

Date: 26 March 2009
Press Release No: G/22/2009

UN's Economic and Social Survey of Asia and the Pacific Analyses Threat of Triple Crises to the Region

Solutions proposed to deal with economic, food/fuel and climate change challenges
Bangkok (UN/ESCAP Information Services) – While most governments are focused on dealing with the worst economic crisis in many decades, two other longer term crises should not be forgotten. Food-fuel price volatility and climate change are converging with the present economic crisis to create what is now being referred to as the triple threat. With almost two thirds of the world's poor and half of its natural disasters, Asia and the Pacific is at the epicentre of the triple crises.

This message comes from the [Economic and Social Survey of Asia and the Pacific 2009](#), the flagship publication of the United Nations' regional arm – the Economic and Social Commission for Asia and the Pacific ([ESCAP](#)). Entitled "Addressing Triple Threats to Development," the report is released today in over 20 cities across the region and in New York and Geneva.

The *Survey* provides a regional perspective as well as country-specific analyses, and outlines ways in which economies in the region can move forward in unison towards a more inclusive and sustainable development path.

“The severity of the triple crises required a more responsive, action-oriented agenda,” said Noeleen Heyzer, UN Under-Secretary-General and Executive Secretary of ESCAP at the main launch in Bangkok. “The *Survey*'s findings and recommendations will serve as a guide to policymakers through the uncertain times ahead.”

Resilience to financial crisis eroded by reliance on exports to other regions

This is the second time in a decade Asia and the Pacific has been hit by a financial crisis. However, the *Survey* finds that reforms undertaken since 1997 - implementation of prudent macroeconomic policies, improved fiscal balances, banking reforms and foreign exchange reserve accumulation – made the region more resilient at the beginning of the current crisis. That resilience started to erode, however, when in the fourth quarter of 2008, trade - the region's engine of growth - moved from double digit growth to double digit declines.

“The fact is that the Asia-Pacific region is more economically integrated with the rest of the world than with itself,” Dr. Heyzer noted. “Intraregional trade among developing countries accounts for only 37% of exports in our region, compared with NAFTA at 51% and the E.U at 68%.”

The *Survey* calls for more intra-regional trade and investment by accelerating implementation of regional economic cooperation agreements. “By strengthening our domestic markets, the region can provide a buffer to global market fluctuations and move

from being crisis resilient to crisis resistant. A key component in this will be how governments use fiscal policy as a tool of development” Dr. Heyzer added.

Poverty and food/fuel crisis increase vulnerability to climate change

The *Survey* points out that the triple crises are interlinked and are reinforcing the impacts of each other. It notes that the number of the poor in Asia and the Pacific – already two thirds of the global total – is likely to increase as a result of the economic crisis and rising unemployment. Record high oil prices last year of \$147 dollars a barrel, in combination with hoarding and price speculation drove the price of rice up by 150 percent. This is the region’s staple, with price increases hitting the poor the hardest.

At the same time, studies have shown that natural disasters disproportionately affect the poor and the most vulnerable. Asia, as the most disaster-prone region in the world, experiences almost half of global natural disasters, with a disproportionate 65 per cent of the victims. Climate change threatens to further magnify the vulnerability of the poor by increasing the frequency and severity of natural disasters, and crop failures, in the region.

Stimulus packages offer opportunity to address long term issues

The *Survey* sees governments’ stimulus packages as an opportunity to not only reinvigorate the economy in the short term, but address long-term issues by investing in food and energy security, social safety nets, disaster risk reduction and green technology.

“Impacts of the crises have hit the world’s poor the hardest, two thirds of whom live in the Asia Pacific. It is clear that a more inclusive model for economic growth is required to address their needs,” Dr. Heyzer said. “This requires setting up social protection systems that increase income security and free up the spending power of middle and lower income people who drive the economy.”

The *Survey* points out that coverage of basic social protection is currently very low in the Asia-Pacific region, with only an estimated 30 per cent of the elderly receiving pensions and 20% of the population having access to health-care assistance.

“The converging triple threat highlights the need for a more comprehensive, inclusive approach to development,” Dr. Heyzer noted. “Not only is there an urgent requirement to resume economic growth, but we have to re-think where that growth takes place and whom it benefits.”

“As the Asia-Pacific region becomes more influential in discussions shaping the future global economic architecture, so too will its responsibility to address the underlying causes of the triple threats. Our region has the potential to emerge from the current crises as a global leader, but only if current stimulus packages and reforms are implemented in a manner that is both inclusive and sustainable.”

The *Economic and Social Survey of Asia and the Pacific 2009* is available online at:

<http://www.unescap.org/survey2009/>

For more information, please contact:

Ms. Tiziana Bonapace
Macroeconomic Policy Section, ESCAP
Tel.: (66) 2 288 1430

Email: bonapace@un.org

Mr. Bentley Jenson
UN Information Services (UNIS), ESCAP
Tel.: (66) 2 288 1869
Mobile: (66) 84 080 5025

Email: jenson@un.org and unisbkk.unescap@un.org

* * * * *

Headquartered in Bangkok, United Nations ESCAP is the largest of the UN's five Regional Commissions in terms of its membership, population served and area covered. The only inter-governmental forum covering the entire Asia-Pacific region, ESCAP works to promote sustainable and inclusive economic and social progress. More information on ESCAP is available at www.unescap.org