
DSGAsia

Getting the Balance Right

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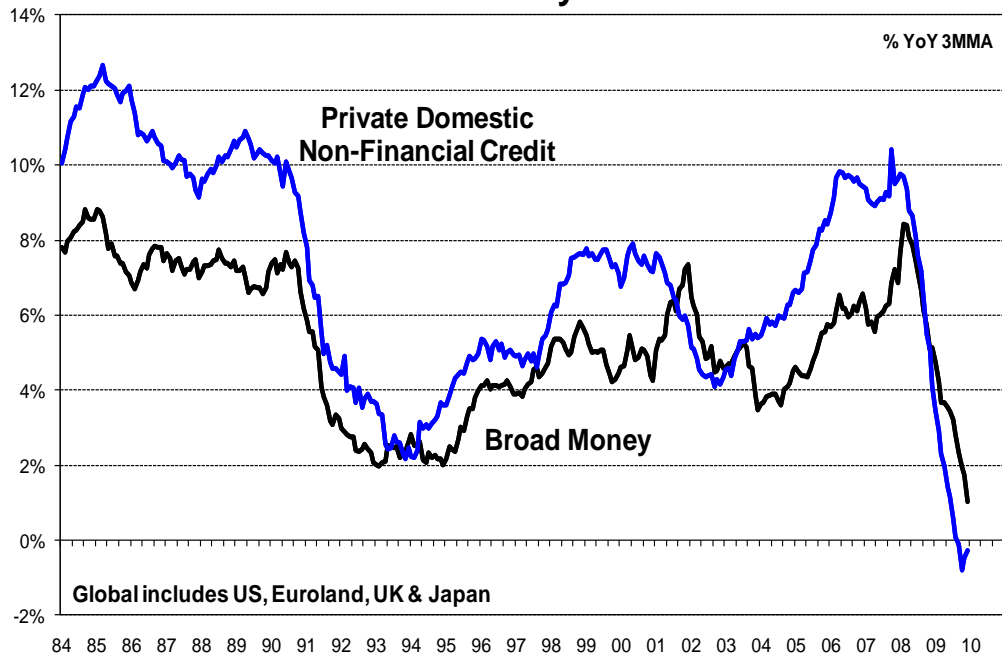


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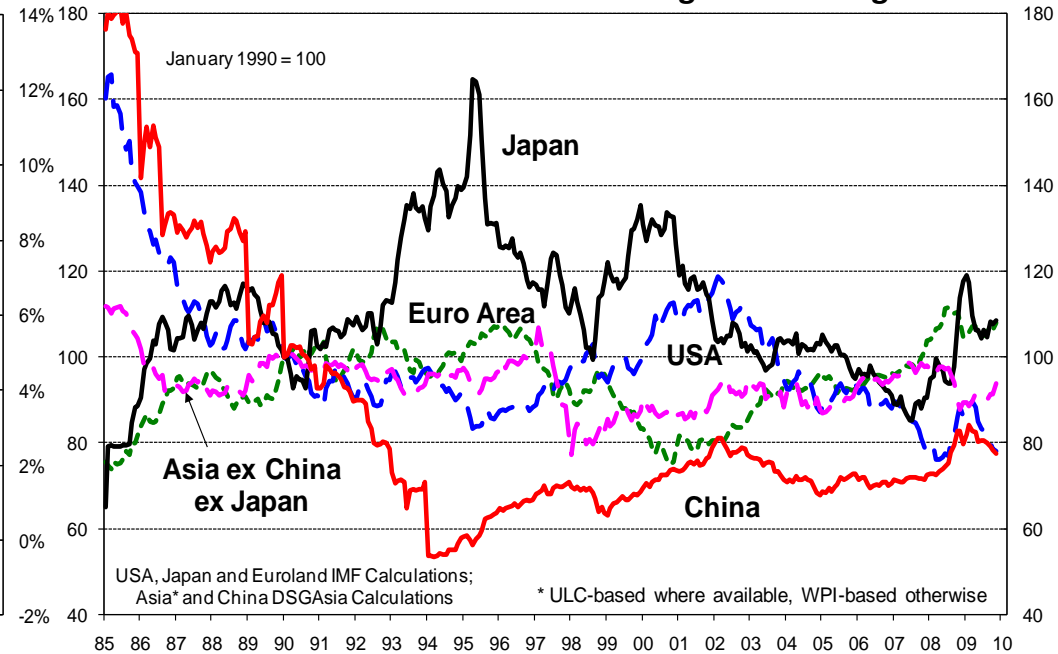
Independent Asian Economic & Political Analysis

Western deleveraging will be a multi-year process. Asia needs independent monetary/FX policies, and to get real about domestic demand re-orientation

Global Nominal Money and Credit Growth



Real Unit Labour Cost-Based Trade-Weighted Exchange Rates

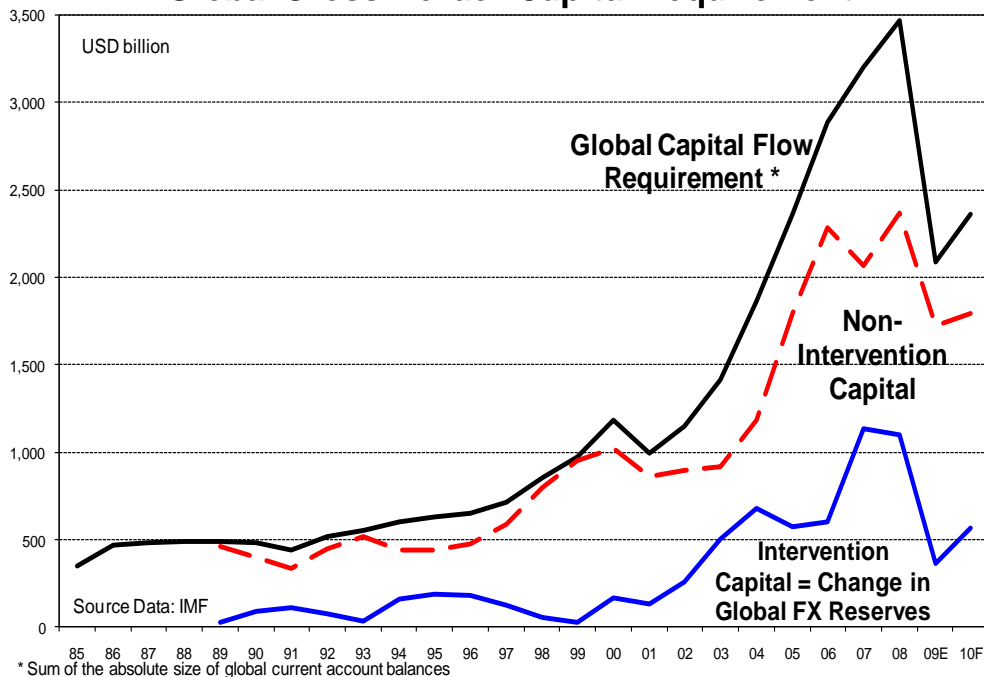


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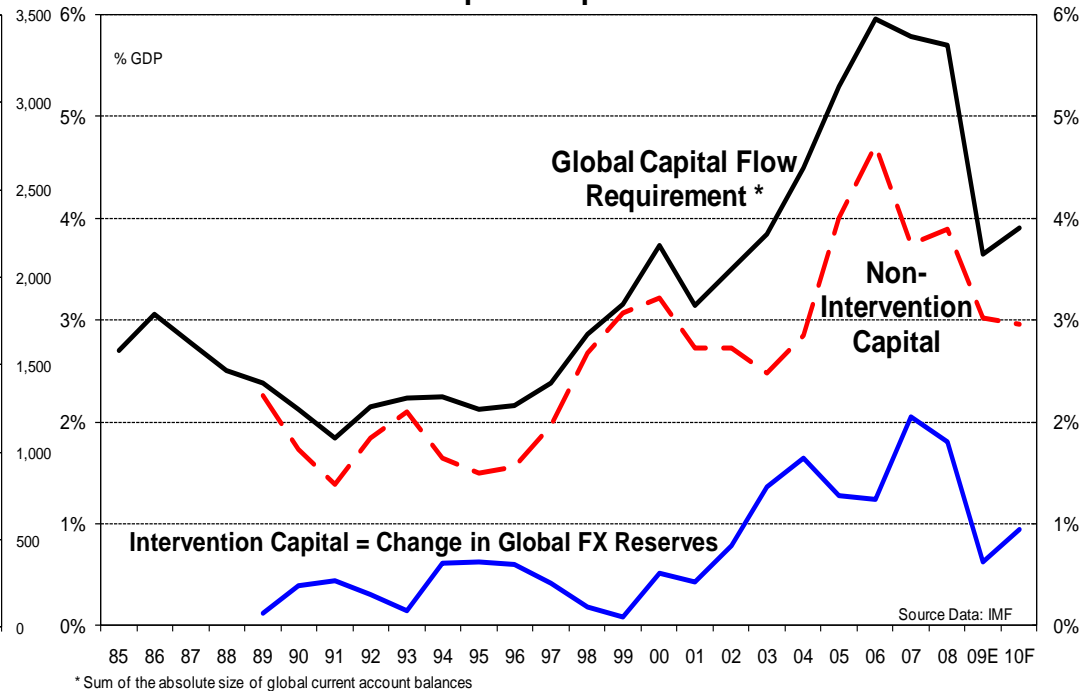
Independent Asian Economic & Political Analysis

Rebalancing has been only partial. Current account dispersion remains historically wide and is forecast to get wider again

Global Cross Border Capital Requirement

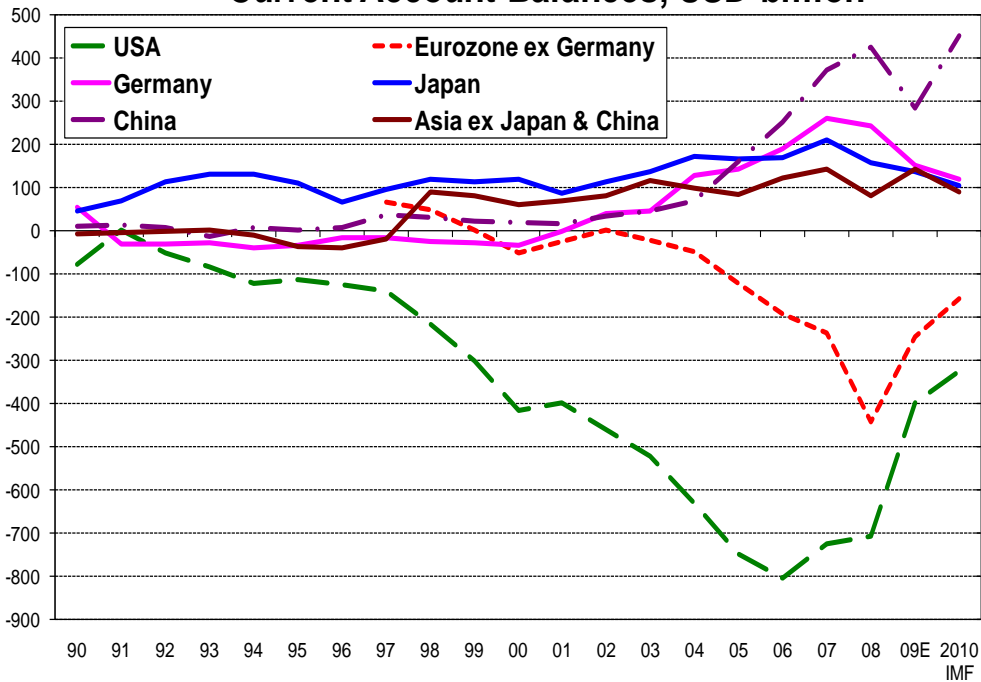


Global Cross Border Capital Requirement as a % of Global GDP

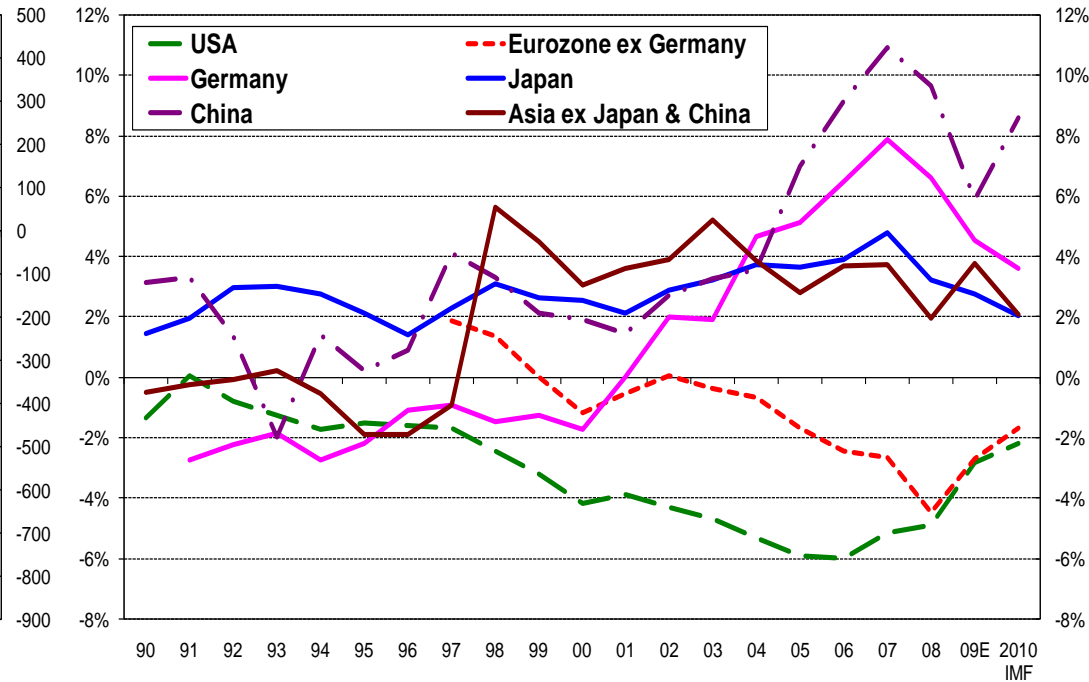


American and European balances have narrowed but there has been little significant adjustment in Asia

Current Account Balances, USD billion

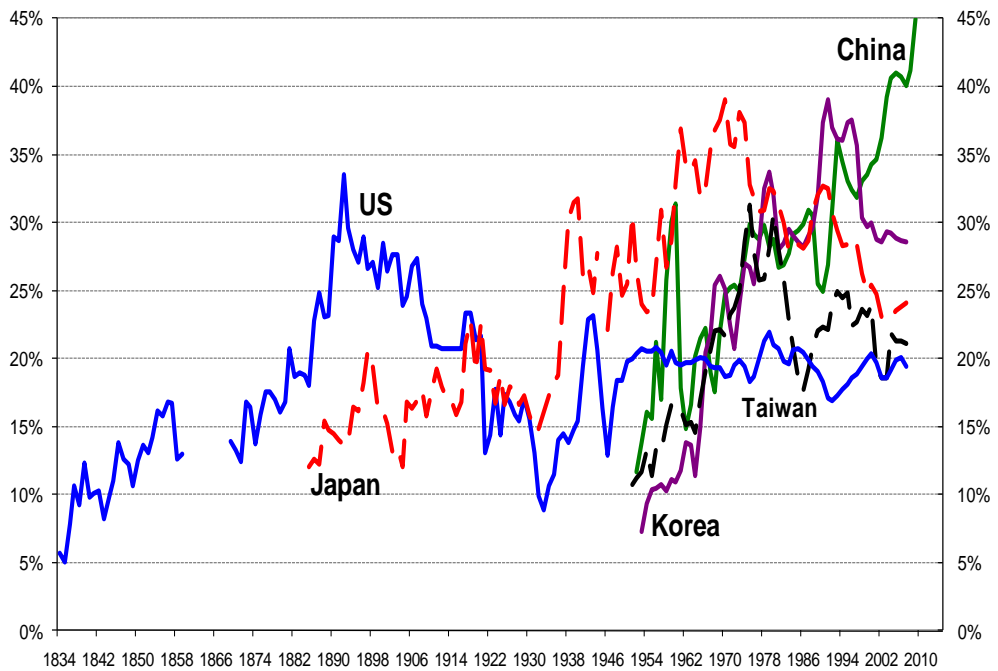


Current Account Balances as a % of GDP



China's FAI was not that abnormal until 2009. Few Asian countries are internally capital constrained but rather the incentives to invest have been lacking

Fixed Investment as a % of GDP



Investment as a Percentage of GDP

