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APPENDIX

APPENDIX A. Key Indicators of selected East Asian Countries.

A.1 CHINA

General

China has one of the longest international boundaries in the world (about 5,000 kilometer long) and the largest population (currently 12,437 millions people). In the north and north-west, its border is shared with Mongolia, Russia, Tajikistan, Kyrgyzstan, and Kazakhstan. In the west, it meets Afghanistan and Pakistan, while India, Nepal, Bhutan, Myanmar, Laos and Vietnam lie to the south. So far, China's relation with its Asian neighbors is always testy. None are more difficult than those with Taiwan but over last two years, they have brought some relation improvements. Beside, problems in Tibet have eased in recent years. China's population relies mostly on collective agriculture for its livelihood, with rice being the main food crop. Cash crops such as tea, sugar, cotton and fibre crops are also grown, and the farm production have been on the rise but is no where near matching the demands of the ever-growing Chinese population. Rapid changes had been experienced in China recently due the creation of free economic zones, especially in the east and south-east, that have led to massive expansion in the industry sector¹.

Beginning in late 1978 the Chinese leadership has been trying to move the economy from a sluggish Soviet-style centrally planned economy to a more market-oriented economy but still within a rigid political framework of Communist Party control. To this end the authorities switched to a system of household responsibility in agriculture in place of the old collectivization, permitted a wide variety of small-scale enterprise in services and light manufacturing, and opened the economy to increased foreign trade and investment. The result has been a quadrupling of GDP since 1978. Agricultural output doubled in the 1980s, and industry also posted major gains. In late 1993, China's leadership approved additional long-term reforms aimed at giving still more play to market-oriented institutions and at strengthening the center's control over the financial system; state enterprises would continue to dominate many key industries in what was now termed "a socialist market economy". In 1995-1997, inflation dropped sharply, reflecting tighter monetary policies and stronger measures to control food prices. The next few years may witness increasing tensions between a highly

¹ "The World Economic Factbook 1998/9", 6th Edition, p.126.

centralized political system and an increasingly decentralized economic system. Economic growth probably will slow in 1999-2000.

In sum, Chinese has been largely successful in enhancing economic performance and accelerating structural change towards a market economy.

GDP

Recent economic growth has exceeded its population growth, which indicate that there is an improvement of the overall standard of living of the country. Economic growth in China from 1993 to 1998 is ranging between 13.5 to 7.8 % (by 13.5, 12.6, 10.5, 9.7, 8.8, 7.8 respectively). In 1997, China economic performance was characterized by sustained high economic growth with low inflation (2.8 percent). The real GDP growth rate in 1997 is 8.8 percent, which a bit lower than in 1996 for 0.9 percent. In 1998, its growth rate falls to 8.8 percent and expected to continue to decline next year.

INFLATION

China has experienced high inflationary pressure twice (during 1988-1989, and again in 1994). During the period of double-digit inflation (1990-1994), the inflation rate was increased sharply from 3.1 to 24.1. After that, growth in consumer price slowed to 8.3 percent in 1996 and substantially further to only 2.8 percent in 1997 and -0.8 percent in 1998. The slowing of inflation reflects a number of factors, including the tight fiscal and monetary policies applied for three years, the continued restructuring of industry which increased efficiency in the industrial sector, and the continued development of competition in retail and wholesale markets.

CURRENT ACCOUNT BALANCE

From a surplus of US\$ 7.2 billion in 1996, which had been built on the back of impressive performances of US\$ 1.618 billion in 1995, and US\$ 6.908 billion in 1994, the Chinese current account balance rose to a very acceptable US\$ 29.718 billion in 1997. The merchandise trade balance, which improved strength to strength from US\$ 7.29 billion in 1994, after a massive deficit of US\$ 10.654 billion the year before, improved to US\$ 18.05 billion in 1995, and moderately rose to US\$ 19.535 billion in 1996, before posting a record US\$ 41.222 billion in 1997. Total exports also performed impressively rising from US\$ 58.919 billion in 1991 to a peak of an amazing US\$ 183.53 in 1998, while the

imports have also grew simultaneously and in 1998, was reported as US\$ 136.92, the highest amount over the last 10 years.

EXCHANGE RATE

1994 saw the successful depreciation of the renminbi (RMB), which has since remained very stable, and had even managed an appreciation from 8.6187 in 1994, to 8.3514 in 1995, and ending 1998 with an impressive 8.279. The strength of the RMB has been based on the continuous current account surplus over the last four years, as well as significant improvement in the domestic inflation performance, strong inflow of foreign direct investment and the abundant foreign reserve, and all these factors will be significant in helping the RMB to remain stable in the future².



² "1998 APEC Economic Outlook", p.137.

CHINA

Overall Economic Performance	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
GDP at market price (Yuan Bn)	879.2	1013.3	1178.4	1470.4	1646.6	1832	2128	2586.4	3450.1	4711.1	5940.5	6936.6	7607.7	8111.9
Real GDP growth (%)	n/a	n/a	11.7	11.3	4.1	3.8	9.2	14.2	13.5	12.6	10.5	9.7	8.8	7.8
GDP deflator (1995=100)	38.1	40.3	42.1	47.2	50.7	54.4	57.8	61.5	72.3	87.7	100	106.6	107.4	n/a
Consumer Price Inflation	n/a	n/a	7.2	18.7	18.3	3.1	3.5	6.3	14.6	24.2	16.9	8.3	2.8	-0.8
Merchandise Exports (US\$ Bn)	25.108	25.756	34.734	41.054	43.22	51.519	58.919	69.568	75.659	102.56	128.11	151.08	182.67	183.53
Merchandise Imports (US\$ Bn)	38.231	34.896	36.395	46.369	48.84	42.354	50.176	64.385	86.313	95.271	110.06	131.54	136.45	136.92
Merchandise Trade Balance (US\$ Bn)	-13.123	-9.14	-1.661	-5.315	-5.62	9.165	8.743	5.183	-10.654	7.29	18.05	19.535	41.222	46.62
Government Budget (Yuan Bn)	2.16	-8.29	-6.28	-13.4	-15.89	-14.65	-23.71	-25.88	-29.33	-57.45	-58.15	-52.96	-58.25	-91.8
Domestic and Foreign Debt	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Current Account Balance (US\$ Bn)	-11.417	-7.034	0.3	-3.802	-4.317	11.997	13.272	6.401	-11.609	6.908	1.618	7.243	29.718	n/a
Capital Account Balance (US\$ Bn)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-0.021	n/a
Reserves excl gold (US\$ Bn)	12.728	11.453	16.305	18.541	17.96	29.586	43.674	20.62	22.387	52.914	75.377	107.04	142.76	149.19
Exchange rate (Yuan per US\$)	2.9367	3.4528	3.7221	3.7221	3.7651	4.7832	5.3234	5.5146	5.762	8.6187	8.3514	8.3142	8.2898	8.279
Unemployment Rate (%)	1.8	2	2	2	2.6	2.5	2.3	2.3	2.6	2.8	2.9	3	3	n/a
Population (millions)	1070.2	1086.7	1104.2	1121.9	1139.2	1155.3	1170.1	1183.6	1196.4	1208.8	1221.5	1232.1	1243.7	1248.1

A.2 INDONESIA

General

Indonesia is one of the most geographically dispersed country in the world, comprising of a large number of archipelagos of varying sizes, but their religion, Islam, is the factor that have kept the country together in the past. Unsurprisingly, Indonesia is the largest Muslim state in the world. Agriculture is still the main sector in the country, accounting for the bulk of GDP, with 70% of the total population engaged in the sector, producing such crops as copra, rubber, spices and coffee. Industry sector have been gaining importance over the last decade, and the heart of the country's manufacturing sector is the big conglomerates. The top 300 of these companies contribute about half of the country's total GDP, with most of them being controlled by ethnic Chinese, who account for only 4% of the population. Indonesia is the world's third largest tin producer and has reserves of petroleum, coal, nickle, gold and silver, with crude oil alone contributing about 80% of all foreign exchange revenues³.

Yet she was a relatively poor country until very recently. She achieved the status of a "middle-income" country by World Bank criteria only in 1981 when its national income per capita exceeded US\$ 500 after a sustained period of rapid growth in the 1970s. The basic macroeconomic indicators of the Indonesian economy are presented in Table 3.2. As can be seen, spectacular growth rates have been recorded since early 1970s. The rapid growth of the Indonesian economy has been accompanied by significant structural change in the 1980s.

However, nothing lasts, she was hit hard by financial and economic crises in late 1997 and early 1998. Her growth rate was drop sharply. The Indonesian government initially wavered on meeting the conditions it agreed to in exchange for a \$42 billion IMF assistance package, contributing to further loss in investor confidence and outflows of capital.

GDP

Indonesia's GDP growth rate, which had been improving steadily over the last 5 years, rose from 7.5 percent in 1994, to 8.2 percent in 1995, but had since fallen continuously to 8 percent in 1996, 4.6 percent in 1997, and was projected to fall further by a staggering 14.8 percent in 1999. The main reason for the decline was mainly due to the tightening of

³ "The World Economic Factbook 1998/9", 6th Edition, p.220.

monetary and fiscal policy by the government in an attempt to stabilize the economy, in order to address the financial crisis. The impact of the crisis was indeed being felt in all areas, and as a result, private consumption slowed to 4.5 percent growth, and government consumption was cut to 1.5 percent⁴. In 1998, almost all sectors of the economy, except for some agricultural and public utilities, experienced negative growth, with the largest output declines occurring in the construction, commerce, finance, services and manufacturing⁵.

The collapse of the rupiah in late 1997 and early 1998 caused GDP to contract by an estimated 13.7% in 1998 because of Indonesian firms' reliance on short-term dollar-denominated debt and high levels of non-performing loans in the banking sector.

INFLATION

At the dawn of the crisis, the consumer price inflation experienced a significant decline, falling from an average of 9 percent of the previous 2 years to a seven-year low of 6.6 percent. But the inflation rate picked up early in 1997, and rose to 11.6 percent. This reflected primarily the supply side pressures as the rupiah depreciation led to substantial increase in import prices while, on the domestic side, the long drought resulted in supply shortages of key foodstuffs leading to rising prices for these commodities⁶. The inflation rate also rose sharply the following year, with the increases of food prices, and other essential items, being mainly responsible.

CURRENT ACCOUNT BALANCE

Indonesia's account deficit decreased from US\$ 7.663 billion in 1996 to US\$ 4.889 billion in 1997, and US\$ 3.972 billion in 1998. In 1997, after the depreciation of the rupiah, the country's exports recorded a high of US\$ 56.298 billion, up from US\$ 50.188 billion from the year before, but have experienced a decline in 1998, falling back to US\$ 50.371 billion. The imports meanwhile also experienced the same roller coaster feeling, expanding from US\$ 44.240 billion in 1996, to US\$ 46.223 billion in 1997, before similarly falling back to a five-year low of US\$ 31.942 billion in 1998.

⁴ "1998 APEC Economic Outlook", p.150.

⁵ *ibid.* p.150.

⁶ 1998 APEC Outlook, p.150.

EXCHANGE RATE

After the financial crisis erupted, the rupiah immediately began to feel the spillover, and Bank Indonesia reacted by widening the intervention band from 8 to 12 percent. And the government tightens the monetary policy concurrently to counter possible speculative activities. But the measures could not be upheld, and under mounting pressure, the government abandoned the intervention band and opted for free floating exchange rate system instead. Under the new system, the Rupiah-US\$ exchange rate underwent dramatic changes, about 75 percent lower than the pre-crisis rate, from 2,909.4 in 1997, to 10,013.6 in 1998. During the year, the monthly average ranged from a high of 7,950 in April, to a low of 13,555 in June.

INDONESIA

Overall Economic Performance	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
GDP at market price (Rupiah Bn)	98,406	110697	128630	149395	179608	210866	249969	282395	329776	382220	454514	532568	625506	989573
Real GDP growth (%)	2.5	5.9	4.9	5.8	7.5	7.2	6.9	6.5	6.5	7.5	8.2	8	4.6	-14.8
GDP deflator (1995=100)	41.4	44	48.7	53.5	59.8	65.5	72.6	77	84.4	91	100	108.5	121.8	217.7
Consumer Price Inflation	4.7	5.8	9.3	8	6.4	7.8	9.4	7.5	12.5	9.6	9	6.6	11.6	57.6
Merchandise Exports (US\$ millions)	18527	14396	17206	19509	22974	26807	29635	33796	36607	40223	47454	50188	56298	50371
Merchandise Imports (US\$ millions)	12705	11938	12532	13831	16310	21455	24834	26774	28376	32322	40921	44240	46223	31942
Merchandise Trade Balance (US\$ millions)	5822	2458	4674	5678	6664	5352	4801	7022	8231	7901	6533	5948	10075	18429
Government Budget (Rupiah Bn)	-948	-3621	-1037	-4388	-3362	798	982	-1096	2018	3581	10085	7647	8748	
Domestic and Foreign Debt (Rupiah Bn)	31209	53596	65205	80245	78503	89469	91607	110995	123658	139780	140010	127407	454987	
Current Account Balance (US\$ millions)	-1923	-3911	-2098	-1397	-1108	-2988	-4260	-2780	-2106	-2792	-6431	-7663	-4889	3972
Capital Account Balance (US\$ millions)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Reserves excl gold (US\$ millions)	4974	4051	5592	5048	5454	7459	9258	10449	11263	12133	13708	18251	16587	22713
Exchange rate (Rupiah per US\$)	1110.6	1282.6	1643.8	1685.7	1770.1	1842.8	1950.3	2029.9	2087.1	2160.8	2248.6	2342.3	2909.4	10013.6
Unemployment Rate (%)	2.1	2.6	2.6	2.8	2.8	2.5	2.6	2.7	2.8	4.4	n/a	n/a	n/a	n/a
Population (millions)	164.63	168.35	172.01	175.59	179.14	179.48	181.39	184.49	187.59	190.68	194.75	196.81	199.87	204.42

A.3 JAPAN

General

It is an amazing fact that one of the world's biggest and most powerful economy, is a country that comprises four volcanic islands and a number of smaller islands. Half of the country GDP comes from the manufacturing sector, for which Japan is known for her sophisticated high-technology products and her motor industries, both of which are produced mainly for export purposes. Other important industries include steel, shipbuilding, chemical and consumer electronics. Agriculture is the main activity in most non-urban areas, though farms are generally small and inefficient. Rice, wheat, fruit and vegetable are grown mainly for the domestic market, with fishery being another important industry. Japan depends heavily on imported oil and gas, since she does not have many indigenous oil or gas reserves, this is also the reason that makes Japan the world's third largest producer of nuclear power⁷.

Government-industry cooperation, a strong work ethic, mastery of high technology, and a comparatively small defense allocation (1% of GDP) have helped Japan advance with extraordinary rapidity to the rank of second most powerful economy in the world. One notable characteristic of the economy is the working together of manufacturers, suppliers, and distributors in closely knit groups called keiretsu. A second basic feature has been the guarantee of lifetime employment for a substantial portion of the urban labor force; this guarantee is eroding. Industry, the most important sector of the economy, is heavily dependent on imported raw materials and fuels. The much smaller agricultural sector is highly subsidized and protected, with crop yields among the highest in the world. Usually self-sufficient in rice, Japan must import about 50% of its requirements of other grain and fodder crops. Japan maintains one of the world's largest fishing fleets and accounts for nearly 15% of the global catch. For three decades overall real economic growth had been spectacular: a 10% average in the 1960s, a 5% average in the 1970s, and a 4% average in the 1980s. Growth slowed markedly in 1992-95 largely because of the aftereffects of over-investment during the late 1980s and contractionary domestic policies intended to wring speculative excesses from the stock and real estate markets. Growth picked up to 5.2% in 1996, largely a reflection of stimulative fiscal and monetary policies as well as low rates of inflation. But in 1997-1998, Japan experienced a

⁷ "The World Economic Factbook 1998/9", 6th Edition, p.234

wrenching recession, centered about financial difficulties in the banking system and real estate markets and exacerbated by rigidities in corporate structures and labor markets.

GDP

During the late 1980s and early 1990s, the Japanese economy was riding a high wave, recording GDP growth rates of 4.8 percent in 1989, 5.2 percent in 1990, and 3.8 percent in 1991. But things had lowed down somewhat since then, and the Japanese economy did not actually regain its momentum again until 1996, after recording a record high 5.2 percent growth rate. But it did not last very long at all, as it declined sharply in 1997, to 1.4 percent, a decline which was exacerbated by the shift in demand induced by the increase of the consumption tax from 3 percent to 5 percent earlier in the year, which caused a surge in household spending ahead of the new tax rate. The problem was compounded further by the Asian financial crisis, as well as domestic issues such as the failure of some major financial institutions. As a result, the GDP growth rate contracted by 3 percent in 1998.

INFLATION

The Japanese Consumer Price Inflation rate had been successfully kept at a very low level over the last 15 years, except maybe in the early 1990s, when the rate strayed into 3.1 percent in 1990, and 3.3 percent in 1991. The new consumption tax from 3 percent to 5 percent early in 1997, also had its impact on the inflation rate causing the rate to rise to 1.7 percent from 1996's 0.1 percent. However, excluding the effect of the tax increase, the consumer prices in Japan remained stable in 1997, for the third consecutive year, reflecting the weakness of the level of overall economic activity and the effects of structural reforms. It is notable that Japan's consumer price stability has been achieved despite steep increases in import prices since mid-1995 when the yen's trend appreciation against the US dollar was reversed⁸.

CURRENT ACCOUNT BALANCE

The Japanese current account balance had been doing very well over the last two decades, due to a large part to its strong export industry and relatively tight import restrictions. The current account surplus

⁸ 1998 APEC Outlook, p.158.

increased steadily US\$ 65.88 billion in 1996 to US\$ 94.35 billion in 1997, which reflected the fall of the oil price as well as the weak domestic demands. In 1998, the figure was recorded at US\$ 120.7 million, which is undeniably an impressive figure, and this was achieved not because Japan was not affected by the Asian financial crisis, for she was affected indirectly at least, and as a result her exports also took a hit, declining from US\$ 125,746 billion in 1997 to US\$ 110.379 billion in 1998. But interestingly the import declined was a major factor, falling from a record high of US\$ 124,628 billion in 1997, to a five-year record low of US\$ 95,702 billion.

EXCHANGE RATE

The 1985 exchange rate was 238.54 yen to the dollar, but the following it appreciated to 168.52. This is still a remarkable amount comparing to the historic peak in 1995 of 94.06 yen to the dollar. But the yen continued to depreciate after 1995, and the average rate for 1996 was 108.78. In 1997, the year of the financial crisis in Asia, the currency slipped and depreciated further, 120.99 yen to the dollar. 1998 followed in the same trend, as the yen fell weaker, and the exchange rate was 130.91 yen to the dollar.

JAPAN

Overall Economic Performance	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
GDP at market price (Yen Bn)	320,419	335457	349760	373973	399998	430040	458299	471064	475381	479260	483220	499861	506977	497218
Real GDP growth (%)					4.8	5.2	3.8	1	0.3	0.7	1.4	5.2	1.4	-3
GDP deflator (1995=100)	88.7	90.5	90.6	91.2	93.2	95.6	98.2	99.9	100.5	100.6	100	99.5	100.1	n/a
Consumer Price Inflation	2	0.6	0.1	0.7	2.3	3.1	3.3	1.7	1.3	0.7	-0.1	0.1	1.7	0.6
Merchandise Exports f.o.b. (US\$ Bn)	175.46	206.42	225.51	260.88	270.99	282.31	308.17	332.56	352.66	385.7	428.72	400.28	409.24	374.04
Merchandise Imports f.o.b. (US\$ Bn)	120.17	115.23	133.93	168.64	190.87	213.02	212.08	207.79	213.24	241.51	296.93	316.72	307.64	251.66
Merchandise Trade Balance (US\$ Bn)	55.29	91.19	91.58	92.24	80.12	69.28	96.08	124.76	139.42	144.19	131.79	83.56	101.6	122.39
Government Budget (Yen Bn)	-15603	-15967	-12195	-9657	-11645	-6781	7759	1473	-7318	n/a	n/a	n/a	n/a	n/a
Domestic and Foreign Debt (Yen Bn)	174651	197184	211551	221844	232157	239932	187605*	196194*	212474*	n/a	n/a	n/a	n/a	n/a
Current Account Balance (US\$ Bn)	51.13	85.88	84.35	79.25	63.21	44.08	68.2	112.57	131.64	130.26	111.04	65.88	94.35	120.7
Capital Account Balance (US\$ Bn)	-0.42	-0.49	-0.77	-1.01	-1.39	-1.06	-1.2	-1.3	-1.46	-1.85	-2.23	-3.29	-4.05	-14.45
Reserves excl gold (US\$ millions)	26719	42257	80973	96728	83957	78501	72059	72623	98524	125860	183250	216648	219648	215471
Exchange rate (Yen per US\$)	238.54	168.52	144.64	128.15	137.96	144.79	134.71	126.65	111.2	102.21	94.06	108.78	120.99	130.91
Unemployment Rate (%)	2.6	2.8	2.8	2.5	2.3	2.1	2.1	2.2	2.5	2.9	3.2	3.4	3.4	4.1
Population (millions)	120.84	121.49	122.09	122.58	123.07	123.48	123.96	124.42	124.83	125.18	125.47	125.76	126.07	126.41

* Excludes foreign debt

A.4 KOREA

General

The Republic of Korea, is located on the bottom half of the Korean Peninsular, which is about 500 km off the coast of mainland China. The country's geographical features are mostly made up of mountainous areas, which have restricted the country's development somewhat. But despite the shortfall, the country's sophisticated industrial sector is as good as any in the West. The country's economic success, prior to the financial crisis, was based solely on the strength of the chaebols, the country's conglomerates, which produce electronics, textiles, motor vehicles, steel, as well as shipbuilding and food-processing. Korean's ten largest chaebols account for nearly a quarter of manufacturing output, but many have been hit hard by the financial crisis. The farming industry is also present, but play only a supporting role in the country's economy, with ginseng and silk being cultivated mainly for the export markets, while other crops growing activities are rather limited by the geographical features, with rice, barley, and beans being the main crops⁹.

As one of the Four Dragons of East Asia, South Korea has achieved an incredible record of growth. Three decades ago its GDP per capita was comparable with levels in the poorer countries of African and Asia. Today, its GDP per capita is seven times India's, 13 times North Korea's, and already near the lesser economies of the European Union. This success through the late 1980s was achieved by a system of close government business ties, including directed credit, import restrictions, sponsorship of specific industries, and strong labor effort. The government promoted the import of raw materials and technology at the expense of consumer goods and encouraged savings and investment over consumption. The Asian financial crisis of 1997-1998 exposed certain longstanding weaknesses in South Korea's development model, including high debt/equity ratios, massive foreign borrowing, and an undisciplined financial sector.

GDP

During the Asian miracle era, South Korea too was among one of the top performer, with one of the most impressive achievement being the double-digit growth in three consecutive years, with 12.4 percent growth

⁹ "The World Economic Factbook 1998/9", 6th Edition, p.382

in 1986, 11.5 percent in 1987 and 11.3 percent in 1988. And although the growth rate had dropped off somewhat in the subsequent years, it had never gone below the 5 percent mark. But when the crisis hit, it hit the Korean economy hard, and the GDP growth rate in 1998 contracted to a spectacular 7.6 percent.

INFLATION

The South Korean's Consumer Price Inflation rate was at an average level during the mid-1980s, with 2.5 percent in 1985, 2.8 percent in 1986, and 3 percent in 1987. However, the following year saw a major leap to 7.1, which later fell to 5.7 percent in 1989. But any sign of stability was quickly dismissed as the inflation rate rose again, this time to 8.6 percent in 1990, and a record high 9.3 percent in 1991. Things were looking up again in 1992, with the inflation rate falling to 6.2 in 1993, 4.8 percent in 1993, before again climbing up to 6.2 percent in 1994. The pre-crisis years saw the inflation rate stabilize somewhat with only little fluctuation between 1995-1997. But in 1998, following the outbreak of the crisis, the consumer price inflation once again rose to a high of 7.5 percent.

CURRENT ACCOUNT BALANCE

The current account had posted consecutive surpluses since November 1997, resulting in a cumulative surplus of US\$ 21.26 billion in the first six months of 1998. Prior to the crisis, Korea's current account balance had been mixed. There were four consecutive surplus years between 1986 to 1989, due to strong export performances, and a relatively low import. Since 1989 however, the import value had caught up to the export value resulting a string of consecutive account deficit years. But immediately after the crisis, the account balance seems to be stabilizing, most probably due to the decrease in imports.

EXCHANGE RATE

In 1985, the won/dollar exchange rate was at 870.2, and two years later, in 1987 it appreciated to 822.57 won to the dollar. In 1989, it recorded a record exchange rate at 671.46 won to the dollar, but that mark had never again been reached. The following years, the won became weaker and weaker against the US dollar, and it fluctuated between 750 to around 800 won to the dollar. In 1997, it recorded a high of 951.29, which was to be followed in 1998 by 1401.44 won to the US dollar.

KOREA

Overall Economic Performance	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
GDP at market price (Won Bn)	82,062.0	95736	112130	133134	149165	179539	215734	240392	267146	305970	351975	389813	420987	449509
Real GDP growth (%)	6.9	12.4	11.5	11.3	6.4	9.5	9.2	5.4	5.8	8.6	8.7	7.3	5.5	-7.6
GDP deflator (1995=100)	53.9	56.3	59.2	63.1	66.5	73.1	80.4	84.9	89.5	94.7	100	103.7	106.7	121
Consumer Price Inflation	2.5	2.8	3	7.1	5.7	8.6	9.3	6.2	4.8	6.2	4.5	4.9	4.4	7.5
Merchandise Exports f.o.b. (US\$ millions)	26633	34128	46560	59973	61832	63659	70541	76199	82089	94964	124632	129968	138619	126400
Merchandise Imports f.o.b. (US\$ millions)	26653	29829	39031	48690	57471	66109	77344	77954	79771	97824	129076	144933	141798	916000
Merchandise Trade Balance (US\$ millions)	-20	4299	7529	11283	4361	-2450	-6803	-1755	2318	-2860	-4444	-14965	-3179	-789600
Government Budget (Won Bn)	-943	-86	478	2009	285	-1207	-3494	-1188	1704	984	1035	431	-5747	n/a
Domestic and Foreign Debt (Won Bn)	12751	13576	14417	13516	14144	14927	24837	27737	28998	30466	31537	33687	47045	n/a
Current Account Balance (US\$ millions)	-795	4709	10058	14505	5361	-2003	-8317	-3944	990	-3867	-8507	-23006	-8167	34200
Capital Account Balance (US\$ millions)	-93	-96	-209	-353	-318	-331	-330	-407	-475	-437	-488	-598	-608	n/a
Reserves excl gold (US\$ millions)	2869.3	3319.6	3583.7	12346.7	15213.6	14793	13701.1	17120.6	20228.2	25639.3	32677.7	34037.1	20367.9	51974.5
Exchange rate (Won per US\$)	870.02	881.45	822.57	731.47	671.46	707.76	733.35	780.65	802.67	803.45	771.27	804.45	951.29	1401.44
Unemployment Rate (%)	4	3.8	3.1	2.5	2.6	2.4	2.3	2.4	2.8	2.4	2	2	2.6	6.8
Population (millions)	40.81	41.21	41.62	42.03	42.45	42.87	43.3	43.75	44.19	44.64	45.09	45.54	45.99	46.43

A.5 MALAYSIA

General

One of the largest country in the Asia-Pacific group, Malaysia is made up of 11 states of Peninsular Malaysia, as well as a number of other small islands. Manufacturing had been contributing greatly to the country's impressive growth prior to the financial crisis, but had been hit hard, and is currently recovering slowly. The sector is experiencing massive transformation, from relying mainly on the processing of traditional raw materials to industrial chemicals, fertilizers, engineering industries, automobile productions, electronic components and consumer electronics. Unlike many other developing economies, where the agriculture sector plays only a supporting role to the industrial sector, and is limited to only providing for the domestic market, Malaysia's agriculture sector is an important foreign exchange earner, exporting such products as rubber, palm oil, cocoa, coconuts, peppers, sugar-cane and tea. Malaysia is the world's biggest tin producer and has extensive reserves of coal and gold. The timber industry is also an important industry for Malaysia¹⁰.

Malaysia is the star economy in South East Asia, posting an average annual growth of over 8 percent during 1988-1995. After a decade of 8 percent average GDP growth, the Malaysian economy—severely hit by the regional financial crisis – contracted to 6 % in 1998. Malaysia will likely remain in recession for the first half of 1999. Prime Minister MAHATHIR has imposed capital controls to protect the local currency while cutting interest rates to stimulate the economy. However, Malaysia aspires to reach a developed country status in the year 2020.

GDP

As another star performer in the Asian miracle era, Malaysia's success was built on a strong economic base. After recording a negative growth in 1985, Malaysia progressed cautiously and never looked back. In 1986, the GDP growth was a modest 1.2 percent, which expanded to 5.4 percent in 1987. The powerful performances then began in 1988, when the real GDP growth rate jumped to an amazing 9.9 percent, and it was maintained in 1989 with 9.1 percent, then 9 percent in 1990, 9.5 percent in 1991, and 8.9 percent in 1992. The success continued in 1993

¹⁰ "The World Economic Factbook 1998/9", 6th Edition, p.274

with a growth rate of 8.3 percent, which rose to 9.2 percent in 1994, 9.5 percent in 1995, and 8.6 percent in 1996, making it arguably one of the most consistent performance of sustained growth in Asia. In 1997, with the dawn of the crisis, the country's GDP growth rate took a hit and dropped to 7.8 percent growth rate, the first time it had been under 8 percent since 1987. In 1998, the economy suffered further, and the GDP growth rate contracted by 6 percent.

INFLATION

From 1985 to 1990, the Malaysian consumer price inflation rate was relatively low, never exceeding the 3 percent mark. But since then, the rate had continually rose, and reached a high of 4.8 percent in 1992. This was followed by a slight decrease to 3.5 and 3.7 percent in 1993 and 1994 respectively. The consumer inflation rate reached a record 5.3 percent in 1995, before dropping down to 3.5 percent the following year. 1997 saw a seven-year record low rate with 2.7 percent, but the effect of the financial crisis caused the rate to jump to 5.3 percent in 1998.

EXCHANGE RATE

During the crisis, when all her neighbors were all bowing out to the pressure from the IMF to implement massive scale radical reforms, Malaysia was the only one who stood her ground, and adopted a system of her own, instead of following the others by devaluating the ringgit, they adopted a currency board system, which was very successful in stabilizing the ringgit against speculative attacks. The ringgit had been quite stable prior to the crisis, which not much fluctuations at all since 1985, and had been trading at about 2.5 ringgit to the US dollar on average. Following the crisis, the rate went up only slightly to 3.9244 from 2.8132 in 1997, reflecting the government's effectiveness in putting the situation under control.

MALAYSIA

Overall Economic Performance	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
GDP at market price (Ringgit Millions)	77,547.0	71594	79625	90861	102451	115701	132381	148537	165206	190274	218671	249503	275367	282600
Real GDP growth (%)	-1.1	1.2	5.4	9.9	9.1	9	9.5	8.9	8.3	9.2	9.5	8.6	7.8	-6
GDP deflator (1995=100)	74.7	68.2	72	75.5	77.9	80.2	84.5	88	90.3	95.2	100	105.1	107.7	n/a
Consumer Price Inflation	0.3	0.7	0.3	2.6	2.8	2.6	4.4	4.8	3.5	3.7	5.3	3.5	2.7	5.3
Merchandise Exports f.o.b. (US\$ millions)	15251	13655	17877	20980	24776	28806	33712	39823	46238	56897	71767	76881	77881	72437
Merchandise Imports f.o.b. (US\$ millions)	11677	10441	12093	15553	20498	26280	33321	36673	43201	55320	71871	73055	74005	59809
Merchandise Trade Balance (US\$ millions)	3574	3214	5784	5427	4278	2526	391	3150	3037	1577	-104	3826	3876	12628
Government Budget (Ringgit Millions)	-4407	-7506	-6153	-3290	-3410	-3437	-2640	-1243	354	4408	1861	1815	6627	-5002
Domestic & Foreign Debt (Ringgit Millions)	63882	74008	82425	89019	89945	94170	98800	97005	95898	93078	91369	89682	89919	103125
Current Account Balance (US\$ millions)	-600	-101	2575	1867	315	-870	-4183	-2167	-2991	-4520	-8469	-4596	-4792	3978
Capital Account Balance (US\$ millions)	-13	-21	-33	-58	-57	-48	-51	-40	-88	-82	-174	-252	-239	n/a
Reserves excl gold (US\$ millions)	4912	6027	7435	6527	7783	9754	10886	17228	27249	25423	23774	27009	20788	25559
Exchange rate (Ringgit per US\$)	2.483	2.5814	2.5196	2.6188	2.7088	2.7049	2.7501	2.5474	2.5741	2.6243	2.5044	2.5159	2.8132	3.9244
Unemployment Rate (%)	n/a	8.3	7.3	7.2	6.3	5.1	4.3	3.7	3	2.9	2.8	2.5	2.5	n/a
Population (millions)	15.68	16.11	16.53	16.94	17.35	17.76	18.33	18.76	19.21	19.66	20.11	20.55	21	21.39

A.6 THE PHILIPPINES

General

The Philippines is another Asian country that is made up of islands, 11 large islands and some 7,000 smaller island and atolls in fact. Unlike most of the other Asian economies, the country's most active sector is not the industry sector, or the manufacturing sector, but is in fact the service sector, which includes finance, trade, transportation, communications, and storage, and it accounts for over 40% of the country's GDP. Prior to the financial crisis, the manufacturing sector was growing rapidly, with the exports of textiles, clothing and electronic products and components, but has since taken a stumble. Farming activities accounts for two-fifths of GDP, with rice, maize, tobacco and coconuts being the main crops, but the country's agricultural sector is rather limited, and is constantly at the mercy of droughts and typhoons. The Philippines' mining industry is more fortunate, however, and with copper reserves in excess of 3.6 billion tones, she is Asia' biggest producer¹¹.

In 1998, the Philippine economy – a mixture of agriculture, light industry, and supporting services – deteriorated as a result of spillover from the Asian financial crisis and poor weather conditions. Growth fell to about -1.6% in 1998 from 5.2% in 1997. The government has promised to continue its economic reforms to help the Philippines match the pace of development in the newly industrialized countries of East Asia. The strategy includes improving infrastructure, overhauling the tax system to bolster government revenues, and moving toward further deregulation and privatization of the economy.

GDP

A number of internal and external factors were responsible for economic recession during 1983-1985. GDP declined by 6 percent in 1984 and by 4.3 percent in 1985. The economy recovered and grew by 6.7 percent in 1988. However, the recovery could not be sustained. In 1991, the economy contracted by 0.7 percent and GDP growth remained virtually flat during 1992. The economy picked up again and GDP grew by 4.4 percent in 1994 .

While her neighbors were hit hard by the financial crisis, the Philippines experienced only a modest decline in term of real GDP

¹¹ "The World Economic Factbook 1998/9", 6th Edition, p.340

growth falling from 5.9 percent from 1996, to 5.2 in 1997. However, the GDP growth rate experienced negative growth in 1998, when it declined to negative 1.6 percent.

INFLATION

The Philippines performed very poorly in terms of inflation. In the 1970s and 1980s, the average annual inflation rate was approximately 14 percent. However, the inflation rate fell drastically from nearly 19 percent in 1991 to 7.6 percent in 1993, although it rose to 9.1 in the following year.

The Philippines' 1997 inflation rate was 5.1 percent, down from 8.4 percent 1996, 8.1 in 1995 and 9.1 in 1994. Prudent monetary management and favorable fiscal performance enabled the economy to proceed along the path of non-inflationary growth, and much lower growth in food, beverages and tobacco prices also contributed significantly to the decrease¹². However, in 1998, the rate rose back up to a six-year record 9.7 percent.

CURRENT ACCOUNT BALANCE

Since the mid 1980s, the Philippines had been running a current account deficit, in 1990, it was US\$ 2,695 billion, which had increased to US\$ 3,016 billion in 1993, US\$ 2,950 billion in 1994, before dropping to US\$ 1,980 billion in 1995, but increased immediately the following year to US\$ 3,953 billion, and a record US\$ 4,351 billion in 1997. The Philippines' trade deficit fell sharply with the depreciation of the peso.

EXCHANGE RATE

Like all the other currencies of the region, the Philippines peso also underwent currency depreciation during the course of the financial crisis. After the depreciation in 1997, the peso shifted from 26.216 peso to the dollar in 1996, to 29.471 to the dollar after depreciation in 1997, and in 1998, the value of the peso against the dollar was 40.893.

¹² 1998 APEC Economic Outlook, p.203

THE PHILIPPINES

Overall Economic Performance	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
GDP at market price (Pesos Bn)	571.9	608.9	682.8	799.2	925.4	1077.2	1248	1351.6	1474.5	1692.9	1906	2171.9	2423.6	2662.4
Real GDP growth (%)	6.3	3.4	4.3	6.7	6.1	3.2	-0.7	0.3	2.1	4.4	4.7	5.9	5.2	-1.6
GDP deflator (1995=100)	42.1	43.3	46.6	51.1	55.7	62.9	73.3	79.1	84.5	93	100	107.7	114.2	126.1
Consumer Price Inflation	23.1	0.8	3.8	8.8	12.2	14.1	18.7	8.9	7.6	9.1	8.1	8.4	5.1	9.7
Merchandise Exports f.o.b. (US\$ Millions)	4629	4842	5720	7074	7821	8186	8840	9824	11375	13483	17447	20543	25228	29496
Merchandise Imports f.o.b. (US\$ Millions)	5111	5044	6737	8159	10419	12206	12051	14519	17597	21333	26391	31885	36355	29524
Merchandise Trade Balance (US\$ Millions)	-482	-202	-1017	-1085	-2598	-4020	-3211	-4695	-6222	-7850	-8944	-11342	-11127	-28
Government Budget (Pesos Millions)	-11158	-30648	-16728	-23244	-19568	-37194	-26349	-15965	-21891	18114	11074	6256	1564	-49981
Domestic & Foreign Debt (Pesos Millions)	187932	239776	380005	425898	460110	552641	620238	713260	989822	955093	n/a	n/a	n/a	n/a
Current Account Balance (US\$ Millions)	-36	952	-444	-390	-1456	-2695	-1034	-1000	-3016	-2950	-1980	-3953	-4351	1287
Capital Account Balance (US\$ Millions)	n/a	1	2	n/a	n/a	n/a	n/a	1	n/a	n/a	n/a	n/a	n/a	n/a
Reserves excl gold (US\$ Millions)	615	1728	968	1003	1417	924	3246	4403	4676	6017	6372	10030	7266	9226
Exchange rate (Pesos per US\$)	18.607	20.386	20.568	21.095	21.737	24.311	27.479	25.512	27.12	26.417	25.714	26.216	29.471	40.893
Unemployment Rate (%)	n/a	6.4	9.1	8.3	8.4	8.1	9	9.8	9.3	9.5	9.5	n/a	n/a	n/a
Population (millions)	54.67	56	57.36	58.72	60.1	61.48	63.69	65.34	66.98	68.62	70.27	71.9	73.53	75.15

A.7 SINGAPORE

General

Singapore's wealth and success have relied on its harbor facilities, oil processing, and its highly developed telecommunication systems. Over the years, leading up to the financial crisis, Singapore had earned the central role in the development of the region. Manufacture had been the country's main pillar of strength, but the service sector have become more and more important, as the need for more knowledge-based activities is expected increases. The manufacturing sector have relied on high-technology manufacturers and big, capital intensive industries, such as chemical, engineering, oil-refining and steel. Singapore was one of the few Asian countries least affected by the crisis, the impact was indirect, when most of her Asian neighbors were hit by the crisis. Singapore is also ambitiously looking to pursue the goal of becoming a regional financial center, and with the advanced facilities and communication systems that she has in place, it will not be that difficult to realized¹³.

Singapore had economic difficulties (a mild recession) was in 1985-1986 when GDP declined by about 2 percent. The recession in major industrialized countries in the early 1990s was responsible for slower growth during 1991-1992. Strong growth resumed in 1993 when GDP grew by 10.4 percent. Despite the maturing of the economy, the strong growth is expected to continue. The strong growth of the economy helped reduce the unemployment rate from about 10 percent in 1970 and stood at less than 3 percent in 1980. The unemployment rate fell to 1.7 percent in 1990 and stood at less than 3 percent in 1993.

Singapore has an open economy with strong service and manufacturing sectors and excellent international trading links derived from its enterpot history. Extraordinarily strong fundamentals allowed Singapore to weather the effects of the Asian financial crisis better than its neighbors, but the crisis did pull GDP growth down to 0.3% in 1998 from 7.8% in 1997. Rising labor costs and appreciation of the Singapore dollar against its neighbors' currencies continue to be a threat to Singapore's competitiveness.

¹³ "The World Economic Factbook 1998/9", 6th Edition, p.370

GDP

From a growth contraction of 1.8 percent in 1985, Singapore had put on a very strong and impressive growth progress, arguably one of the most consistent performer of the reknown Asian tigers. From the contraction, the Singaporean rebounded to record a modest growth rate of 1.8 percent the following year, but after 1986, Singapore never looked back. 1987 saw a jump to 9.7 percent, this was followed by a record high 11.6 percent growth rate in 1988, and although this level had never again been reached, the rate remained stabled throughout the subsequent years, with a slight decline in the following years to 9.6 percent in 1989, 9 percent in 1990, 1991's 7.3 percent, and a six-year record low of 6.2 percent, which would undoubtedly still be regarded as a respectable number elsewhere. But the economy picked up again and the 1994 average jumped to 10.4 percent in 1993, 10.5 percent in 1994, the highest number since 1988, but declined to 8.7 percent in 1995, 6.8 percent in 1996, and expanding to 7.8 in 1997. The Asian financial crisis took its toll on the Singaporean economy with the GDP growth rate declining to 0.3 percent, which was still pretty good comparing to the turbulence faced by her neighbors, and the diversity of the economy was the main factor that kept the economy from falling apart.

INFLATION

The Consumer Price Inflation had been low throughout the last 15 years, and it only rose to a modest 2 percent in 1997, after recording a 1.4 percent in 1996. Price increases were largely domestically generated, due to higher prices of transport, private medical fees and administrative charges. In 1998, the rate further declined to 0.3 percent, the lowest it had been in 15 years, driven by retail competitions that saw car prices increases, as well as increases in other areas such as housing costs, food prices, education and health care costs¹⁴.

EXCHANGE RATE

The exchange rate of the Singaporean dollar against the US dollar had been very stable throughout the last 15 years. In 1985, the Singaporean dollar was trading at 2.2002 to the US dollar, and had been strengthening ever since, due probably to the pickup in the global electronics demands. Since 1989, the exchange rate has strengthen further

¹⁴ 1998 APEC Outlook, p.219.

and had since never been traded over the 2 dollar mark again. At its peak, the exchange rate was an impressive 1.41 Singaporean dollar to the US dollar in 1996, immediately prior to the financial crisis, and the immediate impact of the crisis was that the currency depreciated slightly to 1.41848 in the year of the crisis, and in 1998, it was at a seven-year record low at 1.6736.

SINGAPORE

Overall Economic Performance	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
GDP at market price (Sing.\$ Millions)	38,924.0	39264	43569	51642	59344	67879	75527	80936	94318	108217	120704	130775	142361	141242
Real GDP growth (%)	-1.8	1.8	9.7	11.6	9.6	9	7.3	6.2	10.4	10.5	8.7	6.8	7.8	0.3
GDP deflator (1995=100)	72.9	71.9	72.7	77.2	80.9	85	88.1	88.9	93.9	97.5	100	100.5	102.9	n/a
Consumer Price Inflation	0.5	-1.4	0.5	1.5	2.3	3.5	3.4	2.3	2.3	3.1	1.7	1.4	2	-0.3
Merchandise Exports f.o.b. (US\$ Millions)	23187	22738	29096	40703	45700	54679	61333	66565	77858	97919	118456	126010	125746	110379
Merchandise Imports f.o.b. (US\$ Millions)	24705	23679	30239	40675	46012	56311	61443	68387	80582	96565	117479	123786	124628	95702
Merchandise Trade Balance (US\$ Millions)	-1518	-941	-1143	28	-312	-1632	-110	-1822	-2724	1354	977	2224	1118	14677
Government Budget (Sing \$ Millions)	595	707	-2040	3139	689	6495	7591	9537	12998	13086	15870	18868	13612	23163
Domestic & Foreign Debt (Sing \$ Millions)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	94831*	102372*	115183*
Current Account Balance (US\$ Millions)	-4	319	-109	1937	2964	3122	4880	5915	4211	11400	14436	14509	15032	17614
Capital Account Balance (US\$ Millions)	n/a	n/a	-49	-55	-41	-22	-34	-38	-71	-84	-71	-139	-173	-226
Reserves excl gold (US\$ Millions)	12847	12939	15227	17073	20345	27748	34133	39885	48361	58177	68695	76847	71289	74928
Exchange rate (Singapore\$ per US\$)	2.2002	2.1774	2.106	2.0124	1.9503	1.8125	1.7276	1.629	1.6158	1.5274	1.4174	1.41	1.4848	1.6736
Unemployment Rate (%)	4.1	6.5	4.7	3.3	2.2	1.7	1.9	2.7	2.7	2.6	2.7	3	2.4	n/a
Population (millions)	2.48	2.52	2.55	2.85	2.93	3.02	3.09	3.18	3.26	3.36	3.47	3.61	3.74	3.87

* Excludes foreign debt

A.8 TAIWAN

General

Taiwan, located on a small island formerly known as Formosa, about 200 km off the coast of Mainland China, Taiwan, like some of the other island nations in Asia, be it Japan, Malaysia or Indonesia, have not been limited by their size at all. Taiwan had been China's main thorn on the side for a number of years, but recently, as China eased her pressure on Taiwan, the relationship between the two countries have been getting better. Taiwan's impressive industrial sector is well known for its sophistication and highly advanced technology. But Taiwan, unlike other big countries that rely on big conglomerates, has a large number of small, economically nimble companies as her bases. Electronics, computer components, vehicle manufacturing, engineering, textile and clothing, and pharmaceuticals are the main industries of the country, and they are supported by the country's modern infrastructures and transport facilities. However, Fishery is another important industry, and agriculture is still the major source of employment, producing sugar, yearn, rice, tea and bananas, vegetables and fruits for the domestic market¹⁵.

Taiwan tops the list of developing countries in terms of equity in income distribution. The second oil-price shock and the world recession in the early 1980s caused a deceleration of Taiwan's economic growth. However, it recovered faster than most other countries and economic growth peaked at 12.7 percent in 1987, after which it began decelerating again. The annual GDP growth rate fell to 3.8 percent in 1990. The economy is showing signs of maturity and has been growing at an average annual rate of 6-7 percent since 1991.

In sum, Taiwan has a dynamic capitalist economy with gradually decreasing guidance of investment and foreign trade by government authorities and partial government ownership of sum large banks and industrial firms. Real growth in GDP has averaged about 8.5% a year during the past three decades. Export growth has been even faster and has provided the impetus for industrialization. Inflation and unemployment are low, and foreign reserves are the world's third largest. Traditional labor-intensive industries are steadily being moved off-shore and replaced with more capital- and technology-intensive industries. Taiwan has become a major investor in China, Thailand, Indonesia, The Philippines, Malaysia, and Vietnam. Because of its conservative financial approach

¹⁵ "The World Economic Factbook 1998/9", 6th Edition, p.406

and its entrepreneurial strengths, Taiwan suffered little compared with many of its neighbors from “the Asian crisis” in 1998.

GDP

Taiwan’s GDP growth rate on 1997 at 6.8 percent, was the highest since 1992, and although nowhere near the double-digit growth of 11.6 percent in 1986, or 12.7 percent in 1987, it was still an impressive figure amidst the turmoil of the financial crisis. And although the trade surplus declined, strong performance in the service sectors and in the industrial production, driven by increases in private consumption and investment, helped prop up the GDP growth¹⁶. The GDP growth also got valuable contributions from 6.7 percent growth in the manufacturing sector, 14.0 percent growth in the real estate, 2.0 percent in the insurance sector and 2.6 percent from the financial sectors¹⁷. On the demand side, the main contributors to the growth of the GDP were, the growth of the private fixed investment which reached a five-year high of 15.6 percent, due to a 34.8 percent expansion in transport equipment investment and a 21.4 percent increase in machinery and equipment investment¹⁸.

INFLATION

From a high of 4.5 percent in 1992, the consumer inflation price went through ups and down, falling to 2.9 percent the following year, and then increased to 4.1 percent in 1994, dropped to 3.7 percent in 1995, 3.1 percent in 1996, 0.9 percent in 1997, and 1.7 percent in 1998. Prices were stable throughout 1997, partly due to the decline in the world prices of raw materials, which helped lower the prices of both import prices and wholesale prices.

Controlling inflation has always been a prime objective of Taiwan’s macroeconomic policy. The rate of increase of CPI was only 0.5 percent in 1987 when the annual GDP growth peaked. The low inflation outcome was achieved largely by very conservative fiscal and monetary policy.

¹⁶ 1998 APEC Outlook, p.225

¹⁷ *ibid.* p.225

¹⁸ *ibid.* p.225

CURRENT ACCOUNT BALANCE

Taiwan's current account surplus had been on the drop from US\$ 7,042 billion in 1993, to US\$ 6,498 billion in 1994, 1995's US\$ 5,474 billion, but picked up in 1996 and increased to US\$ 11,027 billion, but fell again to US\$ 7,688 billion in 1997 and US\$ 5,687 billion in 1998. The total value of both exports and imports have increased steadily over the last ten years, with the export peaking at US\$ 122,081 billion in 1997, a far cry from US\$ 53,678.7 in 1987. On the import side, 1997 was a big year also, with the amount recorded at US\$ 114,425 billion. However the proportion of growth in the import and export had been somewhat unbalanced, as the export of 1996 was US\$ 115,942 billion, and the import was US\$ 102,370 billion. The modest growth of exports was attributed to the Asian financial crisis, while the comparatively large increase in imports was attributed to several factors, including the increased demand for agriculture and raw material arising from economic recovery, and the increased demand for imported machinery and equipment¹⁹.

EXCHANGE RATE

Prior to the financial crisis, the New Taiwan dollar fluctuated around 26.00 to 27.00 to the US dollar, with a high of 25.4 in 1992, and a low of 39.85 in 1985. Towards the end of 1997, the Taiwanese currency was under great pressure to depreciate following the outbreak of the region's financial crisis. The Central Bank intervened and the exchange rate was kept somewhat stable, the rate before the crisis was around 26.63 NT to the dollar in 1993, 26.64 in 1994, before rising to 27.27 in 1995, 27.49 in 1996, and in the middle of the crisis reached 32.64 in 1997, but stabilized and appreciated to 32.22 in 1998.

¹⁹ 1998 APEC Economic Outlook, p.226

TAIWAN

Overall Economic Performance	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
GDP at market price (NT\$ Bn)	2,473.8	2855.18	3237.051	3523.19	3938.83	4307.04	4810.71	5337.69	5874.51	6376.50	6892.05	7477.54	8131.15	8746.93
Real GDP growth (%)	5	11.6	12.7	7.8	8.2	5.4	7.6	6.8	6.3	6.5	6	5.7	6.8	4.8
GDP deflator	0.6	3.4	0.6	0.9	3.3	3.8	3.9	3.9	3.5	1.9	1.9	2.7	1.9	2.6
Consumer Price Inflation	-0.2	0.7	0.5	1.3	4.4	4.1	3.6	4.5	2.9	4.1	3.7	3.1	0.9	1.7
Merchandise Exports (US\$ Millions)	30725.7	39861.5	53678.7	60667.4	66304.0	67214.4	76178.3	81470.3	85091.5	93048.8	111659	115942	122081	110582
Merchandise Imports (US\$ Millions)	20102	24181.5	34983.4	49672.8	52265.3	54716.0	62860.5	72006.8	77061.2	85349.2	103550	102370	114425	104665
Merchandise Trade Balance (US\$ Millions)	10623.7	15680	18695.3	10995	14039	12498	13318	9463.5	8030.3	7699.6	8108.8	13572	7656	5917
Government Budget	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Domestic and Foreign Debt	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Current Account Balance (US\$ Millions)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	7042	6498	5474	11027	7688	5687
Capital Account Balance (US\$ Bn)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Reserves excl gold (US\$ Millions)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	83573	92454	90310	88038	83502	86007
Exchange rate (NT\$ per US\$)	39.85	35.5	28.55	28.17	26.16	27.11	25.75	25.4	26.63	26.24	27.27	27.49	32.64	32.22
Unemployment Rate (%)	2.9	2.7	2	1.7	1.6	1.7	1.5	1.5	1.5	1.6	1.8	2.6	2.7	2.7
Population (millions)	19.258	19.455	19.673	19.904	20.107	20.353	20.557	20.752	20.944	21.126	21.304	21.471	21.683	21.871

A.9 THAILAND

General

Thailand is the largest state in the Indo-Chinese Peninsular, sharing the border with Myanmar to the North, Cambodia to the East, Malaysia to the South and Laos in the North-east. Thailand was among one of Asia's fastest growing group, before being halted quite abruptly by the financial crisis, which was perceived to be caused by the devaluation of the Thai Baht. However, prior to the crisis, Thailand was emerging as the automobile capital of Asia, when virtually every significant foreign manufacturer either had a factory or was planning to build one in the country. Thailand was also home to a number of other capital intensive industries, such as steel, bulk chemical, engineering and metal fabrication, while other labor intensive industries included textiles, clothing and electronics. Thailand is also blessed with abundant resources, such as tin, lead, iron and lignite, which account for a large proportion of the GDP and exports. A large proportion of the Thais are subsistence farmers growing such crops as rice, sugar, maize, and vegetable for the domestic market, and palm oil and fish for export. The tourism industry has also been growing in importance²⁰.

An inward-looking Thailand has become increasingly integrated with the regional and world economy since the mid-1980s. The share of Thailand's total trade in GNP has increased. Thailand is a major economic power in South East Asia and is vying to become a newly industrializing economy (NIE). However, after months of speculative pressure on the Thai Baht, the government decided to float the currency in July 1997, the symbolic beginning of the country's currency economic crisis. The crisis—which began in the country's financial sector—has spread throughout the economy. After years of rapid economic growth averaging 9-10 percent earlier this decade, the Thai economy contracted 0.4 % in 1997 and shrunk another 8.5% in 1998. In the years before the crisis, Thailand ran persistent current account deficits. With the depreciation of the Thai baht and the collapse of domestic demand, however, imports have fallen off sharply – by more than 33%. Foreign investment for new projects, the long-time catalyst of Thailand's economic growth, has also slowed.

²⁰ "The World Economic Factbook 1998/9", 6th Edition, p.412

GDP

Thailand economic growth was seemingly built on solid ground, and from the mid 1980s, she was one of Asia's top performer posting up highly impressive GDP growth rate and was looking set to become Asia's new tiger. In 1987, the real GDP growth rate was a glorious 9.5 percent, but that would be nothing compared to the record high 13.3 percent, and although that figure would never again be reached, Thailand still managed to perform admirably, with a 12.2 percent growth in 1989, and 11.2 percent in 1990. And although the growth figures in the early 1990s would never reach double digit figures again, they were still majestic enough, averaging around 8.3 percent growth rate right up to 1995. But signs were beginning to show, and the once impressive growth rate drop by 3.3 percent from 8.8 percent in 1995 to 5.5 percent in 1996. But worse was to follow, and the Thai real GDP growth rate declined to negative 0.4 percent following the financial crisis, and it further contracted by 8 percent in 1998.

INFLATION

The country's Consumer Price Inflation was relatively low during the early part of the 1980s, with 1.8 percent in 1986, but had continued to climb up since, increasing to 2.5 percent in 1987, 3.8 percent in 1988, 5.4 percent in 1989, and 6 percent in 1990. Immediately prior to the financial crisis the inflation rate was hovering around the high 5s, with 5 percent in 1994, 5.8 percent in 1995 and 1996, and a slight decline to 5.6 percent in the crisis year of 1997, before taking a big leap and ended 1998 with a record high 8.1 percent. The jump reflected a number of factors, including increase in food prices, higher import prices, and a rise in other goods prices caused by higher costs of production²¹.

CURRENT ACCOUNT BALANCE

Thailand had been recording a current account balance deficit for most of the years leading up to the crisis. Some years were dangerously higher than others such as in 1995 and 1996, when the deficits were reported at US\$ 13,554 million and US\$ 14,691 million respectively. Exports rebounded due to the lower value of the baht since 1997, while imports declined markedly in line with the contraction in domestic demand and the weakened currency which explains the 1998 current

²¹ 1998 APEC Outlook, p.234

account surplus of US\$ 14,230 million following a US\$ 3,024 million deficit the year before. One reason for the surplus was largely due to the decline in merchandise imports, from US\$ 55,100 million in 1997, to a six-year record low of US\$ 36,513 million.

EXCHANGE RATE

Prior to the financial crisis, the Thai exchange rate system was pegged to the US dollar, which helped stabilize the currency and the economy for a number of years. Under the old system, the baht was trading at an average of just over 25 baht to the US dollar. But when the currency showed sign of weakness, and came under speculative attacks from foreign speculators, the government tried to defend the currency until the very last possible second, before deciding to abandon the old system for the managed float exchange rate system, adopted on July 2, 1997. Under the new system, the baht depreciated significantly, and averaged 36.86 baht to the US dollar following the adoption of the new system, down from 25.343 baht to the US dollar in 1996. The final figure for 1997 was 31.364. In 1998, the rate was recorded at 41.359 baht to the US dollar.

THAILAND

Overall Economic Performance	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
GDP at market price (Baht Bn)	1,056.5	1133.4	1299.9	1559.8	1857	2183.5	2506.6	2830.9	3170.3	3630.8	4188.9	4598.3	4827.2	4835
Real GDP growth (%)	4.6	5.5	9.5	13.3	12.2	11.2	8.5	8.1	8.3	8.7	8.8	5.5	-0.4	-8
GDP deflator (1995=100)	62	63	66	69.9	74.2	78.5	83	86.7	89.6	94.3	100	106	106.1	116.3
Consumer Price Inflation	2.4	1.8	2.5	3.8	5.4	6	5.7	4.1	3.4	5	5.8	5.8	5.6	8.1
Merchandise Exports f.o.b. (US\$ Millions)	7059	8803	11595	15781	19834	22810	28232	32099	36398	44478	55447	54408	56652	52747
Merchandise Imports f.o.b. (US\$ Millions)	8391	8415	12019	17856	22750	29561	34221	36260	40694	48204	63415	63897	55100	36513
Merchandise Trade Balance (US\$ Millions)	-1332	388	-424	-2075	-2916	-6751	-5989	-4161	-4296	-3726	-7968	-9489	1552	16234
Government Budget (Baht Millions)	-38979	-34132	-8860	36099	65335	107049	100455	71793	55618	101239	134965	43303	-15061	-128951
Domestic & Foreign Debt (Baht Millions)	351136	413596	450842	437942	420040	371839	325692	300261	271406	219829	193630	175594	299547	674032
Current Account Balance (US\$ Millions)	-1537	247	-366	-1654	-2498	-7281	-7571	-6303	-6364	-8085	-13554	-14691	-3024	14230
Capital Account Balance (US\$ Millions)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Reserves excl gold (US\$ Millions)	2190	2804	4007	6097	9515	13305	17517	20359	24473	29332	35982	37731	26179	28825
Exchange rate (Baht per US\$)	27.159	26.299	25.723	25.294	25.702	25.585	25.517	25.4	25.32	25.15	24.915	25.343	31.364	41.359
Unemployment Rate (%)	3.7	3.5	5.9	3.1	1.4	2.2	2.7	1.4	1.5	1.3	1.1	1.1	0.9	n/a
Population (millions)	51.58	52.51	53.43	54.33	55.21	55.84	56.57	57.29	58.01	58.71	59.4	60	60.6	61.2

APPENDIX B. Country analysis on economic crises 1998

B.1 CHINA

Prior to the financial crisis, China's economic growth and success and eventual effect of the crisis can be summarized by looking at their real GDP growth, with 1996 posting an impressive 9.6% growth rate, which slowed down to 8.8% in 1997, and during the first stages of the crisis fell from 7.2% in the first half on 1998 to reach a low of 6.8% in the second quarter. But China weathered the storm bravely with a combination of monetary easing and acceleration of planned infrastructure development, which helped the real GDP growth to climb back to 7.6% in the third quarter of 1998. China's strength was characterized by the fact that she hung on and did not devalue the Yuan in the face of the storm.

China managed to confront the economic and financial turbulence in East Asia because of its profound external balances and rising foreign currency reserves, and having only partially liberalized the capital account. In 1998, China's foreign trade also suffered set back as their main trading partners' growth were on the decline, and so too were their import demand and capability. China devised a set of measures and reforms that were intended to support more rapid expansion in 1998, as well as stimulate the domestic concerns such as unemployment, declining price levels and weaker combative position internationally from the real exchange rate appreciation experienced vis-a-vis the crisis-hit economies of East Asia. China's adopted measures included:

Monetary and Exchange Rate Policy measures:

- China's policy regarding Monetary and Exchange rate included the implementation of tight monetary policy in 1997. But in 1998, the monetary policy was moderately lessened to stimulate the domestic demand in order to achieve the target growth rate of 8 per cent. Furthermore, maintaining the exchange rate stability was also given high priority. And in order to attract foreign investors, foreign trade enterprises were given the right to control 15 percent of their foreign exchange.

Banking and Financial Sector measures:

- Regarding the banking and financial sector measures, the Chinese government adjusted the interest rate downwards twice in 1998, and a unified saving reserve account was established while the Central Bank's reserve ratio and rediscount rate were both reduced to stimulate

demand. The government also acted to stop the free allocation and introducing monetary mechanism onto the housing area from July 1, 1998 to diversify residents' personal assets.

Trade-and FDI-related measures:

- To promote trade and FDI, China cut import tariffs and increase export refund rates of some products to foster trade, as well as opening most industries to FDI, and encouraged foreign businessman to invest in high-tech industry, infrastructure and enterprises' technology transformation.

Fiscal Policy:

- China implemented moderate expansionary fiscal policy, facilitates structural adjustments and issued more government securities to increase fiscal revenue.

State-Owned Enterprise reform:

- Concerning the state-owned enterprises, acceleration measures were adopted to transform and recognize the state-owned enterprises, encourage private investments, as well as to establish a modern enterprise system and modern banking supervision system.

B.2 INDONESIA

Indonesia had been one of the top performers in Asia prior to the economic crisis, when she was one of the hardest hit economies. The strategy of prudent microeconomic policies and gradual structural reforms had been instrumental in Indonesia's economic success, and since the 1970s, her economic growth had averaged 7 per cent per annum, which put Indonesia on the verge of being promoted to the middle income country list. But Indonesia's success was indeed based on shaky grounds – much like Thailand's bubble economy- with the weakness of the financial system being her shortfall, making her vulnerable to adverse external shocks, as was evident from the contagion effects from the regional crisis that led to an abrupt shifts in foreign exchange market sentiment towards the Rupiah in the middle of 1997. And when she fell from grace, she did so in a spectacular fashion, from mid-July 1997 to end July 1998, the cumulative depreciation of the Rupiah reached more than 70 per cent, and the Jakarta stock exchange index declined more than 50 per cent, and these declines were by far the largest in the region. And to combat these dramatic declines, Indonesia initiated a stabilization and reform program that was expected to provide the basis for economic recovery, as well as strengthen the economic foundation and prepare for

sustained long-term growth. The main elements of the program included further deregulation, trade liberalization, and privatization of state enterprises, and are being monitored closely by high level groups which includes the Secretary General of the Economic and Monetary Resilience Council. The measures adopted by Indonesia included:

Monetary and Exchange Rate Policy Measures:

- Under the monetary and exchange rate policy measures, Bank of Indonesia was given full authorization to conduct and implement monetary policies, while a new institution, The Indonesian Debt Restructuring Agency (INDRA), was established to provide protection against exchange rate risks and assure availability of foreign exchange for Indonesian debtors. Indonesia also revised the mechanism of Open Market Operation (OMO), and adopted a free floating exchange rate system.

Banking and Financial Sector measure:

- The weaknesses of the Indonesian financial sector were highlighted during the financial crisis, and so it is not surprising to find that this sector had received a major facelift by the government. One of the most important measures was the liquidation of 16 insolvent banks, and the suspension of 10 insolvent banks, while 4 state banks were merged into one. And to address the banking faulty, the Indonesian Banking Restructuring Agency (BPPN) was also established. The Indonesian government provided guarantee for banks' deposits and other claims such as borrowing, guarantee and Letter of Credit issued by banks, as well as implementing a new facility on swap and forward buy transactions for certain exporters of prominent commodities, and imposed a limitation on forward sell contracts, as well as gradually increasing the interest rate of Bank Indonesia Certificate. A limitation on property credits for acquiring and processing of land, except for the simple and very simple housings was also introduced.

Trade-and FDI- related measures:

- To improve the international trade situation, the government lowered import traffic for 1690 items consisting of some 1451 industrial and agricultural products. Deregulation package in the real sector, such as

elimination of soybean, wheat, flour, and onion trading system from Bulog with increasing import traffic was introduced. But one of the most important measure was undoubtedly the elimination of foreign share-holding limit of 49% in firm other than financial firms and guaranteeing existence of foreign ownership in financial institution, and the elimination of prohibition for FDI in crude oil commodity. FDI was also allowed to invest in production and trading sector operated until retail level.

Fiscal Policy:

- Fiscal policy aimed for more transparency, and in order to do so the government introduced the reinforcement of the social safety net and the extending subsidies to ensure the availability of food and other at affordable prices throughout the country. The reforestation fund was also set to change according to budgetary fund.

B.3 JAPAN

The Japanese economy is in a prolonged slump owing mostly to fragility in its financial sector and to spillover effects of the Asian financial crisis, because eventhough the crisis did not have a direct impact on Japan, she was affected rather because her neighbors were affected. Japan's real GDP declined by 0.7 percent in fiscal year 1997, and shrunk further in 1998. The government responded to the downturn of the economy by taking measures with respect to fiscal and monetary policy, the financial sector and other structural areas in order to revive the economy. Japan also played a very active role in offering assistance to the crisis-hit economies, to help them, and perhaps herself too, recover from the financial crisis.

Japan's measures to address the regional financial crisis:

- Eversince the onset of the crisis, Japan had been constantly helping her neighbors, and had pledged and steadily implemented its assistance measures amounting to US\$ 43 billion, based on the following five points of view:
 - Prompt and effective financial assistance under the IMF-centered international assistance framework.
 - Assistance for securing domestic liquidity and smooth access to trade finance in order to maintain and promote private sector activities.

- Support to the socially vulnerable segment of the population on which the recession and structural reforms have the heaviest impact.
- Implementation of a prudent industrial policy to consolidate the economic structure and to build competitive industries.
- Development of competent human resources which play a key role in overcoming the economic turmoil.

Measures to revitalize the Japanese Economy:

- Apart from trying to help the other countries overcome their economic problems, Japan also undertook measures to overcome their own slump. The Japanese government rightly recognized that the sound functioning of the Japanese financial system and the revitalization of their economy would contribute to the recovery of Asia. So Japan had been trying to implement fiscal and financial policies which included the launched of a structural policy package which included measures such as deregulation, facilitation of land transactions and promotion of investment. Furthermore, the government also introduced a financial stabilization program, which made 30 trillion yen of public fund, or 6 percent of GDP, available to strengthen the financial position of the deposit insurance system and to inject capital into the banking system. There was also an increased in social infrastructure investment, as well as additional temporary tax reduction for special policy purposes. And in order to settle the non-performing loan problems, as well as to revitalize the financial system the Diet passed a set of new legislation to establish a new scheme to prepare for bank failures as well as to infuse public funds into banks with impaired capital.

B.4 MALAYSIA

Malaysia's Response to the Regional Financial Crisis.

- The measures undertaken by the Malaysian government to address the regional economic financial crisis included commitment to maintaining fiscal discipline while strengthening the social safety net to protect lower income groups, and implementing counter-cyclical

measures, including fiscal stimulus to support economic recovery and to contain the contractionary impact of the financial crisis due to the limited capacity of the private sector. The government also changed its fiscal stance from a surplus to a deficit budget, with an overall deficit of 3.7 percent of Gross National Product (GNP) compared with the surpluses registered for the past five consecutive years since 1993.

Monetary Policy

- Malaysian monetary policy was adjusted as necessary to reflect developments, which included a pronounced tightening of monetary policy to respond to rising inflationary pressures following the depreciation of the ringgit in the initial phase. Restoration of stability and overcoming the disruptions to economic activity caused by uncertainties in the foreign exchange and the stock market was also high on the government's priority list. The monetary policy was also adjusted to focus on addressing the tight liquidity situation and the inefficiency in the financial intermediation process that had emerged in the banking system as well.

Trade measures

- The government remained committed the liberalization of investment restrictions in order to deepen competition and to accelerate the revival of capital flow. The Malaysian government's policy aimed to reduce domestic and foreign investment restrictions in the financial and other sectors, as well as introducing more competition in key domestic trading activities, particularly for the products subjected to price control. The government also emphasized and promoted good corporate governance through enhanced disclosure of corporate information, closer scrutiny for corporate governance, and enhanced standards of corporate governance to boost investor confidence.

B.5 THE PHILIPPINES

Looking at the GDP, one could misled to believe that the Philippines economies did not suffered as much as her neighbors' during the financial crisis, with only a modest decline from 5.7 percent to 5.2

percent. But hit by the crisis or not, the Philippines did feel the effect, and it struck close to home, and she also underwent changes to improve her vulnerable economy. The government outlined plans to reduce the budget deficit from about P 40 billion (1.4 percent of GDP) to only P 18 billion or 0.6 percent of GDP. A more manageable external position was to be introduced through increased foreign exchange earnings from exports, higher foreign investments, increased overseas worker's remittances and tourism receipt. But the government's main focus was, sensibly, place on the restoration of business and investors confidence, and in order to achieve that, the Philippines government adopted the following policies:

Monetary and Financial Policy Measures

- The changes started with the Philippines Sentral ng Pilipinas (BSP), the country's central monetary authority adjusting its key overnight interest rates and gradually raising its liquidity reserves. This was followed by the Monetary Board adoption of measures to reduce the banking rate, which included the opening of a 30-day lending window, opening of a swap window for banks without government securities holding, and outright purchase by the BSP of government securities and market shares. Furthermore, banks were required to observe loan ceiling and exposure limits that included a 25 percent limit on single borrower of a bank's unimpaired capital and the introduction of ceiling on equity investment that vary across types of banks.

Fiscal Policy Measures

- Fiscal policy was directed towards improving the efficiency of revenue collection and the tax system, maintaining prudence in government spending, improving the government's financial management system, and further rationalizing the government corporate sector. Moreover, the fiscal policy was directed at reducing and reviewing financial subsidies, reducing the budget deficit, improving the quality of public investment through careful selection of projects.

Exchange Rate Measures

- The BSP allowed the peso-dollar rate to move within a wider band to facilitate more timely adjustment in light of the more difficult conditions in the currency market, as well as intensifying the dollar sales and adjusting

upwards its key overnight interest rate, as well as introducing a new volatility band to stabilize the foreign exchange market. New banking regulations were introduced and implemented to rationalized foreign exchange trading and foreign exchange rules were further liberalized to encourage overseas Filipinos workers and investors to remit dollar earnings through the banking system. And as part of its full disclosure policy, the Security and Exchange Commission required all publicly listed firms to include a summary of the effect of the peso depreciation and the economic crisis as part of their regular financial report to the Commission.

B.6 SINGAPORE

Singapore initially seemed to be one of the few country in the region to have escaped the claws of the financial crisis, could not escape in the end, as the regional economic slowdown caused slowdown in her economy. Real GDP growth momentum for Singapore was uneven during 1997, as a result of two factors, the pick-up in global electronics demand, and the regional economic downturn. But despite the region's financial crisis, the diversified nature of Singapore's economy help to minimize the effect on industries servicing markets, thereby providing some support to overall growth, which resulted in a better than expected results, in the form of a 7.8 percent GDP growth rate, 0.9 percent higher than the previous year.

Singapore's response to the regional financial crisis.

- Following the onset of the financial crisis, the government allowed the trade-weight exchange rate to fluctuate within a wider range, as well as closely monitoring investments to make sure they are carried out in a cautious manner and overseas investment were transferred to some strategic field and regions with sound financial system. This was primarily due to tighter and higher interest rates. Fiscal policy was adjusted to maintain healthy balanced budget in the long term while supporting growth in the near term with modest deficits. The maintaining of an internationally competitive tax structure, along with the promotion of healthy investment and growths through selective use of tax incentives, as

well as maintaining strict control on government spending.

B.7 SOUTH KOREA

Korea's measures to address the Financial Crisis

- Korea's measures were mainly brought about through cooperation with the IMF who helped launched major reforms to address the structural imbalances that were unprecedented in Korean history. These reforms included the establishment of the Financial Supervisory Commission (FSC), which had been in operation since April 1st 1998, with a mandate to consolidate the Banking Supervisory Authority, Securities Supervisory Board, Insurance Supervisory Board, and Non-bank Supervisory Authority, as well as to monitor and regulate all financial entities in South Korea. The FSC main tasks included reviewing bank restructuring/re-capitalizing plans, enforcing Bank for International Settlement (BIS) standards, and make recommendations to the Ministry of Finance and Economy on the fate of the banks that fail to meet these standards. The problem of non-performing loans were addressed by the setting up of the Korea Asset Management Corporation, which spent a huge amount of money purchasing these non-performing loans, in order to accelerate the process of re-capitalizing the troubled banks. The deposit insurance system received a total facelift, and was strengthen to enhance depositor confidence in the financial system.

Furthermore, all banks were required to meet the international capital adequacy ratio as established by the BIS. Of the 12 Korean banks that failed these standard, 5 were order to shut down or merge with other banks, while the remaining seven were given conditional approval for continued operation, based on comprehensive management reforms, suspension of international business dealings, and consolidation of operation. Provisions were also made to allow foreign banks to enter and establish Korean affiliates, but they have meet the minimum asset requirement, which was won 100 billion in the case of a commercial bank and won 25 billion for a provincial bank. Moreover, they

needed to meet the BIS capital requirements, have no record of business suspension in the past, and are qualified to act as the major share holder of the affiliate. The ceiling on foreign equity ownership of domestic companies was completely eliminated, while hostile mergers and acquisition were fully liberalized.

An Act, the Labor Standard Act, was amended to allow layoffs for the purpose of restructuring, which also make it easier for an investor to acquire a Korean company and make it more profitable. Simultaneously, job placement services were being strengthened or privatized, to promote more efficient manpower allocation in the industrial sectors. This law helps to further enhance labor market flexibility by making labor outsourcing an additional option for employment adjustment.

Corporate Sector Reforms

- The industrial sector had also undergone a number of major changes, some of which included, the requirement for all the chaebols to eliminate all their existing cross-debt guarantees by the year 2000, as well as prohibiting them to issue new guarantees. Furthermore, corporate were required to produce consolidated financial statements in line with international standards, to improve transparency and accountability. Bankruptcy-related laws were given first priority, in order to facilitate the exit of non-viable corporations.

The Chaebols had agreed to implement restructuring reforms, which included transparency enhancement, elimination of cross-debt guarantees, improved capital structures, focus on core businesses and increased co-operations with the smaller businesses, and increased accountability of major shareholders and managers. Furthermore, the five largest Chaebols have agreed to accelerate moves to swap businesses to help revive the South Korean economy.

B.8 TAIWAN

Taiwan managed to maintain high growth with low inflation, and in the process withstood the negative impacts to its agricultural sector in

the second quarter of 1997, as well as the general impact from the regional financial crisis. Taiwan's growth was mainly due to the significant increases in private consumption and investment. And despite the financial crisis in 1997, Taiwan still managed to pose a real GDP growth of 6.8 percent, which was the highest rate since 1992, as well as exceeding the target rate of 6.7 percent. However, Taiwan still introduced measures to address the financial crisis, which included:

Monetary Policy

- As part of her monetary policy to address the financial crisis, Taiwan maintained cautious monetary policy during the first half of 1997. The Central Bank also lowered required reserve ratios, as well as continued to use open market operations as a major policy instrument in order to regulate liquidity in the financial market.

Exchange Rate Policy

- The government allowed the Central Bank to depreciate the NT dollar as part of their measures, which resulted in the fluctuating between 27.4 – 27.8 of the NT dollar and the US dollar, but this was still markedly stable. But following the depreciation, the NT had hit a low of 34.896, before slowly gaining strength to remain stable.

Fiscal and Economic Policy

- In mid-1998, given that the recovery in East Asia economics appeared unlikely to raise demand for export soon enough, Taiwan launched an action plan to expand domestic demand by expediting public construction and promoting private investment.

B.9 THAILAND

It would appear that the crisis of confidence in Thailand's economy, which ultimately led to the Asian financial crisis, occurred against the background of financial exposure to an overbuilt property market, a weakening equity market, a slowdown in export growth, and a deep current account deficit. The crisis was set in motion with the abandonment of the pegged rate system, which saw the Central Bank adopt a floating exchange rate instead, and it was the depreciation of the currency that exposed several vulnerabilities of the Thai financial system, and led to a major structural reform.

Monetary and Exchange Rate Policy

- As the stabilization of the exchange rate was set as the top priority, monetary policy had been kept tight by the Thai government. In view of continued unsettled international financial market conditions, to implement necessary monetary measures if there were to be renewed pressures on the exchange rate. And with the external value of the baht stabilization, lower than the anticipated inflation, and a deeper than anticipated real economic contraction, the Bank of Thailand had cautiously eased monetary policy, allowing greater scope for reserve money expansion.

Fiscal Policy

- In 1997, the government's fiscal position recorded a cash deficit for the first time since 1988, with the overall public sector deficit target under the economic reform program for 1997/8 had been raised from 2.0 percent to 3.0 percent of GDP, in light of the deepening of the real economic downturn. Furthermore, concrete measures have been developed to strengthen the social safety net and to increase spending on well-targeted public work programs, with the 1997/8 budget has allocated funds equivalent to an additional 0.5 percent of GDP for this purpose.

Economic Policy

- Foreign investors have been allowed to acquire more stakes in banks and finance companies, and corporate reconstruction had been promoted through privatization policies.

APPENDIX C. The Basic Statistic

Table C.1 : Gross Domestic Product (GDP)

Year	CHI	INDO	JAP	KORE	MALAY	PHI	SING	TAI	THAI
1970		3,340.0	73,345.0	2,724.0	12,155.0	42.4	5,805.0	226,805.0	147.4
1971		3,672.0	80,701.0	3,379.0	12,955.0	50.1	6,823.0	263,676.0	153.4
1972		4,564.0	92,394.0	4,170.0	14,220.0	56.1	8,156.0	316,172.0	170.1
1973		6,753.0	112,498.0	5,416.0	18,723.0	72.3	10,205.0	410,405.0	222.1
1974		10,708.0	134,244.0	7,569.0	22,858.0	99.5	12,543.0	549,577.0	279.2
1975		12,643.0	148,327.0	10,224.0	22,332.0	114.7	13,373.0	589,651.0	303.3
1976		15,467.0	116,573.0	13,996.0	28,085.0	135.3	14,651.0	707,710.0	346.5
1977		19,011.0	185,622.0	18,074.0	32,340.0	154.2	16,039.0	828,995.0	403.5
1978		22,746.0	204,404.0	24,327.0	37,886.0	177.7	17,830.0	991,602.0	488.2
1979	407.4	32,025.0	221,547.0	31,323.0	46,424.0	217.5	20,523.0	1,195,838.0	558.9
1980	455.1	45,446.0	240,176.0	38,041.0	53,308.0	243.7	25,091.0	1,491,059.0	662.5
1981	490.1	58,127.0	257,963.0	47,482.0	57,613.0	281.6	29,339.0	1,773,931.0	760.4
1982	548.9	62,476.0	270,601.0	54,443.0	62,579.0	317.2	32,670.0	1,899,971.0	841.6
1983	607.6	77,623.0	281,767.0	64,197.0	69,941.0	369.1	36,733.0	2,100,005.0	921.0
1984	716.4	89,885.0	300,543.0	73,605.0	79,550.0	524.5	40,048.0	2,343,078.0	988.1
1985	879.2	98,406.0	320,419.0	82,062.0	77,547.0	571.9	38,924.0	2,473,786.0	1,056.5
1986	1,013.3	110,697.0	335,457.0	95,736.0	71,594.0	608.9	39,264.0	2,855,180.0	1,133.4
1987	1,178.4	128,630.0	349,760.0	112,130.0	79,625.0	682.8	43,569.0	3,237,051.0	1,299.9
1988	1,470.4	149,395.0	373,973.0	133,134.0	90,861.0	799.2	51,642.0	3,523,193.0	1,559.8
1989	1,646.6	179,608.0	399,998.0	149,165.0	102,451.0	925.4	59,344.0	3,938,826.0	1,857.0
1990	1,832.0	210,866.0	430,040.0	179,539.0	115,701.0	1,077.2	67,879.0	4,307,043.0	2,183.5
1991	2,128.0	249,969.0	458,299.0	215,734.0	132,381.0	1,248.0	75,266.0	4,810,705.0	2,506.6
1992	2,586.4	282,395.0	471,064.0	240,392.0	147,784.0	1,351.6	80,940.0	5,337,693.0	2,830.9
1993	3,450.1	329,776.0	475,381.0	267,146.0	165,206.0	1,474.5	94,223.0	5,874,513.0	3,170.3
1994	4,711.1	382,220.0	479,260.0	305,970.0	190,274.0	1,692.9	108,505.0	6,376,498.0	3,630.8
1995	5,940.5	454,514.0	483,220.0	351,975.0	218,726.0	1,906.3	121,081.0	6,892,046.0	4,188.9
1996	6,936.6	532,631.0	499,861.0	389,813.0	249,784.0	2,196.6	132,629.0	7,477,540.0	4,598.3
1997	7,607.7	624,337.0	507,271.0	420,987.0	277,033.0	2,452.2	142,361.0	8,131,152.0	4,827.2
1998	8,202.7	989,573.0	497,218.0	449,509.0	287,900.0	2,662.4	141,242.0	8,746,934.0	4,835.0

Source: International Financial Statistics Yearbook 1998 and 1999, IMF

Table C.2 : Inflation Rate (Change in Consumer Price Index)

Year	CHI	INDO	JAP	KORE	MALAY	PHI	SING	TAI*	THAI
1975		19.1	11.8	25.3	4.5	6.8	2.5	5.2	5.3
1976		19.9	9.4	15.3	2.6	9.2	-1.8	2.5	4.1
1977		11	8.2	10.2	4.8	9.9	3.2	7	7.6
1978		8.1	4.1	14.5	4.9	7.3	4.9	5.8	7.9
1979		16.3	3.8	18.3	3.7	17.5	4.1	9.8	9.9
1980		18	7.8	28.7	6.7	18.2	8.5	19	19.7
1981		12.2	4.9	21.3	9.7	13.1	8.2	16.3	12.7
1982		9.5	2.7	7.2	5.8	10.2	3.9	3	5.3
1983		11.8	1.9	3.4	3.7	10	1.2	1.4	3.7
1984		10.5	2.2	2.3	3.9	50.3	2.6	-0.04	0.9
1985		4.7	2	2.5	3	23.1	0.5	-0.2	2.4
1986		5.8	0.6	2.8	7	0.8	-1.4	0.7	1.8
1987	7.2	9.3	0.1	3	3	3.8	0.5	0.5	2.5
1988	18.7	8	0.7	7.1	2.6	8.8	1.5	1.3	3.8
1989	18.3	6.4	2.3	5.7	2.8	12.2	2.3	4.4	5.4
1990	3.1	7.8	3.1	8.6	2.6	14.1	3.5	4.1	6
1991	3.5	9.4	3.3	9.3	4.4	18.7	3.4	3.6	5.7
1992	6.3	7.5	1.7	6.2	4.8	8.9	2.3	4.5	4.1
1993	14.6	12.5	1.3	4.8	3.5	7.6	2.3	2.9	3.4
1994	24.2	9.6	0.7	6.2	3.7	9.1	3.1	4.1	5
1995	16.9	9	-0.1	4.5	5.3	8.1	1.7	3.7	5.8
1996	8.3	6.6	0.1	4.9	3.5	8.4	1.4	3.1	5.8
1997	2.8	11.6	1.7	4.4	2.7	5.1	2	0.9	5.6
1998	-0.8	57.6	0.6	7.5	5.3	9.7	-0.3	1.7	8.1

Source: International Financial Statistics Yearbook 1998 and 1999

* Taiwan: Taiwan Statistical Data Book 1999

Table C.3 : Exchange Rate per one dollar (Quarterly)

Year	Quar.	CHI	INDO	JAP	KORE	MALAY	PHI	SING	TAI	THAI
1985	1					2.546	18.215	2.2575		
	2					2.4765	18.454	2.2255		
	3					2.464	18.6	2.203		
	4					2.4345	18.72	2.119		
1986	1	3.2079	1129	187.6	888.5	2.458	19.222	2.1347	39.32363	26.6
	2	3.1871	1124	162.8	884.5	2.581	20.5	2.204	38.56537	26.25
	3	3.6943	1132	154.25	885.4	2.619	20.42	2.169	38.06624	26.32
	4	3.722	1647	162.8	872.7	2.614	20.436	2.191	36.45643	26.29
1987	1	3.7128	1630	153.33	856.3	2.54	20.54	2.1435	35.05082	25.87
	2	3.722	1642	139.55	835.2	2.4695	20.48	2.1213	32.55208	25.6
	3	3.7128	1642	151.18	808.5	2.5435	20.44	2.1133	30.24803	26
	4	3.722	1646	134.67	800.5	2.489	20.811	2.0455	29.95806	25.55
1988	1	3.722	1660	128.92	780.5	2.579	20.844	2.0185	28.57143	25.25
	2	3.7127	1668	124.35	739.9	2.586	20.973	2.005	28.58776	25.12
	3	3.722	1693	133.73	723.3	2.652	21.042	2.0455	28.57143	25.52
	4	3.722	1711	123.82	697.6	2.6765	21.375	1.968	28.10015	25.2
1989(1)	1	3.722	1730	128.67	680.7	2.7295	21.35	1.9285	27.62431	25.37
	2	3.722	1755	134.2	666.4	2.6955	21.57	1.9535	25.62132	25.6
	3	3.7214	1764	139.65	660.11	2.6653	21.88	1.949	25.41038	25.66
	4	3.7214	1780	143.35	669.4	2.699	22.05	1.9585	25.90003	25.75
1990(1)	1	4.7212	1797.01	144.8	685.7	2.705	22.6	1.8625	25.93025	25.58
	2	4.721	1818.02	156.9	697.73	2.694	22.86	1.8615	26.19996	25.88
	3	4.7225	1852.02	150.45	715.5	2.6997	24.1	1.804	26.97017	25.62
	4	4.72	1845.02	129.75	715.05	2.6992	28	1.711	26.77018	25
1991	1	5.23	1885.01	127.5	717	2.69	28	1.711	26.61982	25.11
	2	5.2847	1920.01	138.8	724.35	2.7575	27.822	1.773	27.01972	25.61
	3	5.3471	1955.03	136.65	727.9	2.771	27.4	1.72	26.75013	25.69
	4	5.375	1977.03	130.25	750	2.742	26.7	1.682	25.84981	25.49
1992	1	5.45	2002	126.7	765	2.604	26.159	1.6215	24.75983	25.31
	2	5.5101	2018.53	133.3	763.97	2.528	26.401	1.648	24.6999	25.59
	3	5.43	2029.01	127.9	787.2	2.5	24.99	1.6108	24.83978	25.31
	4	5.524	2050.52	124.3	782.5	2.5255	24.631	1.6374	25.19019	25.43

Table C.4 GDP by Industrial origin

	BN Yuan	BN Rupiah	BN Yen	BN Won	MN Ring	BN Pesos	MN Sing \$	BN NTW	MN Baht
AGRICULTURE	CHINA	INDO	JAPAN	KOREA	MALAY	PHILIP	SING	TAIWAN	THAILAND
1989	422.8	38894	10426	14381	14767	210	190	192.9	279947
1990	501.7	40903	10921	15212	14827	236	176.6	180.1	272935
1991	528.9	45636	10845	16547	14828	261.9	161	182.4	317085
1992	580	52746	10620	18282	15531	294.9	160.4	192.2	348127
1993	688.2	58953	9787	18598	16205	318.5	156.8	214.8	329878
1994	945.7	66072	10242	21102	16047	372.5	171.7	227.6	390233
1995	1199.3	77896	9351	23354	16231	412.2	199.9	244.9	464171
1996	1384.4	88792	9385	24438	16584	447.8	228.6	245.7	507339
1997	1396.9	100151	8860	24258	16804	452.5	214.1	221.6	543000
1998	1459.96	186483	8618.98	22059	16133	449.9	189.3	251.5	683400

	BN Yuan	BN Rupiah	BN Yen	BN Won	MN Ring	BN Pesos	MN Sing \$	BN NTW	MN Baht
MANUFACTURE	CHINA	INDO	JAPAN	KOREA	MALAY	PHILIP	SING	TAIWAN	THAILAND
1989	648.4	58362	113604	47245	25827	245.6	17404.4	1377.7	528599
1990	685.8	69203	122341	53149	29096	284.2	18142.6	1451.1	628838
1991	808.7	85332	129933	64155	32251	333.4	20162.4	1621.6	747273
1992	1028.5	92603	128795	71999	34934	343.1	20260.2	1717.5	821293
1993	1414.4	105053	122515	81690	38363	366.3	23244.2	1821.9	936628
1994	1936	122748	118286	95650	43083	410.3	25733.6	1870.2	1065716
1995	2471.8	149884	120333	112610	48769	455	29347.5	1960.7	1230515
1996	2908.3	182514	123610	122543	54065	512.6	30814	2107.9	1368062
1997	3175.2	214258	124552	132877	59745	557.6	32699.4	2289	1471900
1998	3486.15	386781	118210.86	139462	54708	603	32734.8	2403.4	1448200

Manufacturing sector is comprising with Mining and Manufacturing sector

	BN Yuan	BN Rupiah	BN Yen	BN Won	MN Ring	BN Pesos	MN Sing \$	BN NTW	MN Baht
SERVICES	CHINA	INDO	JAPAN	KOREA	MALAY	PHILIP	SING	TAIWAN	THAILAND
1989	619.7	75620	288681	79330	29160	349.3	37401.9	2087.1	741778
1990	667.3	93195	310153	93859	32877	414.5	44141.4	2379.9	923927
1991	824.2	110662	331297	116172	36548	482.1	49775.9	2668.5	1046698
1992	1055.4	127601	344800	134033	39970	517	54780.2	3039.5	1225853
1993	1360.9	154856	352854	152592	44113	563.8	64460.7	3397	1415044
1994	1794.3	181067	360206	176570	48778	648.7	76198.9	3787.3	1629423
1995	2176.7	212607	364214	206317	53916	738.9	83949.9	4138.3	1859518
1996	2495.7	244716	376287	230641	59554	863.6	90744.7	4522.8	2013473
1997	2905.2	290934	384808	249930	64562	1009.5	101119	4994.6	2049700
1998	2633.1	385209	379746.37	243195	66244	1144.5	101227.4	5395.2	1893500

Service sector is comprising with Electricity, gas and water, Construction, Trade, Transport and communications, Finance, and Public Administration

Source: Key Indicators of Developing Asian and Pacific Countries 1999

Table C.5 : TRADE MATRIX (EXPORT AND IMPORT BY DESTINATION)

Export	Year	CHI	INDO	JAP	KOREA	MALAY	PHI	SING	TAI	THAI	WORLD
CHINA	1978	0		1719		163	86	248		71	
	1979	0		2764		171	135	297		212	
	1980	0	21	4032		184	258	421		312	
	1981	0	54	4747		191	255	658		228	
	1982	0	46	4806		181	236	648		168	
	1983	0	49	4517		186	143	567		195	
	1984	0	70	5155		196	233	1209		251	
	1985	0	124	6091		186	314	2063		116	
	1986	0	143	5079		203	157	1217		159	
	1987	0	188	6392		255	245	1323		301	
	1988	0	236	8046		309	268	1494		512	
	1989	0	223	8395	473	352	239	1692	93.48	500	
	1990	0	401	9210	433	370	205	2016	319.65	854	
	1991	0	481	10265	2179	527	253	2013	595	847	
	1992	0	471	11691	2438	645	209	2029	697	893	
	1993	0	693	15782	2860	704	281	2245	1461	750	
	1994	0	1052	21490	4376	1118	476	2563	2242	1159	
	1995	0	1438	28466	6688	1281	1030	3500	3095	1752	
1996	0	1428	30888	7527	1374	1015	3753	2804	1259		
1997	0	1844	31820	9136	1921	1334	4321	3399	1502		
1998	0	1377	30588	7700	1844	1440	4235	3867	1337		
INDO	1978		0	4566	252	21	198	1241		18	
	1979		0	7189	384	66	165	1951		37	
	1980		0	10793	294	60	181	2484		35	
	1981	8	0	11416	295	47	439	2320		37	
	1982	14	0	11193	611	59	293	3121	178	26	
	1983	27	0	9678	327	58	242	3128	219	49	
	1984	8	0	10353	595	98	166	2126	323	98	
	1985	84	0	8594	656	77	199	1626	354	81	
	1986	139	0	6644	356	82	108	1239	317	83	
	1987	343	0	7393	674	94	72	1449	477	87	
1988	492	0	8088	849	184	87	1656	484	151		

Export	Year	CHI	INDO	JAP	KOREA	MALAY	PHI	SING	TAI	THAI	WORLD
	1989	534	0	9252	907	210	143	1809	568	238	
	1990	834	0	10923	1363	253	161	1902	849	188	
	1991	1191	0	10767	1948	342	168	2410	1056	267	
	1992	1396	0	10761	2083	488	181	3314	1279	353	
	1993	1249	0	11172	2220	586	285	3372	1436	468	
	1994	1419	0	11465	2611	820	371	1851	1700	395	
	1995	1761	0	12348	2924	1010	550	2727	1813	671	
	1996	2057	0	12885	3281	1110	688	4565	1609	823	
	1997	2371	0	12707	3521	1461	761	4089	1830	836	
	1998	2471	0	9920	3418	1663	862	5865	1720.7	838	
JAPAN	1978	3074	2114	0	6056	1168	1559	2345		1541	
	1979	3674	2110	0	6201	1496	1610	2660		1701	
	1980	5109	3476	0	5393	2070	1692	3929		1925	
	1981	5076	4115	0	5640	2416	1924	4454		2243	
	1982	3500	4251	0	4869	2496	1799	4357	4244	1903	
	1983	4918	3552	0	6006	2772	1744	4449	5088	2508	
	1984	7199	3067	0	7211	2869	1072	4602	5976	2420	
	1985	12590	2191	0	7159	2184	946	3893	5068	2047	
	1986	9936	2682	0	10557	1723	1098	4611	7902	2045	
	1987	8337	3017	0	13344	2188	1429	6063	11449	2982	
	1988	9486	3055	0	15442	3061	1740	8312	14357	5164	
	1989	8477	3288	0	16491	4107	2370	9199	15349	6811	
	1990	6145	5052	0	17499	5529	2510	10739	15461	9150	
	1991	8605	5618	0	20088	7649	2662	12228	18275	9446	
	1992	11967	5582	0	17786	8128	3520	12981	21166	10384	
	1993	17353	6045	0	19192	9690	4839	16672	22184	12317	
	1994	18687	7674	0	24361	12364	5893	19605	23790	14700	
	1995	21934	9969	0	31292	16802	7100	23006	28984	19718	
	1996	21827	9059	0	29369	15341	8397	20800	25986	18301	
	1997	21692	10190	0	26097	14524	8694	20264	27557	14615	
	1998	20675	4966	0	16713	9986	7519	14845	33404	10041	
KOREA	1978	13	103	2627	0	48	85	144		83	
	1979		195	3353	0	86	111	197		112	

Export	Year	CHI	INDO	JAP	KOREA	MALAY	PHI	SING	TAI	THAI	WORLD
	1980	3	366	3039	0	184	153	267		165	
	1981		370	3503	0	164	131	306		126	
	1982	210	384	3405	0	234	176	436	210	101	
	1983	150	252	3383	0	226	180	537	139	218	
	1984		254	4610	0	253	165	497	259	233	
	1985		196	4546	0	449	241	491	196	143	
	1986		179	5426	0	219	186	532	342	192	
	1987		241	8437	0	300	220	928	556	272	
	1988		402	12004	0	410	338	1355	954	537	
	1989	427	626	13167	0	512	464	1499	1284	717	
	1990	683	1079	12638	0	708	500	1805	1249	969	
	1991	1003	1350	12356	0	1037	675	2702	1609	1337	
	1992	2654	1935	11599	0	1136	746	3222	2262	1532	
	1993	5151	2095	11564	0	1430	935	3109	2296	1761	
	1994	6203	2540	13523	0	1652	1212	4152	2732	1835	
	1995	9192	2962	17088	0	2957	1494	6700	3887	2428	
	1996	11486	3188	16002	0	4343	1923	6460	4014	2671	
	1997	13601	3542	14780	0	4361	2604	5799	4613	2247	
	1998	14295	3826	11655	0	4972	2968	3403	5140	2076	
MALAY	1978	110	19	1605	132	0	59	1197		100	
	1979	182	21	2595	213	0	118	1933		149	
	1980	217	34	2958	262	0	198	2480		188	
	1981	88	58	2489	429	0	186	2683		196	
	1982	110	38	2449	441	0	129	3005	312	441	
	1983	157	59	2782	661	0	163	3182	351	578	
	1984	165	101	3770	829	0	363	3380	377	465	
	1985	161	66	3784	906	0	368	2991	347	527	
	1986	163	54	3257	722	0	247	2366	340	361	
	1987	279	147	3504	952	0	323	3263	504	511	
	1988	415	280	3577	1010	0	315	4081	623	417	
	1989	481	415	4016	1254	0	325	4948	566	615	
	1990	619	342	4506	1360	0	394	6753	639	1033	
	1991	639	503	5458	1514	0	301	8020	932	1098	

Export	Year	CHI	INDO	JAP	KOREA	MALAY	PHI	SING	TAI	THAI	WORLD
	1992	772	506	5401	1389	0	477	9391	1270	1490	
	1993	1204	543	6113	1614	0	480	10228	1511	1695	
	1994	1933	715	7010	1646	0	611	12167	1754	2218	
	1995	1889	970	9199	2015	0	651	14960	2280	2868	
	1996	1882	1218	10484	2384	0	938	16014	3209	3207	
	1997	1868	1231	9882	2523	0	1174	15767	3424	2819	
	1998	2180	1330	8193	2876	0	1338	14730	3006	2555	
PHILIP	1978	47.6	90.4	828.2	66.4	36.5	0	71.4		10	
	1979	51.5	46	1214.2	141.2	57.1	0	65.6		18.9	
	1980	45	107.2	1540	203	94.4	0	112.6		63	
	1981	78.2	153.6	1253.9	198.3	104.1	0	129.2		25.3	
	1982	105.2	55	1149.1	151.5	177.8	0	111.6	56.7	14.4	
	1983	22.2	30.1	983.7	148.7	162.1	0	139.3	74.6	19.9	
	1984	60.2	8.3	1034.4	98.7	178	0	321.3	90.6	9	
	1985	80.9	18.3	874.5	75	173.7	0	249.8	85.6	83.1	
	1986	101.1	27.9	851.6	112.3	97	0	153.6	123.5	66.7	
	1987	87.9	64.8	980.4	98.3	119	0	196.4	144.2	124.7	
	1988	66.8	25.4	1415.5	160.5	116.5	0	220.8	200.4	123.3	
	1989	50	57	1581.4	160.4	99.7	0	217.3	210	154.8	
	1990	61.8	60.9	1622	229.5	126.8	0	239.6	209.3	156.4	
	1991	127.8	41.9	1771.3	227.9	123.4	0	229.5	209.7	220.8	
	1992	114	40	1745	176	128	0	252	287	98	
	1993	167	48	1811	220	160	0	378	346	167	
	1994	164	72	2020	291	221	0	707	452		
	1995	209	126	2740	442	314	0	994	568	799	
	1996	328		3668	371	687	0	1224	661	780	
	1997	298	113	4558	640	862	0	1802	1250	499	
	1998	401	107	4161	730	937	0	2083	1460	540	
SING	1978	58	443	981	177	1408	148	0		395	
	1979	170	535	1366	230	2039	237	0		610	
	1980	307	936	1560	289	2908	273	0		844	
	1981	179	1243	2124	293	3269	274	0		883	
	1982	240	2819	2262	317	3669	323	0	269	799	

Export	Year	CHI	INDO	JAP	KOREA	MALAY	PHI	SING	TAI	THAI	WORLD
	1983	213	3465	2008	457	3843	421	0	325	944	
	1984	243	1791	2255	382	3902	207	0	389	1154	
	1985	333	839	2148	281	3539	218	0	389	949	
	1986	571	969	1931	324	3327	248	0	504	821	
	1987	737	1358	2598	473	4101	418	0	780	1215	
	1988	1177	896	3394	771	5332	519	0	1111	2144	
	1989	1199	1038	3828	866	6110	663	0	1345	2465	
	1990	799	1283	4616	1173	6873	671	0	1900	3490	
	1991	858	1698	5133	1393	8800	681	0	2098	3706	
	1992	1113	1671	4825	1305	7932	808.6	0	2571.6	3954.8	
	1993	1905	1793	5526	2062	10497	1373.1	0	2876.4	4212.9	
	1994	2098	698	6766	2532	19029	1577.5	0	3893.9	5355.2	
	1995	2759	1780	9219	3243	22665	1928	0	4813.3	6823.7	
	1996	3394	2875	10252	4715	22512	2296.6	0	4872.3	7095.9	
	1997	4053	2384	8849	3699	21871	2947.4	0	5627.6	5783.6	
	1998	4314	3743	6436	2876	18373	2704	0	4738	4508	
TAIWAN	1978								0		
	1979								0		
	1980								0		
	1981								0		
	1982		460	2438	280	316	231.8	612	0	239.2	
	1983		511	2619	289	353	224.8	757	0	294	
	1984		387	3197	339	368	182.6	936	0	288.8	
	1985		291	3416	334	326	183.4	874	0	287.3	
	1986		409	4720	471	352	288.2	1030	0	332	
	1987		459	7198	759	479	371.5	1496	0	485.1	
	1988		625	8739	1066	760	532	1987	0	843.3	
	1989	1856.4	1040	8913	1316	1126	730.3	2243	0	1277.8	
	1990	2255	1346	8506	1452	1627	834.5	2590	0	1728.3	
	1991	3639	1328	9488	1515	2002	853.9	2711	0	1789.8	
	1992	5890	1292	9449	1315	2245	960	2899	0	2247.9	
	1993	129345	1316	9697	1407	2447	1031	3381.3	0	2336	
	1994	14084	1527	10719	1800	3043	1270	3935.9	0	2759	

Export	Year	CHI	INDO	JAP	KOREA	MALAY	PHI	SING	TAI	THAI	WORLD
	1995	14785	1870	14329	2560	3952	1537	5115.7	0	3421	
	1996	16186	1664	14968	2725	3904	1582	5262.9	0	2950	
	1997	16435	1796	12476	2408	3760	2471	5548.1	0	2861	
	1998	16630	994.6	13363	1671	2968	1180	3894	0	2231	
THAI	1978	76.8	68.5	829.5	36	211.2	20.5	330.9		0	
	1979	77	189.2	1125.7	50.6	233.6	11.6	451.6		0	
	1980	123.7	236.6	981.8	49.2	292.4	23.5	502.7		0	
	1981	186	135.3	995.6	150.8	319.9	20.3	550.8		0	
	1982	306.6	184.2	951.1	81.3	355.7	33.9	500.7	83.1	0	
	1983	107.3	119.8	960.3	91.2	285.3	67.6	517.9	65	0	
	1984	182.8	46.8	965.1	122.7	351.6	22.9	623.3	102.9	0	
	1985	270.9	43.3	951.4	132.6	354.8	53.1	565.6	115	0	
	1986	275.5	57.7	1260.3	244.1	381.3	29	786.9	140.3	0	
	1987	387.5	58.5	1731.7	152.9	387.6	71.1	1049.3	168.4	0	
	1988	474.6	85.5	2544.5	254.6	472.9	59.2	1224.1	290	0	
	1989	541.3	161.5	3421.5	300.1	585	95.4	1431.9	316.3	0	
	1990	268.7	154.5	3969.5	393.6	575	167.3	1695.7	335.2	0	
	1991	335.2	213.7	5134.8	459.4	684.1	105	2335.9	472.8	0	
	1992	385.8	282.6	5686	532.9	841.5	154.7	2822.5	618.2	0	
	1993	430	202	6300	461	1041	198	4459	738	0	
	1994	930	441	7728	571	1668	22	6167	983	0	
	1995	1642	811	9477	801	1554	414	7917	1354	0	
	1996	1868	846	9373	1013	2014	631	6749	1421	0	
	1997	1744	1377	8733	1014	2483	698	6406	1565	0	
	1998	2025	1294	7571	955	2529	751	5259	1726	0	

Source: Direction of Trade Statistics Yearbook, 1985, 1989, 1993, and 1998

Unit: Millions of U.S. Dollars

Import	Year	CHI	INDO	JAP	KOREA	MALAY	PHI	SING	TAI	THAI	WORLD
CHINA	1978	0		3105		111	57	46		74	
	1979	0		3944		189	47	105		83	
	1980	0	14	5169		240	70	190		140	
	1981	0	63	6183		120	117	113		154	
	1982	0	151	3902		156	137	103		347	
	1983	0	150	5495		215	45	114		135	
	1984	0	214	8057		193	82	141		188	
	1985	0	330	15178		198	97	241		263	
	1986	0	324	12463		180	136	553		287	
	1987	0	591	10087		302	140	618		405	
	1988	0	681	11062		570	135	1018		633	
	1989	0	582	10534	426	692	83	1499	1856.44	756	
	1990	0	849	7656	684	852	90	849	2254.97	386	
	1991	0	1402	10079	1066	803	130	1062	3639	421	
	1992	0	1553	13683	2623	829	155	1236	5890	424	
	1993	0	1446	23303	5360	1084	213	2648	129345	601	
	1994	0	1589	26319	7318	1623	272	2481	14084	864	
	1995	0	2053	29007	10288	2056	276	3398	14785	1611	
	1996	0	2289	29190	12484	2246	372	3613	16186	1890	
1997	0	2674	28990	14885	2485	327	4385	16435	2005		
1998	0	2583	25657	16288	2705	440	4543	16630	2448		
INDO	1978	122	0	2016	99	22	76	443		101	
	1979	132	0	2101	117	35	49	535		219	
	1980	197	0	3413	234	36	90	936		288	
	1981	254	0	3989	489	60	253	1243		146	
	1982	231	0	4279	304	57	228	2819	460	199	
	1983	204	0	3793	388	60	182	3465	511	209	
	1984	224	0	3308	214	86	15	1791	387	55	
	1985	249	0	2644	205	52	23	839	291	48	
	1986	337	0	3128	159	50	28	969	409	72	
1987	408	0	3596	268	139	100	1358	459	75		

Import	Year	CHI	INDO	JAP	KOREA	MALAY	PHI	SING	TAI	THAI	WORLD
	1988	410	0	3427	441	300	36	896	625	96	
	1989	537	0	3832	569	371	63	1038	1040	209	
	1990	653	0	5455	992	290	55	1283	1346	184	
	1991	835	0	6327	1439	407	81	1698	1328	278	
	1992	752	0	6140	1894	525	52	1671	1292	345	
	1993	936	0	6248	2103	517	57	1793	1316	235	
	1994	1215	0	8250	2519	681	74	698	1527	443	
	1995	1586	0	9863	2637	837	97	1780	1870	857	
	1996	1598	0	8504	2411	823	90	2875	1664	1095	
	1997	1659	0	9168	2739	1038	116	2384	1796	981	
	1998	1396	0	5085	2676	1055	114	3743	994.6	1221	
JAPAN	1978	2045	5284	0	2630	1911	1066	878		849	
	1979	2933	8725	0	3358	3232	1570	1461		1160	
	1980	4346	13230	0	3040	3504	1964	1516		1125	
	1981	5283	13263	0	3395	2917	1712	1938		1058	
	1982	5338	11955	0	3270	3000	1570	1821	2438	1036	
	1983	5089	10441	0	3407	3125	1305	1468	2619	1019	
	1984	5943	11141	0	4205	4402	1414	1773	3197	1037	
	1985	6534	10192	0	4144	4347	1252	1607	3416	1035	
	1986	5727	7386	0	5334	3986	1235	1475	4720	1401	
	1987	7478	8499	0	8173	4814	1375	2081	7198	1815	
	1988	9861	9606	0	11827	4741	2048	2338	8739	2754	
	1989	11083	10856	0	12931	5095	2051	2937	8913	3571	
	1990	12057	12744	0	11743	5411	2149	3581	8506	4164	
	1991	14248	12783	0	12381	6458	2347	3417	9488	5258	
	1992	16972	12239	0	11596	6556	2303	3094	9449	5950	
	1993	20651	12537	0	11742	7676	2427	3619	9697	6526	
	1994	27569	12883	0	13524	8201	2671	4645	10719	8181	
	1995	35922	14199	0	17330	10545	3495	6846	14329	10130	
	1996	40405	15223	0	15980	11762	4511	7332	14968	10266	
	1997	41827	14605	0	14606	11372	5014	5875	12476	9568	
	1998	36929	11165	0	12642	9069	4577	4991	13363	8361	
KOREA	1978		408	5982	0	228	48	61		45	

Import	Year	CHI	INDO	JAP	KOREA	MALAY	PHI	SING	TAI	THAI	WORLD
	1979	6	592	6657	0	383	142	113		71	
	1980	19	485	5858	0	472	272	161		91	
	1981		385	6374	0	643	266	153		174	
	1982	280	683	5305	0	610	175	185	280	90	
	1983	289	387	6239	0	777	178	401	289	96	
	1984		653	7640	0	1004	114	390	339	133	
	1985		669	7557	0	1235	151	267	334	153	
	1986		428	10869	0	902	122	215	471	277	
	1987		825	13657	0	1086	124	432	759	191	
	1988		905	15847	0	1324	181	563	1066	263	
	1989	473	1116	17167	0	1471	200	640	1316	425	
	1990	433	1600	18574	0	1586	270	897	1452	464	
	1991	3441	2052	21120	0	1869	323	1030	1515	562	
	1992	3725	2292	19458	0	1758	265	1788	1315	638	
	1993	3929	2588	20016	0	1947	318	1540	1407	539	
	1994	5463	2843	25390	0	1876	412	1660	1800	620	
	1995	7395	3322	32597	0	2515	611	2164	2560	935	
	1996	8533	4009	31396	0	3003	581	2525	2725	1217	
	1997	9976	4090	27840	0	3276	704	2392	2408	1279	
	1998	8165	3842	18360	0	3734	802	2656	1671	1217	
MALAY	1978	221	47	1372	58	0	45	506		250	
	1979	223	68	1757	114	0	68	723		282	
	1980	253	81	2471	202	0	107	1265		320	
	1981	274	69	2829	165	0	96	1513		395	
	1982	277	69	3101	260	0	156	1782	316	460	
	1983	270	97	3362	239	0	159	1845	353	398	
	1984	285	172	3692	252	0	242	1839	368	481	
	1985	251	139	2833	276	0	230	1948	326	435	
	1986	282	144	2221	245	0	125	1630	352	429	
	1987	374	176	2750	334	0	148	1874	479	443	
	1988	482	284	3816	430	0	135	2186	760	504	
	1989	609	346	5438	563	0	159	3059	1126	678	
	1990	561	316	7055	742	0	156	4308	1627	702	

Import	Year	CHI	INDO	JAP	KOREA	MALAY	PHI	SING	TAI	THAI	WORLD
	1991	802	506	9582	1072	0	165	5700	2002	892	
	1992	975	636	10379	1213	0	240	6269	2245	994	
	1993	1096	718	12533	1391	0	219	6955	2447	1134	
	1994	1363	942	15907	1898	0	322	8386	3043	1474	
	1995	1709	1213	21179	3179	0	460	9613	3952	2037	
	1996	1875	1425	19236	4068	0	799	10471	3904	2592	
	1997	2281	1494	17398	4226	0	904	11480	3760	3066	
	1998	1949	1614	11350	4817	0	1029	17653	2968	3031	
PHILIP	1978	117.9	153.5	1412.9	56.9	58.7	0	53.3		21.4	
	1979	127.2	189.8	1510.6	97.7	93.1	0	85.6		11.1	
	1980	221.1	187	1651.3	145.4	162.1	0	132.5		22	
	1981	209.9	232.6	1608.9	118.1	182.4	0	114.1		28.4	
	1982	222.7	152.8	1661.9	160.6	122	0	230.1	231.8	32.6	
	1983	79.6	176.8	1342.1	161.3	158.9	0	289.8	224.8	50.4	
	1984	227.8	199	851.1	155.3	354.8	0	119.4	182.6	50.8	
	1985	290.5	189.8	749.5	214	390.2	0	126.8	183.4	55.6	
	1986	120.6	137.4	886.6	168.3	215.1	0	126.8	288.2	29.9	
	1987	216.6	92.1	1148.5	201	233.5	0	237.4	371.5	44.2	
	1988	266.4	161.1	1503	347.8	246.9	0	353.1	532	56.1	
	1989	242.1	179.6	2174	444.6	282.6	0	519.7	730.3	90.2	
	1990	181.7	199.6	2396.6	498.8	287.6	0	508.1	834.5	149.9	
	1991	242.9	177.9	2517	638.6	403.5	0	475.5	853.9	100.4	
	1992	184	181	3087	697	413	0	551	960	138	
	1993	182	343	4022	902	358	0	979	1031	179	
	1994	320	398	5447	1170	487	0	1489	1270	212	
	1995	660	620	6303	1428	622	0	1278	1537	422	
	1996	653	688	6916	1643	792	0	1689	1582	575	
	1997	1468	786	9564	2864	1291	0	3242	2471	768	
	1998	1584	849	8271	3266	1471	0	2973	1180	827	
SING	1978	342	1241	2509	148	1673	65	0		360	
	1979	411	1951	3004	195	2481	74	0		501	
	1980	629	2484	4311	274	3323	75	0		475	
	1981	772	2320	5188	313	3412	107	0		473	

Import	Year	CHI	INDO	JAP	KOREA	MALAY	PHI	SING	TAI	THAI	WORLD
	1982	881	3121	5044	347	3778	102	0	612	530	
	1983	827	3128	5075	428	4088	128	0	757	506	
	1984	1347	2126	5261	368	4306	185	0	936	633	
	1985	2268	1626	4486	423	3736	198	0	874	544	
	1986	1430	1239	5078	592	3400	184	0	1030	737	
	1987	1412	1449	6675	877	4511	178	0	1496	1017	
	1988	1683	1656	9632	1264	6431	263	0	1987	1186	
	1989	1698	1809	10612	1488	6518	267	0	2243	1253	
	1990	2095	1902	12263	1776	8257	313	0	2590	1670	
	1991	2227	2410	14115	1889	10128	275	0	2711	2107	
	1992	2253	3314	15202	2129	10609	317.3	0	2899	2681	
	1993	2404	3372	18663	2747	14042	504.1	0	3381.3	3517.8	
	1994	2885	1851	22511	3915	16725	780.1	0	3935.9	4885.3	
	1995	4042	2727	26308	5399	19250	1099.5	0	5115.7	6417.9	
	1996	4439	4565	23841	4863	19722	1389.9	0	5262.9	7175.7	
	1997	5669	4089	23273	4132	19949	1982.3	0	5548.1	6813.2	
	1998	5429	5865	16939	3313	17167	2290	0	3894	5490	
TAIWAN	1978								0		
	1979								0		
	1980								0		
	1981								0		
	1982		178	4244	210	312	56.7	269	0	83.1	
	1983		219	5088	139	351	74.6	325	0	65	
	1984		323	5976	259	377	90.6	389	0	102.9	
	1985		354	5068	196	347	85.6	389	0	115	
	1986		317	7902	342	340	123.5	504	0	140.3	
	1987		477	11449	556	504	144.2	780	0	168.4	
	1988		484	14357	954	623	200.4	1111	0	290	
	1989	93.48	568	15349	1284	566	210	1345	0	316.3	
	1990	319.65	849	15461	1249	639	209.3	1900	0	335.2	
	1991	595	1056	18275	1609	932	209.7	2098	0	472.8	
	1992	697	1279	21166	2262	1270	287	2571.6	0	618.2	
	1993	1461	1436	22184	2296	1511	346	2876.4	0	738	

Import	Year	CHI	INDO	JAP	KOREA	MALAY	PHI	SING	TAI	THAI	WORLD
	1994	2242	1700	23790	2732	1754	452	3893.9	0	983	
	1995	3095	1813	28984	3887	2280	568	4813.3	0	1354	
	1996	2804	1609	25986	4014	3209	661	4872.3	0	1421	
	1997	3399	1830	27557	4613	3424	1250	5627.6	0	1565	
	1998	3867	1720.7	33404	5140	3006	1460	4738	0	1726	
THAI	1978	83.9	24.8	1645.4	81.4	67.2	7.8	217.5		0	
	1979	241.9	56	1843.2	116.6	122	26.2	335.4		0	
	1980	416.6	44.8	1952.4	197.5	165.9	78.3	598.6		0	
	1981	320.7	24	2413.6	139	268.5	20	695.4		0	
	1982	233.7	23.2	2003.6	156	444.1	19.3	541.5	239.2	0	
	1983	265.2	33.8	2815.6	243.6	553.8	15.5	635.8	294	0	
	1984	318.4	78.2	2802.5	291.1	504.7	20.3	822.5	288.8	0	
	1985	222.7	60.8	2450.3	186.3	547	59.6	688.9	287.3	0	
	1986	263.1	61.9	2420.8	218.1	384.8	70.7	600.9	332	0	
	1987	503.9	111.1	3376.3	311.1	521.3	140.6	1012.2	485.1	0	
	1988	679.4	172.4	5493.3	562.3	425.8	190.4	1510.5	843.3	0	
	1989	744.4	268.5	7736.1	741.5	649.7	94.3	1871	1277.8	0	
	1990	1107	197.6	10143.9	1045.5	1125.4	108.8	2479.8	1728.3	0	
	1991	1149.4	220.3	11037.7	1593.5	1190.5	97.5	2989.8	1789.8	0	
	1992	1219.5	291	11905.2	1785.5	1595.2	121.2	2970.2	2247.9	0	
	1993	905	513	13963	1948	1674	181	2969	2336	0	
	1994	1388	452	16442	1978	2641	353	3439	2759	0	
	1995	2096	672	21625	2474	3235	580	4162	3421	0	
	1996	1953	939	20449	2684	3606	575	4004	2950	0	
	1997	2260	884	16165	2251	3019	548	3147	2861	0	
	1998	1791	893	11164	2047	2934	593	3511	2231	0	

Source: Direction of Trade Statistics Yearbook, 1985, 1989, 1993, and 1998

Unit: Millions of U.S. Dollars

Table C.6 Cross-country data

ij	sd (eij)	SD(gdp)	SIZE	SD(DINFLA)	DISSM	TRADE
12	0.081344872	0.066596328	4.577188161	20.55982058	0.178797979	0.003014506
13	0.043450708	0.041665749	4.627675215	8.724964183	0.70691171	0.007422211
14	0.048168252	0.037045501	4.515539092	9.166781817	0.428579904	0.00957643
15	0.035958728	0.031207063	4.417163231	8.422483139	0.414832483	0.003214083
16	0.043200871	0.039311431	3.395052544	9.796830553	0.202709249	0.001084896
17	0.036303588	0.029580275	4.287493255	8.015159248	0.676220597	0.007103855
18	0.036128345	0.036477838	5.180904601	7.726836351	0.485291408	0.02742522
19	0.042978285	0.034982742	3.550709059	8.920394859	0.257982095	0.002667273
23	0.069033376	0.049962116	5.6207319	15.86814069	0.530206261	0.004379692
24	0.054995921	0.052235783	5.508595777	15.21179732	0.251874455	0.009223302
25	0.061489563	0.05370703	5.410219916	15.04756902	0.38671742	0.006929104
26	0.061253392	0.04802519	4.388109229	16.31777831	0.185144683	0.002205619
27	0.067042804	0.059202052	5.280549941	16.38753252	0.499515148	0.023914459
28	0.066349523	0.044998965	6.173961286	16.19286537	0.315298305	0.007409822
29	0.059518969	0.060275694	4.543765744	14.6819201	0.125143992	0.003761516
34	0.045014502	0.012765636	5.55908283	1.290305735	0.278331806	0.008235734
35	0.027469625	0.013063262	5.460706969	1.881163942	0.58724668	0.004204833
36	0.039232032	0.009515014	4.438596282	3.133617008	0.551527824	0.001918561
37	0.023917226	0.018038113	5.331036994	0.955684746	0.09333039	0.005503909
38	0.027168721	0.010034113	6.22444834	1.46291186	0.221620302	0.008218436
39	0.034131155	0.016275825	4.594252798	1.813406861	0.448929615	0.004613537
45	0.035323422	0.013383647	5.348570846	1.927145269	0.404653241	0.009636763
46	0.027892467	0.013010801	4.326460159	2.506347497	0.368934384	0.003982126
47	0.033172212	0.017838209	5.218900871	1.729611389	0.247640692	0.014319243
48	0.031820486	0.016188583	6.112312217	1.838749575	0.085149063	0.008052881
49	0.027106897	0.015047762	4.482116675	1.723562203	0.199281209	0.004950299
56	0.022131122	0.010752322	4.228084298	4.002235486	0.266637221	0.007522906
57	0.016002044	0.013125553	5.12052501	1.84899372	0.534402879	0.188319008
58	0.016173758	0.012570101	6.013936355	1.55791884	0.458044813	0.015039154
59	0.020323317	0.014952922	4.383740813	1.391282382	0.262674649	0.016538725
67	0.023374122	0.017722524	4.098414323	3.471727076	0.500982839	0.017285428

ij	sd (eij)	SD(gdp)	SIZE	SD(DINFLA)	DISSM	TRADE
68	0.020813706	0.012725842	4.991825668	3.490765596	0.422325957	0.006172459
69	0.020463331	0.018375594	3.361630126	3.834057903	0.177451929	0.003308663
78	0.01120574	0.019065692	5.88426638	1.071914176	0.190929189	0.024568822
79	0.020893193	0.012351425	4.254070838	2.073001045	0.419964048	0.047130336
89	0.021633831	0.020096308	5.147482184	2.02838195	0.267178972	0.009315814

where: 1 = China

2 = Indonesia

3 = Japan

4 = South Korea

5 = Malaysia

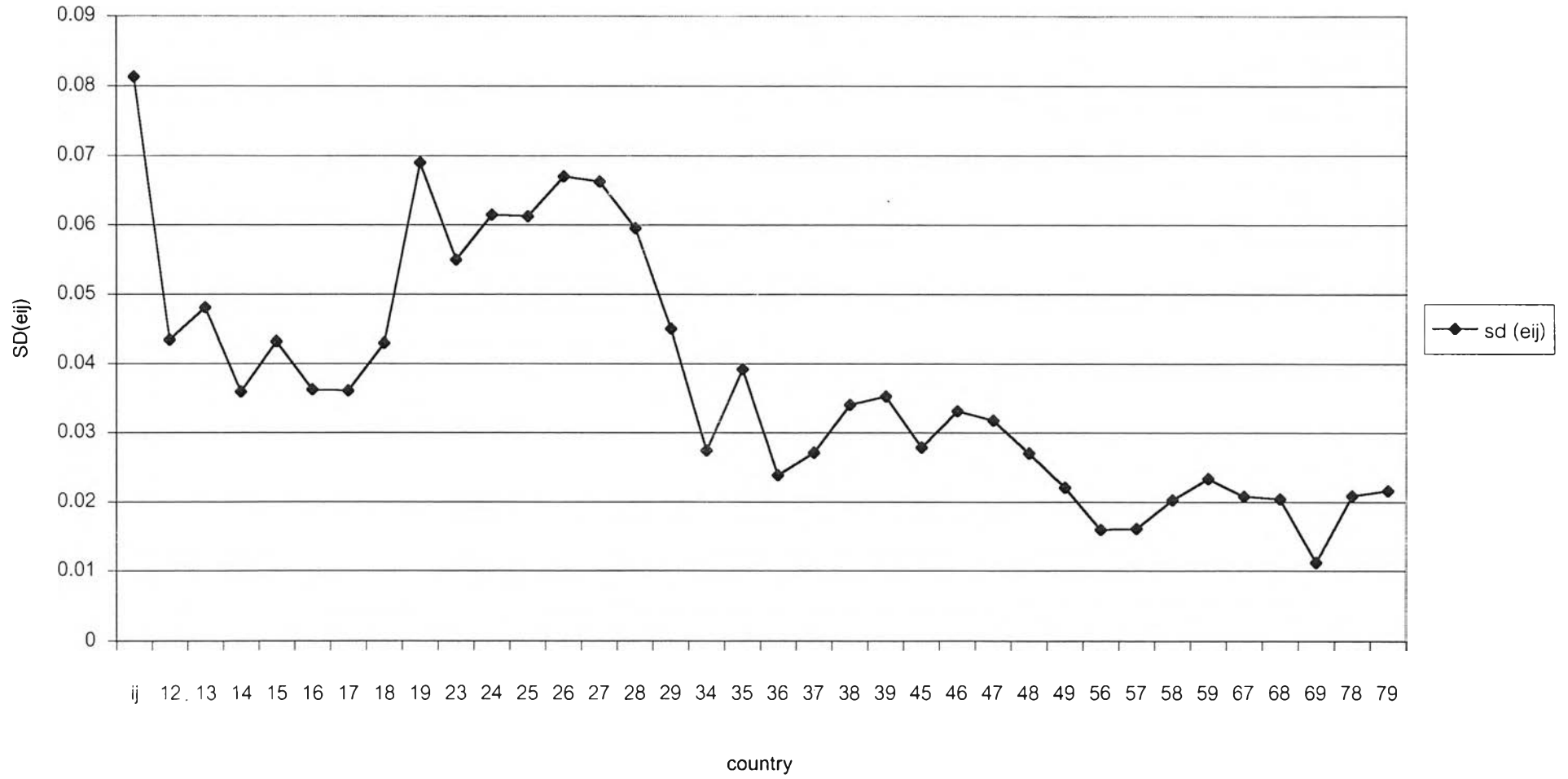
6 = The Phillipines

7 = Singapore

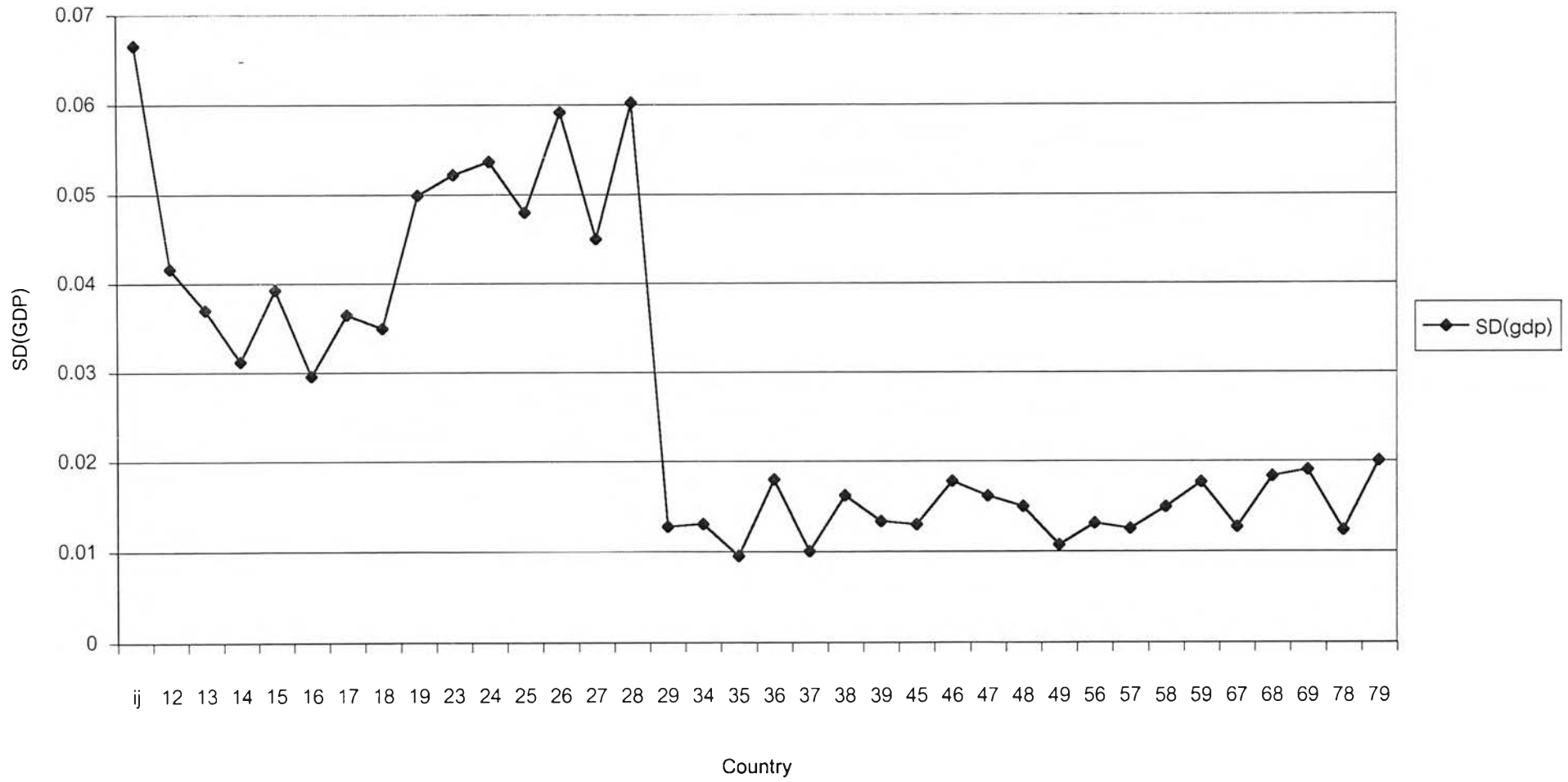
8 = Taiwan

9 = Thailand

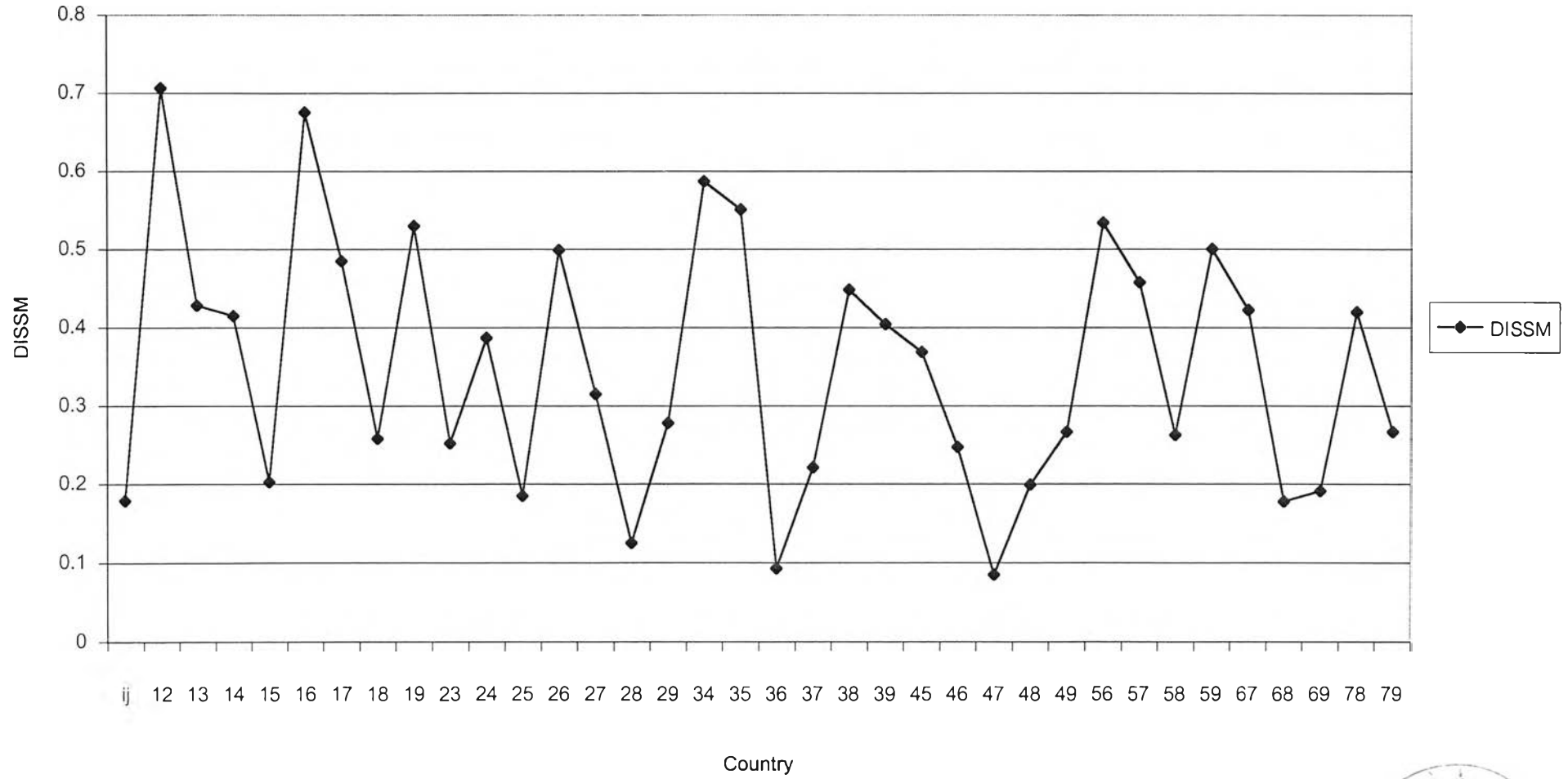
sd (eij)



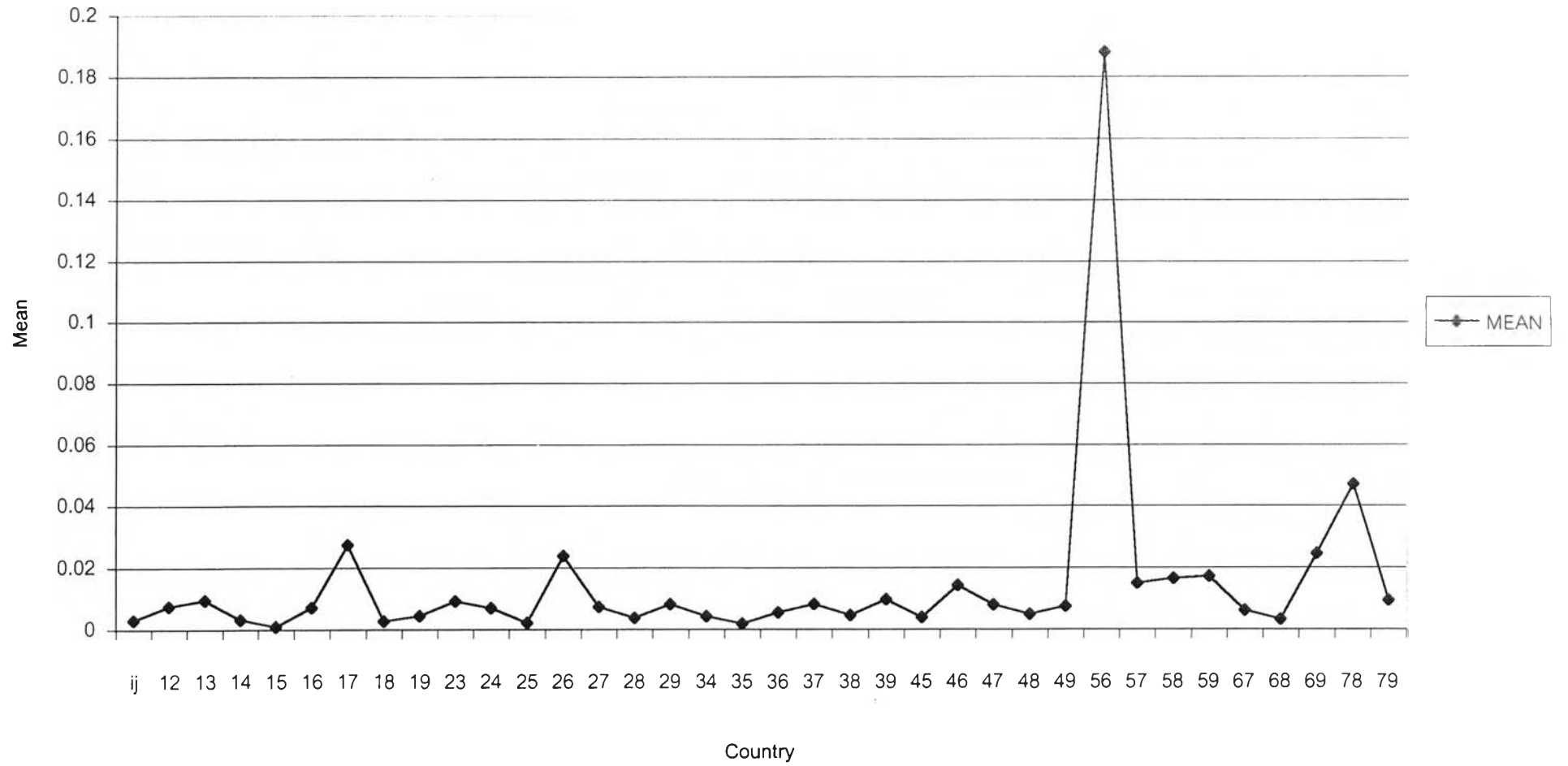
SD(gdp)



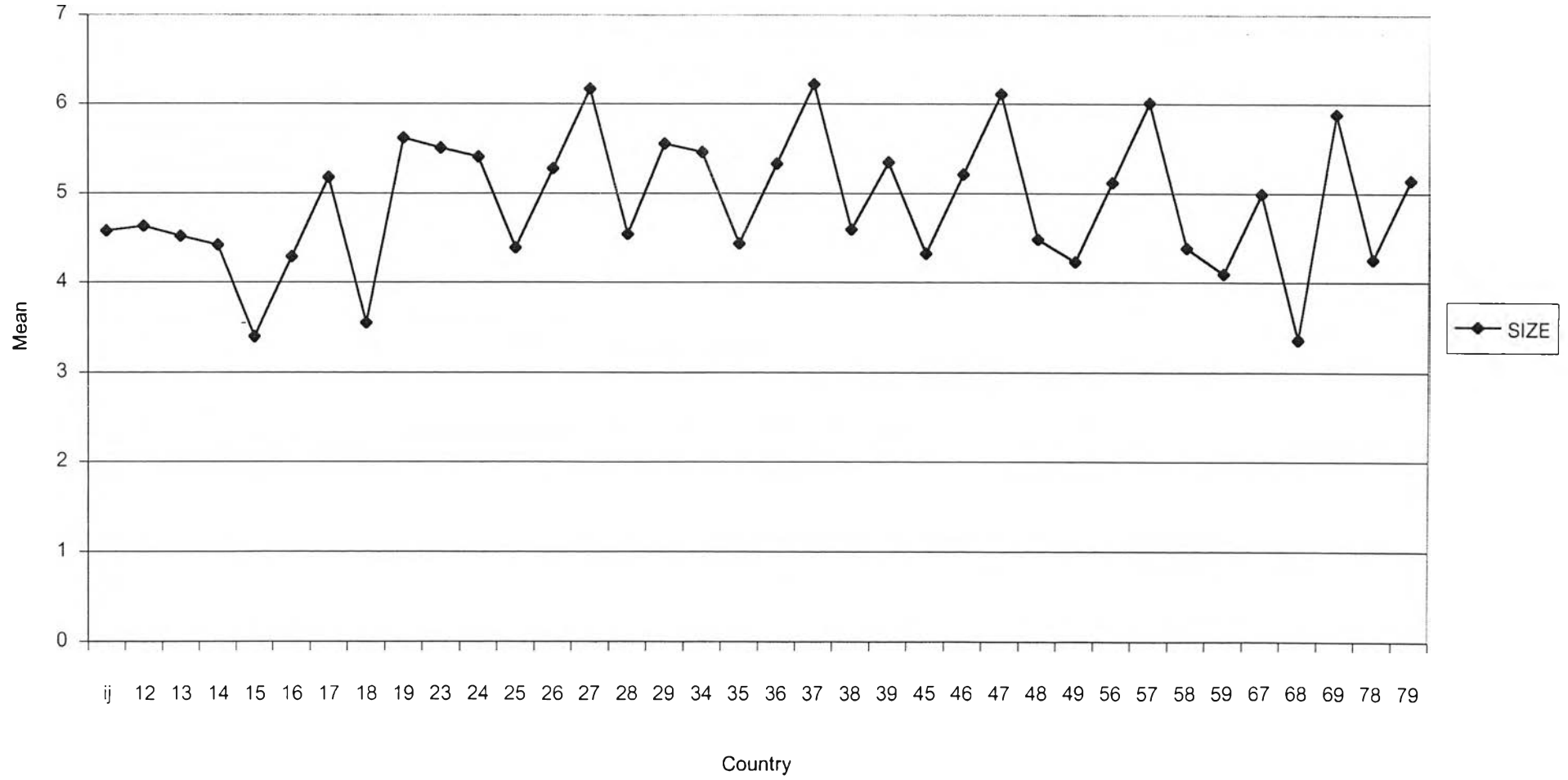
DISSM



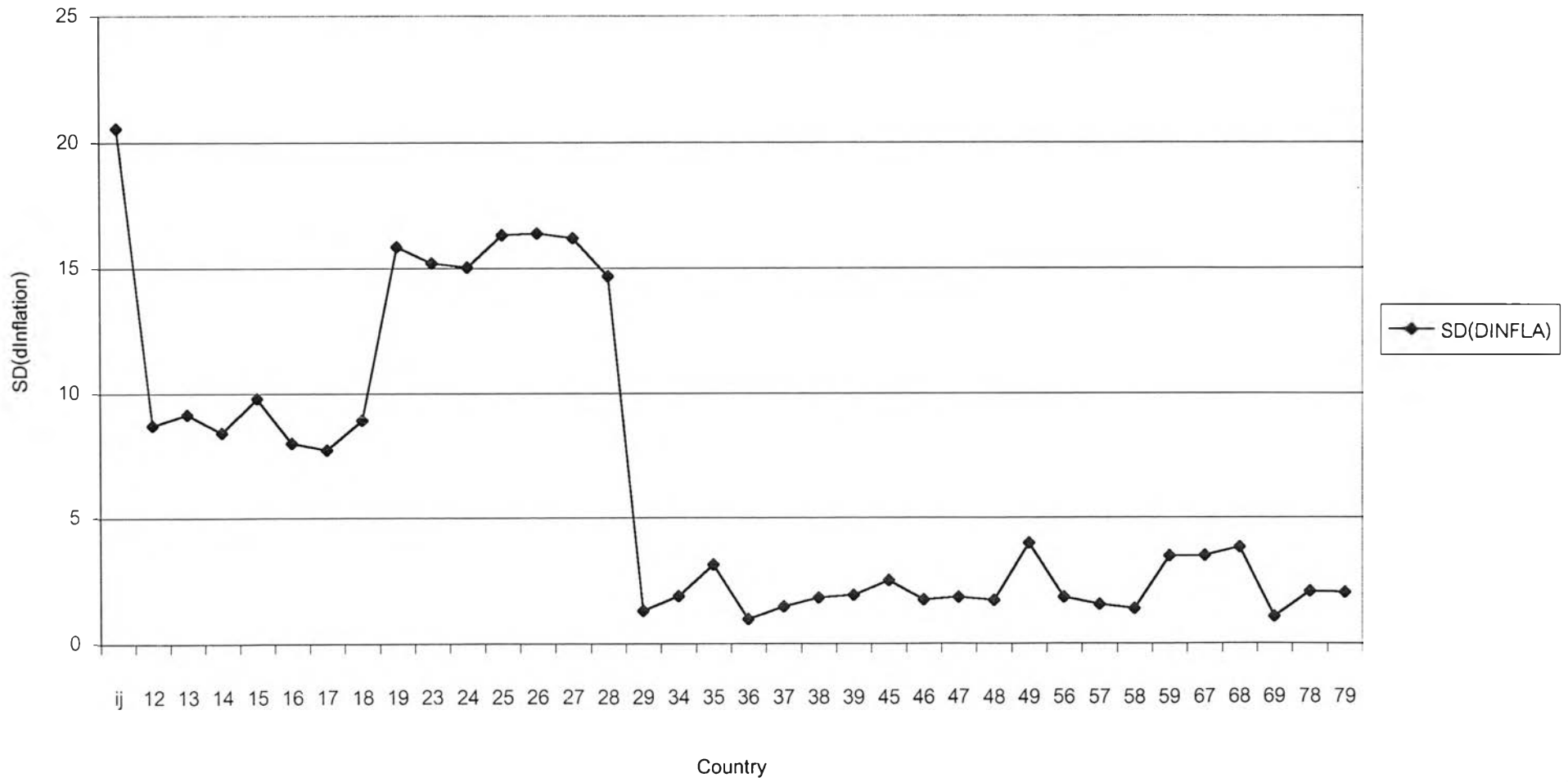
TRADE



SIZE



SD(DINFLA)



Biography



Miss Bang-orn Rittihan was born on November 27, 1975 in Khonkaen. She completed her Bachelor Degree in Business Administration, major International Business Management, minor Marketing from Assumption University in 1998. After graduated, she has work experienced as Purchasing officer at Textile company. Then, she continued her Master Degree in International Economics and Finance, Faculty of Economics, Chulalongkorn University. At present, she is working at Central Department store, Buying office as a Buyer of Thai Handicraft products.