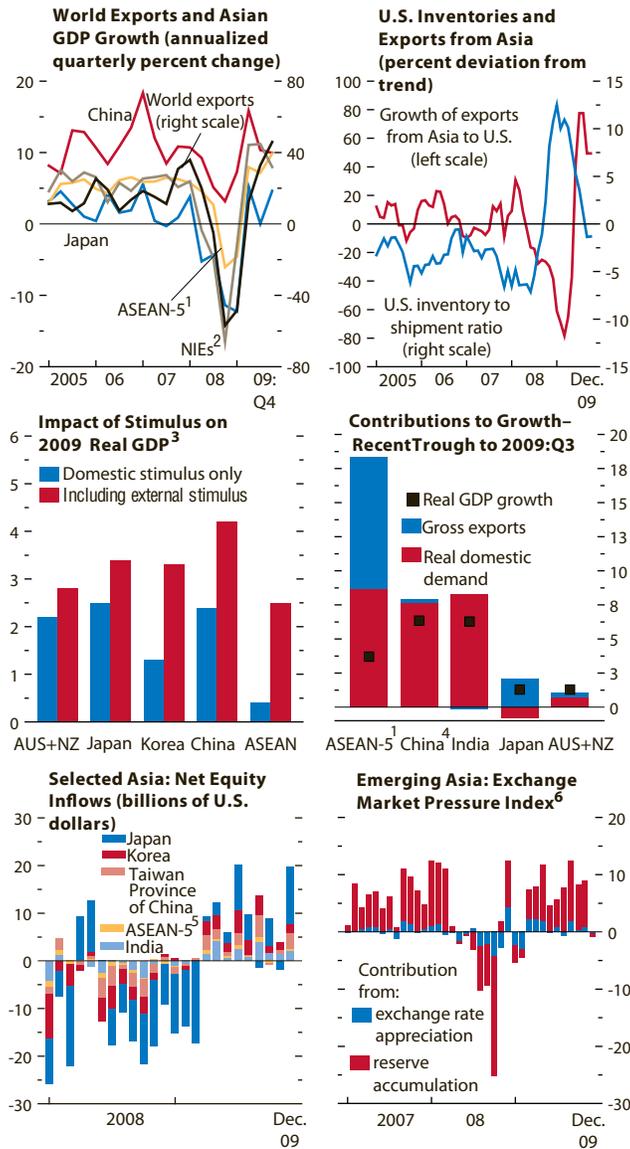


Figure 2.5. Asia: A Vigorous and Balanced Rebound

The normalization of global trade, a turn in the inventory cycle, and stimulus-supported demand have underpinned Asia's quick recovery. Renewed capital inflows have put pressure on exchange rates, which has been absorbed mainly by further reserve accumulation.



Sources: Haver Analytics; and IMF staff calculations.

¹ Excluding Vietnam.

² Newly industrialized Asian economies (NIEs) comprise Hong Kong SAR, Korea, Singapore, and Taiwan Province of China.

³ "Domestic stimulus only" refers to the impact of fiscal stimulus in the country or country group; "Including external stimulus" adds the impact of regional and global fiscal stimulus measures. Estimates are based on multipliers from the IMF's Global Integrated Monetary and Fiscal Model. AUS+NZ= Australia and New Zealand.

⁴ For China, quarter of slowest growth (2009:Q1) to 2009:Q3.

⁵ Excluding Malaysia.

⁶ The exchange market pressure index is defined as the change in nominal exchange rate vis-à-vis U.S. dollar plus the ratio of change in international reserves to the monetary base. The index is the average of China, Hong Kong SAR, India, Indonesia, Korea, Malaysia, Philippines, Singapore, and Thailand.