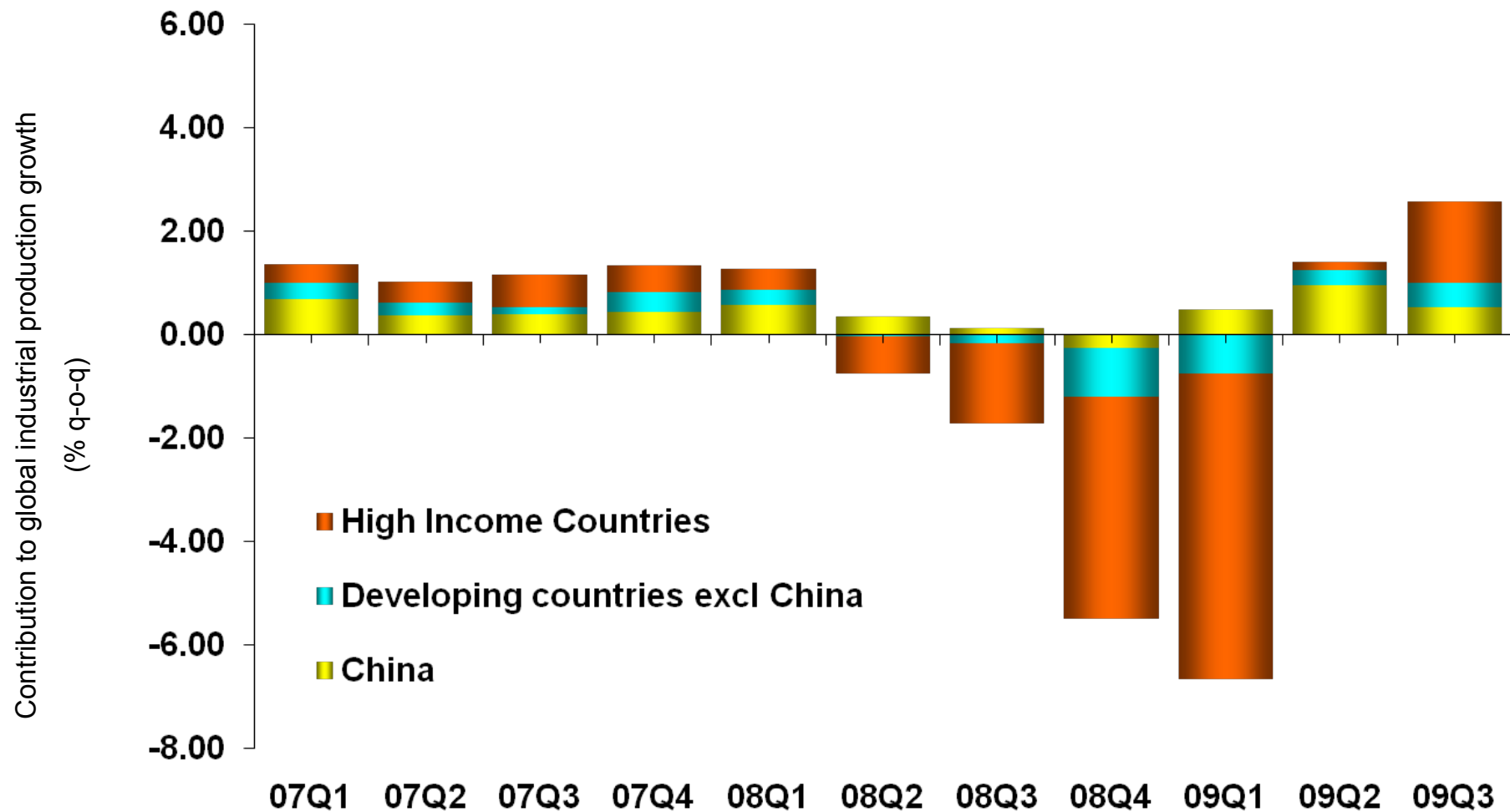




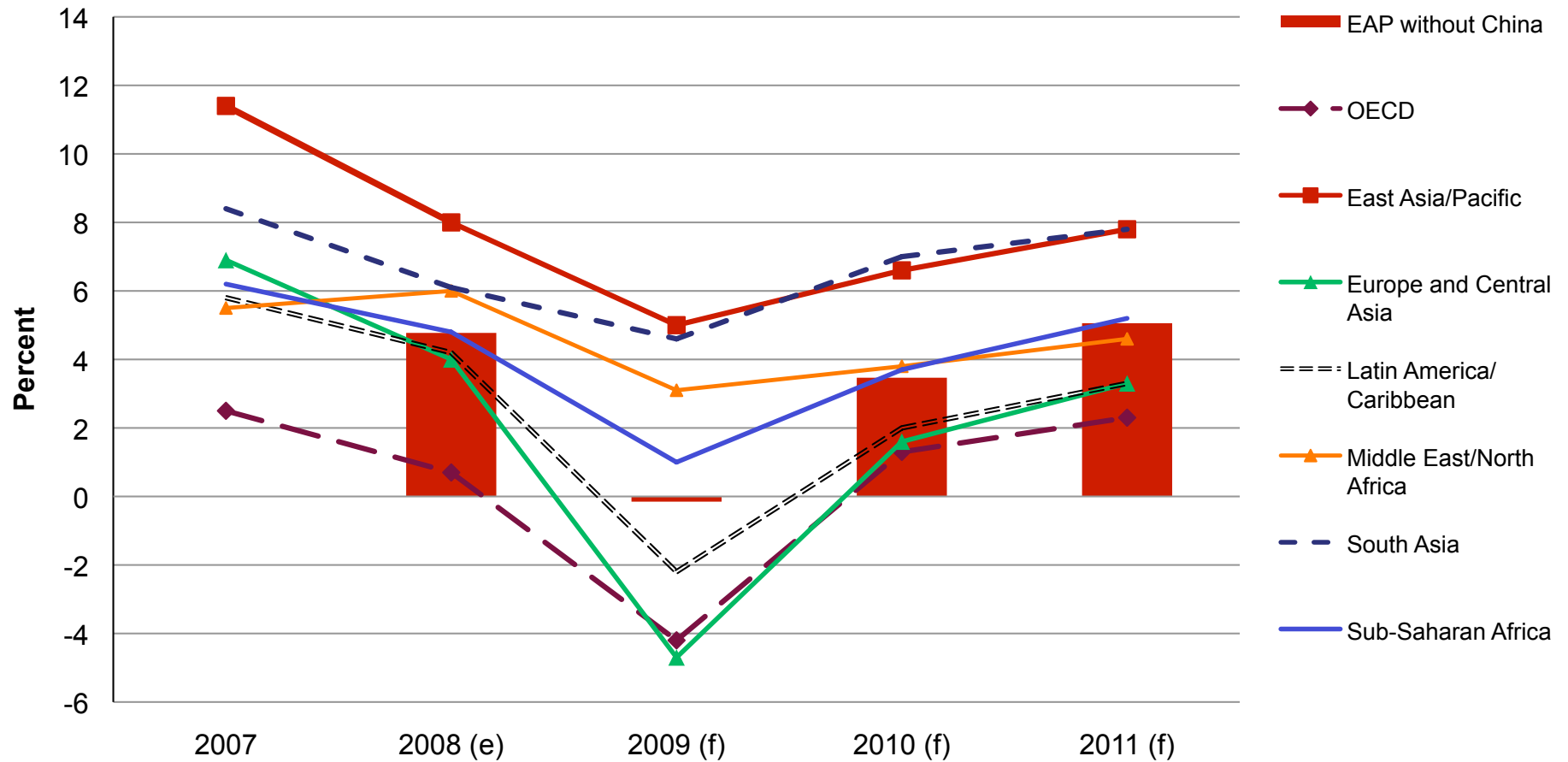
East Asia, led by China, has been at the forefront of the global recovery.



Since the second quarter of 2009 average growth has been higher in East Asia than in other regions.



Real GDP growth, 2007- 2011, by region

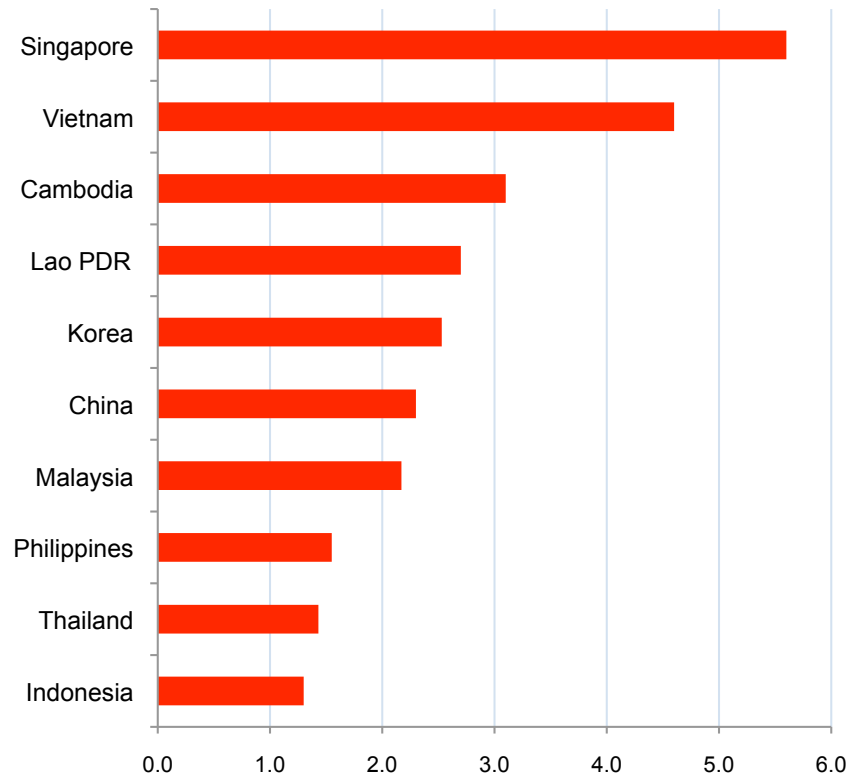


# Fiscal and monetary stimulus prevented a financial meltdown and set in motion the regional recovery.



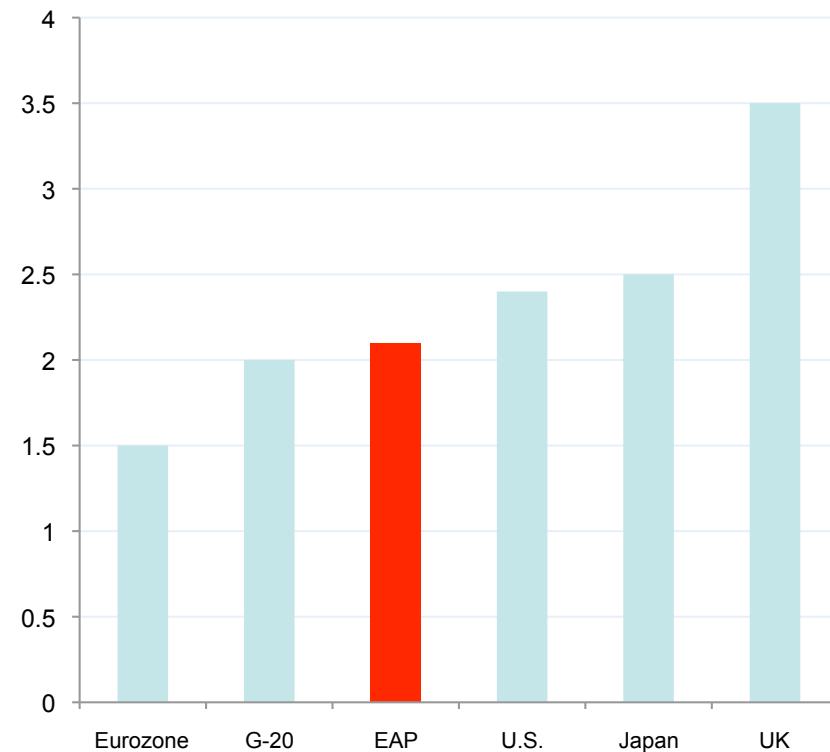
## For 2009 most countries delivered more fiscal stimulus than announced

(in percent of GDP)

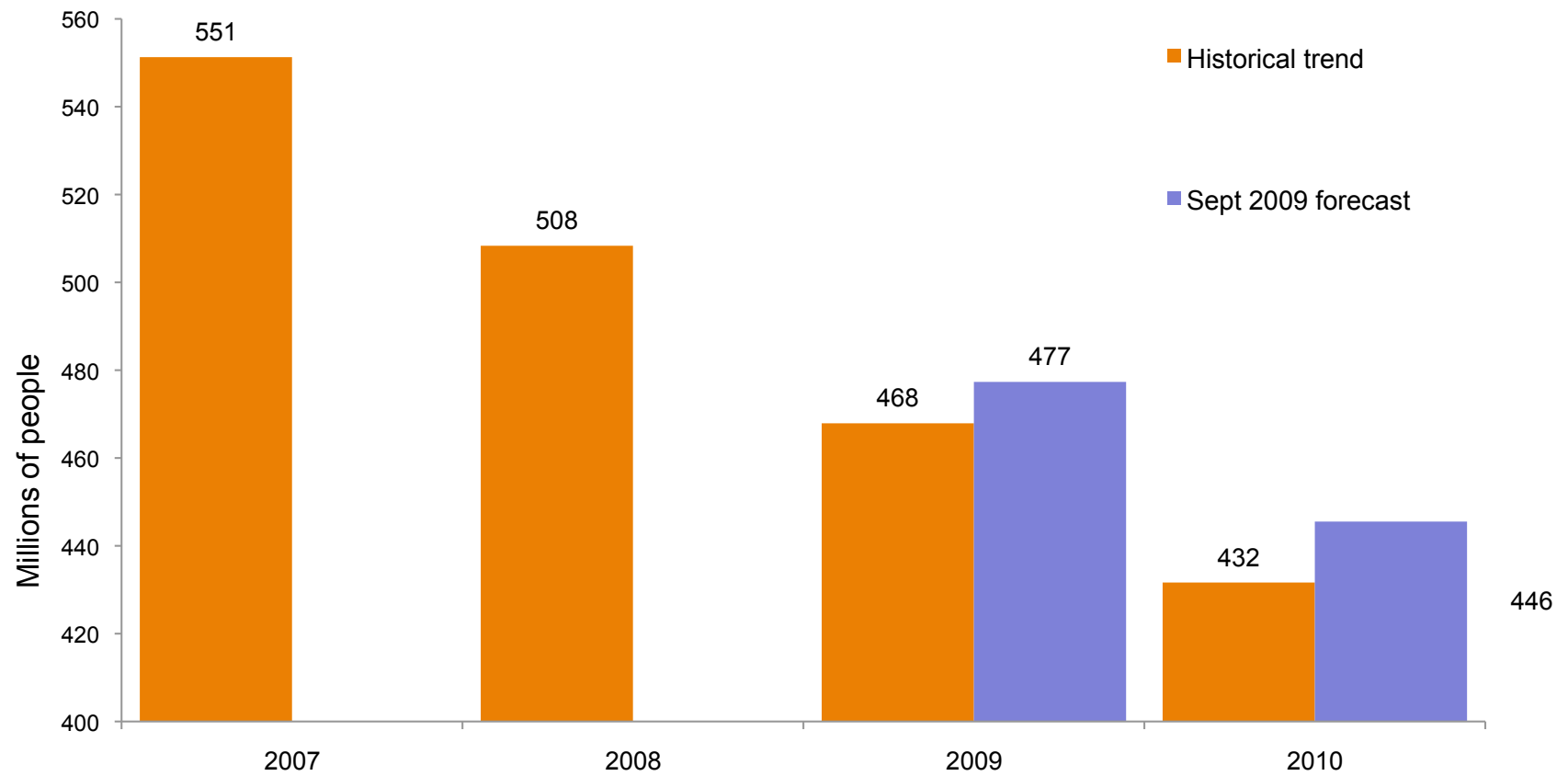


## Fiscal stimulus implemented in East Asia compares favorably with that in advanced countries

(in percent of GDP)



Due to the crisis 14 million more people will be in poverty in 2010.

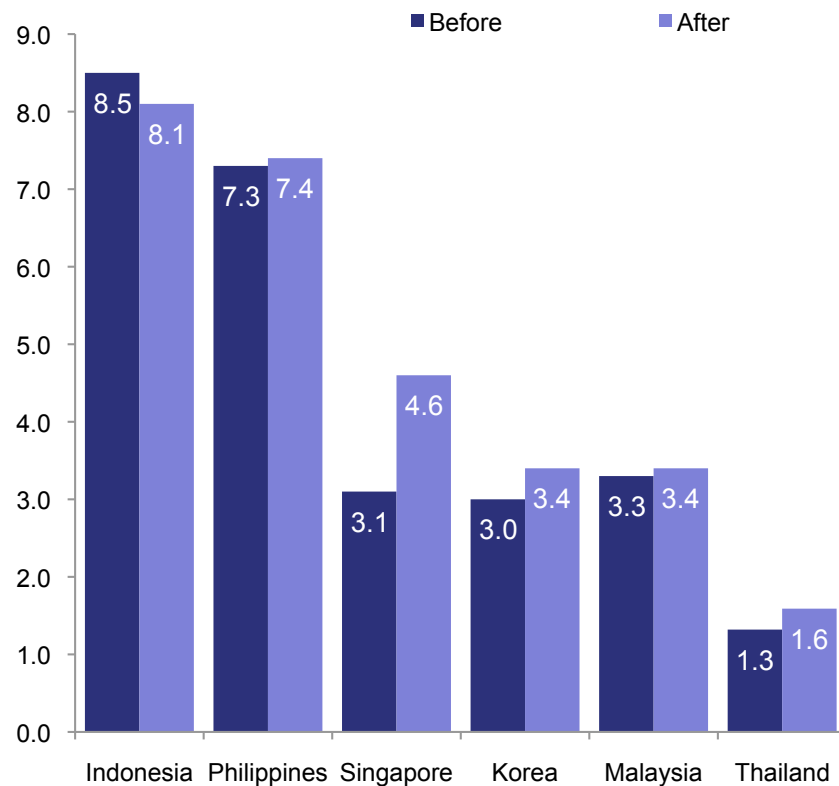


# While increase in unemployment rates have been limited, workers have been affected.



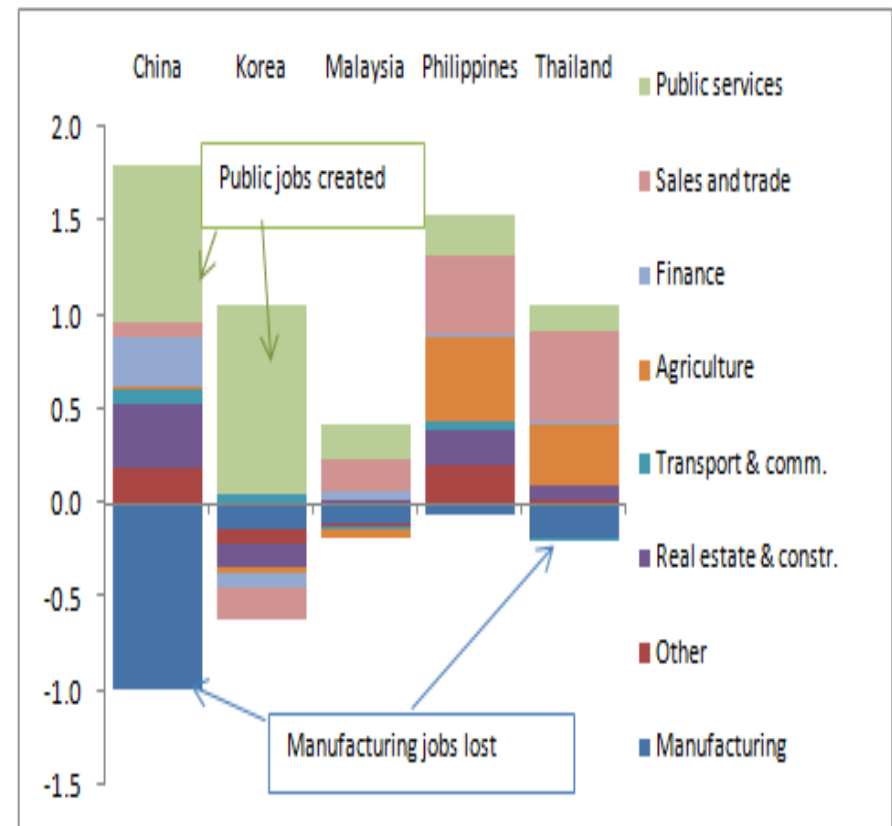
## Increases in unemployment rates have been limited

(In percent, average for the year before Sept. 2008 and the year after)



## Out of manufacturing into public services or retail trade

(In percent, average for the year before Sept. 2008 and the year after)

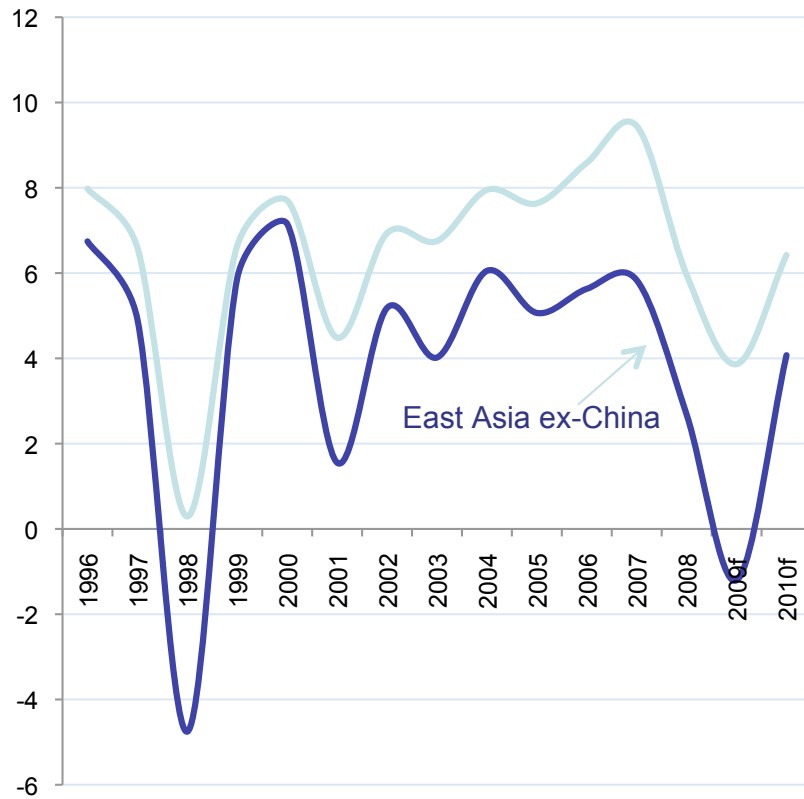




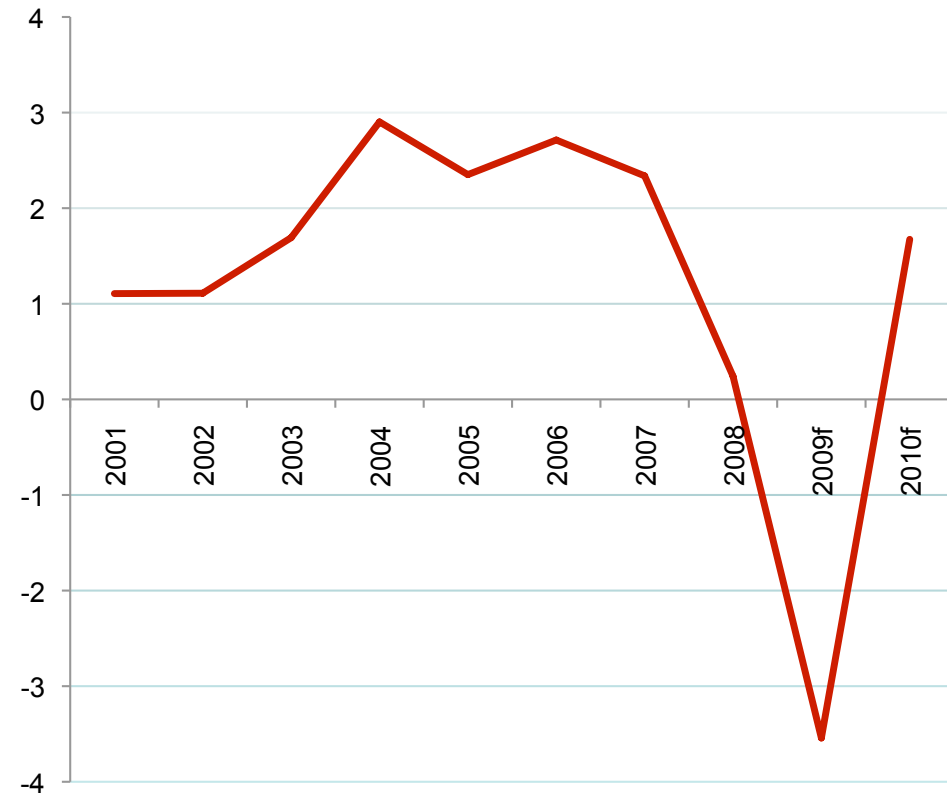
# The rebound has not yet become a recovery



**Real GDP growth in East Asia**  
(percent change year-on-year)



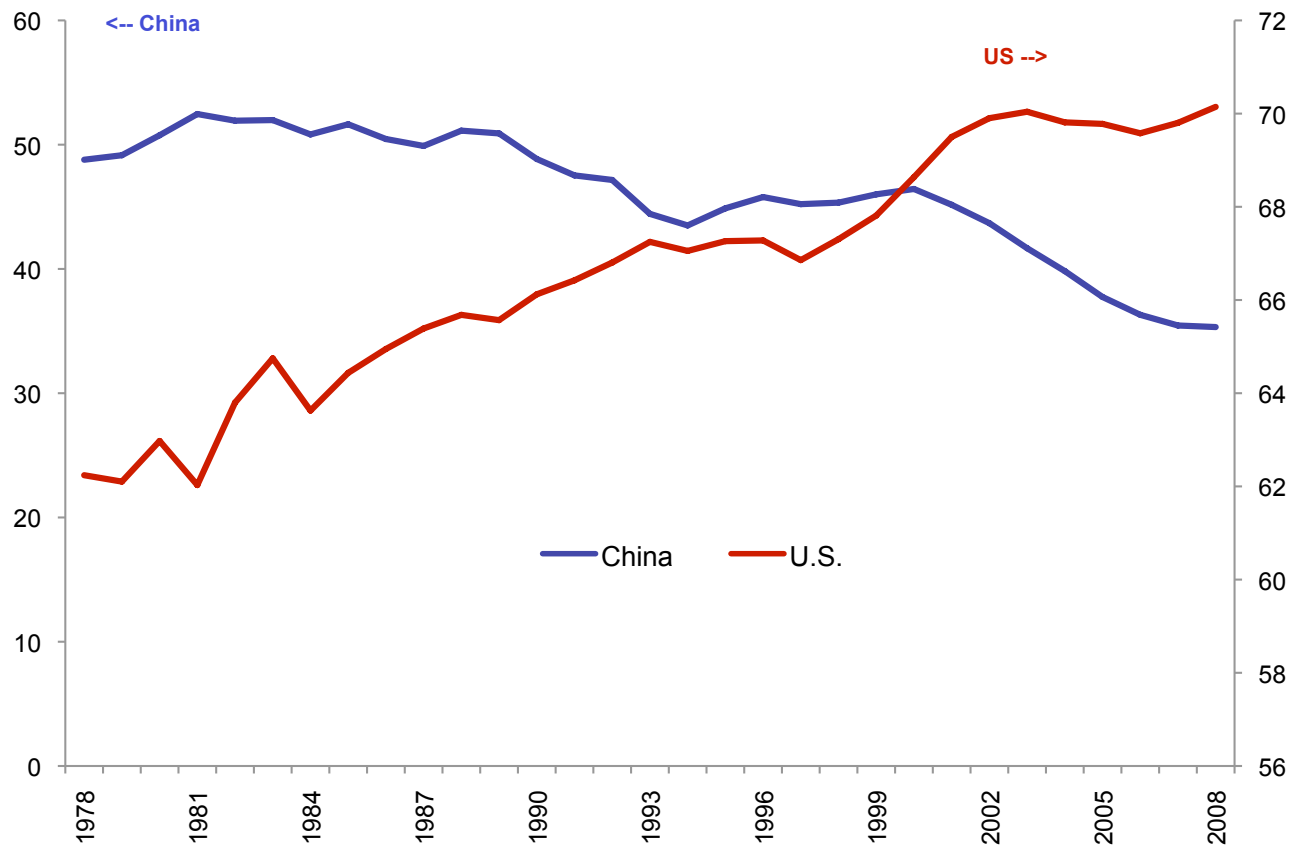
**Real GDP growth the G3 (Euro-area, US, Japan)**  
(percent change year-on-year)



# Unbalanced



**Domestically Unbalanced: private consumption in the  
US and China**  
(in percent of GDP)

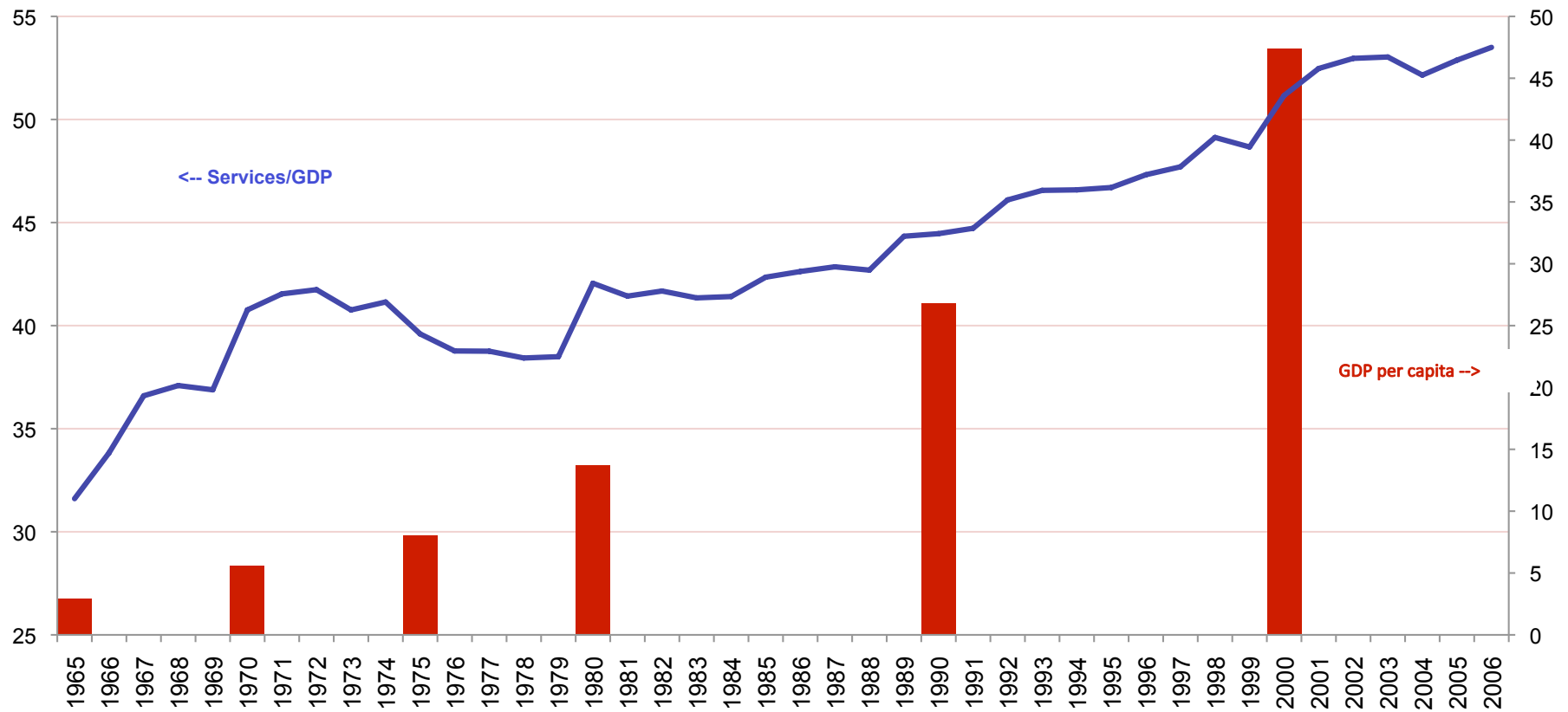




# The share of services in GDP has risen along with incomes per capita in Korea



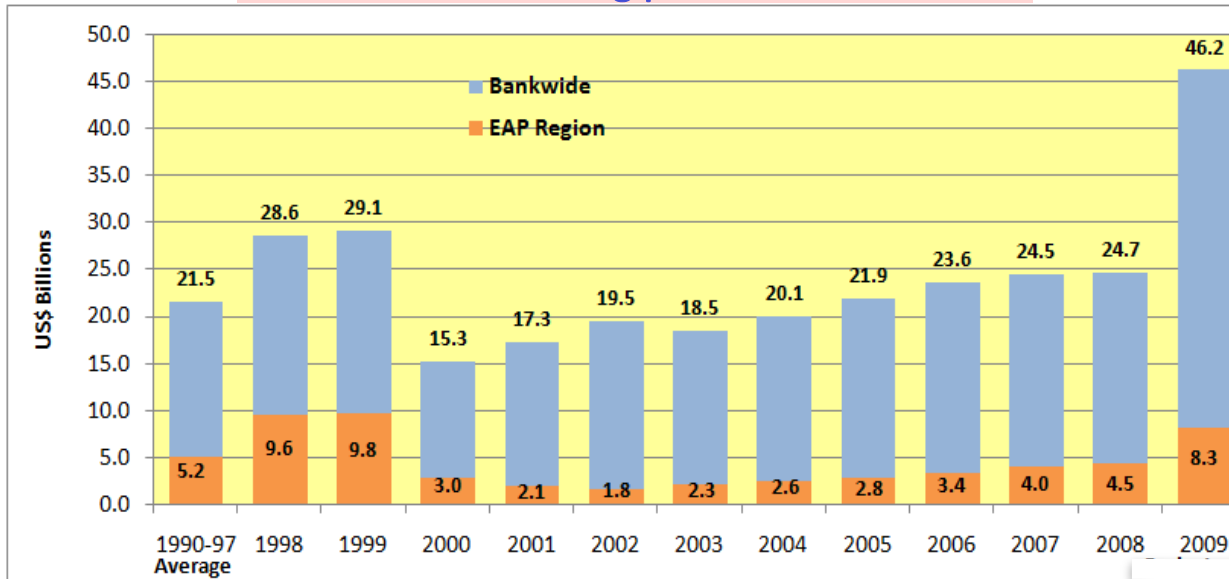
Share of Services in GDP  
(in percent )



# The Role of the World Bank: World Bank Substantially Increased Financial Support in 2009



## World Bank Lending per Bank Fiscal Year



## 2009 EAP Lending

\$8.3 billion in loans and credits:

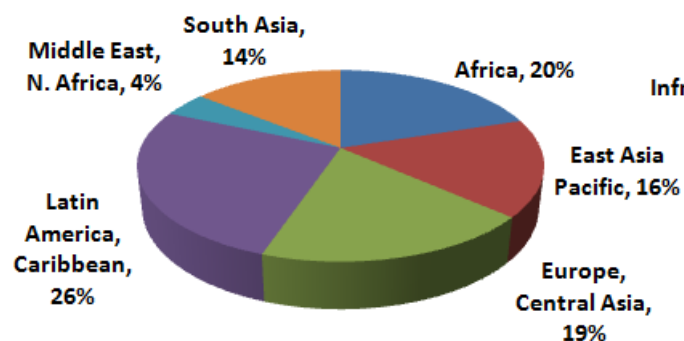
- \$3.5 billion provided quick disbursing **budget support** to address countries' financing needs upon implementation of agreed reforms

- \$4.8 billion finances **investment projects**, many of which are part of countries' stimulus packages

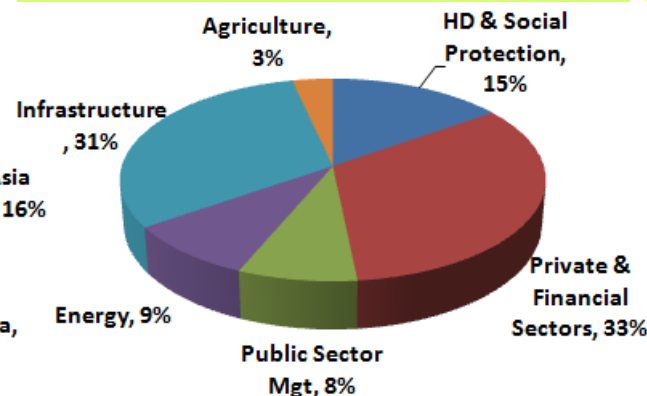
- \$7 billion lent to **middle-income countries**

- \$1.2 billion in credits & \$134 million in grants to **low-income countries**

## WB Lending by Region



## EAP Lending by Sector



# The Role of the World Bank: Crisis Response in Critical Sectors in East Asia



## Social Protection



Technical support on **health insurance** (coverage, basic services for poor) and links to employment in China, Thailand, Mongolia, Vietnam

**Skills development** program for rural migrants in China; youth employment program in Timor-Leste; **CDD programs** in Indonesia and Philippines; IFC scaled-up **microfinance** program

Targeted **CCT program** in the Philippines; School grants program in Indonesia

## Food Security



### GFRP operations:

- Fertilizer quality oversight and enhanced collective action by farmers in **Cambodia**
- Rehabilitation of irrigation and rice productivity in **Laos**

TA on food policy and investment options in **Vietnam**

Support renewed focus on agr. investments and reforms with **IFC**

## Infrastructure



Support **China's** stimulus package by fast-tracking infrastructure projects

Accelerate program of power investments in **Indonesia**

Provide liquidity support to infr. and SMEs (**IFC**)

Several CDD programs with focus on **local infr. services**

## Financial Sector



Design **financial strategies** with authorities (Vietnam, Laos) in coordination with IFC and donors

Restructure project in **Mongolia** to build BOM's capacity to supervise & assess banking sector and facilitate bank restructuring

Developing an **Islamic Fund for SME support** in Indonesia