

AFTER THE PERFECT  
STORM:  
MAKING EAST ASIAN  
ECONOMIES MORE  
SUSTAINABLE

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# East Asia: Growth Strategy

- # Export-led growth
- # Focus on the US market
- # High savings
- # Large current account surplus
- # Huge reserves
- # Recycling surplus to finance US deficits
- # Strong US dollar

# Key Lessons from the crisis

- # Avoid excessive financial exposure
- # Reduce market concentration
- # Beware of the “Dollar Trap”
- # Check global imbalances early
- # Strengthen the domestic economy

# Options for East Asia

- # Keep going in the same direction
- # Take a U-turn and look inward
- # Stay outward-looking but with a distinct difference

# The Way Forward

- # Invest East Asian savings in East Asia
- # Generate employment, income and demand in the region for East Asian products
- # Stay focused on the region but not at the expense of the rest of the world

# Regional Initiatives: A Wish List

- Make East Asia borderless for trade and investment flows
- Expedite financial market integration
- Institutionalize central banks' networking
- Coordinate exchange rate policies
- Go beyond CMI towards AMF

THANK YOU