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FROM CRISIS TO RECOVERY IN ASIA: STRATEGIES, ACHIEVEMENTS, AND LESSONS

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ABSTRACT:

This paper reviews and highlights lessons from the stabilisation and reform programme that Thailand, Malaysia and Korea implemented in response to the 1997 crisis. The three countries' rapid recovery from a deep economic downturn in 1998 and their reduced vulnerability to balance of payments crisis are clearly evident. During the past ten years, these countries have not only witnessed a severe turmoil in the domestic financial sector and the exchange rates, but also significant stabilisation and recovery from the crisis. We clearly see that the policies adopted by the governments have been successful as instruments for the recovery from the crisis. Eventually, we hope that what we have learned from this crisis will help us avoid repeating the same mistakes. Further perpetuation of the crisis prevention measures is required to ensure continued economic growth and to reduce the risks of future crises recurring.