[illegible] 1 [illegible] 2 [illegible] 2 [illegible] 2 [illegible]

[illegible] ss. [illegible] ts [illegible] st [illegible] s [illegible]

2012 [illegible] s [illegible] t [illegible] t [illegible] 's [illegible] t [illegible] s [illegible]

[illegible] s [illegible] t [illegible] 7. [illegible] t [illegible] 2012 [illegible] 1. [illegible] t [illegible]

st [illegible] t [illegible] t [illegible] s [illegible] 1... [illegible] s [illegible] s [illegible] t [illegible]

st [illegible] t [illegible] 2012 [illegible] st [illegible] t [illegible] s [illegible] s [illegible] t [illegible] 2011. [illegible]

t [illegible] t [illegible] 2012 [illegible] t [illegible] t [illegible] t [illegible] 2 [illegible]

[illegible] t [illegible] s [illegible] 2011 [illegible] st [illegible] t [illegible] t [illegible]

[illegible] s [illegible] t [illegible] t [illegible] t [illegible] t [illegible] t [illegible] s [illegible] s. [illegible] s [illegible] monetary authorities. At the same time, monetary easing in advanced countries need not lead to more capital inflows into the region: QE1 did but QE2 did not. Moreover, the bulk of capital flows into EAP consists of FDI, which creates jobs and growth in production capacity. Nevertheless, monetary authorities should closely monitor developments on the capital account, especially in countries that have recently experienced rapid credit growth. In the short term, capital controls could play a role in dampening excessive inflows, but capital markets development and appropriate exchange rate arrangements offer the best cushion against volatile capital flows