



ASIAN DEVELOPMENT OUTLOOK 2022 UPDATE

ENTREPRENEURSHIP IN THE DIGITAL AGE
HIGHLIGHTS

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ADO 2022 UPDATE—HIGHLIGHTS

Developing Asia's recovery continues, but the outlook is worsening. Economic activity is being supported by the continued relaxation of coronavirus disease (COVID-19) restrictions in many economies, but the impact of the Russian invasion of Ukraine, aggressive monetary tightening in advanced economies, and repeated COVID-19 lockdowns in the People's Republic of China (PRC) are increasingly shaping the region's economic prospects.

Growth forecasts are revised down from the projections made in April in *Asian Development Outlook 2022* to 4.3% from 5.2% for this year and to 4.9% from 5.3% for 2023. Excluding the PRC, the rest of developing Asia is projected to grow by 5.3% in both 2022 and 2023—the first time in more than 3 decades that the rest of developing Asia will grow faster than the PRC.

Price pressures in developing Asia—while remaining lower than elsewhere in the world—are increasing on higher energy and food prices. The regional inflation forecast is raised to 4.5% from 3.7% for 2022 and to 4.0% from 3.1% for 2023.

Several downside risks loom large. A sharp deceleration in global growth, stronger-than-expected monetary policy tightening in advanced economies, the war in Ukraine escalating, a deeper-than-expected deceleration in the PRC, and negative pandemic developments could all dent developing Asia's growth over the forecast horizon.

Sustaining the region's economic growth depends on a vibrant private sector from which dynamic entrepreneurs can emerge to innovate and create many jobs. Dynamic entrepreneurship is examined in this *Update's* theme chapter. Digital entrepreneurship helped keep economies afloat during COVID-19 and it can become a major engine of growth in the post-pandemic world. Yet, with the exception of Singapore and the Republic of Korea, the report's global ranking shows most of the region's economies are lagging behind when it comes to the environment for digital entrepreneurs. Digitalization and a strong rule of law can facilitate innovative entrepreneurship—two areas where policy makers can help create a conducive environment for dynamic entrepreneurs to flourish.



Albert F. Park
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Softening growth amid a darkened global outlook

Mounting headwinds, even as the recovery progresses

- **Developing Asia's recovery continues, but is being slowed by global headwinds.** The Russian invasion of Ukraine continues to affect economies in the region, with supply disruptions and elevated food and energy prices increasing inflationary pressures. Tighter monetary policy in advanced economies is denting global demand and rattling financial markets, and this is adding to the economic fallout from the war in Ukraine.
- **More flexible pandemic policies are allowing activity to expand, but the “zero-COVID” strategy of the People's Republic of China (PRC) is a notable exception.** Easing pandemic restrictions, increasing immunization, falling COVID-19 mortality rates, and the less severe health impact of the Omicron variant are underpinning improved mobility in much of the region. But the PRC remains the big exception because of intermittent but stringent lockdowns to stamp out sporadic outbreaks, in line with its “zero-COVID” strategy.
- **Consumer spending and employment are picking up on reduced mobility restrictions.** Consumption and investment supported the recovery in the first half of 2022, and exports continued adding to growth despite an increasingly challenging external environment. Consumer spending became more broad-based and increasingly rotated from goods to services. Labor market conditions are on the mend, supported by the economic recovery.
- **Headline and core inflation are trending up in developing Asia.** While still below the global average, regional inflation rose to 4.0% in the first half of 2022—higher than pre-pandemic inflation rates—driven by rising prices for food and energy. Core inflation has also been rising in several economies. Although global food prices have abated recently, the continuing war in Ukraine is keeping the costs of imported energy elevated in the region. In response, many governments in developing Asia have taken various policy measures, including subsidies, tax cuts or suspensions, trade restrictions, and price controls.
- **Developing Asia's exports remained strong in the first half of the year, but they are slowing rapidly.** Rising commodity prices supported exports, while global demand for electronics slowed. In the PRC, exports bounced back in June after the lockdown in Shanghai, but they declined in July and August. They also weakened in the Republic of Korea and fell sharply in Taipei, China, both crucial suppliers of inputs to the wider electronics sector. Manufacturing export orders point to a gloomier outlook. They declined in August in seven of the nine regional economies for which data are available, including the PRC and the Republic of Korea, and they plunged in Taipei, China.
- **Tourism is bouncing back in economies that reopened to travelers, and remittances remain healthy.** Tourist arrivals are back to pre-pandemic levels in Maldives. Arrivals continue rising in Armenia, Fiji, Georgia, Nepal, and Singapore, although they remain far below pre-pandemic levels. A rebound in tourism in Sri Lanka was interrupted by the crisis there, and arrivals are still close to zero in most Pacific island economies. Remittances remain healthy in Bangladesh, Pakistan, and the Philippines, which are among developing Asia's largest recipients in absolute terms. Remittances are still healthy in economies where these inflows are large relative to gross domestic product, as they are in the Kyrgyz Republic, Samoa, and Tajikistan.
- **Fiscal improvement continues at a slower pace, while the monetary policy tightening cycle is mounting across developing Asia.** In most economies, budget balances will improve less than initially expected this year and next, as slowing growth reduces tax revenue and governments increase spending to cushion the impact of higher energy and food prices. In contrast to the more gradual fiscal improvement underway across the region, monetary policy tightening is accelerating—there have been more and larger policy rates hikes in the region since April than there were in the first quarter. The tightening cycle should continue into early 2023, given rising inflationary pressures and weakening currencies.

- **Financial conditions deteriorated further on the dimming growth outlook and accelerated monetary tightening.** Currencies depreciated, equity markets retreated, risk premiums widened, and there have been foreign portfolio outflows in most developing Asian economies since April 2022. Financial conditions deteriorated substantially in some markets on economy-specific factors that included heavy debt burdens, worsening macroeconomic fundamentals, and exposure to the economic fallout from the Russian invasion of Ukraine.
- **This Update revises down the forecasts for developing Asia made in April to 4.3% from 5.2% for 2022 and to 4.9% from 5.3% for 2023.** Excluding the PRC, the rest of developing Asia is projected to grow by 5.3% in both 2022 and 2023. The revised outlook is shaped by a slowing global economy, the fallout from the war in Ukraine, more aggressive monetary tightening in advanced economies, and lockdowns resulting from the PRC’s “zero-COVID” strategy. East Asia and South Asia account for most of the downgrade. East Asia’s growth is revised down to 3.2% from 4.7% for 2022, as growth in the PRC will be much weaker than expected earlier. This will be the first time in more than 3 decades that the rest of developing Asia will grow faster than the PRC. Growth in South Asia this year is revised down to 6.5% from 7.0% in the earlier projection and to 6.5% from 7.4% for 2023. This reflects modest downward revisions to India’s forecast on higher-than-anticipated inflation and monetary tightening, and Sri Lanka’s sharp contraction caused by its sovereign debt and balance-of-payment crises. Growth forecasts are raised for the Caucasus and Central Asia, and the Pacific. The forecast for Southeast Asia remains largely unchanged.
- **The regional inflation forecast is raised to 4.5% from 3.7% for 2022 and to 4.0% from 3.1% for 2023 due to higher energy and food prices.** Inflationary pressures in developing Asia are expected to remain less severe than elsewhere in the world. But headline inflation is expected to accelerate in all subregions, to varying degrees. With recoveries continuing and labor markets improving, monetary authorities in economies where inflation pressures are broadening should push forward with tightening.
- **Risks to the outlook are skewed to the downside.** A sharp deceleration in global growth would severely undermine demand for developing Asia’s exports. Stronger-than-expected monetary policy tightening in advanced economies could result in large exchange rate depreciations, financial instability, and balance-of-payment difficulties in economies with vulnerable fundamentals. An escalation of the war in Ukraine and the spillovers of this on global commodity markets remain a threat that could increase inflationary pressures further and trigger slower growth in the region. Other risks are a deeper-than-expected deceleration in the PRC, debt-related fragilities in some economies, food insecurity, geopolitical tensions, and climate change-related disruptions. Negative pandemic developments, such as the emergence of new COVID-19 variants, also remain a risk.

Entrepreneurship in the digital age

Entrepreneurs contribute to economic dynamism

- **Some entrepreneurs are more productive than others.** The defining trait of entrepreneurs is that they start and run businesses. Entrepreneurs are a heterogeneous group, though, ranging from street vendors to game-changing innovators, so their economic contributions are similarly heterogeneous. New analysis of 14,892 businesses younger than 42 months old in 17 Asian Development Bank members¹ suggests that a small group of dynamic entrepreneurs contribute disproportionately to the positive economic impact of entrepreneurship. For example, just 0.4% of the entrepreneurs in the sample account for 46% of the aggregate employment created by these businesses. These dynamic entrepreneurs are often innovators, who are a relatively small minority of entrepreneurs.
- **Innovative entrepreneurs help fuel economic dynamism.** Sustained economic growth depends on a vibrant private sector, and private sector development depends in turn on innovation and the emergence of new businesses—that is, on entrepreneurship. Innovative entrepreneurs generate dynamic competition in which new firms, products, and technologies compete with existing counterparts. Transformative entrepreneurs often play a central role in the introduction of such game-changing products as personal computers and mobile phones. More recently, the scientist-entrepreneur couple Uğur Şahin and Özlem Türeci of BioNTech were instrumental in developing one of the world’s first safe and effective COVID-19 vaccines. Yet, despite its large economic potential, entrepreneurship remains a relatively under-researched topic in economics, in part for lack of good data on entrepreneurs—a gap this chapter helps fill.
- **Dynamic entrepreneurs can help sustain economic growth in Asia.** Developing Asia has reached a development stage where the private sector typically assumes a larger role in economic growth. While the government’s role remains vital, it is increasingly to provide an enabling environment for private enterprise. Rapid growth has transformed Asia into a predominantly middle-income region where sustaining rapid growth becomes harder than at low income. It is at this stage where innovation becomes critical. In successful economies, such as the Republic of Korea (ROK), visionary entrepreneurs and innovators created world-class companies that contributed greatly to the journey from middle to high income. The ongoing digitalization of economic activity that accelerated during COVID-19 has fortunately opened up a world of entrepreneurial opportunities. Digital entrepreneurship can thus become an engine of growth in the post-pandemic world.
- **Digitalization is a powerful enabler of entrepreneurial resilience.** The global health and economic crisis triggered by COVID-19 highlighted the pivotal role of information and communication technology (ICT) in economic resilience. ICT enabled economies and societies to continue to function under an epidemic unprecedented in modern times. New analysis of 12,990 firms in 32 economies and 28 industries globally from May to September 2020 empirically confirms a significantly positive impact from ICT on entrepreneurial resilience during the pandemic. Compared with entrepreneurs who did not have web pages or social media presence, those that did were significantly more likely to remain open because digitalization enabled them to shift more of their activities online. Digital entrepreneurship thus helped keep economies afloat during the pandemic.

¹ Armenia; Bangladesh; Georgia; Hong Kong, China; India; Indonesia; Kazakhstan; Malaysia; Pakistan; the People’s Republic of China; the Philippines; the Republic of Korea; Singapore; Taipei, China; Thailand; Vanuatu; and Viet Nam.

A conducive digital environment promotes entrepreneurship

- **Digital technology lowers entry barriers to new firms.** ICT reduces the cost of starting a business by facilitating extensive outsourcing of activities and eliminating the need for physical retail space even as it enables new firms to reach customers far and wide at low cost through the internet. Better access to foreign business partners and customers through ICT boosts internationalization and exports. More generally, digitalization improves productivity and efficiency, lowering the cost of economic transactions. Digital technology expands not only the opportunity landscape for entrepreneurs but also the avenues available for pursuing new opportunities.
- **A new index rates the national environment for digital entrepreneurship.** The Global Index of Digital Entrepreneurship Systems (GIDES), presented in the theme chapter of this volume, measures the quality of the environment for digital entrepreneurs by capturing the degree of digitalization in society and the economy and how effectively it supports the entrepreneurial ecosystem. The index is constructed with eight pillars that capture the diverse elements of the digital entrepreneurship environment: culture, institutions, market conditions, infrastructure, human capital, knowledge, finance, and networking. Significantly, the index allows for a meaningful comparison of the quality of national digital ecosystems across 113 global economies.
- **Singapore boasts the world's best digital entrepreneurship system.** Singapore has the top GIDES score, 81.3 out of 100, ranking it first among 15 top-tier “leaders” that include, in descending order, the US, Sweden, Denmark, and Switzerland. The next tier comprises 10 “followers,” primarily innovation-driven high-income economies such as France, Israel, and the ROK. The next 15 “catchers-up” are a mixed group that includes Chile, the PRC, Italy, and Malaysia. Seven economies are among 32 “laggards,” which are mainly upper-middle income, and 10 economies are among 41 “tailenders,” which are mostly low and lower-middle income. The first of two observations is the sizable scope for improvement even among leaders, which have an average score of 71.2. The second is the huge gaps that exist between tiers, with the average among followers at 53.8, catchers-up 39.1, laggards 26.0, and tailenders 14.2.
- **Productive entrepreneurship depends on a conducive digital environment.** New analysis of more than 190,000 entrepreneurs in 14 economies explored the relationship between the national digital environment, measured by GIDES, and firm productivity. For new businesses less than 42 months old, GIDES was significantly and positively linked to two indicators of individual firm productivity: product innovation and expected future job creation. An increase by one standard deviation in GIDES, for example, is associated with a 8.2 percentage point increase in the probability of a new business innovating.

Digital entrepreneurs outperform their nondigital peers

- **Digital technology is changing the very nature of entrepreneurship.** There are two fundamental consequences of digitalization on entrepreneurial activity. First, digitalization significantly expands the scope of entrepreneurial opportunity. Smartphones, for example, have spawned such a wealth of innovative mobile applications from thousands of independent developers that the smartphone industry is essentially boundless. Second, digitalization facilitates entrepreneurial experimentation, which enables greater innovation. Entrepreneurs can test their ideas very quickly and cheaply by modifying descriptions of their offerings on their web pages and monitoring almost in real time how potential customers react.

- **Digitalization improves entrepreneurial performance.** In-depth interviews with 685 entrepreneurs in six Southeast Asian countries—Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam—assessed how their adoption of digital technology affected their business. Digital tech applications and the digitalization of business activities were both strongly associated with the likelihood of business model experimentation—an indirect contributor to success. More directly, both were positively linked with business profitability and contribution to sustainability. In other words, digitalization helped entrepreneurs not only with their bottom line but also with their social responsibility.
- **Surveys revealed economy-specific digital contexts in Southeast Asia.** Just as Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Viet Nam vary greatly in their stage of development, interviews with entrepreneurs in the six economies suggest that their entrepreneurial ecosystems differ substantially. Furthermore, digital entrepreneurs have become active in a wide range of diverse industries across the subregion, reflecting the capability of entrepreneurs to leverage digital technology in versatile ways. These industries include food delivery in Indonesia, drone technology in Malaysia, creative enterprise including the arts and media in the Philippines, finance technology in Singapore, health and wellness in Thailand, and education in Viet Nam. Vital contributions from entrepreneurs to Thailand’s official campaign to provide online health care during the pandemic confirms the social value added through entrepreneurship.

Sound institutions remain vital for entrepreneurs

- **Solid institutions create a conducive environment for entrepreneurs.** Institutions define the rules of the game in an economy, both formal and informal, that organize economic relations. Growth-conducive institutions cited in the research literature include strong property rights, honest and effective governments, political stability, reliable legal systems, and open and competitive markets. They reduce the cost of economic transactions, create incentives to invest in human and physical capital, and contribute to more efficient allocation of resources. Intuitively, good institutions are beneficial for entrepreneurial activity because they mitigate the high risk and uncertainty that entrepreneurs face.
- **A sound institutional environment nurtures productive entrepreneurship.** New evidence documents a link between institutions and entrepreneurship. In recent analysis drawing on more than 230,000 individuals in 15 economies, the theme chapter confirms a strong relationship between national institutional conditions and productivity in individual firms. In particular, strong rule of law, which mitigates the risk and uncertainty that entrepreneurs face, has a strong positive association with the propensity of entrepreneurs to introduce new products. An improvement by one standard deviation in the rule of law was associated with a 5.4% increase in the likelihood of product innovation by businesses less than 42 months old.
- **Corrupt institutions impose on entrepreneurship one risk too many.** Starting a business requires an individual to assume a lot of risk because many new ventures fail. Corruption deepens risk by potentially reducing returns from successful ventures with the threat that profits may be arbitrarily expropriated. New cross-economy empirical analysis confirms that corruption is significantly associated with lower entrepreneurship. A decrease in corruption by one standard deviation is associated with an increase in the entry of new entrepreneurs by as much as 10 percentage points.

Policy should target both entrepreneurial hardware and software

- **Policy makers enable entrepreneurship indirectly but importantly.** Entrepreneurship is inherently an individual and private pursuit. Policy makers must realize therefore that they have little direct influence on entrepreneurship—unlike investing in, for example, power plants. What policy makers can do is influence how individuals weigh entrepreneurship against other pursuits by creating an institutional, digital, and broader environment conducive to entrepreneurship. This is especially important for nurturing talented individuals who may establish high-growth firms or “gazelles” that contribute disproportionately to the economy by innovating, exporting, and creating lots of jobs. Such gazelles may later grow into globally recognized brands. Ample experience shows that policy makers cannot pick these winners, but they can give them the right environment to grow.
- **Improving regional digital entrepreneurship ecosystems will take a lot of work.** As noted earlier, the GIDES ranks Singapore the world’s best digital environment for entrepreneurs, the ROK in the second tier of followers, and Malaysia and the PRC in the third tier of catchers-up. Another seven measured economies were in the fourth tier of laggards, and 10 were in the fifth tier of tailenders. This reveals plenty of scope for improving the quality of the entrepreneurial climate in the region. The scores of economies across the eight GIDES pillars are relatively balanced, which suggests that a broad policy mix will have a bigger impact than focusing on any single policy area. Economies have very different digital entrepreneurship system profiles, pointing to a need for tailored policies on entrepreneurship and digitalization.
- **Hardware and software need upgrades to catalyze dynamic entrepreneurship.** New analysis presented in the theme chapter provides strong empirical evidence of a significant and positive association between a conducive digital and institutional environment—encompassing a wide range of elements from a high-speed broadband network to strong rule of law—and productive entrepreneurs who innovate, export, and create many jobs. In the region as a whole, the weakest GIDES pillar is “culture and informal institutions.” One way to strengthen that pillar is to improve public perceptions of entrepreneurship, for example through education. To conclude, policy makers have plenty of scope to foster a more entrepreneurial Asia full of dynamic entrepreneurs who innovate, create jobs, and propel growth.

GDP growth rate, % per year					
	2021	2022		2023	
		April ADO 2022	September Update	April ADO 2022	September Update
Developing Asia	7.0	5.2	4.3	5.3	4.9
Developing Asia excluding the PRC	5.9	5.5	5.3	5.8	5.3
Caucasus and Central Asia	5.7	3.6	3.9	4.0	4.2
Armenia	5.7	2.8	7.0	3.8	4.5
Azerbaijan	5.6	3.7	4.2	2.8	2.8
Georgia	10.4	3.5	7.0	5.0	6.0
Kazakhstan	4.3	3.2	3.0	3.9	3.7
Kyrgyz Republic	3.6	2.0	3.0	2.5	3.5
Tajikistan	9.2	2.0	4.0	3.0	5.0
Turkmenistan	5.0	6.0	5.8	5.8	5.8
Uzbekistan	7.4	4.0	4.0	4.5	5.0
East Asia	7.7	4.7	3.2	4.5	4.2
Hong Kong, China	6.3	2.0	0.2	3.7	3.7
Mongolia	1.4	2.3	1.7	5.6	4.9
People's Republic of China	8.1	5.0	3.3	4.8	4.5
Republic of Korea	4.1	3.0	2.6	2.6	2.3
Taipei, China	6.6	3.8	3.4	3.0	3.0
South Asia	8.1	7.0	6.5	7.4	6.5
Afghanistan	...	...	...	...	...
Bangladesh	6.9	6.9	7.2	7.1	6.6
Bhutan	4.1	4.5	4.5	7.5	4.0
India	8.7	7.5	7.0	8.0	7.2
Maldives	37.1	11.0	8.2	12.0	10.4
Nepal	4.2	3.9	5.8	5.0	4.7
Pakistan	5.7	4.0	6.0	4.5	3.5
Sri Lanka	3.3	2.4	-8.8	2.5	-3.3
Southeast Asia	3.3	4.9	5.1	5.2	5.0
Brunei Darussalam	-1.6	4.2	2.2	3.6	3.6
Cambodia	3.0	5.3	5.3	6.5	6.2
Indonesia	3.7	5.0	5.4	5.2	5.0
Lao People's Democratic Republic	2.3	3.4	2.5	3.7	3.5
Malaysia	3.1	6.0	6.0	5.4	4.7
Myanmar	-5.9	-0.3	2.0	2.6	2.6
Philippines	5.7	6.0	6.5	6.3	6.3
Singapore	7.6	4.3	3.7	3.2	3.0
Thailand	1.5	3.0	2.9	4.5	4.2
Timor-Leste	1.5	2.5	2.3	3.1	3.0
Viet Nam	2.6	6.5	6.5	6.7	6.7
The Pacific	-1.5	3.9	4.7	5.4	5.5
Cook Islands	-29.1	9.1	10.5	11.2	11.2
Federated States of Micronesia	-1.2	2.2	2.2	4.2	4.1
Fiji	-4.1	7.1	11.7	8.5	8.5
Kiribati	1.5	1.8	1.8	2.3	2.3
Marshall Islands	-3.3	1.2	-1.2	2.2	-0.3
Nauru	1.6	1.0	1.2	2.4	2.2
Niue	...	...	...	...	...
Palau	-17.1	9.4	4.6	18.3	8.8
Papua New Guinea	-0.2	3.4	3.5	4.6	4.9
Samoa	-7.1	0.4	-5.3	2.2	2.0
Solomon Islands	-0.5	-3.0	-4.2	3.0	3.0
Tonga	-2.7	-1.2	-2.0	2.9	3.7
Tuvalu	1.5	3.0	2.5	3.0	2.7
Vanuatu	1.0	1.0	2.0	4.0	4.0

... = unavailable, ADO = Asian Development Outlook, GDP = gross domestic product, PRC= People's Republic of China.

Notes: Because of the uncertain situation, no data and forecasts are provided for 2021–2023 for Afghanistan.

Inflation, % per year					
	2021	2022		2023	
		April ADO 2022	September Update	April ADO 2022	September Update
Developing Asia	2.5	3.7	4.5	3.1	4.0
Developing Asia excluding the PRC	4.1	5.1	6.6	4.2	5.5
Caucasus and Central Asia	8.9	8.8	11.5	7.1	8.5
Armenia	7.2	9.0	8.5	7.5	7.2
Azerbaijan	6.7	7.0	11.5	5.3	7.0
Georgia	9.6	7.0	11.0	4.0	5.0
Kazakhstan	8.0	7.8	11.2	6.4	7.5
Kyrgyz Republic	11.9	15.0	15.0	12.0	12.0
Tajikistan	8.0	15.0	10.0	10.0	9.0
Turkmenistan	12.5	13.0	13.0	10.0	10.5
Uzbekistan	10.7	9.0	12.0	8.0	11.0
East Asia	1.1	2.4	2.5	2.0	2.5
Hong Kong, China	1.6	2.3	2.0	2.0	2.0
Mongolia	7.1	12.4	14.7	9.3	11.6
People's Republic of China	0.9	2.3	2.3	2.0	2.5
Republic of Korea	2.5	3.2	4.5	2.0	3.0
Taipei, China	2.0	1.9	2.8	1.6	2.0
South Asia	5.8	6.5	8.1	5.5	7.4
Afghanistan	5.2	...	...	...	...
Bangladesh	5.6	6.0	6.2	5.9	6.7
Bhutan	7.4	7.0	6.5	5.5	5.5
India	5.5	5.8	6.7	5.0	5.8
Maldives	0.5	3.0	3.3	2.5	2.8
Nepal	3.6	6.5	6.3	6.2	6.1
Pakistan	8.9	11.0	12.2	8.5	18.0
Sri Lanka	6.0	13.3	44.8	6.7	18.6
Southeast Asia	2.0	3.7	5.2	3.1	4.1
Brunei Darussalam	1.7	1.6	3.5	1.0	2.0
Cambodia	2.9	4.7	5.0	2.2	2.2
Indonesia	1.6	3.6	4.6	3.0	5.1
Lao People's Democratic Republic	3.7	5.8	17.0	5.0	4.5
Malaysia	2.5	3.0	2.7	2.5	2.5
Myanmar	3.6	8.0	16.0	8.5	8.5
Philippines	3.9	4.2	5.3	3.5	4.3
Singapore	2.3	3.0	5.5	2.3	2.3
Thailand	1.2	3.3	6.3	2.2	2.7
Timor-Leste	3.8	2.6	7.4	2.7	5.5
Viet Nam	1.8	3.8	3.8	4.0	4.0
The Pacific	3.1	5.9	6.2	4.7	4.8
Cook Islands	2.2	4.3	4.3	4.0	4.0
Federated States of Micronesia	2.0	4.6	8.8	2.0	4.1
Fiji	0.2	4.5	4.8	4.0	4.2
Kiribati	1.0	5.0	5.0	3.7	3.7
Marshall Islands	1.0	4.1	11.0	4.0	5.5
Nauru	1.2	2.3	2.3	2.2	2.5
Niue	...	...	...	...	...
Palau	0.5	4.3	10.2	4.2	5.0
Papua New Guinea	4.5	6.4	6.5	5.1	5.1
Samoa	-3.0	8.9	8.8	3.2	3.2
Solomon Islands	-0.2	5.0	4.0	4.0	4.0
Tonga	1.4	7.6	8.5	4.2	4.2
Tuvalu	6.7	3.8	7.6	3.3	3.3
Vanuatu	2.3	4.8	4.8	3.2	3.2

... = unavailable, ADO = Asian Development Outlook, GDP = gross domestic product, PRC = People's Republic of China.

Notes: Data on Afghanistan in 2021 was collected from international sources. Because of the uncertain situation, no forecasts are provided for 2022–2023 for Afghanistan.

Asian Development Outlook 2022 Update

Entrepreneurship in the Digital Age

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