ASIAN DEVELOPMENT OUTLOOK 2022

MOBILIZING TAXES FOR DEVELOPMENT

APRIL 2022

HIGHLIGHTS

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Publication Stock No. FLS220142-3
DOI: http://dx.doi.org/10.22617/FLS220142-3

Notes:
In this publication, "$" refers to US dollars.
ADB recognizes "China" as the People's Republic of China, "Korea" as the Republic of Korea, and "Vietnam" as Viet Nam.

Cover design by Anthony Victoria.

Cover artwork by Demosthenes Campos/2017.

ADO 2022—HIGHLIGHTS

The Russian invasion of Ukraine has heightened geopolitical uncertainty and rattled commodity and financial markets—and this amid a global pandemic. Fortunately, COVID-19's Omicron variant has had a milder impact than other variants and progress on vaccination has allowed economies across developing Asia to remain more open than in previous COVID-19 waves. Solid exports and strong domestic demand will keep the region's growth strong at 5.2% in 2022 and 5.3% in 2023. The region's inflation rate is forecast to rise to 3.7% this year and 3.1% next year as economic recovery continues and energy and commodity prices remain elevated. Monetary authorities should remain vigilant to incipient inflationary pressures.

Several downside risks cloud the region's outlook. Escalating geopolitical tensions could impede trade and production, and stoke inflationary pressures. Aggressive monetary policy tightening in the United States may lead to financial instability. And COVID-19 remains a threat: the current Omicron outbreaks in the People's Republic of China could endanger regional growth and supply chains, and more deadly variants could still emerge. Scarring from the pandemic poses significant medium-term risks, including learning losses from continued school closures that could further exacerbate economic inequality.

Tackling developing Asia's varied medium-term challenges will require substantial investments. The region's economies urgently need to mobilize fiscal resources to restore the health of public finances after COVID-19 passes and to build a more inclusive and sustainable future. While more efficient spending can free up some fiscal resources, much more is needed to be able to effectively advance inclusive development.

Opportunities to strengthen revenue will depend on economy-specific circumstances, but more efficient value-added tax and better-optimized tax incentives hold promise for many economies. Strengthening personal income and property taxes can raise additional revenue and make tax systems more progressive. Significant opportunities exist to expand the use of tax and other fiscal instruments to tackle environmental and health priorities while raising revenue. Reform to reduce developing Asia's large informal sector is another way to lift revenue. Fundamental tax reform to mobilize revenue better can be achieved, and it is best done in tandem with efforts to strengthen tax administration and improve taxpayer morale.

Albert F. Park
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Recovery continues amid global headwinds

New challenges complicate the outlook

- **The Russian invasion of Ukraine has upended the global economic outlook and greatly amplified uncertainty for a world economy still contending with COVID-19.** The war's outbreak in late February severely disrupted global economic conditions. Shockwaves have been felt in financial and commodity markets, and energy and food prices have spiked sharply and threaten to remain elevated or rise further. The highly uncertain outcome of the invasion is an additional hurdle for developing Asia's economies, many of which are still grappling with COVID-19.

- **The pandemic was fueled by the highly transmissible Omicron variant at the start of 2022.** New infections spiked in developing Asia and across the world, following Omicron's emergence in late 2021. Daily new cases in the region rose sharply from 46,000 at the end of December to 448,000 in January, declined to 274,000 in February, before surging again, to over 600,000 in early March. While vaccination disparities remain, coverage in developing Asia caught up with rollouts in advanced economies. As of 9 March, 66.6% of the region's population was fully vaccinated, compared with 65.2% in the United States and 72.6% in the European Union.

- **Omicron's less severe health impact, coupled with increased immunity, allowed developing Asia to remain relatively open in early 2022.** Because of this, regional economies fared better during the Omicron wave than previous COVID-19 outbreaks. Manufacturing and services continued to expand in January and February, albeit at a slightly slower pace than in the fourth quarter of last year in some economies. A partial exception is the People's Republic of China (PRC), where factory output contracted slightly in January on stringent containment measures to curb sporadic COVID-19 outbreaks.

- **Developing Asia's economy rebounded by 6.9% in 2021, but the recovery is still largely incomplete in most of the region.** Expansion in the Caucasus and Central Asia, supported by higher commodity prices, nevertheless left gross domestic product (GDP) at 4% below its pre-pandemic trend. In South Asia, the gap remained at about 8%, despite strong growth led by a surge in consumption and investment in India. Southeast Asia's gap was 10% and the Pacific's 12%. The recovery in these subregions was delayed by severe pandemic-containment restrictions on domestic activity and international travel, which especially hampered tourism-dependent economies. East Asia bucked the trend on buoyant external demand; its gap was just 1% below the pre-pandemic trend.

- **Remittances remained resilient; tourism showed signs of incipient recovery.** Resilient remittances continued in the third quarter of last year, when they were 7% above the same quarter in 2019. Tourist arrivals remained negligible in economies still quarantining incoming travelers. But where restrictions were lifted, arrivals, particularly from Europe, have picked up.

- **Developing Asia's financial conditions have weakened slightly since late 2021.** Financial conditions have softened since November, tracking expectations of a shift in the Federal Reserve's monetary stance and then the Russian invasion of Ukraine. Most regional currencies depreciated in 2021, a trend that continued in the first 10 weeks of 2022. Risk premiums started rising since November and strong gains in regional equity markets have gradually given way to losses. Excluding the PRC, the region recorded net portfolio outflows last year, but foreign direct investment—from both within and outside the region—exceeded pre-pandemic levels on solid medium-term fundamentals.

- **Fiscal and monetary policies in developing Asian economies remain broadly accommodative, but the region may be on the cusp of a tightening cycle.** While fiscal policy remained supportive even after substantial loosening to cushion the impact of COVID-19 in 2020 and 2021, authorities are expected to start unwinding pandemic emergency measures and gradually shift to fiscal consolidation this year and next. A few central banks started tightening their stances in the second half of 2021 and others are expected to follow in response to domestic macroeconomic conditions, including rising inflationary pressures.

- **GDP growth in developing Asia is expected to stay strong, at 5.2% in 2022 and 5.3% in 2023.** The pace of the recovery, however, varies across subregions. But in general, regional growth is being supported by a robust recovery in domestic demand in economies that are continuing to catch up with their pre-pandemic trend, particularly in South Asia. Here growth will remain strong in 2022 at a forecast 7.0%, accelerating to 7.4% in 2023. East Asia converged to its pre-pandemic trend in 2021 and growth rates are expected to normalize to 4.7% in 2022 and 4.5% in 2023. Growth rates in the other subregions will return to their pre-pandemic averages this year or next.

- **Inflation in developing Asia stayed below the global trend in 2021, but is expected to rise.** Because of relatively low food inflation, less severe supply disruptions, and the incomplete recovery, regional inflation remained moderate at 2.5% last year. Price pressures were less broad-based than in advanced economies, including the US where inflation averaged 4.3%, and emerging economies in Latin America and the Caribbean, and Sub-Saharan Africa, where prices increased by 9.3% and 10.7%, respectively. Inflation in developing Asia this year and next will be driven by continuing recovery and elevated energy and commodity prices. The regional inflation rate is forecast to rise to 3.7% in 2022, before dipping to 3.1% in 2023. Headline inflation is expected to accelerate in all subregions but the Caucasus and Central Asia. Monetary authorities should keep a close watch for incipient inflationary pressures.

- **Developing Asia's current account surplus is forecast to narrow from 1.3% of GDP in 2021 to 0.9% this year and inch up to 1.0% in 2023.** Export volumes from the PRC stabilized last year, but continued to rise in the rest of the region to reach 18% above pre-pandemic levels in December. Over the forecast horizon, slower growth rates and a shift in consumption back toward services in advanced economies will temper demand for developing Asia's exports, while imports will rise as economies recover. East Asia's current account surpluses will continue to shrink, while deficits will widen in South Asia. Commodity-exporting economies, such as those in the Caucasus and Central Asia, will mostly see current accounts improving this year.

- **Several downside risks cloud developing Asia's outlook.** Escalating global geopolitical tensions arising from the Russian invasion of Ukraine could spill over to the region, particularly via sharper-than-expected increases in commodity prices and heightened financial stability risks, as discussed in this report's *Special Topic* on the economic impact of the war. Aggressive monetary policy tightening in the US may trigger financial market volatility, rapid capital outflows, and sharp currency depreciations. COVID-19 remains a threat, as more deadly variants could still emerge, and the PRC's current Omicron outbreaks could jeopardize regional growth and supply chains. In the medium-term, scarring from the pandemic poses significant risks, including learning losses from continued school closures that could further exacerbate economic inequality, as highlighted in the *Special Topic* on the effects of COVID-19 school closures.

The economic fallout of the Russian invasion will most affect the Caucasus and Central Asia

- **The direct fallout from the invasion will likely be limited for developing Asia, except in the Caucasus and Central Asia.** Indeed, the limited exposure will curtail the direct impact of the war in most of the region, but the effects will be large for the Caucasus and Central Asia, as well as Mongolia, which all have close trade and financial linkages with the Russian Federation. Declining remittances from Russia will weigh on the external balances of economies heavily reliant on these inflows.

- **Indirect effects will be felt across the region, through higher energy and food prices.** Oil and natural gas prices rose sharply following the invasion, and they are expected to remain elevated this year. Energy bills will rise for energy importers, pushing inflation up and weighing on demand. Energy exporters will benefit from rising prices. Russia and Ukraine are also key producers of sunflower seed oil, wheat, barley, corn, and fertilizers. And global prices for these products and certain substitutes have surged. Limited access to Black Sea ports and a disrupted spring planting season in Ukraine will keep prices high throughout the year. International sanctions might also affect the availability of base metals, including aluminum, nickel, palladium, and titanium, from Russia, a key exporter of these metals.

- **Further escalation or a prolonged war could have a more lasting effect on global sentiment and commodity markets.** This would further delay the recovery from the COVID-19 pandemic. Heightened risk could hit consumer, producer, and investor confidence, hurting developing Asia's exports. A flight to safety could spur capital outflows from emerging markets, compounding the tighter financial conditions from the US Federal Reserve raising its policy rate.

Falling further behind: The cost of COVID-19 school closures by gender and wealth

- **School closures during the COVID-19 pandemic led to losses equivalent to over half a year's worth of learning.** This foregone learning will hinder students' ability to earn income in the future. Their estimated losses in lifetime earnings have reached $3.2 trillion (in constant 2020 values)—13% of developing Asia's GDP in 2020.

- **Poor students and girls were hit harder by school closures.** Children from low-income households have less access to quality remote education, higher exposure to economic stress during the COVID-19 pandemic, and a greater tendency to drop out of school as a result of economic adversity. Because of this, foregone learning for students from the poorest quintile is 33% more than those for students from the richest quintile. This will translate into losses in expected earnings that are 47% more for the poorest students, exacerbating income inequalities. Estimated gender gaps in foregone learning are small but translate into earning losses that are 28% higher for girls than for boys because of the higher return on girls' education.

- **Inequality in learning and earning losses will grow unless investments are made to promote equality of access.** While supply side improvements in the quality of remote education reduce aggregate losses from school closures, inequality will grow because these improvements largely benefit those who have more access to educational resources. Investments are necessary to make them beneficial for all students, including poor children and girls. These investments include ensuring the safety of holding face-to-face classes (especially for schools serving low-income populations), supporting innovative approaches to recover foregone learning, bridging the digital divide, strengthening social safety nets for low-income families, and building flexibility and emergency resilience into education systems.

Mobilizing taxes for development

Summary

- ***Asia must mobilize taxes and expenditure for sustainable development.*** *Achieving the Sustainable Development Goals (SDGs) for a greener and more inclusive future requires vast public spending. While more efficient spending can free up some fiscal resources, much greater resources are needed to promote inclusive development in earnest. Tax revenue was gradually rising in the region before the COVID-19 pandemic but was still comparatively low. Restoring fiscal sustainability after COVID-19 adds to the urgency of making all forms of fiscal resource mobilization more effective, especially taxes.*

- ***The region needs to augment fiscal space through higher tax revenue.*** *Estimates that benchmark current tax revenue against key economic characteristics suggest that economies in developing Asia could increase tax revenue from a pre-pandemic average equal to about 16% of GDP by, on average, 3–4 percentage points. Options to strengthen revenue depend on economy-specific circumstances, but two priorities with broad promise are better optimization of tax expenditures—forgone taxes—and more efficient collection of value-added tax (VAT), including appropriate taxes on the fast-growing digital economy. In addition, strengthening personal income and property taxes can raise additional revenue and make tax systems more progressive.*

- ***Green and health taxes contribute to both revenue and development goals.*** *Environmental tax instruments continue to grow and positively guide investment and consumption in developing Asia. Some regional governments have long experience in levying environmental taxes, notably on pollutants and fossil fuels. More recently, Asian economies have actively explored carbon pricing instruments to curb emissions. The region can draw valuable lessons from early adopters, especially by ensuring sufficiently high tax rates and pollution prices and effective monitoring, reporting, and verification systems. Higher corrective health taxes, primarily on alcohol and tobacco, can raise additional tax revenue by as much as 0.6% of GDP while improving health outcomes and cutting medical costs.*

- ***Tax and other reform to lift revenue is hard but doable.*** *New analysis finds that reducing business registration costs can expand the share of the formal sector in the whole economy and the taxes it pays. Tax reform to boost revenue may be politically challenging, but global experience shows that strong leadership can enable success. Effective strategies strengthen tax administration, including through better use of information and communication technology, and improve taxpayer morale by, for example, improving the quality of public spending.*

Taxes must be mobilized to support sustainable development

- **Resuming the region's stellar economic progress will entail vast expenditure.** Developing Asia's traditional fiscal prudence, characterized by small government and low debt, has well served the regional goals of poverty elimination and higher living standards. However, it is now under pressure. The COVID-19 pandemic has set back development progress and highlighted weaknesses in government finances. To ensure that inclusive and sustainable development resumes and that the SDGs are achieved, spending needs to be ramped up in the key areas of health care, education, infrastructure, and social protection, as well as in climate change adaptation and mitigation.

- **Taxes need to be mobilized to meet regional expenditure needs.** While private finance has an important role to play, much of the required spending will need to come from government. Taxes are the main government revenue source, with higher-tax economies tending to spend more on education, health care, and social protection. While gradually rising before the COVID-19 pandemic in tandem with rapid development, tax revenue in developing Asia remained low, even relative to a developing economy peer such as Latin America. Accounting for about half of all tax revenue, consumption taxes, notably VAT, are revenue mainstays in the region, supported by robust corporate tax receipts. Personal income tax revenue accounts for a small share by comparison. This tax mix is efficient but less progressive than in high-income economies and therefore less inclusive.

- **The COVID-19 pandemic hit public finances hard.** Tax stimulus was widely used to support households and businesses even as tax receipts plunged under an unprecedented economic downturn. This substantially expanded fiscal deficits and debt. While deficits are starting to narrow again, additional careful fiscal consolidation will be needed in many economies to safeguard fiscal sustainability. Given structurally low spending and continued pressure in such important areas as education and health care, governments should strive to improve spending efficiency and wind back tax and other stimulus measures in a timely way. Further, they should carefully consider options to increase tax revenue, especially in economies where it is very low.

Priorities for mobilizing tax revenue depend on economy-specific circumstances

- **Scope to increase tax revenue exists but depends on economy-specific circumstances.** Newly formulated tax capacity estimates, which benchmark revenue against key economic features, indicate that economies in developing Asia could increase tax revenue from a pre-pandemic average of about 16% of GDP by, on average, 3–4 percentage points. However, this potential varies within the region and is generally higher in Southeast Asia, where revenue is often lowest.

- **Tax expenditures providing special exemptions need to be optimized.** Tax expenditures—or tax not collected—are widely used in the region, including to support households and businesses hard hit by the pandemic. Some tax expenditures lack any clear policy justification, however, while significantly reducing revenue. Government reporting of tax expenditures is often lax, but estimates suggest that on average they curtail tax revenue in the region by about 14%. Tax incentives to lure businesses are often ineffective and can undermine healthy competition. Governments should weigh costs and benefits and consider ways to promote investment that are less expensive and more effective. Meanwhile, most governments need to improve tax expenditure transparency and regularly report costs.

- **Taxes can be tailored to improve both revenue and social equity.** Low tax efficiency and comparatively low tax rates indicate that potential exists to increase VAT revenue in some economies. Tax authorities need to ensure appropriate taxation of imported digital products to ensure that online commerce does not erode VAT revenue. Increasing personal income tax revenue is a challenge, especially where collection capacity is weak, and it may undermine work incentives. However, personal income tax can make tax systems more progressive and thus societies more equitable. More revenue can be raised as well from property taxes, which can bolster local government finances and are readily efficient and progressive.

- **Corporate tax revenue faces pressure from digitalization and tax competition.** The two-pillar solution developed under the Inclusive Framework on Base Erosion and Profit Shifting enables economies to share corporate income taxing rights, and it proposes a global minimum tax rate. This initiative is welcome, but few economies in developing Asia will likely see significant revenue impact in the near term. The economies that stand to benefit most from reallocated taxing rights are likely to be resource exporters and those with large domestic markets. Investment hubs may lose revenue. Similarly, the revenue impact of introducing a 15% global minimum corporate income tax rate is likely to be small in developing Asia, as most economies in the region already meet it.

Green and health taxes strengthen revenue and development

- **Tax instruments for the environment have begun to realize their promise.** In some Asian economies, fiscal instruments such as pollutant and fossil fuel taxes, most notably on gasoline and coal, are long established and help to reduce pollution, guide energy consumption, and generate revenue. Recently, some economies in developing Asia have introduced carbon pricing instruments to combat climate change, with Kazakhstan, the People's Republic of China, and the Republic of Korea implementing national schemes for trading emissions. Singapore and Indonesia have introduced a carbon tax. As carbon prices and tax rates are low, and implementation gradual, revenue from these instruments remains modest but has potential to grow and reduce air pollution and carbon emissions.

- **Environmental tax instruments must be well designed and implemented.** Effective carbon pricing and environmental taxes require sound instrument design and careful implementation that features reliable monitoring, reporting, and verification systems. Carbon prices and environmental taxes must be significant to be effective. Gradual implementation addresses competitiveness concerns but reduces revenue generation and alignment with environmental goals. Revenue transfers such as rebates and subsidies can encourage innovation and cushion adverse effects on vulnerable groups. Earmarking can facilitate public acceptance and implementation. Consistent application of carbon pricing across economies and regions would amplify their benefits and minimize costs.

- **Corrective health taxes both raise revenue and improve public well-being.** Lifestyle diseases exact heavy costs on health and wealth in developing Asia. Led by tobacco, alcohol, and unhealthy diets, they cause 77% of all deaths in the region. Associated productivity loss is estimated to equal 2% of GDP. Corrective health taxes can be powerful tools to reduce harmful consumption. Tax design and implementation should consider demand responses, distributional consequences, and how to use the tax revenue thus collected, including through earmarks. Regionally, corrective health tax revenue still falls below associated costs incurred for medical treatment and from productivity lost to death and disability. Higher corrective health taxes could raise additional revenue by as much as an estimated 0.6% of GDP, while improving health outcomes and cutting medical costs.

Reform to reduce informality and lift tax revenue is hard but doable

- **Easier business registration can reduce informality and boost revenue.** Generally relaxed regulatory barriers and low tax burdens in the region have helped keep unemployment low and growth rapid. However, the high cost of business registration is an exception, which partly explains the region's large informal sector. Policy simulations using a simple two-sector model, both formal and informal, indicate that lower registration costs are particularly effective at reducing informality and increasing tax revenue, productivity, and wages. Stronger enforcement of existing laws and regulations can also reduce informality and increase tax revenue.

- **Tax reform to increase revenue is politically difficult but achievable.** Governments often attempt tax reform but then fail, leaving them stuck with low revenue. However, experience from around the world demonstrates that it is possible to implement policies that lift tax revenue by the equivalent of several percentage points of GDP or more. Successful tax reform requires strong leadership with clearly articulated priorities toward feasible policies. Also helpful is a reform road map supported by international cooperation and technical assistance. As major crises sometimes pave the way for tax reform, the current period of pandemic recovery may be an opportune time to embark on ambitious tax reform.

- **Better tax collection hinges on improved tax administration and taxpayer morale.** While the impositions of tax compliance have eased across the region, they remain substantial in some economies. Tax administrators can harness technology more effectively to reduce their own administrative costs, improve access to information, and so facilitate compliance. Organizational reform to improve utilization of scarce resources, enhance administrative autonomy, and incentivize performance promises to strengthen tax administration. Tax reform is best accompanied by efforts to strengthen the social contract and tap intrinsic willingness to pay taxes, most notably by improving the quality of government spending. Empirical evidence informed by behavioral insights suggests that significant opportunities exist for governments to experimentally apply sticks as well as carrots, including deterrence messages.

GDP growth rate and inflation, % per year

	GDP growth				Inflation			
	2020	2021	2022	2023	2020	2021	2022	2023
Developing Asia	**–0.8**	**6.9**	**5.2**	**5.3**	**3.2**	**2.5**	**3.7**	**3.1**
Caucasus and Central Asia	**–2.0**	**5.6**	**3.6**	**4.0**	**7.7**	**8.9**	**8.8**	**7.1**
Armenia	–7.4	5.7	2.8	3.8	1.2	7.2	9.0	7.5
Azerbaijan	–4.3	5.6	3.7	2.8	2.8	6.7	7.0	5.3
Georgia	–6.8	10.6	3.5	5.0	5.2	9.6	7.0	4.0
Kazakhstan	–2.5	4.0	3.2	3.9	6.8	8.0	7.8	6.4
Kyrgyz Republic	–8.4	3.6	2.0	2.5	6.3	11.9	15.0	12.0
Tajikistan	4.5	9.2	2.0	3.0	9.4	8.0	15.0	10.0
Turkmenistan	...	5.0	6.0	5.8	10.0	12.5	13.0	10.0
Uzbekistan	1.9	7.4	4.0	4.5	12.9	10.7	9.0	8.0
East Asia	**1.8**	**7.6**	**4.7**	**4.5**	**2.2**	**1.1**	**2.4**	**2.0**
Hong Kong, China	–6.5	6.4	2.0	3.7	0.3	1.6	2.3	2.0
Mongolia	–4.6	1.4	2.3	5.6	3.7	7.1	12.4	9.3
People’s Republic of China	2.2	8.1	5.0	4.8	2.5	0.9	2.3	2.0
Republic of Korea	–0.9	4.0	3.0	2.6	0.5	2.5	3.2	2.0
Taipei,China	3.4	6.4	3.8	3.0	–0.2	2.0	1.9	1.6
South Asia	**–5.2**	**8.3**	**7.0**	**7.4**	**6.5**	**5.7**	**6.5**	**5.5**
Afghanistan	–2.4	...	...	...	5.6	5.2	...	...
Bangladesh	3.4	6.9	6.9	7.1	5.7	5.6	6.0	5.9
Bhutan	–10.1	3.5	4.5	7.5	5.6	7.4	7.0	5.5
India	–6.6	8.9	7.5	8.0	6.2	5.4	5.8	5.0
Maldives	–33.5	31.6	11.0	12.0	–1.4	0.5	3.0	2.5
Nepal	–2.1	2.3	3.9	5.0	6.2	3.6	6.5	6.2
Pakistan	–1.0	5.6	4.0	4.5	10.7	8.9	11.0	8.5
Sri Lanka	–3.6	3.7	2.4	2.5	4.6	6.0	13.3	6.7
Southeast Asia	**–3.2**	**2.9**	**4.9**	**5.2**	**1.5**	**2.0**	**3.7**	**3.1**
Brunei Darussalam	1.1	–1.5	4.2	3.6	1.9	1.7	1.6	1.0
Cambodia	–3.1	3.0	5.3	6.5	2.9	2.9	4.7	2.2
Indonesia	–2.1	3.7	5.0	5.2	2.0	1.6	3.6	3.0
Lao People’s Dem. Rep.	–0.5	2.3	3.4	3.7	5.1	3.7	5.8	5.0
Malaysia	–5.6	3.1	6.0	5.4	–1.1	2.5	3.0	2.5
Myanmar	3.2	–18.4	–0.3	2.6	5.7	3.6	8.0	8.5
Philippines	–9.6	5.6	6.0	6.3	2.4	3.9	4.2	3.5
Singapore	–4.1	7.6	4.3	3.2	–0.2	2.3	3.0	2.3
Thailand	–6.2	1.6	3.0	4.5	–0.8	1.2	3.3	2.2
Timor-Leste	–8.6	1.8	2.5	3.1	0.5	3.8	2.6	2.7
Viet Nam	2.9	2.6	6.5	6.7	3.2	1.8	3.8	4.0
The Pacific	**–6.0**	**–0.6**	**3.9**	**5.4**	**2.9**	**3.1**	**5.9**	**4.7**
Cook Islands	–5.2	–29.1	9.1	11.2	0.7	2.2	4.3	4.0
Federated States of Micronesia	–3.8	–1.2	2.2	4.2	–2.9	2.0	4.6	2.0
Fiji	–15.2	–4.1	7.1	8.5	–2.6	0.2	4.5	4.0
Kiribati	–0.5	1.5	1.8	2.3	2.3	1.0	5.0	3.7
Marshall Islands	–2.2	–3.3	1.2	2.2	–0.8	1.0	4.1	4.0
Nauru	0.8	1.5	1.0	2.4	0.9	1.2	2.3	2.2
Niue	...	...	...	...	2.7	...	...	...
Palau	–9.7	–17.1	9.4	18.3	0.7	0.5	4.3	4.2
Papua New Guinea	–3.5	1.3	3.4	4.6	4.9	4.5	6.4	5.1
Samoa	–2.6	–8.1	0.4	2.2	1.5	–3.0	8.9	3.2
Solomon Islands	–4.5	–0.5	–3.0	3.0	3.0	–0.2	5.0	4.0
Tonga	0.7	–3.0	–1.2	2.9	0.2	1.4	7.6	4.2
Tuvalu	1.0	1.5	3.0	3.0	1.6	6.7	3.8	3.3
Vanuatu	–7.5	–1.0	1.0	4.0	5.3	2.1	4.8	3.2

... = unavailable, GDP = gross domestic product.

Notes: Some historical data for Turkmenistan are not presented for lack of uniformity. A fluid situation permits no estimates or forecasts for Afghanistan in 2021–2023.

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