

The 2015 edition of the *Economic and Social Survey of Asia and the Pacific* highlights a key message that while policy focus on economic growth is necessary, it is not sufficient for achieving development. Policymakers in the region would need to internalize the aspects of inclusive growth and sustainable development into their domestic policy frameworks.

Economic growth in Asia-Pacific developing economies continues to fare well in the global context, but is expected to experience only a slight increase in 2015. The growth potential of the region is being held back by structural weaknesses such as infrastructure shortages and excessive commodity dependence of some economies. The fragile global economic recovery is also constraining regional growth prospects. Unless reforms are vigorously pursued, downside risks to the growth trajectory could increase.

Lower inflation, largely driven by lower global oil prices, has encouraged a string of interest rate reductions. But considerable volatility in capital flows and exchange rates is anticipated given the monetary policy related developments of major economies. This calls for a prudent monetary policy stance by developing economies of the region, especially in those economies that have weak fundamentals. Macro-prudential policies could also be utilized to support macroeconomic and financial stability.

The *Survey* for 2015 provides a new perspective on *inclusive growth* in the region in the context of the ongoing global deliberations on the post-2015 development agenda, which encompasses the economic, social and environmental dimensions of development. It emphasizes the need to move the policy focus beyond *inequality of income* to promoting *equality of opportunities*. This is important because different kinds of deprivation tend to reinforce each other.

The *Survey* for 2015 recommends making public expenditures more development-oriented to nurture inclusiveness, with a focus on equitable access to quality education and healthcare, social safety nets, finance and energy. Also, fostering productive employment would require greater attention to small and medium sized enterprises and agricultural and rural sectors.

“The 2015 edition of ESCAP’s Economic and Social Survey of Asia and the Pacific covers an issue that is of special international importance this year: inclusive growth. This issue has direct bearing on the three global priorities for 2015: completing the Millennium Development Goals; adopting an ambitious new sustainable development agenda, including a set of sustainable development goals (SDGs); and reaching a meaningful, universal agreement on climate change.... I commend ESCAP for its insightful analysis, practical advice and recommendations for policymakers in Asia and the Pacific and beyond.”

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