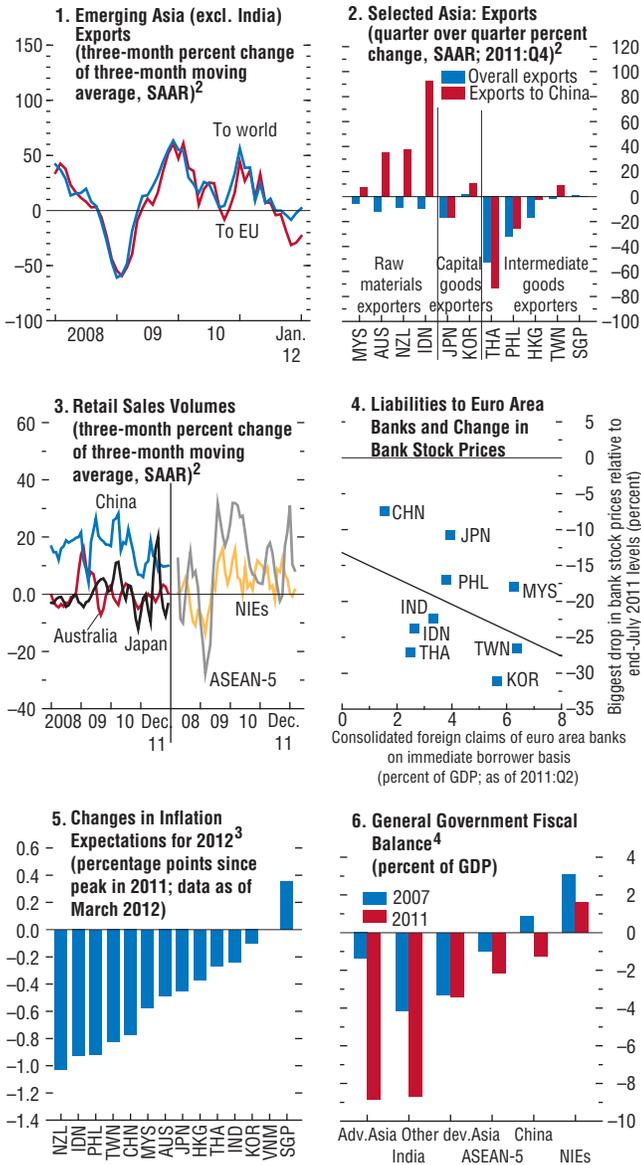


Figure 2.9. Asia: Growth Is Moderating¹

Slowing exports, particularly to Europe, are dampening Asia's growth prospects. But Chinese demand provides a buffer to the region's commodity exporters, and domestic demand remains strong in some parts of developing Asia. Market turmoil in late 2011 was greater for countries with closer links to euro area banks. Inflation has moderated in many economies, but there is less fiscal room now than in 2007.



Sources: Bank for International Settlements; CEIC; Consensus Economics; IMF, *Direction of Trade Statistics*; and IMF staff calculations.

¹Advanced Asia (Adv. Asia): Australia (AUS), Japan (JPN), New Zealand (NZL); ASEAN-5: Indonesia (IDN), Malaysia (MYS), Philippines (PHL), Thailand (THA), Vietnam (VNM); CHN: China; IND: India; Newly Industrialized Asian Economies (NIEs): Hong Kong SAR (HKG), Korea (KOR), Singapore (SGP), Taiwan Province of China (TWN).

²SAAR: seasonally adjusted annual rate.

³For India, the change in expectations refers to the average annual wholesale price inflation for fiscal year ending in March 2013.

⁴Other developing Asia (Other dev. Asia): Afghanistan, Bangladesh, Bhutan, Brunei Darussalam, Cambodia, Fiji, Kiribati, Lao PDR, Maldives, Myanmar, Nepal, Pakistan, Papua New Guinea, Samoa, Solomon Islands, Sri Lanka, Timor-Leste, Vanuatu.