

ASEAN+3 Regional Economic Outlook

January 2026 Update

Better-Than-Expected Growth, but Uncertainty Remains Elevated

Regional Surveillance
21 January 2026





Key highlights

1

Better-than-expected growth: ASEAN+3 growth has exceeded expectations, supported by resilient technology exports, strong investment in ASEAN, and less severe tariff outcomes than initially anticipated

2

Outlook revised up: Growth is estimated at 4.3 percent in 2025 and projected at 4.0 percent in 2026 – upward revisions of 0.2 percentage points for both years. Inflation is expected to remain low and stable.

3

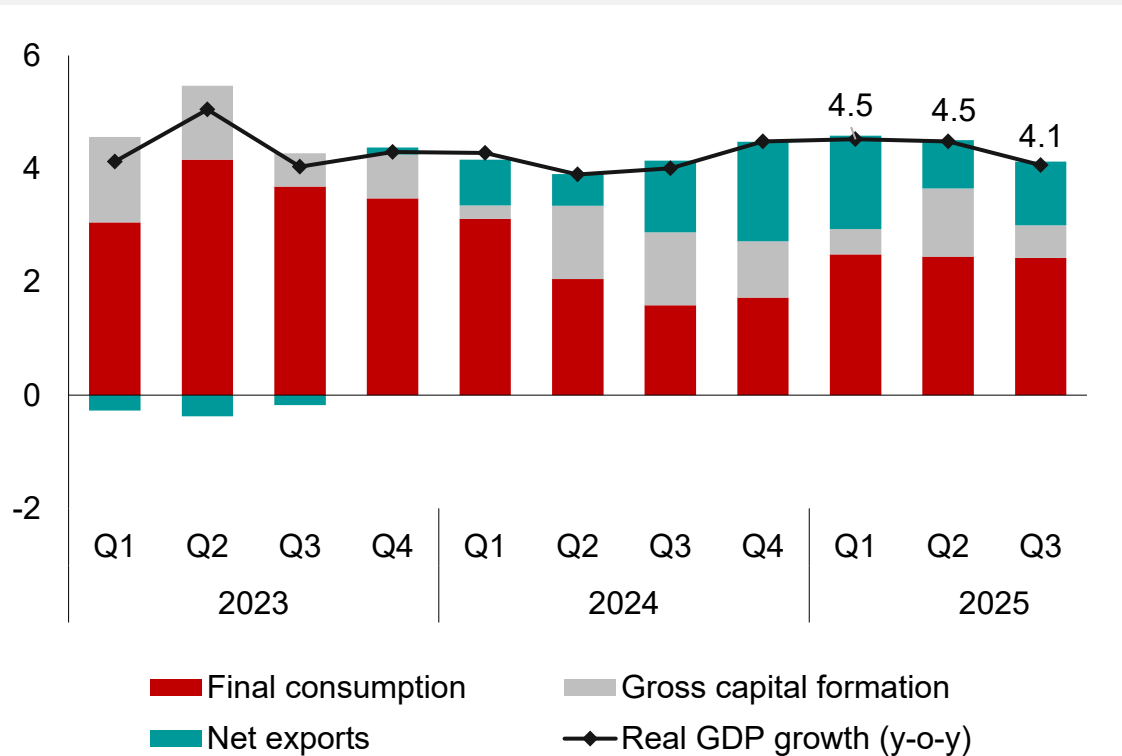
Risk to outlook more balanced: But uncertainty remains elevated. Key concerns are unpredictable US policy, a potential correction in technology demand, and global financial market volatility.

Growth in ASEAN+3 is higher than initially anticipated...

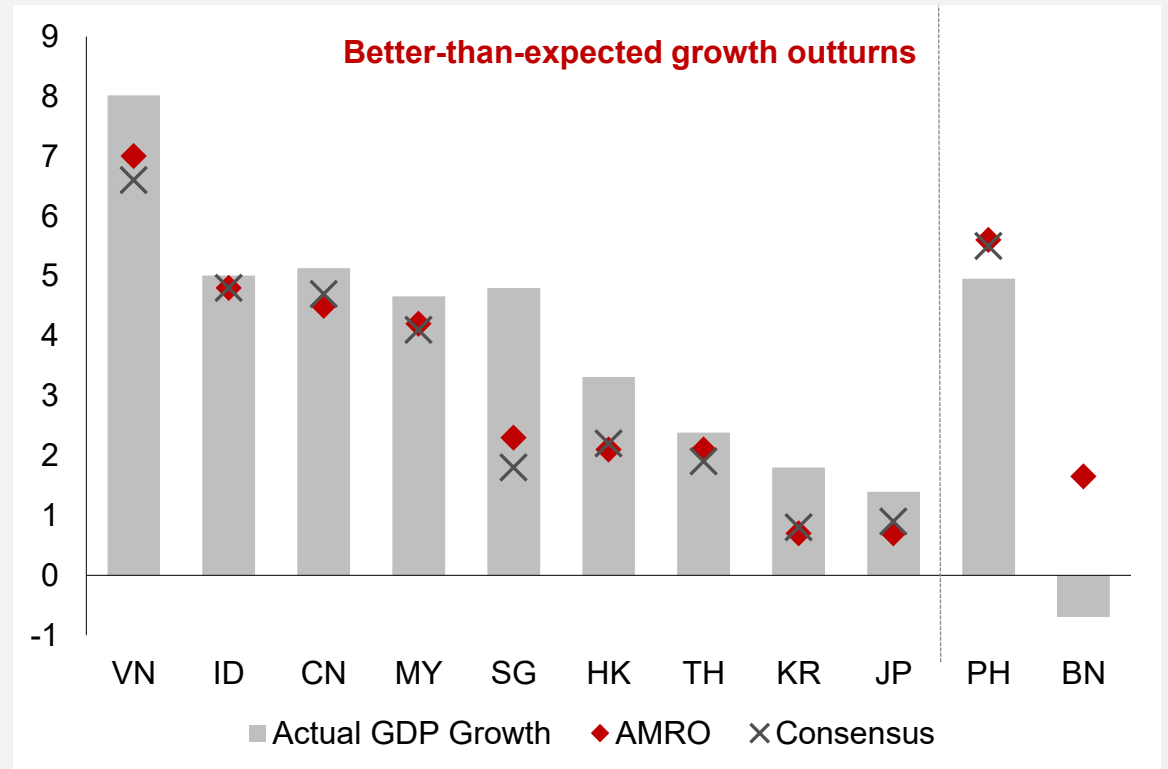
Domestic demand continued to anchor growth, with solid exports performance providing additional lift

Growth for most regional economies outperformed earlier expectations

Contribution to Real GDP Growth for ASEAN+3
(Percent, year-on-year)



Actual 2025 GDP Growth vs Post-Liberation Day Forecast
(Percent, year-on-year)



Source: National authorities via Haver Analytics; AMRO staff calculations.
Note: Statistical discrepancies are not shown. Excludes Brunei, Cambodia, Lao PDR, Myanmar and Vietnam due to data unavailability.

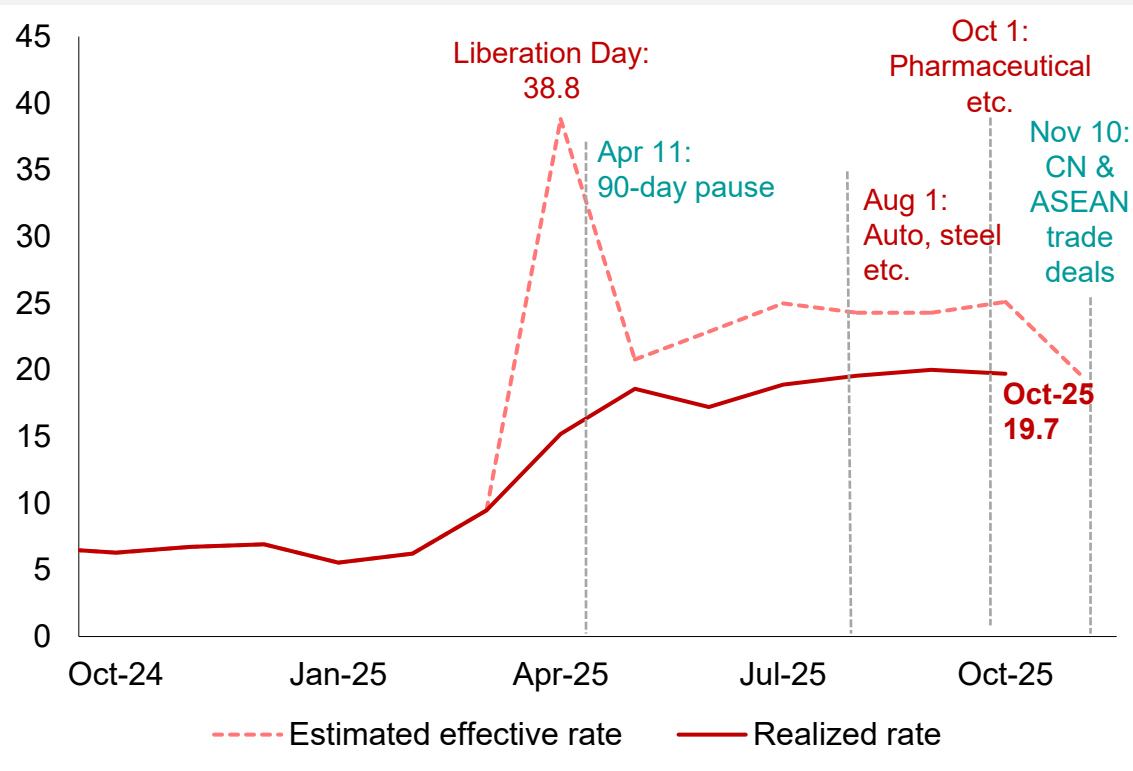
Source: National authorities via CEIC; IMF; Consensus Economics; AMRO staff forecasts.
Note: GDP growth figures reflect data availability up to 3Q 2025. For Singapore and Vietnam, the 2025 GDP growth figures represent full-year official estimates released by national authorities. Post-Liberation Day forecasts refer to projections published in July 2025.

... given 1) less severe tariff outcomes, 2) robust tech exports growth...

Actual tariff outcomes have been less severe than the initial threats from the US

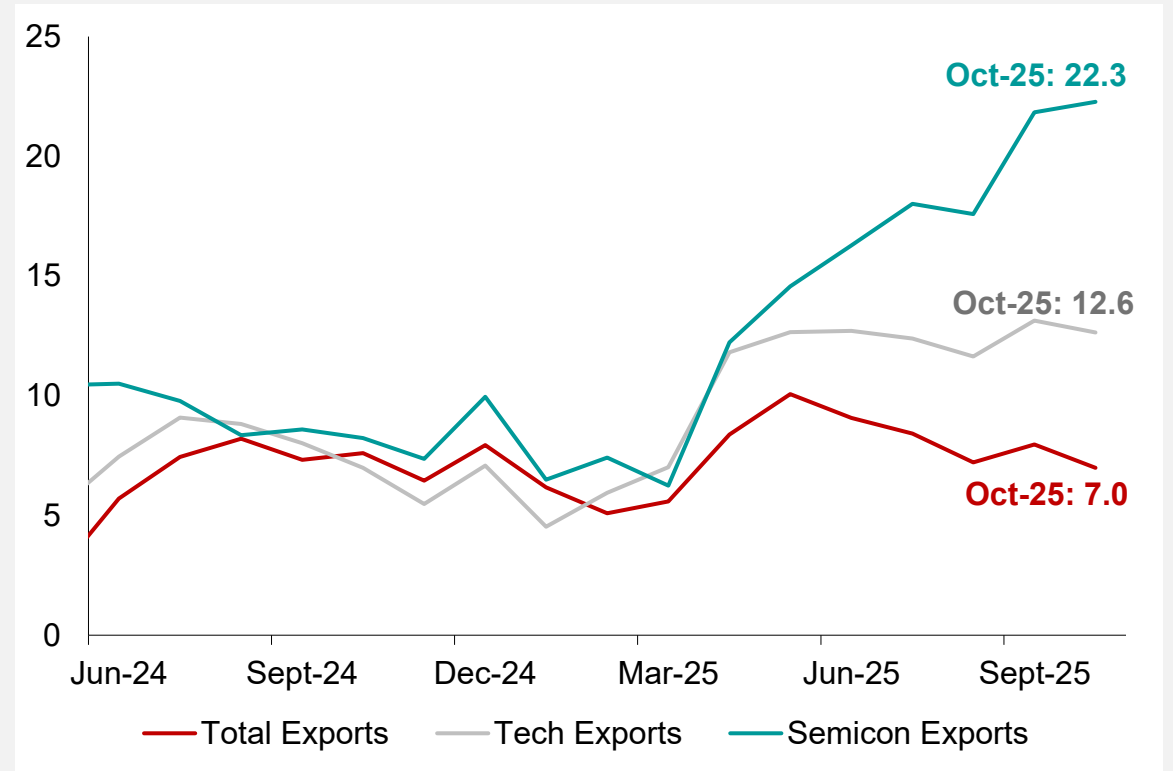
Tech exports, driven by AI-led global demand, have supported export growth for most regional economies

Actual US Tariffs vs Announced Effective Tariffs for ASEAN+3
(Percent)



Gross Exports Growth for ASEAN+3

(Percent, year-on-year, seasonally adjusted, 3-month moving average)



Source: USITC; AMRO staff calculations.

Note: Realized tariff rates are calculated as duties collected divided by customs value, based on data from US customs. Estimated effective rate is calculated as the weighted average regional aggregate of the reciprocal rate for individual economies, accounting for exemptions and sectoral tariffs.

Source: S&P Global Trade Analytics; AMRO staff calculations.

Note: Tech exports consist of goods classified under HS Code 85. Semiconductor exports consists of goods classified under HS Codes 8541 and 8542.

...3) increase in investment activities especially in ASEAN, and 4) deployment of policy support

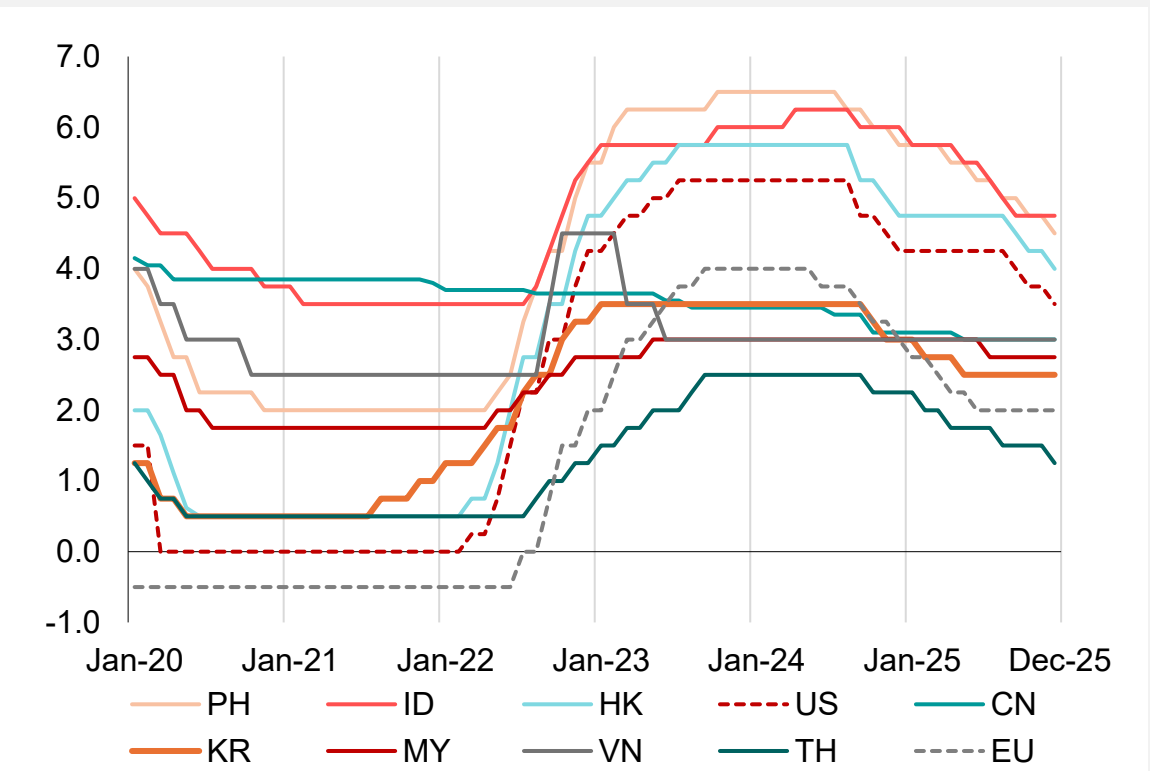
Most ASEAN economies have seen a surge in FDIs and increased capital goods imports

Regional authorities have eased monetary policy and implemented selected fiscal support to cushion growth headwinds

Latest FDI Indicators for Selected Economies
(Percent, year-on-year)

| Economy | Direct Investment | Capital Goods Imports | Main Sectors |
|--------------------|--|-----------------------|--|
| Indonesia | +13.9% USD86.1 bn disbursement | +18.8% | Metal processing, Mining, Transport and telecomm |
| Malaysia | +19% USD43.9 bn approvals | +32.8% | Advanced electronics and data centers, Chemicals, |
| Philippines | +72% USD1.8 bn approvals | +16.5% | F&B, Ecozone development, Information Technology |
| Thailand | +94% USD42 bn applications | +23.3% | Advanced electronics and data centers, Automotives |
| Vietnam | +15% USD28.5 bn FDI registered | +24.8% | Manufacturing, Real estate, Textiles |
| Cambodia | +47% USD7.8 bn approvals | - | Garment, Automotive, Agriculture and agro-industry |

Policy Interest Rates for Selected Economies
(Percent)



Source: National Authorities via CEIC, National Investment Boards; AMRO staff calculation.
Note: Direct investment refers to Jan-Sep 2025 data for Cambodia, Indonesia, Thailand and Vietnam, Jan-Aug 2025 for the Philippines, and 1H 2025 for Malaysia. Growth figures show year-on-year growth compared to the same period in 2024. Capital goods imports data refer to July 2025.

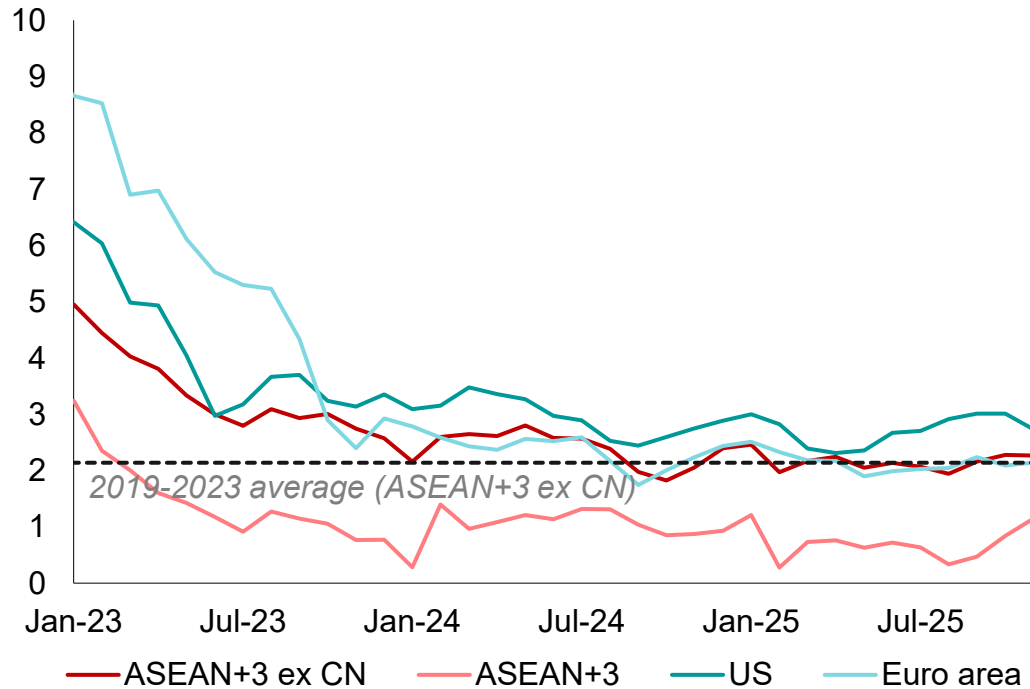
Source: National authorities via Haver Analytics.
Note: Data are up to December 2025. Policy rates refer to one-year loan prime rate (China, CN); BI Rate (Indonesia, ID); base rate (Hong Kong, HK); overnight policy rate (Malaysia, MY); overnight reverse repo rate (the Philippines, PH); one-day repurchase rate (Thailand, TH); refinancing rate (Vietnam, VN);

Meanwhile, inflation continued to moderate, in line with expectations

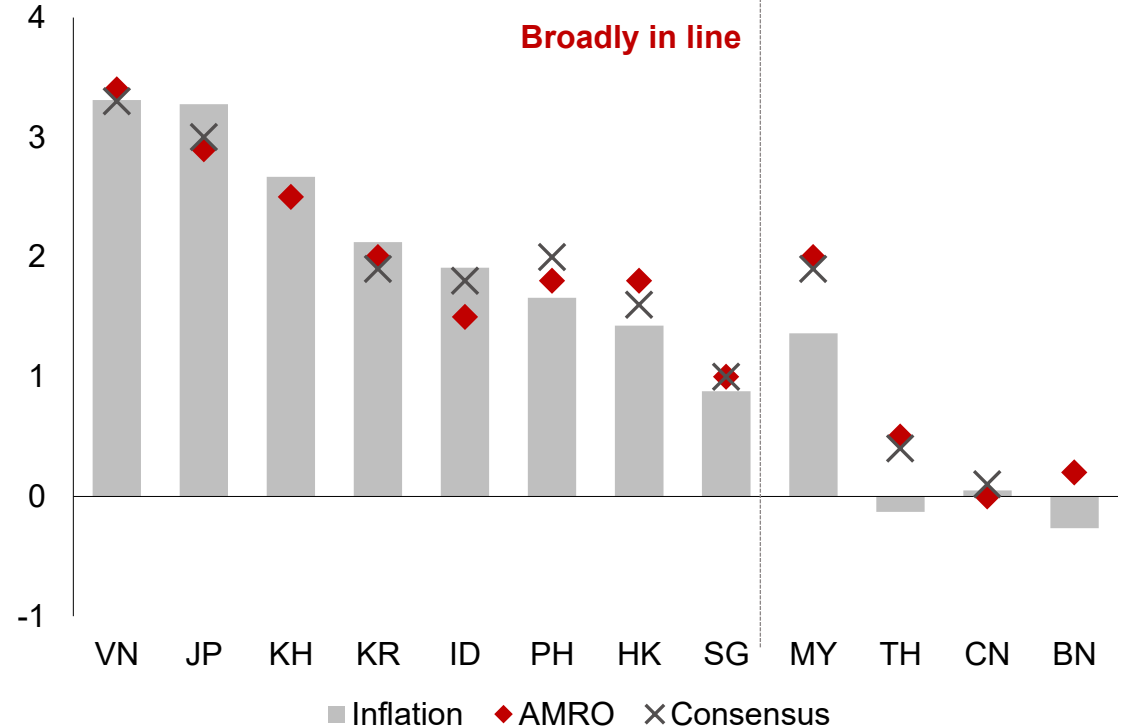
Headline inflation for the region is broadly moving in tandem with other major global economies

Inflation outturn is within expectations, except for few economies which saw disinflationary pressures

Headline Consumer Price Inflation
(Percent, year-on-year)



Actual 2025 Headline Inflation vs Post-Liberation Day Forecast
(Percent, year-on-year)



Source: Eurostat, National authorities via Haver Analytics; AMRO staff calculation.
Note: Regional aggregates use weighted average of GDP on purchasing power parity basis and exclude Lao PDR and Myanmar due to data unavailability. US headline inflation refers to the CPI for All Urban Consumers. Euro area headline inflation refers to Monetary Union Index of Consumer Prices. Data up to November 2025 for ASEAN+3 economies and December 2025 for Euro area and US.

Source: National authorities via CEIC; IMF; Consensus Economics; AMRO staff forecasts.
Note: Average monthly inflation up till November 2025 for Brunei, Cambodia, Hong Kong, China; Japan, Malaysia, Myanmar, and Singapore. Up to December 2025 for China, Indonesia, the Philippines, Korea, Thailand, and Vietnam. Post-Liberation Day forecasts refer to projections published in July 2025. Actual outturn is deemed broadly in line if within 20% of forecast.

Growth is revised up for both 2025 and 2026

AMRO Staff Baseline Growth Estimates and Forecasts, 2025-26
(Percent, year-on-year)

| Economy | 2024 | AREO October Update | | AREO January Update | |
|-------------------|------------|---------------------|-------------------|---------------------|-------------------|
| | | 2025 ^e | 2026 ^f | 2025 ^e | 2026 ^f |
| ASEAN+3 | 4.2 | 4.1 | 3.8 | 4.3 | 4.0 |
| Plus-3 | 4.1 | 4.0 | 3.7 | 4.2 | 3.9 |
| China | 5.0 | 4.8 | 4.4 | 5.0 | 4.6 |
| Hong Kong, China | 2.5 | 2.4 | 2.0 | 3.1 | 2.7 |
| Japan | -0.2 | 1.0 | 0.6 | 1.2 | 0.8 |
| Korea | 2.0 | 0.9 | 1.7 | 1.0 | 1.9 |
| ASEAN | 4.9 | 4.6 | 4.3 | 4.8 | 4.6 |
| Brunei Darussalam | 4.1 | 1.2 | 1.8 | 0.1 | 1.6 |
| Cambodia | 6.0 | 4.9 | 5.0 | 4.8 | 5.1 |
| Indonesia | 5.0 | 5.0 | 4.9 | 5.0 | 5.0 |
| Lao PDR | 4.3 | 4.4 | 4.2 | 4.6 | 4.6 |
| Malaysia | 5.1 | 4.3 | 4.0 | 4.9 | 4.4 |
| Myanmar | 2.9 | -1.0 | 1.5 | -1.5 | 2.5 |
| Philippines | 5.7 | 5.6 | 5.5 | 5.2 | 5.3 |
| Singapore | 4.4 | 2.6 | 1.7 | 4.8 | 3.0 |
| Thailand | 2.5 | 2.2 | 1.9 | 2.2 | 1.7 |
| Vietnam | 7.1 | 7.5 | 6.4 | 8.0 | 7.6 |

● Revised upwards from October ● Revised downwards from October ● Maintained from October

Source: National authorities via Haver Analytics, and AMRO staff estimates.

Note: AREO = ASEAN+3 Regional Economic Outlook report; e = estimate; f = forecast. Regional aggregates for growth are estimated using the weighted average of 2024 GDP on purchasing power parity basis; regional aggregates for inflation are computed using weighted averaging. Myanmar's GDP and inflation figures are based on its fiscal year, which runs from April 1 of the reference year to March 31 of the following year. Figures in the table reflect the later of the forecast published in Annual Consultation Press Releases or the AREO 2025 October Update. Updated on January 13, 2026.

Inflation is expected to remain low and stable

AMRO Staff Baseline Inflation Estimates and Forecasts, 2025-26
(Percent, year-on-year)

| Economy | 2024 | AREO October Update | | AREO January Update | |
|-------------------|------------|---------------------|-------------------|---------------------|-------------------|
| | | 2025 ^e | 2026 ^f | 2025 ^e | 2026 ^f |
| ASEAN+3 | 1.2 | 1.0 | 1.1 | 0.9 | 1.2 |
| Plus-3 | 0.7 | 0.6 | 0.7 | 0.6 | 0.8 |
| China | 0.2 | 0.0 | 0.4 | 0.0 | 0.4 |
| Hong Kong, China | 1.7 | 1.8 | 1.6 | 1.4 | 1.7 |
| Japan | 2.7 | 3.0 | 2.1 | 3.1 | 2.2 |
| Korea | 2.3 | 2.0 | 1.8 | 2.1 | 1.9 |
| ASEAN | 3.1 | 2.5 | 2.8 | 2.3 | 2.7 |
| Brunei Darussalam | -0.4 | 0.0 | 0.3 | -0.3 | 0.5 |
| Cambodia | 0.8 | 2.6 | 2.3 | 2.5 | 2.3 |
| Indonesia | 2.3 | 1.9 | 2.2 | 1.9 | 2.5 |
| Lao PDR | 23.3 | 8.5 | 7.6 | 7.7 | 6.8 |
| Malaysia | 1.8 | 1.6 | 2.0 | 1.4 | 2.0 |
| Myanmar | 29.6 | 30.0 | 28.0 | 28.0 | 22.0 |
| Philippines | 3.2 | 1.8 | 3.2 | 1.7 | 3.2 |
| Singapore | 2.4 | 0.9 | 0.8 | 0.9 | 1.4 |
| Thailand | 0.4 | 0.5 | 0.8 | -0.1 | 0.3 |
| Vietnam | 3.6 | 3.3 | 2.9 | 3.3 | 3.0 |

● Revised upwards from October

● Revised downwards from October

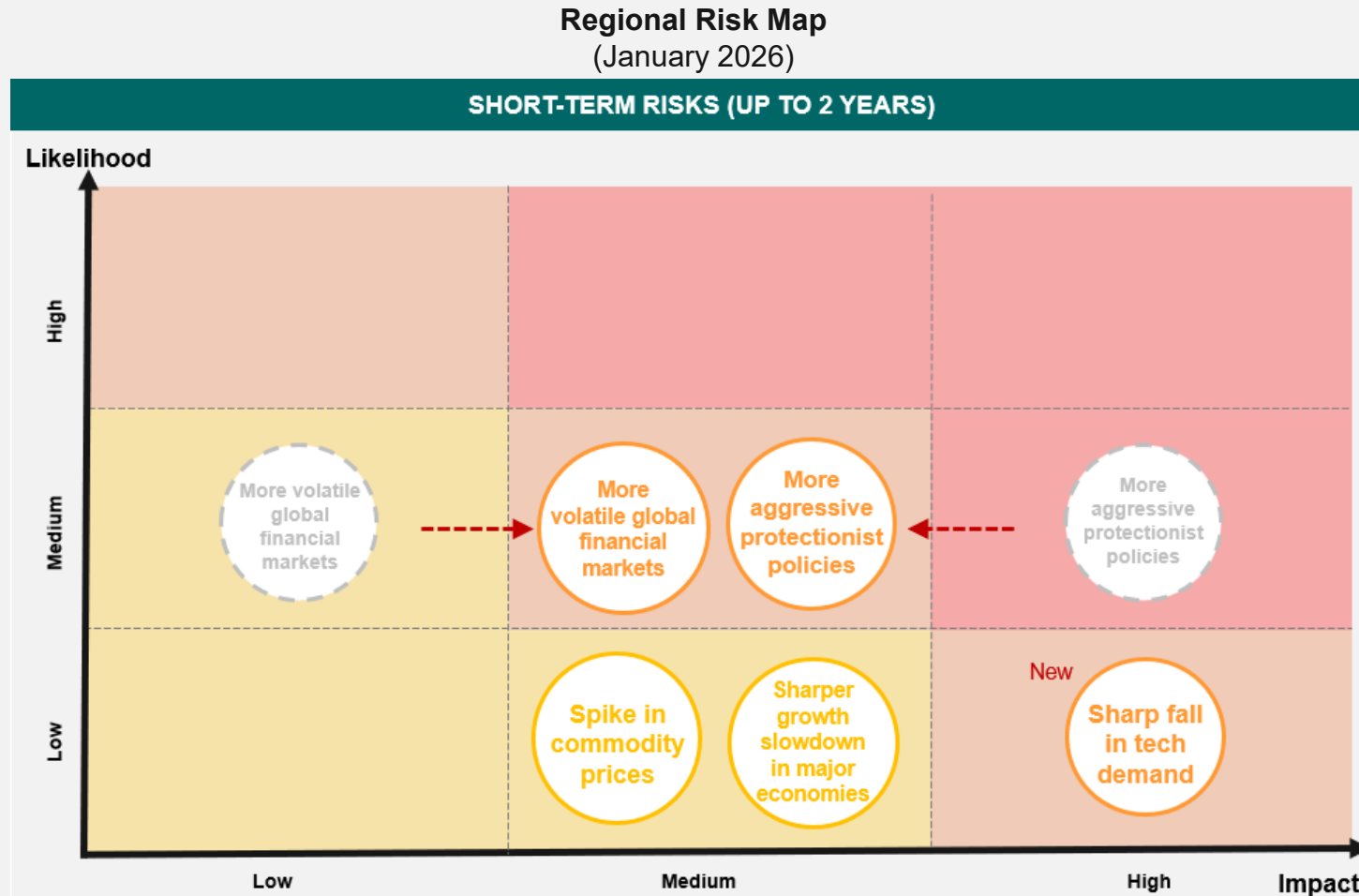
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Balance of risks have improved but uncertainty remains elevated

Key risks remain, with technology demand emerging as a new concern



- **Key downside risks** to outlook include the continued US trade and macro policy uncertainty, a possible correction in the AI-driven tech demand, and more volatile global financial markets.
- On the flipside, **key upside risks** include stronger-than-anticipated global semiconductor demand and translation of FDI-driven investment into higher growth for ASEAN.



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Thank you



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