Reproduced from *Global Economic Uncertainties and Southeast Asian Economies*, edited by Suthiphand Chirathivat, Chayodom Sabhasri and Aekapol Chongvilaivan (Singapore: Institute of Southeast Asian Studies, 2015).

This version was obtained electronically direct from the publisher on condition that copyright is not infringed.

No part of this publication may be reproduced without the prior permission of the Institute of Southeast Asian Studies. Individual chapters are available at <a href="http://bookshop.iseas.edu.sg">http://bookshop.iseas.edu.sg</a>

## **INDEX**

APTA. See ASEAN Preferential aggregate demand Trading Agreement (APTA) per capita by region, impact on, AREM. See AMRO Regional Economic Monitoring (AREM) 213 in surplus countries, 214 ARF. See ASEAN Regional Forum aggregate output growth (ARF) effects of, 155 ASA. See ASEAN Swap Arrangement exhibit, coefficients of, 165 (ASA) agricultural business, Vietnam, 141 ASEAN. See Association of Southeast Asian Nations (ASEAN) AHRD. See ASEAN Human Rights Declaration (AHRD) ASEAN+3 AHTF. See ASEAN Humanitarian financial structure in, 220-22 Task Force (AHTF) monetary policies, 234 AICHR. See ASEAN Interprocess, 18-19 governmental Commission on strategies, 244 Human Rights (AICHR) ASEAN-4 AMMTC. See ASEAN Ministerial current account of, 8 Meeting on Transnational Crime policy rates in, 11 ASEAN 2030, 222-24 (AMMTC) AMRO. See ASEAN+3 ASEAN Agreement on Disaster Macroeconomic Research Office Management and Emergency (AMRO) Response, 251 ASEAN-China Free Trade Agreement AMRO Regional Economic Monitoring (AREM), 229 (ACFTA), 107 Annual Report on Exchange ASEAN-China Summit, 248, 253 Arrangements, 224 ASEAN Committee on Disaster Anti-Money Laundering, 244 Management, 251 ASEAN community, implications for, ANZ. See Australia-New Zealand (ANZ) 242-43 APG. See ASEAN Power Grid (APG); financial risks, 243-45 Asia Pacific Group (APG) non-financial risks, 245-53

ASEAN Convention on Counter-ASEAN Power Grid (APG), 249 Terrorism (ACCT), 247 **ASEAN Preferential Trading** ASEAN Economic Blueprint for the Agreement (APTA), 3 AEC, 3–4 ASEAN Regional Forum (ARF), 247 ASEAN Economic Community ASEAN Senior Officials Meeting on Energy (SOME), 250 (AEC), 3, 222, 245, 250 ASEAN Economic Community (AEC) ASEAN Senior Officials Meeting on Transnational Crime (SOMTC), Blueprint, 224 ASEAN Economic Community (AEC) 247 Scorecard mechanism, 4 ASEAN+3 Summit, 253 ASEAN's Vision 2020, 3 ASEAN Energy Market Integration (AEMI), 250 ASEAN Swap Arrangement (ASA), ASEAN Framework on Disaster 17, 225 Management, 251 Asia ASEAN Free Trade Agreement domestic demand in, 205-13 (AFTA), 3, 107 exchange rate policies in, 183–87 ASEAN Humanitarian Task Force expansionary macro policies in, (AHTF), 251–52 202 - 5ASEAN Human Rights Declaration foreign exchange rate adjustments (AHRD), 246 with expansionary macro ASEAN Inter-governmental policies in, 197-201 Commission on Human Rights global imbalances and, 176-87 (AICHR), 246 trade balance in, 193-94, 199 ASEAN leaders, 3 Asian Bond Fund (ABF), 220 ASEAN+3 Macroeconomic Research Asian Bond Market, 245 Office (AMRO), 17, 229, 239-40, Asian Bond Markets Initiative 244 - 45(ABMI), 220, 244–45 ASEAN Ministerial Meeting on Asian central banks, 186 Transnational Crime (AMMTC), Asian countries, business cycles in, 112 247 Asian currencies, patterns of, 188 ASEAN+, monetary and financial Asian Development Bank Institute architectures for, 218-19 (ADBI), 218, 222 ASEAN 2030, 222-24 Asian Dollar Market, 87 ASEAN financial resolutions, Asian economies, 47, 150, 154, 156, challenges in, 224–29 163–68, 170 crises and resolution, 219-20 benefits to, 148 financial structure in ASEAN and, domestic financial reform in, 150 220 - 22samples, 165 macro-prudential policy and Asian financial crisis (AFC), 2, 219, monetary policy, 231–38 242–43, 247, 253 stability and economic growth, after 1997/98, 6–7, 9, 57

Thailand, 18

229-31

Asian foreign exchange rate policies, 174–76	Bank of International Settlements' (BIS), 78
Cambridge-Alphametrics Model	Bank of Japan in 2013, 1, 20
(CAM), 187–92	baseline parameter, estimation of,
global imbalances and, 176-87	160–66
policy implications, 208–14	bilateral swap agreements (BSAs), 225
scenarios of foreign exchange rate	bilateral-trade flows, 118
and macroeconomic policies,	BIS. See Bank of International
192–208	Settlements' (BIS)
Asian macro-prudential policy, 236	BLP. See Bridging Loan Programme
Asia Pacific Group (APG), 244	(BLP)
Association of Southeast Asian	bond market, participation in, 47-50
Nations (ASEAN), 117	BOP. See balance of payments (BOP)
countries of, 1, 3	borderless economic community, 218,
development gap in, 245–46	222
economies, 2, 24, 49	Bridging Loan Programme (BLP), 91
financial resolutions, challenges in,	BSAs. See bilateral swap agreements
224–29	(BSAs)
financial structure in, 220–22	
free trade agreements (FTAs)	C
between, 3	CAM. See Cambridge-Alphametrics
human rights in, 246	Model (CAM)
integration, 3–4	Cambodia, 224
macro prudential policies in,	Cambridge-Alphametrics Model
236–38	(CAM), 187–92
regional economic integration	of world economy, 176
agenda, 3	Capability Development Scheme, 97
and South China Sea, 248	capital account openness, coefficients
stock markets, 14	of, 168
Australia-New Zealand (ANZ), 117	capital and financial account, 25, 30
	capital controls, 171
В	effects of, 168
balance of payments (BOP), 62–63,	notion of, 158
128–29	role of, 155, 165
Bank Indonesia, 51	capital flows, in Vietnam, 137
certificate by foreign investors, 47–48	capital inflows in emerging Asia,
banking sectors	composition of, 9
impact on, 83, 86–87	capital liberalization, 224
indicators on, 81	CDS premium. See credit default
measures to stabilize, 92, 94	swap (CDS) premium
Bank of Canada's Global Economy	Central Bank, 57–59
Model, 216n10	policy objectives, 235

Central Provident Fund (CPF) payroll, 90  CET schemes. See Continuing Education and Training (CET) schemes  Chiang Mai Initiative (CMI), 17, 219, 244  Chiang Mai Initiative Multilateralization (CMIM), 17-18, 219, 224-29, 244 adoptions for, 227  China, 225, 252 currency reform of, 186 economy of, 181, 193, 216n11 exchange rates, arrangement of, 185 macro-prudential policy, 236 policy, 32 real exchange rates of, 202, 205 yuan revaluation and fiscal stimulus in, 196  Chinese yuan, 187 revaluation with expansionary macroeconomic policies, 193–97  Chinn-Ito index, 165 CIEM. See Central Institute for Economic Management (CIEM) CIMB. See Commerce International Merchant Bank (CIMB) Clapper, James R., 247 CMI. See Chiang Mai Initiative Multilateralization (CMIM) CMI Swap Arrangement, 225 coefficient of relative income, 170 Commerce International Merchant Bank (CIMB), 64 Committee on Disaster Management,  diverse Continuing risks, 252–53 communicable diseases, non-financial risks, 252–53 communicable diseases, non-financial risks, 252–53 comsumer business centre, 98 consumer-price-index-based inflation, 125 Continuing Education and Training (CET) schemes, 97 conventional control variables, 154 Coordinated Portfolio Investment Survey, 14 core businesses, 136 cost-cutting efforts in banking sector, 87 CPF. See crisis prevention function (CPF) CPF payroll. See Central Provident Fund (CPF) payroll crawling-peg exchange rate system, 128, 133, 145 credit default swap (CDS) premium, 142 crisis prevention function (CPF), 227 CRM, 227 cross-country trade linkages, patterns of, 113–17 Cyclone Nargis, 251  D Declaration on the Conduct of Parties in the South China Sea (DOC), 248 de-coupling theory, 101–2 de facto exchange rate regimes, 185–86 Dependency Ratio Ceilings, 97 direct bilateral statistics, trade, 113	Central Institute for Economic Management (CIEM), 139	commodity fuel (energy) monthly price index, 36–37
CET schemes. See Continuing    Education and Training (CET)    schemes  Chiang Mai Initiative (CMI), 17, 219,    244  Chiang Mai Initiative    Multilateralization (CMIM),    17–18, 219, 224–29, 244    adoptions for, 227  China, 225, 252    currency reform of, 186    economy of, 181, 193, 216n11    exchange rates, arrangement of, 185    macro-prudential policy, 236    policy, 32    real exchange rates of, 202, 205    yuan revaluation and fiscal    stimulus in, 196  Chinese yuan, 187    revaluation with expansionary    macroeconomic policies,    193–97  Chinn-Ito index, 165  CIEM. See Central Institute for    Economic Management (CIEM)  CIMB. See Commerce International    Merchant Bank (CIMB)  Clapper, James R., 247  CMI. See Chiang Mai Initiative    Multilateralization (CMIM)  CMI Swap Arrangement, 225    coefficient of relative income, 170  Commerce International Merchant    Bank (CIMB), 64  Committee on Disaster Management,  Tisks, 252–53  consumer business centre, 98  consumer business centre, 98  consumer business centre, 98  consumer-brice-index-based inflation,  125  Continuing Education and Training    (CET) schemes, 97  conventional control variables, 154  Coordinated Portfolio Investment    Survey, 14  core businesses, 136  corseventes, 97  conventional control variables, 154  Coordinated Portfolio Investment    Survey, 14  core businesses.  Centamy femes, 97  conventional control variables, 154  Coordinated Portfolio Investment    Survey, 14  core businesses.  Cerenemy, 97  conventional control variables, 154  Coordinated Portfolio Investment    Survey, 14  core businesses, 136  cost-cutting efforts in banking sector,  87  CPF. See crisis prevention function (CPF), 227  CRM, 227  Credit default swap (CDS) premium,    142  crisis prevention function (CPF), 227  CRM, 227  cross-border claims in foreign claims,    46  cross-country trade linkages, patterns of, 113–17  Cyclone Nargis, 251  Declaration on the Conduct of Parties in the South China Sea (DOC),    248  de-coupling theory, 101–2  de facto exchan	Central Provident Fund (CPF)	commodity price factors, 31–35
Education and Training (CET) schemes  Chiang Mai Initiative (CMI), 17, 219, 244  Chiang Mai Initiative (CMIM), 17–18, 219, 224–29, 244  adoptions for, 227  China, 225, 252     currency reform of, 186     economy of, 181, 193, 216n11     exchange rates, arrangement of, 185     macro-prudential policy, 236     policy, 32     real exchange rates of, 202, 205     yuan revaluation and fiscal stimulus in, 196  Chinese yuan, 187     revaluation with expansionary macroeconomic policies, 193–97  Chinn-Ito index, 165  CIEM. See Cemtral Institute for Economic Management (CIEM)  CIMB. See Commerce International Merchant Bank (CIMB)  CMI See Chiang Mai Initiative Multilateralization (CMIM)  CMI Swap Arrangement, 225     consumer business centre, 98     consumer-price-index-based inflation, 125  Continuing Education and Training (CET) schemes, 97     conventional control variables, 154     Coordinated Portfolio Investment Survey, 14     core businesses, 136     cost-cutting efforts in banking sector, 87  CPF. See crisis prevention function (CPF)  CPF payroll. See Central Provident Fund (CPF) payroll crawling-peg exchange rate system, 128, 133, 145     credit default swap (CDS) premium, 142     crisis prevention function (CPF), 227     CRM, 227     crorss-border claims in foreign claims, 46     cross-country trade linkages, patterns of, 113–17     Cyclone Nargis, 251  D Declaration on the Conduct of Parties in the South China Sea (DOC), 248     de-coupling theory, 101–2     de facto exchange rate regimes, 185–86     Dependency Ratio Ceilings, 97     direct bilateral statistics, trade, 113	÷ *	
consumer-price-index-based inflation, 1244  Chiang Mai Initiative Multilateralization (CMIM), 17-18, 219, 224-29, 244 adoptions for, 227  China, 225, 252 currency reform of, 186 economy of, 181, 193, 216n11 exchange rates, arrangement of, 185 macro-prudential policy, 236 policy, 32 real exchange rates of, 202, 205 yuan revaluation and fiscal stimulus in, 196  Chinese yuan, 187 revaluation with expansionary macroeconomic policies, 193–97  Chinn-Ito index, 165 CIEM. See Central Institute for Economic Management (CIEM) CIMB. See Commerce International Merchant Bank (CIMB) Clapper, James R., 247 CMI. See Chiang Mai Initiative Multilateralization (CMIM) CMI Swap Arrangement, 225 coefficient of relative income, 170 Commerce International Merchant Bank (CIMB), 64 Committee on Disaster Management,		
Chiang Mai Initiative (CMI), 17, 219, 244  Chiang Mai Initiative Multilateralization (CMIM), 17–18, 219, 224–29, 244   adoptions for, 227  China, 225, 252   currency reform of, 186   economy of, 181, 193, 216n11   exchange rates, arrangement of, 185   macro-prudential policy, 236   policy, 32   real exchange rates of, 202, 205   yuan revaluation and fiscal stimulus in, 196  Chinese yuan, 187   revaluation with expansionary macroeconomic policies, 193–97  Chinn-Ito index, 165  CIEM. See Central Institute for Economic Management (CIEM)  CIMB. See Chiang Mai Initiative Multilateralization (CMIM)  CMI Swap Arrangement, 225   coefficient of relative income, 170  Commerce International Merchant Bank (CIMB), 64  Committee on Disaster Management, 218  125  Continuing Education and Training (CET) schemes, 97  conventional control variables, 154  Coordinated Portfolio Investment Survey, 14  core businesses, 136  cost-cutting efforts in banking sector, 87  CPF. See crisis prevention function (CPF) payroll crawling-peg exchange rate system, 128, 133, 145  credit default swap (CDS) premium, 142  crisis prevention function (CPF), 227  CRM, 227  cross-border claims in foreign claims, 46  cross-country trade linkages, patterns of, 113–17  Cyclone Nargis, 251  D Declaration on the Conduct of Parties in the South China Sea (DOC), 248  de-coupling theory, 101–2  de facto exchange rate regimes, 185–86  Dependency Ratio Ceilings, 97  direct bilateral statistics, trade, 113	e de la companya de	
Chiang Mai Initiative Multilateralization (CMIM), 17–18, 219, 224–29, 244 adoptions for, 227 China, 225, 252 currency reform of, 186 economy of, 181, 193, 216n11 exchange rates, arrangement of, 185 macro-prudential policy, 236 policy, 32 real exchange rates of, 202, 205 yuan revaluation and fiscal stimulus in, 196 Chinese yuan, 187 revaluation with expansionary macroeconomic policies, 193–97 Chinn-Ito index, 165 CIEM. See Central Institute for Economic Management (CIEM) CIMB. See Commerce International Merchant Bank (CIMB) Clapper, James R., 247 CMI. See Chiang Mai Initiative Multilateralization (CMIM) CMI Swap Arrangement, 225 coefficient of relative income, 170 Commerce International Merchant Bank (CIMB), 64 Committee on Disaster Management,  Continuing Education and Training (CET) schemes, 97 conventional control variables, 154 Coordinated Portfolio Investment Survey, 14 core businesses, 136 cost-cutting efforts in banking sector, 87 CPF. See crisis prevention function (CPF) CPF payroll. See Central Provident Fund (CPF) payroll crawling-peg exchange rate system, 128, 133, 145 credit default swap (CDS) premium, 142 cross-border claims in foreign claims, 46 cross-country trade linkages, patterns of, 113–17 Cyclone Nargis, 251  Declaration on the Conduct of Parties in the South China Sea (DOC), 248 de-coupling theory, 101–2 de facto exchange rate regimes, 185–86 Dependency Ratio Ceilings, 97 direct bilateral statistics, trade, 113	Chiang Mai Initiative (CMI), 17, 219,	_
Chiang Mai Initiative    Multilateralization (CMIM),    17–18, 219, 224–29, 244    adoptions for, 227 China, 225, 252    currency reform of, 186    economy of, 181, 193, 216n11    exchange rates, arrangement of, 185    macro-prudential policy, 236    policy, 32    real exchange rates of, 202, 205    yuan revaluation and fiscal stimulus in, 196 Chinese yuan, 187    revaluation with expansionary macroeconomic policies, 193–97 Chinn-Ito index, 165 CIEM. See Central Institute for Economic Management (CIEM) CIMB. See Chiang Mai Initiative Merchant Bank (CIMB) Clapper, James R., 247 CMI. See Chiang Mai Initiative Multilateralization (CMIM) CMI Swap Arrangement, 225 coefficient of relative income, 170 Commerce International Bank (CIMB), 64 Committee on Disaster Management,  (CET) schemes, 97 conventional control variables, 154 Coordinated Portfolio Investment Survey, 14 core businesses, 136 cost-cutting efforts in banking sector, 87 CPF. See crisis prevention function (CPF) Payroll. See Central Provident Fund (CPF) payroll crawling-peg exchange rate system, 128, 133, 145 credit default swap (CDS) premium, 142 crisis prevention function (CPF), 227 CRM, 227 cross-border claims in foreign claims, 46 cross-country trade linkages, patterns of, 113–17 Cyclone Nargis, 251  Declaration on the Conduct of Parties in the South China Sea (DOC), 248 de-coupling theory, 101–2 de facto exchange rate regimes, 185–86 Dependency Ratio Ceilings, 97 direct bilateral statistics, trade, 113	9	Continuing Education and Training
17–18, 219, 224–29, 244 adoptions for, 227 China, 225, 252 currency reform of, 186 economy of, 181, 193, 216n11 exchange rates, arrangement of, 185 macro-prudential policy, 236 policy, 32 real exchange rates of, 202, 205 yuan revaluation and fiscal stimulus in, 196 Chinese yuan, 187 revaluation with expansionary macroeconomic policies, 193–97 Chinn-Ito index, 165 CIEM. See Central Institute for Economic Management (CIEM) CIMB. See Commerce International Merchant Bank (CIMB) CIMIS. See Chiang Mai Initiative (CMI) CMI Swap Arrangement, 225 coefficient of relative income, 170 Commerce International Merchant Bank (CIMB), 64 Committee on Disaster Management, Coordinated Portfolio Investment Survey, 14 core businesses, 136 cost-cutting efforts in banking sector, 87 CPF. See crisis prevention function (CPF) payroll. See Central Provident Fund (CPF) payroll payr	Chiang Mai Initiative	
adoptions for, 227 China, 225, 252 currency reform of, 186 economy of, 181, 193, 216n11 exchange rates, arrangement of, 185 macro-prudential policy, 236 policy, 32 real exchange rates of, 202, 205 yuan revaluation and fiscal stimulus in, 196 Chinese yuan, 187 revaluation with expansionary macroeconomic policies, 193–97 Chinn-Ito index, 165 CIEM. See Central Institute for Economic Management (CIEM) CIMB. See Commerce International Merchant Bank (CIMB) Clapper, James R., 247 CMI. See Chiang Mai Initiative Multilateralization (CMIM) CMI Swap Arrangement, 225 coefficient of relative income, 170 Commerce International Merchant Bank (CIMB), 64 Committee on Disaster Management,  Survey, 14 core businesses, 136 cost-cutting efforts in banking sector, 87 CPF. See crisis prevention function (CPF) CPF payroll. See Central Provident Fund (CPF) payroll crawling-peg exchange rate system, 128, 133, 145 credit default swap (CDS) premium, 142 crisis prevention function (CPF), 227 CRM, 227 cross-border claims in foreign claims, 46 cross-country trade linkages, patterns of, 113–17 Cyclone Nargis, 251  D Declaration on the Conduct of Parties in the South China Sea (DOC), 248 de-coupling theory, 101–2 de facto exchange rate regimes, 185–86 Dependency Ratio Ceilings, 97 direct bilateral statistics, trade, 113	Multilateralization (CMIM),	conventional control variables, 154
China, 225, 252     currency reform of, 186     economy of, 181, 193, 216n11     exchange rates, arrangement of, 185     macro-prudential policy, 236     policy, 32     real exchange rates of, 202, 205     yuan revaluation and fiscal     stimulus in, 196 Chinese yuan, 187     revaluation with expansionary     macroeconomic policies,     193–97 Chinn-Ito index, 165 CIEM. See Central Institute for     Economic Management (CIEM) CIMB. See Commerce International     Merchant Bank (CIMB) Clapper, James R., 247 CMI. See Chiang Mai Initiative     Multilateralization (CMIM) CMI Swap Arrangement, 225 coefficient of relative income, 170 Commerce International Merchant     Bank (CIMB), 64 Committee on Disaster Management,      acore businesses, 136 cost-cutting efforts in banking sector, 87 CPF. See crisis prevention function (CPF) CPF payroll. See Central Provident Fund (CPF) payroll crawling-peg exchange rate system, 128, 133, 145 credit default swap (CDS) premium, 142 crisis prevention function (CPF), 227 CRM, 227 cross-border claims in foreign claims, 46 cross-country trade linkages, patterns of, 113–17 Cyclone Nargis, 251  D Declaration on the Conduct of Parties in the South China Sea (DOC), 248 de-coupling theory, 101–2 de facto exchange rate regimes, 185–86 Dependency Ratio Ceilings, 97 direct bilateral statistics, trade, 113	17–18, 219, 224–29, 244	Coordinated Portfolio Investment
currency reform of, 186 economy of, 181, 193, 216n11 exchange rates, arrangement of, 185 macro-prudential policy, 236 policy, 32 real exchange rates of, 202, 205 yuan revaluation and fiscal stimulus in, 196 Chinese yuan, 187 revaluation with expansionary macroeconomic policies, 193–97 Chinn-Ito index, 165 CIEM. See Central Institute for Economic Management (CIEM) CIMB. See Commerce International Merchant Bank (CIMB) Clapper, James R., 247 CMI. See Chiang Mai Initiative Multilateralization (CMIM) CMI Swap Arrangement, 225 coefficient of relative income, 170 Commerce International Merchant Bank (CIMB), 64 Committee on Disaster Management,  cost-cutting efforts in banking sector, 87 CPF. See crisis prevention function (CPF) CPF payroll. See Central Provident Fund (CPF) payroll crawling-peg exchange rate system, 128, 133, 145 credit default swap (CDS) premium, 142 crisis prevention function (CPF), 227 CRM, 227 cross-border claims in foreign claims, 46 cross-country trade linkages, patterns of, 113–17 Cyclone Nargis, 251  D Declaration on the Conduct of Parties in the South China Sea (DOC), 248 de-coupling theory, 101–2 de facto exchange rate regimes, 185–86 Dependency Ratio Ceilings, 97 direct bilateral statistics, trade, 113	adoptions for, 227	Survey, 14
economy of, 181, 193, 216n11 exchange rates, arrangement of, 185 macro-prudential policy, 236 policy, 32 real exchange rates of, 202, 205 yuan revaluation and fiscal stimulus in, 196 Chinese yuan, 187 revaluation with expansionary macroeconomic policies, 193–97 Chinn-Ito index, 165 CIEM. See Central Institute for Economic Management (CIEM) CIMB. See Commerce International Merchant Bank (CIMB) Clapper, James R., 247 CMI. See Chiang Mai Initiative Multilateralization (CMIM) CMI Swap Arrangement, 225 coefficient of relative income, 170 Commerce International Merchant Bank (CIMB), 64 Committee on Disaster Management,	China, 225, 252	core businesses, 136
macro-prudential policy, 236 policy, 32 real exchange rates of, 202, 205 yuan revaluation and fiscal stimulus in, 196 Chinese yuan, 187 revaluation with expansionary macroeconomic policies, 193–97 Chinn-Ito index, 165 CIEM. See Central Institute for Economic Management (CIEM) CIMB. See Commerce International Merchant Bank (CIMB) CMIM. See Chiang Mai Initiative Multilateralization (CMIM) CMI Swap Arrangement, 225 coefficient of relative income, 170 Commerce International Merchant Bank (CIMB), 64 Committee on Disaster Management,  (CPF) CPF payroll. See Central Provident Fund (CPF) payroll crawling-peg exchange rate system, 128, 133, 145 credit default swap (CDS) premium, 142 crisis prevention function (CPF), 227 CRM, 227 cross-border claims in foreign claims, 46 cross-country trade linkages, patterns of, 113–17 Cyclone Nargis, 251  D Declaration on the Conduct of Parties in the South China Sea (DOC), 248 de-coupling theory, 101–2 de facto exchange rate regimes, 185–86 Dependency Ratio Ceilings, 97 direct bilateral statistics, trade, 113		0
real exchange rates of, 202, 205 yuan revaluation and fiscal stimulus in, 196 Chinese yuan, 187 revaluation with expansionary macroeconomic policies, 193–97 Chinn-Ito index, 165 CIEM. See Central Institute for Economic Management (CIEM) CIMB. See Commerce International Merchant Bank (CIMB) Clapper, James R., 247 CMI. See Chiang Mai Initiative Multilateralization (CMIM) CMIS wap Arrangement, 225 coefficient of relative income, 170 Commerce International Management, Bank (CIMB), 64 Committee on Disaster Management,		=
real exchange rates of, 202, 205 yuan revaluation and fiscal stimulus in, 196 Chinese yuan, 187 revaluation with expansionary macroeconomic policies, 193–97 Chinn-Ito index, 165 CIEM. See Central Institute for Economic Management (CIEM) CIMB. See Commerce International Merchant Bank (CIMB) Clapper, James R., 247 CMI. See Chiang Mai Initiative Multilateralization (CMIM) CMIS See Chiang Mai Initiative Multilateralization (CMIM) CMI Swap Arrangement, 225 coefficient of relative income, 170 Commerce International Merchant Bank (CIMB), 64 Committee on Disaster Management,  Fund (CPF) payroll crawling-peg exchange rate system, 128, 133, 145 credit default swap (CDS) premium, 142 crisis prevention function (CPF), 227 cross-border claims in foreign claims, 46 cross-country trade linkages, patterns of, 113–17 Cyclone Nargis, 251  Declaration on the Conduct of Parties in the South China Sea (DOC), 248 de-coupling theory, 101–2 de facto exchange rate regimes, 185–86 Dependency Ratio Ceilings, 97 direct bilateral statistics, trade, 113		CPF payroll. See Central Provident
yuan revaluation and fiscal stimulus in, 196  Chinese yuan, 187 revaluation with expansionary macroeconomic policies, 193–97  Chinn-Ito index, 165  CIEM. See Central Institute for Economic Management (CIEM)  CIMB. See Commerce International Merchant Bank (CIMB)  Clapper, James R., 247  CMI. See Chiang Mai Initiative Multilateralization (CMIM)  CMI Swap Arrangement, 225  coefficient of relative income, 170  Commerce International Merchant Bank (CIMB), 64  Committee on Disaster Management, 235  crawling-peg exchange rate system, 128, 133, 145  credit default swap (CDS) premium, 142  crisis prevention function (CPF), 227  CRM, 227  cross-border claims in foreign claims, 46  cross-country trade linkages, patterns of, 113–17  Cyclone Nargis, 251  D  Declaration on the Conduct of Parties in the South China Sea (DOC), 248  de-coupling theory, 101–2  de facto exchange rate system, 128, 133, 145  credit default swap (CDS) premium, 142  crisis prevention function (CPF), 227  CRM, 227  Committee or observed claims in foreign claims, 46  cross-country trade linkages, patterns of, 113–17  Cyclone Nargis, 251  D  Declaration on the Conduct of Parties in the South China Sea (DOC), 248  de-coupling theory, 101–2  de facto exchange rate system, 182  defacto exchange rate s	real exchange rates of, 202, 205	
Chinese yuan, 187 revaluation with expansionary macroeconomic policies, 193–97 Chinn-Ito index, 165 CIEM. See Central Institute for Economic Management (CIEM) CIMB. See Commerce International Merchant Bank (CIMB) Clapper, James R., 247 CMI. See Chiang Mai Initiative Multilateralization (CMIM) CMI Swap Arrangement, 225 coefficient of relative income, 170 Commerce International Merchant Bank (CIMB), 64 Committee on Disaster Management,  revaluation with expansionary 142 crisis prevention function (CPF), 227 cross-border claims in foreign claims, 46 cross-country trade linkages, patterns of, 113–17 Cyclone Nargis, 251  D Declaration on the Conduct of Parties in the South China Sea (DOC), 248 de-coupling theory, 101–2 de facto exchange rate regimes, 185–86 Dependency Ratio Ceilings, 97 direct bilateral statistics, trade, 113	yuan revaluation and fiscal	
revaluation with expansionary macroeconomic policies, 193–97 Chinn-Ito index, 165 CIEM. See Central Institute for Economic Management (CIEM) CIMB. See Commerce International Merchant Bank (CIMB) Clapper, James R., 247 CMI. See Chiang Mai Initiative Multilateralization (CMIM) CMI Swap Arrangement, 225 coefficient of relative income, 170 Commerce International Merchant Bank (CIMB), 64 Committee on Disaster Management,  142 crisis prevention function (CPF), 227 cross-border claims in foreign claims, 46 cross-country trade linkages, patterns of, 113–17 Cyclone Nargis, 251  D Declaration on the Conduct of Parties in the South China Sea (DOC), 248 de-coupling theory, 101–2 de facto exchange rate regimes, 185–86 Dependency Ratio Ceilings, 97 direct bilateral statistics, trade, 113	•	
macroeconomic policies, 193–97 Chinn-Ito index, 165 CIEM. See Central Institute for Economic Management (CIEM) CIMB. See Commerce International Merchant Bank (CIMB) Clapper, James R., 247 CMI. See Chiang Mai Initiative Multilateralization (CMIM) CMI Swap Arrangement, 225 coefficient of relative income, 170 Commerce International Merchant Bank (CIMB), 64 Committee on Disaster Management,  crisis prevention function (CPF), 227 CRM, 227 cross-border claims in foreign claims, 46 cross-country trade linkages, patterns of, 113–17 Cyclone Nargis, 251  D Declaration on the Conduct of Parties in the South China Sea (DOC), 248 de-coupling theory, 101–2 de facto exchange rate regimes, 185–86 Dependency Ratio Ceilings, 97 direct bilateral statistics, trade, 113	,	
Chinn-Ito index, 165 CIEM. See Central Institute for Economic Management (CIEM) CIMB. See Commerce International Merchant Bank (CIMB) Clapper, James R., 247 CMI. See Chiang Mai Initiative (CMI) CMIM. See Chiang Mai Initiative Multilateralization (CMIM) CMI Swap Arrangement, 225 coefficient of relative income, 170 Commerce International Merchant Bank (CIMB), 64 Committee on Disaster Management, 26  cross-border claims in foreign claims, 46 cross-country trade linkages, patterns of, 113–17 Cyclone Nargis, 251  D Declaration on the Conduct of Parties in the South China Sea (DOC), 248 de-coupling theory, 101–2 de facto exchange rate regimes, 185–86 Dependency Ratio Ceilings, 97 direct bilateral statistics, trade, 113	macroeconomic policies,	
CIEM. See Central Institute for Economic Management (CIEM)  CIMB. See Commerce International Merchant Bank (CIMB)  Clapper, James R., 247  CMI. See Chiang Mai Initiative (CMI)  CMIM. See Chiang Mai Initiative Multilateralization (CMIM)  CMI Swap Arrangement, 225  coefficient of relative income, 170  Commerce International Merchant Bank (CIMB), 64  Committee on Disaster Management, 46  cross-country trade linkages, patterns of, 113–17  Cyclone Nargis, 251  D  Declaration on the Conduct of Parties in the South China Sea (DOC), 248  de-coupling theory, 101–2  de facto exchange rate regimes, 185–86  Dependency Ratio Ceilings, 97  direct bilateral statistics, trade, 113	Chinn-Ito index, 165	
CIMB. See Commerce International Merchant Bank (CIMB)  Clapper, James R., 247  CMI. See Chiang Mai Initiative (CMI)  CMIM. See Chiang Mai Initiative Multilateralization (CMIM)  CMI Swap Arrangement, 225  coefficient of relative income, 170  Commerce International Merchant Bank (CIMB), 64  Committee on Disaster Management,  of, 113–17  Cyclone Nargis, 251  D  Declaration on the Conduct of Parties in the South China Sea (DOC), 248  de-coupling theory, 101–2  de facto exchange rate regimes, 185–86  Dependency Ratio Ceilings, 97  direct bilateral statistics, trade, 113	CIEM. See Central Institute for	e e e e e e e e e e e e e e e e e e e
Merchant Bank (CIMB)  Clapper, James R., 247  CMI. See Chiang Mai Initiative (CMI)  CMIM. See Chiang Mai Initiative Multilateralization (CMIM)  CMI Swap Arrangement, 225  coefficient of relative income, 170  Commerce International Merchant Bank (CIMB), 64  Committee on Disaster Management,  Cyclone Nargis, 251  D  Declaration on the Conduct of Parties in the South China Sea (DOC), 248  de-coupling theory, 101–2  de facto exchange rate regimes, 185–86  Dependency Ratio Ceilings, 97  direct bilateral statistics, trade, 113		
Clapper, James R., 247  CMI. See Chiang Mai Initiative (CMI)  CMIM. See Chiang Mai Initiative Declaration on the Conduct of Parties Multilateralization (CMIM)  CMI Swap Arrangement, 225  coefficient of relative income, 170  Commerce International Merchant Bank (CIMB), 64  Committee on Disaster Management, 247  Declaration on the Conduct of Parties in the South China Sea (DOC), 248  de-coupling theory, 101–2  de facto exchange rate regimes, 185–86  Dependency Ratio Ceilings, 97  direct bilateral statistics, trade, 113	Merchant Bank (CIMB)	
CMI. See Chiang Mai Initiative (CMI)  CMIM. See Chiang Mai Initiative Multilateralization (CMIM)  CMI Swap Arrangement, 225  coefficient of relative income, 170  Commerce International Merchant Bank (CIMB), 64  Committee on Disaster Management,  Declaration on the Conduct of Parties in the South China Sea (DOC), 248  de-coupling theory, 101–2  de facto exchange rate regimes, 185–86  Dependency Ratio Ceilings, 97  direct bilateral statistics, trade, 113		, , ,
CMIM. See Chiang Mai Initiative Multilateralization (CMIM)  CMI Swap Arrangement, 225  coefficient of relative income, 170  Commerce International Merchant Bank (CIMB), 64  Committee on Disaster Management,  Declaration on the Conduct of Parties in the South China Sea (DOC), 248  de-coupling theory, 101–2 de facto exchange rate regimes, 185–86 Dependency Ratio Ceilings, 97 direct bilateral statistics, trade, 113		D
coefficient of relative income, 170 de-coupling theory, 101–2 Commerce International Merchant Bank (CIMB), 64 Dependency Ratio Ceilings, 97 Committee on Disaster Management, direct bilateral statistics, trade, 113	CMIM. See Chiang Mai Initiative	
coefficient of relative income, 170 de-coupling theory, 101–2 Commerce International Merchant Bank (CIMB), 64 Dependency Ratio Ceilings, 97 Committee on Disaster Management, direct bilateral statistics, trade, 113	CMI Swap Arrangement, 225	248
Commerce International Merchant Bank (CIMB), 64 Committee on Disaster Management,  de facto exchange rate regimes, 185–86 Dependency Ratio Ceilings, 97 direct bilateral statistics, trade, 113	coefficient of relative income, 170	de-coupling theory, 101–2
Bank (CIMB), 64 Dependency Ratio Ceilings, 97 Committee on Disaster Management, direct bilateral statistics, trade, 113	Commerce International Merchant	
ě	Bank (CIMB), 64	
231 unect trade inikages, 114–10	Committee on Disaster Management, 251	direct bilateral statistics, trade, 113 direct trade linkages, 114–16

dollar money market, 87	economic recession, Vietnam, 137
domestic banks, foreign ownership	Economic Review and Policy
in, 39	Dialogue, 228
domestic demand-driven economy, 23	Economic Strategies Committee
domestic equity market, 83	(ESC), 95
domestic factors, inflation, 126, 128	Economic Transformation Plan (ETP),
domestic financial market, 224	58
domestic financial reforms, 150, 153,	economy
166, 170	of Singapore, 78, 94, 102
in Asian economies, 150	of Thailand, 106–7
trends of, 151	of Vietnam, 124–25
Vietnam, 143	EDB. See Economic Development
domestic macroeconomic policy, 6	Board (EDB)
domestic shocks, Thailand, 112	Efficient financial market, 230
domestic structural reform, 153	ELDMB. See Executive Level Decision
dong-denominated deposits, 141	Making Body (ELDMB)
double-digit territory, 106	EMI initiative. See Energy Market
Durbin-Watson F test, 161	Integration (EMI) initiative
	Employees' Provident Fund, 65
E	Employment Pass, 97
EAS. See East Asia Finance	employment subsidization
Cooperation (EAS)	programme, 90
East Asia, 2	"Energy Blue Print", 250
liquidity crisis in, 16–19	Energy Market Integration (EMI)
regional economies of, 22	initiative, 250
East Asia Finance Cooperation (EAS),	energy, non-financial risks, 249-50
244	"Energy Road Map", 250
East Asian crisis (1997), 24	ESC. See Economic Strategies
East Asian economic crisis (1997), 30	Committee (ESC)
East Asian financial crisis (1997), 38	ETP. See Economic Transformation
East Asian Monetary Policy, 234–35	Plan (ETP)
East Asia Summit, 250, 253	European banks, 12, 24
ECB. See European Central Bank	European Central Bank (ECB), 1,
(ECB)	12–13, 17, 231
Economic Blueprint's Strategic	European Commission, 16
Schedule, 4	European financial markets, 14
Economic Community, 218	European Monetary Integration, 239
Economic Development Board (EDB),	European Union, 83, 117, 236
90	eurozone
economic growth rates in Malaysia	equity shock, 14–15
and Singapore, 14	financial crisis in, 13, 16

financial markets, 16	financial deepening, 157–58, 171 coefficients of, 164
financial system, 2 eurozone banks	correlation between current
cross-border claims of, 43, 47	account balances and, 155
in Indonesia, 47	financial instability, 230
lending, cross-border lending of, 47 exchange rate index, 187	financial liberalization, pattern of, 228–29
exchange rate policies, 136, 138	financial openness
in Asia, 183–87	Chinn-Ito Index of, 157, 165
Exchange Rate Restriction of the IMF,	degree of, 156
224	"financial repression taxes", 163
exchange rates	financial sector policy, 156
adjustment, negative immediate	dimensions of, 156-57
effects of, 205	financial sector reform
arrangements, 185	coefficient of, 163
co-movements of, 187	core explanatory variables of, 163
inflexibility of, 134	database of, 156
Vietnam, 129–33	effects of, 161
Executive Level Decision Making	variable, 157
Body (ELDMB), 227	financial sectors
expansionary fiscal policy, 196, 202	impact on, 83, 86–87
expansionary macroeconomic	measures to stabilize, 92, 94
policies, 198	financial stability, 230, 240
Chinese yuan revaluation with,	first-round linkage, 114, 116
193–97	fiscal consolidation, 65-66
expansionary macro policies in Asia,	fiscal policy, 59
202–5	measures in Singapore, 89-91
foreign exchange rate adjustments	Vietnam, 136, 142
with, 197–201	Five Principles of Peaceful
export-led growth strategies, 148, 183	Coexistence, 248
export markets, 100–101	Fixed Effects model, 161, 163, 168
export-oriented policies, 175, 181, 183	fixed exchange rate system, defence
export sector, Singapore, 94	of, 219
exports growth in Thailand, 107, 109	foreign assets to GDP, ratio of, 157
external factors, inflation, 126	foreign banks' activities, significance
	and potential impacts of, 47
F	foreign claims, cross-border claims
FDI. See foreign direct investment	in, 46
(FDI)	foreign direct investment (FDI), 25,
Federal Reserve, 13	30, 58, 83–84, 219
financial crisis in eurozone, 13	inflows of, 64

foreign exchange market, 131, 140, 183, 185–87 demand-supply in, 129	2007/8, 39 2008/9, 7, 10, 56 Vietnam, 137
foreign exchange rate, 208	global financial market, 189–90
adjustment policy, 200	global financial system, 243
of individual countries, 215n8	global financial turbulence, 22
and macroeconomic policies. See	Global Input-Output (GIO) system,
macroeconomic policies,	110
foreign exchange rate and	globalization, 102–3
foreign exchange rate adjustments,	globalized banking sector
176	headwinds and recent debates, 39,
with expansionary macro policies	43–45
in Asia, 197–201	cross-border lending, 43, 46–47
foreign investors, Bank Indonesia certificate by, 47–48	participation in bond market, 47–50
foreign ownership in domestic banks,	historical perspectives, 38–42
39	global jihadist movement, 247
free trade agreements (FTAs), 58,	Global Trade Analysis Project (GTAP)
100–101	model, 110, 113
between ASEAN, 3	global vector autoregression (GVAR)
of Thailand, 107	model, 13–14, 20
	GMS. See Greater Mekong Sub-region
G	(GMS)
G-3 economies, end-use demand, 81	goods and services, real export of, 221
generalized impulse response	Goods and Services Tax (GST), 91
functions (GIRFs), 14	government budget balances, 157 Government Transformation Plan
GFC. See global financial crisis (GFC) GIO system. See Global Input-Output	(GTP), 58
(GIO) system	Great Depression, 77
GIRFs. See generalized impulse	Greater Mekong Sub-region (GMS),
response functions (GIRFs)	250
global banking system, 51	Great Recession, 181
global crisis, 103	green urban solutions, 98
to Singapore, 80	gross domestic product (GDP)
global economy, 77	China's trade surplus relative to,
developments of, 78	198
global equity markets, 83	by economy, impact on, 210
global financial crisis (GFC), 1, 220,	export shares in, 181
243	growth rate of Vietnam, 124
impact of, 78-87, 148, 221	public healthcare expenditure in,
Southeast Asia after, 7–12	150

ratio of foreign assets to, 157 reduction of trade surplus in, 200 by region, impact on, 209 share of exports and imports in, 182 Thailand, 107–8 trade deficit relative to, 197 gross international reserves, 184 GST. See Goods and Services Tax (GST) GTAP model. See Global Trade Analysis Project (GTAP) model GTP. See Government Transformation Plan (GTP) GVAR model. See global vector autoregression (GVAR) model  H	banking system, 43 current account performance of, 30 economy of, 22, 24 eurozone banks in, 47 fiscal rule, 36 IMF agreement with, 38 international bank claims to, 43–44 macro-prudential policy, 236 and Philippines, 220–21 inflation economic growth and, 133 re-accelerating, 143 in Vietnam, 125–28 inflationary pressure, 128 "initial condition" hypothesis, 164 Initiative for ASEAN Integration (IAI), 246 Institute of Developing Economies
heteroskedasticity-robust estimators,	(IDE), 118
161 heteroskedasticity-robust standard-	interbank exchange rate, 131, 138 inter-industry trade, 112
error procedure, 160	International Air Transport
human rights in ASEAN, 246	Association (IATA), 253
,	International Atomic Energy Agency
I	(IAEA), 249
IAEA. See International Atomic	international bank claims
Energy Agency (IAEA)	across major lenders, 45
IAI. See Initiative for ASEAN	to Indonesia, 43–44
Integration (IAI)	international business cycle,
IATA. See International Air Transport	Thailand, 111
Association (IATA)	international economic integration,
IDE. See Institute of Developing	Vietnam, 143
Economies (IDE)	International financial liberalization,
IMF. See International Monetary Fund	229–30
(IMF)	international macroeconomic policies,
imports, Singapore, 81	174
inadequate domestic demand, 150	International Monetary Fund (IMF),
independent variables, correlation matrix of, 159	2, 16–18, 185, 191, 220
	agreement with Indonesia, 38
Indonesia, 225	de-linked portion, 227
Asian economies, 47	international prices, 133

international production networks, 119	Likelihood-Ratio (LR) test, 161
development of, 114	local-currency bond markets, 220
international reserves, surpluses of, 224	LR test. See Likelihood-Ratio (LR) test
international trade	M
statistics, 191	Maastricht Treaty, 36
Thailand, 107-8, 110, 118-20	macroeconomic indicators of
international trading system, 205	Malaysia, 2008–13, 60
intra-ASEAN trade, 3	macroeconomic instability, Vietnam,
intra-Asian trade, decline in, 81	133–37
intra-industry trade, 112	policy responses to, 140-43
investment	macroeconomic performance,
and commodity price factors, 31-35	Vietnam, 124–33
effects on, 166–71	macroeconomic policies
,	foreign exchange rate and, 192–93
J	Chinese yuan revaluation
Japan, 225	with expansionary
growth of, 57	macroeconomic policies,
macro-prudential policy, 236	193–97
Japan Center for International	domestic demand in Asia and
Exchange, 253	savings in United States,
Japan Credit Rating Agency Ltd.	205–13
(JCR), 52	expansionary macro policies in
JCS. See Jobs Credit Scheme (JCS)	Asia and restrictive policies
Jemaah Islamiyah, 247	in United States, 202–5
Jobs Credit Scheme (JCS), 90	foreign exchange rate
Joint Communiqué, 246	adjustments with
,	expansionary macro policies
K	in Asia, 197–201
Keynesian theory, 189	management, 230
Korea, 225	Vietnam, 144
macro-prudential policy, 236	macroeconomic stability, 240
	macro-prudential policy, 229
L	in ASEAN and ASEAN+3, 236–38
labour market, impact on Singapore,	and monetary policy, 231–35
87–88	Malaysia
labour productivity growth by	bilateral currency swap agreements
region, impact on, 207, 212	with, ASEAN, 19
Latin American economies, 47	currency reform of, 186
life cycle permanent income	drivers of growth in, 62
hypothesis, 165	economic growth rates in, 14, 56
Typodicolo, 100	conduct grown rates my my ou

economic performance 2008–13,	national investment equation
59–65	estimates of, 168
employment, sector share in, 70	parameter estimates of, 169
free trade agreements (FTAs), 71	National Productivity and
GDP, sector share in, 69	Continuing Education Council
macro-prudential policy, 236	(NPCEC), 97
open economy, 58	National Productivity Fund (NPF), 97
policy responses to global	national savings
uncertainties, 57–59	effects on, 166-71
Malaysian firms, 68	equation, parameter estimates of, 167
manufacturing sector, 98	natural disaster, non-financial risks,
of Singapore, 81	250–52
MAS Electronic Payment System	NEER. See nominal effective exchange
(MEPS+), 94	rate (NEER)
MAS Exchange Rate Policy, 92–93	NEM. See New Economic Model
maximum likelihood estimation	(NEM)
(MLE), 161, 170	net foreign assets, 155
Maybank, 64	coefficients of, 164
MEPS+. See MAS Electronic Payment	net government spending, coefficients
System (MEPS+)	of, 168
missing-variable regressions, 161	New Economic Model (NEM), 58
MLE. See maximum likelihood	NFPEs. See non-financial public
estimation (MLE)	enterprises (NFPEs)
monetary authorities, 1	NODX. See non-oil domestic exports
monetary policy, 229	(NODX)
framework, 185	nominal effective exchange rate
GFC, 10	(NEER), 187
macro-prudential policy and,	policy, 92
231–38	non-financial public enterprises
measures in Singapore, 91–92	(NFPEs), 65
Vietnam, 134	non-oil and gas, exports and imports,
month-on-month inflation, Vietnam,	32, 34
126	non-oil domestic exports (NODX),
multistage production process, 111	81–82
Myanmar, 248	Non-Proliferation Treaty (NPT), 249
ASEAN's role in, 246	non-resource-based manufacturing
disaster management in, 252	sector, 68
human rights in ASEAN, 246	"noodle bowl" of bilateral swap
	agreements, 19
N	NPCEC. See National Productivity
National Assembly, 126	and Continuing Education
national budget (2013), 50	Council (NPCEC)

NPF. See National Productivity Fund (NPF)	policymakers, 16, 89, 92, 97, 99 policymaking process, Vietnam, 134
NPT. See Non-Proliferation Treaty (NPT)	population in Singapore, 95 portfolio allocation efficiency, 205
Nuclear Weapons Free Zone (SEANWFZ) Treaty, 248–49	portfolio investment within ASEAN, 219
	price controls, Vietnam, 136
0	primary commodities, world prices
ODEP. See old population	of, 191
dependency ratio (ODEP)	private bond market, 221
OECD. See Organisation for Economic Co-operation and Development	private consumption's contribution to growth, 66–68
(OECD)	private investment indicators, 62–63
oil and gas, exports and imports, 32, 35 old population dependency ratio	Productivity and Innovation Credit, 97
(ODEP), 170 coefficients of, 164, 168	property developers, implications for, 87
OLS. See ordinary least squares (OLS)	property market, 83, 87, 91
open-market transactions, repo rate	property tax, 91
for, 140 OPR. <i>See</i> overnight policy rate (OPR)	public healthcare expenditure in GDP, 150
ordinary least squares (OLS), 165 estimation, 158	public healthcare spending, trends of, 152
Organisation for Economic Co-	
operation and Development	Q (OF2) F0
(OECD), 112 output-multiplier effect, 118	quantitative easing measures (QE3), 50 by central banks, 53–54
overnight policy rate (OPR), 57, 73n1	
Oxford Economics Global Model, 118	R
	random effect, LR test for, 161
P	Random Effects model, 161, 165, 168,
payment performance, balance of,	170
25–31	Rating and Investment Information
People's Republic of China (PRC) and	Inc. (R&I), 51n1
India, 3, 10	real effective exchange rate (REER),
Petroleum Security Agreement, 249	59, 61, 187
Philippines	real sector, impact on Singapore,
Indonesia and, 220–21	80–85
macro-prudential policy, 236	REER. See real effective exchange rate
PMETs, 90	(REER)
policy interest rates in Vietnam, 134–35	regional economic integration, risks from, 4–7

regional exchange rate adjustments, 200	financial and banking sectors, 83, 86–87, 92, 94
regional financial integration, 229	financial system, 92
regional financial safety net, 229	fiscal and monetary policy
relative income, 155	measures, 78
repo rate for open-market	fiscal policy measures in, 89–91
transactions, 140	focusing on sectors of growth,
Republic of Korea, 18, 172n1	98–99
reserve requirement ratio (RRR), 137	foreign direct investment, 83–84
Resilience Package, 89–90	free trade agreements, 100–101
Resolution 11, 133, 141–42, 145	GDP growth rate, 79
resource allocation efficiency, 205	global crisis to, 80
restrictive policies in United States,	global financial crisis impact on,
202–5	78–87
return on equity, 38, 42	government of, 91–92
R&I. See Rating and Investment	imports, 81
Information Inc. (R&I)	indicators on banking sector, 81
RICH, 222, 239	labour market impact, 87–88
RRR. See reserve requirement ratio	labour productivity by industry, 96
(RRR)	manufacturing sector of, 81
, ,	monetary policy measures, 91–92
S	policy response to 2008 GFC, 87, 89
SARS. See Severe Acute Respiratory	population in, 95
Syndrome (SARS)	property market, 83, 87
SBV. See State Bank of Vietnam's	real sector impact on, 80–85
(SBV)	re-balance growth strategies,
SEAN Regional Forum (ARF), 249, 251	94–101
Security Community, 3	recession, 78
self-insurance system, 225	Straits Times Index and Trends in
Severe Acute Respiratory Syndrome	Currency (SGD) Movement, 86
(SARS), 252	total factor productivity, 95–97
Singapore, 248	tourism growth, 83, 85
bilateral currency swap agreements	trade, 81, 83
with, ASEAN, 19	trade hub, 83
capital market, 83	transmission of global crisis to, 80
dollar money market, 87	unemployment rate in, 88
Economic Development Board	Singaporean macro-prudential policy,
(EDB), 90	236
economy of, 14, 78, 80, 83, 94, 102	Singapore Tourism Board (STB), 100
export markets, 100–101	Skills Programme for Upgrading and
export sector, 94	Resilience (SPUR), 90

small and medium enterprises	state-owned enterprises (SOEs), 136
(SMEs), 141, 156	Statistical Review of World Energy
social protection policies, effects of,	2013, 50
161	STB. See Singapore Tourism Board
social safety net, 156	(STB)
core explanatory variables of, 163	stochastic error term, 160
expenditure, 150	stock market, 83
financial reform and expenditure	stock market capitalization, 221
on, 170	structural trade balance deficit
public expenditure on, 153	investment and commodity price
social safety net spending	factors, 31–35
coefficient of, 163, 170	subsidy policy distortion to trade
effects of, 153	performance, 32, 36–37
Socio-Cultural Community, 3	structural VAR approach, 118
SOEs. See state-owned enterprises	stylized models for macro-prudential
(SOEs)	policies, 238
SOMTC Work Programme, 247	subsidy breakdowns in 2012, 36
sophisticated financial system, 155	supplementary fiscal stimulus, 202
South China Sea, ASEAN and, 248	swap arrangement facility, 227
Southeast Asia	swap arrangements under CMI
after global financial crisis (GFC),	(2008), 226
7–12	
communicable diseases in, 252	T
economies, 38	TAC. See Treaty of Amity and
manufacturing industries hub in, 114	Cooperation in Southeast Asia
regional economies of, 22	(TAC)
sovereign bond, holdings of, 47–48	TAGP. See Trans-ASEAN Gas Pipeline
S Pass holders, 97	(TAGP)
Special Risk-Sharing Initiative (SRI),	Tanaka, Hitoshi, 253
90–91	target-based comprehensive
SPUR. See Skills Programme for	policymaking process, 137
Upgrading and Resilience	Taylor-type rule, 189
(SPUR)	terms of trade (TOT), volatility of,
SRI. See Special Risk-Sharing	158, 161, 165
Initiative (SRI)	terrorism in Southeast Asia, 246–47
stabilization policy of Thailand, 106	TFP. See total factor productivity (TFP)
stable financial system, 230	Thailand
"stages of development" hypothesis,	during AFC, 18
164	Asian financial crisis (AFC), 18
State Bank of Vietnam's (SBV), 129,	bilateral currency swap agreements
131, 136	with, ASEAN, 19

dependency/diversification, 118–20	traditional global banks, 51
domestic shocks, 112	Trans-ASEAN Gas Pipeline (TAGP),
economy of, 106–7	249
export growth, 107, 109	transnational organized crime, 246-47
free trade agreements (FTAs) of, 107	transport hub, Singapore, 98–99
GDP growth, 107–8	Treaty of Amity and Cooperation in
idiosyncratic shock occurring in, 6	Southeast Asia (TAC), 248
international business cycle, 111	` "
international trade, 107–8, 110,	U
118–20	Ui-chun, Park, 249
pattern of trade exposures to, 119	UNCLOS. See UN Convention on the
stabilization policy of, 106	Law of the Sea (UNCLOS)
total trade linkages measures,	unconventional monetary policy, 1
113–18	UN Convention on the Law of the
trade relations, 114	Sea (UNCLOS), 248
Thailand-Australia FTA, 107	unemployment rates, 208
13th ASEAN Summit (2007), 3	by region, impact on, 206, 211
Tier-I capital, 78	in Singapore, 88
TOT. See terms of trade (TOT)	United Nations (UN) Comtrade
total factor productivity (TFP), 95–97	database, 191
total trade linkages, Thailand, 113–18	United States
tourism sector, 99–100	account deficits of, 177
trade	economies of, 1, 95
exposures to Thailand, pattern of,	financial crisis in, 174
119	housing market, sub-prime crisis, 77
financing schemes, 91	improving trade balances in, 198
globalization of, 102	restrictive policies in, 202-5
linkages, patterns in, 117–18	savings in, 205–13
policy, Vietnam, 136	trade deficits in, 175, 200
Singapore, 81, 83	US Federal Reserve, 1
types of, 112	
volatility of, 155	V
trade balance, 33	Vietnam, 248
in ASEAN-5 and developed	agricultural business in, 141
countries, 195, 201	balance of payments, 128-29
in Asia, 193–94, 199	capital flows in, 137
trade hub, 98–99	domestic financial reforms, 143
Singapore, 83	economic downturn and stimulus
trade openness	package implementation,
coefficients of, 166	137–39
trade volatility and, 171	economic growth, 124–25

economic recession, 137 weapons of mass destruction (WMD), exchange rate, 129-33 proliferation of, 248-49 fiscal policy, 136, 142 Western financial systems, 78 WHO. See World Health Organization fiscal stimulus package in 2009, 138-39 (WHO) global financial crisis (GFC), 137 WIS. See Workfare Income gross domestic product (GDP), Supplement (WIS) growth rate of, 124 WMD. See weapons of mass inflation, 125-28 destruction (WMD) international economic integration, Workfare Income Supplement (WIS), 90 143 Work Permit, 97 macroeconomic instability, 133–37 macroeconomic performance, World Development Indicators (WDI) 124 - 33dataset, 161 macroeconomic policies, 144 World Health Organization (WHO), 253 World Trade Organization (WTO), 59, macroeconomic stabilization, 144 100, 123 monetary policy, 134 month-on-month inflation, 126 policy interest rates in, 134-35 policymaking process, 134 YDEP. See young population dependency ratio (YDEP) price controls in, 136 trade policy in, 136 yield-driven marketing approach, 100 year-on-year inflation rate, 126-28 young population dependency ratio VND/USD exchange rate, 129–33 (YDEP), 170 coefficients of, 164 Z

## W

Wang, Xinsheng, 247 WDI dataset. See World Development Indicators (WDI) dataset

Zone of Peace, Freedom and Neutrality (ZOPFAN), 248-49