Financial Times

An upselling index of Vietnam rose as the sea temperature rose 1999's Asia crisis

Rent-seeking in Thailand's property boom. Bad debt in Korea's chaebol. Corruption in Indonesia's banks. Currency pegs in Malaysia. Hot money flowing in and out of Vietnam. Each of these factors contributed to the Asian financial crisis of 1997-98. But there was another, less obvious, factor at work: the rise in sea temperatures in the Pacific Ocean.

Researchers at the University of Hawaii have found that the El Niño weather phenomenon, which causes warmer sea temperatures in the eastern Pacific, had a significant impact on the economies of Asia. Years in which El Niño was present were associated with lower rainfall, poorer harvests and higher food prices. The 1997-98 El Niño was the strongest on record.

The study's findings have implications for policymakers trying to predict the next crisis. Climate change is making El Niño events more frequent and more severe. The researchers say governments should monitor sea temperatures as an early warning indicator.

The upper GDP crash book as often as necessary, and the Asian financial crisis in a single sentence, 1995–2014

A 1000s

+0.443 vs +0.117 = +0.325

ARTICLES
Over the past 20 years, the Asian financial crisis has been the subject of countless articles, books and academic papers. Most of them have focused on the causes of the crisis, rather than its consequences.

SECTORS
The crisis hit some sectors harder than others. Banks and property companies were among the worst affected, while exporters and companies with dollar revenues were relatively insulated.

SECTORS
The crisis had a significant impact on the region's stock markets. The MSCI Asia ex-Japan index fell by more than 50% from its peak to its trough, and many individual stocks lost even more.

ORIGINS
The crisis began in Thailand in July 1997, when the government was forced to abandon its currency peg to the dollar. It then spread rapidly to other countries in the region.

ORIGINS
The crisis began in Thailand in July 1997, when the government was forced to abandon its currency peg to the dollar. It then spread rapidly to other countries in the region.

RECOVERY
The region's economies have since recovered, but the crisis left a lasting impact on the way they are managed. Most countries now have much larger foreign exchange reserves and more flexible exchange rates.

RECOVERY
The region's economies have since recovered, but the crisis left a lasting impact on the way they are managed. Most countries now have much larger foreign exchange reserves and more flexible exchange rates.

LESSONS
The crisis taught policymakers the importance of maintaining adequate foreign exchange reserves, avoiding excessive short-term borrowing and ensuring that banks are well-regulated.

LESSONS
The crisis taught policymakers the importance of maintaining adequate foreign exchange reserves, avoiding excessive short-term borrowing and ensuring that banks are well-regulated.

There is no escape for Asian followers by the Asian financial crisis, 1995–2014 (2015)

Asian financial crisis, 1995–2014 (2015) | Asian financial crisis, 1995–2014 (2015) | Asian financial crisis, 1995–2014 (2015)

Asian financial crisis, 1995–2014 (2015)

Asian financial crisis, 1995–2014 (2015) | Asian financial crisis, 1995–2014 (2015) |