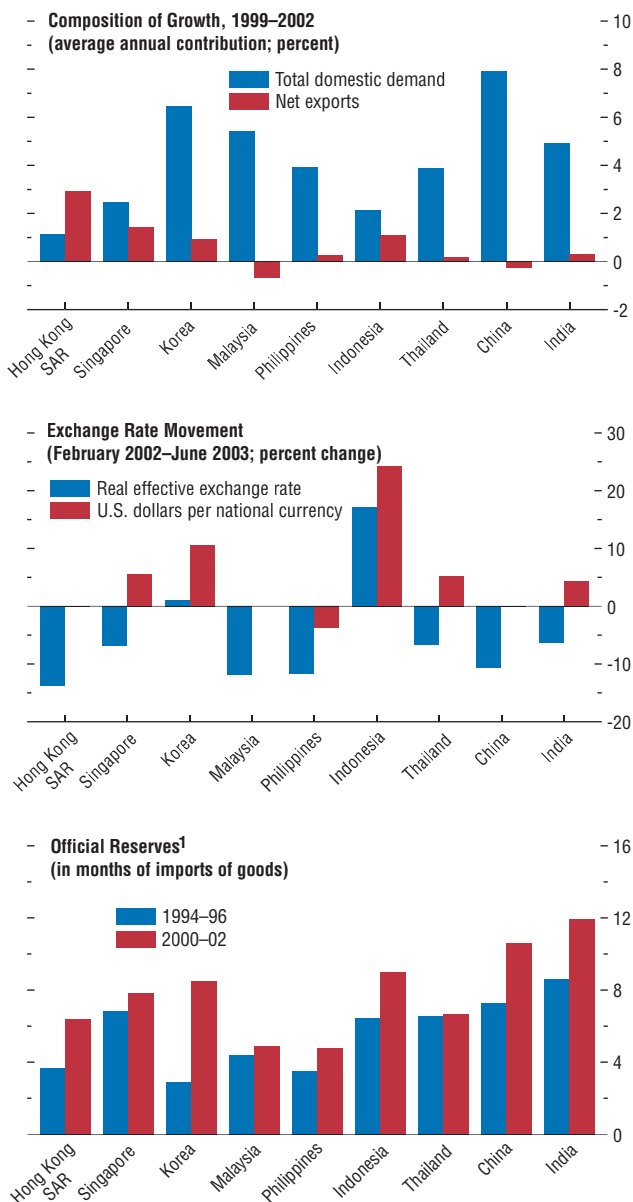


Figure 1.14. Asia: Composition of Growth, Exchange Rate Volatility, and Reserves

Although domestic demand is playing a larger role than in the immediate aftermath of the crisis, net exports continue to provide a key support for growth in much of the region. Sizable current account surpluses and capital inflows have not resulted in notable real effective exchange rate appreciations, including in the face of the U.S. dollar's weakening since last February, but have been reflected instead in a record buildup of official reserves.



Sources: CEIC Data Company Limited; and IMF staff calculations.

¹End of period. Average 1995–96 for Indonesia.