

MOODY'S

Asia-Pacific Economic Outlook: Uncertainty Abounds

Steve Cochrane, Chief APAC Economist

Katrina Ell, Head of Asia Economics

Stefan Angrick, Head of Japan and Frontier Market Economics

Sarah Tan, Economist

Please attribute information in this document to Moody's Analytics, which is a division within Moody's that is separate from Moody's Ratings. Accordingly, the viewpoints expressed herein do not reflect those of Moody's Ratings.

March 2025

Today's Moody's Analytics Speakers



Steve Cochrane
Chief APAC Economist



Katrina Ell
Head of Asia
Economics



Stefan Angrick
Head of Japan and
Frontier Market
Economics



Sarah Tan
Economist

Agenda

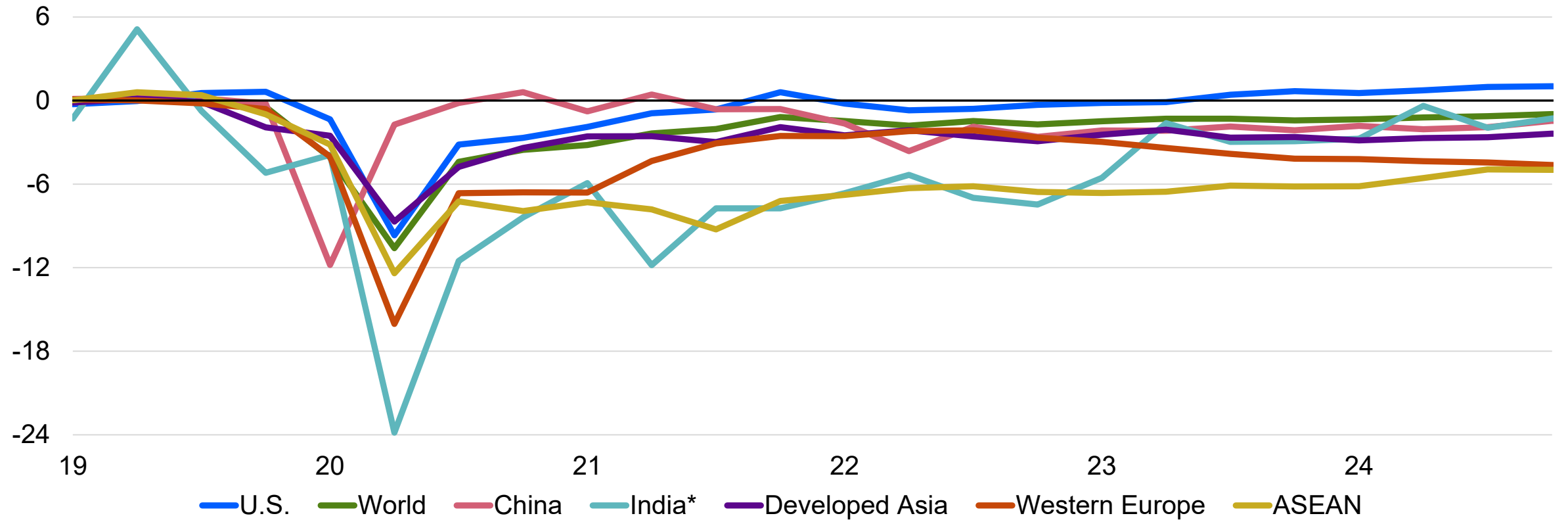
- 1 Current Conditions
- 2 Outlook
- 3 Risks
- 4 Q&A

The background is a solid dark blue color. It features two large, abstract, wavy patterns made of thin, light blue lines. These patterns resemble ripples or waves, with some areas being more densely packed than others. One large wave pattern is on the left side, and a smaller one is on the right side. The text 'Current Conditions' is positioned in the lower-left quadrant of the image.

Current Conditions

Scarring From COVID-19 Remains

Real GDP, % deviation from pre-pandemic trend

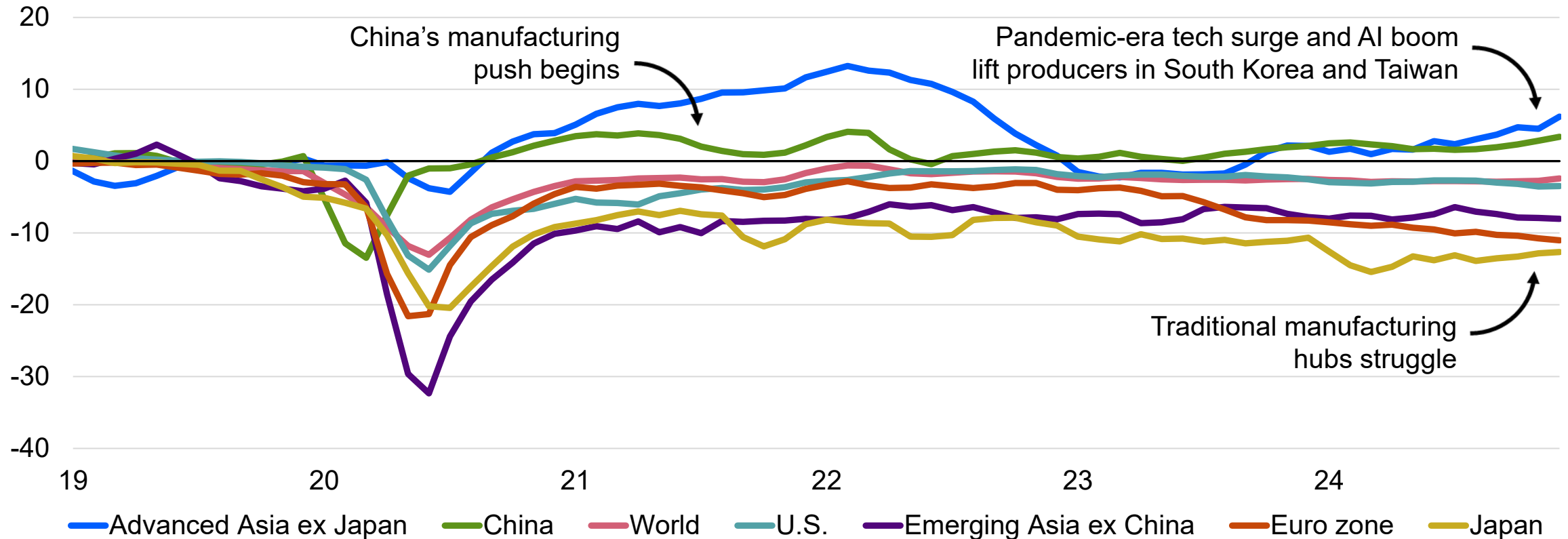


*Note: Indian GDP was more than 20% below trend in 2020.

Sources: National statistical offices, Moody's Analytics

Manufacturing: Tech Products vs. Traditional Goods

Industrial production, % deviation from pre-pandemic trend

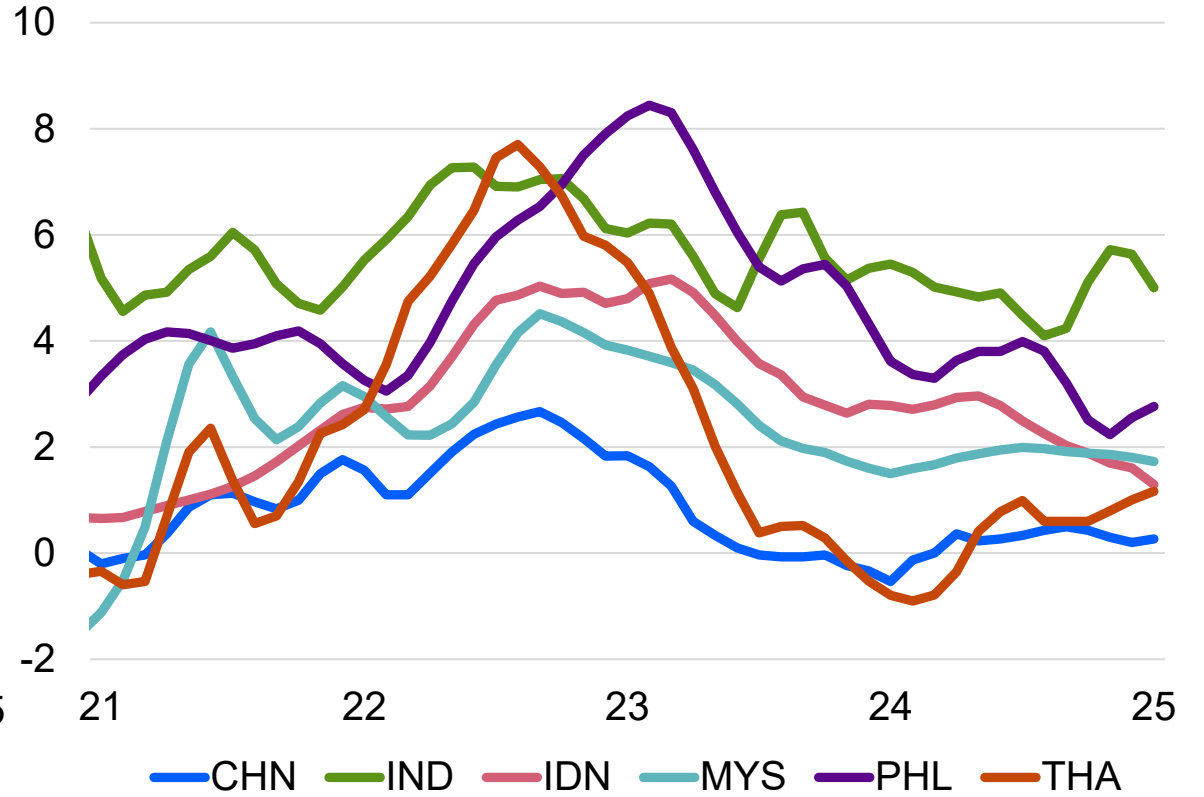
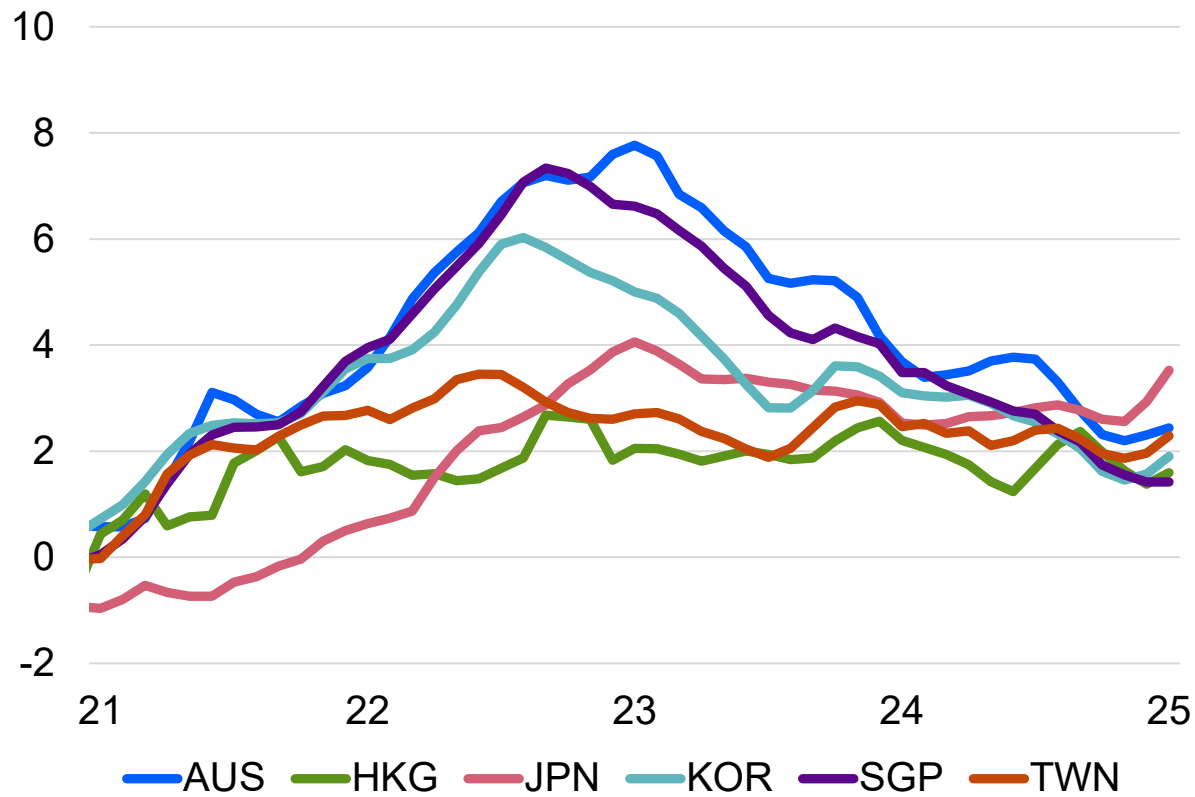


Sources: CPB Netherlands Bureau for Economic Policy Analysis, Moody's Analytics

Inflation Is Back to Normal...for the Most Part

CPI, 3-mo MA, % change yr ago, developed APAC

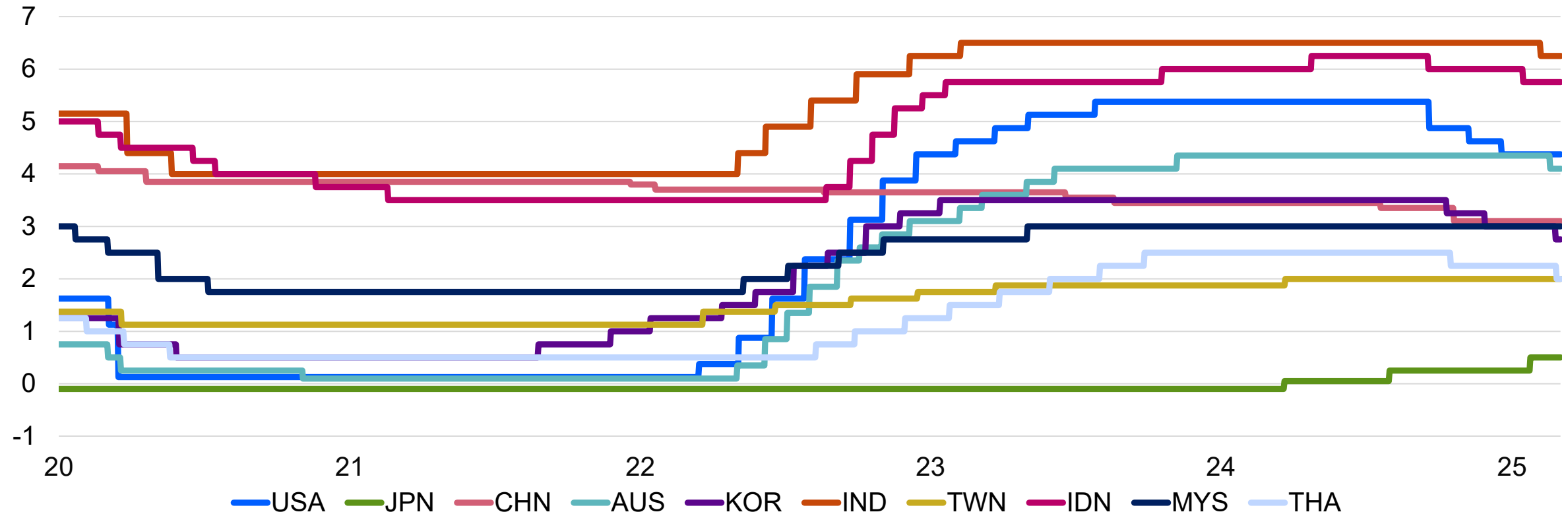
CPI, 3-mo MA, % change yr ago, developing APAC



Sources: National statistical offices, CEIC, Moody's Analytics

Monetary Policy Responds but BoJ Goes Its Own Way

Policy rate, %



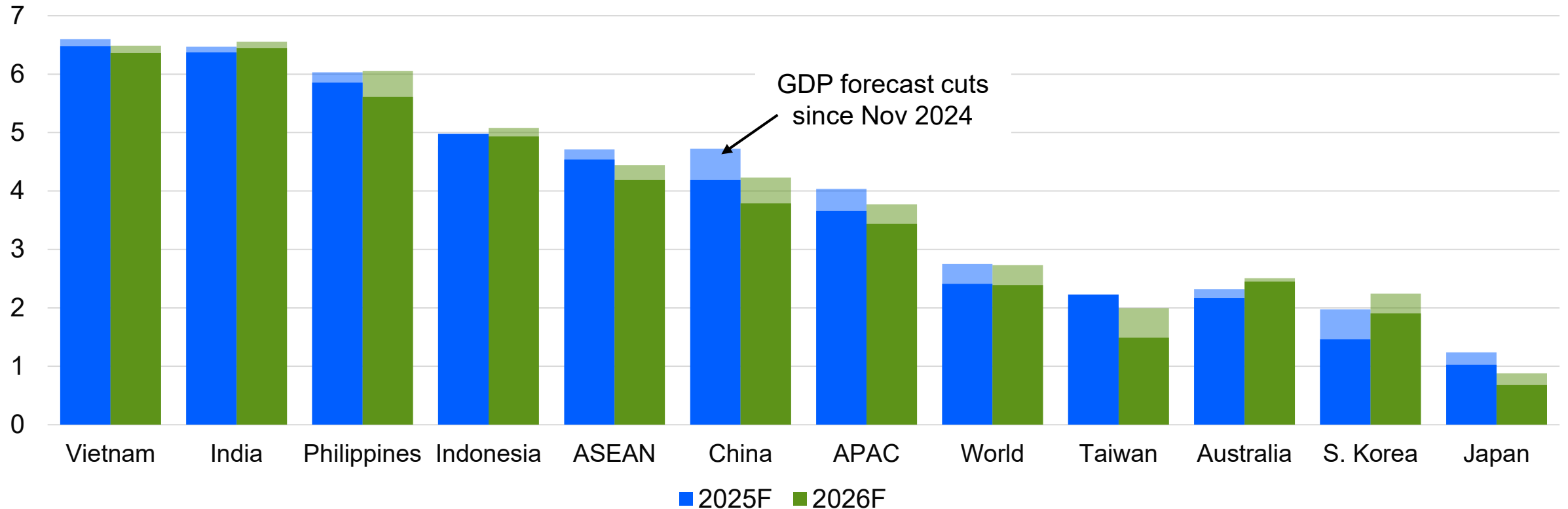
Sources: Central banks, Moody's Analytics

The background is a solid dark blue color. It features two large, abstract, wavy patterns made of thin, light blue lines. One pattern is on the left side, and another is on the right side. The lines in these patterns are closely spaced and create a sense of depth and movement, resembling a grid or a series of overlapping waves. The word "Outlook" is written in a white, serif font in the lower-left quadrant of the image.

Outlook

Growth Will Slow

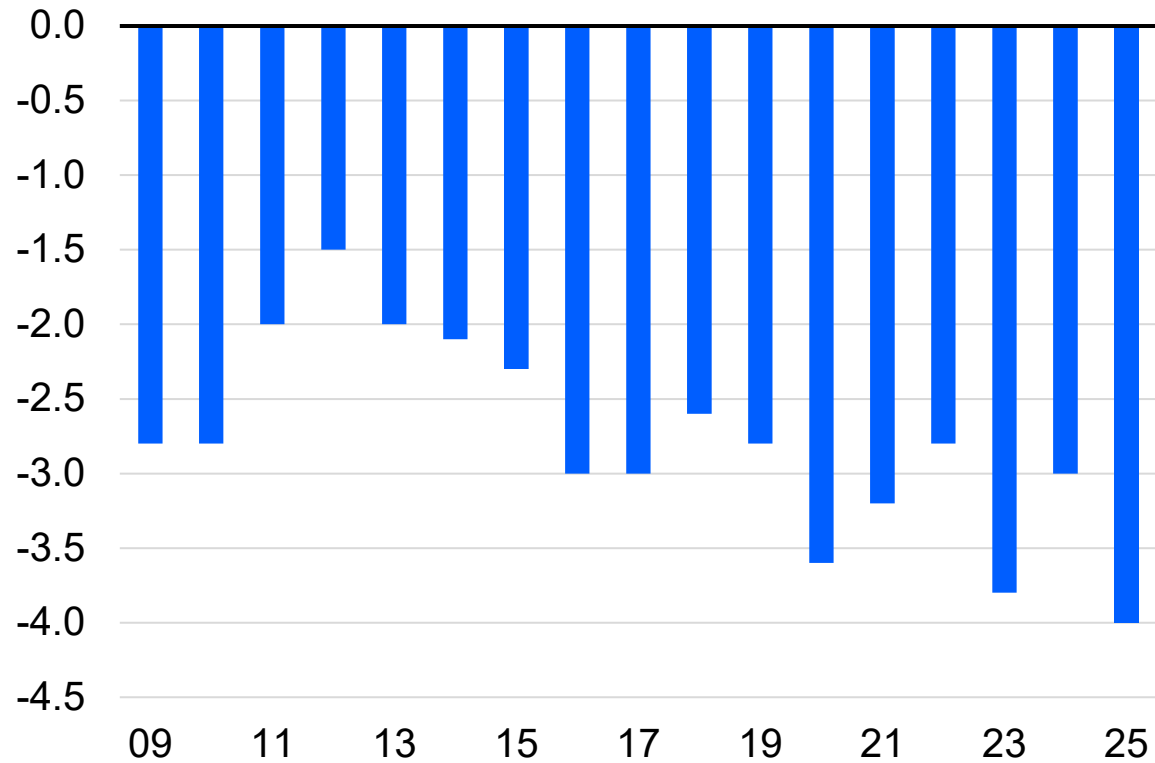
Real GDP, % change, ranked by 2025 growth, Moody's Analytics Mar 2025 baseline



Source: Moody's Analytics

China's Government Spending to Rise

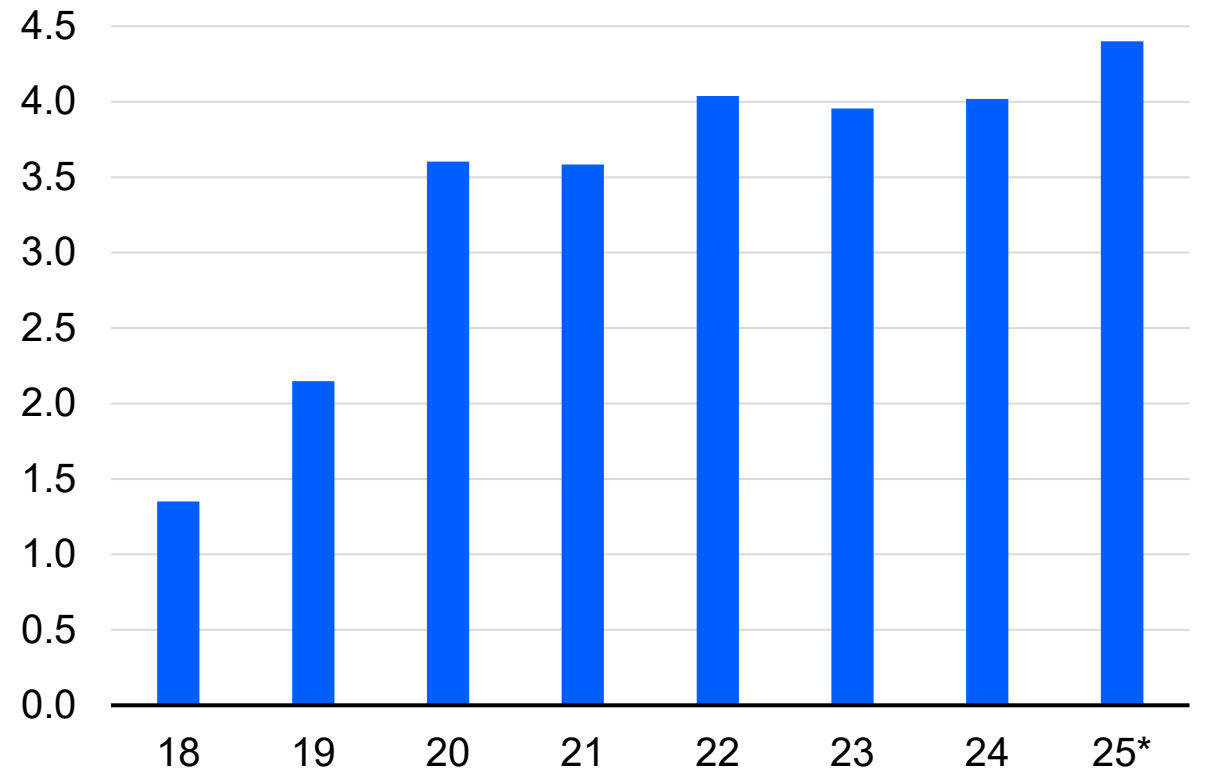
General budget deficit target, % of GDP



*Announced government target.

Sources: Ministry of Finance, CEIC, Moody's Analytics

Local government special purpose bond issuance, CNY tril

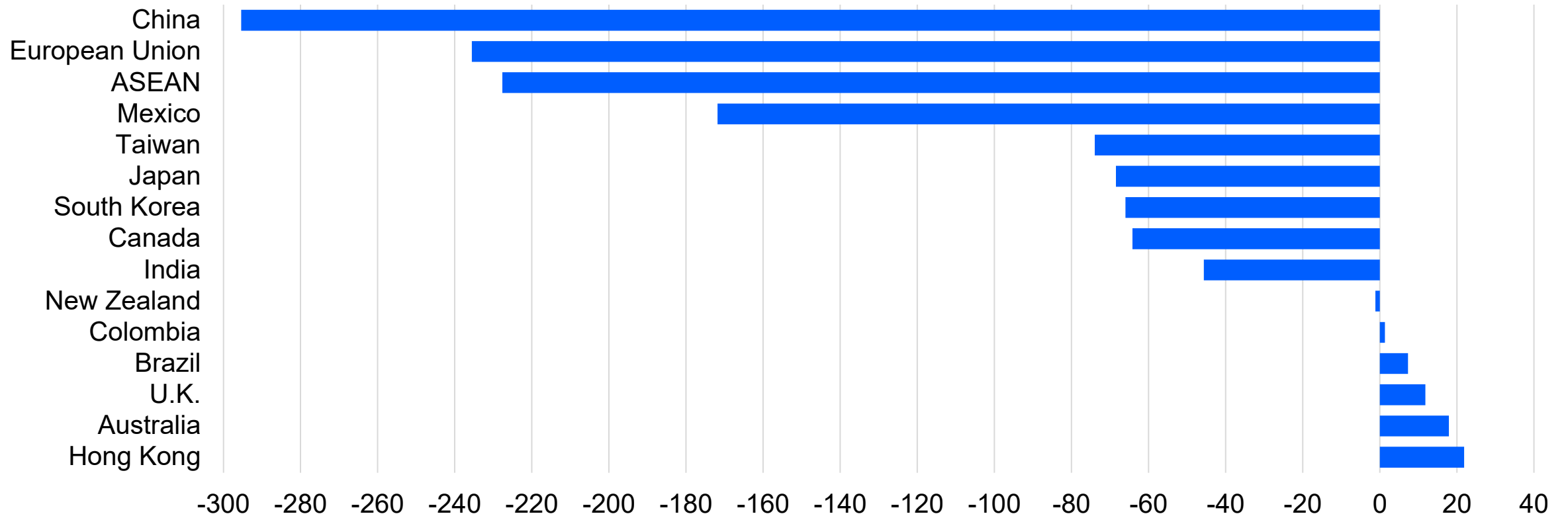


The background features a dark blue gradient with intricate, light blue wavy lines that create a sense of depth and movement. These lines are composed of many thin, overlapping curves that flow across the frame, primarily concentrated in the upper and right portions, leaving the lower-left area relatively clear for the text.

Risks

Which Countries Could Be in Trump's Trade Crosshairs?

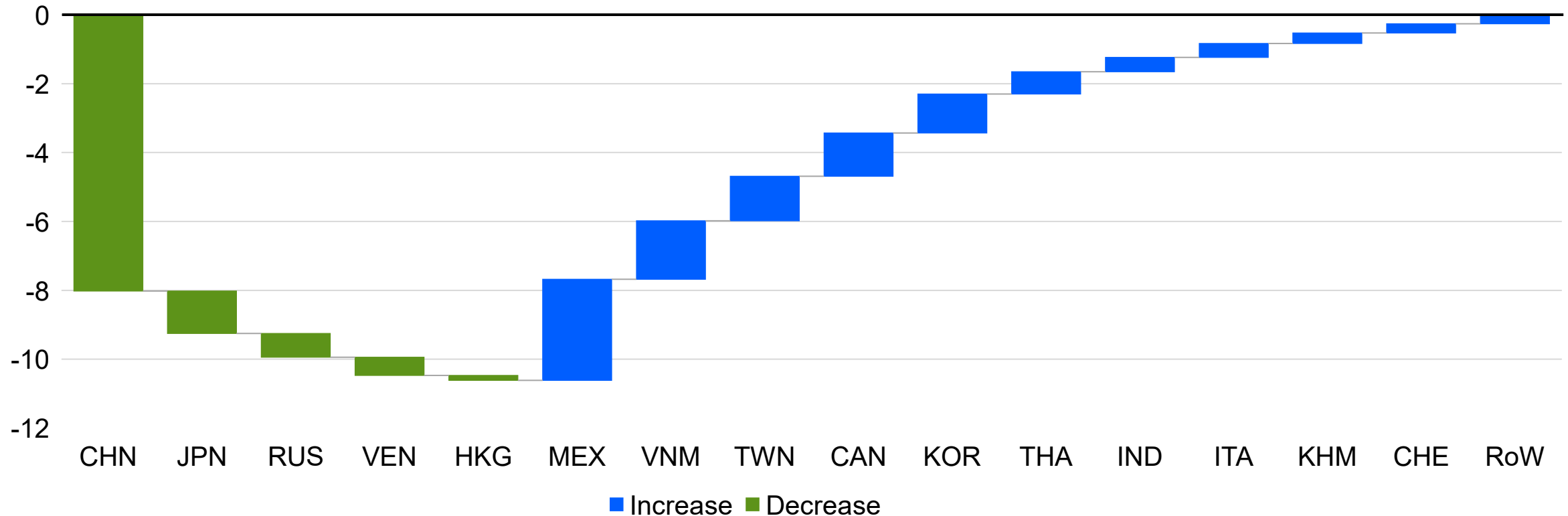
U.S. trade balance by country, 2024, \$ bil



Sources: Census Bureau, Moody's Analytics

New Kids on the Block

U.S. imports of tariffed goods by source, change in share between 2017 and 2023, pts

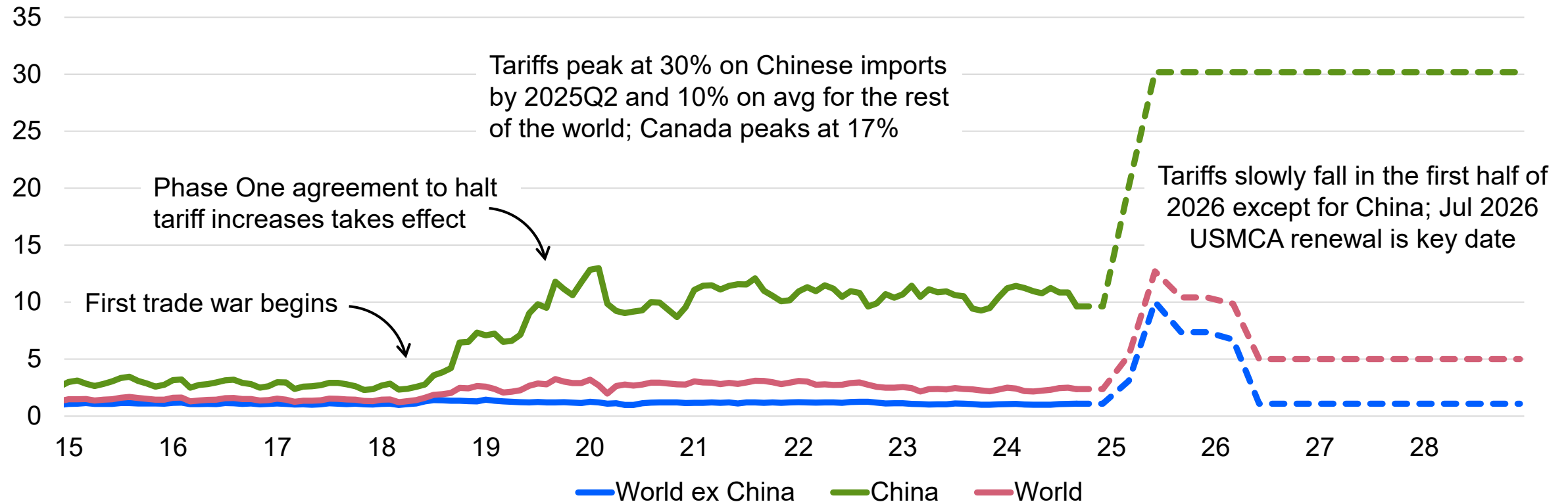


Note: RoW refers to rest of world. Tariffed goods refer to those covered by Section 301 of the Trade Act.

Sources: Census Bureau, Moody's Analytics

March Baseline: Tariff Assumptions in the Second Trade War

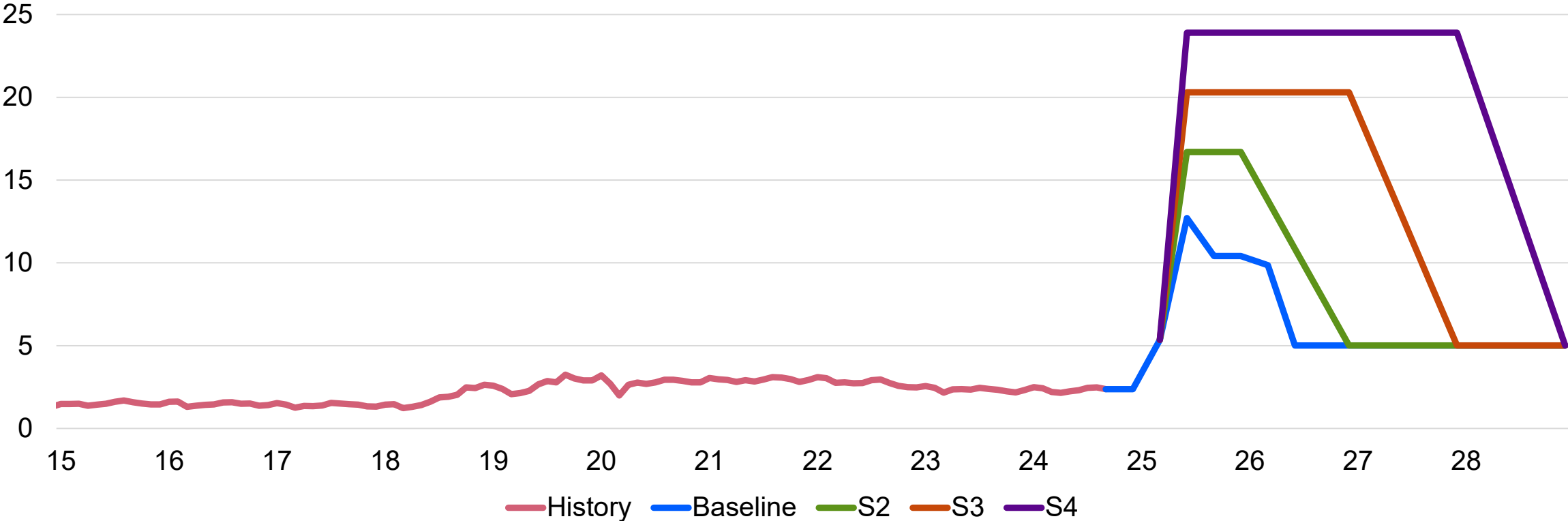
U.S. import duties as a % of U.S. imports



Sources: Census Bureau, Moody's Analytics

March Scenarios: Tariff Assumptions in the Second Trade War

U.S. import duties as a % of U.S. imports



Sources: Census Bureau, Moody's Analytics

Where Tariffs May Strike

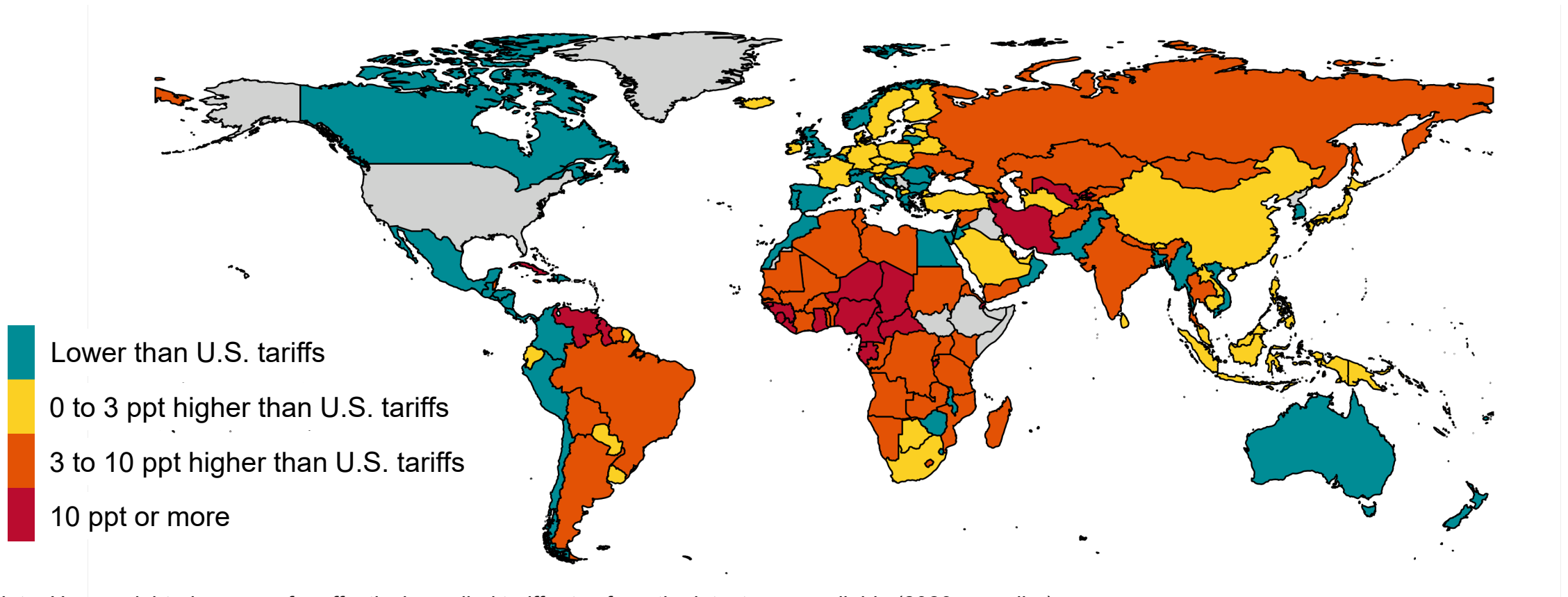
Exports to the U.S. by industry, % of country's total exports, ranked by total exposure to U.S.

	Textiles	Agriculture	Stone, Minerals and Metals	Chemicals	Vehicles	Machinery	Electronics
Cambodia	19	7	0	2	1	1	3
Vietnam	9	2	1	1	0	3	9
Japan	0	0	1	2	6	6	2
China	3	1	1	2	1	5	4
India	3	2	5	3	1	2	1
Thailand	1	2	2	2	1	4	4
South Korea	0	0	2	2	4	3	3
Philippines	1	2	0	1	0	3	6
Taiwan	0	0	2	1	1	5	3
Malaysia	1	0	1	1	0	3	4
Indonesia	4	3	1	1	0	1	1
New Zealand	0	7	0	1	0	1	0
Singapore	0	1	1	1	0	3	3
Myanmar	2	1	0	0	0	0	0
Hong Kong	0	0	1	0	0	1	1
Australia	0	1	1	0	0	1	0
Laos	1	0	0	0	0	0	0

Source: Atlas of Economic Complexity, Moody's Analytics

Two-Way Street

Difference in bilateral tariffs, ppt



Note: Uses weighted average for effectively applied tariff rates from the latest year available (2023 or earlier).

Sources: World Bank WITS, UN TRAINS, Moody's Analytics

A stylized world map with a blue background and white text. The map shows the continents in a light beige color, with the oceans in a dark blue color. The text is overlaid on the map.

M'

MOODY'S TALKS

Global economy unwrapped

Insights into the shifting dynamics and risks of the global economy

The background is a solid dark blue color. It features two large, abstract, wavy patterns made of thin, light blue lines. One pattern on the left side is more complex, consisting of many overlapping lines that form a grid-like structure in some areas and smooth, flowing waves in others. A second, simpler wavy pattern is located on the right side of the page. The overall effect is a modern, digital aesthetic.

Q&A

MOODY'S

Thank you

Contact Us

Email	helpeconomy@moodys.com
U.S./Canada	+1.866.275.3266
EMEA	+44.20.7772.5454 (London) +420.234.747.505 (Prague)
Asia/Pacific	+852.3551.3077
All Others	+1.610.235.5299

www.economy.com

Please attribute information in this document to Moody's Analytics, which is a division within Moody's that is separate from Moody's Ratings. Accordingly, the viewpoints expressed herein do not reflect those of Moody's Ratings.

© 2025 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED OR OTHERWISE MADE AVAILABLE BY MOODY'S (COLLECTIVELY, "MATERIALS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S MATERIALS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S MATERIALS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES OR OTHERWISE MAKES AVAILABLE ITS MATERIALS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND MATERIALS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR MATERIALS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. FOR CLARITY, NO INFORMATION CONTAINED HEREIN MAY BE USED TO DEVELOP, IMPROVE, TRAIN OR RETRAIN ANY SOFTWARE PROGRAM OR DATABASE, INCLUDING, BUT NOT LIMITED TO, FOR ANY ARTIFICIAL INTELLIGENCE, MACHINE LEARNING OR NATURAL LANGUAGE PROCESSING SOFTWARE, ALGORITHM, METHODOLOGY AND/OR MODEL.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating process or in preparing its Materials.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it. MCO and all MCO entities that issue ratings under the "Moody's Ratings" brand name ("Moody's Ratings"), also maintain policies and procedures to address the independence of Moody's Ratings' credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at ir.moody.com under the heading "Investor Relations — Corporate Governance — Charter and Governance Documents - Director and Shareholder Affiliation Policy."

Moody's SF Japan K.K., Moody's Local AR Agente de Calificación de Riesgo S.A., Moody's Local BR Agência de Classificação de Risco LTDA, Moody's Local MX S.A. de C.V., I.C.V., Moody's Local PE Clasificadora de Riesgo S.A., and Moody's Local PA Clasificadora de Riesgo S.A. (collectively, the "Moody's Non-NRSRO CRAs") are all indirectly wholly-owned credit rating agency subsidiaries of MCO. None of the Moody's Non-NRSRO CRAs is a Nationally Recognized Statistical Rating Organization.

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for India only: Moody's credit ratings, Assessments, other opinions and Materials are not intended to be and shall not be relied upon or used by any users located in India in relation to securities listed or proposed to be listed on Indian stock exchanges.

Additional terms with respect to Second Party Opinions and Net Zero Assessments (as defined in Moody's Ratings Rating Symbols and Definitions): Please note that neither a Second Party Opinion ("SPO") nor a Net Zero Assessment ("NZA") is a "credit rating". The issuance of SPOs and NZAs is not a regulated activity in many jurisdictions, including Singapore. JAPAN: In Japan, development and provision of SPOs and NZAs fall under the category of "Ancillary Businesses", not "Credit Rating Business", and are not subject to the regulations applicable to "Credit Rating Business" under the Financial Instruments and Exchange Act of Japan and its relevant regulation. PRC: Any SPO: (1) does not constitute a PRC Green Bond Assessment as defined under any relevant PRC laws or regulations; (2) cannot be included in any registration statement, offering circular, prospectus or any other documents submitted to the PRC regulatory authorities or otherwise used to satisfy any PRC regulatory disclosure requirement; and (3) cannot be used within the PRC for any regulatory purpose or for any other purpose which is not permitted under relevant PRC laws or regulations. For the purposes of this disclaimer, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.