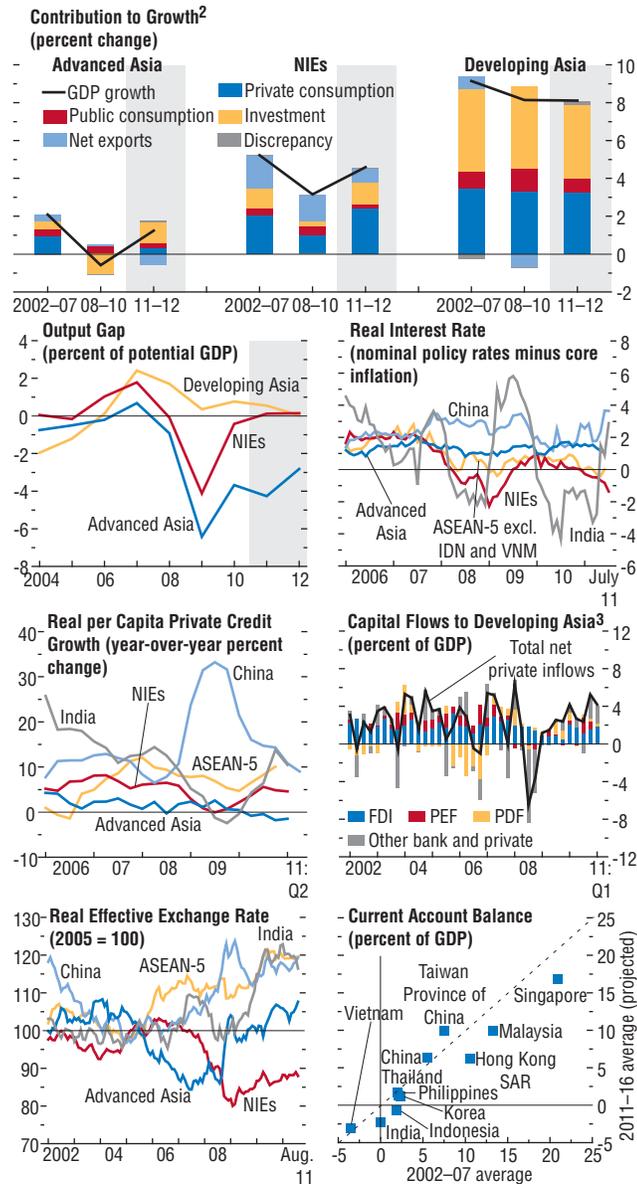


**Figure 2.10. Asia: A Bright Spot in the World Economy<sup>1</sup>**

Growth is expected to remain strong, with weaker external demand offset by still solid domestic demand. That said, there has been limited progress in external rebalancing that would durably enhance the role of domestic demand in growth—currencies have appreciated at a slower pace in economies with current account surpluses than in others, and these surpluses are projected to remain large or to widen further over the medium term.



Sources: Haver Analytics; IMF, *International Financial Statistics*; and IMF staff estimates.

<sup>1</sup>Advanced Asia: Australia, Japan, and New Zealand; newly industrialized Asian economies (NIEs): Hong Kong SAR, Korea, Singapore, and Taiwan Province of China; developing Asia: rest of Asia; ASEAN-5: Indonesia (IDN), Malaysia, Philippines, Thailand, and Vietnam (VNM). Aggregates for the external economy are sums of individual country data. Aggregates for all others are computed on the basis of purchasing-power-parity weights.

<sup>2</sup>Excludes Bhutan, Brunei Darussalam, Republic of Fiji, Kiribati, Lao People's Democratic Republic, Maldives, Samoa, Timor-Leste, Tonga, Tuvalu, and Vanuatu due to data limitations.

<sup>3</sup>FDI: foreign direct investment; PEF: portfolio equity flows; PDF: portfolio debt flows.