



Sim Kee Boon
Institute for
Financial Economics

Global Economic Developments and ESG

Hainan Green Finance Research Institute
Seminar on Sustainability and ESG

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Growth and maybe inflation slow, but ESG concerns will remain

- **Global**

- Inflation surge to keep central banks tightening
- GDP growth already slowing sharply, raising CB-induced recession risks
- Geopolitics, especially Russia-Ukraine, worsen stagflation

- **Asia**

- Macro risks , while still worrying, not as high as elsewhere

- **ESG**

- Awareness rising, but so is environmental degradation and social risks
- ESG awareness must turn into action through global collaboration

Global CPI

% change, annual rate

	2017-19	2021	1H22	2H22 F	
Headline	2.3	4.8	9.7	4.7	Highest in 40+ years
Energy	4.3	26.1	34.6	0.2	Driven initially by oil
Food	2.9	3.5	11.1	8.1	Food prices followed
Core	2.0	3.2	6.0	4.1	
Goods	0.6	4.5	5.5	2.7	Goods led core higher
Services	2.2	2.4	4.4	5.0	Spreading to services

Source: JPMorgan

Global central banks were behind the curve

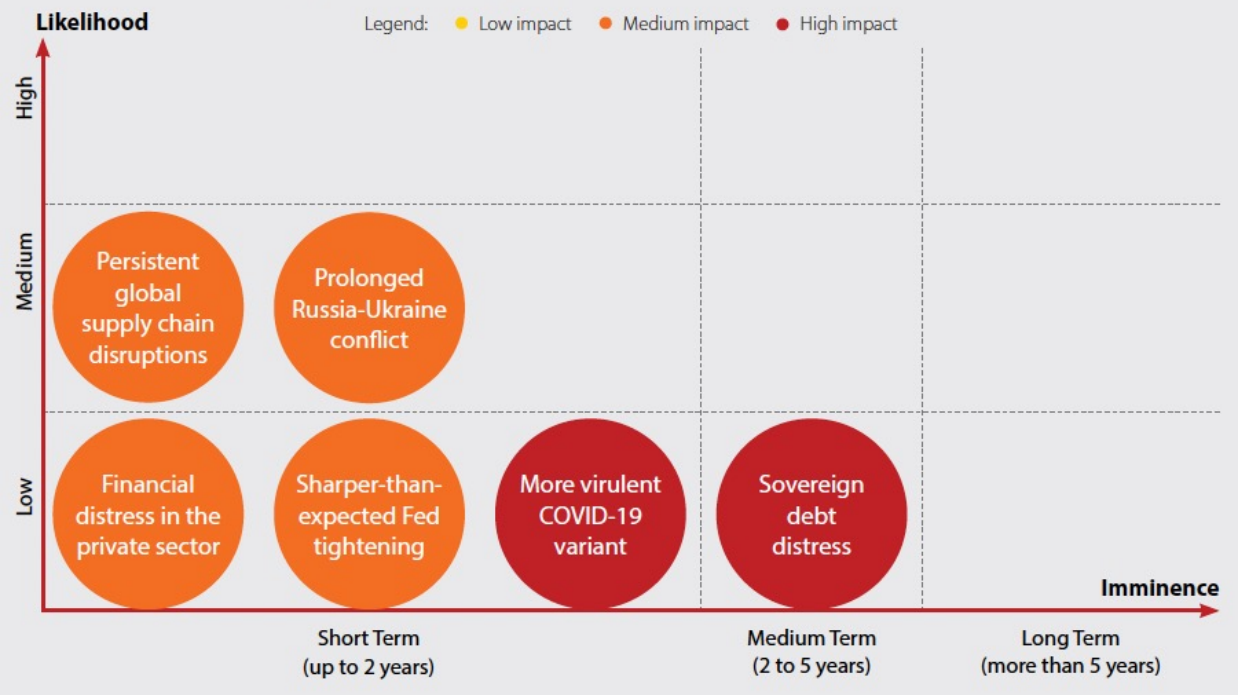
... despite widely expected drop in inflation, central banks will keep with rate hikes & QT

Asia at lower macro risk; focus on future resilience

Growth in ASEAN+3¹ to normalize as the pandemic recedes



Outlook clouded by new and legacy risks

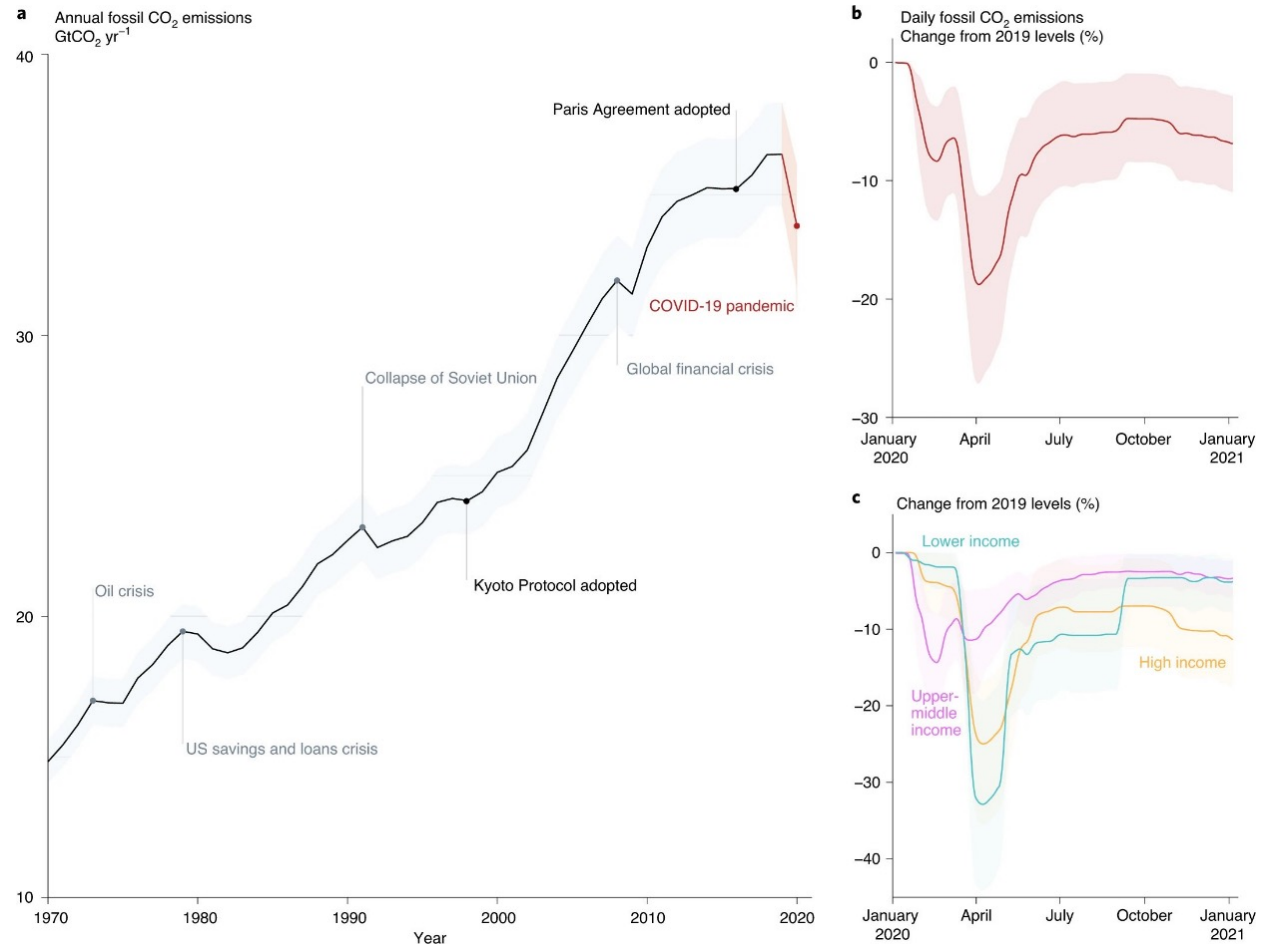


Source: ASEAN+3 Macroeconomic Research Office (AMRO)

Environmental degradation continues

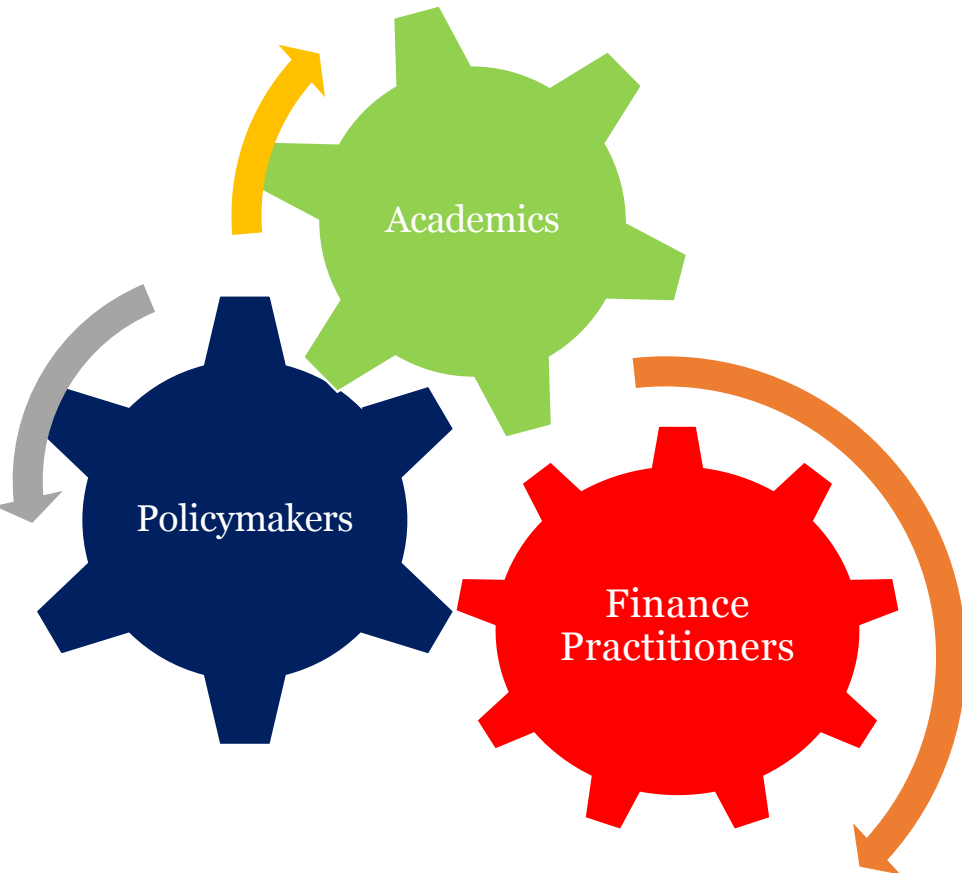
CO2 emissions

- **Almost never** decline
- But did **decline briefly** during pandemic
- Yet, **rebounded** quickly
- Continue to **rise**



Source: Le Quéré, et al, Nature Climate Change, 2021

Urgent need for collaboration



Singapore Green Finance Centre [funding through 2025]

- Monetary Authority of Singapore & leading financial sector partners
- SKBI academic partner: Imperial College London
 - Bank of China
 - BNP Paribas
 - Fullerton Fund Management
 - Goldman Sachs
 - HSBC
 - Schroders
 - SMBC
 - Standard Chartered
 - UBS



Global Research Alliance for Sustainable Finance & Investment

- Premier global academic alliance
- SKBI 1st member from ASEAN – 2020



World Economic Forum: Climate Government SG

SKBI is knowledge partner of organization to train Non-Executive Directors in Singapore on Sustainability





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Contact us

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