

Credit Conditions Asia-Pacific Q1 2024

India, Southeast Asia Advance As China Slows

Dec. 5, 2023

This report does not constitute a rating action

Editor's Note: S&P Global Ratings' Credit Conditions Committees meet quarterly to review macroeconomic conditions in each of four regions (Asia-Pacific, Emerging Markets, North America, and Europe). Discussions center on identifying credit risks and their potential ratings impact in various asset classes, as well as borrowing and lending trends for businesses and consumers. This commentary reflects views discussed in the Asia-Pacific committee on Nov. 21, 2023.

Key Takeaways

- **Shift in regional growth pattern.** We expect Asia-Pacific's growth engine to shift from China to South and Southeast Asia. We project China's GDP growth to slow to 4.6% by 2024 (2023: 5.4%), edge up to 4.8% in 2025, and return to 4.6% in 2026. We forecast India will reach 7.0% in 2026 (2023: 6.4%); Vietnam, 6.8% (4.9%); the Philippines, 6.4% (5.4%); and Indonesia steady at about 5%. This shift could constrain the upside over the next few years for China's issuers while improving those of issuers in India, Vietnam, the Philippines, and Indonesia.
- **High rates and inflation.** Asia-Pacific's central banks will likely keep interest rates high for longer. The region's borrowers, particularly the highly indebted, could rack up higher interest expenses from financing needs. A widening conflict in the Middle East could risk global supply chains and hike energy costs, fanning inflation. Amid weak currencies, higher input costs could hurt corporate margins, while weakening demand.
- **Spillover risks abound.** While Asia-Pacific's economic growth remains broadly resilient, buoyed by robust labor markets and service sectors, the growth momentum is susceptible to risks of energy shocks (e.g., from a widening Middle East conflict) and slower global demand (risk of a U.S. hard landing). We lowered our growth projection for the region (excl. China) to 4.2% in 2024. Prospects for industries also differ, with export-centric manufacturing faring worse. The region's net ratings outlook bias stands at negative 1%.
- **Risks to outlook.** High risks are: (1) China's property downturn, weak business and consumer confidence, and high debt levels; (2) high interest rates exacerbating the debt-servicing burden of highly leveraged borrowers; (3) a harder-than-expected landing of the global economy, further depressing demand and exports; and (4) borrowers' lack of ability to fully pass on inflated costs to customers. Intensifying geopolitical tensions is an elevated risk. Uncertainty about Japan's monetary policy and additional real estate sector cash flow challenges (beyond current ones) are moderate risks.

Despite stimulus, China's property sector remains stressed. The Chinese government's steps to bolster the economy against the property downturn include its recent approval of a Chinese renminbi (RMB) 1 trillion sovereign bond issue and allowance for local governments to partially frontload 2024 bond quotas. This contributed to our real GDP growth forecast of 5.4% for 2023

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and 4.6% for 2024. However, demand for new properties could remain lackluster amid would-be buyers' doubts on the ability of property developers to deliver new apartments on time. This is hitting property developers' cash flows and land purchases, a key source of revenue for local and regional governments (LRGs).

Constrained access to credit support and high corporate debt leverage are denting liquidity profiles, particularly of property developers and heavily indebted local government financing vehicles (LGFVs) (see "[Credit FAQ: Can China's 'Basket Of Measures' Defuse LGFV Debt Risks?](#)," Nov. 21, 2023).

Concurrently, these risks could spill over to Chinese regional banks, causing a capital hit (see "[LGFV Strains May Inflict A RMB2 Trillion Hit On China Regional Banks](#)," Oct. 18, 2023). If China's property crisis deepens in a downside scenario, the country's growth momentum could contract further (see "[China Growth Could Fall Below 3% If The Property Crisis Worsens](#)," Oct. 24, 2023).

Costlier borrowing. We expect regional interest rates to likely stay high, given the U.S. Federal Reserve will maintain a tight monetary policy to bring inflation within target. Policy rate differentials between the Fed and regional central banks could cause capital outflows for the region's economies to put pressure on domestic currencies (see chart 1). For those borrowers with impending or sizable refinancing needs, high borrowing costs and tighter credit availability from lenders are prominent risks. While onshore funding options remain accessible, often cheaper than offshore, these too could turn selective.

Macro obstacles. Our base case sees the U.S. and Europe avoiding a recession in 2024, but the risk of a hard landing remains, which could affect Asia-Pacific's exports to these regions. Meanwhile, unlike other advanced countries, Japan has kept to a low interest rate policy. A sudden shift in the Bank of Japan's monetary policy could introduce capital market volatility and reverse the yen carry trade. Globally, the high number of general elections in 2024 introduce future policy uncertainty, albeit uncertainty risk in Asia-Pacific is muted compared to elsewhere.

Geopolitical tensions and supply chains. The risk of a widening Middle East conflict is compounding geopolitical tensions. This comes amid ongoing U.S.-China diplomatic friction and the Russia-Ukraine war. While we perceive the risk of an energy shock arising from the Israel-Hamas conflict as remote, pricier energy costs and the potential disruption of supply chains could reignite inflationary pressures.

With Asia-Pacific being a net energy importer, high energy prices will prop up input costs and hit corporate margins, while cautionary behavior among consumers will slow discretionary spending. For consumption-dependent sectors--notably retail--this means even less room to pass through higher costs. Elsewhere, subdued global demand is squeezing margins in the capital goods and chemicals sectors, amid difficulty in passing through high input costs (see "[Asia-Pacific Sector Roundup Q1 2024: Slowing Dragons, Roaring Tigers](#)", Nov. 7, 2023).

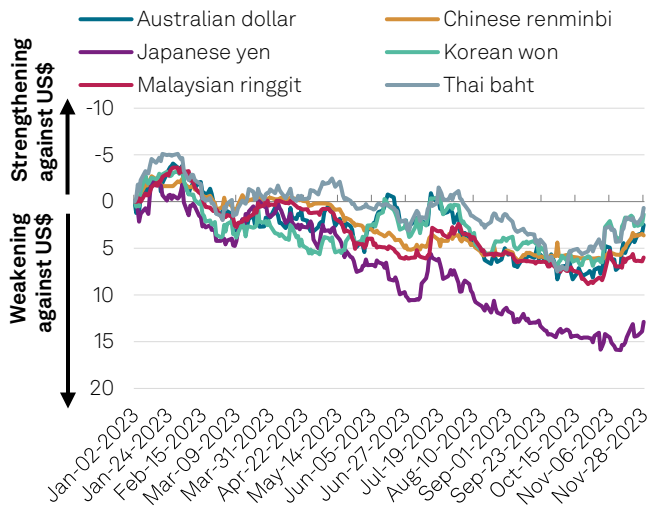
Longer-term risks. Climate change and rapid technological advancements are disrupting business models (see "[Gen AI Is Writing A New Credit Story For Tech Giants](#)," Nov. 14, 2023). To prepare for these risks, businesses are incurring higher capex investments (notably in the oil and gas, aviation, and utilities sectors for the energy transition), leading to rising debt leverage (see "[Asia-Pacific Utilities Outlook 2024: Earnings Recovery Should Temper Higher Transition Spending](#)," Nov. 15, 2023).

Concurrently, increasingly extreme weather (such as flooding and high temperatures across Asia) could render some assets uninsurable; it could also threaten agriculture production and affect energy supply.

Chart 1

Asia-Pacific currencies are sliding downward

Percentage change since Jan. 1, 2023 (%)

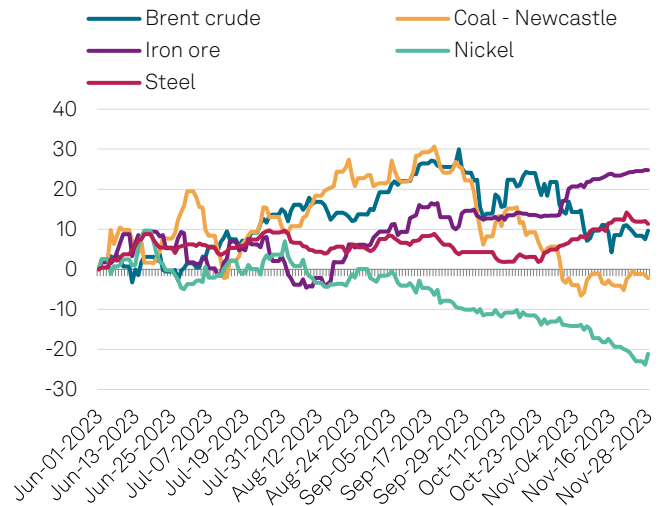


Data as of Nov. 28, 2023. Source: S&P Global Market Intelligence.

Chart 2

Energy and commodity prices are volatile

Percentage change since Jun. 1, 2023 (%)

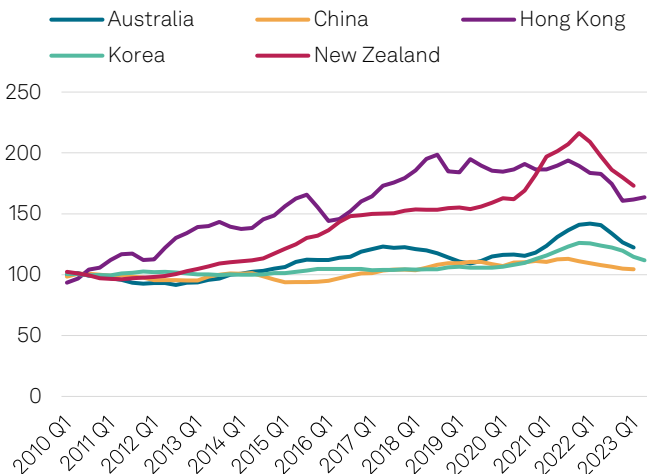


Data as of Nov. 28, 2023. Source: S&P Global Market Intelligence.

Chart 3

Property price correction is under way

Real residential property prices, index (2010 = 100)

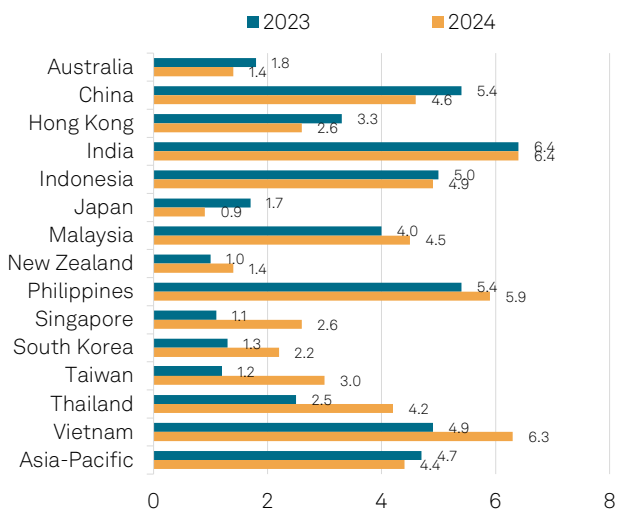


Data as of Q2 2023. Source: Bank for International Settlements.

Chart 4

Asia-Pacific growth: Emerging markets lead the way

Current real GDP forecast, y-o-y change (%)



For India, 2023 = FY 2023 / 24, 2024 = FY 2024 / 25.
Source: S&P Global Ratings Economics.

Top Asia-Pacific Risks Q1 2024

China's economy: Deepening property sector woes, weak confidence, and high debt levels to weaken China's growth momentum

Risk level	Moderate	Elevated	High	Very high	Risk trend	Improving	Unchanged	Worsening
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Persistent weakness in the Chinese real estate sector, tepid household and business confidence, high debt, and subdued exports are curbing China's economic growth momentum. Contagion risk from weaker confidence could spill over into real estate-related sectors (such as building materials and engineering and construction) and consumption-related sectors. Fiscal constraints in local governments, due to weak land sales revenue, limit their ability to contain spillover risks, which could arise from defaults from some state-owned enterprises (SOE) or highly indebted LGFVs. Furthermore, worsening consumer and business confidence could exacerbate credit stresses, hitting banks' loan portfolios and earnings buffers. Financiers could curtail lending amid China's very high corporate leverage. For Asia-Pacific, China's weaker economic growth could affect entities reliant on the country for exports.

Financing: High rates for longer to exacerbate interest burdens and worsen prospects of weaker credit issuers

Risk level	Moderate	Elevated	High	Very high	Risk trend	Improving	Unchanged	Worsening
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Asia-Pacific could see rates stay high for longer, amid global and regional central banks' concerted efforts to contain inflation. Meanwhile, a widening Middle East conflict could cause a spike in inflation, prompting central banks to maintain tight monetary policy. Policy rate differentials between global and regional central banks could increase capital outflows and risk domestic currency depreciation. Higher borrowing costs (in local currency terms) could strain borrowers' liquidity, while slowing economies could hit revenue growth and margins, denting borrowers' credit quality. Although onshore financing access remains available across Asia-Pacific, lenders could tighten risk appetite (i.e., contract credit lines or demand higher interest) over some sectors. For those with impending refinancing needs, constrained cash flows could lead to borrower failures and defaults. To cope, investors may limit exposures to speculative-grade and highly leveraged issuers and sectors.

Global economic downturn: U.S. and Europe risk a hard landing, further depressing aggregate demand and exports

Risk level	Moderate	Elevated	High	Very high	Risk trend	Improving	Unchanged	Worsening
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The lagged effects of rapid rate hikes by the Fed and the European Central Bank have slowed global economic growth. More conservative household consumption and corporate investment activity could exacerbate the demand slowdown from Western economies. For Asia-Pacific, tepid global trade will hit exports and manufacturing activities (such as China, South Korea, Hong Kong, and Singapore). Concurrently, slower growth in China and a widening Middle East conflict could sour business and households' propensity to consume. In addition, capital outflows and currency depreciation risks for some economies could intensify, denting financing access and compounding recessionary obstacles.

High prices: Inability to fully pass-through high prices could risk increasing costs pressures faced by borrowers

Risk level	Moderate	Elevated	High	Very high	Risk trend	Improving	Unchanged	Worsening
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While inflation risks have eased, rising food and fuel prices could lead to higher core inflation. Asia-Pacific's net energy-importing status underlines its susceptibility to high fuel prices. Should the Middle East conflict intensify and widen, an energy supply shock could spur inflation and weigh on economic activity. Although businesses have been gradually passing through higher input costs to customers, slowing consumption could limit further efforts by businesses to raise prices. Specifically, exporters to China, Europe, and the U.S. could find it hard to raise prices due to slowing demand. Meanwhile, domestic currency weakness could lead to higher imported inflation.

Japan's monetary policy: Bank of Japan's further monetary tightening triggers short-term volatility

Risk level	Moderate	Elevated	High	Very high	Risk trend	Improving	Unchanged	Worsening
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Japan's continuation of near-zero interest rate policy and yield curve control, has contributed to yen weakness and inflation. If investors perceive that the Bank of Japan could embark on significant monetary policy normalization, it could trigger abrupt portfolio adjustments and capital market volatility. Capital could flow back into Japan as international investment positions reverse. The resulting volatility in interest rate and exchange rate could transpire risk of significant asset and derivative repricing, hurting fragile economic recovery and hamper financing conditions.

Real estate: Cash flow tests abound amid low new-sales volume and higher interest burdens

Risk level	Moderate	Elevated	High	Very high	Risk trend	Improving	Unchanged	Worsening
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Higher mortgage rates in the region (excluding China) pose varying real estate correction risks, implicating exposed segments (such as banks, real estate investment trusts, and structured finance markets). Furthermore, costlier mortgages will narrow household consumption, dragging economic growth. Soft property demand and higher interest burdens will narrow cash flows of property developers, intensifying credit stresses. Associated sectors (e.g., engineering and construction) could see spillover stresses. Concurrently, the global commercial real estate (CRE) sector has not fully recovered from the pandemic. Risk of higher unemployment, weaker tenants' income and higher interest rates are squeezing net cash flows. If CRE liquidity strains intensify, investors (such as private debt) face the likelihood of substantial write-downs.

Structural risks

Geopolitics: Intensification of geopolitical tensions could hit business confidence, worsen trade and investment conditions

Risk level	Moderate	Elevated	High	Very high	Risk trend	Improving	Unchanged	Worsening
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A deepening or widening of political tensions and conflicts, such as U.S.-China geopolitical friction, the Russia-Ukraine war, and the Israel-Hamas conflict, could spill over into regional trade and investment flows. For the region, the key risk is around disputes with China. A further reduction in supply chain reliance on China by Western and other importers could push up near-to-medium costs, adding to inflation pressures. A widening of investment and export restrictions by the U.S. on China in respect of high-end semiconductors, quantum technology and artificial intelligence, and Chinese response of curbing raw mineral exports would affect supply chains. An escalation of international disputes over the seas and lands in the south and southeast China seas would damage economic activity. In terms of domestic politics, the number of general elections in 2024 introduce policy uncertainty, albeit uncertainty risk in the region is muted compared with elsewhere.

Climate change: Extreme weather and energy transition to threaten supply and costs

Risk level	Moderate	Elevated	High	Very high	Risk trend	Improving	Unchanged	Worsening
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While countries are trying to cope with more extreme weather and adjusting to the costs of climate-change policies, the physical and financial effect of these developments could worsen. This threat is more acute for the less financially strong emerging markets and so-called brown industries. A rapid phase-out of fossil fuels could be disruptive for many industries, and strain credit quality. Equally, "brown" companies that delay transition could be left with stranded assets and higher financing costs. Economies that depend on hydrocarbon export revenues or that center on energy-intensive industries could also suffer. Meanwhile, disruptions in agriculture and energy supply could fan inflation and social unrest. Insurance-model assumptions for catastrophe exposures could become outdated--understating claims and loss provisions. In the case of flood-prone areas, markets may need to recalibrate property values.

Technology: Accelerating technological advancement and mounting cyber-attacks to disrupt business operations

Risk level	Moderate	Elevated	High	Very high	Risk trend	Improving	Unchanged	Worsening
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Technological advances, such as in artificial intelligence, could alter business landscapes, rendering technology laggards obsolete. While technology developments (beyond just information technology) could enhance productivity, operational efficiencies, and competitive positioning, such advances also create complexity in management, maintenance costs, and added regulation. Businesses may need to incur additional ongoing and rising costs to continually adopt and adapt to new technologies. Additionally, increasing interconnectedness of economic activity means expanding exposure of critical infrastructure and issuer operations to cyber-attacks. This could evolve into systemic threat and significant single-entity risk.

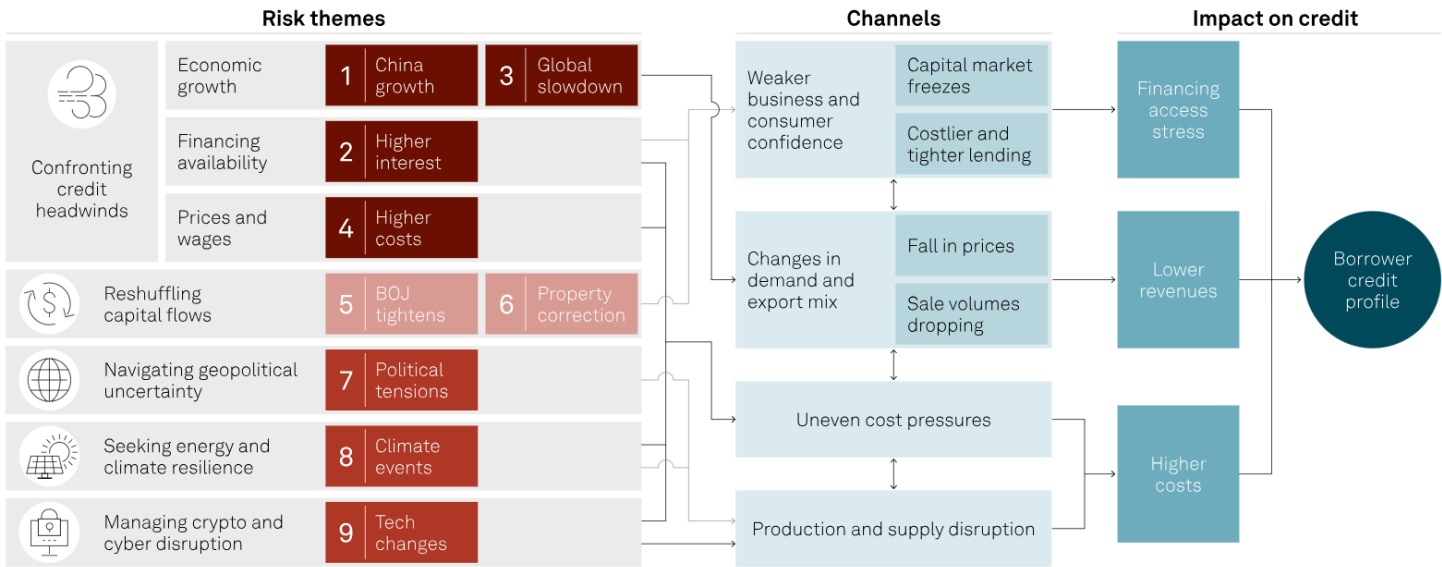
Source: S&P Global Ratings.

Risk levels may be classified as moderate, elevated, high, or very high. They are evaluated by considering both the likelihood and systemic impact of such an event occurring over the next one to two years. Typically, these risks are not factored into our base-case rating assumptions unless the risk level is very high. **Risk trend** reflects our current view about whether the risk level could increase or decrease over the next 12 months.

A note on our Credit Cycle Indicator

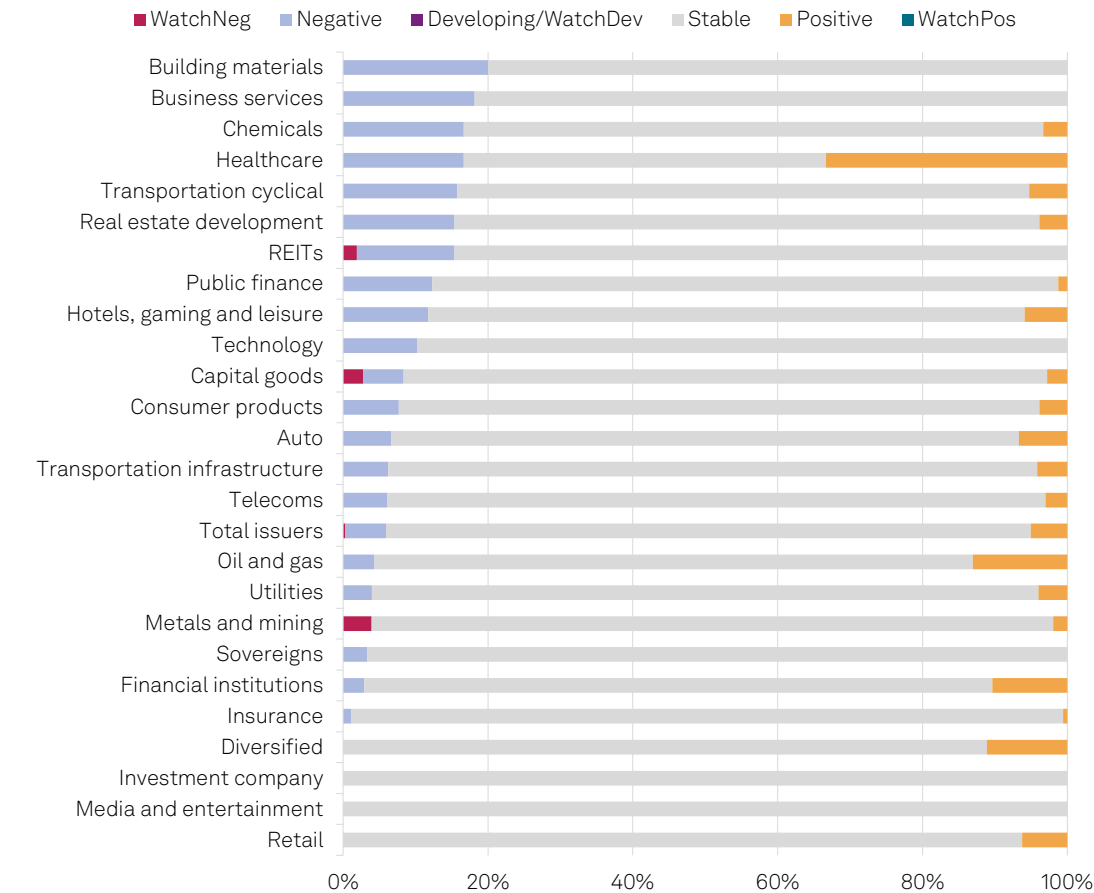
For our latest update on the Credit Cycle Indicator, please see "[Credit Cycle Indicator Q4 2023: Risks Could Intensify Before The Cycle Turns](#)," Sept. 28, 2023.

Chart 5
How risks affect credit



BOJ--Bank of Japan. Not all relationships are displayed. Risk colors denote risk levels: brown--high, red--elevated, light red--moderate. Source: S&P Global Ratings.

Chart 6
Net outlook bias distribution of Asia-Pacific issuers by sector, Nov. 15, 2023



Data cut-off as of Nov. 15, 2023. Source: S&P Global Ratings.

Related Research

- [Credit Conditions Asia-Pacific Q1 2024: China Slows, India Grows](#), Nov. 28, 2023
- [Economic Outlook Asia-Pacific Q1 2024: Emerging Markets Lead The Way](#), Nov. 27, 2023
- [Credit FAQ: Can China's 'Basket Of Measures' Defuse LGFV Debt Risks?](#), Nov. 21, 2023
- [Asia-Pacific Utilities Outlook 2024: Earnings Recovery Should Temper Higher Transition Spending](#), Nov. 15, 2023
- [Gen AI Is Writing A New Credit Story For Tech Giants](#), Nov. 14, 2023
- [Asia-Pacific Sector Roundup Q1 2024: Slowing Dragons, Roaring Tigers](#), Nov. 7, 2023
- [Which Emerging Market Banking Sectors Are Vulnerable To Property-Related Losses?](#), Nov 2, 2023
- [China's Fiscal Bid To Stanch Local SOE Debt Risk](#), Nov. 2, 2023
- [Southeast Asian And Indian SOEs/GLCs: Watch For Support Amid Rising Leverage](#), Nov. 1, 2023
- [China Growth Could Fall Below 3% If The Property Crisis Worsens](#), Oct. 24, 2023
- [LGFV Strains May Inflict A RMB2 Trillion Hit On China Regional Banks](#), Oct. 18, 2023
- [Credit Conditions: War In Middle East Compounds Global Geopolitical Risks](#), Oct. 18, 2023
- [Global Debt Leverage: What If Chinese Corporate Earnings Further Decline?](#), Oct. 18, 2023
- [China Property Watch: A Slow, Sequential Recovery In 2024](#), Oct. 16, 2023
- [Asian Battery Makers Are Shifting Strategies To Hold Onto Global Lead](#), Oct. 5, 2023
- [Credit Cycle Indicator Q4 2023: Risks Could Intensify Before The Cycle Turns](#), Sept. 28, 2023
- [Global Debt Leverage: China's SOEs Are Stuck In A Debt Trap](#), Sept. 20, 2022

Appendix 1: Ratings Trends

Table 1

Net outlook bias of Asia-Pacific issuers by sector, Nov. 15, 2023

	Oct. 2022	Feb. 2023	May 2023	Aug. 2023	Nov. 15, 2023	No. of entities	Notional average rating
Auto OEM and suppliers	0%	-6%	-3%	-6%	0%	30	BBB
Building materials	-7%	-7%	-13%	-19%	-20%	15	BBB-
Business services	-8%	-8%	7%	-8%	-18%	11	BBB-
Capital goods	-11%	-8%	-6%	-9%	-6%	36	BBB
Chemicals	0%	0%	-3%	-3%	-13%	30	BBB
Consumer products	-3%	7%	0%	-4%	-4%	26	BBB
Diversified	0%	6%	17%	6%	11%	18	A-
Healthcare	-29%	-14%	-14%	0%	17%	6	BB+
Hotels, gaming, and leisure	-20%	-22%	-12%	-6%	-6%	17	BB
Investment company	0%	0%	0%	0%	0%	6	A
Media and entertainment	-11%	-9%	-9%	-9%	0%	11	BBB
Metals and mining	12%	15%	13%	4%	-2%	51	BBB-
Oil and gas	-4%	0%	9%	9%	9%	23	BBB+
Real estate development	-28%	-23%	-13%	-14%	-12%	26	BBB-
Real estate investment trusts	-13%	-10%	-15%	-19%	-15%	52	BBB+
Retail	-6%	6%	6%	13%	6%	16	BBB+
Technology	-5%	-10%	-12%	-10%	-10%	49	BBB
Telecommunications	0%	0%	3%	0%	-3%	33	BBB
Transportation cyclical	-17%	-17%	-17%	-17%	-11%	19	BBB
Transportation infrastructure	-4%	-6%	-6%	-6%	-2%	48	A-
Utilities	-6%	-8%	-7%	-3%	0%	100	A-
Total corporates	-6%	-5%	-4%	-5%	-4%	623	BBB
Financial institutions	6%	5%	5%	8%	7%	376	BBB+
Insurance	-11%	-9%	-8%	-8%	-1%	174	A
Public finance	-9%	-14%	-11%	-13%	-11%	81	AA-
Sovereign	-7%	-3%	-3%	-7%	-3%	30	BBB+
Total issuers	-3%	-3%	-2%	-2%	-1%	1,284	BBB+

We calculate the net outlook bias by deducting the percentage of negative outlooks and CreditWatch negative listings against the percentage of positive outlooks and CreditWatch positive listings. A minus figure indicates that the former exceeds the latter, and a positive figure, vice versa. OEM--Original equipment manufacturer. Teal colored cells indicate improvement from prior period, red, deterioration. Source: S&P Global Ratings.

Appendix 2: Economic Data and Forecast Summaries

Table A1

Australia--S&P Global Ratings Economic Outlook

	2022	2023f	2024f	2025f	2026f
Real GDP %	3.7	1.8	1.4	2.3	2.4
Inflation %	6.6	5.8	4.0	3.3	2.5
Unemployment rate %	3.7	3.6	4.1	4.3	4.2
Policy rate % (EOP)	3.10	4.35	4.10	3.35	3.10
Exchange rate (US\$ per A\$)	0.66	0.64	0.68	0.70	0.72

Inflation and unemployment rate shown are the period average. f--Forecast. EOP--End of period. A\$--Australian dollar.
Source: S&P Global Ratings Economics.

Table A2

China--S&P Global Ratings Economic Outlook

	2022	2023f	2024f	2025f	2026f
Real GDP %	3.0	5.4	4.6	4.8	4.6
Inflation %	2.0	0.5	1.7	2.3	2.2
Unemployment rate %	5.6	5.2	4.9	4.9	4.9
Policy rate % (EOP)	2.75	2.40	2.40	2.40	2.40
Exchange rate (US\$)	6.90	7.29	7.08	6.98	6.87

Inflation and unemployment rate shown are the period average. For China's policy rate, the one-year medium-term lending facility rate is shown. f--Forecast.
Source: S&P Global Ratings Economics.

Table A3

Hong Kong--S&P Global Ratings Economic Outlook

	2022	2023f	2024f	2025f	2026f
Real GDP %	-3.5	3.3	2.6	2.6	2.3
Inflation %	1.9	1.9	2.2	2.2	2.1
Unemployment rate %	4.4	2.9	2.7	2.7	2.8
Exchange rate (US\$)	7.82	7.81	7.77	7.75	7.75

Inflation and unemployment rate shown are the period average. f--Forecast.
Source: S&P Global Ratings Economics.

Table A4

India--S&P Global Ratings Economic Outlook

	2022	2023f	2024f	2025f	2026f
Real GDP %	7.2	6.4	6.4	6.9	7.0
Inflation %	6.7	5.5	4.5	4.6	4.7
Policy rate % (EOP)	6.50	6.50	5.50	5.25	5.00
Exchange rate (US\$)	82.30	83.00	83.50	85.00	86.50

Inflation rate shown is the period average, f--Forecast. EOP--End of period.

For India, 2022 means fiscal 2022/2023 (year ending March 31, 2023); 2023 means fiscal 2023/2024 (year ending March 31, 2024); and so forth.

Source: S&P Global Ratings Economics.

Table A5

Indonesia--S&P Global Ratings Economic Outlook

	2022	2023f	2024f	2025f	2026f
Real GDP %	5.3	5.0	4.9	5.0	5.0
Inflation %	4.2	3.6	2.8	3.2	3.2
Unemployment rate %	5.8	5.3	5.3	5.2	5.1
Policy rate % (EOP)	5.50	6.00	5.25	4.75	4.50
Exchange rate (US\$)	15592.00	15600.00	15650.00	15700.00	15750.00

Inflation and unemployment rate shown are the period average, f--Forecast. EOP--End of period.

Source: S&P Global Ratings Economics.

Table A6

Japan--S&P Global Ratings Economic Outlook

	2022	2023f	2024f	2025f	2026f
Real GDP %	1.0	1.7	0.9	1.0	0.9
Inflation %	2.5	3.3	2.5	1.8	1.5
Unemployment rate %	2.6	2.6	2.6	2.6	2.5
Policy rate % (EOP)	-0.07	-0.10	0.00	0.25	0.50
Exchange rate (US\$)	131.80	146.00	138.00	132.00	126.00

Inflation and unemployment rate shown are the period average, f--Forecast. EOP--End of period.

Source: S&P Global Ratings Economics.

Table A7

Malaysia--S&P Global Ratings Economic Outlook

	2022	2023f	2024f	2025f	2026f
Real GDP %	8.7	4.0	4.5	4.5	4.6
Inflation %	3.4	2.8	2.4	2.4	2.2
Unemployment rate %	3.8	3.4	3.2	3.2	3.2
Policy rate % (EOP)	2.75	3.00	2.75	2.75	2.75
Exchange rate (US\$)	4.41	4.70	4.40	4.30	4.29

Inflation and unemployment rate shown are the period average. f--Forecast. EOP--End of period.
Source: S&P Global Ratings Economics.

Table A8

New Zealand--S&P Global Ratings Economic Outlook

	2022	2023f	2024f	2025f	2026f
Real GDP %	2.3	1.0	1.4	2.5	2.6
Inflation %	7.1	6.0	3.5	2.6	2.4
Unemployment rate %	3.3	3.8	4.9	4.7	4.5
Policy rate % (EOP)	4.25	5.50	4.75	4.00	3.50
Exchange rate (US\$ per NZ\$)	0.63	0.60	0.61	0.62	0.63

Inflation and unemployment rate shown are the period average. f--Forecast. EOP--End of period. NZ\$--New Zealand dollar.
Source: S&P Global Ratings Economics.

Table A9

Philippines--S&P Global Ratings Economic Outlook

	2022	2023f	2024f	2025f	2026f
Real GDP %	7.6	5.4	5.9	6.2	6.4
Inflation %	5.8	5.9	3.4	3.2	3.0
Unemployment rate %	5.4	4.6	4.6	4.2	4.1
Policy rate % (EOP)	5.50	6.75	6.00	4.25	4.00
Exchange rate (US\$)	57.40	56.00	53.50	51.90	50.80

Inflation and unemployment rate shown are the period average. f--Forecast. EOP--End of period.
Source: S&P Global Ratings Economics.

Table A10

Singapore--S&P Global Ratings Economic Outlook

	2022	2023f	2024f	2025f	2026f
Real GDP %	3.6	1.1	2.6	2.7	2.6
Inflation %	6.1	4.9	3.0	2.2	1.9
Unemployment rate %	2.1	2.0	2.0	1.9	1.9
Exchange rate (US\$)	1.34	1.35	1.33	1.32	1.31

Inflation and unemployment rate shown are the period average. f--Forecast.
Source: S&P Global Ratings Economics.

Table A11

South Korea--S&P Global Ratings Economic Outlook

	2022	2023f	2024f	2025f	2026f
Real GDP %	2.6	1.3	2.2	2.4	2.0
Inflation %	5.1	3.6	2.6	2.2	2.0
Unemployment rate %	2.9	2.7	3.2	3.3	3.1
Policy rate % (EOP)	3.25	3.50	2.75	2.50	2.50
Exchange rate (US\$)	1276.00	1311.00	1232.00	1192.00	1153.00

Inflation and unemployment rate shown are the period average. f--Forecast. EOP--End of period.
Source: S&P Global Ratings Economics.

Table A12

Taiwan--S&P Global Ratings Economic Outlook

	2022	2023f	2024f	2025f	2026f
Real GDP %	2.4	1.2	3.0	2.6	2.6
Inflation %	2.9	2.5	1.5	1.0	1.0
Unemployment rate %	3.7	3.5	3.4	3.5	3.5
Policy rate % (EOP)	1.75	1.88	1.63	1.38	1.13
Exchange rate (US\$)	30.70	32.40	32.10	31.90	31.70

Inflation and unemployment rate shown are the period average. f--Forecast. EOP--End of period.
Source: S&P Global Ratings Economics.

Table A13

Thailand--S&P Global Ratings Economic Outlook

	2022	2023f	2024f	2025f	2026f
Real GDP %	2.6	2.5	4.2	3.0	3.2
Inflation %	6.1	1.6	2.0	1.5	1.3
Unemployment rate %	1.2	1.0	0.8	1.0	1.0
Policy rate % (EOP)	1.25	2.50	2.50	2.25	2.00
Exchange rate (US\$)	34.80	36.20	35.90	35.60	35.40

Inflation and unemployment rate shown are the period average. f--Forecast. EOP--End of period.
Source: S&P Global Ratings Economics.

Table A14

Regional--S&P Global Ratings Economic Outlook

Real GDP (%)	2022	2023f	2024f	2025f	2026f
Asia-Pacific	3.9	4.7	4.4	4.6	4.5
Eurozone	3.5	0.6	0.8	1.5	1.4
EM-LatAm	3.9	1.7	1.2	2.2	2.2
U.S.	1.9	2.4	1.5	1.4	1.8

Asia-Pacific GDP growth numbers are based on current purchasing power parity GDP weights. EM-LatAm includes Argentina, Brazil, Chile, Colombia, Mexico, and Peru. Aggregates are weighted by PPP GDP (2017-2021 average) share of total.
f--Forecast. Source: S&P Global Ratings Economics.

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