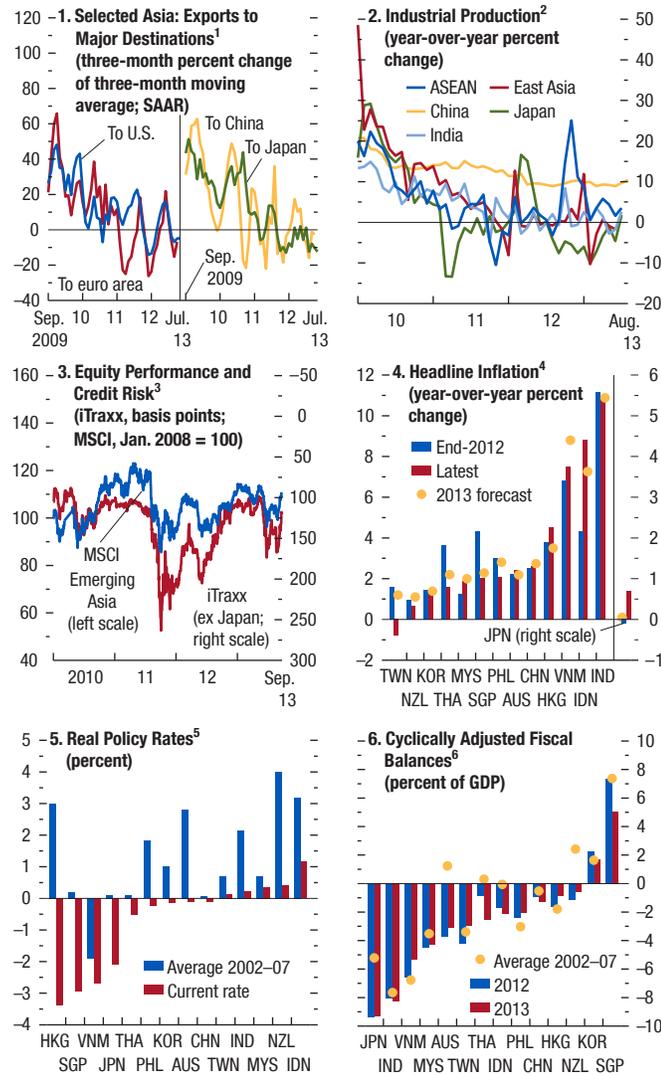


Figure 2.8. Asia: A Lower Growth Trajectory

Economic activity was disappointing during the first half of 2013. Growth will pick up slowly from the second half of the year as external and domestic demand recover at a moderate pace.



Sources: Bloomberg, L.P.; CEIC; *Consensus Forecasts*; Haver Analytics; Markit/Haver Analytics; and IMF staff estimates.

Note: AUS = Australia; CHN = China; HKG = Hong Kong SAR; IDN = Indonesia; IND = India; JPN = Japan; KOR = Korea; MYS = Malaysia; NZL = New Zealand; PHL = Philippines; SGP = Singapore; THA = Thailand; TWN = Taiwan Province of China; VNM = Vietnam. East Asia includes CHN, HKG, KOR, and TWN. CDS = credit default swap.

¹Selected Asia includes east Asia, JPN, MYS, THA, PHL, SGP, and VNM. Indonesia is excluded due to a data lag. SAAR = seasonally adjusted annual rate. Data are through June 2013 (to China; to euro area).

²ASEAN = Association of Southeast Asian Nations (IDN, MYS, PHL, SGP, THA). East Asia excludes HKG and CHN in this panel. Data are through July 2013 for ASEAN, IND, JPN; and June 2013 for east Asia.

³The Markit iTraxx Asia ex Japan Investment Grade index comprises 40 equally weighted investment grade CDS indices of Asian equities that typically trade on a five-year maturity, and a new series is determined on the basis of liquidity every six months. The MSCI EM Asia Index captures large and mid-cap representation across eight emerging market economies: CHN, IDN, IND, KOR, MYS, PHL, THA, TWN. With 541 constituents, the index covers approximately 85 percent of the free-float-adjusted market capitalization in each country.

⁴Data for India are based on the Industrial Workers Consumer Price Index. Latest data refer to August 2013, except for India and Japan (July 2013); Australia and New Zealand (June 2013).

⁵Data are as of September 23, 2013. Real policy rates are adjusted for the one-year-ahead inflation expectations. For India this is based on the fiscal year.

⁶General government structural balance for Hong Kong SAR and New Zealand.