

Asia

Asian growth stymied by falling exports

- Asian manufacturers report fall in export orders for fifth month running
- Mixed signals as exports rise in China...
- ... but steep downturn in Taiwan bodes ill for global trade flows

Asia goods exports fall for fifth month

Growth rates in the emerging markets continued to be stymied by weak demand for goods from the developed world, as austerity measures continued to bite in many western countries and the ongoing crisis in the Eurozone dented business and consumer confidence. This weak demand resulted in a further decrease in new export orders at Asian manufacturing firms, down for the fifth month running.

Asian goods exports



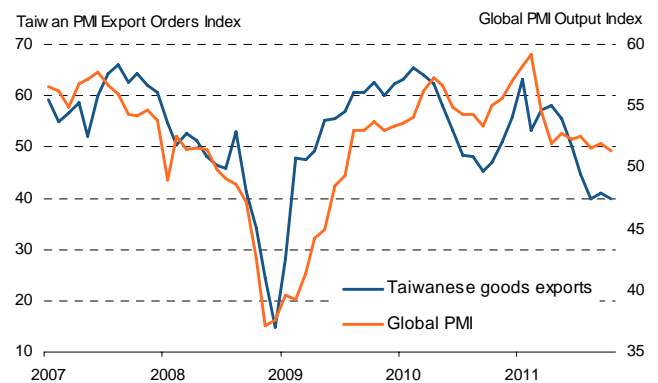
Steep downturn in Taiwan

The rate of decline eased compared to September, which saw Asian export volumes fall at the fastest rate since April 2009, and the recent period of decline is by no means as severe as that seen at the height of the global financial crisis. However, the mild decline masked a steep fall in Taiwanese exports.

Taiwan's exports – which often act as a reliable bellwether of global trade flows and global economic growth in general – fell in October at the second-fastest rate since January 2009, and have now fallen

for four consecutive months, contrasting markedly with strong growth seen earlier in the year.

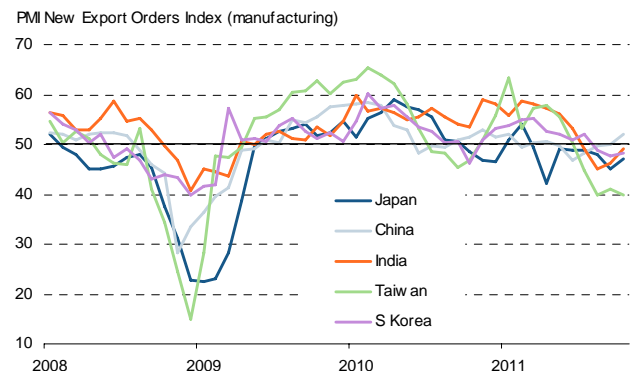
Taiwanese exports and global economic growth



Renewed growth in China

Some reassurance can be gleaned from the fact that not all Asian economies saw a deterioration in export trends in October. Most importantly, China's exports rose for the first time since April, and rates of decline eased in India, Japan and South Korea. However, Asian exporters are clearly struggling compared to earlier in the year. The ongoing contraction not only raises concerns about the current health of the global economy, but also the extent to which emerging markets are able to continue to grow in the absence of rising demand from developed countries.

Manufacturing export orders



Sources: Markit, JPMorgan, HSBC, Ecwin.

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