

# Index

- Acquisitions. *See* Mergers and acquisitions
- ADRs (American Depository Receipts), 31, 33, 46n. 1
- Affiliates, 60–61, 68–72, 85, 302
- Aizenman, Joshua, 319–20
- Akaike information criterion, 149, 214
- America, North and South, 209–12
- Analysts, 150–54
- Argentina, 325–26; bank loans to, 12, 280; crises in, 14, 310, 329; inflows to, 5, 14–15, 25, 299; major reversals in, 16–17, 19; mutual fund outflows from, 36–37; need for financing in, 18–19
- ASEAN (Association of Southeast Asian Nations), 85, 86
- Asia, 39, 41; relocation to, 75, 80, 85–86; stock markets in, 33, 80, 114–15, 201. *See also* East Asia; *individual countries*
- Asia, investments in, 120, 123; from Japan, 44, 80, 209–12, 221; from Singapore, 80, 83, 84, 130; from the U.S., 80, 83, 209–12, 221, 224
- Asian-4, 3; deregulation in, 56; external debt in, 50–51; and foreign direct investment, 6–7; and foreign portfolio investment, 6–7, 30–33; growth record of, 56; Japanese investment in, 60–61, 84–86, 93, 165; Japanese pullout from, 62, 64–65, 67–72; market capitalization in, 33–35; reversals in, 9–11, 16, 64; surges in, 4–9; vulnerability of, 11, 21, 107, 143; yields in, 61–62. *See also* East Asian crises; Indonesia; Malaysia; South Korea; Thailand
- Asian-4, bank loans to, 51–72; and common lender hypotheses, 63–64; and individual banks, 64–72; from Japan, 60–62, 67, 69; moral hazard explanation for, 57–58; outflows and reversals of, 51–56, 62–72; and regulatory bias, 58–60
- Assets, 2, 89, 91, 113, 186; prices of, 110, 145; risky, 13, 70; value of, 110, 327–28
- Baht, 38, 93, 256; floating of, 89, 90–91, 101, 126, 135, 145, 308; value of, 77, 80–86, 94, 95, 102, 224
- Bailouts, 41, 44, 45, 319; Asian, 90, 98, 141, 181; Mexican, 58
- Bank Bumiputra, 111, 141
- Bank credits. *See* Bank loans
- Bank Indonesia, 162–63, 165, 172, 178, 180–84, 190
- Banking systems, 46, 107, 111–14, 123, 189
- Bank loans, 10, 18, 134, 141, 221, 307; abuses of, 111; collateralized, 112, 158n. 5; consumer, 113–14, 143; countercyclical, 52, 53, 56; domestic, 98–99; from Europe, 50–56, 64–66; excess of, 56–58, 324–26; foreign exchange, 241, 263n. 12; government guarantees for, 57–58; inflows of, 6–7, 21; interbank, 44, 52–56, 58–59, 62, 72n. 3, 179, 279; medium- to long-term, 58–59; outflows of, 9, 44; private-sector, 53, 54–56, 117; to the property sector, 113–14, 143; for purchases of stocks and shares, 113–14; renewal of, 68, 70, 98, 278–79; repayment of, 71, 185; reversals of, 1, 13–14, 16–17, 19–20; security of, 113–14; volatility of, 12–15, 120, 148–49; weighting of, 58–60, 62, 72n. 3. *See also* Banks, Japanese; Borrowing; Loans; Reversals of bank loans; *under individual countries*
- Bank loans, short-term, 7, 49, 52–60, 62, 280, 316, 324; in Czech Republic, 244, 277–78; in Indonesia, 55, 162, 167, 174, 179; in Malaysia, 54; in South Korea, 53, 68, 221–22, 224–25, 295, 298, 308; in Thailand, 54, 78, 84, 88, 99, 295

- Bank of Korea, 225–26
- Bank of Tokyo-Mitsubishi, 65, 67–68, 72n. 10
- Bankruptcy, 162, 163, 188, 191, 250, 260, 268
- Banks, 45, 70, 153, 157n. 1, 236, 288, 296; central, 21, 60, 317–18, 327, 328; commercial, 46, 62, 82, 86, 87, 88, 89–90; deposit money, 220–23; development, 181, 190; failure of, 70, 162, 163, 178; foreign, 176, 184, 190, 238; foreign ownership of, 190; international, 65–67; joint venture, 190; liabilities of, 98, 123, 179; merchant, 199, 204–8, 214, 217–18, 224–25; mergers of, 112, 153, 189, 190; offshore, 2; privatization of, 255, 261; profitability of, 112, 144; recapitalization of, 186, 190, 191; regional, 277; regulation of, 299, 312; restructuring of, 183, 189–90; runs on, 102, 111, 162; semistate, 235; small, 112, 250; state, 111, 175, 180, 184, 190–91, 246; vulnerability of, 98, 179. *See also* BIBF; BIS; IMF; World Bank; *under individual countries*
- Banks, Japanese, 60, 72n. 10, 140; affiliates vs. nonaffiliates of, 60–61, 68–72, 302; loans to Asian-4 from, 50–51, 52–56, 60–62, 63–65, 67–72, 302, 303; loans to Brazil from, 277–78; loans to Malaysia from, 120; and pullout from Asian-4, 62, 64–65, 67–72
- Barclays, 65–66
- Barth, M., 31–33, 34, 35, 42
- Basle Capital Accord, 58, 60, 62, 72, 316, 324, 326
- Bekaert, G., 42
- Belgium, 52, 83
- BIBF (Bangkok International Banking Facility), 2, 22, 79–80, 99; credit from, 76, 78, 83, 84; and financial crisis, 82, 90; tax privileges of, 77–78, 88
- BIS (Bank for International Settlements), 39, 134, 190, 280, 322, 330; data from, 50, 64, 159n. 13, 288, 317–18
- BNM (Bank Negara Malaysia), 110, 112, 115, 149, 157n. 4, 158n. 11, 159n. 12
- BNP (Banque Nationale de Paris), 65–66
- Bonds, 9, 31, 34, 45, 46n. 1, 186; Brady, 272, 286; C, 273, 287–88; Euro, 252–53, 287–88; government, 178, 185, 190, 287
- Boom and bust cycles, 40, 150, 240, 328
- Borrowing, 21, 44, 57; regulations of, 90, 109, 141, 143, 162, 267. *See also* Bank loans; Credit; Loans
- Brazil, 38, 300, 325; banks in, 275, 277, 280, 288–89; crises in, 3, 14, 137, 267–68, 269–78, 282–83, 285–87; deficit in, 267, 269, 270, 272; demand in, 268, 270, 281; domestic investors in, 274–77, 296–97, 299, 307; exchange rate in, 269, 270, 276, 280, 281–84, 287–88; external debt of, 135, 267, 306; foreign exchange markets in, 276–77; foreign investors in, 275–78, 284, 296–97, 307; GDP of, 269, 270, 289, 304; government of, 267, 281, 288; inflation in, 267, 268, 269, 281–82, 284, 288, 306; institutional investors in, 272, 275–77; interest rates in, 267–68, 269, 270, 271, 273, 282, 288; policy in, 274, 276, 281; reserves of, 20–21, 268, 270–72, 274, 276, 288, 306; speculation in, 268, 272, 273, 276. *See also* Real Brazil, inflows to, 5, 267, 275, 282–84, 307; of direct investment, 14–15, 25, 270–71, 272–73, 308; of loans, 277–78; of portfolio investments, 14–15, 25, 272–73, 284, 307; of short-term capital, 272, 284
- Brazil, outflows from, 267, 269, 275; from banks, 275–76, 278–81; from CC5 accounts, 275–76; of direct investment, 25, 273; major reversals, 16–17, 19; of mutual funds, 36–37; of portfolio investments, 25, 270–71, 272–73, 298, 308; of short-term capital, 272, 277–79
- Budgets, 103, 261. *See also under* Czech Republic; *under* Indonesia
- Businesses, state-owned, 186–87, 191. *See also* Banks, state
- Cailloux, Jacques, 148
- Canada, 52, 278
- Capital, short-term, 49, 63, 264n. 14; in

- Brazil, 272, 277–79, 280, 284; in Czech Republic, 237, 240, 241–42, 244, 250, 277–78; in Indonesia, 55, 162, 167, 174, 179; in Malaysia, 54, 109, 123, 131–33; in South Korea, 53, 68, 221–22, 224–25, 295, 298, 308; in Thailand, 54, 78, 84, 88, 94, 99, 295
- Capital accounts, 104–5, 220–21, 226; controls on, 139, 143; surpluses in, 107, 133–34
- Capital adequacy, 58, 70, 189–90, 324
- Capital-asset ratios, 62, 71, 327
- Capital flight, 20, 109, 126, 128, 144, 280–81. *See also* Outflows; Reversals
- Capital gains, 115–16, 120, 123, 138, 139, 154
- Cash balance surplus, 75, 88
- Cash requirements, 46, 323
- Ceilings, 9, 88, 246; on foreign investment, 35, 123, 198. *See also* Controls; Limits; Regulation; Restrictions
- Central Bank of Brazil, 277, 280, 288–89
- Certificates of deposit, 80, 184
- Chase Manhattan, 65, 67
- Chile, 105, 135, 240, 244
- China, 5, 31–33, 83, 135, 139, 325
- Choe, Bong-Chan, 43
- Claims. *See* Bank loans
- CLOB (Central Limit Order Book), 154, 158n. 7
- CNB (Czech National Bank), 243–44, 253–54, 261; and exchange rates, 248, 250, 259–60, 265nn. 22–23; and interest rates, 246, 266n. 29; policy of, 239–40, 251–52, 255–58, 262n. 4, 266n. 28; and speculation, 256, 265n. 24
- Coefficient of variation, 12, 148
- Coefficient of volatility, 12–15
- Colombia, 37, 325
- Companies, insolvent, 102, 103
- Competition, 112, 131, 139, 191, 269; international, 137, 165, 172, 233
- Consumption, 92, 103, 113–14, 136, 143, 173, 328
- Contagion, 1, 23, 126, 129, 150, 330, 332; and correlations, 285–86; from East Asia, 256–57, 262; from Malaysia, 127, 142, 143, 144; from Mexico, 14, 267; reduction of, 296, 329; regional, 148, 156; from Russia, 262, 267, 270, 277–78, 280, 285–86, 310; from Thailand, 102, 103, 109, 145, 267
- Controls, 22, 33, 143, 195, 267; dismantling of, 75, 87–88, 97–98, 138, 140, 240; exchange, 75, 87, 98–99, 112; in Malaysia, 123–24, 128, 132, 135–42, 145, 154, 308; temporary, 123–24, 132, 145. *See also* Ceilings; Limits; Regulation; Restrictions
- Convertibility, 142, 237–41
- Corporations, 45, 78, 99–100, 124–25, 151–52, 193n. 3. *See also under individual countries*
- Corruption, 191, 238, 250
- Countries: developed, 41, 75, 87, 188, 321; low-income, 313, 330, 332; middle-income, 313, 315; non-OECD, 58–60; transitional, 120, 231, 233, 236, 237, 239, 245
- Countries, developing, 45, 75, 87, 104, 120, 165, 283; codes and standards in, 312; interests of, 311, 313, 316; policy-makers in, 317, 318
- Countries, ratings of, 59, 90, 92, 100, 241, 263n. 8; IRB (internal-ratings-based), 325–26
- Credit, 62, 80, 88, 143, 235–36, 246; bad, 71, 266n. 28; contingency, 23, 296, 329–32; extension of, 89–90, 175–76, 235, 250; lack of, 261–62; ratings for, 82, 92; trade, 86, 188, 222–23. *See also* Bank loans; Loans; *under* BIBF; *under* Czech Republic; *under* IMF; *under* Indonesia
- Credit risks, 45, 57, 99, 263n. 12, 321
- Crises, 70–72, 203, 278; banking, 162, 310; causes of, 203, 218, 248, 270; debt, 162, 275; effects of, 303–8, 310; financial, 157, 330; in Latin America, 14, 231, 299; liquidity, 224, 272; management of, 312–13, 318, 328–32; political, 162, 261; prevention of, 20–21, 104–6, 269, 296, 312, 318, 328–32; role of fundamentals in, 291, 292–94; vulnerability to, 134, 267. *See also* East Asian crises; LTCM crisis; SDRs; *under individual countries*

- Crises, currency, 1, 157, 224, 226, 310, 321, 330; in Brazil, 3, 267–68, 269–78, 282–83, 285–87; in the Czech Republic, 231, 240, 248, 257, 260, 262
- Currency, 87, 103, 104–6, 141, 245, 256, 259. *See also* Crises, currency; Devaluation; Exchange rates; *specific currencies*
- Current accounts, 18–19, 91, 293; deficits in, 5–6, 20, 22–23, 46, 92, 107, 109; surpluses in, 20, 46, 140. *See also under individual countries*
- Czech Republic: banks in, 238–39, 242, 244–45, 250, 255, 259, 261–62; budget of, 234, 239, 251, 254, 261; corporate sector in, 235, 237, 251, 254, 259, 261; credit in, 235, 246, 250, 261; currency crisis in, 3, 232, 240, 248, 252, 257, 260; current account deficit in, 232–36, 248–52, 254, 262n. 3, 306; debt in, 236, 241, 243–44, 252–53, 261, 306; domestic demand in, 234–35, 237, 251; economic growth in, 239, 245, 253, 255, 304; exchange rate in, 232, 243–48, 250, 255–56, 258–61; Foreign Exchange Acts, 237–40, 244; government of, 236–39, 243–44, 250, 252–56, 261, 262n. 4; household sector in, 237, 245, 254, 259, 263n. 6; imports to, 234, 255, 264–65n. 20; inflation in, 239, 242, 243, 247, 251, 260–61, 306; interest rates in, 242, 244, 247–48, 251–52, 257–61; liberalization in, 231, 236–40, 245, 247; liquidity in, 242, 244–45, 257–60, 308; policy in, 232, 236, 242–45, 251–55, 261–62, 308; politics in, 231–32, 235, 251–53, 261; privatization in, 237, 239, 242–43, 250–51, 255, 261; recession in, 231, 261–62; reforms in, 231, 240, 245–46, 252, 255; regulations in, 238, 240, 244; reserves of, 239, 243, 253, 255, 257–59, 306; savings in, 234, 262n. 2, 306; speculation in, 236, 250, 257–58, 260; wages in, 235, 245, 250–52, 254, 255, 256, 261. *See also* Koruna
- Czech Republic, inflows to, 231, 237–41, 243, 245, 247–48, 262, 293; of direct investment, 241, 250; of loans, 59, 250, 294, 307; of long-term capital, 234, 241, 250; of portfolio investment, 241–42, 294, 307; of short-term capital, 240, 241–42, 244
- Czech Republic, outflows from, 232, 240–41, 265n. 26, 296–98, 299; of long-term capital, 238, 241; of short-term capital, 237, 241, 250
- Data, 4; from the IMF, 30, 39, 198, 317; lack of, 12, 41, 64, 147; problems with, 30, 39, 60, 148, 198; on stocks, 13, 197–98, 214; trade, 196–99, 200
- Debt: domestic, 185–86; (p)repayment of, 82, 130. *See also* Securities, debt; *under* Czech Republic
- Debt, external, 188, 233; in Asia, 8–9, 50–51, 78–80, 88, 98, 130–35; corporate, 83; government, 109, 132, 233; long-term, 8–9, 79, 99, 131–32; medium-term, 131–32; private, 79, 88, 109, 132–33, 144, 162, 187; public, 79, 109, 130, 132–33, 187, 267; restructuring of, 83, 189, 270; short-term, 8–9, 49, 68, 78–79, 90, 98–99, 109, 131–33. *See also* Bank loans; *under individual countries*
- Debt/equity ratios, 99–100, 175, 184
- Debt relief, 23, 314, 332
- Debt workouts, 23, 312, 313, 316, 329, 332
- Default, 278, 319, 326
- Deflation, 110, 150
- Deposits, 88, 89, 90, 94–95, 98, 175–76, 255; CC5, 275–76, 289n. 3; public-sector, 162, 191; required, 105, 240, 244–45, 322. *See also* NRB
- Deregulation, 56, 89, 112, 142, 176, 180, 183. *See also* Liberalization
- Derivatives, 124–25, 127–28, 151, 236, 300, 317
- Devaluation, 1, 70–71, 86, 90, 110, 139, 265n. 22; controlled, 247, 255–56; of the koruna, 245–46, 256, 308; of the real, 267, 268, 281–82, 308; of the rupiah, 163, 164, 165, 175, 178, 186, 193n. 1

- Development institutions, 224, 227
- Direct investment, 20, 104, 129, 158n. 12; factors affecting, 92–93, 95, 140, 263n. 7; inflows of, 5–9, 26n. 5, 85, 316; volatility of, 13–15, 148–49. *See also under Asian-4; individual countries*
- DKB (Dai Ichi Kangyo Bank), 65, 67–68
- East Asia, 33–34, 87–88, 131, 141–42, 154, 164, 295; capital flight in, 20, 280–81; debt in, 133, 292–93; inflows to, 87, 292–94, 299; reserves in, 295–96; weaknesses in, 2, 291. *See also Asian-4; specific countries*
- East Asian crises, 1, 102–4, 148, 269, 275–77, 282–83; currency, 107, 157; deepening of, 39, 63, 195; explanations for, 11, 21, 107, 162, 295; financial, 107, 143, 157; and foreign lenders, 299, 327; and fundamentals, 292–94; innocent bystander hypothesis for, 156; triggering of, 39, 75, 90, 102, 296–300. *See also under individual countries*
- Economic bubbles, 58, 84, 89, 141, 143, 164, 242; collapse of, 145
- Economic development, 88, 108, 120, 129, 145, 233, 310; support of, 312, 314
- Economic growth, 56, 75, 80, 85, 87–88, 108, 163; support of, 312, 313, 333. *See also GDP; Output; under individual countries*
- Economic restructuring, 233, 237, 239
- Economy, 1, 141, 332; of Hong Kong, 139, 140, 178; international, 23; of the U.S., 83, 90, 310
- Equity flows, 9, 31–33, 36–38, 40, 99, 117–19; in emerging markets, 34, 105, 176. *See also Securities, equity*
- Europe, Central, 59, 236, 245, 256, 261, 262n. 2. *See also Czech Republic*
- Europe, Southern, 277–78, 310, 327
- Europe and EU (European Union), 70, 72n. 4, 140, 152, 233, 236, 323; and investment in Asia, 44, 50–56, 65–66, 85, 209–12, 221, 224. *See also individual countries*
- Exchange rates, 64, 92–93, 137, 233, 245–46, 255, 274; crawling pegged, 269, 276, 288; fixed or quasi-fixed, 62, 78, 104, 244, 256, 295; floating, 75, 82–84, 89–91, 163–64, 183–84, 259–60, 295; narrow band, 248, 250, 256, 258–59, 269, 276, 295; pegged or quasi-pegged, 18, 75, 87, 104, 131, 139–40, 272; real effective (REER), 166, 172, 192, 247, 269, 282–84, 288; stable, 88–89; volatility of, 85, 95, 99, 102, 105, 137, 258. *See also under individual countries*
- Exchange risks, 77, 89, 93, 179, 189, 247–48, 280
- Exports, 85, 86, 87–88, 92, 109, 131; downturn in, 80, 90, 100, 102, 103; growth of, 5, 65, 75. *See also under individual countries*
- External imbalances, 293; solution to, 255, 261–62; sustainable, 232–36
- Finance companies, 101–2. *See also under Indonesia; Malaysia; South Korea; Thailand*
- Financial institutions, 97, 134, 175, 185, 189, 191, 291
- Financial Stability Forum, 299, 311, 312–13, 317, 322, 323
- Financial system, international, 1, 21, 305; reform of, 310–16
- Financing, emergency, 328–32
- Flows, 2, 12–13, 15, 288, 316; avoidance of large, 23, 140, 141; countercyclical, 16, 46; factors affecting, 92–95; impact on economy of, 95–104; official, 314; procyclical, 16, 104; volatility of, 86, 89, 91, 104–5, 109, 142–49, 272. *See also Bank loans; Direct investment; Inflows; Investment; Loans; Outflows; Portfolio investments; Reversability; Reversals; under individual countries*
- Fluctuations, large, 35, 125, 126, 130, 250
- Foreign aid, 120, 315
- Foreign direct investment. *See Direct investment*
- Foreign portfolio investments. *See Portfolio investments*
- Forex movements, 145–47
- Forwards, 92, 93, 94, 178, 236, 264n. 17

- France, 51–52, 54–56, 64–66, 277–78, 322  
 Froot, K. A., 36, 42  
 Fuji, 65, 67  
 Fundamentals, 2, 46, 85, 93, 291; strong, 2, 85, 153, 322; weak, 164, 284  
 Fund managers, 3, 34, 38, 39, 129, 150–54  
 Funds, mismatching of, 99, 179, 244
- GARCH volatility test, 201, 218–19  
 GDP (Gross Domestic Product), 46, 119, 164, 168, 188, 233, 266n. 27. *See also* Economic growth; *under* Brazil; *under* Thailand  
 GDRs (General Depository Receipts), 31, 33  
 Germany, 188, 239, 259, 277–78; investments from, 51–52, 54–56, 130, 209–12  
 Globalization, 6, 75, 87, 310, 318  
 Government, 92, 139, 201. *See also* Bonds, government; Securities, government; *under* Guarantees; *under individual countries*  
 Granger causality tests, 200, 213–14, 217, 285  
 Greenspan, Alan, 44, 318  
 Griffith-Jones, Stephany, 148  
 G-7 (Group of Seven), 286, 315  
 G-10 (Group of 10), 325  
 G-20 (Group of 20), 311, 313  
 G-24 (Group of 24), 312, 330, 333  
 Guarantees: government, 98, 153, 173, 175, 186, 188, 237; for loans, 61, 68
- Harvey, C., 42  
 Hedge funds, 34, 36, 254, 299–300, 312, 317, 324; in Brazil, 267, 268; in Malaysia, 120, 135, 152, 153–54; in Thailand, 75, 82, 101  
 Herd behavior, 2–3, 26n. 2, 40, 110, 299; of banks, 52, 302; of investors, 42–43, 129, 178, 195–96, 224, 278, 298  
 HLLs (highly leveraged institutions), 4, 323–24  
 Hong Kong, 135, 139, 140, 153, 178, 201; and investment in Thailand, 80, 83, 84
- HSBC (Hong Kong and Shanghai Bank Corporation), 65, 67, 70  
 Hungary, 59, 245
- IBRA (Indonesia Bank Restructuring Agency), 189  
 IFC (International Finance Corporation), 33  
 IIF (Institute for International Finance), 58, 64, 317  
 IMF (International Monetary Fund), 46–47n. 1, 105, 254, 260, 322; bailouts by, 38, 57, 107, 268, 320; CCL (contingency credit lines) of, 330, 331–32; CFF (Compensatory Financing Facility) of, 330, 331; conditionality of loans from, 329, 331, 332, 333; credit from, 23, 79, 243, 296, 314, 315, 329; data from, 30, 39, 198, 317; lending facilities of, 311, 313–14; negotiations with, 277, 288; obligations under, 75, 87, 103, 281; prescriptions of, 136, 157, 163, 182–83, 231, 239; SRF (Supplemental Reserve Facility) of, 330, 331  
 Imports, 20, 22, 86, 92, 109, 233, 260; compression of, 138, 140. *See also* Reserves-imports ratio; *under individual countries*  
 Indexes, 92, 93, 287  
 India, 13, 14, 15, 325–26  
 Indonesia, 9, 33–34, 38, 176, 182; banks in, 162–67, 169, 171–73, 174–82, 183–86, 189–92; budget of, 165, 173, 186–87; corporations in, 162, 175, 178, 184–85; credit crunch in, 175, 190; crises in, 135–36, 162–65, 175, 186, 191–92; current account in, 164, 165, 166, 172–73, 292; deregulation in, 180, 183; economic growth in, 87, 108, 164, 304; exchange rate in, 119, 162–63, 164–72, 166, 176, 178, 183–85; exports of, 163, 164, 167, 170, 186; external debt in, 135, 162–63, 167, 173–75, 184–86, 188–89, 192; finance companies in, 173, 179, 181; foreign ownership of stocks in, 34–35; GDP of, 119, 166, 168; government of, 163, 164, 179, 181, 186, 189–92; imports to, 162,

- 165; industry in, 168, 172–73; inflation in, 87, 164–65, 166, 172, 183–86, 306, 308; interest rates in, 162, 164, 172, 175, 178–80, 184, 190; liquidity in, 162, 172, 175, 178, 179, 182, 184–85; policies in, 162–63, 165, 180, 182–85, 189, 191–92; politics in, 163, 182, 183; privatization in, 176, 180, 191; reform in, 162, 176, 178, 184; reserves of, 19–21, 163, 167, 172, 176, 182–83, 295; savings in, 166, 292–93, 306; subsidies in, 164, 178, 179, 180, 186. *See also* Rupiah
- Indonesia, inflows to, 5, 119, 164, 173, 176, 293; of bank loans, 8, 14, 55–56, 63, 69, 179, 307; of foreign direct and portfolio investments, 6–7, 9–10, 14–15, 23–24, 30, 167, 178; of mutual funds, 39; of short-term loans, 162, 179
- Indonesia, outflows from, 163, 178; of bank loans, 8–9, 55–56, 72n. 10, 296–97, 308; of foreign direct and portfolio investments, 7, 9–10, 18, 31–32; reversals, 17, 19, 31, 165
- INDRA (Indonesian Debt Restructuring Agency), 188–89
- Industry, 108, 109, 140, 201. *See also under individual countries*
- Inflation, 92, 95, 123, 150, 233, 242, 251; asset price, 84, 107, 120, 143; moderate, 87, 102. *See also under individual countries*
- Inflows, 40, 59, 244, 280–81, 282–84; effects of, 243–44; to Latin America, 11, 14–15, 32, 38, 41, 44, 295; measures to curb, 41, 44, 46, 106, 145, 319, 332; stimulation of, 176, 237, 309; tax on, 105, 327. *See also* Flows; Surges; *under individual countries*
- Information: asymmetric, 2, 312, 317, 318; need for better, 314
- Initiatives, 183, 188, 189
- Insurance companies, 152, 199, 204–8, 213, 217–18, 250
- Interest arbitrage, 80, 131
- Interest rates, 92, 93–95, 99, 112, 130, 152, 315; floors and ceilings on, 97, 246; higher, 77, 82–83, 87, 88, 102–3; international, 268, 283, 284, 288; lower, 60, 62, 87, 139. *See also under individual countries*
- International financial institutions (IFIs), 315–16
- International placements, 33, 47n. 2. *See also* ADRs; GDRs
- Interviews, 151–54
- Investments, 157n. 1; barriers to, 35, 61; excessive, 318; long-term, 99; promotion of, 141, 237–38; pull factors for, 153; push factors for, 283, 284; unproductive, 112. *See also* Asia, investments in; Bank loans; Direct investment; Flows; Inflows; Loans; Portfolio investments; Reversability; Reversals; Stock markets; Stocks; *under* Europe
- Investment trust companies, 199, 202–8, 213, 217–18
- Investor confidence, 87, 93, 95, 203, 262; factors affecting, 91, 94, 254, 321, 329
- Investor confidence, lack of: in Indonesia, 162; in Malaysia, 102, 104, 109–10, 145; in South Korea, 224; in Thailand, 80, 82–83, 90–91
- Investors, 321; behavior of, 13, 150–54, 257; impulse responses of, 214–18, 285; perceptions of, 6, 150–54, 236
- Investors, domestic, 35, 238; in Brazil, 274–77; in South Korea, 195–99, 202–8, 213–14, 216–19, 222, 227–28
- Investors, foreign, 34–35, 80, 128–29, 178, 190, 233; and South Korean stocks, 196–200, 202–15, 217–19, 221, 224–28. *See also* Direct investment; Portfolio investments
- Investors, individual: domestic, 199, 202, 204–8, 213, 214, 217–18, 227–28; foreign, 209–12
- Investors, institutional, 2–3, 6; in Asia, 36; in Brazil, 272, 275–77; cash requirements for, 46. *See also* Mutual funds
- IOSCO (International Organization of Securities Commissions), 322–23
- Italy, 277–78

- Jakarta Initiative, 188, 189
- Japan, 130, 163, 183; economic crisis in, 70–72; foreign direct investment and loans to Asia from, 60–61, 84–86, 93, 165; and investment in Asia, 44, 80, 209–12, 221, 224; investment in U.S. from, 60–61, 70. *See also* Banks, Japanese; Yen
- Joint ventures, 85–86, 129, 158n. 12, 190
- Jomo K. S., 109
- Kaminsky, G., 36, 43
- Kim, W., 43
- KLCI (KLSE Composite Index), 116, 126, 145–47, 149–51
- KLSE (Kuala Lumpur Stock Exchange), 114–18, 120, 128, 153–54
- Korea. *See* South Korea
- Koruna, 236, 239, 254, 257; appreciation of, 246, 248, 252; devaluation of, 245–46, 256, 308; fluctuation band for, 248, 250, 256, 258, 259
- KOSPI (Korea Composite Stock Price Index), 198–200, 202–3
- Krugman, Paul, 57–58, 136
- KSE (Korea Stock Exchange), 196–99, 201
- Labor, 85, 86, 136
- Labuan, 111–12, 134, 135
- Latin America, 21, 36–37, 51, 280–81, 283, 325; crises in, 14, 231, 299; inflows to, 11, 14, 32, 38, 41, 44, 295; mutual funds in, 31–32, 34, 39; outflows from, 20, 31–32, 38–39. *See also specific countries*
- Lenders, 6, 320, 328. *See also* Banks; BIBF; Finance companies; IMF
- Liabilities, 6, 20, 21, 22, 46, 323; of banks, 98, 123, 179. *See also* Bank loans; Investments; Loans
- Liberalization, 23, 40, 112, 300; alternatives to, 136; in Asia, 6, 22, 107, 142, 214, 224, 300; of capital flows, 236–40; in Czech Republic, 231, 237–39, 245, 300; dismantling of, 98; of financial institutions, 75, 88, 90, 105, 120; gradual, 300–301; in Malaysia, 112, 120, 123, 142–43, 144, 300; results of, 59, 105, 107, 291; sequence of steps of, 236, 240, 300–301; speed of, 300–301; in Thailand, 78, 87, 90, 99, 105; of trade, 233, 236. *See also* Deregulation
- Licenses, 238, 250, 323
- Limits: on foreign borrowing, 162; foreign exchange, 237, 262–63n. 6; on foreign ownership, 203, 207; on inflows, 176, 244; on liabilities, 123, 323. *See also* Ceilings; Controls; Regulation; Restrictions
- Liquidity, 44, 46, 89, 182, 295, 313, 323; changes in, 78; excess, 123–24, 158n. 11, 178, 242; international, 312, 314, 330; management of, 320–21, 330; problems with, 179, 190, 221; shortages of, 90, 102, 184, 224–25; squeeze of, 257–60. *See also* SDRs; *under individual countries*
- Loans, 13, 44, 75, 111, 224, 314; bad, 58, 71, 100, 103, 141; discouragement of, 328; excessive, 318; factors affecting, 93–94, 95; guarantees for, 61, 68; prepayment of, 243; procyclical, 326; rates for, 88, 258, 260. *See also* Bank loans; Borrowing; NPL; *under* IMF; *under individual countries*
- Loan to deposit ratio, 175–76
- LTCM (Long Term Capital Management) crisis, 36, 38, 138, 145, 272, 274, 310
- Lumsdaine, R., 42
- Lyons, R., 36, 43
- Macroeconomics, 2, 85, 291; factors affecting, 95, 303–8; imbalances in, 90, 320; stability in, 92, 143, 237, 245, 267
- Malaysia, 119, 325; banking system in, 107, 111–14, 123; banks and finance companies in, 111, 115, 124, 130–31, 141–44, 145, 153; Bumiputeras in, 111, 112, 115, 144; and capital gains, 115–16, 120; central bank of, 106, 109, 123, 128, 131, 134–35, 138; controls in, 123–24, 128, 132, 135–42, 145, 154, 308; corporations in, 107, 109, 110, 114, 130, 153, 158n. 8; crises in, 107, 109–10, 126, 130, 134, 142–46, 148;



- current account in, 107, 109, 133–35, 139, 140, 292, 306; economic growth in, 87, 108, 110, 292, 304; exchange rate in, 119, 128, 137, 140, 144; exports of, 110, 113, 120, 131, 137, 138–40, 144; external debt in, 8–9, 54–55, 109–10, 130–35, 143–44, 159n. 13, 306; foreign ownership of stocks in, 34–35, 145, 296–97; government of, 112, 115, 120, 135–37, 139, 141–42, 158n. 9; imports to, 110, 120, 140; industry in, 108, 120, 139, 140, 145, 153–54, 157–58n. 4; inflation in, 87, 128, 144, 292, 306; interest rates in, 123, 129, 130–31, 137–38; interethnic redistribution in, 111, 112, 115; IOFCs (international offshore financial centers) in, 111–12, 134, 135; liberalization in, 112, 120, 123, 142–43, 144; local brokers and analysts in, 151–54; NEP (New Economic Policy) in, 111, 112, 115, 144; policies in, 108, 110, 130, 135, 142, 145, 158n. 8; politics in, 115, 135, 153, 154; privatization in, 111, 115–16, 153; recoveries in, 31–32, 154; regulations in, 9, 107, 109, 112, 134, 144; reserves in, 109, 134, 135, 138, 140, 306; residents of, 124, 130, 135; restrictions in, 111, 143; savings in, 108, 109, 117, 292–93, 306; securities market in, 142, 143; speculation in, 111, 123–24, 128, 134, 137, 141; stock market in, 107, 109, 114–19, 126, 128–29, 137, 144. *See also* Bank Bumiputra; BNM; KLSE; Ringgit
- Malaysia, inflows to, 21, 108–10, 117, 119–20, 153, 155–56, 293; of bank loans, 54–55, 63, 68–69, 113, 125, 146; of foreign direct investment, 108–9, 120–22, 125, 130, 137, 139, 144–46; of loans, 6–9, 108, 120–22, 130–35; short-term, 109, 123, 131–33
- Malaysia, inflows to, of portfolio investments, 31–32, 108–9, 120–29, 133–34, 140, 145–46, 294; volatility of, 120–22, 126–28, 130, 143, 148–49
- Malaysia, outflows from, 39, 109–10, 124, 126, 131, 135; controls on, 22; of foreign direct investment, 7, 122, 130, 146, 148; of foreign portfolio investments, 30–32, 124, 128, 145–46, 148, 296–97, 308; of loans, 8, 54–55, 72n. 10, 122, 146, 148; reversals, 31–32, 54, 126, 151
- Market capitalization, 40, 116, 117; in Asia, 33–35, 41, 78; foreign ownership of, 34–35
- Markets, 3, 82, 101, 105, 195; developed, 152; emerging, 34, 105, 120, 152–53, 176, 195–96, 231–32; equity, 33–34; international, 45, 101, 105, 238, 252; open, 33, 104, 236, 239–40, 248; problems with, 310, 315; risks in, 45, 176, 317, 321; transparency of, 191, 299, 315. *See also* Stock markets; *individual countries*
- Media, 107, 136
- Meltzer Report, 314, 315, 320, 329
- Mergers and acquisitions, 83, 85, 116, 129, 145; of banks, 112, 153, 189, 190
- Mexico, 18–19, 58, 188, 282; bank loans to, 59, 280–81; crises in, 1, 6, 59, 262n. 3, 275, 295, 299; major reversals in, 16–17, 19, 63; outflows from, 36–37; portfolio investments in, 14–15, 25; surges in, 5, 25. *See also* Tequila effect
- Millar, K., 38–39
- Money market, 124–25, 127, 151, 190; Czech, 238, 242, 257–58, 259
- Moody's, 80, 100
- Moral hazard, 44–45, 57–58, 315, 319, 320, 329, 332
- MSCI (Morgan Stanley Capital International), 152, 153, 154
- Mutual funds, 29, 46–47n. 1, 120, 152, 303, 312; and impact on capital outflows, 35–39; in Latin America, 31–32, 34, 39; and reserve requirements, 45, 46, 320–22; in South Korea, 199, 204–8, 213, 217
- Netherlands, the, 52, 278
- NPL (Non-Performing Loans), 83, 141–42, 175, 180–81, 189, 261–62, 293
- NRB (nonresident baht accounts), 80, 82, 83, 86, 87–88, 94–95

- O'Connell, P. G. J., 36, 42
- OECD (Organization for Economic Cooperation and Development), 59–60, 72n. 3, 134, 239, 300, 325
- Offshore markets, 101, 124, 153, 236, 239, 286, 323; greater access to, 2, 176; in Labuan, 111–12, 134–35; regulation of, 112, 140, 141, 258, 324
- OI (Other Investments). *See* Bank loans
- Oil prices, 163, 164
- Outflows, 35–38, 82, 83, 109, 237, 272; from Latin America, 20, 31–32, 38–39; protection against large, 106, 141, 238, 240. *See also* Flows; Reversals; *under individual countries*
- Output, 1, 108, 139, 231. *See also* Economic growth; Productivity
- Pakistan, 325–26
- Panic, 129, 140, 162, 277
- Park, I., 40, 43
- Park, Y. C., 40, 43
- Pension funds, 34, 36, 120, 152, 188
- Peru, 36–37
- Philippines, the, 32, 64, 87, 119
- Policy: corrections of, 46, 322; currency, 103; exchange rate, 193n. 1; exit, 191; favorable to investment, 85, 86, 87, 110; fiscal, 163, 173, 251; income, 251; macroeconomic, 330, 333; mistakes in, 2, 91, 291; monetary, 104, 128, 163, 183, 261; regional, 302–3; rigidity of, 91, 163, 183, 246; tightening of, 70, 85, 173, 252. *See also under* CNB; *under individual countries*
- Politics, 85, 91, 92, 102, 105, 153. *See also under individual countries*
- Portfolio investments, 45, 58, 109, 120; debt and equity, 15, 46n. 1; factors affecting, 93, 95, 237; flows of, 6–7, 21, 30–33, 34, 46; reallocation of, 40–41; reversals of, 16–20, 31, 44, 70; role of, in Asian crisis, 29–33; volatility of, 12–15, 120–22, 126–28, 130, 143, 148. *See also* Bonds; Derivatives; Equity flows; Money market; Securities; Stocks; *under* Asian-4; *under* East Asia; *under individual countries*
- Post, M., 38–39
- Poverty: increase in, 1, 165; reduction of, 310, 313, 314, 330, 332, 333
- Price/earnings ratios, 78, 83
- Prices: asset, 84, 107, 110, 120, 143, 145; movements of, 3, 86, 95–96, 113, 115, 237, 269; oil, 163, 164; of stocks, 39, 109, 213, 218
- Privatization, 176, 180, 186, 237, 251; of banks, 255, 261; failed, 250. *See also under individual countries*
- Production index, 92, 93
- Productivity, 163, 235, 250, 251. *See also* Economic growth; Output
- Profitability, 70; of banks, 62, 112, 144
- PT Bank Mandiri, 180, 190
- Real: adjustable band for, 269, 276; devaluation of, 267, 268, 281–82, 308; floating of, 267, 268, 273, 274, 280, 281; pegged, 267, 268, 269, 276, 285
- Real estate, 113. *See also under* Thailand, inflows to
- Real Plan, 269, 282–84
- Recapitalization, 83, 186, 191
- Recession, 144, 261, 326, 328; European, 152, 231, 260, 262; Indonesian, 163, 175; Malaysian, 107, 134, 145
- Recoveries, 1, 108, 182, 284, 303–4; of equity flows, 31–32; in Malaysia, 31–32, 154
- Reforms, 236; in Czech Republic, 232, 237, 252; in Indonesia, 162, 176, 184, 191; international financial, 140, 231, 310–16
- Regulation, 123, 159n. 13; of banks, 299, 312; circumvention of, 238; coordination of, 299, 311; countercyclical, 302, 326–28; of currency, 105–6; to enhance welfare, 45–46; erosion of, 97, 107, 176, 238; of financial institutions, 97, 134, 175, 185, 189, 191, 291; of foreign portfolio investments, 45, 176; international, 301, 312, 318–26, 328–32; of large inflows, 41, 44, 46, 106, 145, 321; to limit borrowing, 109, 141, 143; need for better, 2, 57, 90, 143, 291; of offshore markets, 112, 140, 141, 258,

- 324; of short-term inflows, 44, 264n.  
14; tightening of, 90, 189, 261. *See also*  
Ceilings; Controls; Limits; Restrictions;  
Standards and codes; *under individual countries*
- Relocation to Asia, 75, 80, 85–86
- Rents, 112, 115, 157n. 3, 181
- Reserve requirements, 46, 90, 124, 243,  
266n. 28, 320–22; for excessive borrowing,  
44, 45, 318; lowering of, 176,  
255; to reduce risk, 319–20
- Reserves, 18–23, 82, 91–93, 101, 109, 233;  
short-term debt as, 49. *See also under*  
*individual countries*
- Reserves-imports ratio, 92, 94, 95
- Restrictions, 111, 248, 255, 301, 333; on  
borrowing, 143, 267; credit, 82, 235;  
on foreign ownership, 86, 120; on investment,  
35, 61; on speculation, 82,  
123–24, 128, 165, 256–58, 260. *See also*  
Ceilings; Controls; Limits; Regulation
- Returns, 39–41, 92, 120; in South Korea,  
195–96, 199, 201–2, 210, 213–17, 219,  
228–29. *See also* Yields
- Reversability, 7, 316, 321, 322
- Reversals, 1, 2; in Asian-4, 9–11, 16,  
62–72; of foreign portfolio investments,  
16–20, 31, 44, 70, 109; of loans,  
44, 51–56, 62–72, 75; sudden major,  
15–21, 26n. 8, 75, 292; sustainable,  
16–21; that cause financial crises,  
16–21, 31–32. *See also* Shocks; *under*  
*individual countries*
- Reversals of bank loans, 1, 13–14, 16–17,  
19–20, 49–50, 52–54, 56, 62–72; common  
lender argument for, 63–64, 70,  
278; financial panic argument for, 63,  
70; and individual banks, 64–69;  
Japanese crisis argument for, 70–72
- Ringgit, 135, 140–41, 145; pegged, 137,  
138–40, 142, 146; value of, 109, 123,  
126, 131, 147, 308
- Risks, 44, 89, 153, 239, 242, 254, 326;  
credit, 45, 57, 99, 263n. 12, 321; cyclical,  
327; exchange, 77, 89, 93, 179, 189,  
247–48, 280; investment, 238, 252;  
macroeconomic, 46, 321–22; management  
of, 144, 159n. 13, 323–25; market,  
45, 176, 317, 321; reduction of,  
319–20; weighting of, 60, 325–26. *See*  
*also* Assets, risky
- Ruble, 38, 213, 270, 285
- Rupiah, 38, 163–65, 171–72, 175, 178,  
186, 308
- Russia, 38; bank loans to, 280–81; contagion  
from, 262, 267, 270, 277–78, 280,  
285–86, 310; crisis in, 138, 145,  
267–69, 272–73, 275–77, 283–84. *See*  
*also* Ruble
- Sanwa, 65, 67–68
- Sarno, L., 58
- Savings, 88, 97, 173, 293; domestic, 108,  
109, 233, 234; foreign, 233. *See also*  
*under individual countries*
- Scandals, 185, 250
- Schmukler, S., 36, 43
- Schwarz criterion, 149, 214
- SDRs (special drawing rights), 313, 315,  
329, 330
- Seasholes, M., 36, 42
- Securities, 32, 35, 45, 115, 142, 143, 244;  
corporate, 124–25, 151–52; debt, 31,  
80, 124–25, 127, 221, 270, 272–73;  
equity, 10, 76, 221; government, 124–  
25, 127; volatility of, 148, 271. *See also*  
Bonds; Stocks
- Shares, 46–47n. 1, 115, 242; Malaysian,  
118, 124–25, 150; purchases of, 36,  
38–39, 113–14
- Shocks, 11, 16, 144, 148–51, 232, 269,  
285. *See also* Reversals
- Singapore, 5, 106, 130, 135, 151–54, 182;  
and investment in Asia, 80, 83, 84, 130;  
Stock Exchange of, 114–15
- Singapore dollar, 92, 95
- Société Générale, 65–66
- South Korea, 2, 38, 292, 325; barriers to  
investment in, 35, 61; capital account  
of, 220–21, 226; crises in, 59, 135–36,  
198, 201–7, 211–13, 224, 226; domestic  
banks and finance companies in, 199,  
203–8, 214, 217–18, 220–26, 227–29;  
economic growth in, 108, 163, 292,  
304; exchange rate in, 202–3, 282;  
external debt in, 134–35, 188, 306;

- South Korea (*continued*)  
 government-funded institutions in, 199, 204–8, 217–18; liberalization in, 22, 224; liquidity in, 221, 224, 225, 226; negative feedback strategy in, 196, 200, 211–12, 214, 216, 218, 228; positive feedback strategy in, 195–97, 200, 207, 209–14, 218, 227–28; reserves of, 19–21, 295, 306; savings in, 292–93, 306. *See also* Won
- South Korea, inflows to, 21, 293; of bank loans, 8–9, 51–53, 63, 69, 295; of foreign direct investment, 6–7, 10, 14–15, 23, 220, 223; of foreign portfolio investments, 6–7, 10, 14–15, 24, 30–32, 220–21, 223; of loans, 14, 51–53, 57, 59, 65, 68, 220
- South Korea, outflows from: of direct investment, 7, 10, 222; of foreign portfolio investments, 7, 9, 10, 31–32, 222; of loans, 9, 52–53, 72n. 10, 219, 221–22, 224–26, 298; major reversals in, 16–17, 19, 31–32; market capitalization in, 33–34; of mutual funds, 39
- South Korea, stock market of, 196–229; destabilization of, 196–97, 199–200, 213, 218, 220–21, 226–29; and domestic investors, 195–99, 202–8, 213–14, 216–19, 222, 227–28, 296–97; and foreign investors, 196–200, 202–15, 217–19, 221, 224–28
- Spain, 278, 327
- Speculation, 57, 111, 195, 236, 250, 254;  
 on baht, 82, 91, 101–2, 256; constraints on, 82, 123–24, 128, 165, 256–58, 260; via hedging, 75, 101; vulnerability to, 134, 224. *See also under individual countries*
- Spending, 89, 90, 138
- Standards and codes, 311, 315, 323, 332.  
*See also* Regulation
- Stiglitz, J., 144
- Stock companies, 70, 199, 204–8, 217
- Stock Exchange of Singapore (SES), 114–15, 120, 153
- Stock exchanges, 92. *See also* KLSE; KSE; *under* Thailand
- Stock indexes, 78, 83, 93, 94
- Stock markets, 33, 40, 58, 83, 287; Asian, 33, 80, 114–15, 201; collapse of, 126; public offerings of, 78, 117–19, 118, 158n. 9; volatility of, 144, 196, 201, 218–19. *See also* South Korea, stock market of; *under* Malaysia
- Stocks, 45, 46–47n. 1, 113–14, 148, 271; data on, 13, 197–98, 214; foreign ownership of, 34–35, 80, 128–29, 178, 190; free float, 34–35, 303; prices of, 39, 109, 213, 218; short-selling of, 153
- Suharto, 163, 178, 182
- Surges, 25; in East Asia, 4–9, 143; protection from excessive, 240, 249, 312, 316, 319, 321. *See also* Inflows
- Swaps, 93, 124, 176, 178, 179, 236, 330
- Taiwan, 85, 140
- Tax, 186, 289n. 3; capital gains, 123, 138, 139, 154; exemptions from, 115; exit, 138, 154; implicit, 240; income, 78, 88; on inflows, 105, 327; specific business, 78, 88; withholding, 78, 88, 123
- Tax privileges, 77, 80, 88, 99, 112, 141, 185
- Taylor, M., 58
- Technology, 1–2, 104, 108, 110, 129, 178
- Tequila effect, 269, 282–84
- Thailand, 38, 75–106; Bank of, 82, 87, 90, 97–98, 99, 101–2, 105–6; banks and finance companies in, 88, 89–90, 97–99, 101–2, 103–5; central authority of, 75, 78, 88; controls in, 75, 87–88; corporations in, 99–100; crises in, 84, 90, 95, 101–4, 135–36, 304; current account deficit in, 80, 84, 90–91, 92–93, 95–96, 107, 292; economic growth in, 75, 80, 85, 87–89, 95, 108; exchange rate in, 75, 77, 82–83, 88, 95, 99, 101–3; external debt of, 78–80, 84, 88, 90, 99, 135, 296–97; foreign ownership of stocks in, 35, 80; GDP of, 85, 119, 292, 304; government of, 75, 80, 88, 90, 92, 98, 103–4; inflation in, 84, 87, 90–91, 95, 102, 292, 306; interest rates in, 82–83, 93, 97, 99, 102–3, 138; liquidity in, 78, 84, 87; market capitalization in, 33–34; private businesses in, 77, 80; reserves of, 19, 20–21, 82, 101, 295, 306, 308;

- savings in, 292–93, 306; Stock Exchange of, 83–84, 92. *See also* Baht
- Thailand, bank loans to, 8, 14, 53–54, 57, 294, 295, 307; from Japan, 63, 69
- Thailand, inflows to, 21, 23, 39, 75–106, 119, 293, 295; to banks, 76–77, 78, 86, 99; of BIBF funds, 77–80, 84, 97; of equity, 31–32, 80, 88; from the EU, 53, 85; to financial institutions, 77, 78, 81; of foreign direct investment, 6–7, 10, 14–15, 75–77, 80–81, 83–86, 88–89; from Hong Kong, 77–78, 85; to industry, 77, 78, 80–81, 84, 85–86, 89; from Japan, 53, 75, 77–78, 85–86, 93; of loans, 77, 84, 86, 88, 94; of nonbank loans, 77–78, 83; via NRB, 77–78, 80, 86, 94–95; of portfolio investments, 6–7, 30–32, 76–78, 80, 83–84, 86, 294; to private sector, 88, 90; to real estate, 77, 78, 80–81, 84, 85, 89; from Singapore, 77–78, 95; to trade sector, 77, 78, 80–81, 84, 86; from the U.S., 53, 78, 85
- Thailand, outflows from, 81, 89, 102–4; of bank loans, 8–9, 82, 296–97, 308; of direct investment, 7, 10, 88; from finance sector, 82–83; of loans, 77, 83, 84; of NRB, 80, 82, 83; of private investment and foreign portfolio investments, 7, 31–32, 83, 308; from real estate sector, 83, 100, 102; reversals, 16–17, 19, 31–32, 53, 82
- Tokai Bank, 65, 67
- Trade accounts, 18, 91
- Trading strategies, 13, 152; negative feedback, 196, 200, 211–12, 214, 216, 218, 228
- Trading strategies, positive feedback, 40–43; in South Korea, 195–97, 200, 207, 209–14, 218, 227–28
- Turnovsky, Stephen J., 319–20
- Unemployment and underemployment, 1, 103, 139, 165, 233, 245, 270
- United Kingdom, 114, 236, 322, 327; bank loans to Asian-4 from, 52–56, 64–66; and investment in Asia, 83, 130, 145, 209–12; loans to Brazil from, 277–78
- United Nations, 136, 310, 314
- United States, 38, 153, 313, 315, 317, 320, 322; bank loans to Asian-4 from, 50–56, 64–65, 67; bank loans to Brazil from, 277–78; economy of, 83, 90, 310; Federal Reserve, 44, 45, 137, 138–39, 140, 288; foreign direct investment to the Asian-4 from, 84; interest rates in, 130, 145, 152, 165, 288; and investments in Asia, 80, 83, 209–12, 221; Japanese investment in, 60–61, 70; loans to Asia from, 224; mutual funds from, 34, 39, 303; portfolio investment from, 41, 120; private flows from, 15
- U.S. dollar: baht pegged to, 77, 90; currencies pegged to, 269, 285; ringgit pegged to, 131, 138, 142, 146–47
- VAR (vector autoregression analysis), 149–51, 200, 214, 285
- Venezuela, 36–37, 325
- Volatility, 3, 31, 134; of bank loans, 12–15, 120, 148–49; of East Asia's equity markets, 33–34; of exchange rates, 92, 95, 99, 105, 137, 258; factors that increase, 40, 88; of flows, 86, 89, 91, 104–5, 109, 142–49, 272; of foreign direct investment, 13–15, 148–49; of foreign portfolio investments, 14, 120–22, 126–28, 130, 143, 148; hierarchies of, 4, 11–15, 147–49; indicators of, 148; measures of, 11; of NRB, 80, 86; of stock markets, 144, 196, 201, 218–19; of stocks and securities, 148, 271; test for, 201, 218–19. *See also under individual countries*
- Vulnerability, 6, 46, 138, 256, 269; of the Asian-4, 11, 21, 107, 143; of banks, 98, 179; to crisis, 134, 267; indicators of, 18–19, 21–23, 88, 98, 236, 252, 295; to large reversals, 2, 292; of Malaysia, 142, 144; measures to reduce, 140, 311, 312; to speculation, 134, 224; to volatility, 109, 134
- Wages, 235, 245, 250, 251–52, 254, 255, 256; drop in, 261
- Wealth, 112, 144, 145

- 
- Wei, S. J., 43  
Welfare, 45–46, 303–8, 318, 319–20  
Won, 198, 202–3, 308  
Wong, Hwa Kiong, 109  
World Bank, 173, 183, 311, 315, 332, 333  
Yen, 75, 92–93, 138, 165, 185  
Yields, 61–62, 75, 87, 106. *See also*  
Returns  
Zhang, X., 31–33, 34, 35, 42