

## **Yearender: Asia's emerging economies surge ahead despite global slowdown**

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SINGAPORE, Dec. 23 (Xinhua) -- Emerging economies in Asia have surged ahead despite the impact of debt crisis in Europe, the slow world economic recovery, and the feared U.S. "fiscal cliff".

These economies performed well in 2012 although their growths were slower than expected. A United Nations report released recently says that economic growth of Asia and the Pacific in 2012 is forecast to be 5.6 percent, down from an earlier forecast of 6.5 percent.

For the upcoming 2013, economists are generally optimistic on the continued growth in the Asia Pacific with strong domestic demand expected to offset weak export growth.

Goldman Sachs recently released 2013 Asian Economic Outlook report, expressing optimism about the economic outlook for next year in the region excluding Japan.

It predicted that economic growth in Asia would average 6.9 percent in 2013 and to further expand to 7.3 percent from 2014 to 2016.

### **EMERGING TREND FOR ASIAN ECONOMIES**

Singapore, for its part, which is more open to the outside world, was obviously the most affected by the weak global economy. The European Union (EU) is Singapore's second largest trading partner, second only to its neighboring Malaysia.

According to official data, the bilateral trade between Singapore and the European Union reached 106 billion Singapore dollars (about 86.9 billion U.S. dollars) in 2011, an increase of 7 percent. This year, Singapore's non-oil exports to the EU fell by 16.5 percent in the third quarter of this year.

Based on weak exports in the third quarter, the International Enterprise Singapore Board forecasts non-oil domestic exports growth would be reduced from 4-5 percent to 2-3 percent the whole year, and next year's non-oil domestic exports grew by 2 percent to 4 percent, the total trade would grow by 3-4 percent.

According to Singapore Ministry of Trade and Industry, Singapore's economic growth in the third quarter in 2012 remained in the doldrums. The first quarter GDP grew by 1.6 percent, the second quarter by 2.5 percent, the third quarter by only 0.3 percent.

In Indonesia, although the central bank has forecast a 6.2 percent growth for the fourth quarter, the full-year growth would be 6.3 percent, which is still within the country's growth forecast for 2012.

However, Indonesian exports reflect a slowdown in external demand. According to data released by the Central Bureau of Statistics, in

October, Indonesia exported 15.67 billion U.S. dollars and imports of 17.21 billion U.S. dollars, a deficit of up to 1.55 billion U.S. dollars, a record monthly trade deficit in Indonesia.

Wellian Wiranto, Asia Investment Strategist, Barclays, in an interview with Xinhua, said that in Indonesia, domestic demand was the main engine of economic growth this year and in the upcoming year.

After the devastating floods of 2011, Thailand exports have gradually recovered. According to official data, the total export value of Thailand in October year-on-year increased by 15.57 percent, mainly from the rebound in exports of agricultural and processed products of agricultural products and a variety of industrial products.

As for India, experts called for a "rebooting" of the country. India's high growth rates of 8-9 percent have been revised downwards to 5.5 percent, an all-time low since 2004. Wiranto said that overall, Asia has done well despite the global headwinds of eurozone situation and the feared effect of the so-called "fiscal cliff" in the United States.

Albert Hu Guangzhou, associate professor, National University of Singapore, said in an interview that the Asia-Pacific emerging economies have taken timely measures to cope with external factors, adding that these "proactive" measures have stimulated domestic demand to make up for the shortfall in export revenues.

"In the short term, these policies have achieved certain positive results in the majority of countries," Guangzhou said.

In the Philippines, the country's economic growth for the first three quarters was 6.5 percent. For the second quarter, the Philippines grew by 7.1 percent, the second fastest in Asia after China. The Philippines expects to grow by more than 6 percent for the whole year of 2012.

#### CHINA'S LEADING ROLE IN REGIONAL RECOVERY

Analysts pointed out that China's recent data show signs of a "soft landing" for next year's economic recovery in the entire region. Wiranto believes that China's new leadership will be more policy-oriented and clearer, so China can successfully achieve economic transformation.

He forecasts that China's economic growth next year would exceed 8 percent. "China's recovery will not only improve market sentiment but will also increase the speed of economic growth of the Asian economies, because trade between Asia's emerging economies is becoming increasingly important," Wiranto said.

Moody's Analytics senior economist Glenn Levine, in a recent report, said that China will drive the entire Asian region forward, adding that if China's economy improves, it would definitely push the economies in the region upwards.

Levine believes that Asian economies in 2013 will continue to exhibit remarkable growth. This could be triggered by more spending for infrastructure projects and sound economic reforms, particularly in attracting foreign investments.

China's steady economic recovery, the structural reforms in the eurozone countries, and perceptible advances in the U.S. economy would help maintain the growth momentum of the emerging Asian economies.