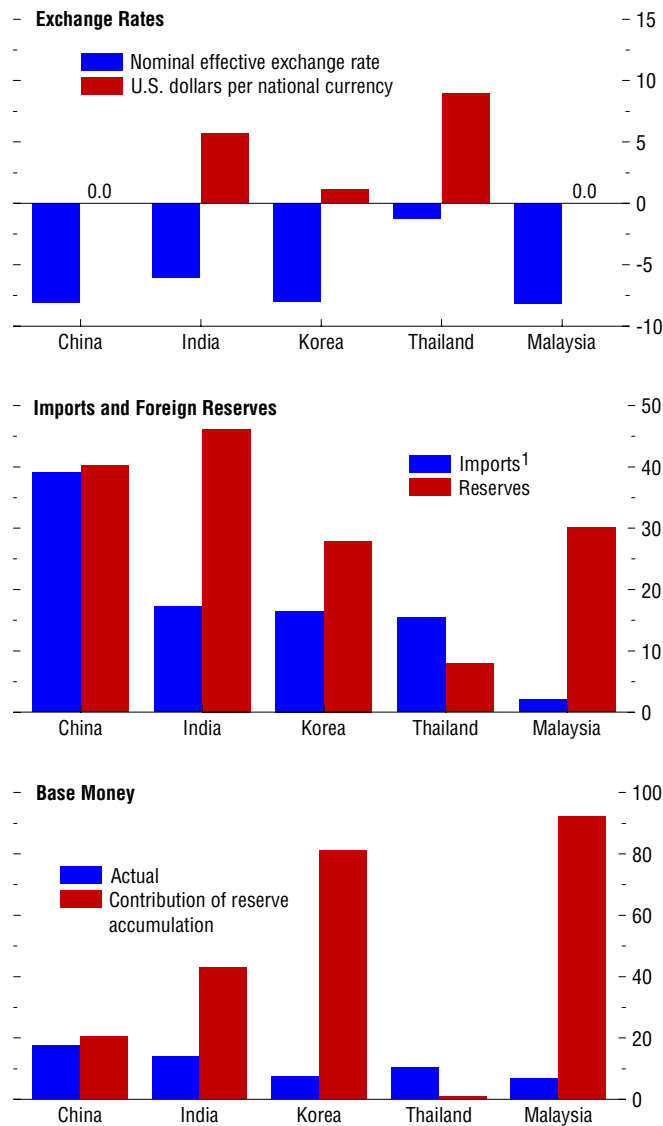


Figure 1.13. Emerging Asia: Foreign Reserve Accumulation

(Percent change from a year ago; end-2003 unless otherwise indicated)

To limit appreciations against the U.S. dollar, many countries continue to intervene substantially in the foreign exchange market. The resulting rapid buildup in foreign reserves is generally in excess of import growth. The monetary impact of foreign reserve accumulation has largely been sterilized, so actual base money growth has been much lower.



Sources: Bloomberg Financial, LP; IMF, *International Financial Statistics*; and IMF staff calculations.

¹Total imports for 2003.