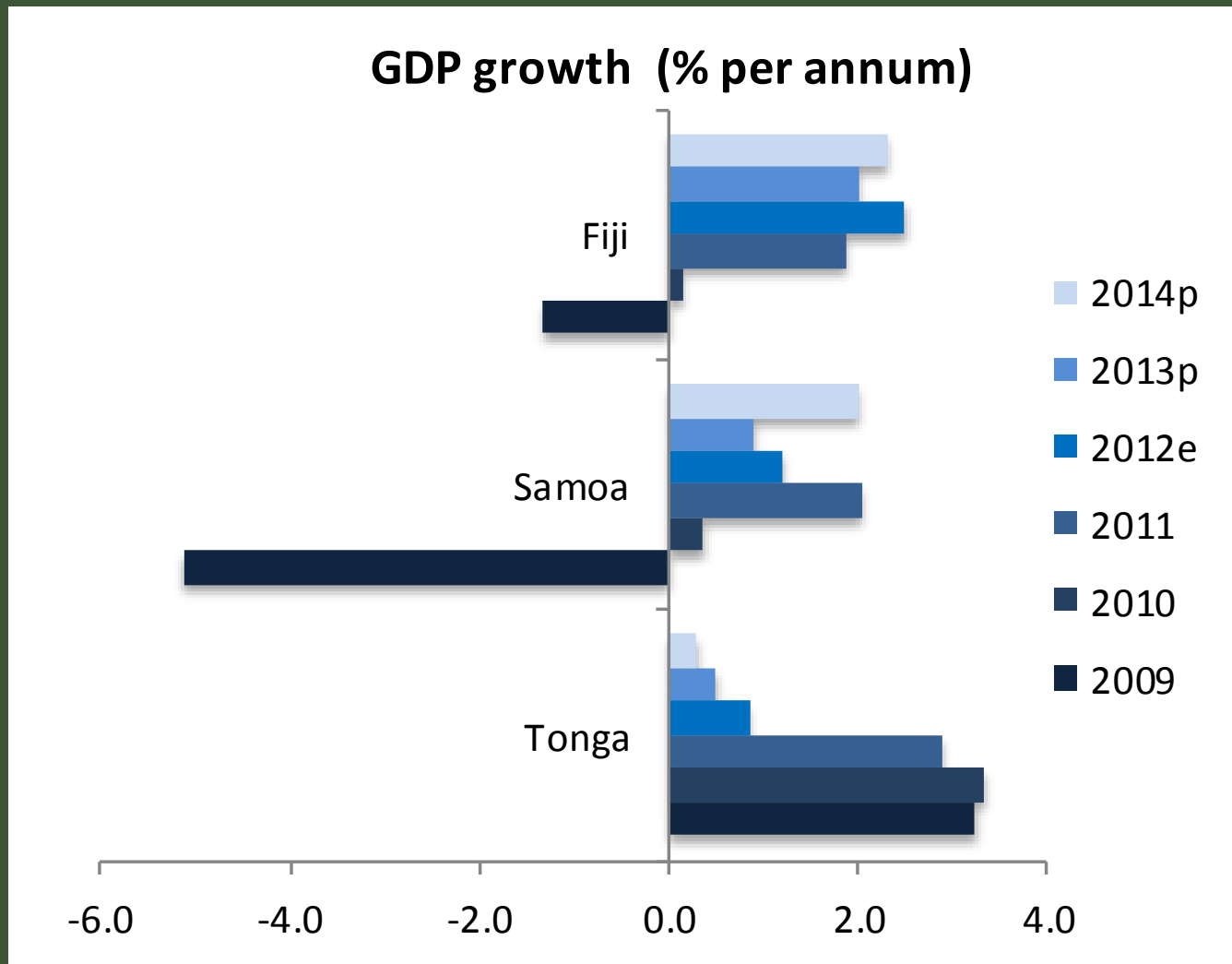
■ Growth in larger resource exporting economies



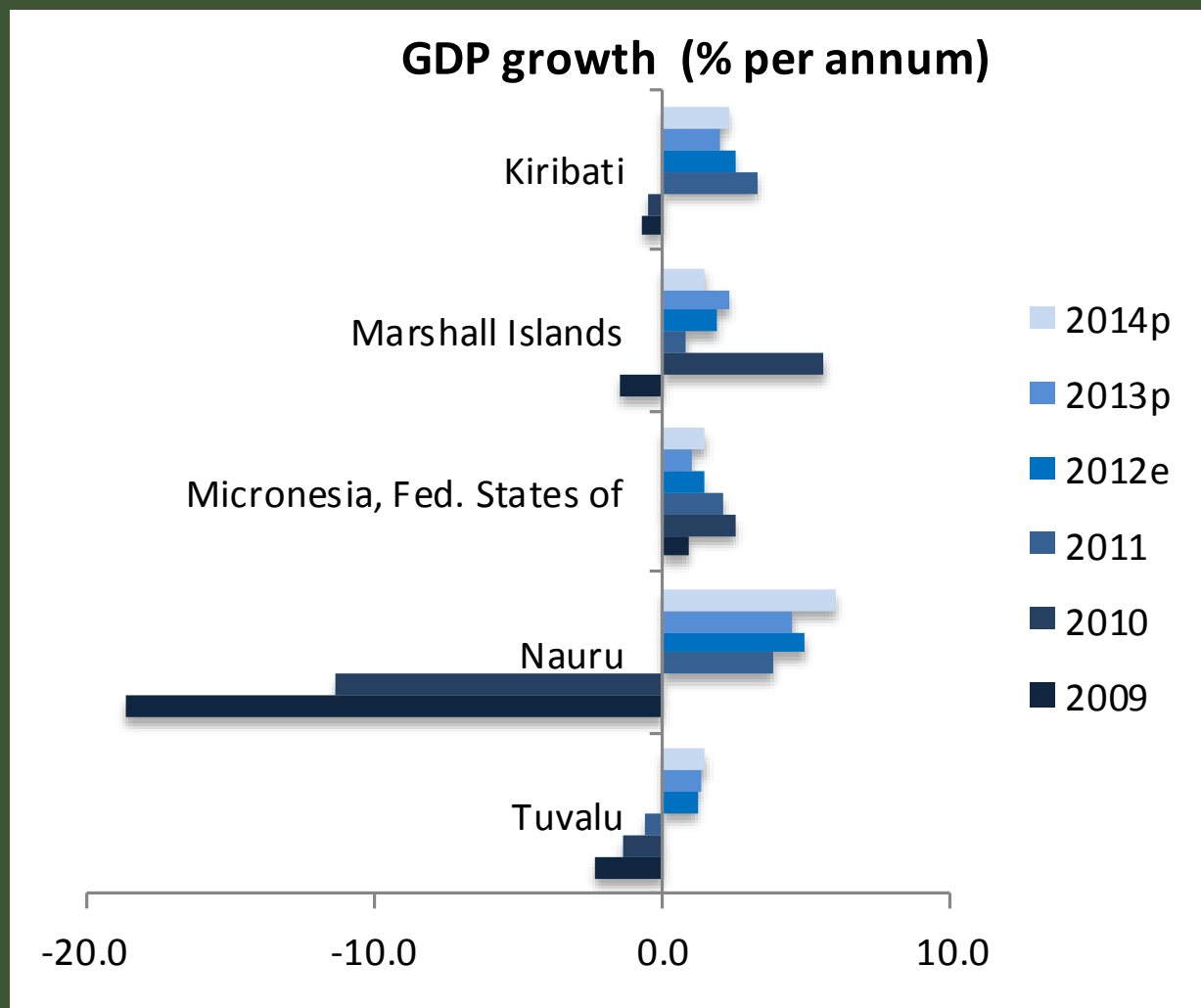
■ Growth in tourism oriented economies



■ Growth in relatively diversified South Pacific economies



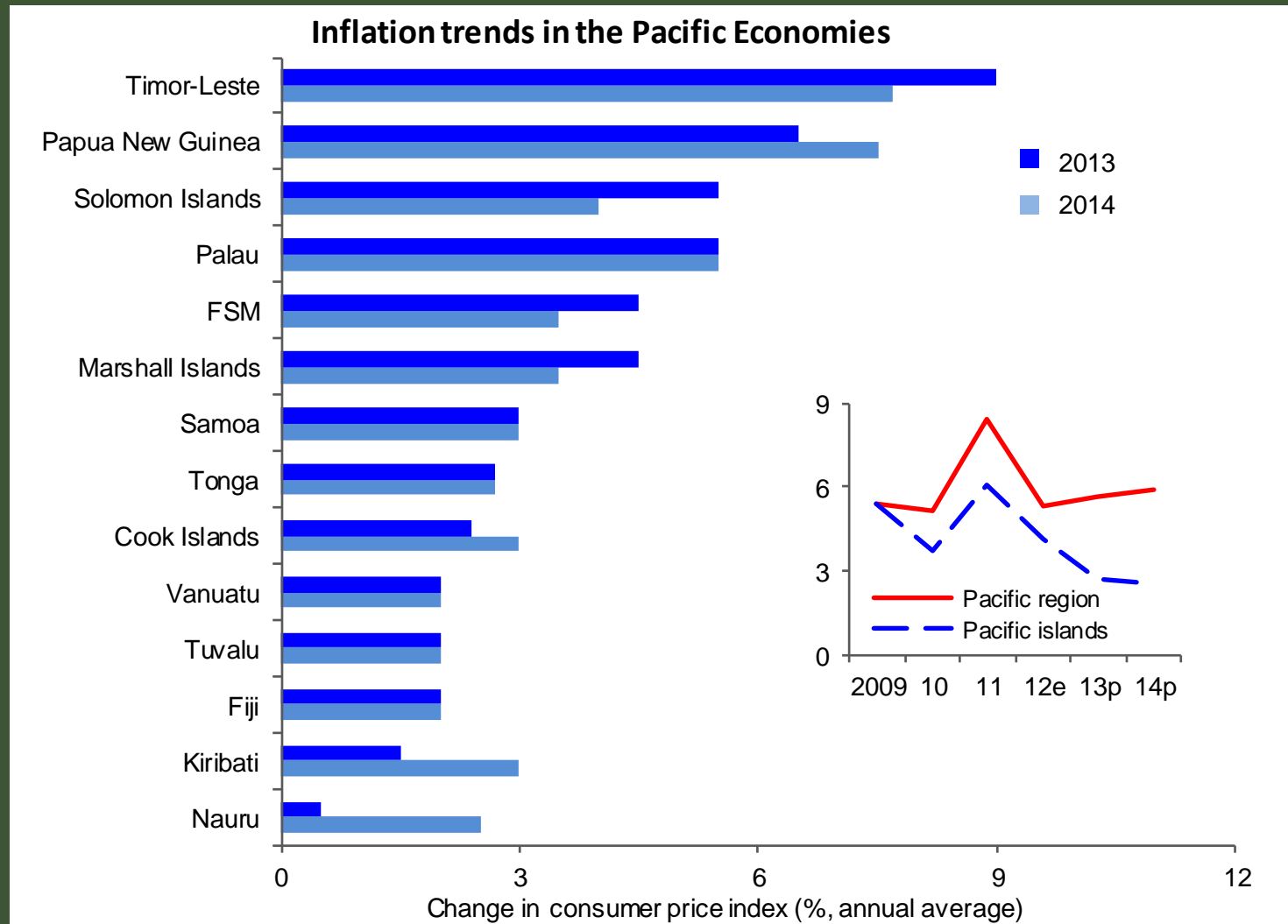
■ Growth in the smallest Pacific economies



■ Group averages (2009-2014)

GDP growth	2008	2009	2010	2011	2012e	2013p	2014p
Large resource exporters (PNG, SOL, TIM)	8.7	7.1	7.8	11.0	9.8	6.3	6.9
Tourism-oriented economies (COO, PAL, VAN)	2.3	1.7	0.5	1.9	3.2	3.2	3.4
Relatively diversified South Pacific economies (FIJ, SAM, TON)	1.5	-1.4	0.4	2.0	2.2	1.7	2.1
Smallest Pacific islands (KIR, RMI, FSM, NAU, TUV)	0.0	-0.4	2.3	1.9	1.8	1.6	1.7

■ Inflation trends in the Pacific economies



Policy Theme: Progress and prospects for Pacific regional economic cooperation and integration

Four articles exploring the Pacific's changing external economic ties

- The emergence of the ASEAN, the PRC, and India as increasingly important trading partners for South Pacific economies.
- A new trade cost indicator for Pacific economies, compared to other existing indicators.
- Prospects of North Pacific economies upon conclusion of their compacts of free association with the US and highlights the need to reduce aid dependency in these countries.
- A contribution from the Crawford School of Public Policy examines the Caribbean's experiences with regional cooperation and integration for possible lessons for the Pacific.

Thank you...



Asian Development Bank
Pacific Economic Monitor
www.adb.org/pacmonitor