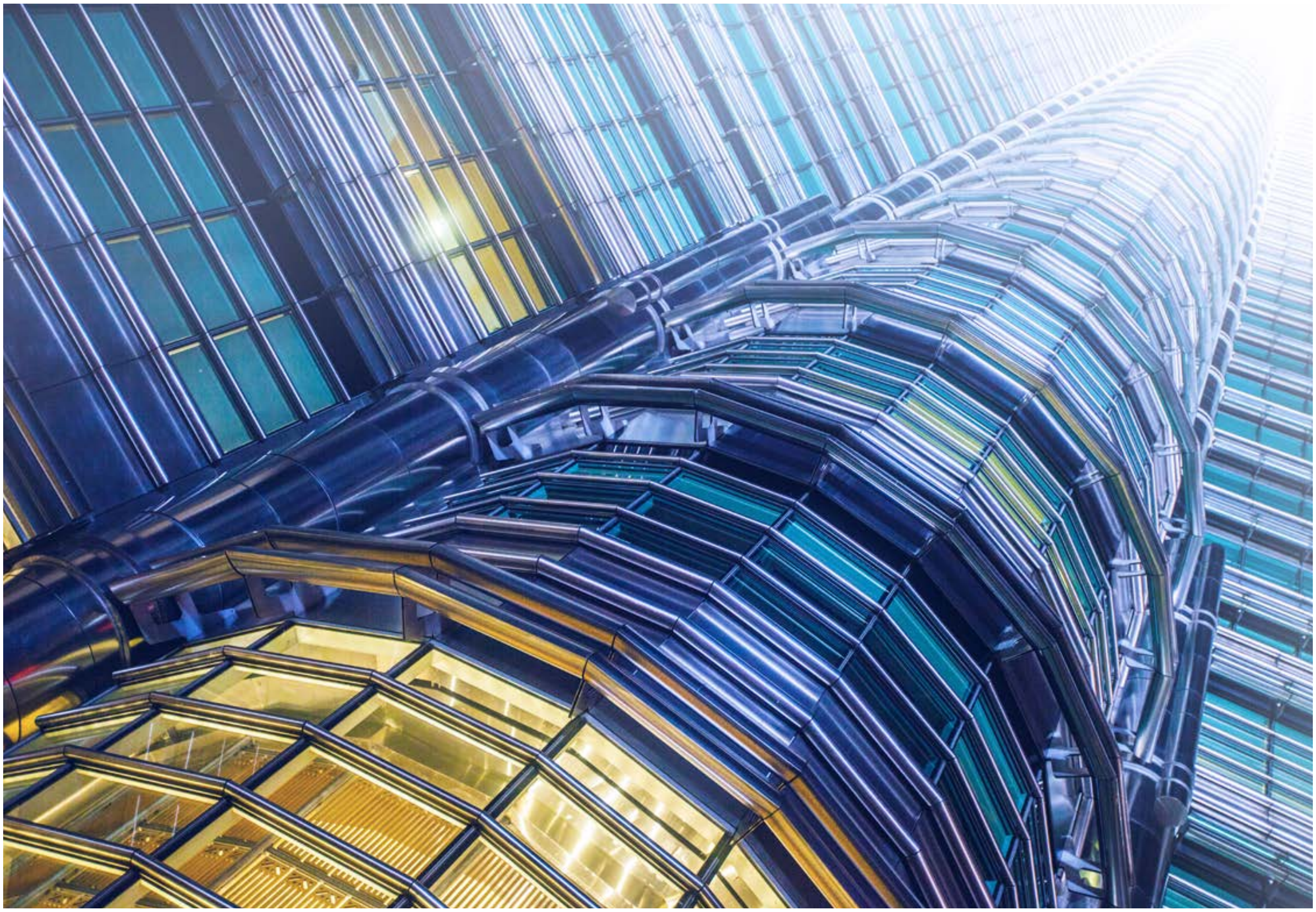

The Asia Pacific Region To Remain At The Fore Front Of Global Economic Growth Despite Increasing Risks

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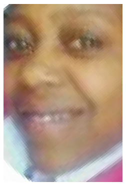
Markets Reporter



Asia Pacific is expected to continue driving global economic growth in 2019, the IMF predicts. 2018 forecasts are predicting a 5.8% growth and 5.4% in 2019. But there are a number of risks. Tightening financial conditions, slowed Chinese economic growth, and increasing trade tensions between the US and China are the main ones. The IMF has also cited challenges to longer term growth. They include slowing productivity and population aging. However, policies to address these challenges while enhancing economic resilience and widespread economic benefits for all are in place.

The Asia Pacific region has achieved incredible economic growth over the last two decades. Much of the transformation has been spearheaded by China. The region has seen the highest number of economies transitioning to middle income and advanced-economy status over the last 20 years. This progress is highly expected to persist in the near term.

Projected Economic Growth

Projected growth in China still remains at 6.6% in 2018. The IMF expects growth to slightly slowdown in 2019 with a projected growth forecast of 6.2%. Japan on the other hand was on course to expand its economy by 1.2% in 2018 but this figure has been revised down to 1.1%. India is however expected to register the biggest growth with 2018 forecasts putting economic expansion at 7.3%. This is expected to slightly improve to 7.4% in 2019. Increasing oil prices and tightening monetary policy could however hamper the realization of these forecasts in India.

The IMF also predicts that ASEAN-4 countries including Indonesia, Philippines, Malaysia, and Thailand will slow slightly in 2019 despite building significant momentum in 2018. Despite this, the overall outlook in the region is still robust. Asia Pacific is expected to be among the fastest growing regions in the world. This could have a profound positive effect on financial markets and other sectors.

Increasing risks

Despite the positive forecasts, there are still a number of risks to keep in

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mind. In the near term, increasing trade tensions between China and the US could have a negative effect on projected growth targets in 2019. The growing threat of US trade protectionism may also affect other countries in the region and the global economy in general. The IMF warns that the trade tensions could disrupt financial markets, reduce investments in the region, and undermine business confidence. If the risks materialize, growth in the region could drop by 0.9%.

Tightening global financial conditions also pose a risk. The IMF believes that Asia Pacific economies are vulnerable to tightening monetary policies in the US and Europe. As the US Federal Reserve continues to raise rates, the ripple effect will be felt across the region. Some Central Banks in Asia are also expected to raise rates in the two years ahead. Tightening financial conditions will significantly increase market volatility. Increasing household and corporate debt in countries like Korea and Singapore has also been cited as a potential risk factor.

Investing In Asia Pacific

Although the risks to economic growth in Asia Pacific are a concern, the IMF is confident economies in the region will remain resilient in 2019. For investors looking for value stocks in the region, the Asia Pacific Fund offers you an opportunity to buy in. The Fund invests in equity securities of companies in Asia Pacific excluding Japan. It gives investors access to an array of investment opportunities through a managed portfolio. The Fund is available on the NYSE under the ticker symbol APB.