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POST-CRISIS INVESTMENT PERFORMANCE OF ASEAN COUNTRIES: IMPACT OF FDI

SHANDRE M THANGAVELU

SINGAPORE CENTRE FOR APPLIED AND POLICY ECONOMICS, DEPARTMENT OF ECONOMICS,
NATIONAL UNIVERSITY OF SINGAPORE

ECSSMT@NUS.EDU.SG

AEKAPOL CHONGVILAIVAN

SINGAPORE CENTRE FOR APPLIED AND POLICY ECONOMICS, DEPARTMENT OF ECONOMICS,
NATIONAL UNIVERSITY OF SINGAPORE

ECSSMT@NUS.EDU.SG

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ABSTRACT:

The paper studies the post-Asian crisis investment performance of crisis affected countries in ASEAN. The empirical evidence clearly indicates that the ASEAN and East Asian countries are emerging from the Asian crisis with strong output growth. As expected, the output growth seems to be driven by the growth in export sector. The growth in the post-crisis period indicates that it is reaching the level similar to that of the pre-crisis. However, the paper highlights that the output growth in the post crisis period is also observed with rising unemployment rate, growth government deficit, and declining FDI inflows into the South-East Asian region. The empirical evidence also indicates that there is a fundamental shift in the industrial structure of the South-East after the Asian crisis. This directly raises the issue of sustainability of the output growth in the post-crisis period.