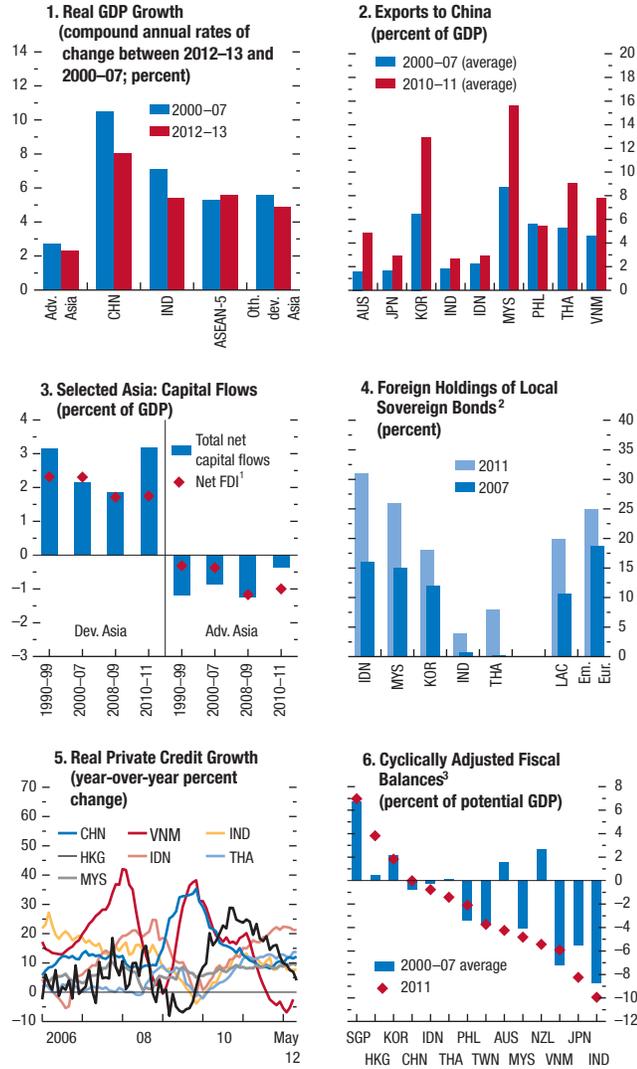


**Figure 2.9. Asia: Activity Decelerates**

Growth in Asia has moderated further, given weaker external demand and the soft landing in China. The downgrading of medium-term growth prospects in China will affect regional growth performance because of China's expanding trade linkages with other economies in the region. The region has been exposed to financial spillovers from advanced economies, but capital flows to its emerging market economies and credit growth both remain strong.



Sources: CEIC; Haver Analytics; IMF, Balance of Payments Statistics database; IMF, Direction of Trade Statistics database; IMF, International Financial Statistics database; IMF, *Regional Economic Outlook: Asia and Pacific* (October 2011); national sources; and IMF staff estimates. Note: Advanced Asia (Adv. Asia): Australia (AUS), Hong Kong SAR (HKG), Japan (JPN), Korea (KOR), New Zealand (NZL), Singapore (SGP), Taiwan Province of China (TWN); ASEAN-5: Indonesia (IDN), Malaysia (MYS), Philippines (PHL), Thailand (THA), Vietnam (VNM); other developing Asia (Oth. dev. Asia): Afghanistan, Bangladesh, Bhutan, Brunei Darussalam, Cambodia, Kiribati, Lao P.D.R., Maldives, Myanmar, Nepal, Pakistan, Papua New Guinea, Samoa, Solomon Islands, Sri Lanka, Timor-Leste, Tonga, Vanuatu; developing Asia (Dev. Asia): ASEAN-5 and other developing Asia; CHN = China; IND = India.

<sup>1</sup>FDI = foreign direct investment.

<sup>2</sup>Em. Eur. = emerging Europe (see Figure 2.1 for regional country compositions); LAC = Latin America and the Caribbean; India: total bond market.

<sup>3</sup>Indonesia: average of 2004-07; New Zealand: average of 2005-07; Vietnam: in percent of fiscal year nominal GDP.