



RCI INFORMATION PACK

JANUARY 2014 • ISSUE NO. 8

- ▲ RCI NEWS AND EVENTS
- ▲ MONETARY, FINANCIAL, AND TRADE INDICATORS
- ▲ SPECIAL FEATURE: Early weakness in 2014?

Office of Regional Economic Integration
Asia Regional Integration Center

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).

Download the RCI Information Pack at <http://www.aric.adb.org/publications/rci-infopack>

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

JANUARY 2014 • ISSUE NO. 8

RCI NEWS AND EVENTS¹

- ASEAN Infrastructure Fund Ltd. begins operations; IFC offers new fund for long-term investments.
- World trade ministers approve “Bali Package”.
- Asian stock exchanges boost cooperation.
- Transport ministers reaffirm commitment to Asian transport development plan.
- More GMS projects included under new Regional Investment Framework; new Thai–Lao PDR bridge fills ‘missing link’ in North–South corridor.
- ADB inaugurates SASEC connectivity project in Bangladesh; administers infrastructure and livelihood projects in rural Myanmar.
- TPP negotiations continue; several other trade agreements advance.
- Japan signs currency swaps with central banks; India’s central bank extends financial cooperation with other countries. Warsaw Climate Change Conference paves way to set targets on reducing gas emissions.
- ADB offers rehabilitation assistance after super typhoon Haiyan devastates central Philippines.

MONETARY, FINANCIAL, AND TRADE INDICATORS

- G3 equities advance; emerging markets decline.
- Asian equities fall more on domestic conditions than US QE tapering.
- Remittances to Bangladesh continue to decline.
- ASEAN-4 plus Viet Nam currencies depreciate following QE tapering announcement.
- Inflation mixed across the region.
- Central banks “wait and see”.
- Bank lending slows in Thailand amid bad loan risk.
- Asian manufacturing output mostly flat.
- Total export growth up, but imports still weak.
- US economy grows faster in Q3; EU, Japan slow.
- GDP growth in Asia relatively flat.

SPECIAL FEATURE: Early weakness in 2014?

- Activity indicators in Asia are signaling some weakness ahead. Continued moderation in the PRC economy, and slowdown in economies that are open, globally connected, and beset by domestic challenges, may indicate some early weakness this year.
- The region’s financial markets were also dragged down by the combined weight of adverse domestic conditions and US Fed’s QE tapering. Favorable data releases could lift the market in the short term—although in the medium to long term, inflation and interest rate adjustments in the US and other advanced economies will determine the outcome.

¹Covers news and data from end-October, November, and December 2013.

RCI NEWS AND EVENTS

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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

AIF begins operations; IFC proposes new fund for long-term investments. On 3 December, the [ASEAN Infrastructure Fund Ltd. \(AIF\)](#) began lending operations with a \$25 million loan to fund power links in Indonesia, ushering in a new era of ASEAN-led investments. On 23 December, the World Bank Group's International Finance Corporation (IFC) [proposed to establish a \\$1 billion–\\$1.5 billion IFC Asia Fund](#) to supply long-term capital for investments across emerging markets in East Asia and the Pacific.

World trade ministers approve “Bali Package”. World trade ministers reaffirmed their commitment to advance the Doha Development Agenda (DDA) at the [Ninth WTO Ministerial Session](#) 3–7 December in Bali, Indonesia. The agreement—labelled the “Bali Package”—covered issues related to trade facilitation, agriculture, and the least-developed countries. The ministers also discussed council work concerning Trade-Related Aspects of Intellectual Property Rights, electronic commerce, and Aid for Trade. The ministers committed to uphold agreements made and to continue working on remaining DDA issues.

Asian stock exchanges boost cooperation. On 4 December, a landmark MoU was signed between [Hong Kong Exchanges and Clearing Limited \(HKEx\)](#) and [Singapore Exchange \(SGX\)](#) to promote renminbi internationalization by exploring joint product development, to enhance connectivity between data centers, to collaborate on technology development and regulatory issues, and to work closely on extraterritorial market infrastructure regulations that affect Asia. On 29 October, the [China Financial Futures Exchange \(CFEX\)](#) and the [NASDAQ OMX Group, Inc. \(Nasdaq\)](#), signed an MoU strengthening cooperation in technology, consultation, information sharing, staff training, and to collaborate on future business projects.

CROSS-BORDER INFRASTRUCTURE

Transport ministers reaffirm commitment to Asian transport development plan. At the United Nations Economic and Social Commission for Asia and the Pacific's (UNESCAP) [2nd session of the Forum of Asian Ministers of Transport](#) held in Bangkok, Thailand 4–8 November, ministers [reviewed the implementation of the Ministerial Declaration on Transport Development in Asia and the Pacific](#), as well as the Regional Action Programme for Transport Development in Asia and the Pacific, phase II (2012–2016).

More GMS projects included under new Regional Investment Framework; new Thai–Lao PDR bridge fills ‘missing link’ in North-South corridor. The [19th Ministerial Conference of the Greater Mekong Subregion \(GMS\) Economic Cooperation Program](#) held 10–13 December in Vientiane, Lao PDR endorsed a new Regional Investment Framework (RIF) under which GMS members [agree to draw up a \\$50-billion pipeline of potential projects](#). The RIF covers subregional investments and technical assistance projects prepared by all GMS countries. The ministers also formally opened a new bridge straddling the Mekong River linking [Thailand and Lao PDR](#). The bridge is considered the ‘missing link’ along the North-South Economic Corridor, the main land route connecting Yunnan province in the People's Republic of China (PRC) and Thailand.

ASEAN IT ministers discuss how to further bridge the digital divide. The [13th ASEAN Telecommunications and Information Technology \(IT\) Ministers Meeting](#), held in Singapore 14–15 November, adopted a [Singapore Declaration](#)—“Connecting Communities, Co-creating Possibilities”—to reiterate ASEAN's commitment to promote ICT-driven economic transformation through people engagement, empowerment, and innovation. The ICT-led transformation is to be built on infrastructure and human capital development, and aims to bridge the digital divide between ASEAN members.

ADB inaugurates SASEC connectivity project in Bangladesh; administers infrastructure and livelihood projects in rural Myanmar. The ADB-financed \$198 million Bangladesh SASEC Road Connectivity Project was inaugurated 31 October. SASEC held a [workshop on a trade and transport facilitation performance monitoring system](#) 26–27 November in Bangkok, Thailand. Meanwhile, ADB, through the Japan Fund for Poverty Reduction, will administer [\\$12 million in grant assistance](#) for rural infrastructure and livelihood services in Myanmar.

TRADE AND INVESTMENT

TPP negotiations continue. Delegates to the [Trans-Pacific Partnership agreement completed their 4-day ministerial meeting](#) on 10 December in Singapore, citing progress in negotiations. The meeting identified potential “landing zones” for key outstanding issues as well as market access issues. The delegates agreed to continue negotiations in January 2014. TPP members, particularly [Australia](#) and the [United States](#), welcomed the Republic of Korea’s expressed interest in joining the negotiations.

Several trade agreements advance. The [Republic of Korea and Australia completed negotiations on a free trade agreement](#) (FTA) 5 December. The agreement will eliminate current tariffs of up to 300% on key Australian commodity exports such as beef, wheat, sugar, dairy products, wine, horticulture, seafood, energy, and manufactured goods. The FTA also covers services to the Republic of Korea in education, telecommunications, and professional services. [New Zealand’s Economic Cooperation Agreement with Taipei, China became effective](#) 1 December, under which tariffs on 99% of New Zealand’s current exports to Taipei, China will be removed within 4 years, and 100% within 12 years.

Pacific island countries enhance trade cooperation. The [first joint statement of the Pacific Islands WTO Group](#)—formed earlier in the year—was issued during the 9th WTO Ministerial Conference in Bali, [highlighting support for WTO results](#) and acknowledging the importance of a multilateral rules-based system. Meanwhile, [Solomon Islands signed a memorandum of understanding \(MoU\) to establish the Pacific Regional Trade and Development Facility](#) 13 December, joining Fiji, Kiribati, Nauru, Samoa, Tonga, Tuvalu, and Vanuatu as signatories. The facility will provide regional trade-related

assistance to the signatories, especially in coordinating donor resources for Aid for Trade. The 6th Meeting of Officials and the [3rd Non-State Actors \(NSA\) Dialogue](#) on the Pacific Agreement on Closer Economic Relations (PACER) Plus was held 28 November in Auckland, New Zealand. [Australia committed \\$1.8 million to the Office of the Chief Trade Adviser](#) to help Pacific island countries advance PACER Plus trade negotiations with Australia and New Zealand. Australian Minister for Foreign Affairs Julie Bishop said PACER Plus presents an opportunity to encourage Pacific nations to integrate more.

MONEY AND FINANCE

Japan signs currency swaps with central banks. On 31 October, the Bank of Japan (BoJ) announced that existing temporary bilateral liquidity swap arrangements with the central banks of [Canada, Europe, Switzerland, the United Kingdom, and the United States](#) will be converted to standing arrangements. The swap arrangements are a liquidity buffer to help stabilize global financial markets when under stress. On 12 December, the [BoJ and Bank Indonesia](#) doubled their currency swap to \$22.76 billion. They also agreed to establish a [cross-border liquidity arrangement](#) to provide rupiah liquidity against Japanese government securities to enhance the financial market stability should the need arise. The BoJ likewise doubled its currency swap arrangement with [the Philippines](#) to \$12 billion and restarted a \$3 billion swap arrangement with [Singapore](#).

India’s central bank extends financial cooperation. The Reserve Bank of India signed an MoU with the [Australian Prudential Regulation Authority and the Reserve Bank of New Zealand](#) on November 1 and 4, respectively. The MoUs on “Supervisory Cooperation and Exchange of Supervisory Information” provide a formal, yet legally non-binding, channel for information exchange between supervisors. It provides for information-sharing on the institutions’ financial health, cooperation between supervisors during on-site examinations, frequent meetings between supervisors, and preserving confidentiality of information shared. On 18 December, the central banks of [India and Japan](#) increased their bilateral currency swap arrangement from \$15 billion to \$50 billion.

Conferences discuss Asian Islamic finance development.

On 4-5 November, the Islamic Financial Services Board (IFSB) and ADB hosted “Islamic Finance for Asia: Development, Prospects and Inclusive Growth” in Manila, Philippines. The conference was held to create greater awareness on the potential opportunities for Islamic finance in the region, and discussed challenges and issues related to its further development and progress. On 3 December, the first [Joint Forum on Islamic Finance, sponsored by the Hong Kong Monetary Authority and Bank Negara Malaysia](#), identified ways to further develop Hong Kong, China’s Islamic financial market and enhance strategic financial linkages to facilitate cross-border investment flows.

REGIONAL PUBLIC GOODS

Warsaw Climate Change Conference paves way to set targets on reducing gas emissions. The [UN Climate Change Conference](#) held in Warsaw, Poland 11-23 November [gave governments until the first quarter of 2015 to set targets](#) on how to reduce gas emissions as the resulting agreement will come into force from 2020. These targets will be the basis for a final agreement in 2015. The conference also clarified ways to support developing countries in climate change adaptation measures and meeting targets to reduce emissions.

Asian Judges Network on Environment launched. The [Asian Judges Network on Environment was formally launched](#) in Manila, Philippines on 3 December at the opening day of the Asian Judges Symposium on Environment—hosted by ADB in partnership with the Supreme Court of the Philippines, the United Nations Environment Program, World Wildlife Fund, United States Agency for International Development, and the Freeland Foundation. The environmental network begins a new form of cooperation among justices on ways the legal community in Asia and the Pacific can safeguard the region’s natural endowments.

ADB offers rehabilitation assistance after supertyphoon Haiyan devastates central Philippines. [ADB approved loans and grants totalling \\$900 million](#) for livelihood restoration, infrastructure reconstruction, and climate resilience initiatives in communities affected by supertyphoon Haiyan. The package consists of \$23 million in immediate grants, a \$500 million emergency loan and a \$372 million loan for community-driven development. In

addition, up to \$150 million from ongoing projects can be reallocated to support conditional cash transfers, infrastructure reconstruction, and natural resource management. ADB will also establish a field office in Tacloban, Leyte to aid in project implementation.

JANUARY 2014 EVENTS

- 6–10 January: [7th Meeting of the UN Conference on Sustainable Development’s Open Working Group on Sustainable Development Goals \(OWG 7\)](#) (New York, US)
- 13–15 January: [UNESCAP Training of Trainers Programme on Preferential Trade Agreements](#) (Nay Pyi Taw, Myanmar)
- 13–17 January: [1st Multi-Regional \(Central, South, and East Asia\) Multi-Network \(‘Climate Change and Environment’ and ‘Disaster Risk Reduction’\) f2f Meeting](#) (Nepal)
- 15–18 January: [ASEAN Foreign Ministers’ Retreat](#) (Bagan, Myanmar)
- 16–20 January: [ASEAN Tourism Forum 2014](#) (Kuching, Malaysia)
- 17–18 January: [UNESCAP Training of Researchers on Linkage between Trade Policy Formulation and Research](#) (Yangon, Myanmar)
- 20–21 January: [ASEAN Financial Integration Framework \(AFIF\) Workshop](#) (Kuala Lumpur, Malaysia)
- 21 January: [International Recovery Forum 2014](#) (Kobe, Japan)
- 23 January: [UNESCAP–ADB National Workshop on Secure Cross-Border Transport Model](#) (New Delhi, India)
- 27–28 January: [The 4th ADBI-OECD-ILO Roundtable on Labour Migration in Asia: Building Human Capital across Borders](#) (Tokyo, Japan)

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
- Inward Remittances—Georgia and Kyrgyz Republic

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

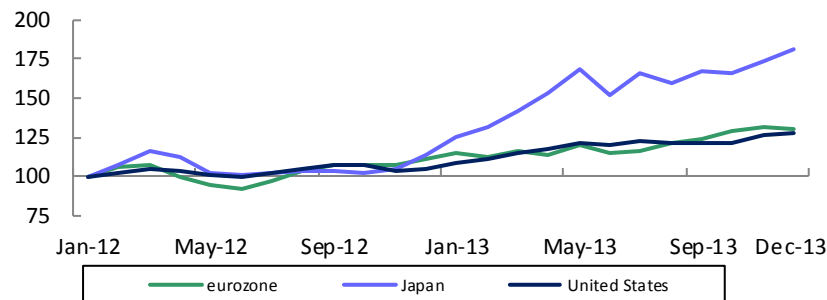
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GLOBAL MARKETS

G3 equities advance; emerging markets decline. Equity markets in G3 economies rose on returning consumer confidence and improving employment statistics, particularly in the US. With the recovery strengthening, the US Federal Reserve announced it would begin tapering its quantitative easing (QE) program. Emerging market indexes fell as investors moved funds to advanced economies. Crude oil prices rose slightly on seasonal demand, while gold prices plunged.

Equity Indexes¹—G3

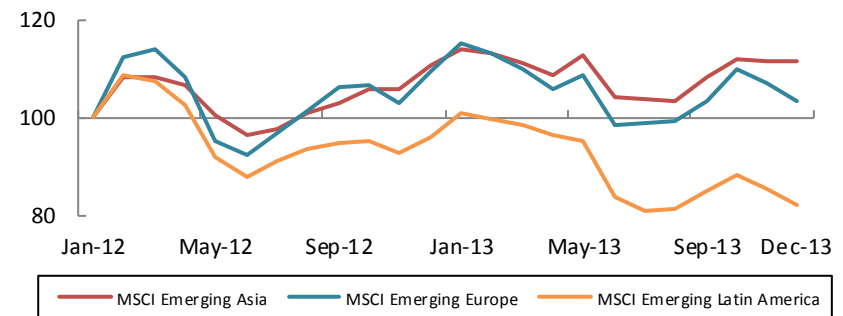
(Jan 2012 = 100)



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 31 December 2013.
Source: ADB calculations using data from Datastream.

Equity Indexes¹—Emerging Markets

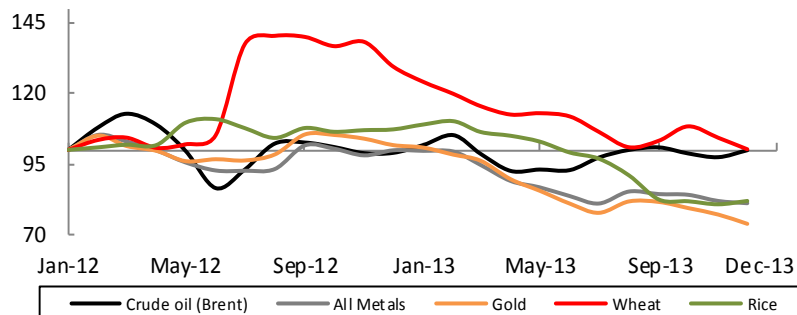
(Jan 2012 = 100)



¹Monthly average of Morgan Stanley Capital International (MSCI) Emerging Market Indexes. Data up to 31 December 2013.
Source: ADB calculations using data from Datastream.

Commodity Price Indexes

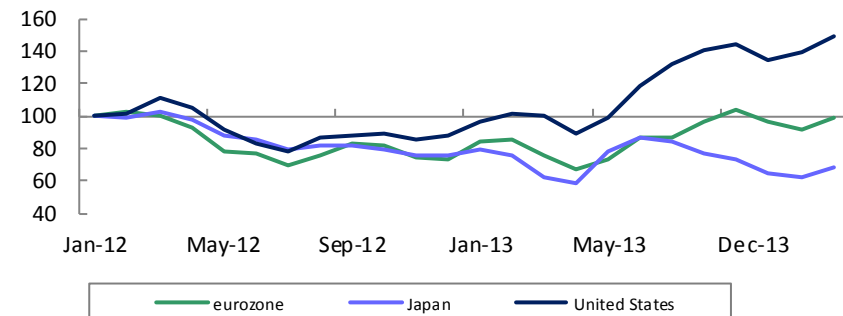
(Jan 2012 = 100)



Note: Data up to 31 December 2013.
Source: ADB calculations using data from Bloomberg.

10-yr Government Bond Yields—G3

(Jan 2012 = 100)

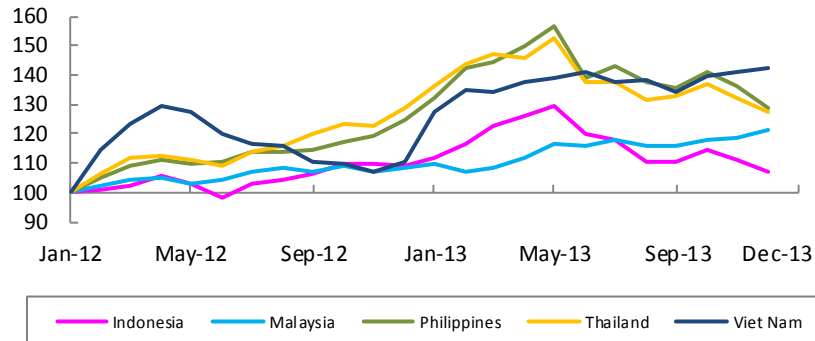


Note: Data up to 31 December 2013.
Source: ADB calculations using data from Bloomberg.

EQUITY INDEXES

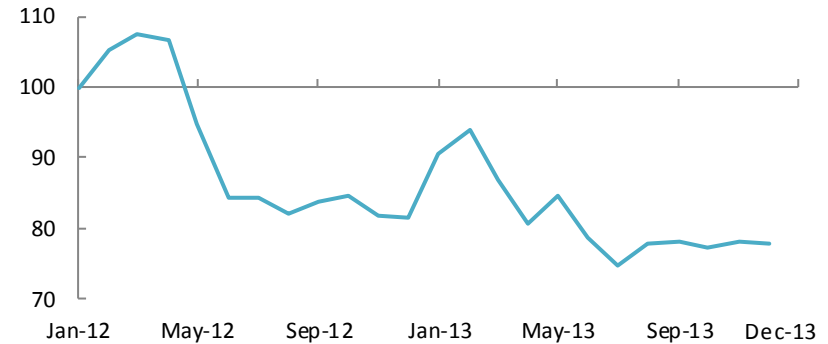
Asian equities fall more on domestic conditions than from US QE tapering. Stock markets across Southeast Asia appeared to have anticipated the US Fed's QE tapering decisions in December. But domestic conditions weighed down market activity, with the Philippines recovering from super typhoon Haiyan and Thailand facing political unrest. Indexes across East Asia fell slightly, while Pakistan's index soared on the election of a more business-friendly government.

Equity Indexes¹—ASEAN-4 plus Viet Nam
(Jan 2012 = 100)



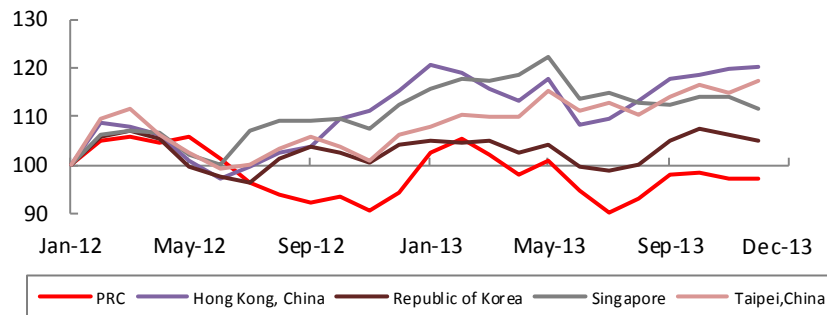
¹Monthly average, data up to 31 December 2013.
Source: ADB calculations using data from Bloomberg.

Equity Index¹—Kazakhstan
(Jan 2012 = 100)



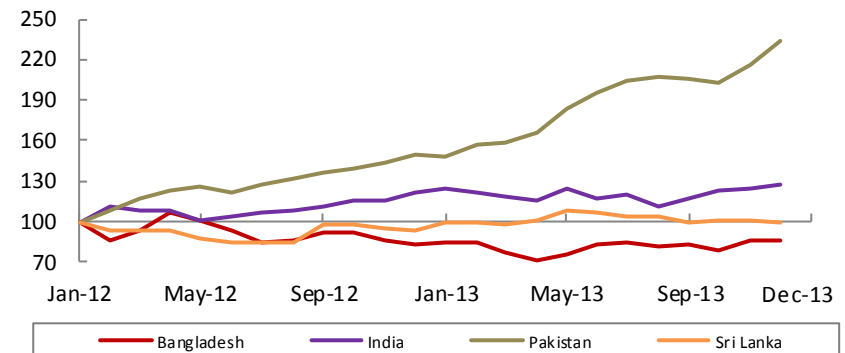
¹Monthly average, data up to 31 December 2013.
Source: ADB calculations using data from Bloomberg.

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 31 December 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)

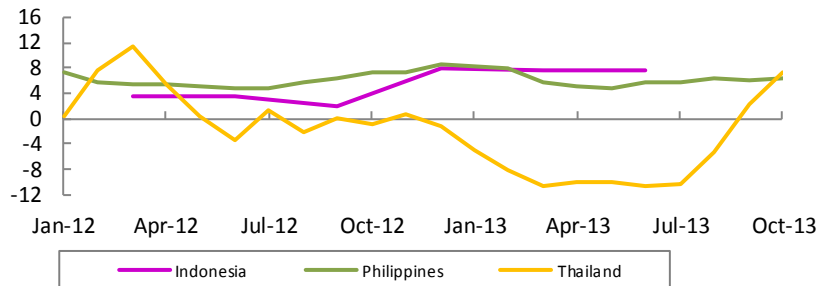


¹Monthly average, data up to 31 December 2013.
Source: ADB calculations using data from Bloomberg.

REMITTANCES

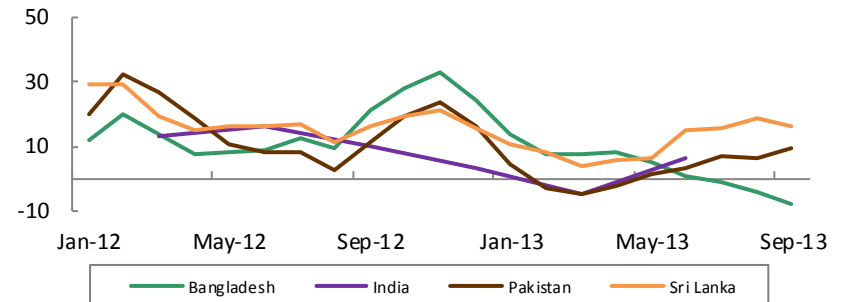
Remittances to Bangladesh continue to decline. With the decline in manpower exports and domestic political uncertainties, remittances to Bangladesh fell further, in contrast to continued growth in its South Asian neighbors. Inward remittance growth to Southeast Asia continued, with Thailand recovering during the second half of 2013.

Inward Remittances—Southeast Asia
(y-o-y, %)



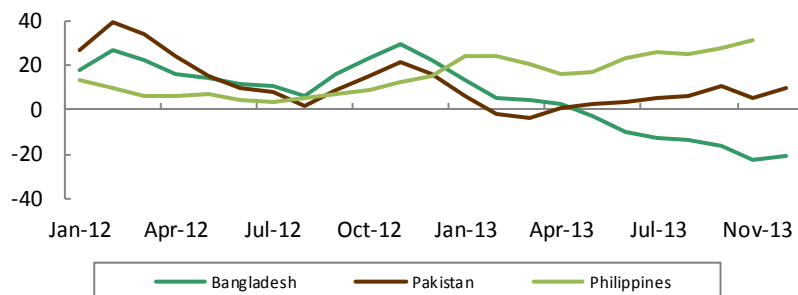
Notes: Quarterly data for Indonesia. Monthly data for the Philippines and Thailand, based on 3-month moving average. Data until June 2013 for Indonesia.
Source: ADB calculations using data from CEIC and Haver Analytics.

Inward Remittances—South Asia
(y-o-y, %)



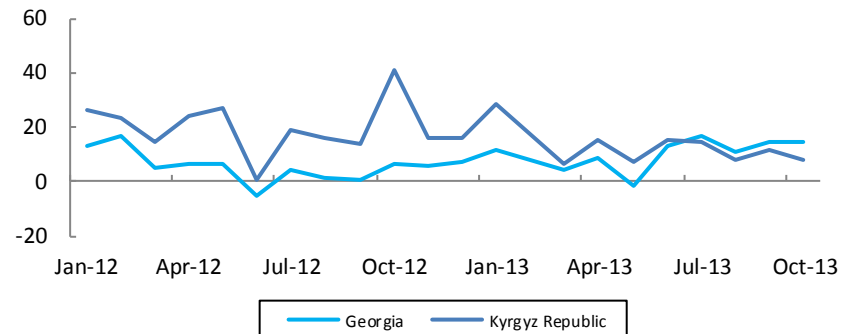
Notes: Based on 3-month moving average except for India. Quarterly data for India. Monthly data for Bangladesh, Pakistan, and Sri Lanka. Data for India until June 2013.
Source: ADB calculations using data from CEIC and Haver Analytics.

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 the Philippines until October 2013.
Source: ADB calculations using data from CEIC.

Inward Remittances—Georgia and Kyrgyz Republic
(y-o-y, %)

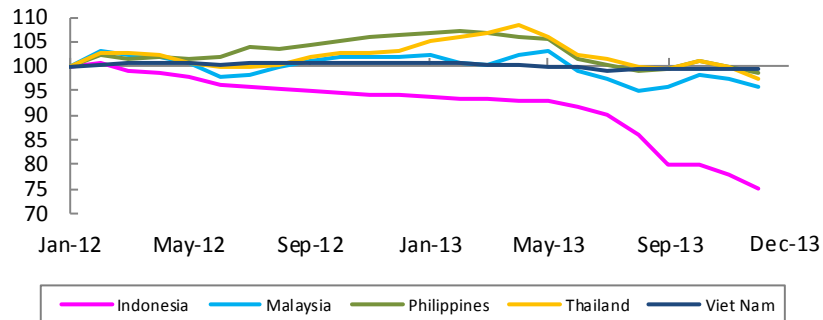


Note: Based on quarterly data.
Source: ADB calculations using data from CEIC.

EXCHANGE RATES

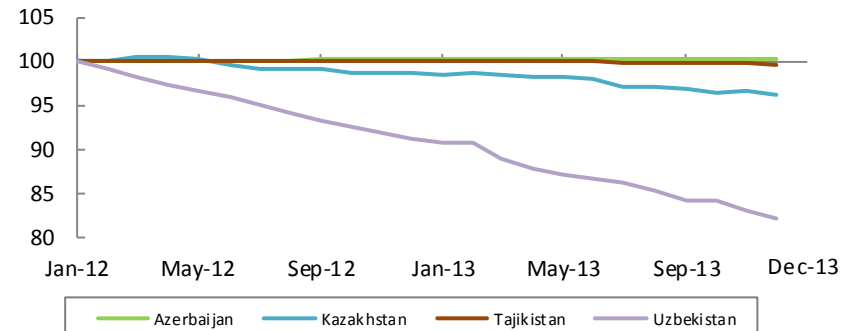
ASEAN-4 plus Viet Nam currencies depreciate following US QE tapering. Currencies in Southeast Asia and Taipei, China weakened against the US dollar as investors shifted liquidity back to advanced economies. Increased import demand (particularly in the Philippines) and the seasonal surge in foreign currency purchases (particularly in Indonesia) also contributed to the decline. The PRC renminbi appreciated slightly on favorable trade and GDP data. The Korean won also appreciated on an increase in investment profits.

Exchange Rate Indexes—ASEAN-4 plus Viet Nam
(\$ per unit of local currency, Jan 2012 = 100)



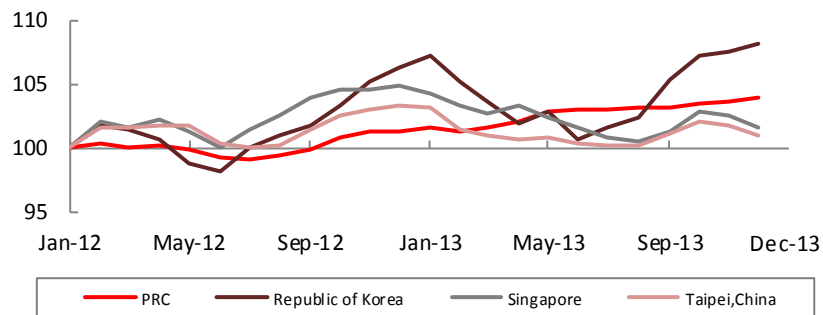
Note: An increase means appreciation. A decrease means depreciation. Data up to 31 December 2014.
Source: ADB calculations using data from Datastream.

Exchange Rate Indexes—Central Asia
(\$ per unit of local currency, Jan 2012 = 100)



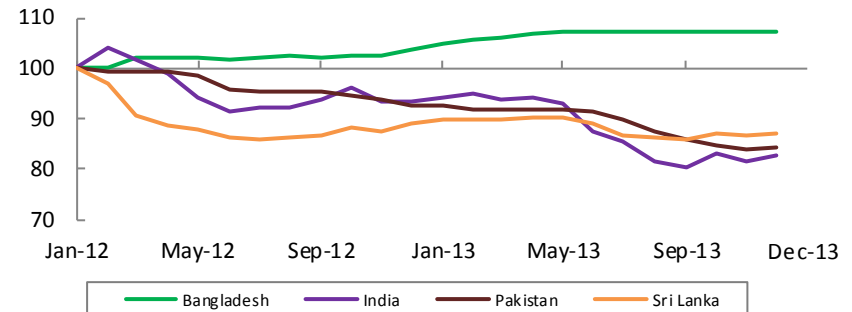
Note: An increase means appreciation. A decrease means depreciation. Data up to 31 December 2013.
Source: ADB calculations using data from Datastream.

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 31 December 2014.
Source: ADB calculations using data from Datastream.

Exchange Rate Indexes—South Asia
(\$ per unit of local currency, Jan 2012 = 100)



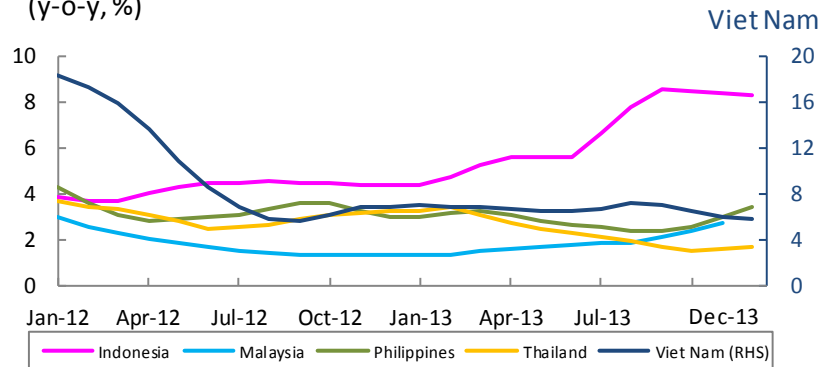
Note: An increase means appreciation. A decrease means depreciation. Data up to 31 December 2013.
Source: ADB calculations using data from Datastream.

INFLATION

Inflation mixed across the region. While still over 8%, inflation in Indonesia and India remained flat as earlier policy rate hikes began to dampen domestic consumption. Inflation in the Philippines and Malaysia began to rise due to food price increases and subsidy cuts, respectively. Meanwhile, Singapore prices accelerated slightly due to higher housing costs. In India, surging food costs coupled with the still weak rupee has put upward pressure on prices, while Pakistan inflation is driven by food prices and energy price adjustments.

Headline Inflation¹—ASEAN-4 plus Viet Nam

(y-o-y, %)



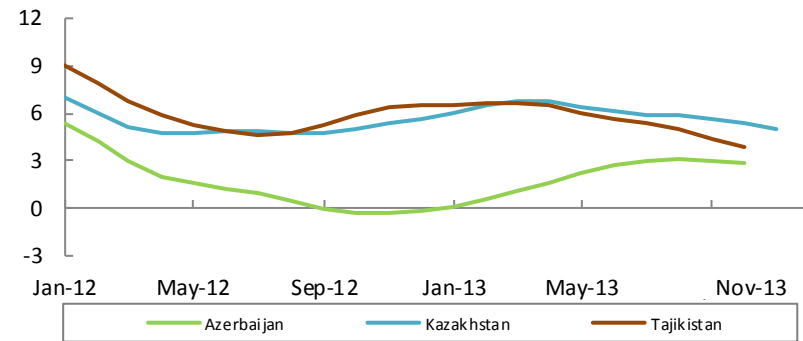
RHS = right-hand side

¹3-month moving average. Data as of November 2013 for Malaysia.

Source: ADB calculations using data from CEIC.

Headline Inflation¹—Central Asia

(y-o-y, %)

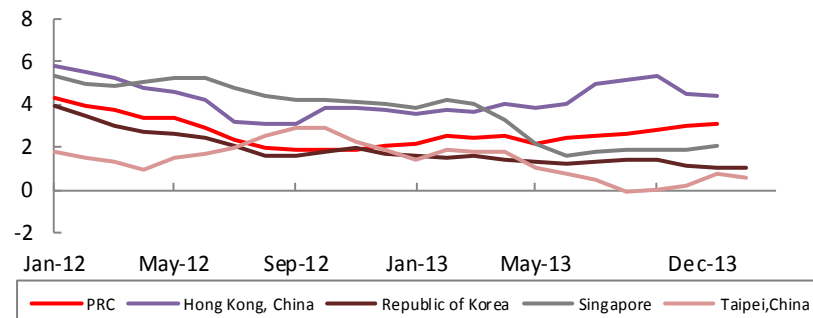


¹3-month moving average. Data as of October 2013 for Azerbaijan and Tajikistan.

Source: ADB calculations using data from CEIC.

Headline Inflation¹—NIEs and People's Republic of China

(y-o-y, %)



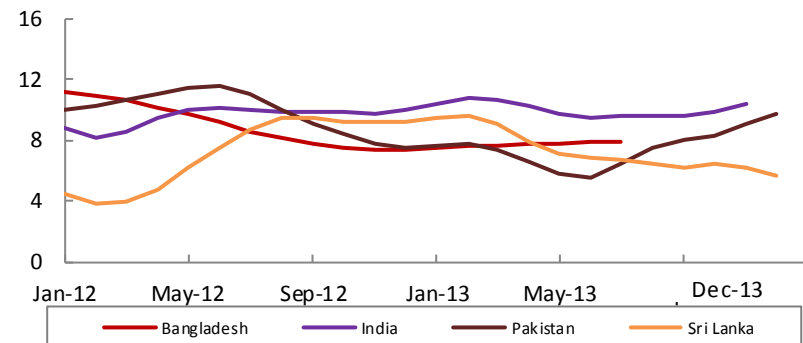
NIE = newly-industrialized economy.

¹3-month moving average. Data as of November 2013 for PRC; Hong Kong, China; and Singapore.

Source: ADB calculations using data from CEIC.

Headline Inflation¹—South Asia

(y-o-y, %)



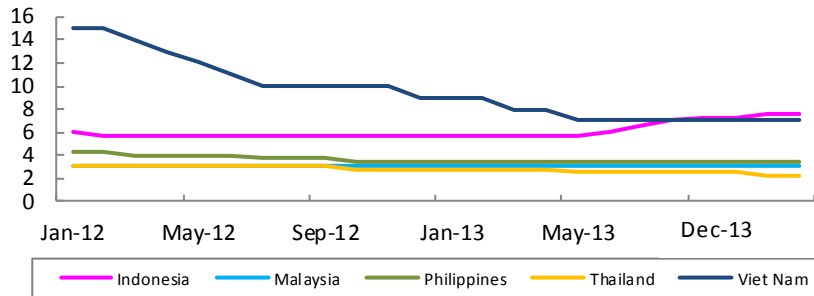
¹3-month moving average. Data as of July 2013 for Bangladesh and November 2013 for India.

Source: ADB calculations using data from CEIC.

POLICY RATES

Central banks “wait and see”. Policy rates across the region held steady as central banks weigh in moderating growth. India and Indonesia maintained rates as they monitor the impact of earlier rate hikes. Sri Lanka cut key rates to spur growth given a stable price outlook. Meanwhile, the Philippines kept rates steady but noted it is ready to intervene in case of sudden volatility, taking into account accelerating domestic prices and exchange rate weakness.

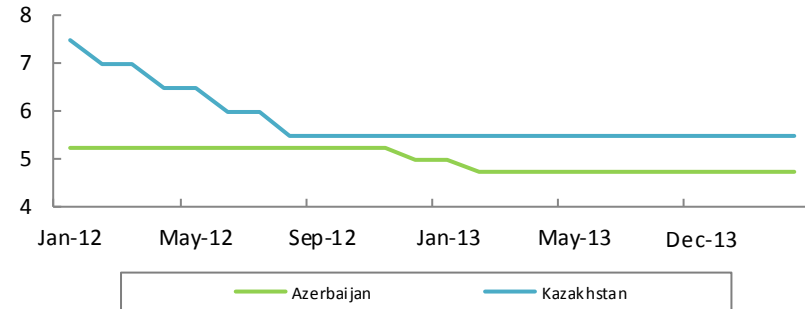
Policy Rates¹—ASEAN-4 plus Viet Nam
(% per annum)



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 31 December 2013.

Source: Datastream.

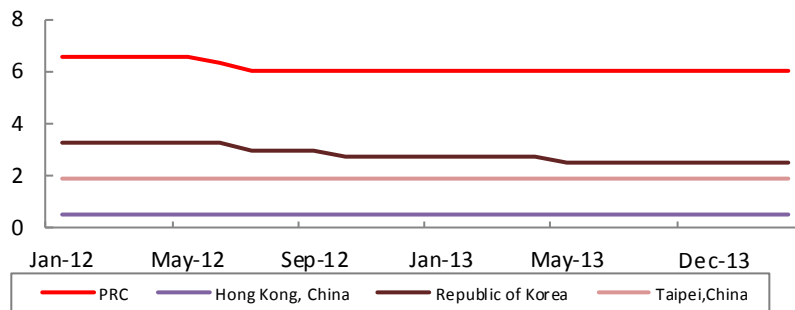
Policy Rates¹—Central Asia
(% per annum)



¹Refinancing rate (Azerbaijan); repurchase (repo) rate (Kazakhstan). Data as of 31 December 2013.

Source: Datastream.

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

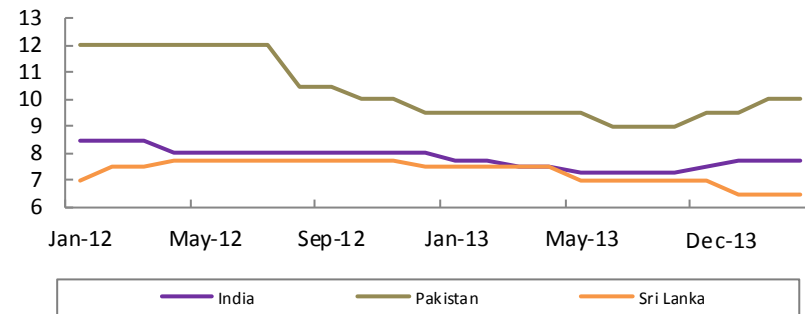


PRC = People's Republic of China, NIE = newly-industrialized economy.

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 31 December 2013.

Source: Datastream.

Policy Rates¹—South Asia
(% per annum)



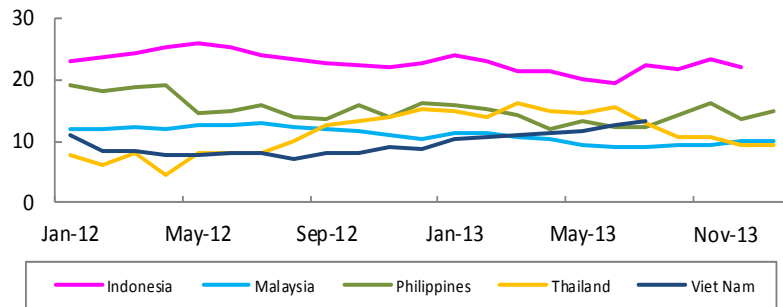
¹Repurchase (repo) rate (India); discount rate (Pakistan); and Sri Lanka Central Bank repurchase rate (Sri Lanka). Data as of 31 December 2013.

Source: Datastream.

BANK LENDING

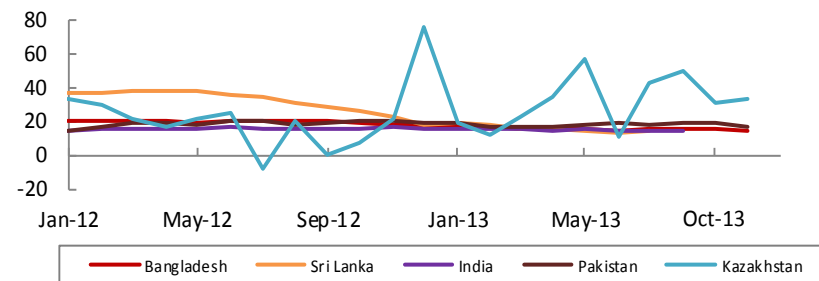
Bank lending slows in Thailand amid bad loan risk. Thailand's growth in bank lending slipped as nonperforming loans expanded amid slow economic growth and weak consumer spending. Bank lending across the rest of the region remained steady, though lending in Kazakhstan increased slightly as the government stepped up effort to resolve loan delinquencies. Bank lending in Singapore dipped in step with easing of housing loan growth and measures to curb household borrowing; bank lending in Hong Kong, China declined amid weak domestic demand and sharp deceleration in trade finance.

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



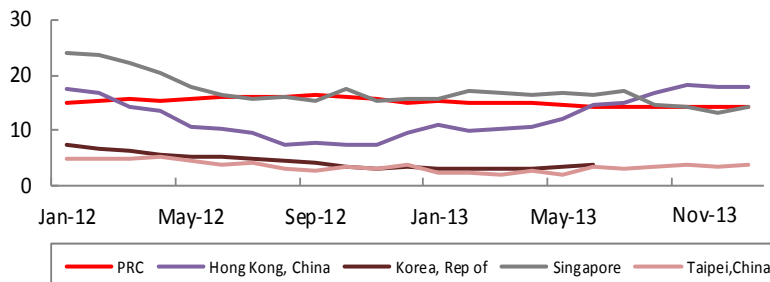
¹Data refer to commercial bank loans (Indonesia and Thailand); commercial bank loans and advances (Malaysia); commercial and universal bank loans net of RRAs (Philippines); and claims on private sector of banking institutions (Viet Nam). Data until October 2013 for Indonesia and July 2013 for Viet Nam. Source: ADB calculations using data from CEIC.

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



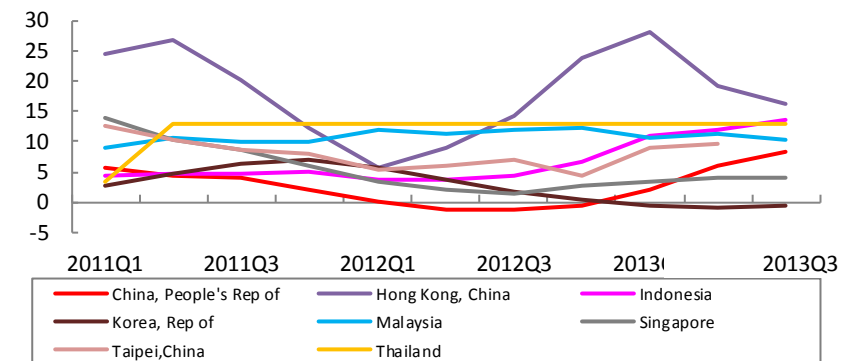
¹Data refer to credit of deposit money banks (Bangladesh), commercial bank loans (Sri Lanka), domestic credit (India and Pakistan), and loans of other depository corporations (Kazakhstan). Data until August 2013 for India, and July 2013 for Sri Lanka. Source: ADB calculations using data from CEIC for 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 until June 2013 for Republic of Korea. Source: ADB calculations using data from CEIC and Bank of Korea.

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

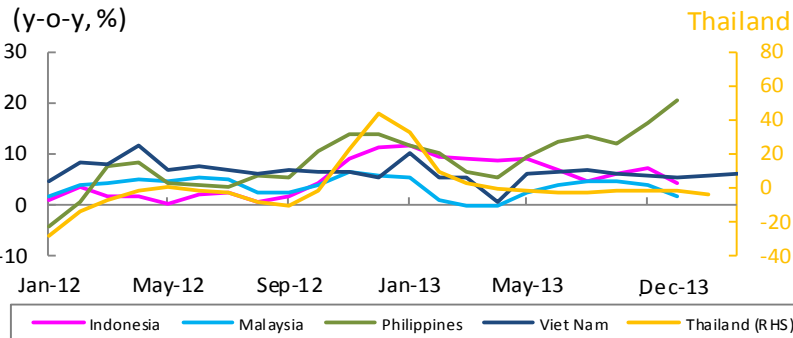


Source: ADB calculations using data from CEIC and Datastream.

INDUSTRIAL PRODUCTION

Asian manufacturing output mostly flat. Industrial production indexes across the region have been relatively steady, with slight declines in Southeast Asia and South Asia amid weak exports and domestic demand. The Philippines' manufacturing index grew due to an expansion in chemicals and leather products. PRC factory output slowed in December as external demand remained weak. Ongoing development projects and investment in energy sector has propped up industrial production growth in Pakistan, while boosts in electronics and transport engineering contributed to the rise in Singapore's production growth.

Industrial Production Growth¹—ASEAN-4 plus Viet Nam

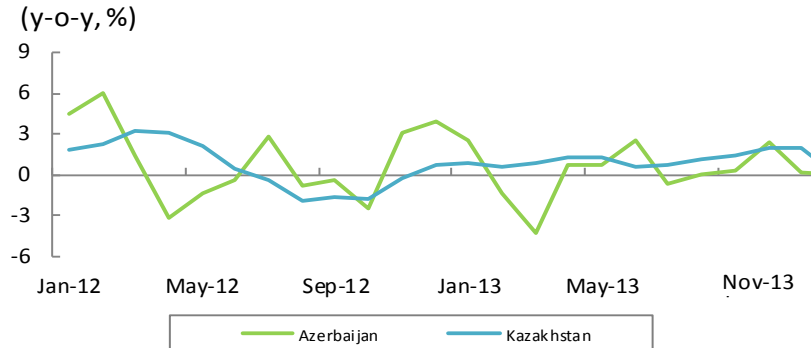


RHS = right-hand scale.

¹3-month moving average. Data until November 2013 for Thailand and October 2013 for Indonesia, Malaysia, and the Philippines.

Source: ADB calculations using data from CEIC.

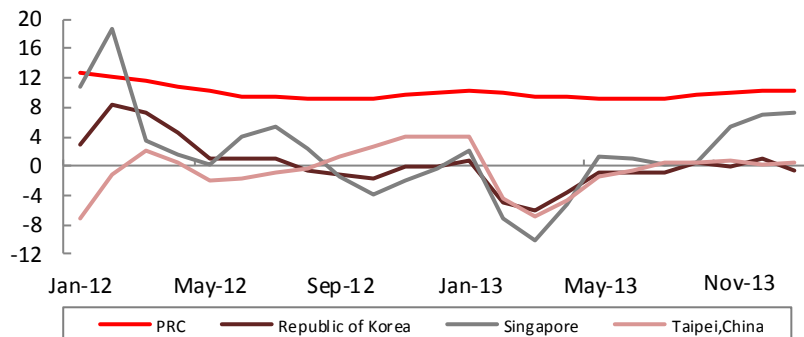
Industrial Production Growth¹—Central Asia



¹3-month moving average.

Source: ADB calculations using data from CEIC.

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

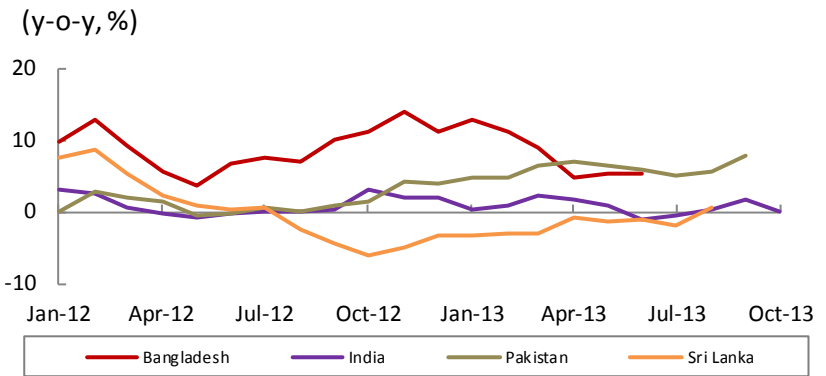


NIE = newly industrialized economy.

¹3-month moving average.

Source: ADB calculations using data from CEIC.

Industrial Production Growth¹—South Asia



¹3-month moving average.

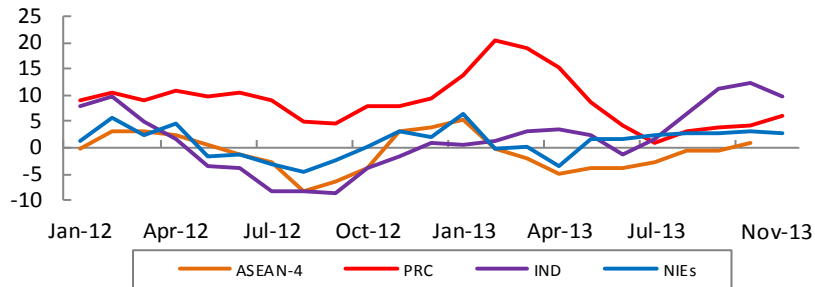
Note: Data until September 2013 for Pakistan, August 2013 for Sri Lanka, and June 2013 for Bangladesh.

Source: ADB calculations using data from CEIC.

TRADE GROWTH

Total export growth up, but imports still weak. Although exports have started to grow with the recovery in developed economies, import demand remains weak on slower domestic demand and policies intended to improve external positions. Meanwhile, the PRC's imports from India significantly rose in its bid to meet domestic demand.

Total Exports by Origin¹
(y-o-y, %)

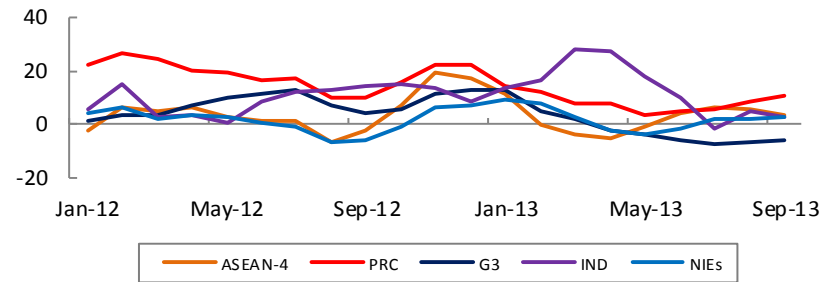


ASEAN-4 = Indonesia, Malaysia, Thailand, and the Philippines. PRC = People's Republic of China. IND = India. NIEs = Hong Kong, China; the Republic of Korea; Singapore; and Taipei,China. Data until Oct 2013 for ASEAN-4.

¹3-month moving average.

Source: ADB calculations using data from CEIC.

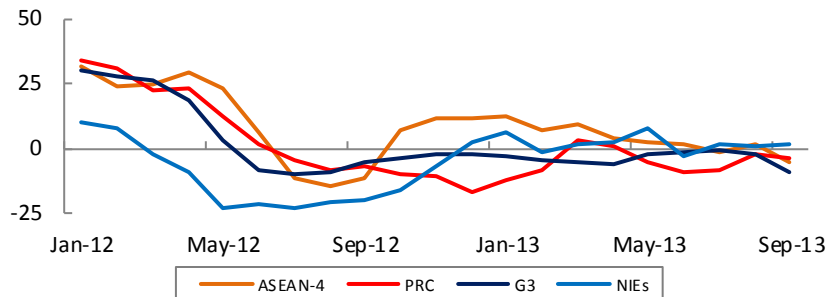
Import Growth by Origin¹—ASEAN-4
(y-o-y, %)



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 Growth by Origin¹—India
(y-o-y, %)

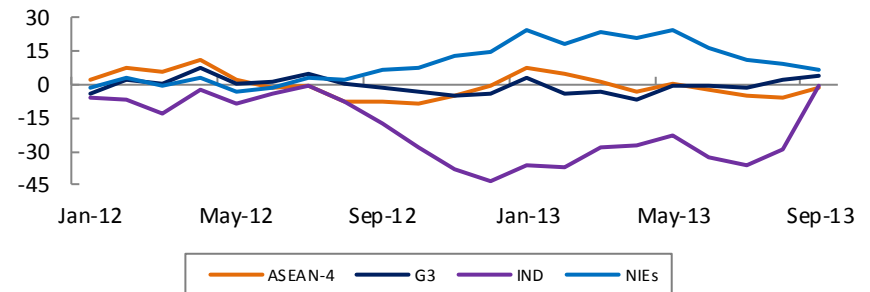


ASEAN-4 = Indonesia, Malaysia, the Philippines and Thailand. PRC = People's Republic of China. NIEs = Hong Kong, China; the Republic of Korea; Singapore; and Taipei,China. G3 = EU, Japan, and the US.

¹3-month moving average.

Source: ADB calculations using data from CEIC.

Import Growth by Origin¹—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.

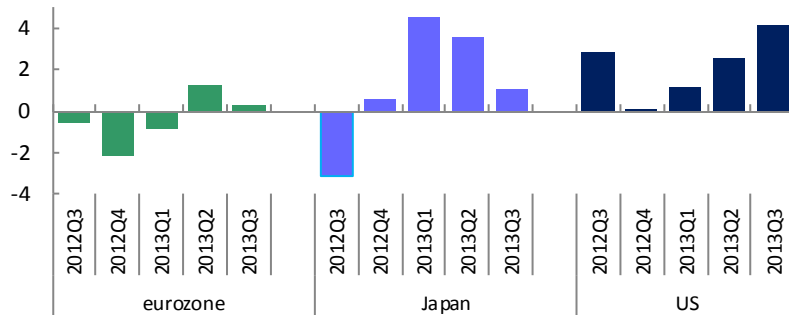
¹3-month moving average.

Source: ADB calculations using data from CEIC.

GDP GROWTH—G3

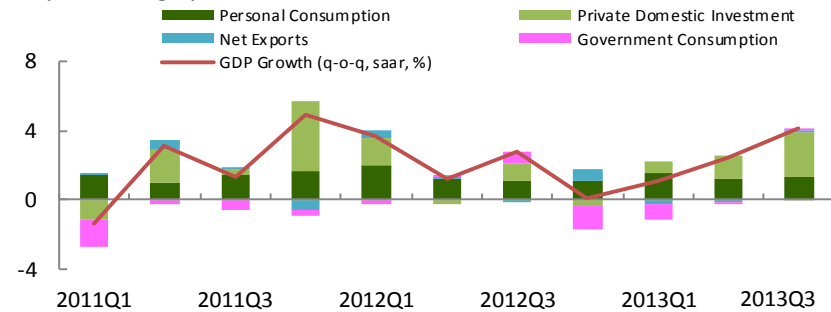
US economy grows faster in Q3; EU, Japan slow. With strong factory activity, a decline in unemployment, and boosted consumer confidence, US GDP grew 4.1% in the third quarter of 2013, supporting the US Fed's QE tapering decision. Eurozone growth, however, slowed in the third quarter amid weak global and domestic demand. Meanwhile, Japan's GDP growth fell to 0.3% in the third quarter owing to weak export demand.

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)¹



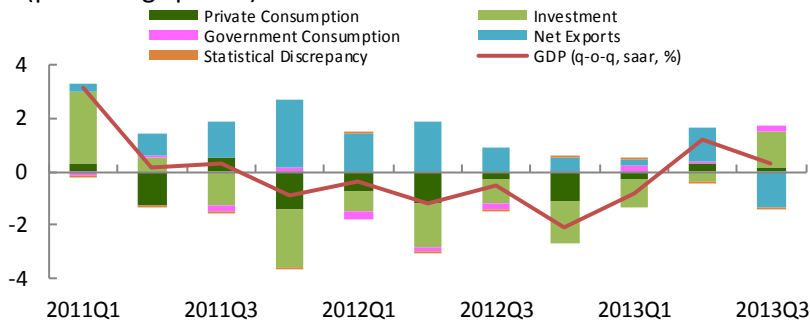
q-o-q = quarter-on-quarter, saar = seasonally adjusted annualized rate.

¹Based on saar, q-o-q changes.

²Third quarter third estimate as of 20 December 2013.

Source: US Bureau of Economic Analysis.

Contributions to GDP Growth²—eurozone (percentage points)¹



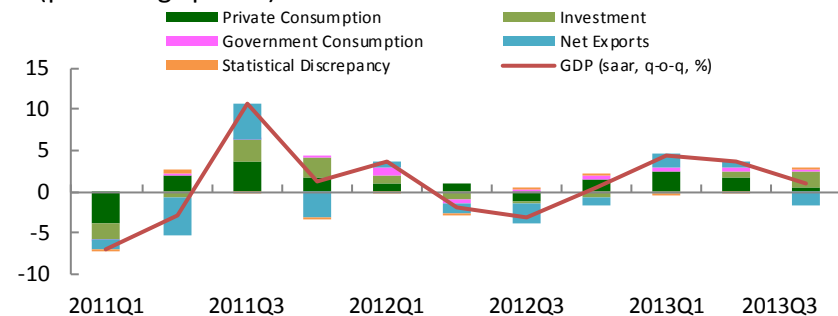
q-o-q = quarter-on-quarter, saar = seasonally adjusted annualized rate.

¹Based on saar, q-o-q changes.

²Second estimate for 2013Q3 as of 4 December 2013.

Source: Eurostat.

Contributions to GDP Growth²—Japan (percentage points)¹



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

¹Based on saar, q-o-q changes.

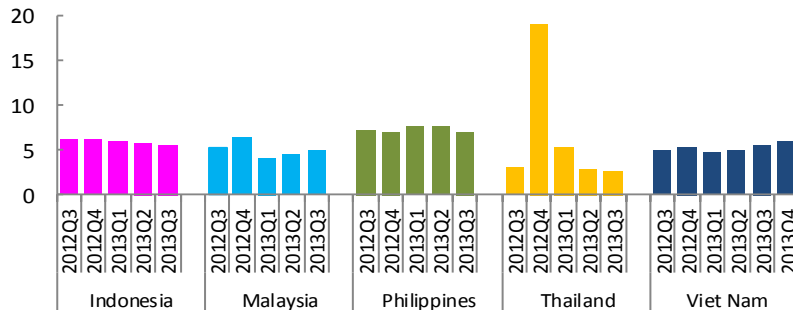
²Second preliminary estimates as of 14 November 2013.

Source: Cabinet Office, Government of Japan.

GDP GROWTH—ASIA

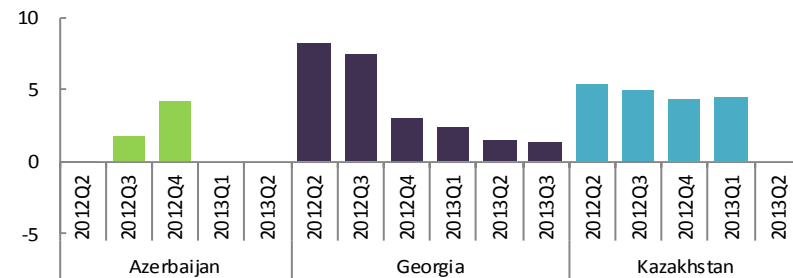
GDP growth in Asia relatively flat. Southeast Asian economies posted flat growth as domestic issues weighed on several economies. Rate hikes to curb inflation affected Indonesia's growth, while concerns over political stability have slowed Thailand's expansion. The Philippines' growth slowed slightly in Q3 due to the impact of the recent typhoon.

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



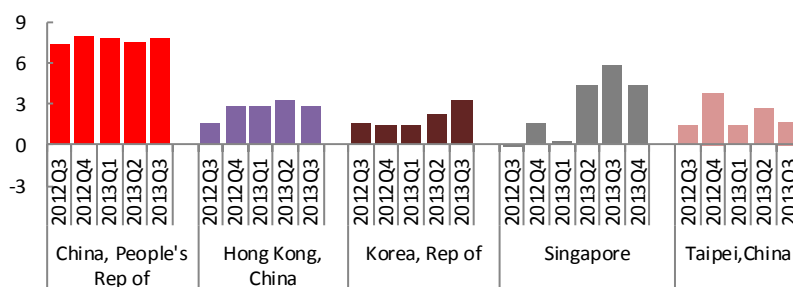
¹Based on quarterly data.
Source: ADB calculations using data from CEIC.

GDP Growth¹—Central Asia
(y-o-y, %)



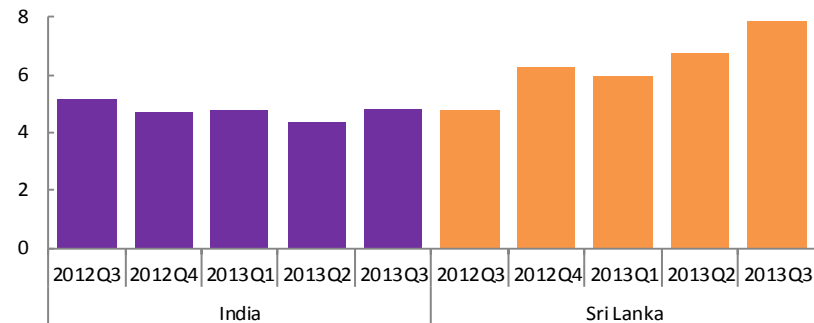
¹Based on quarterly data.
Source: ADB calculations using data from CEIC.

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, %)



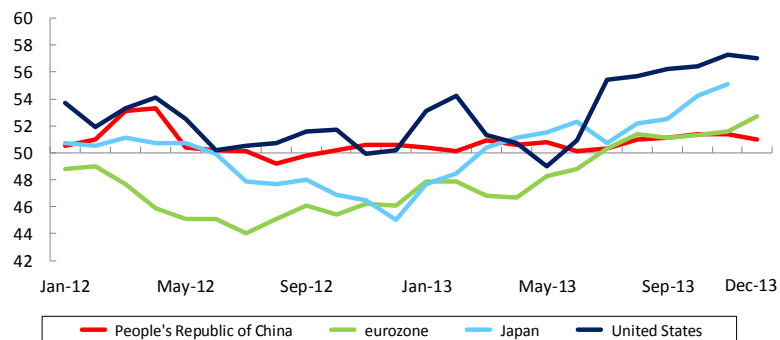
¹Based on quarterly data.
Source: ADB calculations using data from CEIC.

SPECIAL FEATURE: Early weakness in 2014?

Activity indicators in Asia are signaling some weakness ahead. Continued moderation in the PRC economy, and slowdown in economies that are open, globally connected, and beset by domestic challenges, may indicate some early weakness this year. The PRC's manufacturing purchasing managers' index (PMI) continues to lag behind the recovery of PMIs in the G3. GDP growth in the highly-open NIE (e.g. Hong Kong, China; Singapore; and Taipei, China) and in the ASEAN (e.g. Indonesia, the Philippines, and Thailand) has also diminished. This trend emanates from unwinding fiscal and monetary stimulus, evident from a decline of credit growth over the last 3 months. More so, another congressional debt ceiling battle could disrupt the US' solid momentum going into 2014, while Japan also faces a strong headwind from the implementation of the April tax hike.

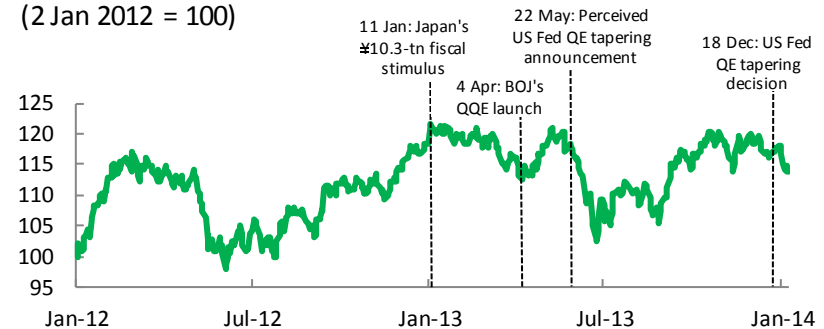
The region's financial markets were also dragged down by the combined weight of adverse domestic conditions and US Fed's QE tapering. For example, the MSCI index fell 5% over the last 3 months as investors readjusted portfolios back to advanced economies. Currencies in the region have depreciated more strongly as US economic conditions improved and capital inflows to emerging markets also weakened. More so, weaker current account data added to the pressure. Favorable data releases could lift the market in the short term—although in the medium to long term, inflation and interest rate adjustments in the US and other advanced economies will determine the outcome. If they start to rise due to strong recovery in developed economies, then portfolio inflows to the region may slow or even reverse, with currencies depreciating further. Meanwhile, inflation is rising in some Asian economies. Weaker currencies partly contribute to this, but rising housing costs in Singapore; energy price adjustments in Indonesia, Malaysia and Pakistan; rising food prices in India; and Japan's QE have added domestic pressures as well.

**Manufacturing Purchasing Managers' Index¹—
People's Republic of China and G3**



¹A manufacturing purchasing managers' index reading above 50 points indicates an expansion in the manufacturing sector while below 50 points indicates a contraction.
Source: Institute for Management Supply (US), national source (PRC), and Markit Economics (eurozone and Japan).

**Equity Index—Emerging Asia
(2 Jan 2012 = 100)**



BOJ = Bank of Japan, QQE = quantitative and qualitative easing, US Fed = US Federal Reserve.
Note: Based on Morgan Stanley Capital International (MSCI) Emerging Market Index. Daily up to 9 January 2014.
Source: ADB calculations using data from Datastream.

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)	-4.8	10.2	76.8 (Oct13)	15.0 (Oct13)
Brunei Darussalam	1.1 (Nov13)	23.6	–	52.3 (Oct13)	–
Cambodia	4.2 (Oct13)	-5.2	–	102.8 (Oct13)	–
China, People's Rep. of	3.0 (Nov13)	-1.6	22.0	79.0 (Oct13)	14.2 (Nov13)
Hong Kong, China	4.3 (Nov13)	3.2	4.4	61.3 (Sep13)	17.7 (Nov13)
India	11.2 (Nov13)	-4.9	40.5	77.3 (Jul13)	14.5 (Aug13)
Indonesia	8.4 (Dec13)	-1.8	23.5	99.1 (Oct13)	22.0 (Oct13)
Kazakhstan	4.7 (Nov13)	-3.0	12.2	127.1 (Oct13)	–
Korea, Republic of	1.1 (Dec13)	-2.9	38.4	121.1 (Sep13)	3.9 (Jun13)
Lao PDR	6.9 (Nov13)	-7.9	53.4	71.1 (Dec10)	–
Malaysia	2.9 (Nov13)	-4.5	51.7	93.4 (Jul13)	9.9 (Nov13)
Myanmar	4.9 (Oct13)	-5.4	–	47.4 (Aug13)	–
Pakistan	9.2 (Dec13)	-8.5	55.8	50.8 (Sep13)	17.1 (Oct13)
Philippines	4.1 (Dec13)	-2.3	54.4	63.8 (Oct13)	14.8 (Nov13)
Singapore	2.6 (Nov13)	1.1	110.2	100.3 (Oct13)	14.2 (Nov13)
Sri Lanka	4.7 (Dec13)	-6.2	72.4	83.3 (May13)	13.9 (Jul13)
Taipei,China	0.3 (Dec13)	-1.6	34.0	63.3 (Oct13)	3.8 (Nov13)
Thailand	1.7 (Dec13)	-4.1	43.5	102.7 (Oct13)	9.3 (Nov13)
Viet Nam	6.0 (Dec13)	-6.9	48.4	92.9 (Jul13)	13.4 (Jul13)

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	37.1	4.9 (Oct13)	5.8 (Oct13)	81.1 (Oct13)
Brunei Darussalam	47.0 (2012)	10.7	46.3	3.3 (Apr13)	5.7 (Apr13)	1.2 (Oct13)
Cambodia	-8.4 (2012)	22.0	19.2	1.9 (Oct13)	2.7 (Aug13)	77.9 (Oct13)
China, People's Rep. of	1.8 (3Q13)	7.5	16.7	4.8 (Sep13)	23.1 (Sep13)	57.0 (Oct13)
Hong Kong, China	6.1 (3Q13)	239.7	85.2	4.2 (Nov13)	7.1 (Nov13)	74.6 (Sep13)
India	-1.2 (3Q13)	19.4	53.6	5.4 (Nov13)	6.9 (Nov13)	—
Indonesia	-3.8 (3Q13)	18.4	59.8	3.2 (Nov13)	6.0 (Nov13)	153.1 (Oct13)
Kazakhstan	-3.6 (3Q13)	14.1	17.7	4.3 (Oct13)	4.4 (Oct13)	—
Korea, Republic of	6.3 (3Q13)	3.7	48.2	5.3 (Nov13)	8.0 (Dec13)	108.5 (Sep13)
Lao PDR	-22.6 (2012)	27.1	178.5	5.6 (Dec12)	0.9 (Aug13)	75.3 (Dec10)
Malaysia	4.0 (3Q13)	29.3	26.6	3.3 (Nov13)	7.9 (Nov13)	118.3 (Jul13)
Myanmar	-4.4 (2012)	3.0	3.2	—	9.2 (Jan13)	—
Pakistan	-0.9 (2012)	18.1	79.1	18.0 (Sep13)	1.5 (Oct13)	48.2 (Sep13)
Philippines	5.0 (3Q13)	35.2	21.4	2.0 (Nov13)	14.7 (Oct13)	100.7 (Oct13)
Singapore	19.2 (3Q13)	237.2	81.8	1.5 (Nov13)	8.7 (Nov13)	112.0 (Oct13)
Sri Lanka	-4.8 (2Q13)	32.2	51.5	3.8 (Aug13)	3.7 (Aug13)	350.2 (May13)
Taipei,China	12.1 (3Q13)	20.7	12.9	2.9 (Nov13)	18.4 (Nov13)	54.9 (Oct13)
Thailand	-1.0 (3Q13)	19.5	19.1	3.1 (Nov13)	7.7 (Nov13)	144.8 (Oct13)
Viet Nam	3.5 (4Q12)	28.9	51.1	6.6 (May13)	2.7 (May13)	73.1 (Jul13)

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. 2013 Q1 for BRU, KAZ and VIE; 2012 Q4 for MYA.

³Data refers to M3 for Hong Kong, China; India, Japan; Kazakhstan; Malaysia; Pakistan; the Philippines; and Singapore. M2 for other countries.

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.

⁵Foreign 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 2013*, 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	2013Q3	2.0	2.4	0.0	6.0	7.8	2.9	4.8	5.6	4.5	3.3	5.0	3.6	7.0	5.8	7.8	1.7	2.7	6.0
IPI Growth (y-o-y, %) ²	Nov	3.2	5.0	0.2	7.2	10.0	0.3	-1.8	-3.7	1.4	-1.3	1.7	12.8	25.3	4.0	4.1	-0.1	-8.8	7.0
Retail Sales Growth (y-o-y, %) ³	Nov	4.6	4.1	-0.1	—	13.7	6.3	—	18.3	14.7	1.9	8.6	—	35.7	-9.4	—	4.8	-7.8	12.7
Headline Inflation Rate (y-o-y, %) ⁴	Nov	1.2	1.5	0.9	7.8	3.0	4.3	11.2	8.4	4.7	1.1	2.9	9.2	4.1	2.6	4.7	0.3	1.7	6.0
Policy Rate (% per annum)	Jan	0.25	0.1	0.3	—	6.0	0.5	7.75	7.5	5.5	2.5	3.0	10.0	3.5	—	6.5	1.875	2.3	7.0 ¹¹
Stock Price Index Growth (% YTD) ⁵	02Jan-31Dec	23.6	56.7	12.0	3.1	-6.8	0.0	4.2	-1.7	-4.7	-1.0	11.5	53.2	0.5	-1.1	4.0	10.7	-7.7	20.6
Export Growth (\$ value, y-o-y, %) ⁶	Nov	5.7	-4.1	1.2	22.8	12.7	5.7	5.9	-2.4	11.2	7.1	2.0	-4.9	14.0	-1.0	35.5	-2.3	-4.1	12.0
Import Growth (\$ value, y-o-y, %) ⁷	Nov	3.8	-1.9	-3.5	15.3	5.4	5.2	-16.4	-10.5	5.8	3.0	1.7	1.2	-8.6	-5.2	-1.0	9.5	-8.6	16.7
Current Account (% of GDP) ⁸	2013Q3	-2.5	1.1	0.2	1.9	1.8	6.1	-1.2	-3.8	-3.6	6.3	4.0	-0.9	5.0	19.2	-4.8	12.1	-1.0	3.5
Capital and Financial Account (% of GDP) ⁹	2013Q3	-1.6	-0.7	-0.2	2.6	3.6	-1.6	1.2	2.2	-6.6	-4.3	-4.6	-0.1	1.9	-19.1	7.5	-11.1	0.3	-5.6
International Reserves (\$ billion) ¹⁰	Nov	134.1	1244.5	329.8	16.6	3681.0	308.6	272.4	93.8	17.7	341.7	134.7	5.6	76.3	271.7	5.7	410.4	161.3	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 Q4 for VIE; 2013Q1 for KAZ. Fiscal year 2013 (ended June 2013) for BAN and PAK. ²Refers to Industrial/Manufacturing Production. EUZ and US data are seasonally adjusted. Refers to June 2013 for BAN; August 2013 for SRI; September 2013 for PAK; October 2013 for IND, INO, MAL, PHI, and EUZ; December 2013 for VIE; 2013 Q3 for HKG. ³Refers to October 2013 for PHI, SIN, THA, and EUZ; December 2013 for INO and VIE; 2013 Q3 for MAL. ⁴Refers to July 2013 for BAN; December 2013 for INO, KOR, PAK, PHI, SRI, TAP, 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 September 2013 for KAZ; October 2013 for BAN, MAL, PAK, PHI, SRI, US, and EUZ; December 2013 for KOR and VIE. ⁷\$ value of merchandise trade; euro value for EUZ. Refers to October 2013 for BAN, KAZ, MAL, PAK, PHI, SRI, US, and EUZ; December 2013 for KOR and VIE. ⁸Refers to 2013 Q2 for SRI, US, and EUZ; 2013 Q4 for VIE; 2013 Q2 for PRC. Fiscal year 2012 for PAK and 2013 for BAN (ended June 2013). ⁹Refers to 2013 Q2 for SRI and US; 2013 Q4 for VIE; 2013 Q2 for PRC. Fiscal year 2012 for PAK and 2013 for BAN (ended June 2013). ¹⁰Excludes gold. US, EUZ, and IND sourced from IFS. Refers to May 2013 for VIE; August 2013 for SRI; September 2013 for PRC; October 2013 for KAZ and PAK. ¹¹Refinancing rate.

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