The ASEAN Community Outlook In a Rapidly Changing World

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Fabbri Global Economics
Urbanization in Asia is Behind the West
Japan and China Potential Conflict

Senkaku Islands and vicinity

Dividing line between Japan’s and China’s exclusive economic zones

Kubajima island

Senkaku Islands

Okinawa Island

Taiwan

Ishigakijima island

200 km
Japan: Weak Yen Strong Equity Market

S&P Japan

Yen right
Japan Trades Mostly with Asians

Blue: total trade
Red: Net trade

% of total trade
Foreign Exchange Rates ASEAN vs Japan
Exports as % of GDP ASEAN vs Other Asia (2011)

ASEAN avg. 77%
Central Bank’s Lowered Rates to near Zero
GDP Growth Forecasts to 2018

- Blue 2011
- Red 2012
- Green 2018

Graph showing GDP growth forecasts for various regions and economies.
Capital is Cheaper Than Labor
US: Corporate Cash Flow Exceeds Capital Expenditure (bn $)
EU: UR at Socially Unacceptable Levels

Bar chart showing unemployment rates for Greece, Spain, Portugal, Ireland, Italy, France, UK, Belgium, Netherlands, and Germany.

Line graph showing unemployment rates from 1996 to 2012.
EU: Current Borrowing Rates Are Greater than Present Growth Rates

Borrowing rates (red)

Estimated 2013 GDP Growth (blue)
Japan Tankan Surveys are weak
China PMI Manufacturing Slumping
Total Trade Within ASEAN is Consistently Increasing (Bil. $)
Real Rates Turned Negative

Real 10 yr. Treasury

Real money market rates
FDI into ASEAN from West (billion of dollars)
HH Financial Assets Recover Losses
Real Estate Doesn’t

Comparison of Household Financial and Non Financial Assets (Bns $)
China dominates FX Plus Sovereign Wealth funds (bils. $)