

rising to US\$177.5 billion compared to US\$102.1 billion in 2005 and US\$ 32.8 billion in 2004.

Despite recent policy measures to slow the Chinese economy, including tax measures and appreciation of the yuan, near-term economic prospects for China remain very favourable as continued productivity growth and a resilient world economy suggest only a minor slowdown in Chinese exports.

### India

Growth in real GDP, a robust rate of 9.2 per cent, remained the same as in 2005. The Indian economy has, thus, recorded an average growth of over 8 per cent for the last three years. This outcome has been achieved in an environment of macroeconomic and financial stability. Despite continued pressure from international crude oil prices, inflation was lower than projected and inflationary expectations remained well-contained. Strong macroeconomic performance during 2006 was underpinned by robust export growth for the fourth consecutive year, sustained non-oil import demand, buoyant investment activity, and acceleration in credit growth which boosted personal consumption.<sup>5</sup>

### Brazil

Economic activity in Brazil accelerated in 2006, growing by 3.7 per cent compared to 2.9 per cent the year before. The sectors which experienced the fastest growth were related to natural resources: iron ore (10.9 per cent), extraction of petroleum and gas (5.1 per cent), and construction (4.6 per cent). Financial intermediation, complementary social security and related services (6 per cent) and agriculture (4.1 per cent) also witnessed strong growth.<sup>6</sup>

### Mexico

Mexico's real GDP grew by a strong 4.8 per cent in 2006, up from 2.8 per cent in 2005. Robust domestic demand, spurred by higher employment and continued increases in bank credit to business

and households, was the main driver of economic growth. A weakening is expected to occur in 2007 as global growth moderates and oil and metal prices decline from record levels in 2006.

### Russia

In Russia, GDP maintained a strong pace in 2006, growing by 6.7 per cent, about the same rate as in 2005. High international prices of – and strong external demand for – oil, gas and metals underpinned the economic expansion. Also, rising export revenues have spilled over into strong domestic demand. And private capital inflows have further contributed to the country's strong economic performance.

### NIEs

As a group, the Newly Industrialized Asian Economies – Hong Kong, Korea, Singapore and Taiwan – grew by 5.3 per cent in 2006. With respect to individual countries, GDP in Hong Kong expanded by 6.8 per cent in 2006 driven by thriving exports, vibrant inbound tourism and strong consumer spending. The Korean economy expanded by 5 per cent, supported by stronger private consumption, growth in facility investment and strong exports. However, private consumption has moderated since the fourth quarter of 2006. This, combined with moderating export demand will result in slightly slower GDP growth in 2007. The Singapore economy grew at a brisk pace in 2006 – 7.9 per cent – higher than the 6.6 per cent growth registered in 2005.<sup>7</sup> Domestic and external demand in the first three quarters of 2006 were the main drivers of growth. The Taiwanese economy increased by 4.6 per cent in 2006. Exports were the main locomotive for economic growth, with net exports contributing 3.5 per cent to real GDP growth.<sup>8</sup> In addition, Taiwan's total trade broke the US\$ 400 billion mark for the first time. Despite this stellar performance in exports, monetary tightening

<sup>5</sup> Reserve Bank of India.

<sup>6</sup> Instituto Brasileiro de Geografia e Estatística, March 2007.

<sup>7</sup> Statistics Singapore

<sup>8</sup> Taiwan's Directorate-General of Budget, Accounting and Statistics.