



UN NEWS CENTRE



UN News
service

With breaking stories and
newswire products from

Asia-Pacific developing nations to drive global economy in 2011 – UN report



5 May 2011 –

A new regional report by the United Nations finds that developing countries in Asia and the Pacific will continue driving the global economy in 2011, while warning that high food and fuel prices as well as volatile capital inflows pose fresh challenges.

The annual flagship report by the UN Economic and Social Commission for Asia and the Pacific (**ESCAP**) projects a strong economic growth rate of 7.3 per cent after last year's 8.8 per cent.

At the same time, the **Economic and Social Survey of Asia and the Pacific 2011** says the regional outlook for this year is subject to downside risks, notably from the return of high food and fuel prices, sluggish recovery in rich nations and a deluge of volatile capital inflows.

The after-effects of natural disasters will pose risks, although the regional economic impact of the earthquake and tsunami that struck Japan in March will be less severe than initially expected.

"The Asia-Pacific region emerged from the global financial crisis as a growth driver and anchor of stability of the global economy," **said** the Executive Secretary of ESCAP, Noeleen Heyzer.

"It now has the historic opportunity to rebalance its economic structure in favour of itself to sustain its dynamism with strengthened connectivity and balanced regional development and make the 21st century a truly Asia-Pacific century," she added.

She added that the immediate challenge is to address rising food prices that are threatening to seriously undermine efforts aimed at reducing poverty.

The report estimates that rising food and oil prices could lead to 42 million additional people in poverty, joining the 19 million already affected in 2010 – with negative repercussions for achieving the global anti-poverty targets known as the Millennium Development Goals (**MDGs**) in some countries in the region.

ESCAP urges the Group of 20 (G20) major economies to act decisively to moderate the volatility of oil and food prices, including through regulating commodity markets to reduce speculation, and negotiating a benchmark “fair” price of oil with the Organization of Petroleum Exporting Countries (OPEC).

It also urges protecting poor and vulnerable households through strengthening of public food distribution systems, food vouchers, school feeding programmes and other targeted subsidies. Priority must also be given to enhancing support for agriculture.

Noting that the region has over 950 million people living on less than \$1.25 a day, ESCAP cites the need to improve quality job opportunities, expand social security programmes and promote agriculture and rural development. Bridging the region’s huge infrastructure gaps using its equally huge savings can boost jobs and incomes, it adds.

The report also highlights the benefits of boosting intra-regional trade and strengthening connectivity in the areas of transport, information and communications technologies (ICT), energy and financial cooperation.

News Tracker: past stories on this issue

Asia-Pacific exports and imports grow at robust pace, UN reports