



ASIAN DEVELOPMENT OUTLOOK 2019

STRENGTHENING DISASTER RESILIENCE

APRIL 2019

HIGHLIGHTS

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6 ADB Avenue, Mandaluyong City, 1550 Metro Manila, Philippines
Tel +63 2 632 4444; Fax +63 2 636 2444
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ADO 2019—Highlights

Despite increasing headwinds, developing Asia posted strong growth in 2018, albeit moderating from 2017. Growth in the region is projected to soften to 5.7% in 2019 and 5.6% in 2020. Excluding Asia's high-income newly industrialized economies, growth is expected to slip from 6.4% in 2018 to 6.2% in 2019 and 6.1% in 2020.

As oil prices rose and Asian currencies depreciated, inflation edged up last year but remained low by historical standards. In light of stable commodity prices, inflation is anticipated to remain subdued at 2.5% in both 2019 and 2020.

Risks remain tilted to the downside. A drawn-out or deteriorating trade conflict between the People's Republic of China and the United States could undermine investment and growth in developing Asia. With various uncertainties stemming from US fiscal policy and a possible disorderly Brexit, growth in the advanced economies could turn out slower than expected, undermining the outlook for the People's Republic of China and other economies in the region. Though abrupt increases in US interest rates appear to have ceased for the time being, policy makers must remain vigilant in these uncertain times.

Disaster risk from natural hazards is a growing threat to the development and prosperity in the region, and the consequences tend to be more severe in developing countries affecting poor and marginalized people disproportionately. Home to more than four-fifths of the people affected by disasters globally in the past 2 decades, developing Asia must prioritize strengthening its disaster resilience. Governments should integrate disaster risk reduction into national development and investment plans. Spending more on prevention would bring a better balance with spending on response and provide better protection to people at risk. Pooling risk through insurance and reinsurance promises to be cost-efficient.



Yasuyuki Sawada
Chief Economist
Asian Development Bank

Challenges from rising headwinds

Growth softens as trade tensions persist

- **Developing Asia posted strong but moderating growth in 2018.** Despite rising headwinds, growth in aggregate gross domestic product (GDP) slowed only slightly from 6.2% in 2017 to 5.9% in 2018 as global trade and economic activity decelerated at the end of the year, affecting many economies in the region. With growth in the People's Republic of China (PRC) continuing to moderate, regional growth will soften further to 5.7% in 2019 and to 5.6% in 2020. Excluding the newly industrialized economies, growth will slow from 6.4% in 2018 to 6.2% in 2019 and to 6.1% in 2020.

- » **A slowdown from late 2018 will continue in the advanced economies.** Aggregate growth in the three major advanced economies—the United States, the euro area, and Japan—slowed from 2.3% in 2017 to 2.2% in 2018. The slowing trend will likely reach 1.9% in 2019 and 1.6% in 2020 under less accommodative fiscal and monetary policies in the US, uncertainty surrounding Brexit in the United Kingdom and the European Union, and the trade conflict between the PRC and US.

- » **PRC moderation reflects structural factors and financial tightening.** With the economy maturing, growth in the PRC slowed from 6.8% in 2017 to 6.6% in 2018 as the government sought to reduce corporate leveraging and control financial risks. Growth will moderate further to 6.3% in 2019 and 6.1% in 2020 as restrictions on housing markets and shadow banking continue and as the trade conflict with the US weakens exports.

- » **India is set to see growth pick up as consumption strengthens.** Growth slowed from 7.2% in fiscal 2017 to 7.0% in 2018, with weaker agricultural output and consumption growth curtailed by higher global oil prices and lower government expenditure. Growth is expected to rebound to 7.2% in 2019 and 7.3% in 2020 as policy rates are cut and farmers receive income support, bolstering domestic demand.

- » **Southeast Asia will sustain growth at close to 5% this year and next.** Strengthening domestic demand will offset weaker export growth. Strong consumption—spurred by rising incomes, subdued inflation, and robust remittances—should boost economic activity in the subregion. Export demand, on the other hand, is likely to soften in 2019 in line with the weaker global environment and a muted forecast for semiconductor exports, before picking up slightly in 2020.

- » **Growth will recover in the Pacific but moderate in Central Asia.** Growth in the Pacific is set to rebound from a meager 0.9% in 2018 to 3.5% in 2019 as liquefied natural gas production in Papua New Guinea, the subregion's dominant economy, returns to full capacity following the 2018 earthquake. Meanwhile, lower oil prices and slower growth in the Russian Federation will

weigh on economies in Central Asia. Growth in the subregion is projected to decelerate to 4.2% in both 2019 and 2020 as slowdowns in Kazakhstan and Turkmenistan more than offset higher growth elsewhere.

- **Financial conditions in Asia tightened in 2018, but have since improved.** Jitters over emerging markets sparked by Argentina and Turkey in 2018 caused regional currencies to depreciate against the US dollar, with the Indian rupee, Indonesian rupiah, and Philippine peso most sharply hit. Partly in response, many central banks in the region hiked their policy rates during the year. Then a pause in the tightening of US monetary policy, and some dissipation of concern about Asian emerging markets, allowed many regional currencies and equity markets to recover. Capital flows have stabilized.
- **Inflation edged up in 2018 but remains low by historical standards.** On the heels of rising oil prices and currency depreciation, inflation in developing Asia picked up slightly from 2.2% in 2017 to 2.5% in 2018. Despite the increase, inflation remains well below the 10-year historical average of 3.2% for the region. It is expected to remain subdued in the coming years. With stable commodity prices, headline inflation is forecast unchanged at 2.5% in 2019 and 2020.
- **In a cloudy outlook, risks remain tilted to the downside.** The primary risks still center on the PRC–US trade conflict. Uncertainty is heightened by protracted negotiations and disagreements, which could curtail investment and growth in the region. A possible upside risk to the outlook is that negotiations readily bring agreement and lower trade barriers. Beyond the trade conflict, growth in the advanced economies and the PRC may slow by more than expected if Brexit is disorderly, for example, or fiscal policy uncertainty persists in the US. On the other hand, the risk from the US abruptly raising the policy rate has subsided compared to 2018 but the risk of financial volatility remains.

Exchange rates affect domestic financial conditions through financial and trade channels

- **Exchange rate uncertainty may bear on regional financial conditions.** The depreciations and heightened exchange rate volatility in 2018 could affect borrowing costs for economies in the region. High reliance on funding denominated in US dollars renders countries vulnerable to changing global financial conditions. Changes to the exchange rate and the sovereign bond spread, a measure of domestic financial conditions, closely correlated in emerging Asia in 2018. The exchange rate influences financial conditions in emerging markets through two competing effects: As a currency depreciates, the trade channel tends to loosen domestic financial conditions by improving external competitiveness, while the financial channel tends to tighten financial conditions by worsening the economy's balance sheet.
- **Trade and financial channels both affect domestic financial conditions.** Empirical analysis of selected economies in emerging Asia shows that changes in exchange rates affect sovereign credit risk premiums, which can further influence

financial conditions through domestic lending rates. Changes to bilateral exchange rates against the US dollar affect financial conditions largely through the financial channel, while movements in nominal effective exchange rates act via the trade channel. However, the relative dominance of these two effects depends on circumstances specific to each economy, so policy prescriptions should be tailored individually.

- **Domestic financial resilience can mitigate adverse external influences.** An appropriate policy mix and regional policy dialogue can strengthen domestic financial resilience and limit the impact of shocks from external funding conditions. Ensuring domestic financial stability is a challenge when external funding conditions are unfavorable. Monetary and macroprudential policies need to consider the effects the exchange rate has through both financial and trade channels. More broadly, it is important to cultivate an investor base at home and deepen capital markets in the region, in particular by further developing local currency bond markets. These policies should go hand in hand with strengthened policy dialogue across borders to monitor macro-financial conditions. Further, capital flow management measures must be considered to mitigate disruptive spillover in an increasingly interconnected global financial system.

Outlook by subregion

- **Growth will moderate in 2019 across most of developing Asia.** Only 20 of 45 individual economies are projected to see growth accelerate in 2019. By subregion, aggregate growth rates in Central Asia, East Asia, and Southeast Asia are expected to decelerate, while South Asia and the Pacific will bounce back from slowdown in 2018. South and Southeast Asia will grow more quickly in 2020 than in 2019.
- **East Asia slows as the global economy and trade weaken.** Economic growth in East Asia decelerated by 0.2 percentage points to 6.0% in 2018, weighed down by weakening external trade and moderating investment in the People's Republic of China (PRC) but sustained by resilient domestic consumption. Growth moderated to 6.6% in the PRC as policies to control risk in the financial sector and housing market dampened investment. Unique in the subregion, growth in Mongolia accelerated to 6.9% on large mining investment. Expansion in the PRC should moderate to 6.3% in 2019 and 6.1% in 2020 as global growth slows and economic policy targets a more sustainable growth trajectory. Growth will slow in the rest of the subregion as well in tandem with slower expansion in exports. Economic growth in the whole subregion will thus slide to 5.7% in 2019 and 5.5% in 2020. Inflation edged up last year as food prices and rents rose in most subregional economies. It will trend down from 2.0% in 2018 to 1.8% in 2019 and 2020 as oil prices moderate and rents and food prices stabilize.
- **South Asia bucks the trend of slowing growth in Asia.** Growth is expected to edge up by 0.1 percentage point, though, from 6.7% in 2018 to 6.8% in 2019 and again to 6.9% in 2020. Subregional averages in South Asia reflect heavy weighting for India, where growth slipped from 7.2% in 2017 to 7.0% in 2018 as agriculture and government expenditure both experienced slower growth and as global oil prices rose. Growth in India is forecast to pick up a bit to 7.2% in 2019 and 7.3% in 2020 on recovery in agriculture and stronger domestic demand, with reform having strengthened the health of banks and corporations, and as the implementation of a value-added tax makes domestic firms and products more competitive. Most other countries in South Asia are expected to maintain or slightly improve on their high growth rates including Bangladesh, which is expected to achieve 8.0% growth in 2019 and 2020. Pakistan and Sri Lanka, however, are currently reining in fiscal and external imbalances by implementing a broad range of economic reforms. Inflation in South Asia was stable at 3.7% in 2018 with benign food inflation and despite higher global oil prices. Subregional inflation is expected rise to 4.7% in 2019 and 4.9% in 2020 under pressure from currency depreciation and India's upward adjustment of some agricultural procurement prices to cover higher input costs.
- **Southeast Asia holds steady with some growth moderation.** Subregional growth was marginally lower at 5.1% last year as strong domestic demand countered slowing exports. With weakening global growth, slowing trade, and softer commodity prices, export prospects dim further for these highly trade-engaged economies. Continued strength in domestic demand should

nevertheless support growth at 4.9% this year and 5.0% next year. In half of the 10 subregional economies, growth is forecast to slow this year, while Indonesia and the Lao People's Democratic Republic will be unchanged, and Brunei Darussalam, Myanmar, and the Philippines will post higher growth. Strong consumption, spurred by rising incomes, stable inflation, and robust remittances is underpinning growth in Indonesia, Malaysia, the Philippines, Singapore, and Thailand, as is foreign investment in Cambodia and Viet Nam, and large infrastructure projects elsewhere. Inflation in the subregion will dip marginally this year before returning to last year's 2.7%, broadly held in check by slowing growth and lower international oil prices, even as some countries hike administered prices.

- **Central Asia will slow again after growth picked up in 2018.** Average growth in the subregion rose from 4.2% in 2017 to 4.4% last year as higher oil prices restored growth to Azerbaijan and expansion accelerated in Tajikistan and Uzbekistan, the latter reflecting the authorities' revision of statistics in prior years. Growth remained unchanged in Georgia and Kazakhstan and slowed in Armenia, the Kyrgyz Republic, and Turkmenistan, the last reflecting fiscal tightening. Growth in the subregion is forecast to slow to 4.2% in both 2019 and 2020 with lower average oil prices trimming expansion in Kazakhstan, and despite improvement in Azerbaijan, Georgia, the Kyrgyz Republic, and Uzbekistan. With tight monetary policy reducing inflation in Kazakhstan and particularly in Azerbaijan, where the exchange rate stabilized, average inflation in the subregion fell from 9.0% in 2017 to 7.9%, despite acceleration in Armenia, Turkmenistan, and Uzbekistan. Inflation is projected to slow further to 7.8% in 2019 and 7.2% in 2020 with further tightening of fiscal policy in Turkmenistan and monetary policy in Kazakhstan, as well as slower credit growth in Uzbekistan.
- **The Pacific continues to lag behind other subregions.** Low growth at 0.9% in 2018 once again reflected developments in Papua New Guinea, the predominant economy in the subregion, which grew by a mere 0.2% following an earthquake in February that hit output of gold and liquefied natural gas. Timor-Leste, the third largest economy in the subregion, contracted for a second successive year as political uncertainty continued to hamper government spending. Nauru also contracted because of downsizing at the Regional Processing Centre for asylum seekers. With recovery in Papua New Guinea and Timor-Leste and continued growth in the other economies, subregional growth is forecast at 3.5% in 2019 and 3.2% in 2020, still the lowest in developing Asia. Inflation eased slightly to 4.0% in 2018 as slower price rises in Papua New Guinea and Tonga, the economies with the highest inflation, outweighed significant increases, reflecting in large part higher fuel prices, in several of the remaining economies, notably Timor-Leste and Fiji, the second largest economy in the subregion. Inflation is expected to slow to 3.7% in 2019 and then bounce back to 4.0% in 2020, primarily reflecting movements in international fuel and food prices.

Strengthening disaster resilience

Summary

- ❖ **Disaster risk and costs are rising, and Asia is particularly vulnerable.**
 - ◆ Rapid socioeconomic development is converging with worsening threats from natural hazards to pose unprecedented risk from catastrophes in developing Asia.
 - ◆ While the direct, immediate impacts of disasters tend to be local and short term, new evidence presented in this report shows how these effects can spill over to other places and last for a lifetime.
 - ◆ Suitable policy interventions are required to keep disaster losses from spiraling into the future and across the region.
- ❖ **Disaster risk management has improved, but gaps remain.**
 - ◆ Governments should continue to integrate disaster risk reduction into broader development policies and public investment strategies. They can build resilience from the ground up by facilitating climate change adaptation through enhanced disaster-resilient infrastructure, supporting the development of market mechanisms, and investing directly in communities.
 - ◆ Asia has led progress on these fronts in recent years, but positive trends need reinforcement. Spending on disaster prevention continues to lag far behind disaster response. Access to credit, insurance, and remittances remains sparse and uneven, limiting the coping strategies available to households affected by disasters. Immediate humanitarian response could be better coordinated with subsequent interventions for long-term recovery.
- ❖ **Managing disaster risk can enhance equity, resilience, and sustainability.**

A greater focus on strengthening disaster resilience and preparing for recovery can ensure that rebuilding in the wake of disasters—building back better—emphasizes safety, timeliness, social equity, and the full realization of economic potential.

Natural hazards putting Asia's prosperity at risk

- **The impact of disasters is greater when more vulnerable populations are exposed to hazards.** The upshot is harm to people and their physical assets such as property and infrastructure. Hazards can be natural, like hurricanes and earthquakes, or man-made, like industrial accidents and nuclear meltdowns. This report focuses on disasters that emerge from natural hazards, including severe weather events, geophysical disturbances, and epidemics. They can occur suddenly with little or no warning, or they can build slowly over the span of days, weeks, months, or years.

- **Development and climate change alter disaster risk.** On the one hand, rising incomes enable communities to cope with disasters. On the other, rapidly expanding coastal megacities, for example, create greater exposure to natural hazards. As the frequency and intensity of extreme weather events worsen because of climate change and associated sea level rise, coastal areas and island states across Asia face increasingly dire threats.
- **More than four in five people affected by natural hazards live in Asia.** From 2000 to 2018, developing Asia was home to 84% of the 206 million people affected by disasters globally on average each year. With nearly 38,000 disaster fatalities annually in that period, the region accounted for almost 55% of 60,000 disaster fatalities worldwide, and it suffered 26% of the \$128 billion in economic damage. In Asia, 82% of disasters ensued from extreme weather events such as floods, storms, and droughts.
- **Those who suffer most are poor, marginalized, and isolated.** Surveys after severe flooding in Indian cities found that poor and migrant families were the worst affected, with some losing more than they earned in a year. Many small businesses fell into financial distress, some having to sell their assets and close down. Further, surveys of communities heavily exposed to flooding across five Asian countries found that, among rural households surveyed, 90% had suffered in the past decade either loss of life or significant damage to assets from floods, and their financial recovery took more than three times longer than for urban households. Pacific island economies are especially vulnerable to severe hazards, reflecting their isolation, limited economic diversification, and extreme exposure.

Disaster impacts and how they propagate

- **Immediate impacts on local economic activity can be substantial.** New evidence on the economic impacts of tropical storms in the Philippines shows that each of these events reduced local economic activity in that year by 1.7% on average but by as much as 23% after the most severe storms. More extreme events can have much larger impacts. Cyclone Pam in 2015—the second most intense tropical cyclone ever recorded in the South Pacific—caused damage in Vanuatu equal to 64% of annual GDP. Events that fall short of catastrophic typically affect economic activity for a year or less, allowing households that temporarily migrate away in the aftermath of a disaster to return to their land and livelihoods.
- **Beyond immediate loss of life and wealth, effects can persist over time.** More than a decade after the 1995 Kobe earthquake in Japan, for example, income per capita in Hyogo Prefecture was 12% lower than it otherwise would have been. Case studies of flooding in Indian cities show that, in the absence of social protection, disaster-hit families deplete their savings or borrow at high interest rates from informal sources, pushing them into indebtedness and poverty traps. Recent research reveals that disasters can affect victims for decades as reduced household spending on food, medicine, and education, for example, stunts a child's potential well into adulthood.

- **Effects can spread and link up with epidemics, conflict, and other risks.**
Disruption to supply chains, as occurred in 2011 after floods in Thailand and the Tohoku earthquake and tsunami in Japan, can transmit disaster impacts to firms and customers not directly hit by the event. Spatial transmission of impacts happens as well when people are forced to leave a stricken area, creating a displaced population. East, Southeast, and South Asia accounted for over 60% of the estimated 19 million people displaced by disasters in 2017—some briefly, others for much longer. The number of internal climate migrants is projected to increase rapidly. Disaster-induced migration can expose migrants to flooding, landslides, heat stress, and other hazards. It may also facilitate the spread of disease and even spark social disorder in urban areas, as suggested by new evidence on flood-induced migration.

Investing in development with disaster resilience

- **Asia has achieved substantial mainstreaming of disaster risk management.**
Many countries in the region are adapting the Sendai Framework for Disaster Risk Reduction, 2015–2030 for national needs and thereby effecting a notable policy shift in disaster response from reactive to proactive. Escalating losses from disasters suggest that these positive trends require reinforcement to translate plans into actions and to address the causes of social vulnerability and the drivers of disaster risk.
- **Greenfield investment is a natural entry point for disaster resilience.**
Developing Asia is estimated to need \$26 trillion in infrastructure investment from 2016 to 2030, or \$1.7 trillion per year. Planning for and investing in climate-friendly and disaster-resilient infrastructure from the start can help avoid locking in further exposure to disaster risk and is a particularly cost-effective way to reduce future losses from disasters.
- **Spending on prevention needs to catch up with spending on response.**
Globally, governments in developing countries receive seven times more assistance for responding to disasters after they occur than for preparing in advance for rapid recovery and, where possible, taking measures to keep hazards from developing into disasters. In Asia, this spending gap has narrowed slightly over the past few years but remains large. Further closing the gap will yield multiple dividends, especially when investments have development benefits aside from reducing disaster risk. Examples include stable water resource management that integrates flood risk considerations, the construction of cyclone-safe multipurpose evacuation centers that serve daily as classrooms or community centers, the reestablishment of sustainable mangrove forests to absorb storm impacts and prevent coastal erosion, or hydroponic projects that diversify incomes in normal times and safeguard food security when disaster strikes.
- **Risk shared through commercial credit or insurance is manageable risk.**
Across Asia including Japan, just over 8% of catastrophe losses since 1980 were covered by insurance. Recent years have seen an increase in programs that offer insurance coverage, especially across developing Asia. New studies show that

two-thirds of them offer micro-insurance to cover agriculture losses, and over 80% depend on subsidies or other financial support. The benefits of insurance are clear: pooling risk to preserve human welfare, facilitating investment by containing risk, and making post-disaster support more predictable. While traditional indemnity insurance models are difficult to scale down to the needs of individual households in poor communities, more innovative insurance models such as index-based risk-transfer products (such as drought insurance linked to rainfall) offer potential, and government and international support for reinsurance allows broader pooling of risk.

■ **Hiring victims can help, as can informal support networks and remittances.**

Labor market interventions can gainfully employ some disaster-affected people in reconstruction after disasters. Informal risk-sharing arrangements such as through private transfers within communities can effectively cope with shocks to individual households but not with shocks to whole communities from large disasters. Public transfers can help, as can remittances from outside the affected area. In the Philippines, for example, remittances compensated for nearly 65% of income lost in shocks caused by rainfall deviations. The poorest of the poor, however, often lack the social and financial networks necessary to allow family members to migrate and remit.

■ **Community action must complement national efforts.** Communities are themselves the first responders to disasters, often with little or no immediate external support, and are key to ensuring sustained recovery and reconstruction. New evidence from flood resilience surveys across 88 communities in Asia shows that community investments can build resilience while delivering broader development benefits, such as better education, transportation, and food supply. Proper waste management, for example, can prevent the spread of disease and keep rivers and drains clear to carry away floodwaters, while benefitting communities more broadly day to day. Recent experience after major earthquakes and tropical cyclones in Asia highlights the role of local communities as custodians of local knowledge and experience that enables the dissemination of early warning messages and timely evacuation, and that can guide the effective delivery of humanitarian response and recovery assistance.

■ **Development agencies support disaster resilience in many ways.** Countries have received concessional loans and grants from development agencies to strengthen disaster resilience. Multilateral and regional lenders support the establishment of disaster-contingent financing arrangements designed for quick disbursement. ADB's \$6 million contingent financing loan to Tonga, for example, was fully disbursed in just 3 days after that Pacific island country was struck by Tropical Cyclone Gita in February 2018. Other multilateral assistance from ADB has designed and piloted innovative insurance programs, notably a disaster insurance pool for city governments in the Philippines that was a world first. Meanwhile, international efforts continue to provide to poor countries' access to finance through more traditional emergency assistance loans and grants offered in response to disasters.

- **Enhanced financial arrangements enable better disaster management.**
Delayed or insufficient financing for relief, early recovery, or reconstruction exacerbates the economic and social consequences of direct physical damage, extending the time required to rebuild infrastructure, render it fully functional, and deliver the services that depend on it. Such shortcomings stymie efforts to build back better. Governments increasingly recognize this and work to enhance both sovereign and nonsovereign financing instruments with support from development partners. The Government of the Philippines became the first to position these instruments in a wider framework by establishing in 2015 a national financing strategy for disaster risk to promote a comprehensive approach. The Government of Indonesia launched a similar strategy in 2018, and such strategies are currently under development in Myanmar and Pakistan.

Prepared to build back better after a disaster

- **Humanitarian response is a prelude to recovery and reconstruction.**
Sustainable recovery must overcome operational challenges and bridge the gap between urgent humanitarian response and longer-term recovery and reconstruction. The efficient and equitable allocation of private and public resources in response to disasters is often challenged by deficiencies in governance. Even after finances are secured, reconstruction projects face local implementation challenges such as a lack of skilled personnel, unclear land tenure, transportation bottlenecks, and sudden increases in wage rates and prices for construction materials. Case studies of the 2015 earthquake in Nepal and Cyclone Pam in Vanuatu the same year indicate that successful long-term recovery requires broad collaboration involving central and local governments, civil society, and affected communities. The roles and responsibilities of all stakeholders must be clear, and responsible parties must have the experiential knowledge and capacity necessary to absorb and effectively apply the large influxes of resources that materialize after disasters.
- **Build back better to equitably realize social and economic potential.**
Building back better means ensuring that recovery is not only complete but superior to the status quo before the disaster. While building back fast often takes precedence in the immediate aftermath, it must be balanced against other objectives. Strengthening resilience under future hazards should be central to recovery and reconstruction. Crucially, this entails integrating measures that mitigate disaster risk when restoring infrastructure and social capital, as well as ensuring that reconstruction restores and renews economic opportunity and dynamism. Finally, public planning for recovery and building back better must be inclusive and fair to vulnerable segments of society.

GDP growth rate and inflation, % per year

	Growth rate of GDP				Inflation			
	2017	2018	2019	2020	2017	2018	2019	2020
Central Asia	4.2	4.4	4.2	4.2	9.0	7.9	7.8	7.2
Armenia	7.5	5.2	4.3	4.5	1.0	2.5	3.5	3.2
Azerbaijan	0.1	1.4	2.5	2.7	12.9	2.3	4.0	5.0
Georgia	4.8	4.8	5.0	4.9	6.0	2.6	3.2	3.0
Kazakhstan	4.1	4.1	3.5	3.3	7.4	6.0	6.0	5.5
Kyrgyz Republic	4.7	3.5	4.0	4.4	3.2	1.5	3.0	3.5
Tajikistan	7.1	7.3	7.0	6.5	6.7	5.4	7.5	7.0
Turkmenistan	6.5	6.2	6.0	5.8	8.0	9.4	9.0	8.2
Uzbekistan	4.5	5.1	5.2	5.5	13.7	17.9	16.0	14.0
East Asia	6.2	6.0	5.7	5.5	1.6	2.0	1.8	1.8
Hong Kong, China	3.8	3.0	2.5	2.5	1.5	2.4	2.3	2.3
Mongolia	5.3	6.9	6.7	6.3	4.3	6.8	8.5	7.5
People's Republic of China	6.8	6.6	6.3	6.1	1.6	2.1	1.9	1.8
Republic of Korea	3.1	2.7	2.5	2.5	1.9	1.5	1.4	1.4
Taipei, China	3.1	2.6	2.2	2.0	0.6	1.3	1.1	1.2
South Asia	6.9	6.7	6.8	6.9	3.9	3.7	4.7	4.9
Afghanistan	2.7	2.2	2.5	3.0	5.0	0.6	3.0	4.5
Bangladesh	7.3	7.9	8.0	8.0	5.4	5.8	5.5	5.8
Bhutan	6.3	5.5	5.7	6.0	4.3	3.6	3.8	4.0
India	7.2	7.0	7.2	7.3	3.6	3.5	4.3	4.6
Maldives	6.9	7.6	6.5	6.3	2.8	-0.1	1.0	1.5
Nepal	7.9	6.3	6.2	6.3	4.5	4.2	4.4	5.1
Pakistan	5.4	5.2	3.9	3.6	4.2	3.9	7.5	7.0
Sri Lanka	3.4	3.2	3.6	3.8	7.7	2.1	3.5	4.0
Southeast Asia	5.3	5.1	4.9	5.0	2.8	2.7	2.6	2.7
Brunei Darussalam	1.3	-1.0	1.0	1.5	-0.2	0.1	0.2	0.2
Cambodia	7.0	7.3	7.0	6.8	2.9	2.5	2.5	2.5
Indonesia	5.1	5.2	5.2	5.3	3.8	3.2	3.2	3.3
Lao People's Dem. Rep.	6.9	6.5	6.5	6.5	0.8	2.0	2.0	2.0
Malaysia	5.9	4.7	4.5	4.7	3.8	1.0	2.0	2.7
Myanmar	6.8	6.2	6.6	6.8	4.0	7.1	6.8	7.5
Philippines	6.7	6.2	6.4	6.4	2.9	5.2	3.8	3.5
Singapore	3.9	3.2	2.6	2.6	0.6	0.4	0.7	0.9
Thailand	4.0	4.1	3.9	3.7	0.7	1.1	1.0	1.0
Viet Nam	6.8	7.1	6.8	6.7	3.5	3.5	3.5	3.8
The Pacific	2.4	0.9	3.5	3.2	4.2	4.0	3.7	4.0
Cook Islands	6.8	7.0	6.0	4.5	-0.1	0.4	1.0	1.5
Federated States of Micronesia	2.4	2.0	2.7	2.5	0.1	1.0	0.7	1.5
Fiji	3.0	3.0	3.2	3.5	3.3	4.1	3.5	3.0
Kiribati	0.3	2.3	2.3	2.3	0.4	2.1	2.3	2.2
Marshall Islands	3.6	2.5	2.3	2.2	0.0	0.7	0.5	1.0
Nauru	4.0	-2.4	-1.0	0.1	5.1	3.8	2.5	2.0
Palau	-3.7	0.5	3.0	3.0	0.9	1.1	0.5	1.5
Papua New Guinea	3.0	0.2	3.7	3.1	5.4	4.5	4.2	4.7
Samoa	2.7	0.9	2.0	3.0	1.4	3.7	2.0	1.5
Solomon Islands	3.2	3.0	2.4	2.3	0.1	3.3	2.5	2.5
Timor-Leste	-5.4	-0.5	4.8	5.4	0.6	2.1	3.0	3.3
Tonga	2.8	0.4	2.1	1.9	7.4	5.3	5.3	5.3
Tuvalu	3.2	4.3	4.1	4.4	4.4	1.8	3.4	3.5
Vanuatu	4.4	3.2	3.0	2.8	3.1	2.2	2.0	2.0
Developing Asia	6.2	5.9	5.7	5.6	2.2	2.5	2.5	2.5
Developing Asia excluding the NIEs	6.6	6.4	6.2	6.1	2.3	2.6	2.6	2.6

Note: The newly industrialized economies (NIEs) are Hong Kong, China; the Republic of Korea; Singapore; and Taipei, China.

Asian Development Outlook 2019 Highlights

Strengthening Disaster Resilience

The full report is available on the ADB website at <http://www.adb.org/ado2019>.

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