



## SEMINAR SERIES



### Donghyun Park

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Chair: Charles Adams, Visiting Professor, Lee Kuan Yew School of Public Policy

Date: Tuesday, 3 November 2009

Time: 5.15 p.m. - 6.30 p.m.

Venue: Seminar Room 2-1, Level 2  
Manasseh Meyer  
Lee Kuan Yew School of Public Policy  
469C Bukit Timah Road, Singapore 259772

For those interested in attending, please  
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# China as an Engine of Recovery and Growth for Asia

## ABOUT THE SPEAKER

Dr. Donghyun Park has been a senior economist at the Economics and Research Department of the Asian Development Bank (ADB) since April 2007. Prior to joining ADB, he was a tenured associate professor of economics at Nanyang Technological University in Singapore. Dr. Park's main areas of research are international economics, macroeconomics and development economics. His work has been published extensively in highly respected academic journals, and presented at a large number of international academic conferences. His current research focuses on policy-oriented topics of high relevance for Asia's long-term economic development, including Asian sovereign wealth funds, sources of inflation in Asia and Asian pension reform.

## SYNOPSIS

Export-dependent East Asia is looking for new sources of growth in the wake of the global crisis, which has weakened the import appetite of US and other industrialized countries. In this connection, many Asian countries are now looking to large and rapidly growing China as a new engine of growth. The central objective of this paper is to use a two-pronged approach – (1) estimate a VAR model and (2) examine the structure of China's trade – to assess the empirical validity of the China-as-engine hypothesis. While our VAR results cast doubt on the China-as-engine hypothesis, China's recent trade patterns indicate that China is beginning to become an independent source of demand for the rest of Asia. This provides some grounds for optimism about the prospects of trade with China as a source of resilience against external shocks in the short run and an additional source of growth in the long run.