



RCI INFORMATION PACK

OCTOBER 2013 • ISSUE NO. 6

▲ RCI NEWS AND EVENTS

▲ MONETARY, FINANCIAL, AND TRADE INDICATORS

Office of Regional Economic Integration
Asia Regional Integration Center

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The monthly **Regional Cooperation and Integration (RCI) Information Pack** monitors RCI news and events under the Asian Development Bank's (ADB) four RCI pillars: (i) cross-border infrastructure, (ii) trade and investment, (iii) money and finance, and (iv) regional public goods. It also presents high-frequency monetary, financial, and trade indicators, which—taken together—can help monitor economic links between the economies of Asia and the Pacific and major partners outside the region. The RCI Information Pack is published by ADB, produced by the Office of Regional Economic Integration (OREI).

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RCI NEWS AND EVENTS

RCI News and Events keeps track of activities and events related to regional cooperation and integration (RCI) covering ADB's 48 regional members. It follows initiatives under ADB's four RCI pillars: (i) cross-border infrastructure, (ii) trade and investment, (iii) money and finance, and (iv) regional public goods.

MONETARY, FINANCIAL, AND TRADE INDICATORS

Monetary, Financial, and Trade Indicators offers a picture of the economic links between economies of Asia and the Pacific and major partners outside the region. Leading indicators are tracked monthly and include recent historical trends to help assess individual economies' growth prospects and potential vulnerabilities. The economies covered include the 10 members of the Association of Southeast Asian Nations (ASEAN)—Brunei Darussalam, Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Viet Nam; Azerbaijan; Bangladesh; the People's Republic of China; Hong Kong, China; India; Kazakhstan; the Republic of Korea; Pakistan; Sri Lanka; Taipei, China; Tajikistan; and Uzbekistan. The advanced economies of the eurozone, Japan, and the US are also included.

SPECIAL FEATURE

The **Special Feature** explores a relevant economic or RCI issue affecting the region.

The views expressed in this publication are those of the authors and do not necessarily reflect the views and policies of the Asian Development Bank (ADB) or its Board of Governors or the governments they represent.

Note:

In this publication, "\$" refers to US dollars.

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AT A GLANCE

OCTOBER 2013 • ISSUE NO. 6

RCI NEWS AND EVENTS¹

- APEC finance ministers commit to a more balanced growth path.
- South Asia economic summit tackles emerging growth opportunities in the region.
- East Asia Summit energy ministers call for strengthened energy security and improved energy access.
- Asia Pacific trade facilitation forum call for regional support for businesses.
- Asian central banks sign currency swaps with partners
- ASEAN holds meeting on environmental and transboundary haze issues.

MONETARY, FINANCIAL, AND TRADE INDICATORS¹

- Global equity indices up; oil prices up.
- East Asian equities rally, South and Southeast Asian equities decline.
- Inward remittances in South Asia, Philippines show signs of weak recovery.
- Indonesia and South Asian currencies continued to depreciate in September.
- Inflation remained stable across the region except in Indonesia and Pakistan.
- India and Pakistan raise key rates; other policy rates unchanged.
- Bank lending steady; Kazakhstan slows down.
- Asian industrial production growth mixed.
- Export growth slightly up; import growth still weak amid recovery in developed economies.
- Economic growth in Asia expected to be moderate.

SPECIAL FEATURE: Asian Currency and Equity Market Volatility

- Notwithstanding signs of recovery, US imports have been weak since 2008.
- Lackluster import growth is reflected in US-Asia trade data.
- Flat imports may reflect temporary shocks due to depreciated US dollar and ongoing structural changes in the US economy.
- Even with a full-fledged US recovery, Asia may not expect US demand to return to the pre-crisis level.
- There is a need to strengthen the region's growth rebalancing.

¹Covers September news and data.

RCI News and Events follows regional initiatives under ADB's four RCI pillars: (i) cross-border infrastructure, (ii) trade and investment, (iii) money and finance, and (iv) regional public goods.

IN THE NEWS

APEC Finance Ministers commit to a more balanced growth path. With the theme “Resilient Asia-Pacific, Engine of Growth,” the 2013 [Asia-Pacific Economic Cooperation \(APEC\) Finance Ministers’ Meeting](#) was held on 20 September in Bali, Indonesia. After discussing key economic and financial issues, ministers resolved to place their economies on a stronger, more sustainable, and more balanced growth path. They highlighted several initiatives in a [Joint Ministerial Statement](#) including the APEC Multi-Year Plan for Infrastructure Development and Investment, an APEC Public-Private Partnership (PPP) Experts Advisory Panel, disaster risk financing (DRF), and an Asia-Pacific Financial Forum (APFF). Ministers from Australia, the Republic of Korea, New Zealand, and Singapore also signed a Statement of Intent on the [Asia Region Funds Passport](#), paving the way for increased regional trade in financial products.

"Connecting South Asia and Southeast Asia" pushed. On 26 September, ADB and the Asian Development Bank Institute conducted a [high-level policy dialogue](#) on the flagship study, [Connecting South Asia and Southeast Asia](#), focusing on the role played by physical infrastructure and public policies in facilitating connectivity. ADB Managing Director-General Rajat Nag delivered a [speech](#) to open the event and expounded on the benefits of greater connectivity in facilitating economic cooperation and integration and in providing opportunities for expansion of production networks between the regions.

Economic summit promotes a more inclusive South Asia. The [6th South Asia Economic Summit](#) took place in Colombo, Sri Lanka from 2–4 September under the theme “Towards a stronger, dynamic and inclusive South Asia.” Secretary-General (SG) Ahmed Saleem of the South Asian Association for Regional Cooperation (SAARC) [stressed the importance of the South Asia Economic Summits](#) as instrumental platforms that generate discussion and ideas for policy makers in the region. The summit tackled emerging growth opportunities and challenges for South Asia amid changing global economic dynamics.

CROSS-BORDER INFRASTRUCTURE

ADB continues improving road connectivity in Tajikistan. The Asian Development Bank (ADB) on 26 September approved a [\\$70 million grant for a project that will magnify regional economic cooperation](#) and inclusive growth in Tajikistan by improving key roads, enhancing road safety and maintenance, and promoting local community development. The project will rehabilitate and improve road safety and maintenance on approximately 88 kilometers of the Sayron-Karamyik road section of [CAREC Corridors 3 and 5](#), and 87 kilometers of the subnetwork Vose-Khovaling road. The Government of Tajikistan will provide counterpart funding of \$19 million.

Priority energy projects finalised at CAREC meeting. The [16th Central Asia Regional Economic Cooperation \(CAREC\) Energy Sector Coordinating Committee Meeting](#) took place in Almaty, Kazakhstan from 10–12 September, with participation from member countries and multilateral development partners, and joined by the United States Agency for International Development and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP). The meeting served as a platform to review the progress in implementing the [Energy Work Plan \(2013-2015\)](#) and to finalize the priority investment project list in preparation for the [12th CAREC Ministerial Conference](#). The session closed with a site visit to the Kapchagai solar power station in Almaty.

Bali hosts East Asia energy ministers’ summit. The [7th East Asia Summit \(EAS\) Energy Ministers Meeting](#) was held on 26 September in Bali, Indonesia. It was chaired by Indonesia’s energy minister Jero Wacik and co-chaired by Japan’s trade minister Kazuyoshi Akaba. In the [Joint Ministerial Statement](#), the ministers affirmed the importance of cooperating on energy issues to strengthen energy security and improve energy access in the region, given the volatility of energy markets and changes to the global economic landscape.

APEC transport ministers seek to establish connectivity framework. During the 8th APEC Transportation Ministerial Meeting held on 5 September in Tokyo, ministers committed to support an initiative to establish the APEC Framework on Connectivity to enhance trade and strengthen regional economic integration. Japanese Prime Minister Abe also noted transportation's crucial role in regional growth.

TRADE AND INVESTMENT

PRC seeks enhanced trade ties with regional blocs. The People's Republic of China (PRC) expressed its desire to strengthen trade relations with the Association of Southeast Asian Nations (ASEAN) and the Gulf Cooperation Council (GCC). During the 10th PRC-ASEAN expo, the PRC called for upgrading of the PRC-ASEAN Free Trade Area and stronger ties with the region in technology, environment, and finance. In a dialogue with Bahrain, it was noted that there is a need to resume PRC-GCC negotiations given the importance of political, economic, and cultural ties between PRC and Arab states. The PRC also completed the first stage of FTA talks with the Republic of Korea on 3-5 September. Consensus was reached on trade in goods, agreements, scope, principles, and the negotiating framework.

Asia Pacific forum calls for greater regional support for businesses. The Asia-Pacific Trade Facilitation Forum held from 10-11 September in Beijing, PRC called for regional arrangements in support of small-to-medium-sized businesses looking to finance their supply chain. Recognizing limited access to financing as a key barrier, the forum hailed ADB's Trade Finance Program which aims to fill market gaps for trade finance by providing guarantees and loans.

Pakistan implements PTA with Indonesia, in talks with Thailand. Indonesia and Pakistan implemented a Preferential Trade Agreement (PTA) on 1 September. The Indonesia-Pakistan PTA, signed on February 2012, seeks to grant market access for both countries at preferential rates. Commodities include fresh fruits, cotton, garments, and palm oil, among others. Meanwhile, the Pakistan-Thailand Joint Trade Committee held its first session on 21 August in Islamabad, Pakistan. The committee discussed ways to enhance trade and investment as well as economic cooperation between the two countries.

Singapore, Thailand en route to free trade with EU. Singapore and the European Union (EU) have finalized the legal text of their FTA on 20 September. The Singapore-EU FTA, whose negotiations were concluded last December 2012, aims to remove all tariffs and implement a regulatory framework related to services trade, intellectual property, and transparency. Meanwhile, Thailand and EU held a second round of comprehensive FTA negotiations from 16-20 September. The talks covered issues on rules of origin, services and investment, trade remedies, and intellectual property, among others. The third round of negotiations is set for 9-13 December.

MONEY AND FINANCE

Summits held to strengthen PRC cooperation with ASEAN, India, and Central Asia. On 4 September, the Fifth PRC-ASEAN Summit Forum on Financial Cooperation and Development was held in Guangxi, PRC. The forum is expected to strengthen economic and financial stability and development in the region. On 26 September the Sixth PRC-India Financial Dialogue was held in Beijing, PRC where the two countries held in-depth discussions on new challenges facing the global economy, progress on structural reforms in both countries, and cooperation under multilateral and bilateral frameworks. The governor of the central bank of PRC also attended the 30th Meeting of the Governors' Club of member countries of the Central Asia, Black Sea Region and Balkans held from 12 to 13 September in Armenia. On the side-lines of the meeting, PRC and Central Bank of Armenia held talks on strengthening bilateral financial and currency cooperation.

South Asia pushes for greater financial cooperation. The Sixth Meeting of the South Asia Association for Regional Cooperation (SAARC) Finance Ministers and Secretaries was held 29-30 August in Colombo, Sri Lanka. Officials discussed several important issues including the promotion and protection of investment, greater flow of financial capital and intra-regional long term investment, economic integration towards a South Asian Economic Union, a SAARC Agreement on Avoidance of Double Taxation, and SAARC customs cooperation. It was also decided to improve existing mechanisms through rationalization and reinvigoration, and to make SAARC better known and better understood by international institutions and governments around the world.

Asian central banks sign currency swaps with partners.

In a joint press statement issued 6 September, [Japan and India](#) announced the expansion of their bilateral swap arrangements (BSA) from \$15 billion to \$50 billion. The move is expected to boost the stability of global financial markets, including emerging economies. The central banks of [PRC and Hungary](#) on 9 September signed a bilateral local currency swap agreement worth 10 billion yuan or 375 billion Hungarian forint. PRC also signed a swap with the central bank of [Albania](#) on 12 September worth 2 billion yuan or 35.8 billion Albanian lek. Both swaps are valid for three years and can be extended by mutual consent.

Asian countries strengthen interregional cooperation.

On 25 September, [Japan and New Zealand](#) exchanged diplomatic notes on the Convention on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income. The Convention will enter into force on 25 October. [Viet Nam and New Zealand](#) also signed an Agreement on Double Taxation Avoidance on 30 August. After highlighting their similarities, [Singapore and the Central Bank of Azerbaijan](#) announced their willingness to cooperate and deepen bilateral ties. [Japan and Turkmenistan](#) also discussed prospects of partnership in the economic sphere, including the encouragement of investment activities.

REGIONAL PUBLIC GOODS

ADB loan to build renewable energy transmission system in Northwest India. According to an ADB [press release on 27 September](#), the bank will provide a \$500-million loan to build a power transmission system needed to deliver clean electricity from wind and solar power projects in Rajasthan in Northwest India to the state and national grids. The funds comprise a \$498-million multi-tranche financing facility including funds from the concessional [Clean Technology Fund](#), and a further \$2 million in technical assistance grant that finances infrastructure planning for the Bhadla park, transmission system studies and a community development plan to set up solar power electricity and clean water equipment for small communities.

Pacific Islands push for maritime safety and climate change finance.

The Secretariat of the Pacific Community's (SPC) Transport Programme organised a week-long [workshop](#) on Global Regulations and Pacific Island Maritime Laws (PIMLaws) from 16–20 September at its Suva regional office. The workshop followed the adoption of an [Action Plan](#) at the Pacific Forum on Domestic Ferry Safety in November 2012, which called for quicker implementation and enforcement of appropriate maritime provisions and regulations, including the adoption of the PIMLaws. From 25–27 September, more than 60 participants from eleven Pacific Island countries and seven international organisations gathered in Tonga to discuss access to direct national budget support for climate change from international donors. The '[Regional Meeting on Climate Change Finance using Budget Support Modalities](#)' served as a venue for the participants to demystify the often complex and convoluted flows, forms and requirements of international climate change finance.

ASEAN holds meeting on environment and transboundary haze; pushes for efficient and green transport with rail connectivity.

During 14th Informal ASEAN Ministerial Meeting on the Environment and 9th Meeting of the Conference of the Parties to the ASEAN Agreement on Transboundary Haze Pollution held 25 September in Surabaya, Indonesia, ministers reviewed regional cooperation on environmental issues, including related actions in the environmental sustainability section of the ASEAN Socio-Cultural Community Blueprint, and discussed new initiatives to promote regional environmental cooperation. The group also welcomed the significant progress made in the implementation of the Work Programme of the ASEAN Agreement on Transboundary Haze Pollution. At the "[ASEAN Connectivity Through Rail](#)" Forum held 20 September, Malaysia's transport minister Ghafar bin Yusof declared ASEAN's commitment to an efficient and green method of transportation with the implementation of a [Singapore-Kunming Rail Link \(SKRL\)](#). A flagship project under the ASEAN–Mekong Basin Development Cooperation, the SKRL is one of the priority projects in the [Master Plan for ASEAN Connectivity](#).

OCTOBER 2013 EVENTS

- 30 September–2 October: [Conference on Clean, Renewable Energy and Sustainability in the APEC Region](#) (Bali, Indonesia)
- 1–2 October: [APEC High Level Dialogue on Travel Facilitation](#) (Bali, Indonesia)
- 1-3 October: [WTO Public Forum 2013: Expanding Trade Through Innovation and the Digital Economy](#) (Geneva, Switzerland)
- 1–8 October: [APEC Economic Leaders' Week and Related Meetings](#) (Bali, Indonesia)
- 1–8 October: [APEC Economic Leaders' Week and Related Meetings](#) (Bali, Indonesia)
- 2–5 October: [Fourth APEC Business Advisory Council \(ABAC\) Meeting](#) (Bali, Indonesia)
- 7–8 October: [UNESCAP 5th Meeting of Working Group on the Asian Highway](#) (Bangkok, Thailand)
- 7– 18 October: [UNNExT Masterclass 2013: Implementing Single Window and Paperless Trade](#) (Cheon-an, Republic of Korea)
- 8–9 Oct 2013: [UNESCAP Asian Highway Investment Forum](#) (Bangkok, Thailand)
- 9–10 October: [23rd ASEAN Summit and Related Meetings: ASEAN–PRC Summit, ASEAN–Japan Summit, ASEAN–ROK Summit, ASEAN–India Summit, ASEAN–US Leaders' Meeting / First ASEAN–US Summit, ASEAN Plus Three Summit; and 8th East Asia Summit](#) (Brunei Darussalam)
- 10 October: [Inaugural Meeting of the Asia Pacific Leaders Malaria Alliance](#) (Brunei Darussalam)
- 14–15 October: [ADB Training Workshop on Maximizing Environmental Benefits and Climate Proofing Transport Projects](#) (Manila, Philippines)
- 17–19 October: [Strengthening Policies and Practices for Low-Carbon Green Growth in South Asia and Central Asia](#) (Bangalore, India)
- 23–24 October 2013: [CAREC Senior Officials' Meeting and 12th Ministerial Conference](#) (Astana, Kazakhstan)
- 20–22 October: [SEACEN 30th Anniversary Conference: Greater Financial Integration and Financial Stability and 3rd SEACEN-CEMLA Conference](#) (Malaysia)
- 22–25 October: [Conference on Cooperative Study on Efficient Renewable Resources Integration and Distribution Technologies for Smart Grid Construction](#) (Suzhou, PRC)

MONETARY, FINANCIAL, AND TRADE INDICATORS

GLOBAL MARKETS

- Equity Indexes—eurozone, Japan, and the United States
- Equity Indexes—Emerging Markets
- Commodity Price Indexes
- 10-yr Government Bond Yields—eurozone, Japan, and the United States

FINANCIAL INDICATORS

Equity Indexes

- ASEAN-4 plus Viet Nam
- Kazakhstan
- NIEs and People’s Republic of China
- South Asia

Remittances

- Inward Remittances—Southeast Asia
- Inward Remittances—South Asia
- Inward Remittances from the Middle East—Bangladesh, Pakistan, and the Philippines
- Outward Remittances—Kazakhstan

MONETARY INDICATORS

Exchange Rate Indexes

- ASEAN-4 plus Viet Nam
- Central Asia
- NIEs and People’s Republic of China
- South Asia

Headline Inflation

- ASEAN-4 plus Viet Nam
- Central Asia
- NIEs and People’s Republic of China
- South Asia

Policy Rates

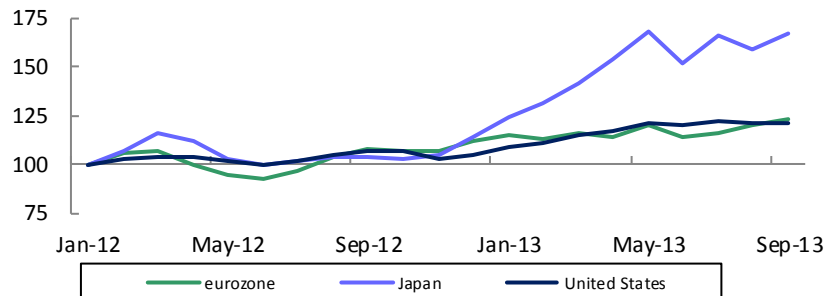
- ASEAN-4 plus Viet Nam
- Central Asia
- NIEs and People’s Republic of China
- South Asia

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GLOBAL MARKETS

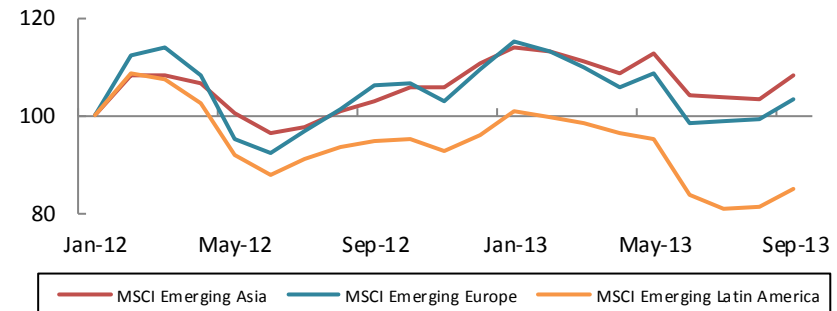
Global equity indices up; oil prices up. US stock markets were flat in September with the postponement of QE tapering, a weak labor market, and a fragile economic recovery. The partial federal government shutdown that started on 1 October has created additional uncertainty, driving bond yields up and raising borrowing costs. Meanwhile, commodity prices continue to fall, with the exception of crude oil which posted higher prices due to fears of a US attack on Syria. Gold prices also increased in a sign of demand for safer assets.

Equity Indexes¹—G3
(Jan 2012 = 100)



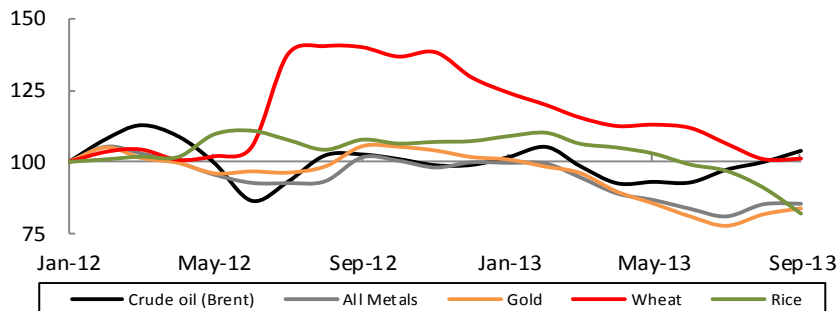
¹Monthly average equity indexes refer to Morgan Stanley Capital International (MSCI), European Monetary Union (EMU) Index for eurozone, Nikkei 225 Index for Japan, and Dow Jones Industrial Average Index for the United States. Data up to 30 September 2013.
Source: ADB calculations using data from Datastream.

Equity Indexes¹—Emerging Markets
(Jan 2012 = 100)



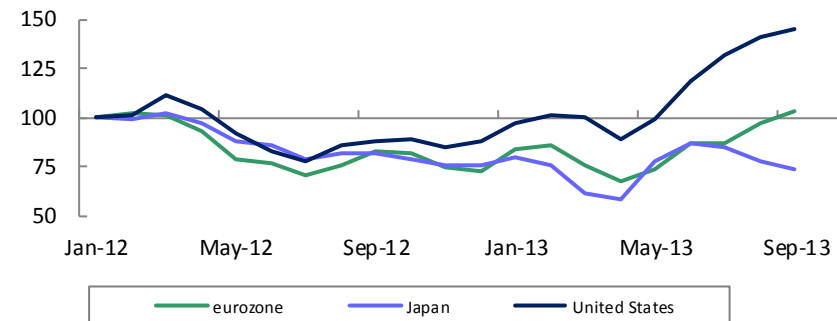
¹Monthly average of Morgan Stanley Capital International (MSCI) Emerging Market Indexes. Data up to 30 September 2013.
Source: ADB calculations using data from Datastream.

Commodity Price Indexes
(Jan 2012 = 100)



Note: Data up to 30 September 2013.
Source: ADB calculations using data from Bloomberg.

10-yr Government Bond Yields—G3
(Jan 2012 = 100)



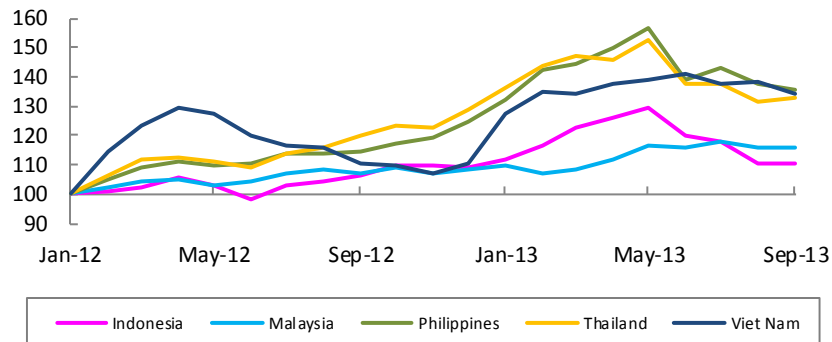
Note: Data up to 30 September 2013.
Source: ADB calculations using data from Bloomberg.

EQUITY INDEXES

East Asian equities rally, South and Southeast Asian equities decline. The announced postponement of US Fed's tapering led to strong gains in emerging Asia's biggest and more developed stock markets, primarily in East Asia. The rally in mid-September, however, was not enough to lift the monthly average up for South and Southeast Asian equity markets. Meanwhile, Pakistan's upward trend since the start of 2012 came to a halt after the State Bank of Pakistan raised the key interest rate.

Equity Indexes¹—ASEAN-4 plus Viet Nam

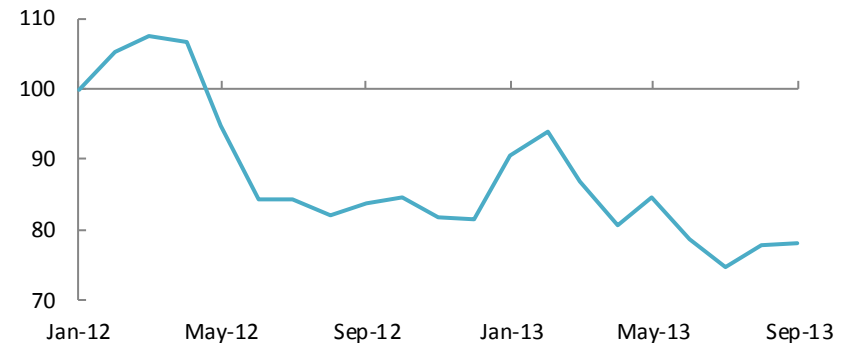
(Jan 2012 = 100)



¹Monthly average, data up to 30 September 2013.
Source: ADB calculations using data from Bloomberg.

Equity Index¹—Kazakhstan

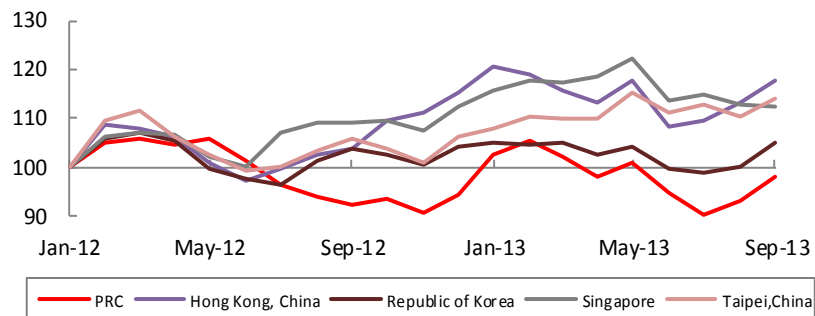
(Jan 2012 = 100)



¹Monthly average, data up to 30 September 2013.
Source: ADB calculations using data from Bloomberg.

Equity Indexes¹—NIEs and People's Republic of China

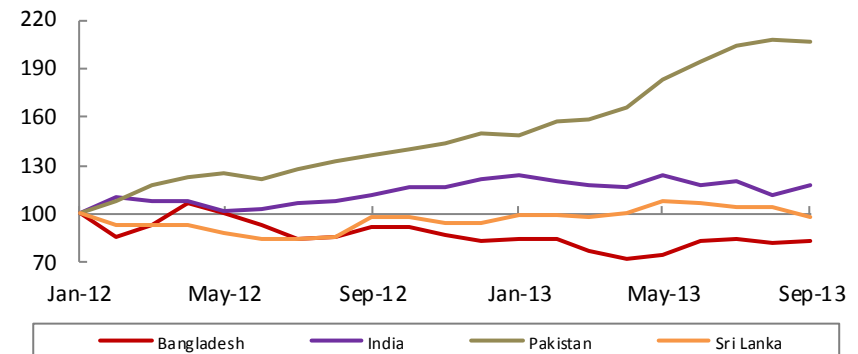
(Jan 2012 = 100)



PRC= People's Republic of China, NIE = newly-industrialized economy.
¹Monthly average, data up to 30 September 2013. For PRC, stock price indexes of combined Shanghai and Shenzhen composites weighted by their market capitalization in US dollars.
Source: ADB calculations using data from Bloomberg.

Equity Indexes¹—South Asia

(Jan 2012 = 100)



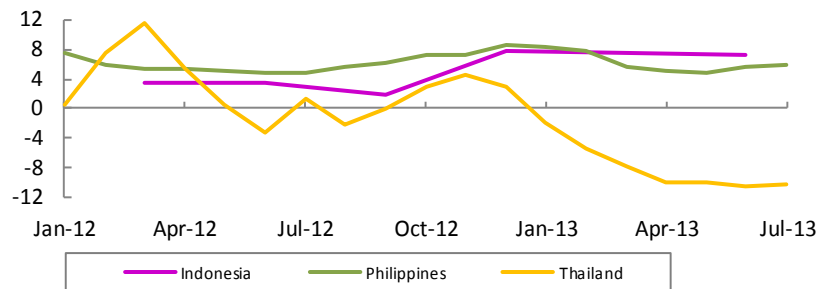
¹Monthly average, data up to 30 September 2013.
Source: ADB calculations using data from Bloomberg.

REMITTANCES

Inward remittances in South Asia, Philippines show signs of weak recovery. Philippines, Sri Lanka, and Pakistan recorded higher remittance growth in July 2013, with inflows coming from the Middle East. Remittances to Bangladesh fell further with the strong taka discouraging foreign workers from sending more money.

Inward Remittances—Southeast Asia

(y-o-y, %)

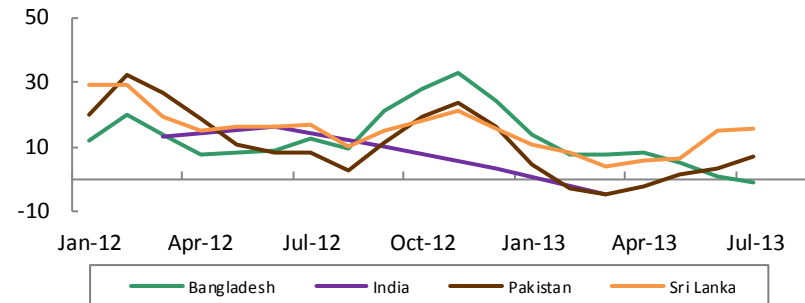


Notes: Quarterly data for Indonesia. Monthly data for the Philippines and Thailand, based on 3-month moving average. Data until June 2013 for Indonesia.

Source: ADB calculations using data from CEIC and Haver Analytics.

Inward Remittances—South Asia

(y-o-y, %)

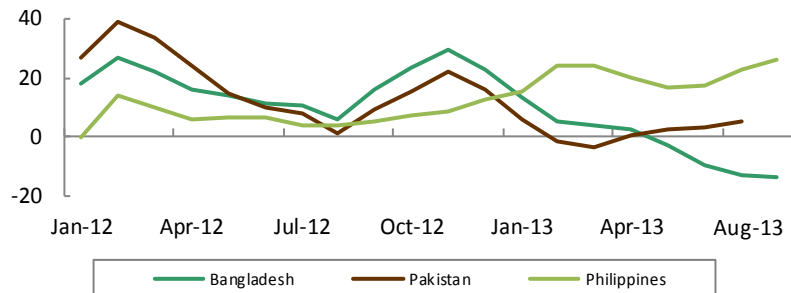


Notes: Based on 3-month moving average except for India. Quarterly data for Bangladesh, India, and Pakistan. Monthly data for Sri Lanka. Data for India until March 2013.

Source: ADB calculations using data from CEIC and Haver Analytics.

Inward Remittances from Middle East—Bangladesh, Pakistan, and Philippines

(y-o-y, %)

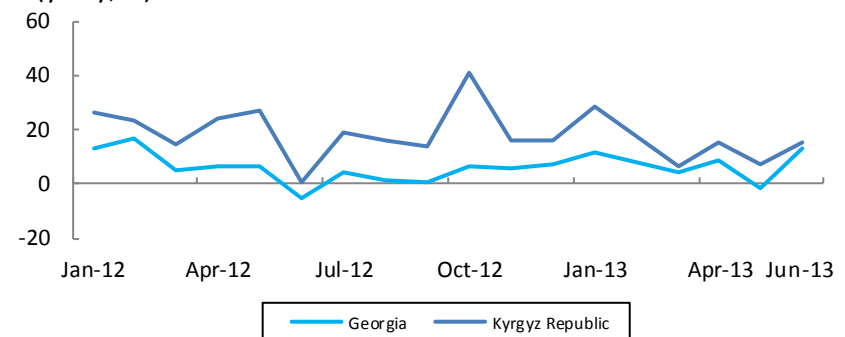


Notes: Based on 3-month moving averages. Middle East includes Bahrain, Kuwait, Qatar, Saudi Arabia, and United Arab Emirates. Data for Bangladesh until August 2013.

Source: ADB calculations using data from CEIC.

Inward Remittances—Georgia and Kyrgyz Republic

(y-o-y, %)



Note: Based on quarterly data.

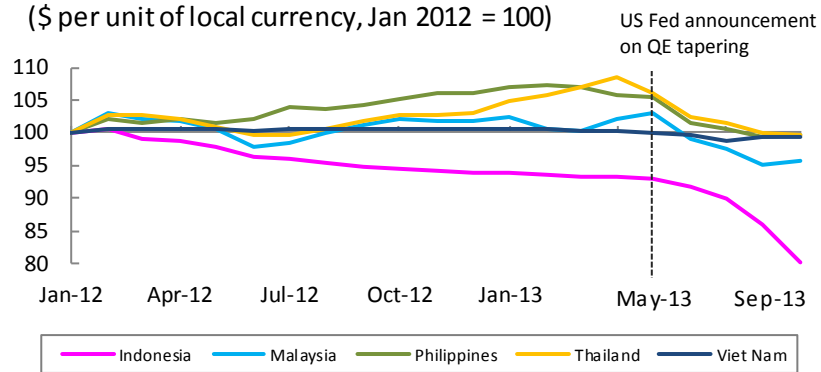
Source: ADB calculations using data from CEIC.

EXCHANGE RATES

Indonesia and South Asian currencies continued to depreciate in September. The depreciation of most East and Southeast Asian currencies stopped after the announcement of a postponement in US Fed tapering. However, high inflation in India, Indonesia, and Pakistan depreciated their local currencies. NIEs posted gains in currency value driven by upbeat growth expectations. Meanwhile, the Republic of Korea saw a stronger Won as exporters sent in more dollars in end-September.

Exchange Rate Indexes—ASEAN-4 plus Viet Nam

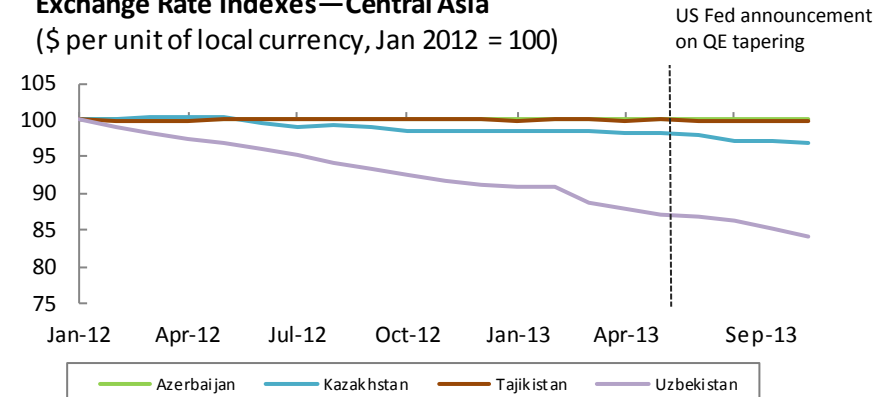
(\$ per unit of local currency, Jan 2012 = 100)



Note: An increase means appreciation. A decrease means depreciation. Data up to 30 September 2013. Source: ADB calculations using data from Datastream.

Exchange Rate Indexes—Central Asia

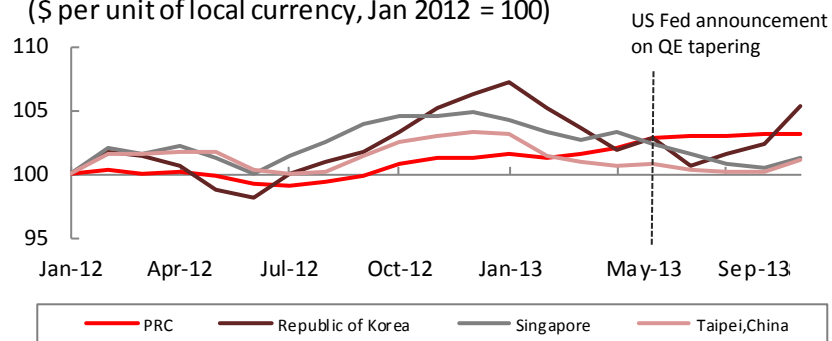
(\$ per unit of local currency, Jan 2012 = 100)



Note: An increase means appreciation. A decrease means depreciation. Data up to 30 September 2013. Source: ADB calculations using data from Datastream.

Exchange Rate Indexes—NIEs and People's Republic of China

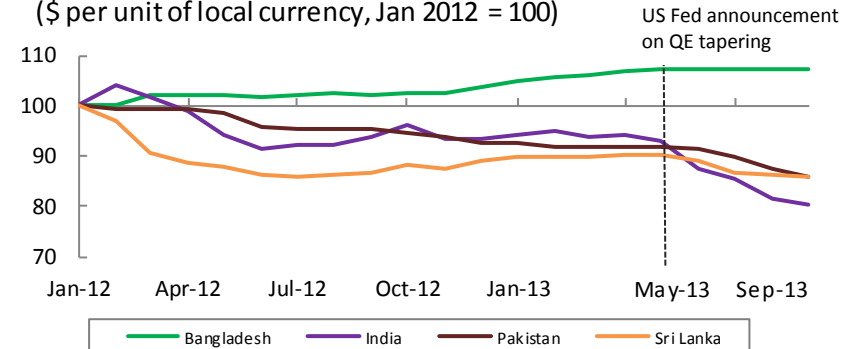
(\$ per unit of local currency, Jan 2012 = 100)



PRC = People's Republic of China, NIE = newly industrialized economy. Note: An increase means appreciation. A decrease means depreciation. Data up to 30 September 2013. Source: ADB calculations using data from Datastream.

Exchange Rate Indexes—South Asia

(\$ per unit of local currency, Jan 2012 = 100)



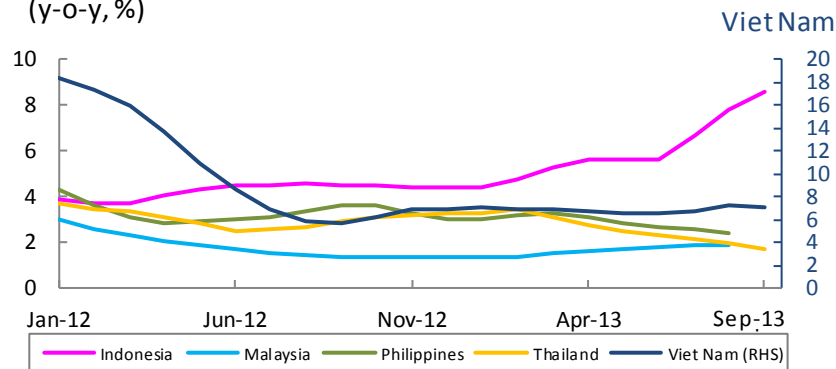
Note: An increase means appreciation. A decrease means depreciation. Data up to 30 September 2013. Source: ADB calculations using data from Datastream.

INFLATION

Inflation remained stable across the region except in Indonesia and Pakistan. Most Asian countries saw stable price growth due to lower cost of food and non-food commodities. Owing to fuel subsidy reductions beginning June 23 and a falling rupiah, Indonesia's inflation spiked. Meanwhile, India managed to taper consumer price inflation in August to 9.52% from 9.64% in July. Weak demand in Taipei, China led to a minor deflation.

Headline Inflation¹—ASEAN-4 plus Viet Nam

(y-o-y, %)



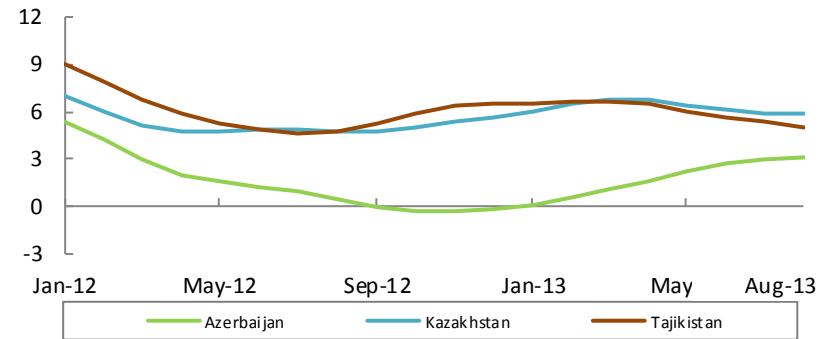
RHS = right-hand side

¹3-month moving average. Data as of August 2013 for Malaysia and the Philippines.

Source: ADB calculations using data from CEIC.

Headline Inflation¹—Central Asia

(y-o-y, %)

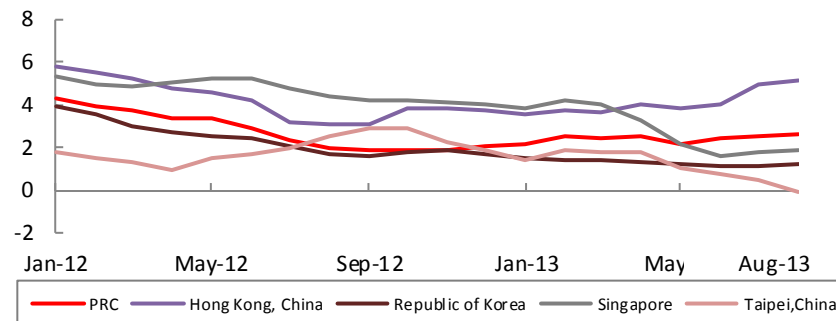


¹3-month moving average.

Source: ADB calculations using data from CEIC.

Headline Inflation¹—NIEs and People's Republic of China

(y-o-y, %)



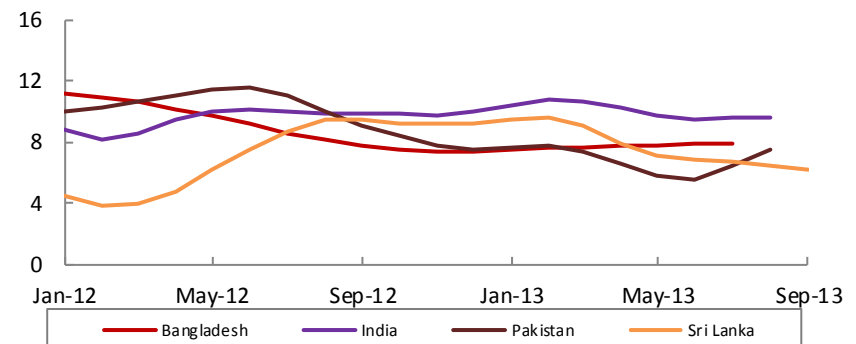
NIE = newly-industrialized economy.

¹3-month moving average.

Source: ADB calculations using data from CEIC.

Headline Inflation¹—South Asia

(y-o-y, %)



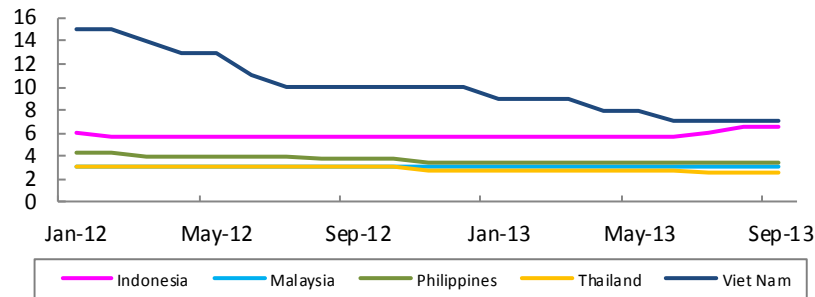
¹3-month moving average. Data as of July 2013 for Bangladesh. Data up to August 2013 for India and Pakistan

Source: ADB calculations using data from CEIC.

POLICY RATES

India and Pakistan raise key rates, other policy rates unchanged. Moderate inflation expectations led most central banks in the region to maintain their key policy rates in September 2013. As part of their efforts to contain rising inflation brought by currency depreciation, Pakistan and India raised their key rates by 50 and 25 basis points respectively. After two consecutive months of increases, Indonesia kept its key rate unchanged in September. Meanwhile, India decided in October to further cut its marginal standing facility (MSF) rate by 50 basis points to 9.0 percent to boost liquidity.

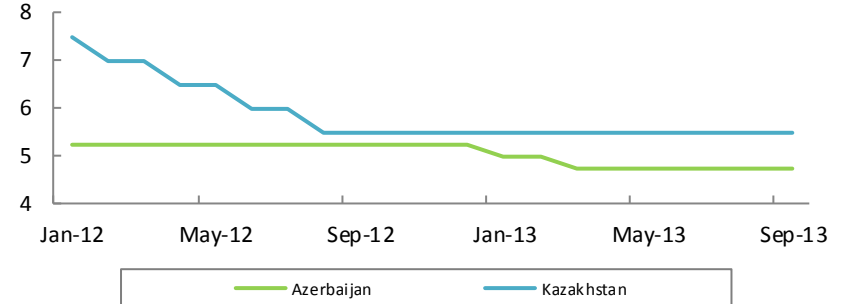
Policy Rates¹—ASEAN-4 plus Viet Nam
(% per annum)



¹Bank Indonesia rate (Indonesia); overnight policy rate (Malaysia); reverse repurchase (repo) rate (Philippines); one-day repo rate (Thailand); and refinancing rate (Viet Nam). Data as of 30 September 2013.

Source: Datastream.

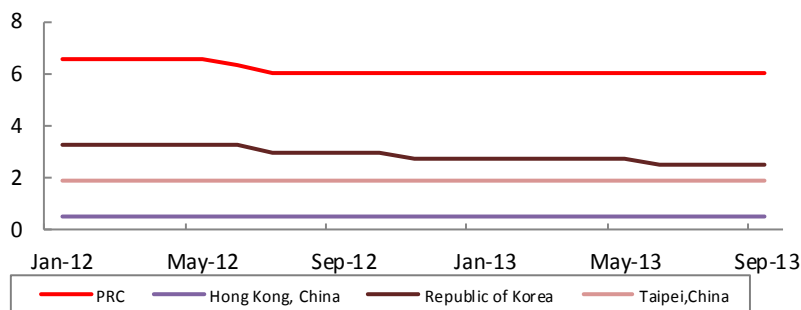
Policy Rates¹—Central Asia
(% per annum)



¹Refinancing rate (Azerbaijan); repurchase (repo) rate (Kazakhstan). Data as of 30 September 2013.

Source: Datastream.

Policy Rates¹—NIEs and People's Republic of China
(% per annum)

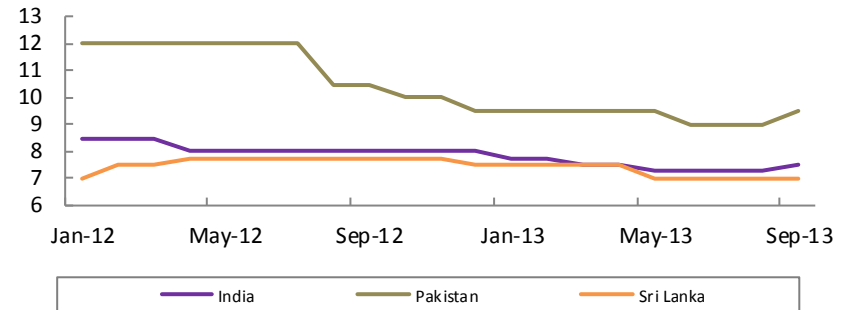


PRC = People's Republic of China, NIE = newly-industrialized economy.

¹One-year lending rate (PRC), Hong Kong base rate (Hong Kong, China); the Bank of Korea base rate (Republic of Korea); and discount rate (Taipei, China). Data as of 30 September 2013.

Source: Datastream.

Policy Rates¹—South Asia
(% per annum)



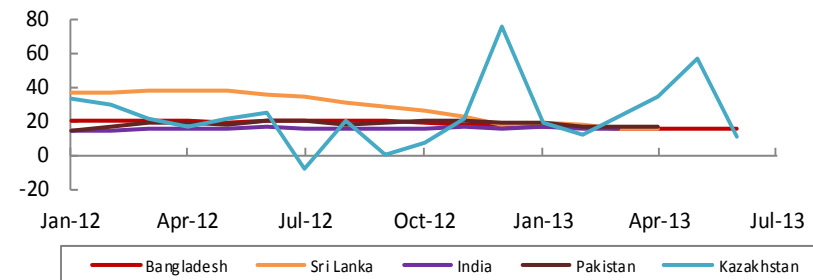
¹Repurchase (repo) rate (India); discount rate (Pakistan); and Sri Lanka Central Bank repurchase rate (Sri Lanka). Data as of 30 September 2013.

Source: Datastream.

BANK LENDING

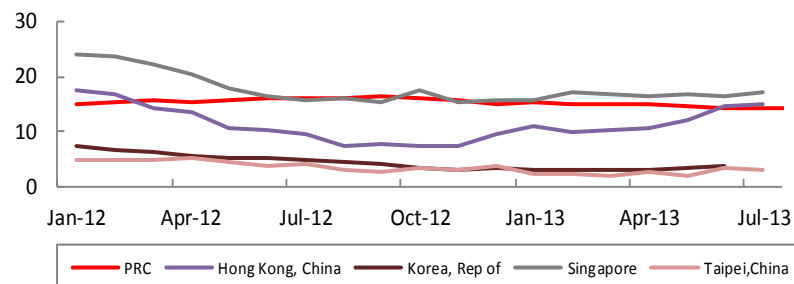
Bank lending steady; Kazakhstan slows down. Bank lending growth across Asia remained relatively high despite QE tapering fears. Indonesia recorded slightly higher bank lending growth in June. Kazakhstan bank loan growth dipped in July 2013 with reforms in the banking sector (i.e. reduction of bank bad loans). House price growth increased in PRC; Taipei,China; and Thailand. Meanwhile Hong Kong, China house prices decreased significantly from its peak in 2013Q1 due to anti-speculative measures by the government, including a doubling of Stamp Duty for transactions over HKD 2 million.

Bank Lending Growth¹—South Asia and Kazakhstan
(y-o-y, %)



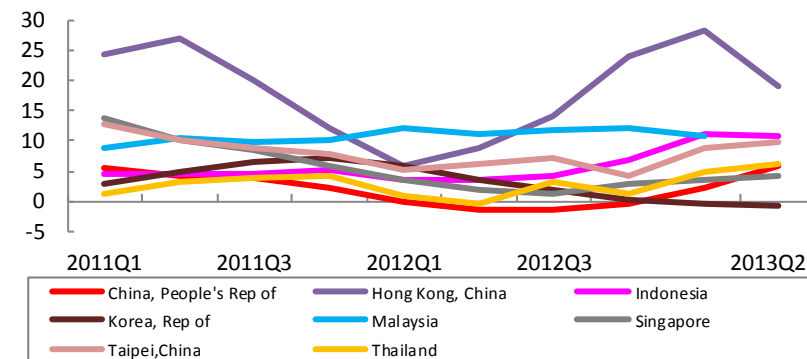
¹Data refer to credit of deposit money banks (Bangladesh), commercial bank loans (Sri Lanka), domestic credit (India and Pakistan), and loans of other depository corporations (Kazakhstan). Data for India until March 2013; data for Pakistan and Sri Lanka until April 2013.
Source: ADB calculations using data from CEIC for Bangladesh, and Sri Lanka; ADB calculations using data from Haver for India and Pakistan.

Bank Lending Growth¹—NIEs and People's Republic of China
(y-o-y, %)



PRC = People's Republic of China, NIE = newly industrialized economy, RHS = right-hand-scale.
¹Data refer to authorized institutions' loans and advances (Hong Kong, China); commercial and specialized bank loans (Republic of Korea); domestic banking unit loans and advances (Singapore); and domestic bank loans and advances (Taipei,China). Data for Republic of Korea until June 2013.
Source: ADB calculations using data from CEIC and Bank of Korea.

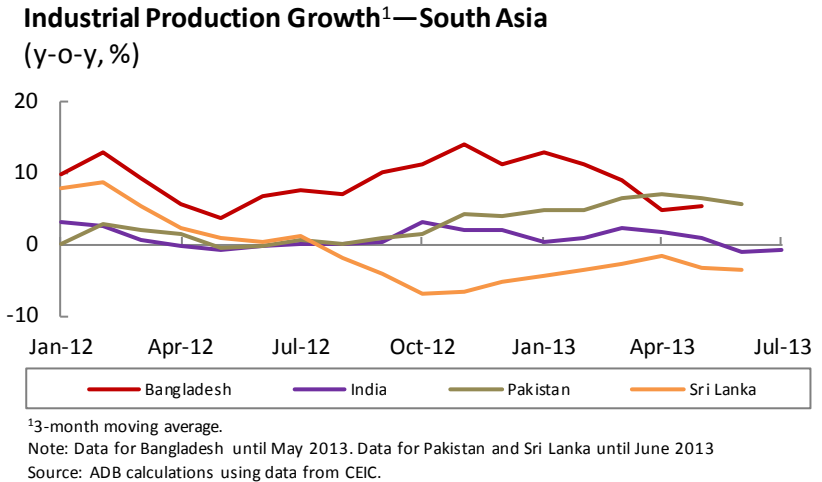
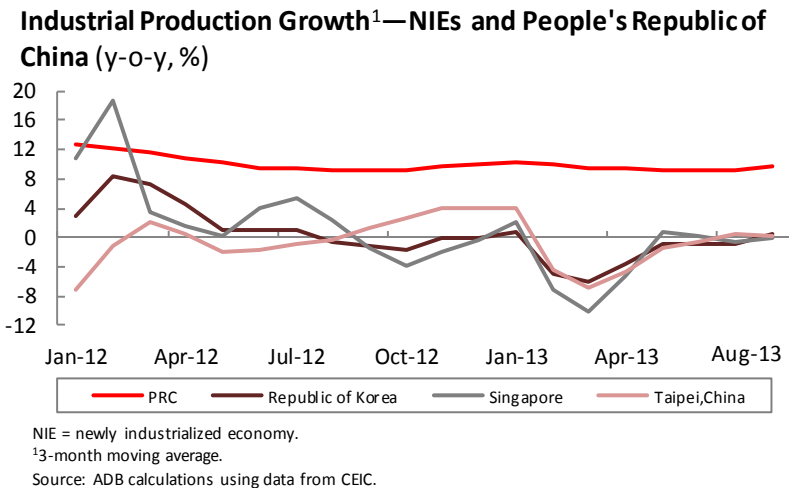
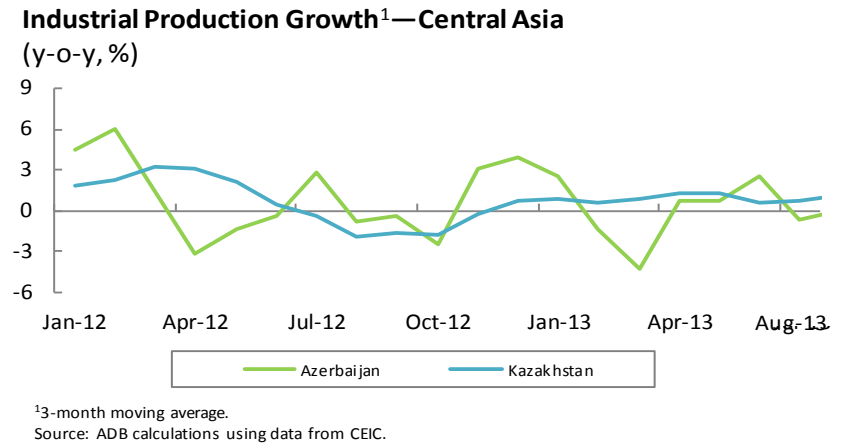
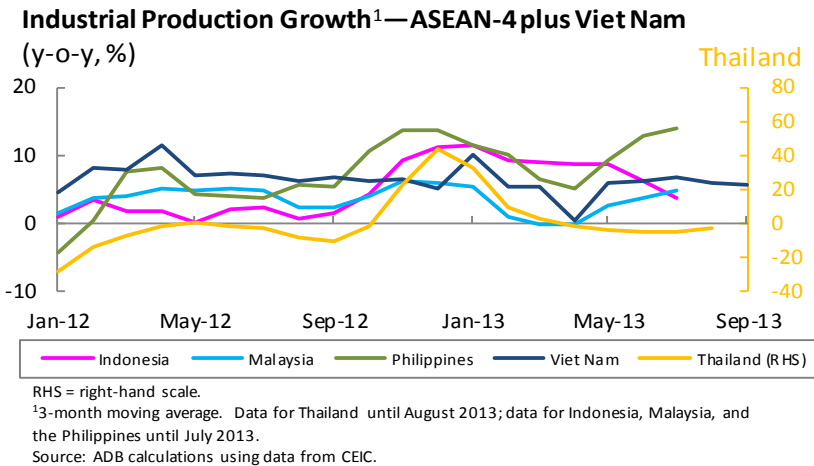
House Price Growth—East and Southeast Asia
(y-o-y, %)



Source: ADB calculations using data from CEIC and Datastream.

INDUSTRIAL PRODUCTION

Asian industrial production growth mixed. The Republic of Korea, Malaysia, and the Philippines posted minor upticks in industrial production index (IPI) in July, driven partly by rising electronics demand from PRC. Negative annual growth in Thailand was mainly due to the very high base set last year. Slow manufacturing growth in South Asia can be traced to weak export demand.

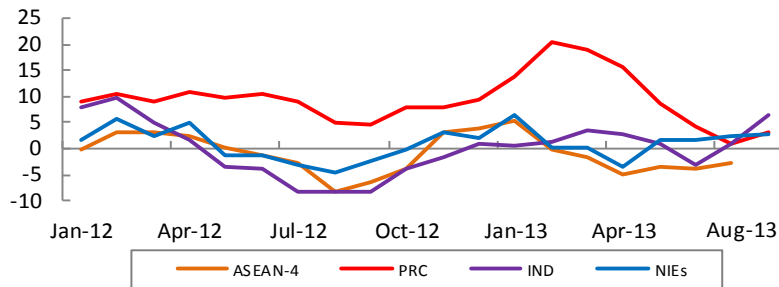


TRADE GROWTH

Export growth slightly up; import growth still weak amid recovery in developed economies. Rising import demand from recovering developed economies has pushed export growth in the second quarter of 2013. India and ASEAN-4, especially Indonesia, saw declining imports stemming from efforts to curb their current account deficits. Exports from the NIEs to the PRC remained positive although growth has waned.

Total Exports¹ by Origin

(y-o-y, %)



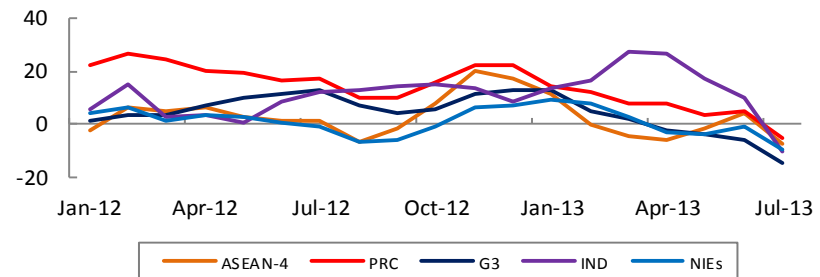
ASEAN-4 = Indonesia, Malaysia, Thailand, and the Philippines. PRC = People's Republic of China. IND = India. NIEs = Hong Kong, China; the Republic of Korea; Singapore; and Taipei, China. Data for ASEAN-4 until July 2013.

¹3-month moving average.

Source: ADB calculations using data from CEIC.

Import Growth¹ by Origin—ASEAN-4

(y-o-y, %)



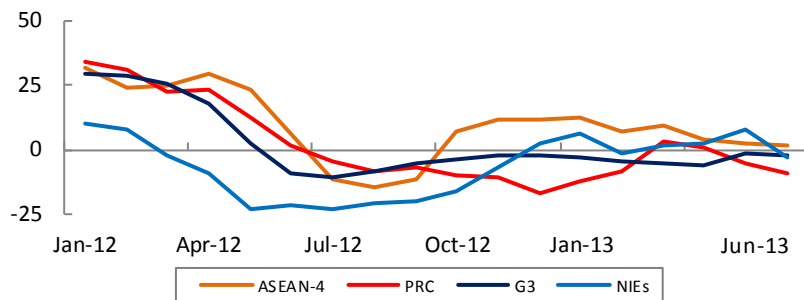
ASEAN-4 = Indonesia, Malaysia, Thailand, and the Philippines. PRC = People's Republic of China. G3 = EU, Japan, and US. IND = India. NIEs = Hong Kong, China; the Republic of Korea; Singapore; and Taipei, China.

¹3-month moving average.

Source: ADB calculations using data from CEIC.

Import Growth¹ by Origin—India

(y-o-y, %)



ASEAN-4 = Indonesia, Malaysia, the Philippines and Thailand. PRC = People's Republic of China.

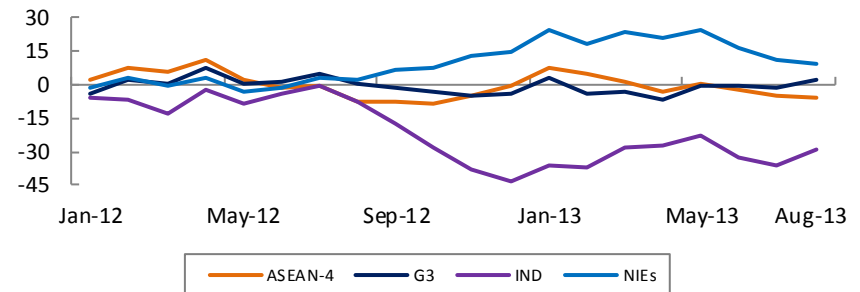
NIEs = Hong Kong, China; the Republic of Korea; Singapore; and Taipei, China. G3 = EU, Japan, and the US.

¹3-month moving average.

Source: ADB calculations using data from CEIC.

Import Growth¹ by Origin—People's Republic of China

(y-o-y, %)



ASEAN-4 = Indonesia, Malaysia, the Philippines and Thailand; G3 = EU, Japan, and the United States; IND = India; NIEs = Hong Kong, China; the Republic of Korea; Singapore; and Taipei, China.

¹3-month moving average.

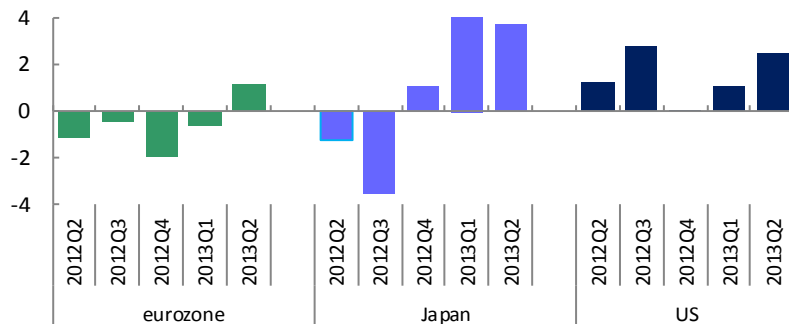
Source: ADB calculations using data from CEIC.

GDP GROWTH—G3

Japan growth holds up, US recovery threatened by political rifts. US q-o-q growth rates improved in the second quarter to 2.5 percent from 1.1 percent in the first quarter. A prolonged US government shutdown along with the impending debt ceiling impasse caused by political differences threaten this fragile growth. Eurozone Q1 growth reversed from -0.64 to 1.18 in Q2. With Japan's growth showing signs of strength with 3.8% in Q2 and 4.1% in Q1, the government has decided to proceed with the planned consumption sales tax hike in April 2014. The government is planning to unveil corporate tax holidays and other measures to minimize the impact of the tax hike on the economy.

GDP Growth—G3

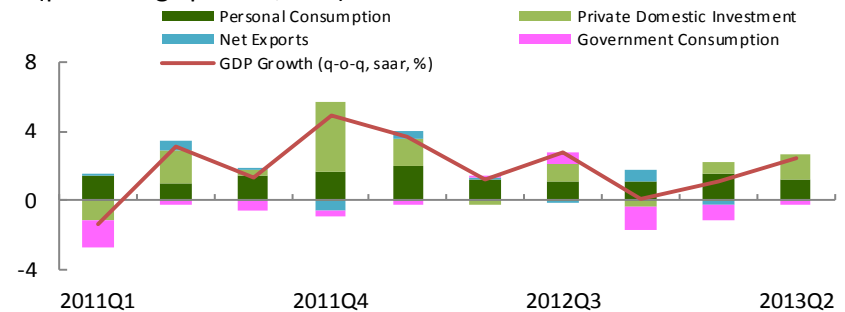
(q-o-q, saar, %)



q-o-q = quarter-on-quarter, saar = seasonally adjusted annualized rate.
Sources: US Bureau of Economic Analysis, Eurostat, and Cabinet Office, Government of Japan.

Contributions to GDP Growth²—United States

(percentage points¹, saar)



q-o-q = quarter-on-quarter, saar = seasonally adjusted annualized rate.

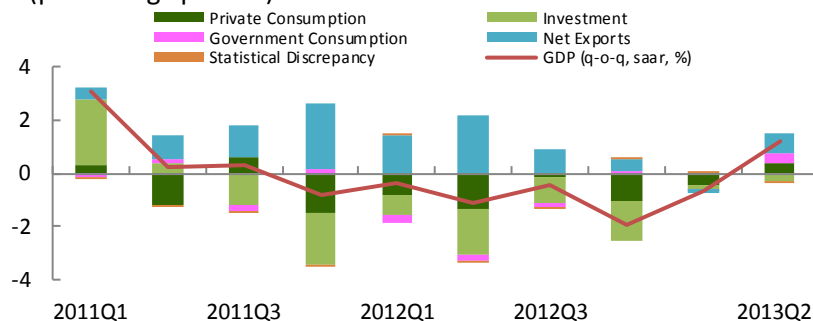
¹Based on saar, q-o-q changes.

²Second quarter third estimate as of 26 September 2013.

Source: US Bureau of Economic Analysis.

Contributions to GDP Growth²—eurozone

(percentage points¹)



q-o-q = quarter-on-quarter, saar = seasonally adjusted annualized rate.

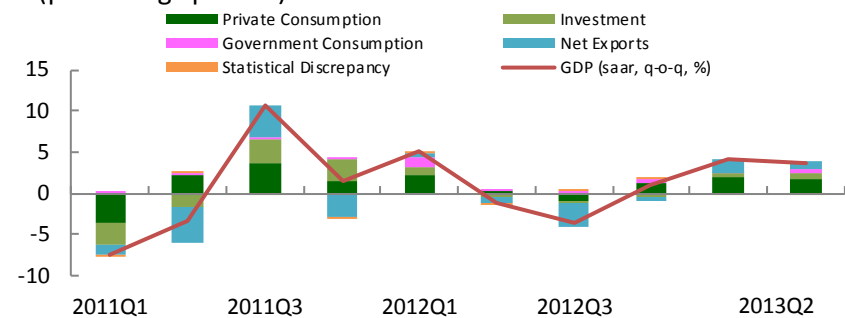
¹Based on saar, q-o-q changes.

²Second estimate for 2013q2 as of 04 September 2013.

Source: Eurostat.

Contributions to GDP Growth—Japan

(percentage points¹)



q-o-q = quarter-on-quarter, saar = seasonally adjusted annualized rate.

¹Based on saar, q-o-q changes.

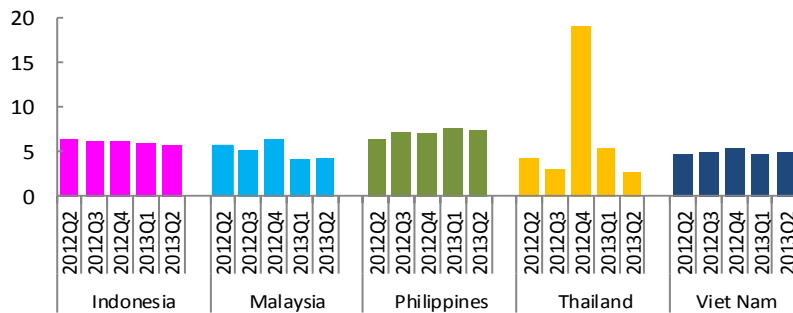
²Second preliminary estimates as of 9 Sep 2013.

Source: Cabinet Office, Government of Japan.

GDP GROWTH—ASIA

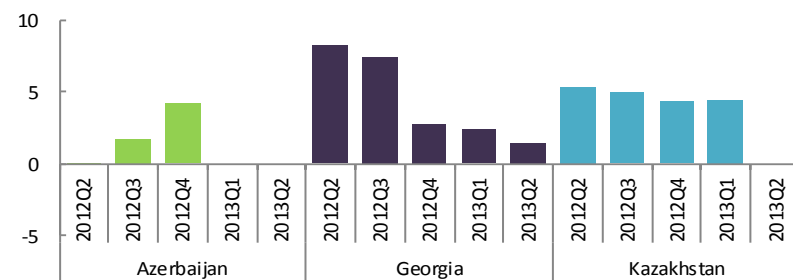
Economic growth in Asia expected to moderate. Asian economies are expected to post weaker growth in the second half of 2013 due to slower growth in two of the biggest economies, PRC and India. The Asian Development Outlook Update 2013 projects PRC to grow at 7.6% in 2013, down from 7.7% in 2012. India is expected to grow at 4.7% in 2013, down from 5.0% in 2012, held back by the pace of structural reforms (See more details in the [Asian Development Outlook Update- October 2013](#)).

GDP Growth¹—ASEAN-4 plus Viet Nam
(y-o-y, %)



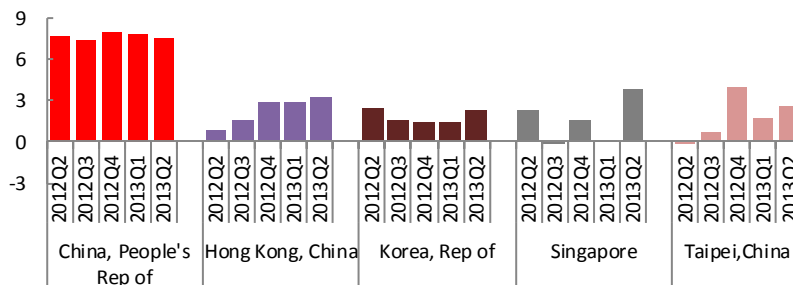
¹Based on quarterly data.
Source: ADB calculations using data from CEIC.

GDP Growth¹—Central Asia
(y-o-y, %)



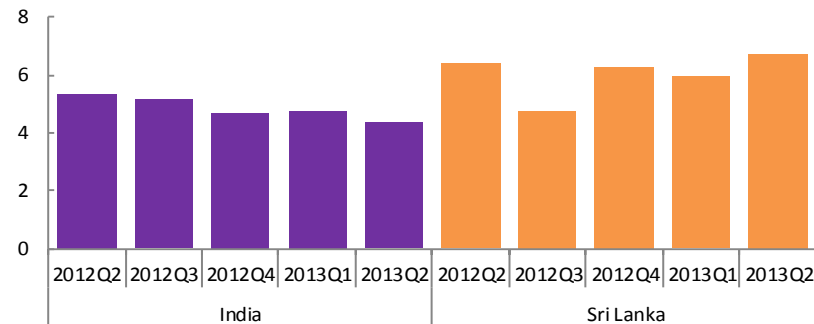
¹Based on quarterly data.
Source: ADB calculations using data from CEIC.

GDP Growth¹—NIEs and People's Republic of China
(y-o-y, %)



NIE = newly-industrialized economy.
¹Based on quarterly data.
Source: ADB calculations using data from CEIC.

GDP Growth¹—South Asia
(y-o-y, %)



¹Based on quarterly data.
Source: ADB calculations using data from CEIC.

SPECIAL FEATURE: Can US recovery help Asian exports?

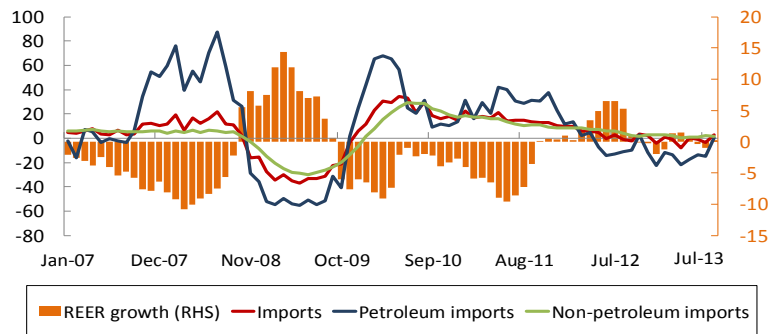
Notwithstanding signs of recovery, US imports have been weak since post-2008. Import growth has continued to decline since mid-2010 and has stayed around zero since mid-2012. The almost flat import growth holds even after excluding the impact of decreased oil exports due to increased local shale gas production. Notably, even with the slight appreciation of the dollar from end-2012, non-oil imports did not pick up (**Figure 1**).

Such lackluster import growth is reflected in US Asia import data. Computations from the census bureau data shows that imports from ASEAN-4 plus Viet Nam in July grew 5.1 percent year-on-year, slightly higher than 4.4 percent in June. Imports from NIEs, while reversing the negative growth rates in June, remains weak at 0.9 percent. Imports from People's Republic of China (PRC) grew at 2.3 percent in July from 1.6 in June. Meanwhile, imports from Japan fell to -5.8 percent. Overall, since the beginning of 2013, import growth from these regions have been relatively flat, with slight upticks coming from NIEs and PRC.

Flat imports may reflect temporary shocks like a weaker US dollar as well as structural changes to the US economy. In particular, there has been a correction of the overconsumption that took place before the 2008/9 crisis and an increase in 'on-shore' movements in the US. Trade and current account deficits were historically high before the 2008/9 crisis with numbers roughly at 6% of GDP. Even though deficits have come down to roughly 3% in recent years, they are still historically high, about the level reached in the 1980s when triple deficits became controversial issues. Meanwhile, some point out the return of manufacturing to US (hence 'on-shoring') and a change in preferences of US consumers to US-made products.

So, even with a full-fledged US recovery, Asia may not expect the US demand to return to the pre-crisis level. Therefore, there is still a need to strengthen the rebalancing of growth source to regional demand in the post-2008 crisis environment.

Figure 1: Growth of REER and Merchandise Imports—United States (y-o-y, %)

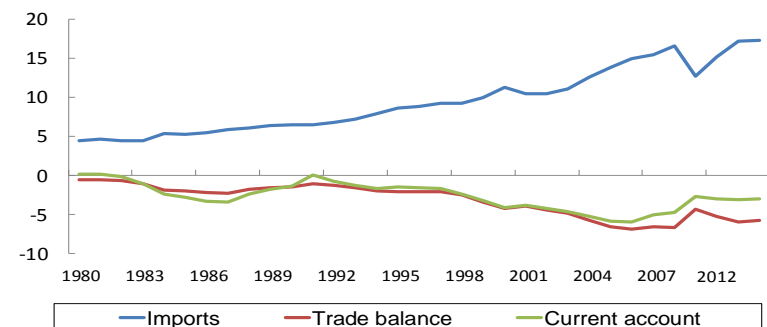


REER=Real Effective Exchange Rate (2010=100)

Note: Non-petroleum imports computed by subtracting petroleum from total imports.

Source: ADB calculations using data from CEIC and Bank of International Settlements (BIS)

Figure 2: Imports, Current Account Balance, and Trade Balance—United States (% of GDP)



Note: GDP in 2005 prices.

Source: ADB calculations using CEIC for imports, trade balance, and GDP; *World Economic Outlook April 2013*, IMF for current account as % of GDP.

Assessment of Financial Vulnerabilities

	Inflation Rate (latest available)	Fiscal Balance/GDP (2012) ¹	Public Sector Debt/GDP ² (2012) ³	Loans/Deposits of Banks ⁴ (latest available)	Bank Lending Growth ⁵ (y-o-y, latest available)
Bangladesh	7.8 (Jul13)	-5.1	10.2	79.5 (Jun13)	16.0 (Jun13)
Brunei Darussalam	0.3 (Aug13)	23.6	–	51.9 (Jul13)	–
Cambodia	4.0 (Jul13)	-5.2	–	101.8 (Jul13)	–
China, People's Rep. of	2.6 (Aug13)	-1.6	22.0	77.7 (Jul13)	14.3 (Jul13)
Hong Kong, China	4.5 (Aug13)	3.2	4.4	61.8 (Jun13)	15.1 (Jul13)
India	9.5 (Aug13)	-6.9	40.5	79.0 (Mar13)	15.4 (Mar13)
Indonesia	8.4 (Sep13)	-1.8	23.5	97.5 (Jul13)	22.4 (Jul13)
Kazakhstan	5.8 (Aug13)	-3.0	12.2	–	–
Korea, Republic of	0.8 (Sep13)	-2.9	38.4	125.3 (Jul13)	3.9 (Jun13)
Lao PDR	6.8 (Aug13)	-7.9	53.4	71.1 (Dec10)	–
Malaysia	1.9 (Aug13)	-4.5	51.7	93.4 (Jul13)	9.2 (Jul13)
Myanmar	6.2 (Jun13)	-5.4	–	40.8 (Sep11)	–
Pakistan	8.5 (Aug13)	-8.5	55.8	51.5 (Jul13)	17.1 (Apr13)
Philippines	2.1 (Aug13)	-2.3	54.4	66.9 (Jun13)	12.3 (Jul13)
Singapore	2.0 (Aug13)	1.1	110.2	98.0 (Jul13)	17.1 (Jul13)
Sri Lanka	6.2 (Sep13)	-6.2	72.4	83.3 (May13)	15.5 (Apr13)
Taipei,China	-0.8 (Aug13)	-1.6	34.0	62.8 (Jul13)	3.2 (Jul13)
Thailand	1.4 (Sep13)	-4.1	43.5	101.9 (Jul13)	13.0 (Jul13)
Viet Nam	6.3 (Sep13)	-6.9	48.4	93.0 (May13)	11.8 (May13)

Note: The latest figure is compared to the indicator's long-run average (2000-2012). Green font implies a decline in vulnerability; red means an increase in vulnerability.

GDP = gross domestic product, y-o-y = year-on-year, – = unavailable.

¹Latest International Monetary Fund Article IV Consultation projections of overall primary balance (excludes interest and investment income) for Brunei Darussalam and of overall balance (including grants and off-budget investment expenditures) for Lao People's Democratic Republic (Lao PDR). Data for Bangladesh; Hong Kong, China; India; Lao PDR; Pakistan; Singapore; Sri Lanka; Taipei, China; and Thailand are fiscal year; 2011 data for Brunei Darussalam.

²Central government debt for Indonesia, Republic of Korea, and Taipei, China; federal government debt for Malaysia; and national government debt for the Philippines.

³Data are projections for Indonesia and Lao PDR; estimates for Viet Nam. 2011 figures for Kazakhstan and Sri Lanka, 2010 for Pakistan.

⁴Loans to private sector and non-financial institutions; and deposits (demand, time, savings, foreign currency, bond, and money market instruments—where available) of banking institutions, deposit money banks, and other depository corporations of each economy.

⁵Data for Brunei Darussalam and Cambodia refer to claims on private sector and nonbank financial institutions of other depository corporations; for People's Republic of China to financial institution loans; Hong Kong, China to domestic credit; Indonesia to commercial bank loans; Republic of Korea to loans of commercial and specialized banks; Lao People's Democratic Republic to claims on private sector of deposit money banks; Malaysia to commercial bank loans and advances; Philippines to commercial and universal bank loans net of reverse repurchase arrangements; Singapore to loans and advances of domestic banking units; Taipei, China to domestic banks' loans and advances; Thailand to commercial bank loans; and Viet Nam to claims on private sector of banking institutions.

Source: ADB calculations using data from CEIC; national sources; *Asian Development Outlook 2013*, Asian Development Bank; Joint External Debt Hub, BIS-IMF-OECD-WB; *International Financial Statistics*, *World Economic Outlook* and *Article IV Consultations*, International Monetary Fund.

Assessment of External Vulnerabilities

	Current Account/ GDP (latest available)	External Debt/GDP ¹ (2012)	Short-Term External Debt/Reserves (1Q2013) ²	Broad Money ³ / Foreign Reserves (latest available)	Import Cover ⁴ (latest available)	Foreign Liabilities/ Foreign Assets ⁵ (latest available)
Bangladesh	1.9 (2013)	21.5	36.3	5.3 (Jul13)	5.2 (Jul13)	80.4 (Jun13)
Brunei Darussalam	47.0 (2012)	10.7	46.3	3.3 (Apr13)	5.7 (Apr13)	1.3 (Jul13)
Cambodia	-8.4 (2012)	22.0	19.0	2.0 (Jul13)	3.3 (May13)	71.2 (Jul13)
China, People's Rep. of	2.4 (2Q13)	7.5	15.4	4.9 (Jun13)	22.5 (Jun13)	46.3 (Jul13)
Hong Kong, China	-0.5 (2Q13)	239.7	77.3	4.0 (Aug13)	7.0 (Aug13)	74.9 (Jun13)
India	-4.9 (2Q13)	19.4	53.2	1.2 (Jul13)	6.3 (Jul13)	—
Indonesia	-4.4 (2Q13)	18.4	54.5	4.0 (Jul13)	5.7 (Aug13)	180.5 (Jun13)
Kazakhstan	-0.5 (2Q13)	13.9	17.7	3.8 (Jul13)	4.9 (Jul13)	—
Korea, Republic of	6.7 (2Q13)	3.7	45.5	5.2 (Jul13)	7.6 (Aug13)	118.5 (Jun13)
Lao PDR	-22.6 (2012)	27.1	20.8	4.6 (Jun12)	1.6 (Jun12)	75.3 (Dec10)
Malaysia	1.1 (2Q13)	29.3	23.3	3.2 (Aug13)	8.1 (Jul13)	118.3 (Jul13)
Myanmar	-4.4 (2012)	3.0	3.2	—	9.2 (Jan13)	—
Pakistan	-0.9 (2012)	18.1	72.3	13.3 (Jul13)	1.6 (Aug13)	36.2 (Jul13)
Philippines	3.6 (2Q13)	35.2	22.5	1.8 (Aug13)	14.6 (Jul13)	112.1 (Jun13)
Singapore	20.0 (2Q13)	237.2	79.0	1.5 (Aug13)	8.4 (Aug13)	110.2 (Jul13)
Sri Lanka	-4.8 (2Q13)	32.2	51.6	3.8 (Jun13)	3.7 (Jun13)	350.2 (May13)
Taipei,China	11.9 (2Q13)	20.7	13.5	2.9 (Aug13)	18.3 (Aug13)	56.0 (Jul13)
Thailand	-6.7 (2Q13)	19.5	18.6	3.0 (Aug13)	7.6 (Aug13)	151.9 (Jul13)
Viet Nam	4.6 (4Q12)	31.7	51.1	6.6 (May13)	2.7 (May13)	93.9 (May13)

Note: The latest figure is compared to the indicator's long-run average (2000-2012). Green font implies a decline in vulnerability; red means an increase in vulnerability.

GDP = gross domestic product, Lao PDR = Lao People's Democratic Republic, y-o-y = year-on-year, — = unavailable.

¹Data are estimates for Brunei Darussalam, Cambodia, Japan, Republic of Korea, Lao PDR, and Myanmar.

²Short-term external debt includes loans and credits due and debt securities due within a year as defined in the Joint External Debt Hub. Data start 2004 for all countries. June 2012 for Lao PDR and December 2012 for Myanmar.

³Data for Brunei Darussalam, Philippines, Taipei,China; and Thailand refer to broad money; for Bangladesh, Cambodia, People's Republic of China; Hong Kong, China; Indonesia, Kazakhstan; Republic of Korea; Lao PDR; Malaysia; Pakistan; and Sri Lanka refer to M2; for Myanmar and Viet Nam to money plus quasi-money; for India M3.

⁴Refers to number of months of import that can be covered by official reserves; computed as reserves (excluding gold) divided by 12-month moving average of imports (cost of insurance, freight). Latest month when reserves data is available. Import data may be earlier, the same, or later than period indicated.

⁵ Foreign liabilities and assets of banking institutions, deposit money banks, and other depository corporations.

Source: ADB calculations using data from CEIC; national sources; *Asian Development Outlook 2012*, Asian Development Bank; Joint External Debt Hub, BIS-IMF-OECD-WB; *International Financial Statistics*, *Direction of Trade Statistics*, World Economic Outlook and Article IV Consultations, International Monetary Fund.

Key Indicators

	Period	US	JPN	EUZ	BAN	PRC	HKG	IND	INO	KAZ	KOR	MAL	PAK	PHI	SIN	SRI	TAP	THA	VIE
GDP Growth (y-o-y, %) ¹	2013Q2	1.6	1.2	-0.5	6.2	7.5	3.3	4.4	5.8	4.5	2.3	4.3	4.2	7.5	3.8	6.8	2.5	2.8	5.5
IPI Growth (y-o-y, %) ²	Aug	2.7	-0.2	-2.8	7.3	10.4	0.3	2.6	3.2	1.4	3.3	7.6	4.8	12.0	3.5	-2.1	-0.7	-1.1	5.6
Retail Sales Growth (y-o-y, %) ³	Aug	4.8	1.1	-0.3	—	13.4	9.5	—	1.1	12.8	3.4	7.8	—	23.0	-7.8	—	1.2	-3.5	12.6
Headline Inflation Rate (y-o-y, %) ⁴	Aug	1.5	0.9	1.3	7.8	2.6	4.5	9.5	8.4	5.8	0.8	1.9	8.5	2.1	2.0	6.2	-0.8	1.4	6.3
Policy Rate (% per annum)	Sep	0.25	0.1	0.5	—	6.0	0.5	7.50	7.3	5.5	2.5	3.0	9.5	3.5	—	7.0	1.875	2.5	7.0
Stock Price Index Growth (% YTD) ⁵	02Jan-04Oct	12.4	34.9	7.1	-4.6	-4.2	-0.7	-3.0	1.0	-7.0	-1.7	6.1	33.9	9.0	-2.0	2.7	7.5	1.4	18.9
Export Growth (\$ value, y-o-y, %) ⁶	Aug	1.9	-9.6	2.7	20.1	7.2	-1.3	13.0	-6.3	1.5	-1.5	3.8	4.8	2.3	2.0	8.0	3.6	3.9	19.2
Import Growth (\$ value, y-o-y, %) ⁷	Aug	0.8	-6.7	0.0	7.8	7.0	-0.2	-0.7	-5.7	10.5	-3.6	5.4	-3.1	8.7	1.0	20.8	-1.2	-2.1	24.6
Current Account (% of GDP) ⁸	2013Q2	-2.0	1.4	2.2	1.9	2.4	-0.5	-4.9	-4.4	-0.5	6.7	1.1	-0.9	3.6	20.0	-4.8	11.9	-6.7	4.6
Capital and Financial Account (% of GDP) ⁹	2013Q2	-3.4	1.7	-0.2	2.6	1.4	5.3	4.7	3.6	1.9	-7.9	2.2	-0.1	-0.2	-15.4	7.5	-12.0	3.7	-7.3
International Reserves (\$ billion) ¹⁰	Aug	134.7	1219.9	327.8	15.6	3515.2	303.8	259.1	89.5	19.8	326.3	133.4	6.1	74.3	261.7	5.8	409.4	161.9	27.0

— = data unavailable; US=United States; JPN=Japan; EUZ=eurozone; BAN=Bangladesh; PRC=People's Republic of China; HKG=Hong Kong, China; IND=India; INO=Indonesia; KAZ=Kazakhstan; KOR=Republic of Korea; MAL=Malaysia; PAK=Pakistan; PHI=Philippines; SIN=Singapore; SRI=Sri Lanka; TAP=Taipei,China; THA=Thailand; VIE=Viet Nam.

¹GDP=gross domestic product. Refers to 2013 Q3 for VIE; 2013Q1 for KAZ and SRI. Fiscal year 2012 (ended June 2012) for BAN and PAK. ²Refers to Industrial/Manufacturing Production. EUZ and US data are seasonally adjusted. Refers to May 2013 for BAN; Jun 2013 for PAK and SRI; July 2013 for IND, INO, MAL, PHI, and EUZ; September 2013 for VIE; 2013 Q2 for HKG. ³Refers to July 2013 for HKG, PHI, SIN, THA, and EUZ; September 2013 for VIE; 2013 Q1 for MAL. ⁴Refers to July 2013 for BAN; September 2013 for INO, KOR, SRI, THA, and VIE. ⁵Refers to US Dow Jones Ind Avg; JPN Nikkei 225; EUZ United Kingdom FTSE 100; BAN Dhaka; PRC-Shanghai Composite; HKG Hang Seng; IND BSE 100; INO JCI; KOR KOSPI; MAL KLCI; PAK KSE100; PHI PSEi; SIN STI; SRI Lanka CSEALL; TAP TWSE; THA SET; and VIE VNINDEX. ⁶\$ value of merchandise trade; euro value for EUZ. Refers to July 2013 for BAN, MAL, KAZ, PHI, SRI, US, EUZ; September 2013 for KOR and VIE. ⁷\$ value of merchandise trade; euro value for EUZ. Refers to July 2013 for BAN, MAL, PHI, KAZ, SRI, US, and EUZ; September 2013 for KOR and VIE. ⁸Refers to 2012 Q4 for VIE; 2013 Q1 for US; H1 2013 for PRC. Fiscal year 2012 for BAN (ended June 2013) and PAK. ⁹Refers to 2012 Q4 for VIE, and US; 2013 Q1 for KAZ; 2013 H1 for PRC. Fiscal year 2012 for BAN (ended June 2013) and PAK. ¹⁰Excludes gold. US, EUZ, and IND sourced from IFS. Refers to May 2013 for VIE; June 2013 for PRC, SRI; July 2013 for IND. ¹¹Refinancing rate.

Source: ADB calculations using data from CEIC, Bloomberg, Datastream, European Central Bank, Eurostat, International Monetary Fund, Reuters, and national sources.