Recent Developments
The Ukraine war: an “economic earthquake”

**Epicenter: Russia and Ukraine**
(Real GDP 2022 revision, in percentage points; April 2022 WEO vs Jan 2022 WEO)

**Seismic waves**
- Commodities prices surge and volatility
- Trade flows, supply disruptions, remittances and refugee crisis
- Financial conditions tightening

**Shift in tectonic plates**
- Challenges to the geopolitical order and possible emergence of economic and geopolitical blocks

Sources: IMF, World Economic Outlook; Bloomberg, L.P.; Haver Analytics; IMF, Primary Commodity Price System; and IMF staff calculations.
A global recovery shaken by war

Supply shock: Slowing growth and higher inflation

2022 Growth path (percentage points; qoq annualized)
- Jan. 22
- Apr. 22

2022 Total revision

Projected inflation path (percent; yoy)
- Oct. 21
- Jan. 22
- Apr. 22

Risks to the downside
- War escalation: disruptions to commodity markets, supply chains, refugee crisis. Possible social unrest.
- More lethal COVID variants, worsening slowdown in China.
- De-anchored inflation expectations: higher interest rates and debt distress

Policies
- Calibrate monetary policy to fight inflation while safeguarding recovery.
- Act decisively to prevent inflation expectations from de-anchoring.
- Prioritize fiscal support to the most vulnerable while maintaining fiscal soundness.
- Multilateral co-operation critical

Sources: IMF, World Economic Outlook; and IMF staff calculations.
As inflation revised up and seen as more persistent, monetary policy is being tightened in US and Euro Area.

### Headline inflation outturns and forecasts

(Percent; year over year)

Source: World Economic Outlook and IMF staff calculations. From blog post by Gourinchas (April 19).

### Federal Funds Rate

(Percent; year over year)

Source: Bloomberg; April 2022 Global Financial Stability Report; and IMF staff calculations.

Note: Market expectations are from Federal Funds futures trading on May 9, 2022.

### Euro Area monetary policy rates

(Percent)

Source: Bloomberg and IMF staff calculations.

Note: Market expectations are based on Implied Overnight Index Swaps prior to each meeting of the ECB Governing Council.

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**Chart Notes**:
- The Federal Funds Rate chart shows the evolution of the rate from 2022 to 2024, with a projection of longer-term rates.
- The Euro Area monetary policy rates chart displays changes from February 2022 to April 2022.
- Both charts use market expectations based on trading activities.

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**Source References**:
- World Economic Outlook
- Global Financial Stability Report
- Federal Funds futures market data
- Bloomberg and other data sources

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**Data Points**:
- Federal Funds Rate: Target range for US monetary policy.
- Euro Area rates: Policy decisions by the ECB.

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**Key Insights**:
- Increased inflation pressures in the US and Euro Area necessitate tightening monetary policies.
- Market expectations for interest rate changes are closely monitored by policymakers.

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**Further Reading**:
- IMF Asia and Pacific Department - Regional Economic Outlook
- Gourinchas blog post (April 19)
## Growth projections: Advanced Economies

<table>
<thead>
<tr>
<th>Year</th>
<th>World</th>
<th>Advanced Economies</th>
<th>U.S.</th>
<th>Euro Area</th>
<th>Japan</th>
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<th>Other Advanced Asia</th>
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Source: IMF World Economic Outlook, April 2022.
Omicron wave has hit Asia, but limited impact on mobility amid high vaccination rates

Sources: Johns Hopkins University and IMF staff calculations.
Note: Data as of April 25, 2022.
Growth in Asia has been strong despite omicron driven by strong external demand, and inflation is rising.

**Asian PMI**
(50+ = expansion)

**Global PMI and Asia export growth**
(LHS M-o-M export volumes growth; RHS, 50+=expansion)

**Inflation in Asia**
(Percent, CPI inflation; year-on-year)

Source: Haver Analytics and IMF staff calculations.
Note: Asia exports volume growth, 3-month moving average annualized. Global PMI Manufacturing Index from JP Morgan. Asian exports include: China, Hong Kong SAR, Indonesia, Japan, Korea, Malaysia, Singapore, Taiwan Province of China, and Thailand.

Sources: Haver Analytics and IMF staff calculations.
Note: Data as of March 31, 2022.
Omicron wave is slowing China’s manufacturing, with growing implications for supply chains

**China: Exports (USD; FOB)**
(year-on-year percentage change)

**China: PMI**
(50+: expansion)

**PMI Suppliers’ Delivery Times**
(50+: Reduction in delivery times)

Source: Haver Analytics. Data through April 2022.
The war in Ukraine will impact the recovery

Commodity prices
(Index; April 2021=100)

Source: Bloomberg LLP.
Note: Metals index based on Bloomberg Base Metals Spot Price Commodity Index with the following weights: Aluminum (45%), Copper (25%), Nickel (2%), Lead (12%), Zinc (15%), and Tin (1%). Data as of May 13, 2022.

Exchange rate and commodity terms of trade
(Percent change)

Source: Gruss and Kebhaj (2019) and IMF staff calculations.
Note: Commodity Terms of Trade (ToT) based on international prices of 45 commodities which are weighted using commodity-level trade data for each country. ToT shock measured as projected change March-May 2022 compared to Dec 2021-February 2022. Exchange rates measured as of May 13 compared to February 23, 2022.

10-year yields and their long-term average
(Percent)

Source: Bloomberg LLP and IMF staff calculations.
Note: Simple average of 10-year yields. Asia EMDEs includes China, India, Indonesia, Malaysia, Philippines, Sri Lanka, Thailand and Vietnam. Asia AEs includes Australia, Hong Kong SAR, Japan, Korea, New Zealand, Singapore, and Taiwan Province of China. Data as of May 13, 2022.
Recent spike in shipping costs will raise inflation

Global shipping costs
(Indices; March 2020=100)

Estimated response of headline inflation following an increase in shipping costs
(Percentage points)

Source: Carrière-Swallow and others (2022).
Note: The figure presents the impact of a one standard deviation change in world shipping costs (+22 percentage points) on headline inflation in the baseline sample of 46 economies over period of 1992 to 2021. The solid line is the impulse response function; the dark shaded region indicates the 90 percent confidence band; the light shaded region indicates the 95 percent confidence band. \( t=0 \) denotes the year of the shock.
Russia-Ukraine War:

Channels of Transmission to Asia and Pacific
Spike in commodity and food prices will have inflationary impact

Source: IMF staff calculations based on Carrière-Swallow, Deb, Furceri, Jiménez, and Ostry (2022).
Note: Based on panel of 44 Asian economies using monthly data since 1992. Response to a one standard deviation shock to global oil prices (+10.3%) and global food prices (+3.0%). Dotted lines show 90 percent confidence intervals.

Sources: IMF country desk survey.

Food price shock effect on inflation (Percentage points)

Oil price shock effect on inflation (Percentage points)

Administered energy/fuel prices in Asia (Percentage of countries in group)

Sources: IMF country desk survey.
Negative terms of trade shock will weigh on EMDEs growth...

Projected change in commodity terms of trade following RUS-UKR war
(Percent change; March-May 2022 compared to Dec 2021-February 2022)

Source: Gruss and Kebhaj (2019) and IMF staff calculations.
Note: Aggregates show the median. Commodity terms of trade is computed based on international prices, including projections, of 45 commodities which are weighted using commodity-level trade data for each country. See Gruss and Kebhaj (2019) for details.

Asia: Impact of fall in commodity terms of trade on GDP
(Percent)

Source: World Economic Outlook and IMF staff calculations.
Note: Bars represent the effect of a 1 standard deviation decrease in commodity terms of trade at impact four quarters ahead. Lines around the bars represent +/- 1 std dev intervals around the coefficients.
...and put pressure on current account balances, especially for LIDCs and PICs

Asia: Impact of fall in commodity terms of trade on current account balance
(Percent of GDP)

Asia: Net imports
(Percent of GDP)

Source: World Economic Outlook and IMF staff calculations.
Note: Bars represent the effect of a 1 standard deviation decrease in commodities terms of trade at impact four quarters ahead. Lines around the bars represent +/-1 std dev intervals around the coefficients.

Source: Country Desks Survey.

Note: Harvard University Growth Lab
Lower external demand from Europe will reduce growth, especially for AEs

Value added exported to Russia and Europe (Percent of GDP)

Tourism arrivals (Percent of total; 2019)

GDP growth spillovers from Europe and other regions (Percentage points; impact of 1 percentage point change in partner country growth)

Sources: OECD and IMF staff calculations.

Source: Survey of IMF desk economists and UNWTO.

Sources: IMF WEO database and staff estimations.

Note: Based on panel regression of quarterly GDP growth on GDP growth of partner regions. All regressions control for four lags of own GDP growth, country fixed effects, and growth in three partner regions (rest of APD excluding own growth; European Union; rest of the world). Light bars reflect that the coefficients are not statistically significant.
Since the invasion, Asia’s equity markets are down and sovereign spreads are rising.
Forecast
### GDP growth forecasts

<table>
<thead>
<tr>
<th></th>
<th>World</th>
<th>Asia</th>
<th>AEs</th>
<th>EMDEs</th>
<th>Australia</th>
<th>China</th>
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<th>Korea</th>
<th>India</th>
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<th>PICs and Small States</th>
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<td>2.9</td>
<td>6.9</td>
<td>5.6</td>
<td>5.4</td>
</tr>
</tbody>
</table>

Source: IMF World Economic Outlook, April 2022.
Asia, like much of the world, is seeing inflation surge even as growth weakens.

**Growth revisions for 2022 relative to January WEO**
(Percentage points; weighted average)

**Inflation revisions for 2022 relative to January WEO**
(Percentage points; weighted average; end-of-period inflation)

Source: IMF World Economic Outlook, April 2022.
China: Facing multiple headwinds, policy support has been increased

**China: Revisions to GDP growth for 2022**
(Percentage points, April 2022 WEO minus Jan 2022 WEO update)

**Daily new COVID-19 cases**
New cases in thousands. 7 day moving average

**Change in cyclically-adjusted primary balance**
(Percent of potential GDP)

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Source: IMF staff calculations

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**Notes:** Transport congestion index: actual trip time/the trip time without traffic.
Risks
Real rates may rise due to faster than expected policy normalization

**Real interest rates**

*Source: Furceri, González-Domínguez and Tawk, forthcoming.*

**US Treasuries: 10-year real rates and breakeven inflation**

*Source: Bloomberg LLP.*

**US Treasury yield curve**

*Source: US Department of the Treasury.*

Note: Data from WEO vintages correspond with the publication date of WEO in October (10/12/2021) and January (1/25/2022). Latest as of April 25, 2022.

Note: Aggregation is based on GDP weights. Shaded area depicts the interquartile range of the global sample.
A rise in US real rates can have significant spillovers for Asia, representing an important downside risk.

Impact of US monetary policy shock on:

10-year real rates
(Percentage points)

Real investment
(Percent)

Investment of high-leverage firms relative to low-leverage firms
(Percent)

Sources: Furceri, González-Domínguez and Tawk, forthcoming. Note: Impulse responses based on a panel of 28 economies using quarterly data since 1973Q2 (Asia sample based on 13 countries). Response to a 100 basis points increase in monetary policy tightening shock. Dotted lines show 90 percent confidence intervals.

Source: Arbatli and others, forthcoming. Note: Figure shows the impact on investment \( y_{t,i} \) of a 100 basis points positive monetary policy shock in the US \( s_t \) using panel quantile regressions and local projections. The green lines show estimates of \( \beta_{t,q} \) in the following equation:

\[
y_{t+h,i} - y_{t-1,i} = \alpha_{t+h,q} + \beta_{t,h,q} s_t + \theta_{t,h,q} z_{t,i} + \varepsilon_{t+h,i}
\]

for different horizons \( h = 0 \ldots 10 \) and for \( q=50^{th} \) percentile. \( Z_{t,i} \) include lags of the dependent variable. Dashed lines show 90 percent confidence intervals. Standard errors are calculated using block bootstrap methods.

Source: Arbatli and others, forthcoming. Note: Differential impulse response of firm investment for high leverage relative to low leverage firms in response to a 100 basis points positive monetary policy shock in the US. US monetary policy shocks are estimated using a proxy-SVAR, where high-frequency movements in U.S. interest rate futures around FOMC meetings are used as instruments for the 1-year bond yield. Standard errors are two-way clustered on firm and country-time.
**Risk of a China slowdown**

**Property transactions and developer bond prices**

(LHS: Price Index; RHS: In 10,000 sq.m, 30 day moving average)

Source: Bloomberg LLP, Wind and IMF staff calculations.
Note: Bond price series based on Markit iBoxx China Real Estate Composite Bond Price Index.

**Covid-19 new cases**

(7-day moving average)

Sources: CEIC and IMF staff calculations.
Note: Data as of April 25, 2022.
Policy Trade-offs and Priorities
A difficult trade-off

Output gaps
(Percent of GDP)

Headline inflation in Asia
(Percent change Y-o-Y)

Core inflation vs output gaps
(Percent)

Source: IMF World Economic Outlook.
Note: Data as of March 31, 2022. Asia AEs includes Australia, Hong Kong SAR, Japan, Korea, New Zealand, and Singapore. Asia EMDEs includes China, India, Indonesia, Malaysia, Philippines, and Thailand.

Sources: Haver Analytics and IMF staff calculations.
Note: Core inflation is Headline CPI excluding food and energy.
Monetary policy is expected to tighten to keep inflation within target ranges.

### Expected inflation

<table>
<thead>
<tr>
<th>Country</th>
<th>Expected Inflation (Percent)</th>
</tr>
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<tr>
<td>HKG</td>
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<td>USA</td>
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<td>KOR</td>
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<td>PHL</td>
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<td>SGP</td>
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<td>CHN</td>
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<td>JPN</td>
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<tr>
<td>IND*</td>
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Source: Consensus Forecasts and IMF staff calculations.
Note: Data as of May 13th, 2022. Latest inflation and consensus forecasts are for headline inflation. Some countries do not have explicit inflation targeting regimes and no target, while target ranges apply to core inflation in some countries.

### Expected change in short-term rate, WEO and market implied

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<tr>
<th>Country</th>
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<th>2023</th>
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</tr>
<tr>
<td>IND*</td>
<td>5.5</td>
<td>8.0</td>
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</table>

Source: World Economic Outlook and Bloomberg.
Note: Bars show the change in short-term rates as projected in the April 2022 WEO for 2022 and 2023 compared to 2021. Changes in market implied policy rates are from Bloomberg and refer to 1-year and 2-year ahead rates, therefore cover a slightly different timeframe than WEO projections.
Planned fiscal adjustment is projected to stabilize debt at high levels

**Fiscal impulse**
(Percent of potential GDP, weighted average)

- WEO April 2022
- WEO October 2021

**Debt ratios**
(Percent of fiscal year GDP; weighted average)

Source: World Economic Outlook and IMF staff calculations.
Note: Fiscal impulse is calculated as the change in the structural primary balance.

Source: World Economic Outlook and IMF staff calculations.
In the short-term, policies to protect the vulnerable from rising food and energy prices may be needed.

**Share in CPI basket (percent)**

- **Food**: 30% (Asia EMDEs), 20% (Asia AEs)
- **Oil/Energy**: 5% (Asia EMDEs), 10% (Asia AEs)
- **Transport**: 15% (Asia EMDEs)

**Introduction of fiscal measures in response to rise in energy and food prices (percent of economies within groups)**

- **Tax Measures**
  - Asia EMDEs: 60%
  - Asia AEs: 50%

- **Spending Measures**
  - Asia EMDEs: 40%
  - Asia AEs: 30%

- **Both Measures**
  - Asia EMDEs: 20%
  - Asia AEs: 20%

Sources: Haver Analytics and IMF staff calculations.

Note: Based on a survey of 16 Asian economies. Bars show the share of economies in the group that have introduced discretionary tax or spending measures in 2022 as a response to the rise in energy and food prices.
Significant output scarring expected, aggravated by rising corporate debt

Medium-term GDP losses
(Difference in cumulative growth rates 2020-25, current projection relative to pre-COVID-19 forecast, percentage points)

<table>
<thead>
<tr>
<th>Region</th>
<th>GDP Losses</th>
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</thead>
<tbody>
<tr>
<td>Tourism Dependent</td>
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<tr>
<td>Asia AEs</td>
<td>-7.2%</td>
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<tr>
<td>EMDEs excl. Asia</td>
<td>-6.8%</td>
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<tr>
<td>Asia AEs</td>
<td>-6.5%</td>
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<td>Asia EMs excl.</td>
<td>-6.2%</td>
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<tr>
<td>USA</td>
<td>-5.9%</td>
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</tbody>
</table>

Change in non-financial corporate debt, loans and debt securities 2020 vs. 2019
(In percent of GDP)

- Asia AEs: -5.8%
- China: 1.5%
- Asia EMs excl. China: 3.2%

Decline in investment following recessions, high debt firms relative to low debt firms
(Percentage points)

Source: IMF World Economic Outlook and IMF staff calculations.
Note: Current projections based on WEO April 2022.
Updated as of March 31, 2022. A country is Tourism Dependent if 10 percent or more of their GDP derives from tourism. These countries include Cambodia, Fiji, Maldives, Thailand, and Vanuatu.

Source: IMF Global Debt Database and IMF staff calculations.
Note: Includes non-financial corporate debt, loans and debt securities. Consistent sample across time of 12 Asian countries. Asia AEs (3): Australia, Japan and Korea. Asia EMs excluding China (8): Cambodia, India, Indonesia, Malaysia, Micronesia, Philippines, Thailand, and Vietnam. Weighted average within groups.

Source: Capital IQ and Estefania-Flores and others (forthcoming).
Note: Uses quarterly firm level data. Based on a difference-in-difference estimate, comparing the decline in capital expenditure for high debt firms relative to low debt firms for different horizons since start of a recession. Light shaded bars refer to statistically not significant coefficients.
Modern restructuring regimes and macroprudential policies can mitigate corporate and household debt vulnerabilities

Share of NFC debt in vulnerable firms
(Percent of total debt in NFCs with ICR less than 1)

Crisis readiness index

Real housing costs
(Index, 2019Q4 = 100)

Source: Kashiwase and others (forthcoming) and IMF staff calculations.
Note: Includes publicly traded non-financial corporations (NFCs) in operation. Width of the bubble represents the share of NFCs with ICR less than 1 in total number of NFCs in the sample. Based on latest available quarterly data.

Source: Araujo and others (2022) and IMF staff calculations.
Note: Simple average across groups. The closer to the center, the lower the value of the sub-indicator, showing a lesser level of preparedness.

Source: Bank for International Settlements.
Recouping human capital losses due to school closures essential to mitigate scarring, especially in LIDCs

**School closures due to COVID-19**
(Average days of school closures)

**School closures and COVID-19 deaths in EMDEs**

**Internet connectivity**
(Individuals using internet; percent of population; simple average)

Source: UNESCO and IMF staff calculations.
Note: Analysis excludes PICs.

Source: Johns Hopkins University, UNESCO and IMF staff calculations.

Source: UNESCO and IMF staff calculations.
Difficult Trade-offs: Rising inflation, still incomplete recovery amid limited fiscal space and tightening global financial conditions. Heterogeneity across countries will require policy responses to be tailored to country-specific circumstances, though some broad priority areas are outlined below.

Fiscal Policy
- Temporary, targeted measures to mitigate cost of living increases for vulnerable—avoid untargeted fuel subsidies where possible
- Start unwinding pandemic-era support; if space available speed of consolidation may be slowed to alleviate new headwinds
- Credible medium-term plans to rebuild buffers while supporting pressing priorities

Monetary Policy
- Monetary tightening in most countries to meet inflation targets and anchor expectations
- Speed of tightening dependent on inflation expectations, second round effects, external pressures
- Communicate clearly to ensure orderly market reaction

Structural Policies
- Boosting long-term growth remains critical, given short-term challenges and expected scarring
- Priorities include trade reforms, modernizing corporate restructuring frameworks, investing in human capital, digitization, product and labor market reforms, and facilitating in a green transition
Country focus
Japan: economic recovery is expected to continue in 2022 despite strong headwinds

Growth in 2022 is underpinned by fiscal support and pent-up demand...

... but the war in Ukraine and the omicron wave in Q1 has slowed the recovery.

Japan: Real GDP Growth
(In percent)

Projections

Sources: Haver and IMF Staff Projections.

Downward Revision to 2022 Growth

Sources: IMF Staff calculations.
Headline inflation is accelerating but underlying core inflation remains subdued.

So far, headline inflation is driven by external cost-push factors.

Japan: Inflation Indicators
(in percent)

Recent yen depreciation puts additional upward pressure on inflation.

Exchange Rate and Interest Rate Differential
(2021-2022)

Sources: Haver Analytics.
## Risks are tilted towards the downside

<table>
<thead>
<tr>
<th>Source of Risk</th>
<th>Likelihood</th>
<th>Source</th>
<th>Time Horizon</th>
<th>Expected Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extended global supply chain disruptions</td>
<td>High</td>
<td>External, Domestic</td>
<td>ST, MT</td>
<td>↓</td>
</tr>
<tr>
<td>Outbreaks of lethal and highly contagious Covid-19 variants</td>
<td>High</td>
<td>External, Domestic</td>
<td>ST</td>
<td>↓</td>
</tr>
<tr>
<td>Geopolitical tensions and de-globalization</td>
<td>High</td>
<td>External</td>
<td>ST, MT</td>
<td>↓</td>
</tr>
<tr>
<td>Rising and volatile energy and food prices</td>
<td>High</td>
<td>External</td>
<td>ST, MT</td>
<td>↓</td>
</tr>
<tr>
<td>De-anchoring of inflation expectations in the US leads to rising core yields</td>
<td>Medium</td>
<td>External</td>
<td>MT</td>
<td>Ambiguous</td>
</tr>
<tr>
<td>and risk premia</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Higher frequency and severity of natural disasters related to climate change</td>
<td>Medium</td>
<td>External</td>
<td>MT</td>
<td>↓</td>
</tr>
<tr>
<td>Abrupt growth slowdown in China</td>
<td>Medium</td>
<td>External</td>
<td>ST, MT</td>
<td>↓</td>
</tr>
<tr>
<td>Disorderly transformations due to labor market rigidities and untargeted</td>
<td>Medium</td>
<td>Domestic</td>
<td>MT</td>
<td>↓</td>
</tr>
<tr>
<td>support</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Near-term fiscal support should be followed by medium-term fiscal consolidation.

Fiscal stance in 2022 is expected to be supportive. In the long-run, debt sustainability concerns could rise...

Japan: Gross Public Debt and Primary Balance 1/
(In percent of GDP)

Sources: Cabinet Office; and IMF staff estimates and projections.
1/ Gross debt of the general government including the social security fund.

...on the back of rising age-related expenditures.

Financing of Health Care and Long-Term Care
(In percent of GDP)

Sources: Ministry of Health, Labor, and Welfare; IMF World Economic Outlook database; and IMF staff calculations.
The BoJ’s commitment to maintain monetary easing until the 2 percent target is reached durably is appropriate.

Underlying inflation and inflation expectations remain below the 2% target.

Further measures could be considered to make easing more sustainable.

Contributions to the Change in Net Interest Margins

(Percent, all banks)

Source: IMF staff estimates.

Inflation Expectations
(In percent YoY)

Sources: Bloomberg L.P.; and IMF staff estimates.
Korea: Near-term monetary and long-term fiscal trade-offs

Real GDP and headline CPI growth

(\textit{ln y/y} percent growth)

Public debt projection

(Trillion Won)

Source: World Economic Outlook and IMF staff calculations.

Source: NABO.
India: War is having adverse macro impact, exacerbating policy trade-offs

**Contribution to real GDP growth**

(Percent, year-on-year)

- Private Consumption
- Gross Fixed Capital Formation
- Change in Stocks
- Net Exports
- Real GDP growth [January 2022 WEO]
- Real GDP growth [April 2022 WEO]

Sources: Haver Analytics, and IMF staff calculations.

**Inflation, expectations and policy rate**

(Percent)

- Change in one-year ahead inflation expectations relative to March 2020 (RHS)
- Core Inflation
- Repo Rate

Sources: Haver Analytics and IMF staff calculations.

Note: Inflation expectations are one-year-ahead as reported in RBI survey of Indian households.
ASEAN-5: War in Ukraine has increased the uncertainty about the pace of the recovery while exacerbating inflationary pressures.
Frontier countries and LICs: Higher food and fuel prices adding to inflation and external pressures, with adverse distributional effects

Source: IMF, country authorities, CEIC and IMF staff estimates.
Note: Horizontal line represents average weight of the ten countries.
PICs: High import dependency also translating to BOP and inflation impact

Inflation projections
(In percentage points)

<table>
<thead>
<tr>
<th>Country</th>
<th>April 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>WSM</td>
<td>4.0</td>
</tr>
<tr>
<td>PNG</td>
<td>3.5</td>
</tr>
<tr>
<td>SLB</td>
<td>3.0</td>
</tr>
<tr>
<td>FSM</td>
<td>2.5</td>
</tr>
<tr>
<td>TON</td>
<td>2.0</td>
</tr>
<tr>
<td>NRU</td>
<td>1.5</td>
</tr>
<tr>
<td>PLW</td>
<td>1.0</td>
</tr>
<tr>
<td>FSM</td>
<td>0.5</td>
</tr>
<tr>
<td>WSM</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Changes in current account balance, 2022
(In percent of GDP)

- WEO April 2022
- WEO October 2021

Source: World Economic Outlook.

Source: World Economic Outlook.
Thank You