CHAPTER 2

Global Economic Outlook

49 OVERVIEW

50 GLOBAL ECONOMY 2026

Information Box 2.1 – ASEAN POWER GRID: THE MALAYSIAN PERSPECTIVE

63 GLOBAL OUTLOOK 2027

66 CONCLUSION

67 REFERENCES

CHAPTER 2

Global Economic Outlook

Overview

Global economic growth is expected to remain resilient in the near term, balancing the severe impacts of the West Asia Crisis against a booming technology sector. The closure of the Strait of Hormuz has triggered energy supply shocks, driving global inflation higher and heavily burdening energy-importing economies. However, massive ongoing investments in artificial intelligence (AI), technology and digital infrastructure are offsetting these negative effects and keeping global employment steady. This situation is creating a diverging global economy where tech-heavy and energy-producing economies are experiencing stronger expansion, while economies reliant on imported energy and traditional manufacturing are facing constraints.

Global growth is projected to improve and inflation will ease as energy-related pressures gradually subside. While global trade is anticipated to remain fragmented due to ongoing geopolitical tensions and changes in the supply chain, the continued expansion of AI, technology and digital investments is expected to support economic growth. This tech-focused future will help to reshape the labour market, shifting demand toward high-skilled workers. In essence, economies that are highly integrated into the technology supply chain and attain energy security will thrive, while economies dependent on traditional manufacturing industries will face challenging economic prospects.

Global Economy 2026

Global economy growth is expected to remain resilient in 2026, despite geopolitical tension, energy disruptions and uncertainties in global trade. **Global GDP growth** is projected at 3% in 2026, mainly supported by continued investment in AI, technology and digital infrastructure. Nevertheless, growth advantages will likely remain unequally distributed across economies, driven by structural differences in economic vulnerability to geopolitical conflicts, energy supply shocks and shifts in the global technology cycle.

In 2026, the global economy is facing significant pressure from the West Asia Crisis, mainly from energy supply disruptions. Global energy market volatility has escalated following the closure of the Strait of Hormuz, driving energy prices upward. These elevated energy expenses weigh on commercial operations by increasing production and transport costs, while concurrently dampening corporate activity and eroding domestic purchasing power. Energy-importing economies are particularly vulnerable, while economies with stronger energy supplies or technology sectors are in a better position to absorb the shock. Despite these pressures, strong investment in AI, technology and digital infrastructure is providing an important source of support to the global economy.

Among the **advanced economies**, growth is expected to remain moderate at 1.7% as higher energy costs, inflationary pressures and geopolitical uncertainty affect domestic demand and business confidence. However, economies with strong technologies are expected to benefit from increasing investment in AI, technology and digital infrastructure. This causes a growing divergence between economies that are closely connected to the global technology value chain and those that remain dependent on traditional manufacturing industries and imported energy.

Growth in **emerging markets and developing economies (EMDEs)** is also expected to remain uneven at 3.8%. Energy-importing economies are anticipated to experience greater pressure from higher energy and transportation costs, while energy-producing economies may benefit from stronger energy revenues. Meanwhile, economies that are integrated into AI-related supply chains are expected to have better growth prospects as global technology investment continues.

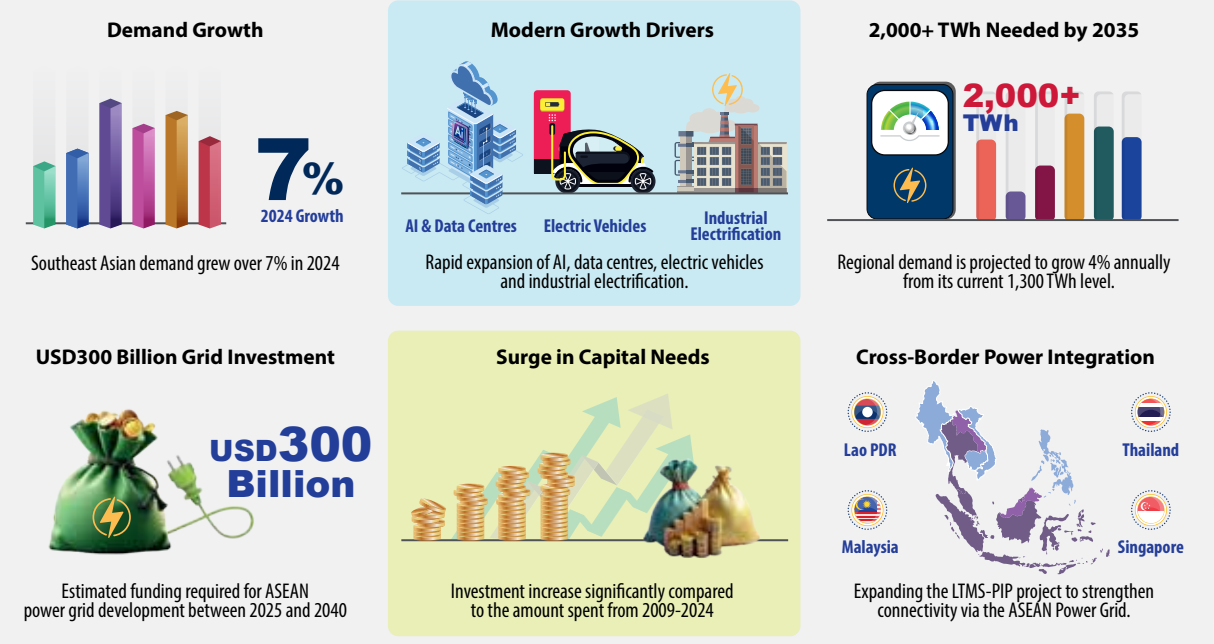
The global **unemployment rate** is expected to record 4.9%, indicating that labour markets remain resilient despite challenging economic conditions. **Inflation** is expected to remain elevated due to higher energy and commodity prices. Global inflation is projected to rise to 4.7%, reversing some of the gains made in containing inflationary pressures in previous years.

INFORMATION BOX 2.1

ASEAN POWER GRID: THE MALAYSIAN PERSPECTIVE

The energy sector is undergoing a significant transformation as countries seek to reduce their reliance on fossil fuels and accelerate the adoption of cleaner sources of electricity. Electricity demand is increasing rapidly driven by the expansion of artificial intelligence (AI), data centres, electric vehicles (EVs) and the electrification of industries traditionally dependent on fossil fuels. The scale of this transformation is particularly evident in Southeast Asia. According to the International Energy Agency (IEA), regional electricity demand increased by more than 7% in 2024, which is nearly twice the global average. Under the IEA's current-policies scenario, electricity demand in the region is projected to grow by approximately 4% annually through 2035, rising from more than 1,300 terawatt-hours (TWh) to over 2,000 TWh as shown in Figure 2.1.1.

FIGURE 2.1.1. *The Growing Demand of Electricity in ASEAN*



Source: Ministry of Finance, Malaysia

The rapid growth in electricity demand is creating a need for additional generation capacity and investment in electricity transmission and distribution networks across Southeast Asia. IEA estimates that ASEAN will require more than USD300 billion in investment in electricity grids between 2025 and 2040, representing a 72% increase from USD174 billion investment during the 2009 – 2024 period. Regional cooperation is becoming increasingly important because ASEAN Member States (AMS) have different electricity demand profiles, power supply mixes and renewable energy (RE) potential.

The ASEAN Power Grid (APG) was established as a regional initiative to strengthen electricity connectivity, enhance energy security and facilitate cross-border electricity trade among AMS. Although the APG has been a longstanding regional objective since the 1980s, recent development

indicates substantial progress of this initiative. These developments include the expansion of the Lao People's Democratic Republic (Lao PDR)–Thailand–Malaysia–Singapore Power Integration Project (LTMS-PIP), progress towards a regional framework for subsea power cables and the establishment of new financing initiatives to support APG development.

The LTMS-PIP provides a practical example of progress in regional electricity integration. The project became operational in 2022 and enables electricity trading among Lao PDR, Thailand, Malaysia and Singapore through existing transmission networks. In 2025, the project entered its next phase, increasing the maximum electricity transfer capacity from 100 megawatts (MW) to 200 MW, thus flowing from Lao PDR to Singapore through Thailand and Malaysia.

Malaysia plays an important role in this regional integration process. Its participation in the LTMS-PIP provides experience in multilateral cross-border electricity trading. Malaysia also contributed efforts to develop financing mechanisms for the APG during its 2025 ASEAN Chairmanship, including engagement with financial institutions, multilateral development banks (MDBs) and other capital providers. The ASEAN Power Grid Financing (APGF) Initiative was launched in Kuala Lumpur, Malaysia in October 2025 by the World Bank Group (WBG), the Asian Development Bank (ADB), ASEAN and the ASEAN Centre for Energy to support investment in regional electricity infrastructure.

However, the development of the APG also presents several challenges, including the need for stronger regulatory and technical coordination, harmonised arrangements for cross-border electricity trading, appropriate investment and business models as well as substantial financing for grid infrastructure. For Malaysia, these challenges are particularly relevant as the country seeks to balance regional electricity integration with domestic energy security, infrastructure requirements and the development of competitive cross-border electricity markets.

From Vision to Reality

The APG is based on a simple idea that AMS can benefit by connecting their electricity systems. At present, AMS largely manage their electricity systems at the domestic level. However, demand and supply do not always move in the same direction. One economy may have excess electricity while another is facing a shortage. Cross-border connections can help balance these differences. An economy with surplus electricity can export it, while another can import power when it needs additional supply.

The IEA report shows that ASEAN electricity consumption has increased ninefold since 1990 and is expected to continue growing at 3 – 4% a year through 2040. The APG requires substantial investment between 2025 and 2040 to expand and modernise its electricity-grid networks. Thus, APG cannot be developed through government funding alone and will require funding from development banks, commercial banks, private investors and other financial institutions.

Malaysia's Strategic Advantage

Malaysia is not simply one node in the current APG map; it is the only economy spanning two of the grid's three main subsystems, with Peninsular Malaysia positioning in the South subsystem and Sabah and Sarawak in the East subsystem. Geographically, Malaysia is a natural bridge between mainland Southeast Asia and Borneo. Peninsular Malaysia is already interconnected with Thailand

and Singapore while Sarawak exchanges power with West Kalimantan. Malaysia is also a wheeling economy in ASEAN's first multilateral electricity trade. In January 2026, LTMS-PIP enabled Malaysia to earn wheeling charges for the use of its transmission system independently of any energy sale.

Malaysia has been among the early AMS to participate actively in cross-border electricity trading. Its involvement began with the Lao PDR–Thailand–Malaysia Power Integration Project (LTM-PIP) in 2018 followed by the LTMS-PIP in 2022. Recently, Brunei Darussalam, Indonesia, Malaysia and the Philippines (BIMP) announced the BIMP Power Integration Project (BIMP-PIP) through a joint statement. The initiative aims to explore the potential for greater electricity interconnectivity across Borneo, strengthening regional energy cooperation and connectivity among the participating AMS.

Leveraging Malaysia's Geographical Position

Malaysia's unique geographical position gives it close physical links with several ASEAN electricity markets, including Brunei Darussalam, Indonesia, Singapore and Thailand. Existing and planned interconnections with these neighbouring systems create opportunities for Malaysia to play a larger role in regional electricity trade. Its position could allow electricity to move between different markets as more cross-border connections are developed. Malaysia is geographically divided into Peninsular Malaysia, Sabah and Sarawak with each region operating distinct energy networks and power infrastructure. Sarawak, in particular, has large hydropower resources and this gives Malaysia access to different sources of electricity that could support wider regional trade.

Growing Electricity Demand

Malaysia is experiencing strong growth in electricity demand. In Peninsular Malaysia, peak electricity demand increased 4.9% from 20,066 MW in 2024 to 21,049 MW in 2025. This increase demonstrates the growing pressure on Malaysia's electricity system and the need to ensure sufficient capacity to meet future demand. Malaysia therefore needs to expand and strengthen its electricity system even before considering additional demand that could arise from regional electricity exports. Tenaga Nasional Berhad (TNB) as the national electricity utility company, expects Peninsular Malaysia's electricity demand to continue growing, forecasting approximately 141.87 TWh in 2026 and 148.66 TWh in 2027, representing an average annual growth rate of about 4.9%. These figures indicate that continued investment in electricity generation, transmission networks and grid infrastructure is necessary to ensure Malaysia meets growing domestic demand while maintaining reliable and secure electricity supply.

Infrastructure Readiness

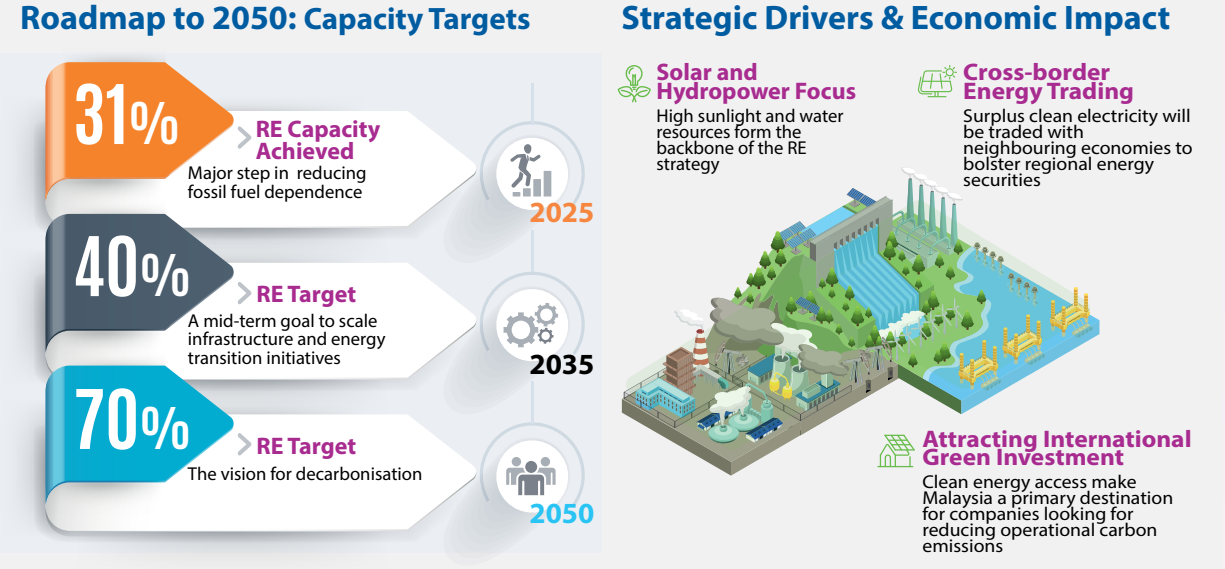
Malaysia's electricity system is well-developed with an established power sector and extensive transmission infrastructure. TNB operates the National Grid in Peninsular Malaysia, which comprises 132 kilovolts (kV), 275kV and 500kV transmission networks and is responsible for ensuring safe, reliable and economical operation of the electricity transmission system. However, the system will require expansion in line with increasing electricity demand, particularly in areas experiencing rapid growth in data centres and industrial projects. TNB reported that, as at December 2025, data centres accounted for 850 MW of actual load utilisation out of approximately 4.5 Gigawatts (GW) of capacity. TNB also reported projects in the pipeline that will require load utilisation up to 7.5 GW, demonstrating the potential for continued growth in electricity demand.

These grid expansions are important not only for supporting regional electricity trade but also for meeting Malaysia's own growing electricity needs. A reliable power system is also important for attracting new investment because energy-intensive industries such as data centres require scalable and reliable electricity connections. TNB's continued investment in grid capacity and resilience is therefore important for supporting economic growth while maintaining the reliability and security of Malaysia's electricity supply.

Renewable Energy Potential

Malaysia has tremendous potential for RE development, especially in solar power as Malaysia receives a high level of sunlight throughout the year and significant hydropower resources are abundant in Sarawak. The Ministry of Energy Transition and Water Transformation (PETRA) reported that RE accounted for 31% of the nation's installed generation capacity by October 2025 as shown in Figure 2.1.2. Malaysia has set a target of achieving 40% RE capacity by 2035 and 70% by 2050. The development in RE could help Malaysia reduce its dependence on fossil fuels over time. It could also create more electricity that can be traded with neighbouring economies. RE is becoming more important for businesses as international companies are trying to reduce carbon emissions linked to their operations. Having access to cleaner electricity will make Malaysia more attractive to these companies.

FIGURE 2.1.2. *Renewable Energy Potential*



Source: Energy Commission and Tenaga Nasional Berhad

Supportive Financial Ecosystem

Large energy projects require substantial funding, especially for transmission lines, RE projects, power plants and energy storage. In Malaysia, potential sources of financing are from the Government, local banks, development financial institutions, MDBs and private investors. For example, ADB has committed up to USD10 billion over the next 10 years to support the APG, including the strengthening of cross-border connections, National Grid upgrades and RE projects. The WBG has contributed USD12.7 million in grants for APG project preparation, including an initial USD5 million grant in 2024 and an additional fund of USD7.7 million in 2025.

Opportunities and Challenges

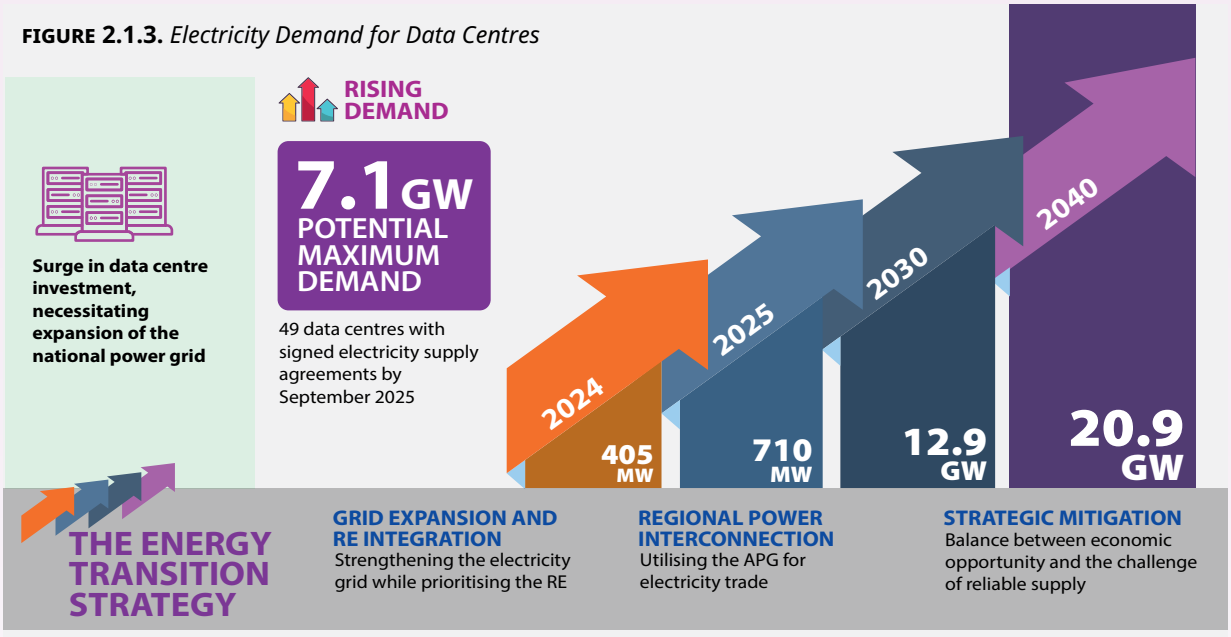
Electricity Trading Hub

One of the biggest opportunities for Malaysia to leverage on from this framework is electricity trading. Malaysia could potentially export electricity when it has surplus generation and import electricity when domestic supply is tight. This could create diverse opportunities for utilities and energy companies as well as financial institutions and other businesses to capitalise from this framework. Malaysia has started using mechanisms such as the Energy Exchange Malaysia (ENEGEM) to support cross-border RE sales to Singapore. The APG could allow such arrangements to grow over time and become part of a wider regional electricity market.

Data Centre Growth

Data centres are one of the clearest examples of why Malaysia needs more electricity as Malaysia has attracted large amounts of investment in this sector. Recent data shows how electricity demand from data centres is increasing. By September 2025, 49 data centres had signed electricity supply agreements with TNB, representing a potential maximum demand of around 7.1 GW as shown in Figure 2.1.3. Actual electricity use from data centres had increased significantly, reaching approximately 710 MW, compared with 405 MW at the end of 2024. These figures show data centres are both an opportunity and a challenge for Malaysia as they bring significant economic activities but require a large and reliable electricity supply.

FIGURE 2.1.3. *Electricity Demand for Data Centres*



Source: Ministry of Energy Transition and Water Transformation, Malaysia and Tenaga Nasional Berhad

PETRA has projected that electricity demand from data centres could reach 12.9 GW by 2030 and 20.9 GW by 2040 and the need to mitigate these challenges. To manage this growth, Malaysia needs to expand its electricity grid while increasing the availability of RE. PETRA has been promoting the development of RE and stronger regional electricity interconnections as part of Malaysia's energy transition. APG can support this strategy by enabling greater cross-border electricity trade, giving Malaysia access to additional sources of electricity from neighbouring economies. Malaysia's participation in the LTMS-PIP is an example of this regional approach and forms part of the wider APG initiative.

Green Manufacturing

Malaysia is expected to benefit from the growing shift towards green manufacturing, as multinational companies increasingly consider the carbon intensity and reliability of electricity in deciding the location of production. This is particularly relevant to semiconductors, electronics, electrical equipment and EV-related manufacturing, which require substantial and reliable power. The Government is also expanding corporate access to renewable electricity through the Corporate Renewable Energy Supply Scheme (CRESS), which allows businesses to procure green electricity through the National Grid. These initiatives strengthen Malaysia's attractiveness to manufacturers seeking to reduce their carbon emissions and meet increasingly stringent environmental, social and governance standard.

APG further supports this opportunity by increasing cross-border electricity interconnections and providing access to a more diverse electricity source, including RE. Malaysia's National Energy Transition Roadmap (NETR) explicitly identifies the APG as a pathway for Malaysia to participate in regional green energy trade. Greater regional integration could therefore complement Malaysia's domestic RE expansion, improve electricity system resilience and support the growing power needs of high value industries. Combined with reliable grid infrastructure and accessible renewable electricity, the APG could help Malaysia position herself as a competitive hub for lower carbon, technology intensive manufacturing while attracting investment from companies seeking cleaner production locations.

Workforce Development

The Energy Commission has projected that Malaysia will require approximately 62,000 highly-skilled workers by 2050 and has placed continuous training and reskilling at the centre of its Energy Competency Excellence ST (ST-ECE) initiative. Grid infrastructure of the future will necessitate the need for specialised proficiency beyond conventional roles like wiremen, chargemen and substation personnel to skilled workers knowledgeable in high-voltage direct current (HVDC) technology, subsea power cables, variable renewable integration, battery storage systems, advanced digital controls and operational technology cybersecurity. Many of these skills are within Malaysia's technical and vocational education and training (TVET) ecosystem, whereby certified competency and industrial excellence are equally important as academic qualifications.

Regulatory Harmonisation

AMS do not operate under one common electricity law or regulatory system. Each AMS retains authority over its own electricity sector including generation, transmission, distribution, licensing, electricity pricing, market access and system operation. This means that the legal rules governing cross-border electricity trade can differ significantly from one economy to another. The APG

framework recognises this issue and requires cooperation on national and regional legal and institutional frameworks, including regulatory harmonisation, electricity-trading arrangements and third-party access to transmission networks. One important legal issue that needs to be addressed is third-party access that concerns whether an electricity producer or trader from one economy should be allowed to use another economy's transmission network to deliver electricity to a customer. To address this, ASEAN has specifically identified the need for arrangements governing third-party access and for a regional transmission-pricing framework.

Another issue is electricity pricing and wheeling charges. Electricity prices are determined through different national market structures, subsidies, tariffs and regulatory mechanisms. Cross-border trade therefore requires agreement on how the cost of transporting electricity across national transmission systems will be calculated. ASEAN studies have identified transmission pricing, wheeling charges and congestion management as important mechanisms for developing multilateral power trade. There are legal questions concerning contracts, liability and reliability, therefore, cross-border electricity agreements need to establish the responsible party in the event of electricity supply interruption, transmission infrastructure failure or any unfulfilled contractual obligations. ASEAN's approach on multilateral power trading therefore emphasises not only physical interconnection but also appropriate institutional and contractual arrangements.

Further challenges faced by AMS are the different levels of electricity-market development and national policy priorities. Some markets are more liberalised, while others remain dominated by state-owned enterprises or centrally-regulated utility providers. ASEAN has therefore favoured a gradual and voluntary approach rather than immediately imposing one uniform electricity market on all AMS. APG's implementation strategy requires stronger market rules, regional institutional coordination and regulatory frameworks to operationalise multilateral power trade. Recent ASEAN efforts also highlight differences in technical standards and regulatory arrangements as obstacles to expanding multilateral electricity trading.

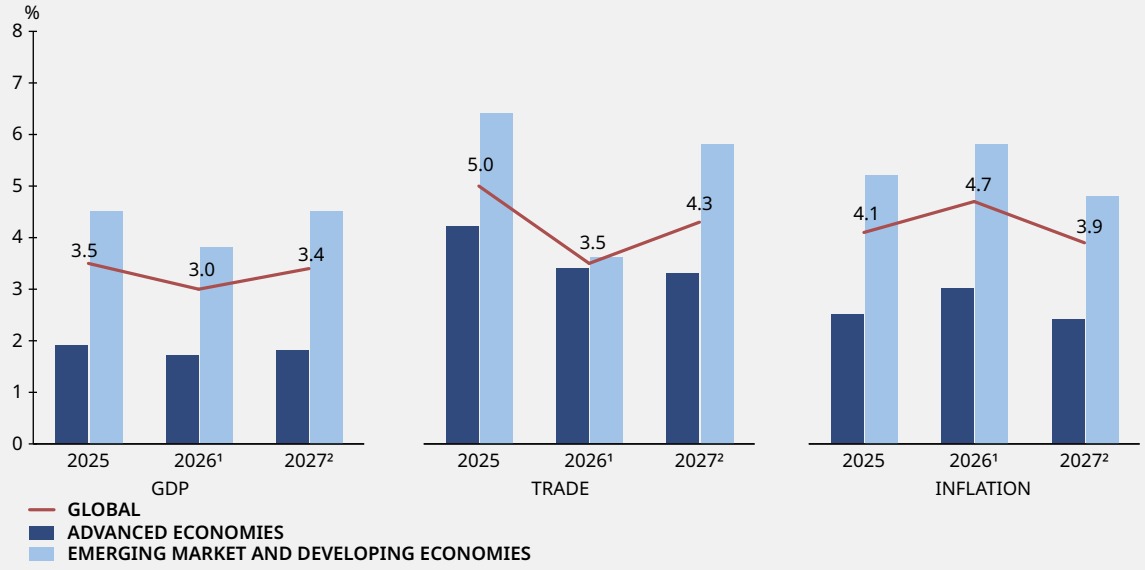
Strengthening Grid Resilience

While regional electricity trade under the APG enhances Malaysia's ability to manage rising electricity demand, the increasing interconnectedness of power systems also makes grid resilience a critical priority. Malaysia therefore needs to maintain adequate domestic generation capacity, robust transmission infrastructure and diversified supply routes to ensure that disruptions, congestion or failures along any single corridor do not cascade across the wider system. A resilient grid will allow Malaysia to manage fluctuations in RE generation and cross-border power flows more effectively, while supporting reliable participation in regional electricity trading without compromising domestic system stability or its capacity to fulfil regional export commitments.

Conclusion

The ASEAN Power Grid is expected to become the regional electricity network by 2045, allowing AMS to trade electricity seamlessly and increase the use of RE. The APG is also expected to shift from a mainly bilateral to multilateral electricity trading arrangement, allowing economies with excess electricity to supply to other AMS in need. Malaysia's strategic geographical position, well-developed power infrastructure and resilient financial framework are uniquely suited to capitalise on regional energy grid integration. However, challenges such as regulatory disharmonisation and grid flexibility need to be managed. Sustained investments in energy storage, transmission networks, grid technology, and renewable power remain essential to achieve APG goals. Beyond boosting economic growth and reinforcing ASEAN's energy security, the APG offers Malaysia a vital opportunity to solidify its position in the regional energy market.

FIGURE 2.1 *Global Gross Domestic Product, Trade and Inflation Growth 2025 - 2027 (% change)*



¹ Estimate
² Forecast
Note: Trade for Advanced Economies and Emerging Market and Developing Economies refers to the average volume of exports and imports of goods and services
Source: International Monetary Fund, World Economic Outlook Update (July 2026)

The **US** economy grew by 2.1% in the first quarter of 2026, before moderating to 1.5% in the second quarter of 2026. Growth in the first quarter of 2026 was stronger than the 0.6% contraction recorded in the first quarter of 2025, while during the second quarter of 2026 the GDP expanded at a slower rate than 3.8% recorded in the second quarter of 2025. Growth in the first half of 2026 was supported by increases in AI, technology and digital infrastructure investment and consumer spending. The ongoing conflict in West Asia has spiked global energy prices and exacerbated inflationary pressures, posing risks to the growth outlook. However, the impact of higher energy prices on the US economy is less severe as the US has been a net energy exporter since 2019. Overall, the second quarter slowdown suggests that the US economy remains resilient amid a more challenging external environment, particularly from higher energy prices and geopolitical uncertainty.

Overall, the US economy is projected to grow at 3.6% in 2026. Meanwhile the labour market is expected to remain relatively resilient, with the unemployment rate averaging around 4.4%, supported by continued job creation. Inflation is forecast to be higher at 3.6%, reflecting persistent upward price movements in the services sector alongside higher energy and food prices arising from the conflict in West Asia. While the overall outlook remains favourable, risks to growth continue to stem from geopolitical tensions, trade fragmentation and the potential for a sharp correction in technology-related counters, which could weigh on investment and consumer confidence.

The **UK's** economy increased by 0.9% in the first quarter of 2026 as compared to 0.7% in the first quarter of 2025. Growth mainly emanated in the services sector, specifically in professional, scientific and technical activities, alongside wholesale and retail trade. The unemployment rate recorded at 5% in the

first eight months 2026 as compared to 4.5% in 2025 due to a rise in operational costs. Meanwhile, the inflation rate increased to 3.3% as compared to 2.6% in 2025. This upward pressure was propelled by rising transport costs, surging fuel and domestic heating oil prices.

In 2026, the UK's GDP is projected to record a slower growth of 1% as compared to 1.4% in 2025, owing to the negative supply shock from the conflict in West Asia weighing on economic activity. The unemployment rate is expected to rise from 4.9% in 2025 to 5.6% in 2026. Meanwhile, inflation is anticipated to moderate at 3.2% over the course of 2026, reflecting high base effects and softening domestic demand.

The **euro area** expanded by 0.5% in the first quarter as compared to 1.6% in 2025 and 1% in the second quarter of 2026 as compared to 1.4% in 2025. This sluggish pace was mainly due to conflict in West Asia which is continuing to weigh on economic activities, following a sharp decline in oil imports particularly diesel and jet fuel. Meanwhile, the labour market remains buoyant with the unemployment rate holding steady at 6.4%, the same rate recorded in the second quarter of 2025.

For the rest of 2026, the euro area economy is forecast to grow marginally at 0.9% as compared to 1.4% in 2025 as the conflict in West Asia contributes to weaker confidence, tighter financial conditions and heightened uncertainty. Private consumption is forecast to increase, supported by wage growth and employment gains. The labour market will continue to demonstrate resilience, with the unemployment rate projected to decline to 6.2%. This is partly due to the extension of temporary protection for more than four million Ukrainian refugees through March 2027 which continues to alleviate labour shortages in low-wage sectors across EU member states. Nevertheless, a higher forecast of inflation at 2.6% compared to 2.1% in 2025 due to supply-chain disruptions and increased production costs.

In **Germany**, the economy grew by 0.6% in the first quarter of 2026, compared to 0.3% recorded in the corresponding quarter in 2025 and 0.9% in the second quarter of 2026 compared with 0.4% recorded in 2025, supported by strong increases in public consumption, private non-residential investment and exports. Subdued economic conditions are weighing on the labour market with unemployment rising slightly to 3.8% as compared to 3.7% in the same period of 2025, despite employment gains in public services offsetting job losses in the manufacturing sector. The sudden energy price shock triggered by the conflict in West Asia drove fuel prices up, which led to an increase in inflation rate at 2.6% as compared to 2.1% in 2025.

For 2026, the economy is expected to grow by 0.7% from 0.2% in 2025 driven by private consumption and a strong public expenditure particularly in defence and infrastructure. Meanwhile, the unemployment rate is projected to increase by 3.9% as compared to 3.8% in 2025 following subdued demand for labour. Inflation is projected to increase by 2.7% as compared to 2.3% in 2025 due to higher energy prices and increased private consumption as a result of rising nominal wages.

The economy of **France** remained modest in the first quarter and second quarter of 2026, with GDP recorded at 0.7% and 0.5% respectively, compared to 0.8% recorded in both the first and second quarter of 2025. However, labour market conditions weakened, with the unemployment rate increasing to 8.3% in the second quarter 2026 compared with 7.6% in the same period of 2025, reflecting

weaker hiring amid slower economic activities. Inflation increased to 2.1% in the second quarter 2026, compared with 1.1% in the same period of 2025. These conditions were partly driven by the conflict in West Asia, which broadly disrupted economic momentum and dampened hiring activity, while strong net exports in aeronautics and defence kept GDP growth positive.

For 2026, the growth is estimated at 0.6%, down from 0.9% in 2025, reflecting the impact of fiscal consolidation, weaker domestic demand and continued uncertainties in the global economy. Consequently, the unemployment rate is projected to rise to 7.9% from 7.6% in 2025. Inflation is projected at 1.8% in 2026 compared to 0.9% in 2025 as fiscal consolidation measures and higher energy prices continue to weigh on real disposable incomes and dampen private domestic demand.

The economy of **Japan** grew by 0.6% and 0.9% in the first and second quarter of 2026 respectively, as compared to 1.6% and 2% in the corresponding quarters of 2025. This growth is supported by increases in private and public consumption, alongside higher exports of goods and services. The unemployment rate increased to 2.7% in the first quarter of 2026 from 2.4% in the corresponding quarter of 2025. Inflation moderated at 1.4% in the first quarter of 2026 from 3.8% in the corresponding quarter of 2025.

For the whole year, the economy of Japan is projected to moderate to 0.6% as compared to 1.1% in 2025. The growth is expected to be supported by stronger global demand related to AI and various government measures which include reducing household burden arising from higher energy prices. The unemployment rate is projected to remain unchanged at 2.5% in 2026 as in 2025. Meanwhile, inflation is forecast to moderate to 2.2% compared to 3.2% in 2025.

The economy of **Australia** recorded 0.3% and 0.4% in the first and second quarter of 2026 respectively, as compared to 0.3% and 0.6% growth recorded in the corresponding quarters in 2025. This growth was underpinned by household expenditure, contributions from manufacturing, construction, professional, scientific, and technical activities, as well as administrative and support services. This growth occurred alongside adjustments in broad private consumption, business capital expenditure and general government spending, which reflected changes in household social benefits. Employment indicators and price showed ongoing stabilisation as the unemployment rate stood at 4.5%, while inflation recorded at 3.5% in July 2026.

Building on these early-year trends, Australia's 2026 GDP is projected to expand by 1.9%. The growth is primarily contributed by strategic investments in AI, technology and digital infrastructure; defence and public services. Output in primary sectors such as agriculture and mining remains resilient as industries adapt to shifting input costs and climate factors. Conversely, private consumption, commercial investment and net trade continue to face headwinds from tight credit conditions and energy price volatility. The unemployment rate is projected to average at 4.4% as compared to 4.1% in 2025, buffered by a resilient labour market that continues to sustain short-term strength in household spending. Inflation is projected at 4.1% as compared to 3.2% in 2025, underpinned by non-tradable price pressures in housing, utilities and insurance, alongside higher input costs across energy and freight.

The economy of the **Republic of Korea** expanded strongly by 3.8% and 3.7% in the first and second quarter of 2026, as compared to 0.2% and 0.7% in the corresponding quarters of 2025. The growth is mainly supported by the manufacturing sector,

particularly in semiconductors, machinery and equipment, as well as the services sector. The unemployment rate recorded 3.5% in the first quarter of 2026, slightly higher than 3.3% recorded in the corresponding quarter of 2025, while inflation remained stable at 2.1%.

In 2026, the Republic of Korea's GDP is projected to grow at 2.6%, as compared to 1.1% in 2025. The economic activity is expected to strengthen, driven by robust semiconductor exports, despite continued uncertainties arising from the conflict in West Asia. The government's supplementary budget is introduced to cushion the energy crisis, targeting households, businesses and local governments. The unemployment rate is projected to remain at 2.8% in 2026. Meanwhile, inflation is projected higher at 2.5% compared to 2.1% in 2025.

The economy of **China** recorded 5% and 4.3% in the first and second quarter of 2026, as compared to 5.4% and 5.2% in the corresponding quarters of 2025. The growth is mainly supported by the services sector following strong activities in information transmission, software and information technology services, and financial intermediation. However, the growth was partly weighed down by contractions in the construction and real estate sectors. The unemployment rate remained stable at 5.3%, while inflation was at 0.9% in the first quarter of 2026, reflecting a gradual pickup in consumer prices.

China's economy is projected to grow by 4.6% in 2026, as compared to 5% in 2025. The growth is expected to moderate amid higher global oil prices, weaker global demand and persistent structural headwinds. The unemployment rate is projected to remain at 5.1% in 2026, unchanged as in 2025 while inflation is projected at 1.2%.

India's GDP for 2026 is projected at 6.4% supported by strong momentum in the private consumption and services sector, indicating that domestic demand remains an important source of growth amid a tumultuous external environment. India's outlook faces downside risks from higher energy prices and geopolitical tensions, particularly due to higher oil prices that increases the country's import costs and puts pressure on domestic inflation and consumption. Overall, the projected growth demonstrates considerable economic resilience. Nonetheless, to sustain this growth momentum, there needs to be a balance between managing external risks and maintaining strong domestic demand. Meanwhile, the projected inflation at 4.7% in 2026 suggests that price pressures remain relatively manageable.

The **ASEAN-5** economies grew by 4.1% in 2026 compared to 4.5% in 2025. The economies face risks from the conflict in West Asia, global trade tensions, commodity price volatility, climate events and political uncertainties, causing regional growth divergence at the beginning of 2026. While several economies experienced cooling momentum, this was largely offset by technology-driven exports, robust domestic demand and public spending. Meanwhile, the ASEAN-5 inflation rate recorded at 2.6%.

Indonesia's GDP expanded by 5.6% and 5.3% in the first and second quarter of 2026 as compared to 4.9% and 5.1%, respectively in 2025. The first quarter growth was driven by robust household consumption and a significant surge in government expenditure, fueled by civil servant festive bonuses and a free school meal programme. The highest growth was recorded in the accommodation and food services followed by transportation and warehousing sub-sectors.

The unemployment rate recorded at 4.7% while job creation continues to lag behind growth in the labour force. Inflation rate recorded 3.3% in June 2026 driven by the depreciation of the Indonesian rupiah. For 2026, Indonesia's GDP is projected to grow at 5% with unemployment rate at 4.9% and inflation rate at 3%.

Thailand's GDP recorded 2.8% and 1.9% growth in the first and second quarter of 2026 as compared to 3.1% and 2.8% respectively in 2025 primarily driven by the E&E export segment, which in turn boosted manufacturing output. Private investment accelerated while private consumption, public consumption and exports of goods moderated as public investment contracted. The unemployment rate remained stable at 0.9% with structural shifts from new technologies like AI and electric vehicles risking over 8.7 million jobs. Inflation rate contracted by 0.5% due to the weakening of the Thai Baht against the US dollar following the conflict in West Asia. For 2026, Thailand's economy is projected to grow by 1.9% with unemployment rate at 1% and inflation rate at 0.9%.

Singapore's GDP grew by 6.3% and 5.9% in the first and second quarter of 2026 as compared to 4.5% and 5.4% respectively in 2025 driven by strong performance in the manufacturing and services sectors particularly AI and digital infrastructure. The labour market continued to expand alongside sustained economic growth with the unemployment rate remaining low at 2% in June 2026. Inflation rate is recorded at 1.7% in the first half of 2026 contributed by the increase in household income groups which are food, motor cars, health insurance, accommodation and petrol.

Singapore's GDP for 2026 is projected at 3.5% although downside risks have risen significantly as a result of the conflict in West Asia. Growth is expected to be driven by the AI investment surge. Looking ahead, despite the unemployment rate remaining low and stable at 2.1%, firms may adopt a more cautious approach in hiring workers amid external uncertainties. Inflation rate is projected to rise to 2.6% in 2026 due to geopolitical tensions.

The **Philippines'** GDP recorded 2.8% and 2.3% in the first and second quarter of 2026 respectively as compared to 5.4% in both quarters of 2025 driven by the growth in wholesale and retail trade; repair of motor vehicles and motorcycles; education and manufacturing. However, the overall economic performance was weighed down by sharp contractions in public infrastructure and capital spending in construction activities, as well as reduced industrial mining output. The unemployment rate recorded 4.9% while inflation averaged at 4.8%, primarily driven by the slower annual increase in the transport and household maintenance indexes. In 2026, growth in the Philippines' GDP is projected at 3.9% amid the energy crisis and a weak 2025 baseline driven by a sharp decline in public investment and confidence. Meanwhile, the unemployment rate is forecast at 4.7% and inflation at 4.3%.

Global Outlook 2027

Global growth is expected to improve to 3.4% in 2027, as impact from energy shock gradually subsides and investment in AI, technology and digital infrastructure continues to support economic activity. The stronger growth outlook suggests that technological investment could increasingly offset some of the negative effects of geopolitical tensions. AI-related investment is expected to expand beyond the major technology economies, supporting demand for AI, technology and digital infrastructure. However, growth is likely to remain uneven because economies with weak technology sectors may not benefit to the same extent.

Global unemployment is expected to remain around 4.9%, indicating continued resilience in global labour markets. However, technological changes and AI are expected to gradually affect the structure of employment by increasing demand for high-skilled workers while reducing demand for low-skilled conventional jobs. Meanwhile, **global inflation** is projected to decline to 3.9% in 2027 as energy-related pressures ease. Nevertheless, inflation is expected to remain an important concern because geopolitical disruptions could continue to affect energy and commodity prices.

Global trade is expected to remain affected by geopolitical tensions, supply chain disruptions and increasing economic fragmentation throughout 2026 and 2027. Businesses may continue to diversify their supply chains to reduce exposure to geopolitical risks and disruptions to major transport routes. At the same time, investment flows are likely to focus on technology, AI, energy security and strategic industries. These may create new opportunities for economies that can attract technology-related investment, while economies that are less integrated into these sectors could face weaker investment and growth prospects.

Looking ahead to 2027, the **US** economic growth is projected at 2.2% supported by favourable financial conditions and continued investments in AI, technology and digital infrastructures. The US economy has remained relatively resilient despite the ongoing conflict in West Asia, supported by its position as a net energy exporter and its prominent role in the global technology value chain. While household consumption is expected to moderate from previous years, business investment in equipment and intellectual property is anticipated to contribute significantly to growth.

Private consumption is expected to remain sensitive to broader macroeconomic and financial conditions. A potential pullback in AI technology-driven expectations heightens downside risks, while depleted policy buffers could further exacerbate these vulnerabilities. Inflationary pressures are expected to ease gradually as energy market disruptions subside. While the labour market is projected to remain resilient with the unemployment rate at 4.2%, inflation is expected to remain above the US Federal Reserve's 2% target throughout 2027.

Growth in the **UK** is expected to recover to 1.3% in 2027 as the disruptions from the global energy shock begin to dissipate. However, the unemployment rate is projected to continue its upward trajectory into 2027, reaching a higher rate of 5.3% as the labour market continues to experience lagging adjustments. Inflation is projected to record 2.4% in 2027 as the effects of higher energy prices gradually fade and the softening labour market cools wage pressures.

Downside risks to the UK's economic outlook in 2027 remain predominant stemming from localised vulnerabilities as well as cascading global shocks. Domestically, the lingering impacts of elevated energy costs continue

to drag on manufacturing and consumer confidence. Intensification of the conflict in West Asia presents an immediate risk to maritime transit routes, which could trigger an even larger energy crisis, extend commodity price volatility and abruptly tighten financial conditions.

Growth in the **euro area** is projected at 1.2% in 2027, mainly supported by strengthening domestic demand and a rebound in trade growth. The overall euro fiscal stance is projected to be neutral in 2027 with the expiration of the Recovery and Resilience Facility spending being partially offset by small expansions in nationally financed components. The labour market is expected to remain tight and resilient, with the unemployment rate forecast at 6.1%. Private consumption is expected to strengthen as inflation moderates to 2.2%, supported by growing disposable income and a lower household saving rate.

However, the outlook remains exposed to significant downside risks, primarily from the conflict in West Asia. Delays in restoring global energy supplies could stifle economic growth and exacerbate inflationary pressures. Broader spillovers from these geopolitical factors, alongside weaker confidence or financial market stress could further weaken demand. Concurrently, an escalation of the conflict in Ukraine or increased volatility regarding trade policies and tariffs, may suppress economic activity for a more prolonged period than currently anticipated.

Germany's economy is forecast to grow by 1% in 2027, driven by stronger domestic demand and a gradual recovery in exports as global demand rebounds. The labour market is expected to improve with the unemployment rate projected to decrease slightly to 3.5%. Inflation is anticipated to moderate to 2.3% as energy price pressures are expected to ease, providing relief to consumers.

The economic outlook continues to face considerable downside risks, with Germany's manufacturing sector being exposed to trade tensions and geopolitical uncertainties. A longer duration or escalation of the conflict in West Asia could trigger higher energy prices and inflation, eroding confidence and dampening private consumption and investment. Externally, mounting trade protectionism, rising tariffs and competition from other economies could threaten Germany's export-oriented industries, leading to projections that overall exports will broadly stagnate in the near term.

France's GDP is expected to improve to 0.9% in 2027, driven by a recovery in external and domestic demand. Implementation of the France 2030 investment plan particularly in innovation, clean energy, digital technology and strategic industries, will bolster overall economic growth and strengthen resilience to shocks. The unemployment rate is projected to remain at 7.9%, while inflation is anticipated at 1.7% in 2027.

Risks to the outlook remain tilted to the downside. On the domestic front, heightened political uncertainty ahead of the 2027 presidential election is expected to delay necessary fiscal consolidation and structural reforms. These delays, coupled with weaker private demand threaten to heighten market pressures and worsen the country's debt dynamics. On the external front, a prolonged conflict in West Asia risks disrupting energy supplies and trade, fueling inflation and hampering economic growth. Additionally, a potential disorderly correction in the AI market could disrupt financial flows and dampen broader market sentiment.

Japan's GDP is projected to record a moderate expansion of 0.7% in 2027 supported by continued growth in exports, particularly those related to global AI investment. The growth

outlook is subject to downside risks arising from the conflict in West Asia, global AI-related demand and external economic conditions. Meanwhile, the unemployment rate is projected to remain unchanged at 2.5% and inflation is forecast to increase slightly to 2.3%.

Australia's economic growth is projected at a slower rate of 1.7% in 2027, reflecting the impact of a tighten policy which weakens household consumption. In the external sector, structural realignments within China's real estate market pose a challenge to exports, particularly for iron ore and coking coal. Nonetheless, investment in rare earth elements and green hydrogen infrastructure, alongside demand for steel from China's automotive and renewable energy sectors, will help mitigate the challenges in the external sector. The unemployment rate is expected at 4.3%, while inflation is projected to moderate towards 3%.

The **Republic of Korea's** economy is projected to grow by 2.5% in 2027. The growth is expected to remain resilient supported by strong global AI-related demand. The continued strength in the semiconductor sector is also expected to improve income conditions and support a gradual recovery in private consumption. The outlook remains subject to downside risks arising from conflicts in West Asia and uncertainty in the global trade environment. The unemployment rate is projected to increase slightly to 2.9% in 2027, while inflation is projected to moderate to 1.9%.

China's economy is projected to grow by 4.1% in 2027, as compared to 4.6% in 2026. The growth is expected to remain moderate amid the continued adjustment in the real estate and subdued domestic demand, particularly household consumption. Risks to growth remain tilted to the downside with the prolonged conflict in West Asia could continue to affect energy supplies and weigh on exports. The unemployment rate is projected to remain unchanged at 5.1% in 2027, while inflation is projected to increase to 1.5%.

India's GDP growth is projected to strengthen to 6.7% in 2027, driven by strong domestic demand. However, the forecast faces downside risks from geopolitical tension and volatile energy prices. Reescalation in West Asia could spike energy and commodity costs, straining household purchasing power, business margins and financial conditions. Sustaining the growth momentum hinges on energy market normalisation, robust domestic demand and manageable inflationary pressure. Meanwhile, the unemployment rate is projected at 4% and inflation at 4.9%.

The **ASEAN-5** economies are projected to expand by 4.3% in 2027 and remain resilient supported by strong domestic demand. The economies confront risks from global trade tensions, commodity volatility, climate events and political uncertainties. Meanwhile the ASEAN-5 inflation rate is forecast at 2.3%.

Indonesia's GDP growth is projected at 5.1% in 2027 propelled by easing commodity market pressures, stronger private credit growth and the acceleration of investments and structural reform efforts. While commodity-based manufacturing, agribusiness, construction, services and digital sectors are forecast to remain the primary driver of growth, the recovery will depend on the pace of reform implementation and the capacity to attract private investment. Meanwhile, the unemployment rate is forecast at 4.8% and inflation at 2.6%.

Thailand's GDP growth is projected at 2.2% in 2027, driven by technology-related exports and an expansion in data centre investments. While the delayed impact of higher trade tariffs tampers near-term momentum, recovery in global trade is expected to spur

growth. Meanwhile, the unemployment and inflation rates are both forecast at 1%. Risks to Thailand's outlook remain tilted to the downside with growth and inflation remaining vulnerable to volatile global markets and domestic political changes.

Singapore's GDP is projected at 2.7% in 2027 as higher input prices and supply chain disruption weigh on energy-intensive industries, compress income growth and tighten financial conditions. Both unemployment and inflation rates are projected to be stable at 2.1%. Singapore faces significant risks from unpredictable geopolitical tensions given its strong reliance on international trade.

The **Philippines'** GDP is projected at 5.5% in 2027 as public investment normalises and borrowing costs decline. However, any intensification of global trade tensions is expected to weigh on external demand and export revenues. The unemployment rate is forecast at 4.6% due to better labour market performance. Inflation rate is projected to improve gradually to 3.2% as temporary effects from global energy prices fade.

Downside risks that could adversely affect the outlook include natural disasters, energy supply disruptions and AI-driven labour market shifts. Ranked among the world's most disaster-prone economies, the Philippines experiences an average of 20 typhoons annually, alongside frequent flooding, landslides and earthquakes. These events impose persistent economic costs for damaged infrastructure, displaced communities and destroyed agriculture crops, which would divert fiscal resources away from development priorities.

Conclusion

The global economy will remain resilient in 2026 while its outlook in 2027 is vulnerable to geopolitical tensions, energy disruptions and increasing economic fragmentation. The West Asia crisis may continue to affect energy prices, inflation and global trade. Energy-importing economies are particularly more vulnerable, while economies with strong technology sectors and highly integrated in the AI supply chains are expected to benefit more from continued technological investment.

Overall, the global economy in 2026 and 2027 is anticipated to be shaped by two opposing factors, namely geopolitical and energy-related pressures which could dampen growth while technological innovation including AI, technology and digital infrastructure are expected to be an important source of economic resilience. Nevertheless, sustainable global growth is contingent upon economies effectively managing inflation, energy security, financial stability and geopolitical risks.

References

ASEAN+3 Macroeconomic Research Office (AMRO). (2026, June). *ASEAN+3 Growth Projection Unchanged but Inflation Expected to Trend Higher*. Retrieved from https://amro-asia.org/asean3-growth-projection-unchanged-but-inflation-expected-to-trend-higher/

Asian Development Bank. (2014, May). *Financial Monitoring in the New ASEAN-5 Countries*. Retrieved from https://www.adb.org/publications/financial-monitoring-new-asean-5-countries

Australian Bureau of Statistics. (2026, June). *Australian National Accounts: National Income, Expenditure and Product*. Retrieved from https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-national-income-expenditure-and-product/latest-release

Australian Bureau of Statistics. (2026, July). *Consumer Price Index, Australia*. Retrieved from https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/latest-release

Australian Bureau of Statistics. (2026, July). *Labour Force, Australia*. Retrieved from https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release

Bank of England. (2026, April 30). *Monetary Policy Report - April 2026*. Retrieved from https://www.bankofengland.co.uk/monetary-policy-report/2026/april-2026

Bank of Japan. (2026, April 28). *Outlook for Economic Activity and Prices (April 2026)* . Retrieved from https://www.boj.or.jp/en/mopo/outlook/gor2604a.pdf

Bank of Korea. (2026, May 28). *Korea Economic Outlook (May 2026)*. Retrieved from https://www.bok.or.kr/eng/bbs/E0000634/view.do?depth=400423&menuNo=400423&nttId=10098207&programType=newsDataEng&relate=Y#:~:text=%EB%93%B1%EB%A1%9D%EC%9D%BC%202026.05.28%20%EC%A1%B0%ED%9A%8C%EC%88%98%207334,May%202026)_f.pdf

Bank of Thailand. (2026, June). *Economic Outlook: Forecast Summary*. Retrieved from https://www.bot.or.th/en/thai-economy/economic-outlook.html

BPS-Statistics Indonesia. (2026, May). *BPS Records Indonesia's Q1 2026 Economic Growth at 5.61%, Surpassing Forecast*. Retrieved from https://business-indonesia.org/news/bps-records-indonesia-s-q1-2026-economic-growth-at-5-61-surpassing-forecast

Directorate-General for Economic and Financial Affairs (European Commission). (2026). *European Economic Forecast*. Retrieved from https://doi.org/10.2765/0071034

Economic and Social Research Institute, Cabinet Office Japan. (2026). *Japan GDP*. Retrieved from https://www.esri.cao.go.jp/jp/sna/data/data_list/sokuhou/gaiyou/pdf/main_1.pdf

Eurostat. (2026). Retrieved from https://ec.europa.eu/eurostat/databrowser/view/une_rt_q/default/table?lang=en

Eurostat. (2026). *Gross Domestic Product (GDP) and Main Components (Output, Expenditure and Income) - Quarterly Data*. Retrieved from https://ec.europa.eu/eurostat/databrowser/view/namq_10_gdp__custom_21978337/default/table

HR Asia. (2026). *Indonesia's unemployment rate declines to 4.68% in February 2026*. Retrieved from https://hr.asia/

International Monetary Fund (IMF). (2026, July). *2026 Article IV Consultation—Press Release; Staff Report; And Statement By The Executive Director For Singpore*. Retrieved from https://www.imf.org/-/media/files/publications/cr/2026/english/1sgpea2026001.pdf

International Monetary Fund (IMF). (2026, May 21). *France: Staff Concluding Statement of the 2026 Article IV Mission*. Retrieved from https://www.imf.org/en/news/articles/2026/05/21/mcs-052126-france-staff-concluding-statement-of-the-2026-article-iv-mission

International Monetary Fund (IMF). (2026, April). *How the War in the Middle East Is Affecting Energy, Trade, and Finance and World Economic Outlook*. Retrieved from https://www.imf.org/en/blogs/articles/2026/03/30/how-the-war-in-the-middle-east-is-affecting-energy-trade-and-finance

International Monetary Fund (IMF). (2026, February 18). *IMF Executive Board Concludes 2025 Article IV Consultation with China*. Retrieved from https://www.imf.org/en/news/articles/2026/02/18/pr-26053-china-imf-executive-board-concludes-2025-article-iv-consultation

International Monetary Fund (IMF). (2026, April 3). *IMF Executive Board Concludes 2026 Article IV Consultation with Japan*. Retrieved from https://www.imf.org/en/news/articles/2026/04/02/pr-26105-japan-imf-executive-board-concludes-2026-article-iv-consult

International Monetary Fund (IMF). (2026, July 16). *IMF Executive Board Concludes 2026 Consultation with Euro Area*. Retrieved from https://www.imf.org/en/news/articles/2026/07/16/pr26247-euro-area-imf-concludes-2026-consultation

International Monetary Fund. (2026, July). *Singapore: 2026 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Singapore*. Retrieved from https://www.imf.org/en/publications/cr/issues/2026/07/20/singapore-2026-article-iv-consultation-press-release-staff-report-and-statement-by-the-577814

McKinsey & Company. (2026, June). *Southeast Asia quarterly economic review: Tech tailwinds drive a two-speed region*. Retrieved from https://www.mckinsey.com/featured-insights/future-of-asia/southeast-asia-quarterly-economic-review

Ministry of Manpower Singapore. (2026, June 15). *Labour Market Report 1Q 2026*. Retrieved from https://www.mom.gov.sg/newsroom/press-releases/2026/0615-lmr-1q-2026

Ministry of Trade and Industry Singapore. (2025, August 12). *MTI Upgrades 2025 GDP Growth Forecast to "1.5 to 2.5 Per Cent"*. Retrieved from https://www.mti.gov.sg/newsroom/mti-upgrades-2025-gdp-growth-forecast-to-1-5-to-2-5-per-cent/

Ministry of Trade and Industry Singapore. (2026, May 25). *MTI Maintains 2026 GDP Growth Forecast at "2.0 to 4.0 Per Cent"*. Retrieved from https://www.mti.gov.sg/newsroom/mti-maintains-2026-gdp-growth-forecast-at--2-0-to-4-0-per-cent-/

Monetary Authority of Singapore. (2026, September). *MAS Core Inflation*. Retrieved from https://www.mas.gov.sg/statistics/mas-core-inflation

National Bureau of Statistics of China. (2026, July 17). *Preliminary Accounting Results of GDP for the Second Quarter and the First Half of 2026*. Retrieved from https://www.stats.gov.cn/english/PressRelease/202607/t20260717_1964160.html

OECD. (2026). *OECD 2026 Volume 1 - France.* OECD.

OECD. (2026). *OECD Economic Outlook, Volume 2026 Issue 1*. Retrieved from Under Pressure, OECD Publishing, Paris: https://doi.org/10.1787/2d1956f0-en

OECD. (2026, February). *OECD Economic Surveys: Philippines 2026*. Retrieved from https://www.oecd.org/content/dam/oecd/en/publications/reports/2026/02/oecd-economic-surveys-philippines-2026_cc282bc0/f0e0c581-en.pdf

Official National Statistics and Economic Studies Institute of France (INSEE). (2026, September 15). *Consumer Price Index Base 2025 year on year change All households France*. Retrieved from https://www.insee.fr/en/statistiques/serie/011814632#Tableau

Philippine Statistics Authority. (2026, September 4). *Consumer Price Index and Inflation Rate*. Retrieved from https://psa.gov.ph/price-indices/cpi-ir

Philippine Statistics Authority. (2026, May 7). *GDP Grows by 2.8 Percent in the First Quarter of 2026*. Retrieved from https://psa.gov.ph/content/gdp-grows-28-percent-first-quarter-2026

Philippine Statistics Authority. (2026, May). *GDP Grows by 2.8 Percent in the First Quarter of 2026*. Retrieved from https://psa.gov.ph/content/gdp-grows-28-percent-first-quarter-2026

Philippine Statistics Authority. (2026, June 9). *Number of employed persons in April 2026 increased to 48.89 million Filipinos aged 15 years and over*. Retrieved from https://psa.gov.ph/system/files/iesd/Press-Release-for-April-2026-LFS.pdf

Philippine Statistics Authority. (2026, June). *Number of employed persons in April 2026 increased to 48.89 million Filipinos aged 15 years and over*. Retrieved from https://psa.gov.ph/system/files/iesd/Press-Release-for-April-2026-LFS.pdf

Philippine Statistics Authority. (2026, September). *Summary Inflation Report Consumer Price Index (2018=100): August 2026*. Retrieved from https://psa.gov.ph/price-indices/cpi-ir

Singapore Department of Statistics. (2026, May). *Singapore Consumer Price Index*. Retrieved from https://www.singstat.gov.sg/files/190ca70b-2d16-41a5-9298-fee401cb0cfe.pdf

Statistic Bureau of Japan. (2026). *Latest indicators*. Retrieved from https://www.stat.go.jp/english/

Trading Economics. (2026). *Indonesia Inflation Rate*. Retrieved from https://tradingeconomics.com/indonesia/inflation-cpi

U.S. Bureau of Economic Analysis (BEA) . (2026). *GDP releases for Q1 2025, Q2 2025 and Q2 2026*. Retrieved from https://www.bea.gov/news/2025/gross-domestic-product-2nd-quarter-2025-third-estimate-gdp-industry-corporate-profits

U.S. Bureau of Economic Analysis (BEA). (2026). *BEA, GDP Advance Estimate, Q2 2026*. Retrieved from https://www.bea.gov/news/2026/gdp-advance-estimate-2nd-quarter-2026

U.S. Bureau of Economic Analysis (BEA). (2026). *GDP Third Estimate, Q1 2026; GDP Advance Estimate, Q2 2026*. Retrieved from https://www.bea.gov/news/2026/gdp-advance-estimate-2nd-quarter-2026

U.S. Energy Facts and Today in Energy. (2026). *The United States has been an annual net total energy exporter since 2019*. Retrieved from https://www.eia.gov/energyexplained/us-energy-facts/imports-and-exports.php

U.S. Energy Information Administration (EIA). (2026). *The United States is a major energy exporter and importer, especially for petroleum*. Retrieved from https://www.eia.gov/todayinenergy/detail.php?id=67724&utm_s

UK Office for National Statistics (ONS). (2026). *Consumer Price Inflation, UK: March 2026*. Retrieved from https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/march2026

UK Office for National Statistics (ONS). (2026). *GDP Quarterly National Account, UK: January to March 2026*. Retrieved from https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpfirstquarterlyestimateuk/januarytomarch2026

UK Office for National Statistics (ONS). (2026, May). *Labour Market Overview, UK: May 2026*. Retrieved from https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/may2026

Venkateswaran, L *et al*. (2026). OCBC Group Research: ASEAN-5, 1-10. https://ocbc.com/iwovresources/sglocbc/gbe/pdf/regional

World Economic Outlook. (2026, July). Retrieved from https://www.imf.org/en/publications/weo/issues/2026/07/08/world-economic-outlook-update-july-2026

World Economic Outlook. (2026, April). Retrieved from https://www.imf.org/en/publications/weo/issues/2026/04/14/world-economic-outlook-april-2026