

# East Asian Integration

2007,12,05

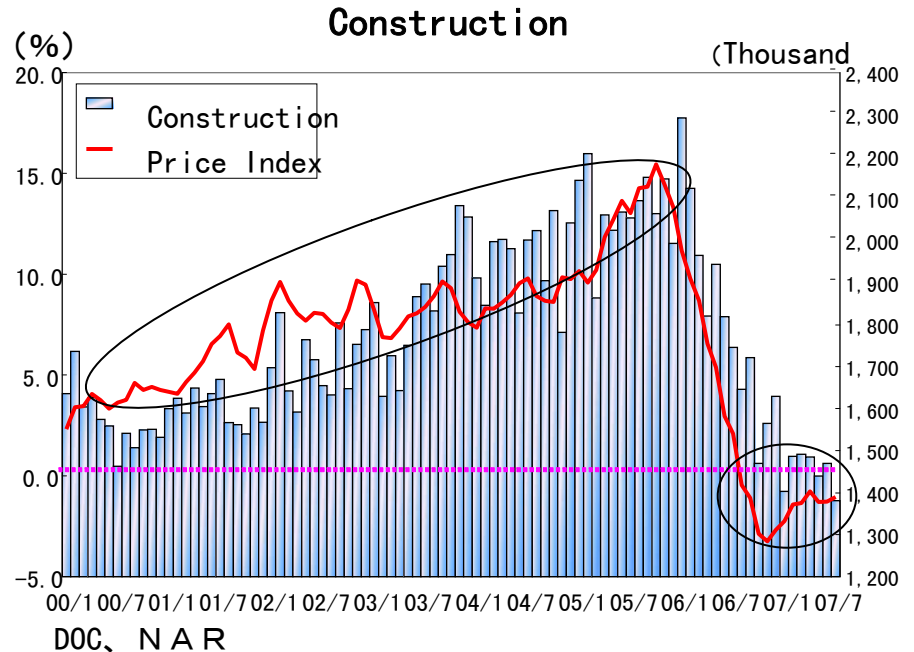
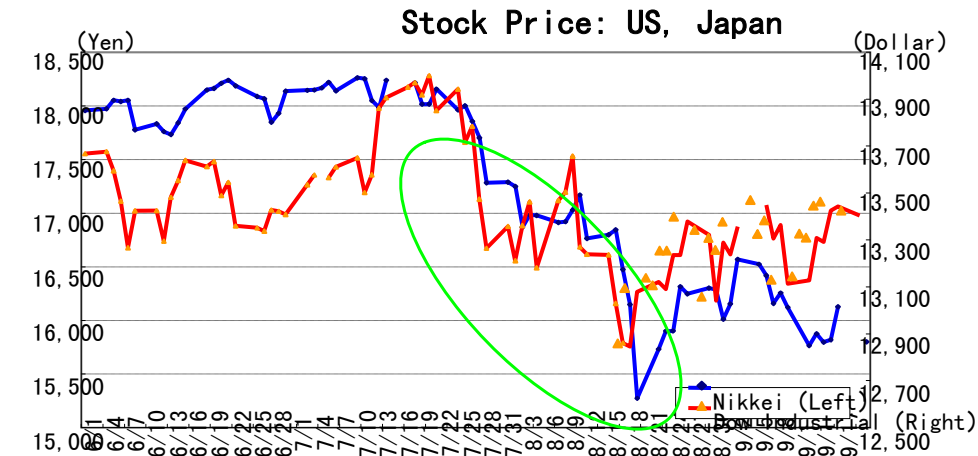
# Subprime Mortgage Crisis

## (1) Financial Crisis

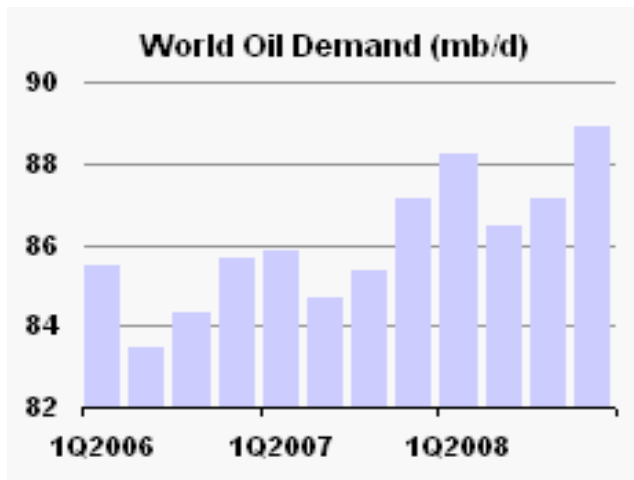
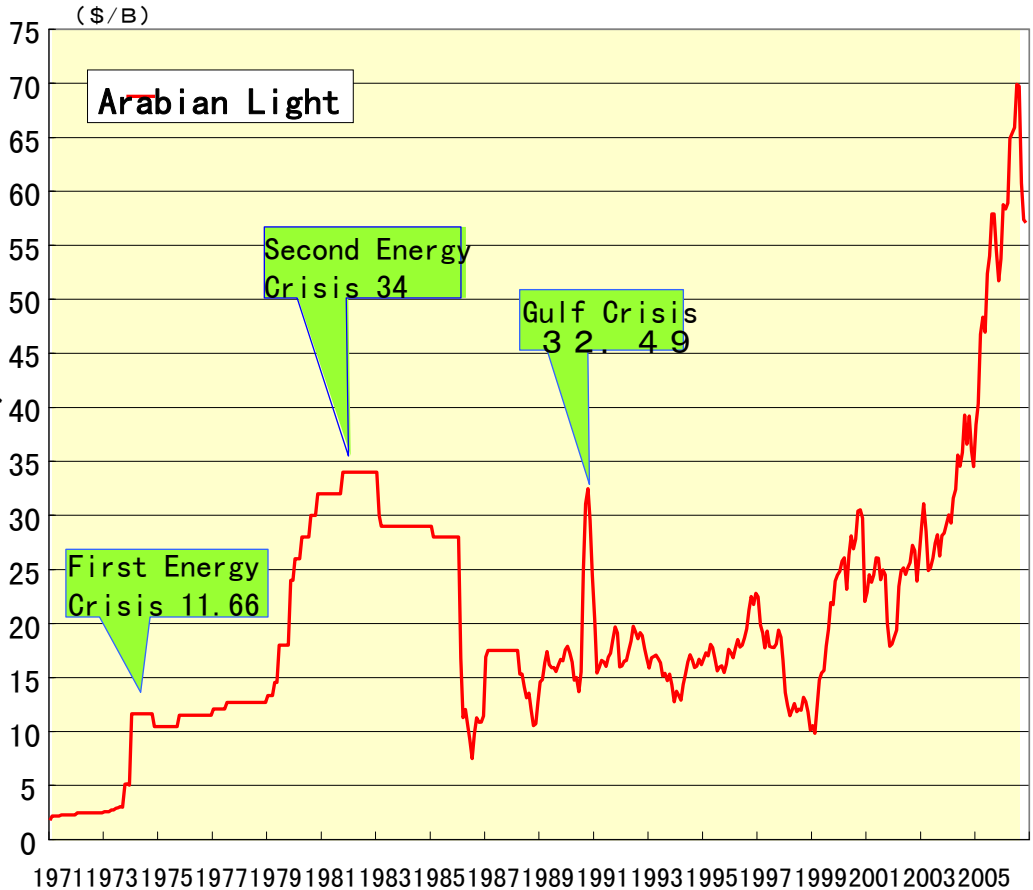
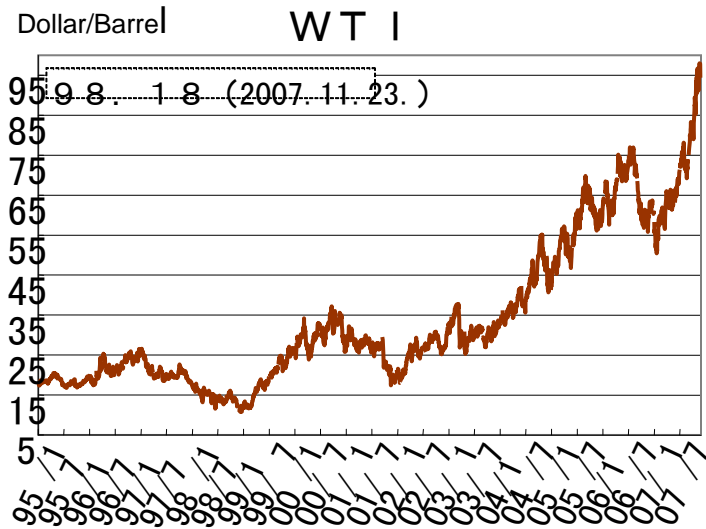
- Financial Institutions
- Financial Market

## (2) Real Economy

- Housing investment
- Consumer Spending

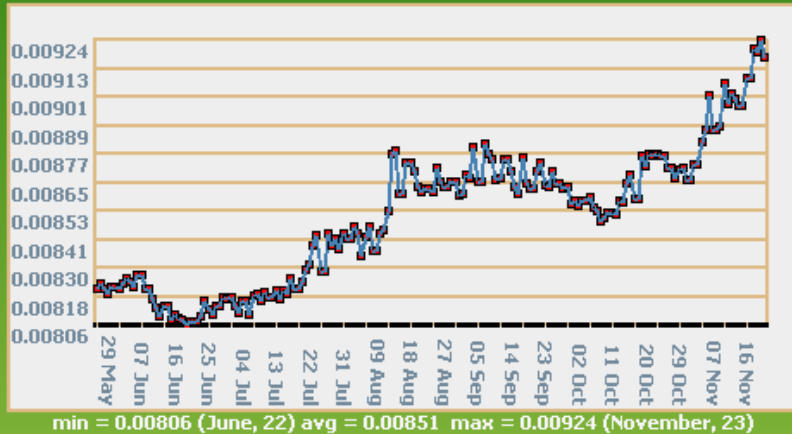


# Soaring Oil Price

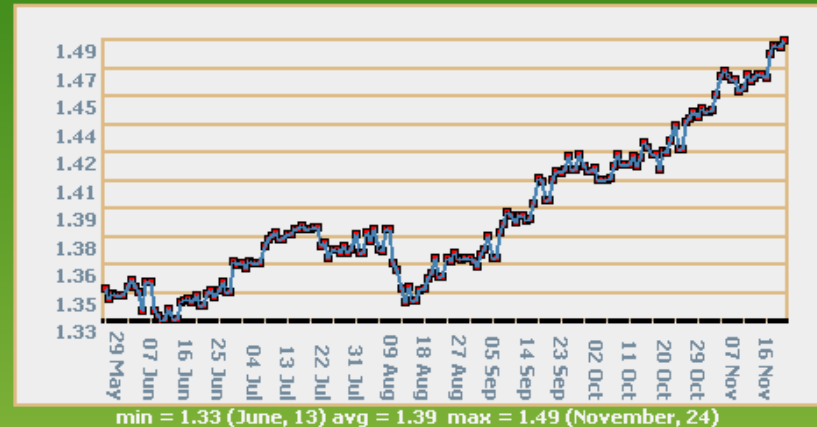


# Declining Dollar

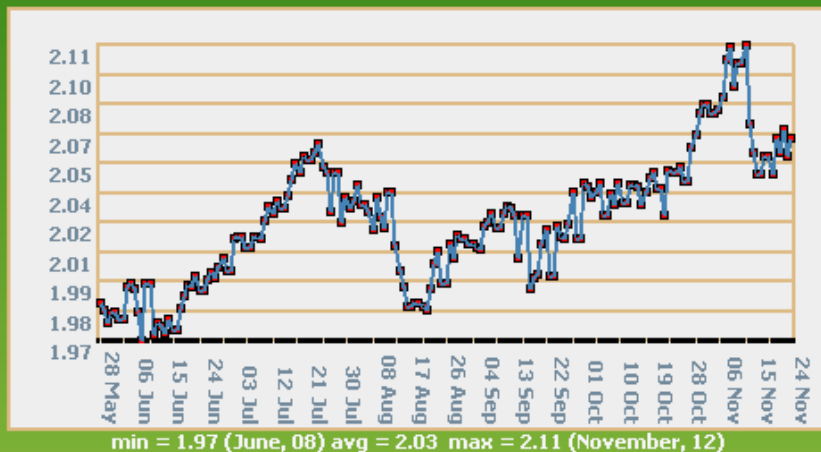
US Dollar (USD) to 1 Japanese Yen (JPY)



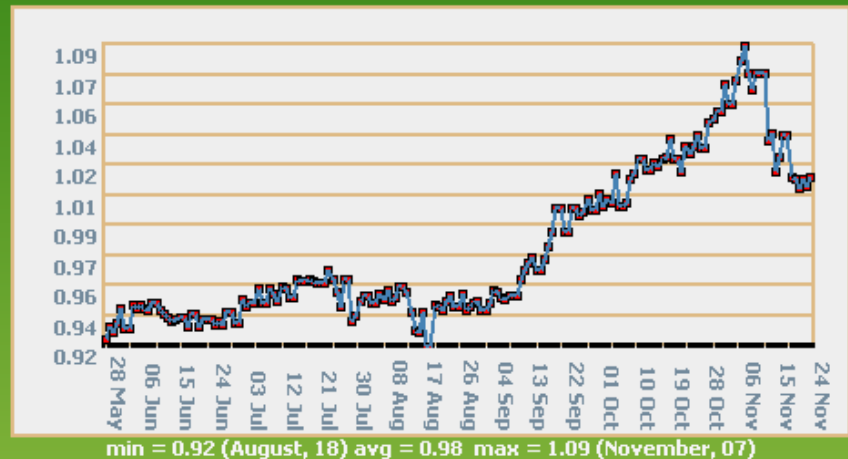
US Dollar (USD) to 1 Euro (EUR)



US Dollar (USD) to 1 British Pound (GBP)

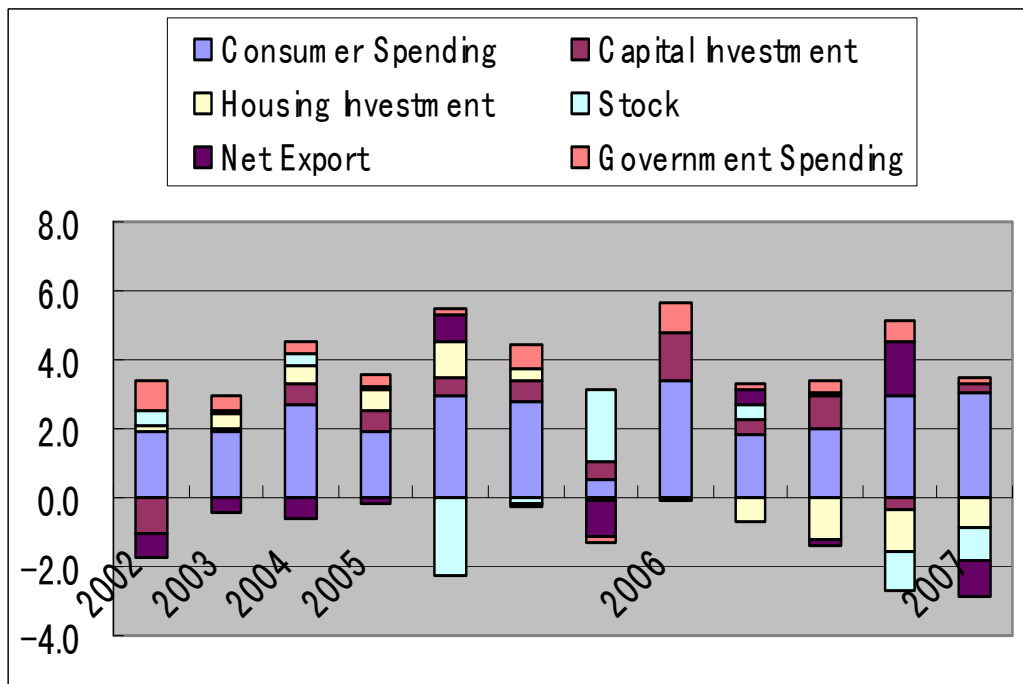


US Dollar (USD) to 1 Canadian Dollar (CAD)

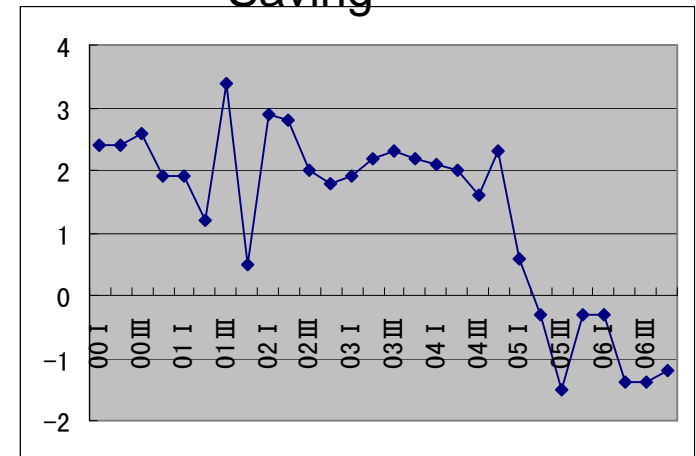


# US Consumer Spending

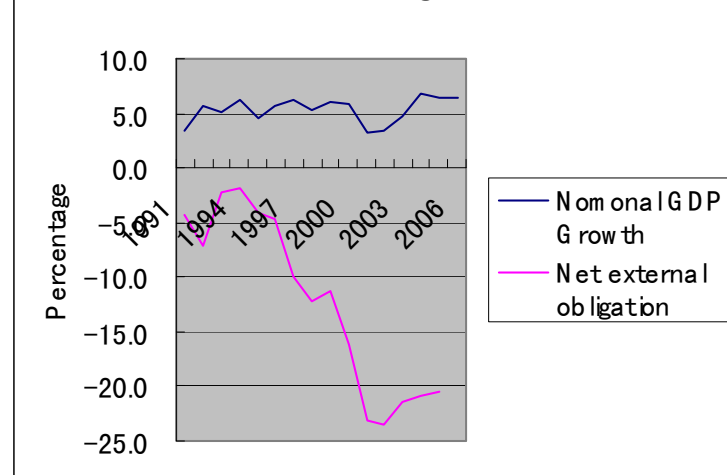
**GDP Component**



**Saving**



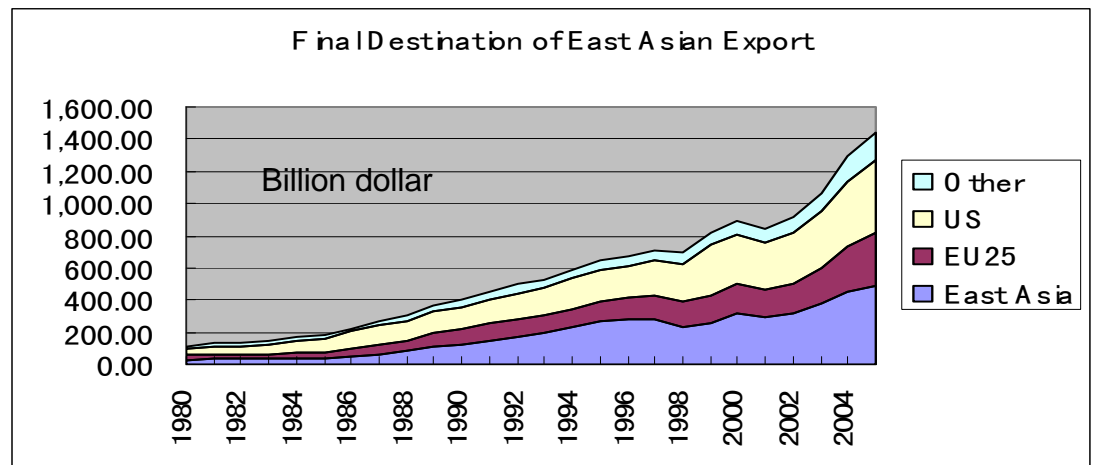
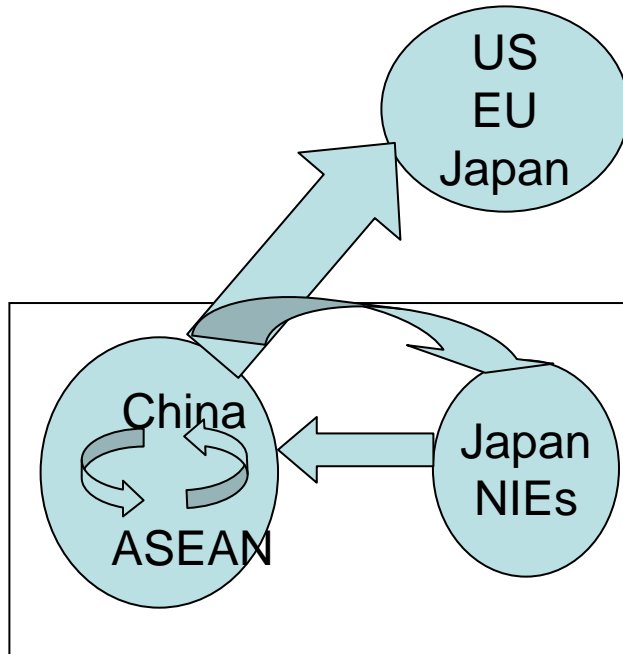
**External Obligation**



# Global Security Risks

- Afghan and Iraqi wars
- Fights over Energy and Natural Resources
- Nuclear
- Rising Nationalism
- Regional Instability
- Iran, Pakistan, North Korea, Taiwan, Russia

# US and East Asia

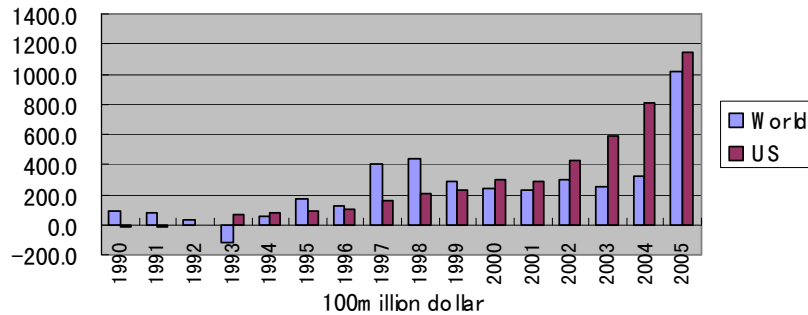


GDP Growth  
Correlation  
with US

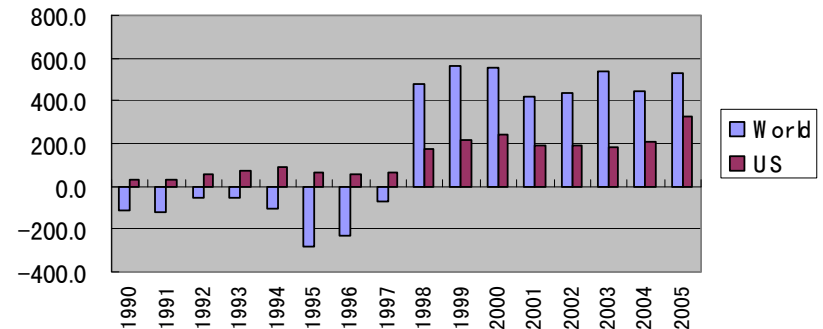
Year	World	Japan	Euro	ASEAN4	NIEs	China	India
1985-89	0.581	0.723		-0.338	-0.554	0.567	0.482
1990-94	0.792	-0.604		0.404	-0.436	0.536	0.781
1995-99	-0.043	-0.461	0.240	-0.496	-0.335	-0.799	-0.730
2000-06	0.963	0.974	0.486	0.892	0.760	0.510	0.674

# US and East Asia

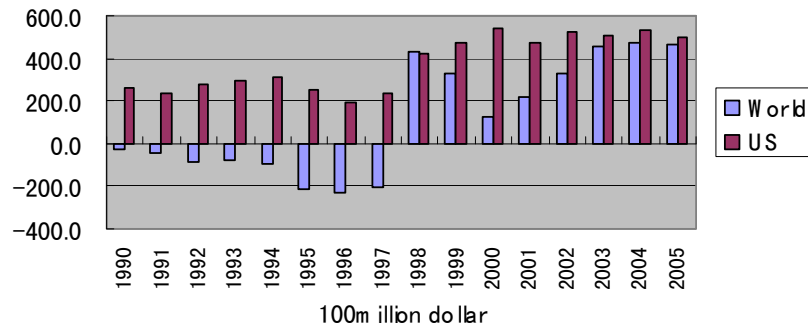
China's Trade Balance



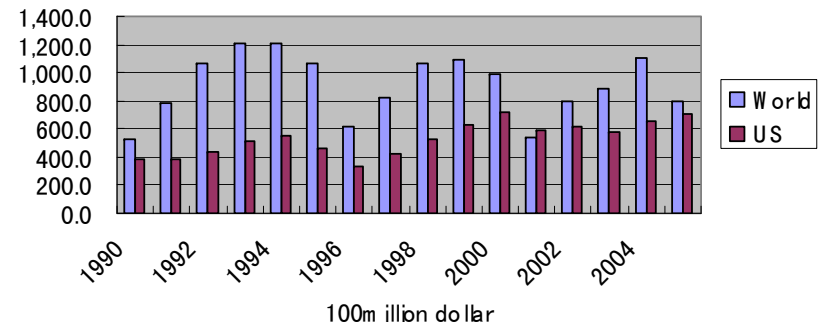
Asean 4 Trade Balance



N E s Trade Balance

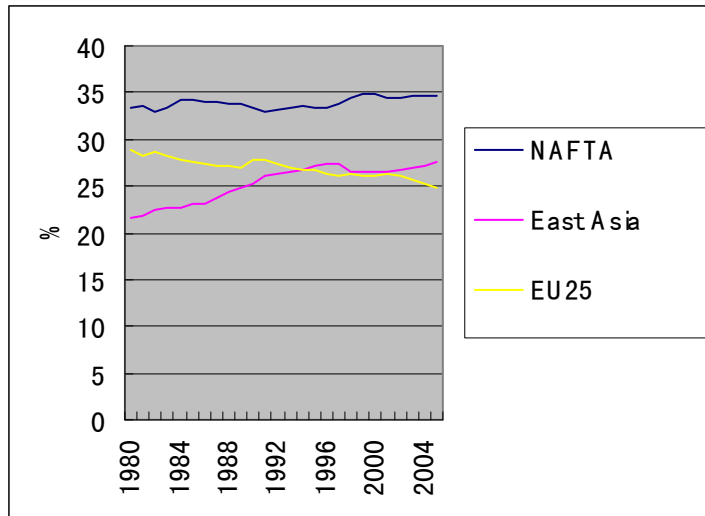


Japan's Trade balance





# East Asian Economic Integration

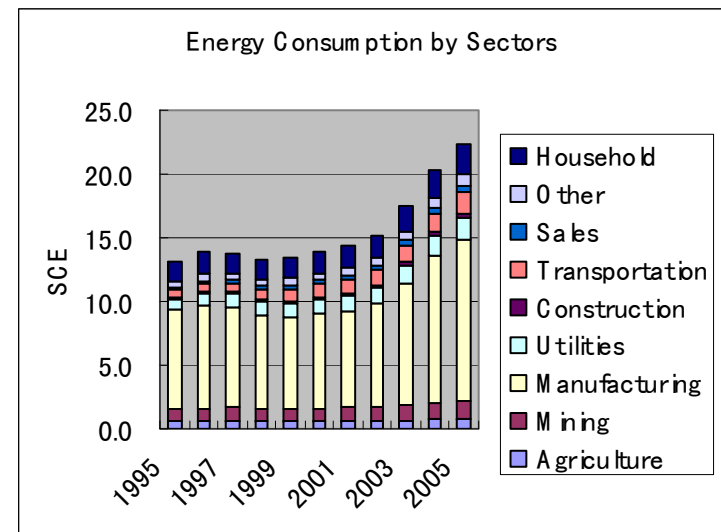
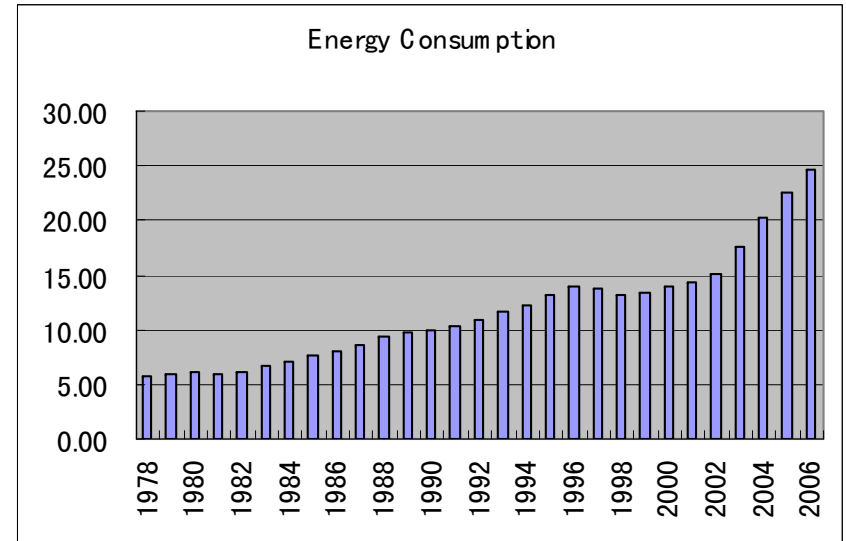
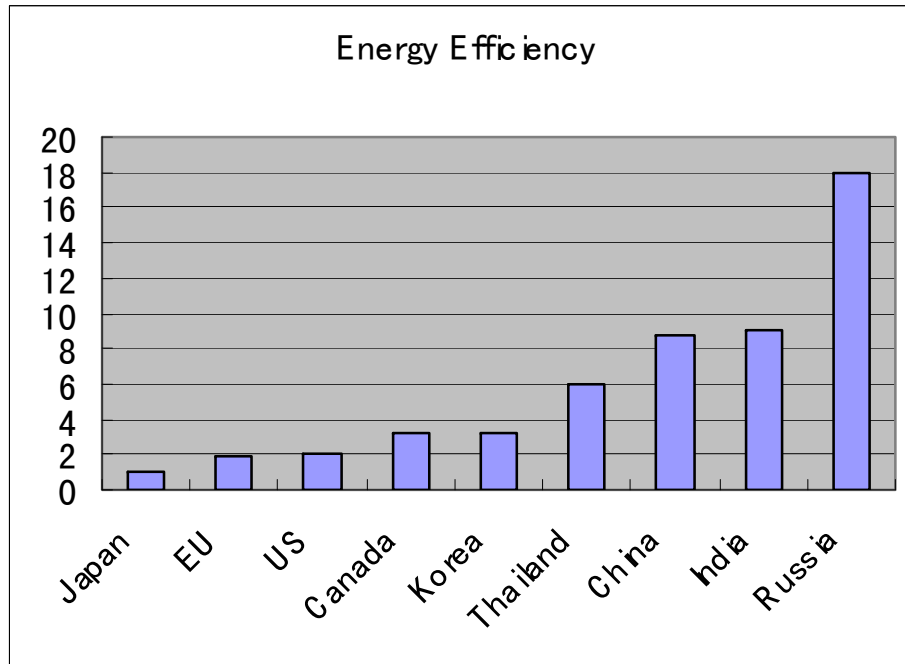


- Manufacturing (Autos, Electronics, Chemical)
- Japanese Companies
- Assembly in China
- Final Demand in US
- Weak Institutional Arrangement

# Energy in Asia

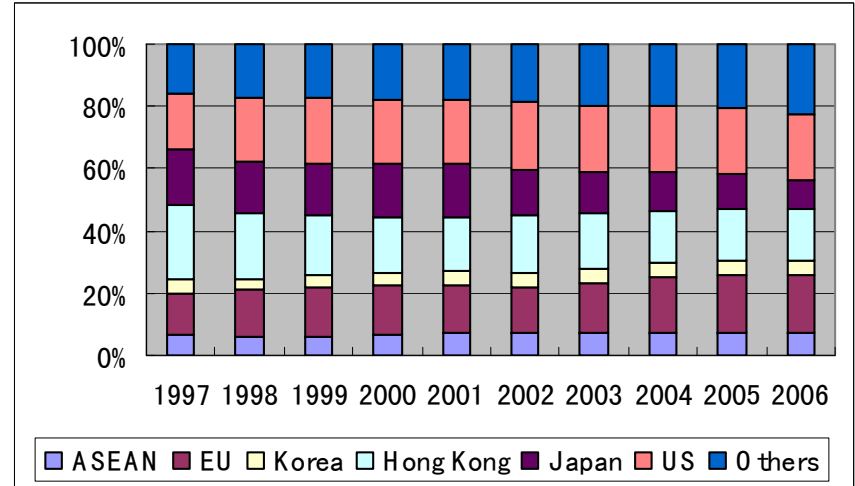
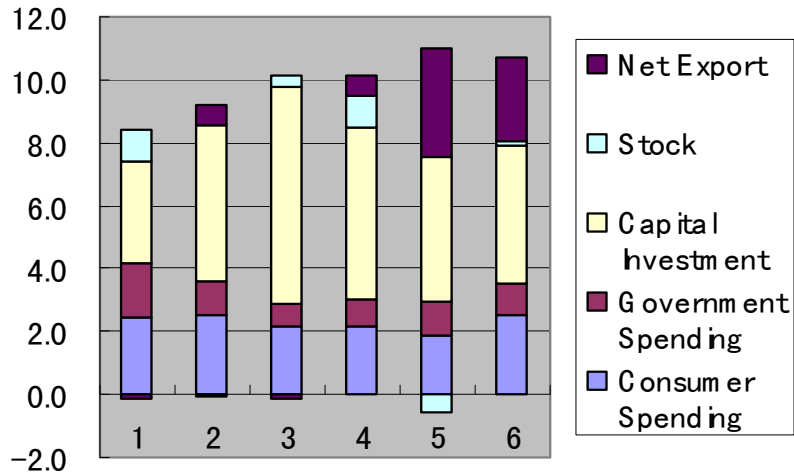
# Energy Consumption in China

# Energy Efficiency in Asia

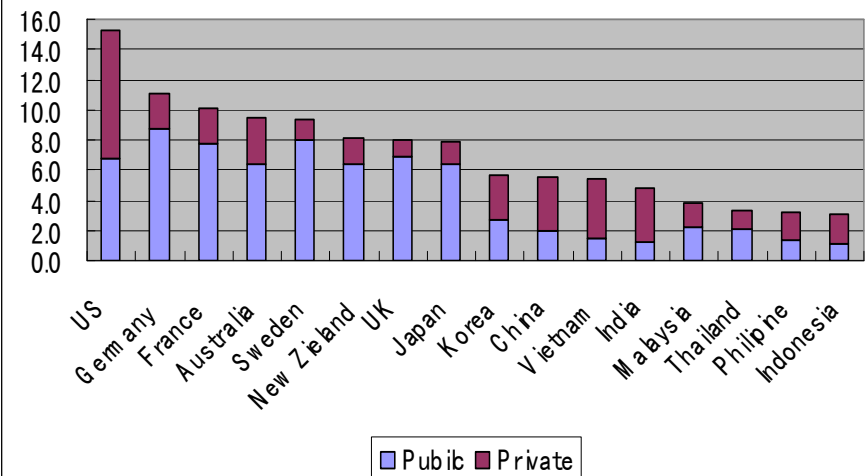
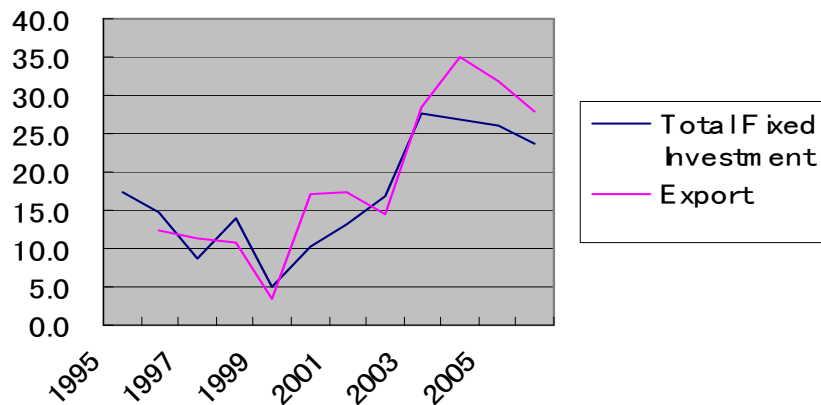


# Chinese Economy

## Export Destination

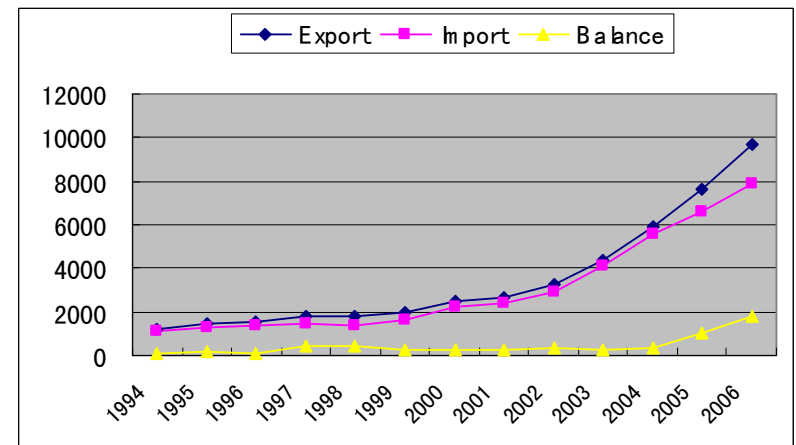
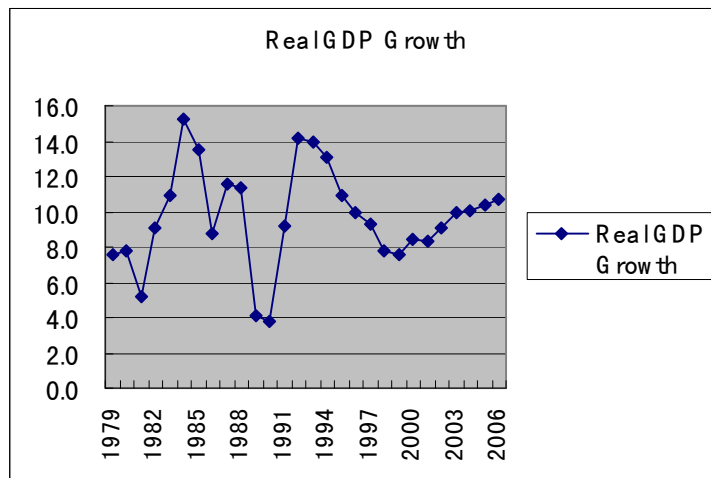
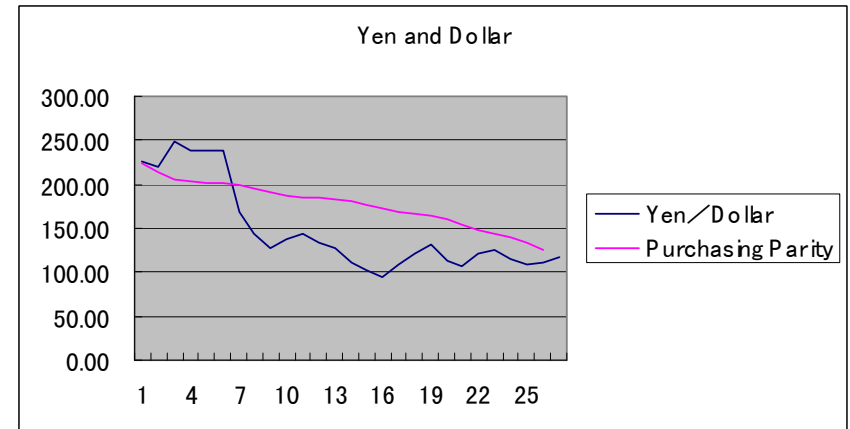
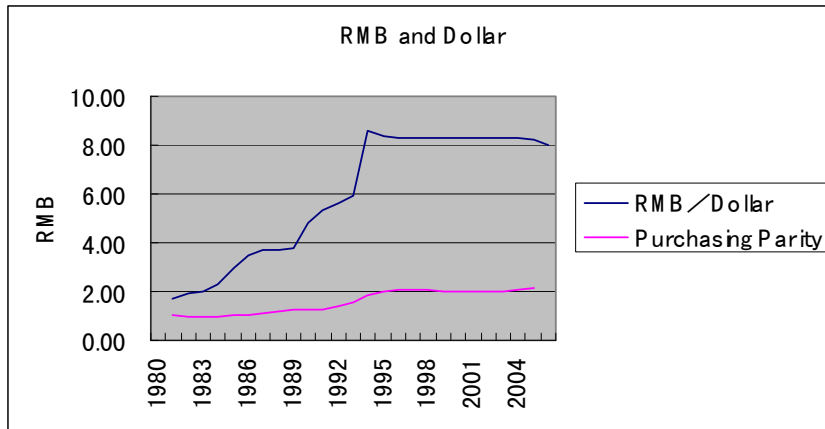


## Export and Fixed Investment



# Trade and Currencies

## RMB/Dollar and Yen/Dollar



# Lessons from 70's and 80's

- Economic Policy Coordination
- G7 Economic Summits and Central Banks
- IEA and Energy Market Developments
- Anti Protectionism and Trade Liberalization
- Facilitation of Resource Reallocation
- Market Oriented Reforms
- Currency Adjustment
- Demand Stimulus

# East Asian Economy and US

- ASEAN
- ASEAN+3
- ASEAN+6
- APEC and FTAAP
- CEPEA
- ERIA
- Preparations for economic turmoil (Slowdown, Energy, Currency, Security)
- Facilitation of Adjustments
- Market Oriented Institutional Arrangement
- Intellectual Input