

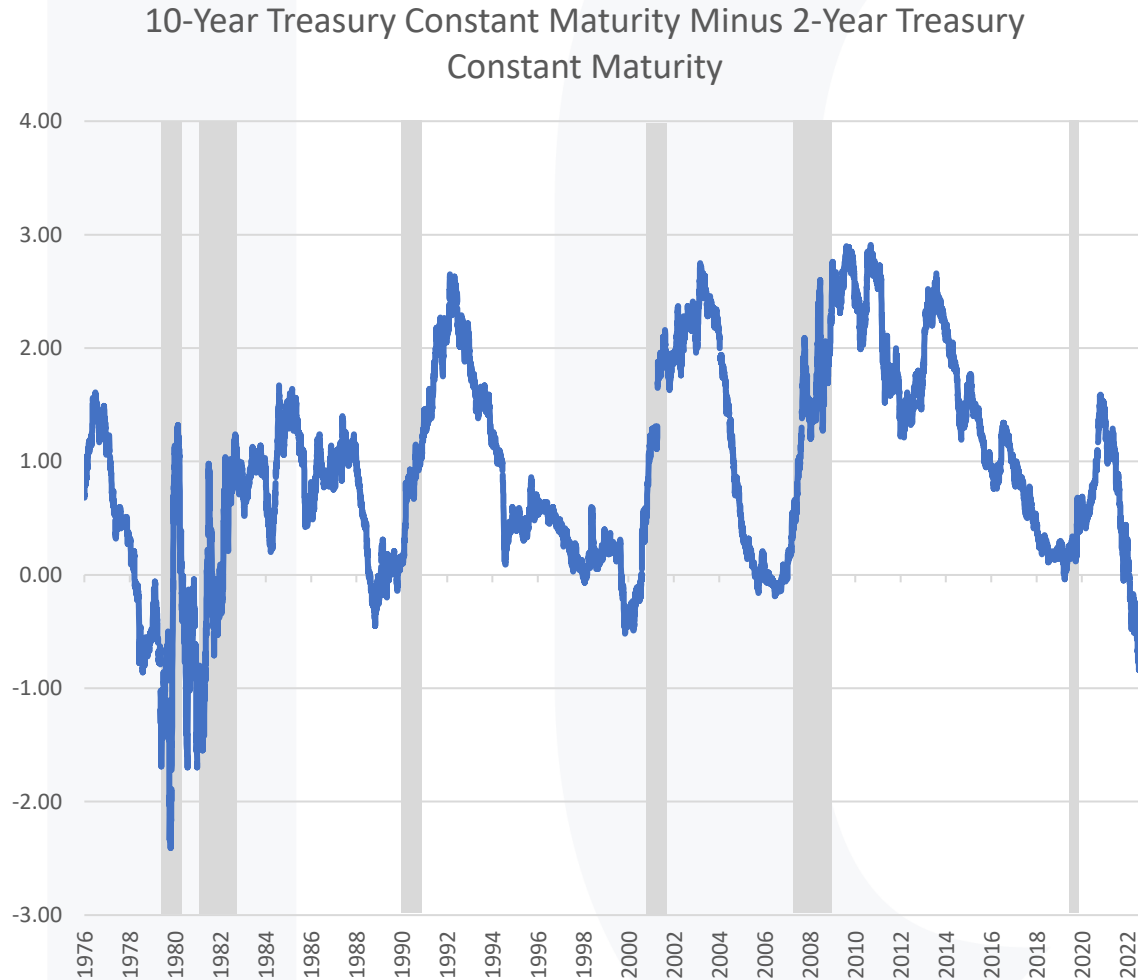
# APAC Macroeconomic Outlook

## Emerging risks and impacts

PDI APAC Forum, Singapore 2023

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# The economic storm: Inflation and recession



Source: Federal Reserve Bank of St Louis

Sticky inflation

Cost-of-living crisis

Geopolitical tension

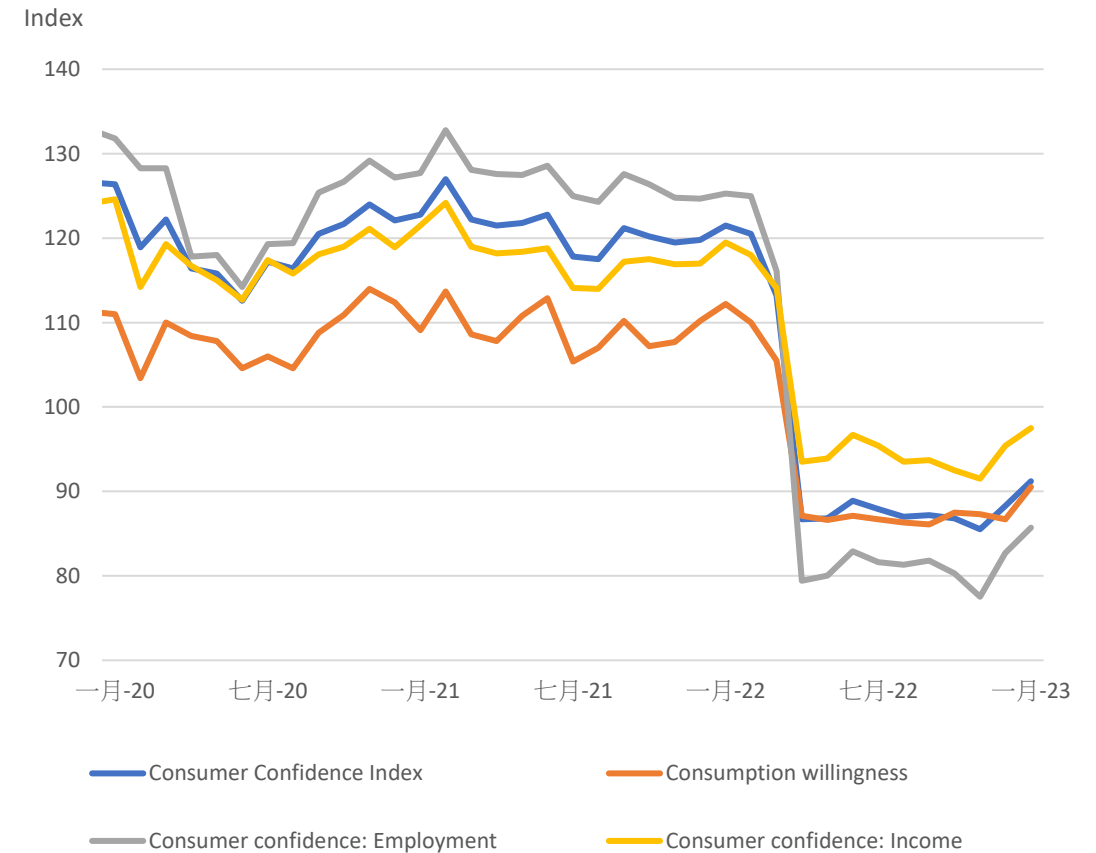
Banking crisis

# Will China come to the rescue?

### Composition of China's GDP growth



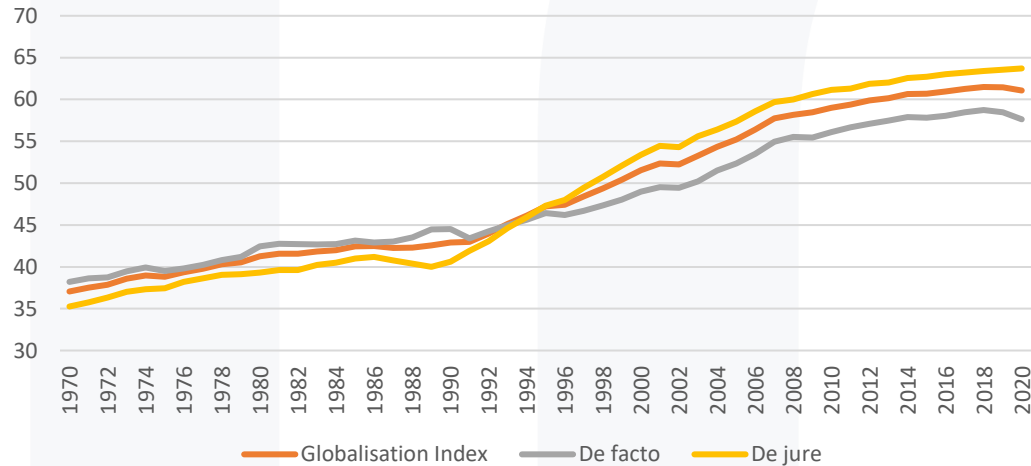
### Consumer confidence indexes



Source: CEIC

# Deglobalisation and decoupling

### KOF Globalisation Index



### China's export growth, yoy



## Globalisation

- Agnostic to locations
- Less dependent on govt policies
- A large domestic market is not important
- Structural deflation
- Win-win

## De-Globalisation

- Sensitive to locations
- Dependent on govt policies incl, industrial policies
- A large domestic market is very important
- Structural inflation
- Winner and losers

## Regionalisation

- RCEP
- ASEAN FTA
- CPTPP

# Older age is the new norm, but there is no norm for older age

## Rising risk of Japanification

- From demographical dividends to demographic deficits
- Ageing leads to lower productivity and potential growth...
- ... also lower national savings ratios
- Less deflationary pressure from a large working population; more inflationary pressure from pensioners

Economic impacts

Behavioural impacts

Social impacts

## Getting old before getting rich

- Pressures on social security systems from pension to old-age care
- Challenge on healthy ageing
- Ageing worsens regional disparity
- Actual and perceived social mobility
- Immigration policies

## Generation cohorts

- Increasing dominance of Gen Z and Millennials
- A new generation of tech natives
- Shift in consumption
- There is no typical older (or younger) person!

## A diverse landscape

- China is fast ageing, as well as Thailand, but other emerging Asian markets are still relatively young

## Insurability

- LTC, old-age health, old-age drivers

## Demand shift

- From savings to protection products

# Closing the gap



## Estimated protection gap in Asia

USD bn		2010	2020	2021
Health	Advanced Asia	45	63	61
	Emerging Asia	116	311	301
Mortality	Advanced Asia	33	31	31
	Emerging Asia	66	126	144
Nat Cat	Advanced Asia	42	42	45
	Emerging Asia	25	50	59

Peak Re's mission is to close the protection gaps of emerging middle class. How do we embed this into our strategy thinking about 1) the Middle Class and 2) the protection gap

USD bn	China	India	Indonesia	Japan	Taiwan	Philippines
Nat Cat	25.6	2.6	2.8	28.9	5.5	2.8

Source: sigma 4/2022, SRI



10 Years PeakRe >

Thank you



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