

## **The Indian Ocean Economy: Outlook and Challenges**

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This paper takes an initial look at the changing economic context for a study of the dynamic Indian Ocean region – comprising 25 littoral states across 3 continents – since the 2008-2009 global financial crisis. It assesses the region’s recent economic performance by considering initial conditions and constructing key regional economic aggregates, including GDP, GDP per capita, trade and poverty levels. Based on a “business-as-usual” scenario, these aggregates are projected to highlight the region’s economic potential for 2025. Major policy challenges are then discussed, including existing trade and regulatory barriers, development gaps and nascent regional institutions. Finally, policy implications for a peaceful and prosperous Indian Ocean economy are explored.

**Keywords:** Indian Ocean; international economics; international relations; Macroeconomics; regional economic integration