

**Recent developments:** Economic growth in the East Asia and Pacific (EAP) region moderated to an estimated 4.9 percent in 2024—marginally stronger than envisaged in June—from 5.1 percent in 2023, primarily reflecting a deceleration in China. In China, growth slowed to an estimated 4.9 percent in 2024, as domestic activity softened amid subdued consumer confidence and weaker consumption growth. The ongoing property sector slump also dampened growth. Overall investment growth remained tepid, as solid investment in the infrastructure and manufacturing sectors offset further declines in real estate investment. Industrial activity benefited from strengthening external demand, with exports rebounding in 2024, driven by further recovery in global trade. Meanwhile, weak domestic demand weighed on import growth.

In other parts of EAP, growth picked up to an estimated 4.8 percent in 2024 from 4.3 percent in 2023, supported by the rebound in global goods trade, continued recovery in inbound tourism, and buoyant domestic demand. This was slightly higher than June forecasts, partly reflecting stronger-than-expected economic momentum. The acceleration in activity was broad-based, with growth picking up in most economies—including many of the larger export-oriented ones, notably Malaysia and Viet Nam. Growth also increased in the Pacific Island subregion to an estimated 4.3 percent.

**Outlook:** Growth in EAP is projected to slow to 4.6 percent in 2025 and 4.1 percent in 2026, mainly owing to a further deceleration in China. In contrast, growth in EAP excluding China is expected to edge up to 4.9 percent in 2025 before settling at 4.7 percent in 2026, reflecting buoyant growth in many major economies. Compared with June projections, growth in EAP is expected to be 0.4 percentage point higher in 2025, partly reflecting policy support in China and strong economic momentum in some major economies.

In China, growth is projected to slow further to 4.5 percent this year—0.4 percentage point higher than the June forecast, mainly reflecting the boost from recent policy support measures and strong export momentum in late 2024. Consumption growth will likely remain weak, hampered by subdued consumer confidence, soft labor market conditions, and the adverse wealth effects of declining property prices. With leading indicators of property activity, notably construction starts and mortgage lending, remaining weak in the second half of 2024, a broad-based stabilization of the property sector is only expected later this year, dragging on overall investment growth. In 2026, growth is projected to edge down to 4 percent, in line with moderating potential growth. Consumption and investment will remain lackluster amid a continued decline in the population, further buildup of public and corporate debt, and slowing productivity growth.

In EAP excluding China, solid domestic demand is expected to underpin growth over the forecast horizon. Private consumption is set to remain firm, supported by low inflation and robust labor market conditions that will bolster household incomes. In some Pacific Island economies, buoyant remittances will also boost spending. With monetary policy easing lowering borrowing costs across many EAP economies, generally supportive financial conditions are also anticipated to buoy domestic demand. However, elevated debt will exert some headwinds to private investment, while the outlook for public investment across the region is mixed. In all, investment growth is expected to pick up somewhat but fall short of pre-pandemic averages.

**Risks:** Risks to the regional outlook remain tilted to the downside and centered on adverse global policy shifts and weaker-than-expected growth in China—with spillovers to other countries in the region. Heightened uncertainty about global trade policies poses a particularly significant threat given the importance of export-oriented activity linked to global value chains in many EAP economies. Rising conflict and more frequent climate change–related natural disasters present further downside risks. Prospects for U.S. growth, global inflation, and monetary policy remain uncertain and subject to both upside and downside risks, the materialization of which could boost or dampen EAP activity.

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## East Asia and Pacific Country Forecasts

(Annual percent change unless indicated otherwise)

	2022	2023	2024e	2025f	2026f
GDP at market prices (average 2010-19 US\$)					
<b>Cambodia</b>	5.1	5.0	5.3	5.5	5.5
<b>China</b>	3.0	5.2	4.9	4.5	4.0
<b>Fiji</b>	19.8	7.5	4.0	3.6	3.3
<b>Indonesia</b>	5.3	5.0	5.0	5.1	5.1
<b>Kiribati</b>	3.9	4.2	5.8	4.1	3.3
<b>Lao PDR</b>	2.7	3.7	4.1	3.7	3.7
<b>Malaysia</b>	8.9	3.6	4.9	4.5	4.3
<b>Marshall Islands<sup>a</sup></b>	-0.6	3.0	3.4	4.0	3.2
<b>Micronesia, Fed. Sts.<sup>a</sup></b>	-1.4	0.4	1.1	1.7	1.1
<b>Mongolia</b>	5.0	7.2	5.3	6.5	6.1
<b>Myanmar<sup>a b</sup></b>	4.0	1.0	-1.0	2.0	..
<b>Nauru<sup>a</sup></b>	2.8	0.6	1.8	2.0	1.9
<b>Palau<sup>a</sup></b>	0.0	0.2	12.0	11.0	3.5
<b>Papua New Guinea</b>	5.7	3.0	4.5	4.6	3.5
<b>Philippines</b>	7.6	5.5	5.9	6.1	6.0
<b>Samoa<sup>a</sup></b>	-5.4	9.2	9.4	5.5	2.8
<b>Solomon Islands</b>	2.3	3.0	2.5	2.9	2.9
<b>Thailand</b>	2.5	1.9	2.6	2.9	2.7
<b>Timor-Leste</b>	4.0	2.3	3.5	3.4	3.6
<b>Tonga<sup>a</sup></b>	0.1	2.0	1.8	2.4	2.0
<b>Tuvalu</b>	0.4	3.9	3.5	3.0	2.5
<b>Vanuatu</b>	1.9	2.2	0.9	1.5	2.1
<b>Viet Nam</b>	8.1	5.0	6.8	6.6	6.3

Source: World Bank.

Note: e = estimate; f = forecast. World Bank forecasts are frequently updated based on new information and changing (global) circumstances. Consequently, projections presented here may differ from those contained in other Bank documents, even if basic assessments of countries' prospects do not significantly differ at any given moment in time.

a. Fiscal-year-based numbers.

b. Data for Myanmar beyond 2025 (which corresponds to the year ending March 2026) are excluded because of a high degree of uncertainty.