CONTENTS

| Foreword | |
|-----------------|--|
| Preface | |
| Executive Summ | nary |
| Acknowledgeme | nts |
| Explanatory not | es |
| Abbreviations | |
| | PART I. GROWTH PROSPECTS AND CHALLENGES |
| Chapter 1. Main | taining growth momentum amid uncertainties and internal challenges |
| Gr | owth recovery under pressure |
| | Slow growth and policies of developed economies having an impact on the region |
| | Region's growth and inflation prospects |
| | Prospects in the region's major developing economies |
| | Gradual trade recovery Positive outlook for foreign direct investment |
| So | cio-economic challenges |
| | Jobs growth and quality still show mixed progress |
| | licy options to deal with longer-term challenges and near-term risks |
| | Productive government spending to support sustainable growth |
| | Productive investment in youth |
| | nclusion |
| | oeconomic performance and policy challenges at the subregional level |
| - | st and North-East Asia |
| | |
| | Recovery under way as the external environment improves |
| | Mixed performance on current account balances |
| | Policy responses and structural reforms: promotion of sustained growth |
| | Outlook for 2014 and policy challenges |

| North and Central Asia | |
|--|-----|
| Slower economic growth due to subdued commodity prices Inflation edged up on non-food items | |
| External current account balances generally deteriorated | |
| Policy responses and structural reforms Outlook for 2014 and policy challenges | |
| Pacific | |
| Pacific island developing economies: | |
| Growth slowed amid lower commodity prices | |
| Moderate inflationary pressure | |
| External current account deficits remained large | |
| Policy responses and structural reforms: fiscal consolidation | and |
| private sector promotion | |
| Outlook for 2014 and policy challenges | |
| Australia and New Zealand: | |
| Growth performance weakened Inflationary pressure remained modest Stronger exports narrowed current account deficits Policy responses: fiscal consolidation | |
| Outlook for 2014 and policy challenges | |
| South and South-West Asia | |
| Slight pickup in growth Inflation softened but still elevated External current accounts improved on export rebound | |
| Policy responses and structural reforms: accommodative macroeconomic policies | |
| Outlook for 2014 and policy challenges | |
| South-East Asia | |
| Diverse growth performance | |
| Stable inflationary pressure | |
| External current accounts: exports picked up towards year-e Policy responses and structural reforms: multi-faceted | |
| reform agenda moves forward | |
| Outlook for 2014 and policy challenges | |
| Conclusion | |

| | Creating fiscal space |
|----------|---|
| | Boosting tax revenues |
| | Composition of tax revenues |
| | Indirect taxes |
| | Monitoring tax revenues |
| | Tax buoyancy Tax potential |
| | Rates of major taxes |
| | Corporate taxes Income taxes Sales taxes Taxation of imports |
| | Exemptions and concessions |
| | Policy options to enhance tax revenue |
| | Broadening the tax base and rationalizing rates Tackling tax evasion and tax fraud Improving tax administration Sequencing tax reforms Promoting regional cooperation |
| | Conclusion |
| | Annex I. Data used in this chapter |
| | Annex II. Computation of tax buoyancy |
| | Annex III. Estimation of tax potential and tax gap |
| ferenc | es part I |
| | PART II. REGIONAL CONNECTIVITY FOR SHARED PROSPERITY |
| hapter 4 | Regional connectivity for shared prosperity |
| | Introduction |
| | Connecting countries creates new opportunities for development |

| | Understanding "regional connectivity" |
|-------------|---|
| | The role of regional connectivity in supporting growth and development |
| | Regional integration efforts drive initial trade growth |
| | Emergence of regional production networks and value chains |
| | Explaining differences in subregional performance |
| | The role of trade and transport connectivity |
| | Economies of scale in transport, competition and non-physical barriers to trade |
| | New drivers of growth shaping development patterns into the future |
| | Trade and transport connectivity remains a priority |
| | ICT connectivity as an enabler and driver of growth |
| | Expanding the region's trade in services |
| | Energy connectivity and security |
| | Responding to population dynamics |
| | Transitioning to knowledge-based economies |
| | Regional strategies for strengthening connectivity in the ESCAP region |
| | Annex I. Measuring the impact of broadband infrastructure on economic growth |
| hapter 5. R | tegional strategies for strengthening regional connectivity |
| | Trade and transport connectivity |
| | The status of trade and transport connectivity in the region |
| | Upgrading and integration of regional transport networks |
| | Enhancing cooperation at border crossings |
| | Harnessing ICT connectivity for trade and transport facilitation |
| | Developing competitive regional transport and logistics services |
| | Information and communications technology connectivity |
| | The evolution of the "digital divide" in Asia and the Pacific |
| | Towards an Asia-Pacific information superhighway |
| | Harnessing cross-sectoral synergies for infrastructure development |
| | Strengthening the ICT connectivity of Pacific island economies |
| | Energy connectivity |
| | Current status of energy connectivity in the region |
| | Towards an Asian Energy Highway |
| | The need for a strong institutional framework |
| | People-to-people connectivity |
| | |

| | Page | |
|---|------|--|
| Increasing mobility in the ESCAP region | 173 | |
| Benefits and challenges of international labour migration | 173 | |
| Cooperative approaches to managing international labour migrant flows | 175 | |
| Strengthening knowledge networks of people and institutions | 176 | |
| Strengthening business networks and associations | 178 | |
| Putting individuals at the heart of people-to-people connectivity | 179 | |
| Chapter 6. Strengthening institutional coordination and regional cooperation | 187 | |
| Strengthening institutional responses to regional connectivity | 188 | |
| Coordination at the regional level | 190 | |
| Statistical standards for strengthened accountability and better policymaking | 193 | |
| Strengthening statistical capacity in the Asian and Pacific region | 196 | |
| Regional solutions for financing regional infrastructure networks | 196 | |
| Regional projects as "regional public goods" | 196 | |
| Regional infrastructure funds | 197 | |
| Regional Project Preparatory Facility | 198 | |
| Asian Multi-donor Platform | 198 | |
| Public-Private Partnerships | 199 | |
| Chapter 7. Conclusions | 203 | |
| References part II | | |