

Aruba, June 14, 2013 - A deepening slump in exports is sending tremors through Asia, threatening to undermine some booming emerging economies that have surged ahead in recent years on a heady combination of easy credit, buoyant consumer demand and strong domestic investment.

Export growth throughout Asia has sagged in recent months, hit by slackening demand from the United States, Europe and China and by slumping commodity prices. Leading indicators are also pointing to weaker factory activity in the coming months.

The slowdown is being felt most keenly by Southeast Asian countries whose strong domestic economies are sucking in imports more rapidly and which now face sharp deteriorations in their trade balances that could spook investors.

Heavy stock market and currency falls in the region this week have underlined the risks as investors grow nervous that the U.S. Federal Reserve may taper its quantitative easing (QE) policy that has fuelled a surge of credit in Southeast Asia.

"For countries like [Indonesia](#) , and to a certain extent Malaysia, you've had this perfect storm of weak external demand, weak [commodity](#) prices, and strong domestic demand," said Robert Prior-Wandesforde, director of Asian Economic Research at Credit Suisse in Singapore.

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