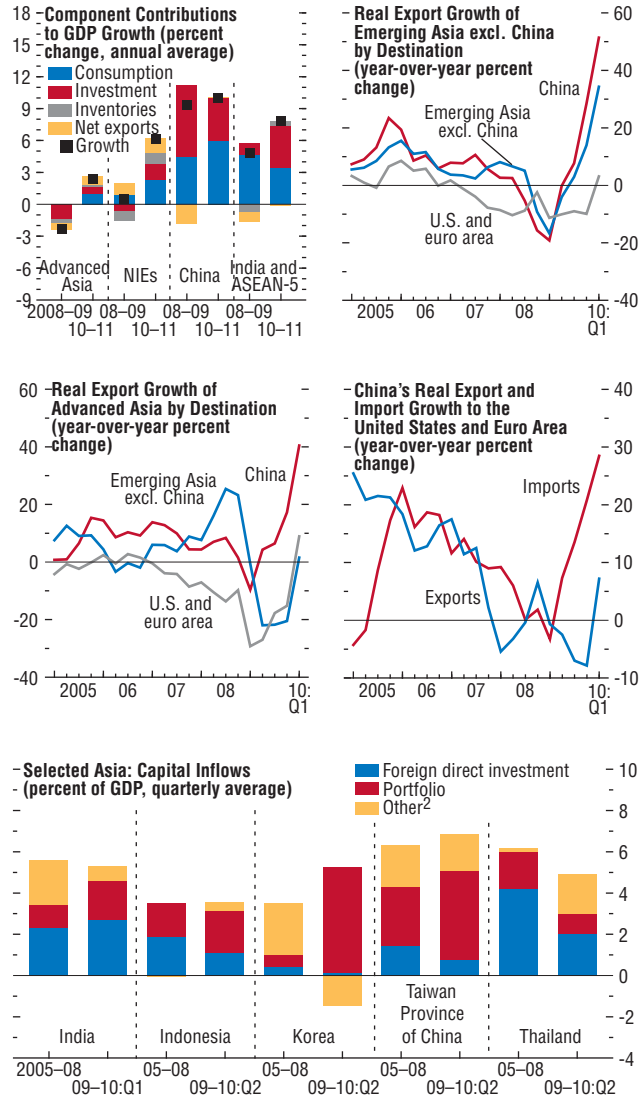


Figure 2.3. Asia: Leading the Global Recovery¹

Economic activity has bounced back because of domestic demand and rebounding exports. Robust import demand from China—particularly in commodities, machinery, and capital goods—has supported activity in both emerging and advanced Asia. The region is attracting capital inflows, which, while providing easy access to financing, has posed some macroeconomic policy challenges (see Box 2.1).



Sources: CEIC Asia database; Haver Analytics; IMF, *Direction of Trade Statistics*; and IMF staff calculations

¹Advanced Asia: Australia, Japan, and New Zealand; newly industrialized Asian economies (NIEs): Hong Kong SAR, Korea, Singapore, and Taiwan Province of China; ASEAN-5: Indonesia, Malaysia, Philippines, Thailand, and Vietnam; emerging Asia: ASEAN-5, China, India, and NIEs.

²Other investment includes financial derivatives.