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# Preface

Asia largely avoided the worst of the global financial crisis of 2008–10 and remains one of the most dynamic regions of the world economy. Yet, signs of secular stagnation in the form of depressed levels of economic growth and low interest rates are now appearing in emerging Asia, not just Japan. Demographic trends and declining openness to trade in the advanced economies mean that Asian policymakers must prepare now to prevent such stagnation taking hold.

In this volume, scholars affiliated with the International Monetary Fund (IMF), the Peterson Institute for International Economics (PIIE), and other institutions around the world explore the relevance and implications of the secular stagnation hypothesis in Asia. The volume contains research focused by subject area (demographics, innovation, imbalances, spillovers, trade, and fiscal and monetary policies) and by country (China, South Korea, India, Indonesia, and Japan). This two-pronged comparative approach yields a compelling and multifaceted case for getting ahead of developments.

A major finding of this book is that in a secular stagnation environment, the highly successful Asian growth model of the past few decades is unlikely to remain the blueprint for future growth or for further convergence among emerging and developing economies in the region. Instead, economic integration within the region is likely to become the critical source for steady demand and productivity improvements. This regional opening should be accompanied by structural reforms aimed at offsetting some of the predictable forces of demographic change to keep the growth engine powerful. Ad-

aptation of macroeconomic frameworks to be ready to undertake aggressive stimulus when necessary will be needed in Asia as well.

The Bank of Korea and the Korean Ministry of Strategy and Finance sponsored and hosted a conference in Seoul in September 2017, where the earlier versions of the research included in this volume were initially presented. We would like to express our sincere gratitude to economists from the Bank of Korea, IMF, PIIIE, and the other organizations who have contributed their research to this ambitious project. We would also like to especially thank the IMF Asia and Pacific Department's Thomas Helbling and PIIIE's Jérémie Cohen-Setton, who jointly managed and coordinated the project. The IMF's Nadine Dubost and Medha Madhu Nair and PIIIE's Madona Devasahayam, Egor Gornostay, Susann Luetjen, and Steven R. Weisman together made possible the publication of this volume, with full documentation disclosure. Finally, we would like to acknowledge the generous financial support for the whole project by the Korean Ministry of Strategy and Finance. We believe that this highly forward-looking book will be a valuable resource for analysts, investors, and policymakers in Asia and beyond.

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