



ECONOMIC UPDATES

Regional Updates

Gross domestic product growth in the major advanced economies (%)

	2019	2020		2021	
		September ADO 2020 Update	December ADOS	September ADO 2020 Update	December ADOS
Major advanced economies	1.7	-6.2	-5.1	4.4	4.4
United States	2.2	-5.3	-3.5	4.0	4.2
Euro area	1.3	-8.0	-7.4	6.0	5.6
Japan	0.7	-5.4	-5.4	2.0	2.3

ADO = Asian Development Outlook, ADOS = ADO Supplement.

GDP growth rate and inflation, % per year

	2019	GDP growth			
		September ADO 2020 Update	December ADOS	September ADO 2020 Update	December ADOS
Central Asia	4.9	-2.1	-2.1	3.9	3.8
Kazakhstan	4.5	-3.2	-3.2	2.8	2.8
East Asia	5.4	1.3	1.6	7.0	7.0
Hong Kong, China	-1.2	-6.5	-5.5	5.1	5.1
People's Republic of China	6.1	1.8	2.1	7.7	7.7
Republic of Korea	2.0	-1.0	-0.9	3.3	3.3
Taipei, China	3.0	0.8	1.7	3.5	3.3
South Asia	4.3	-6.8	-6.1	7.1	7.2
India	4.2	-9.0	-8.0	8.0	8.0
Southeast Asia	4.4	-3.8	-4.4	5.5	5.2
Indonesia	5.0	-1.0	-2.2	5.3	4.5
Malaysia	4.3	-5.0	-6.0	6.5	7.0
Philippines	6.0	-7.3	-8.5	6.5	6.5
Singapore	0.7	-6.2	-6.2	4.5	5.1
Thailand	2.4	-8.0	-7.8	4.5	4.0
Viet Nam	7.0	1.8	2.3	6.3	6.1
The Pacific	3.5	-6.1	-6.1	1.3	1.3
Developing Asia	5.1	-0.7	-0.4	6.8	6.8
Developing Asia excluding the NIEs	5.6	-0.5	-0.3	7.2	7.2

Indonesia: Key Economic Updates

- Economic growth contracted by 3.5% year-on-year in the third quarter 2020, albeit at a slower pace from the previous quarter's 5.3% contraction.
- Gradual recovery through 2021 is expected as continued spread of the COVID-19 virus will be accompanied by localized suppression policies.
- Real GDP contraction is expected to slow further in Q4 and overall contracting by -2.2% in 2020, before picking up to 4.5% in 2021.
- Business sentiment is to improve from investment climate reforms, including the Regional Comprehensive Economic Partnership trade agreement.
- The recovery of key trading partners coupled with rising international commodity prices will increase prospect for Indonesia's exports and support manufacturing.
- A fuller recovery in domestic demand from 2022 will help the Indonesian economy to return headline growth to pre-pandemic rates.

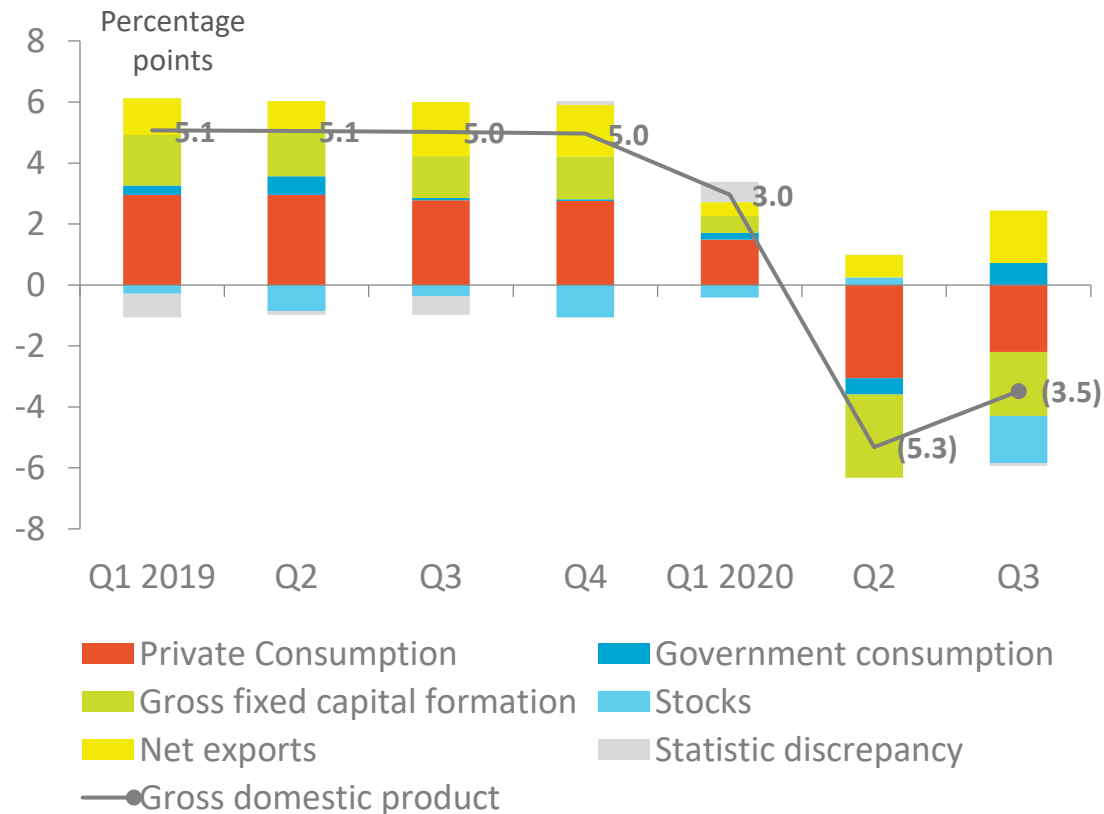
Key Economic Indicators

GDP Growth			Inflation		
2019	2020	2021	2019	2020	2021
-	-2.2	4.5	-	2.0	2.4

Notes: Sept. = Asian Development Outlook 2020 Update;
Dec. = Asian Development Outlook 2020 Update – Supplement

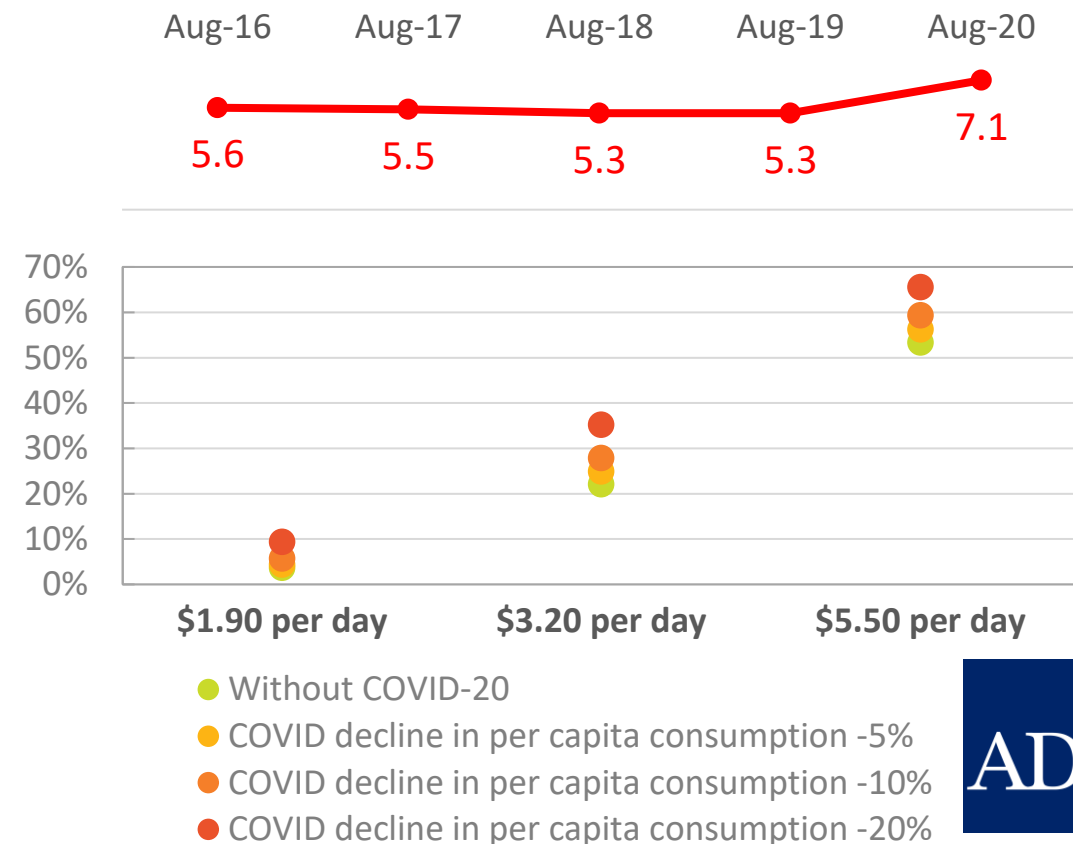
Indonesia's economy entered recession as COVID-19 disruptions stifled domestic and external activity

Economic growth contracted for the Q2 running, driven largely by sharp declines in household consumption...



...leading to a sharp rise in poverty and unemployment, affecting nearly 30 million people who lost jobs or had their working hours reduced.

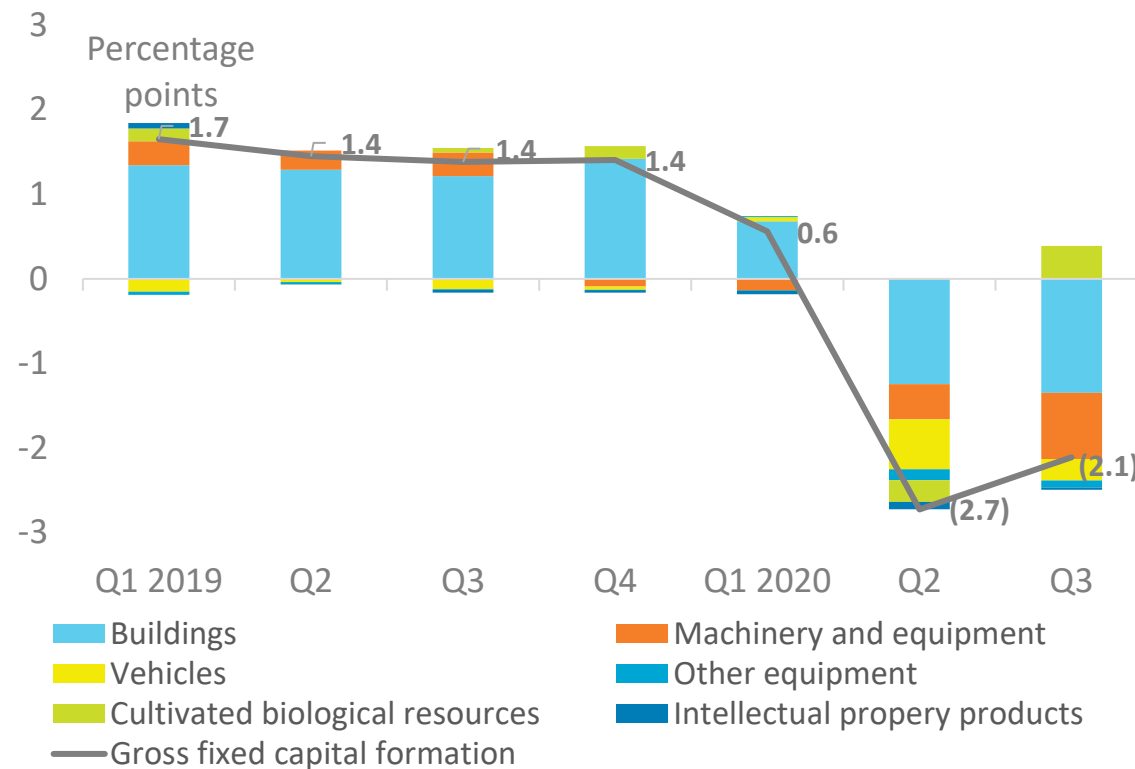
Unemployment rate (%)



Fixed investment contracted albeit at slower pace

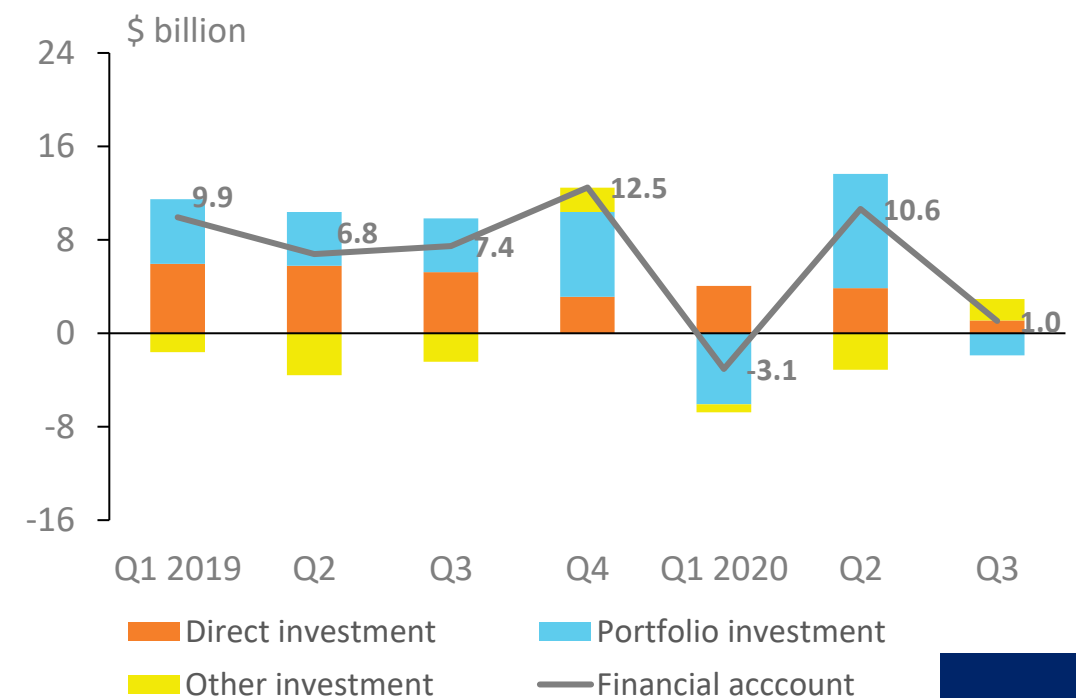
Investment still contracted almost in all investment categories in Q3, albeit at slower pace than in Q2.

Contribution to fixed investment growth



Portfolio investment recorded net outflows in Q3. Net direct investment inflows also declined.

Financial account



Debt-to-GDP Ratio

Debt to GDP ratio rose driven by the economic downturn and financing requirement for Covid-19 mitigation and national economic recovery

Indonesia's Central Government Debt to GDP Ratio (%)

