



NEWS RELEASE

The Federal Reserve Bank of St. Louis
St. Louis Little Rock Louisville Memphis

Media Advisory
February 3, 1999

Contact:
Charles B. Henderson, (314) 444-8311

**St. Louis Fed's *Regional Economist*:
How Asia's Economic Tigers Lost Their Bite
Models and Monetary Policy: More Science Than Art?
Are The National and District Economies Marching In Step?**

ST. LOUIS — The January edition of *The Regional Economist*, the Federal Reserve Bank of St. Louis' quarterly journal of economic and business issues, features the following articles:

- **“Paper Tigers? How The Asian Economies Lost Their Bite.”** Until the middle of 1997, the “tigers” of Southeast Asia were the envy of the economic kingdom. So what went wrong? Economist Michelle Clark Neely analyzed the two main economic theories on the cause of the crisis: Either the region's financial systems were severely flawed, or a swift change in investors' expectations caused massive outflows of capital that triggered and fed the crisis.
- **“Models and Monetary Policy: More Science Than Art?”** It's been said that “Forecasters may never be right, but they are never in doubt.” Economist Kevin L. Kliesen examined the various types of forecasting models available to economists and policymakers. He concluded that while models are useful tools, they can probably only support — not replace — the deliberative process currently in place.

(more)

St. Louis Fed Advisory/2

• **“The National and District Economies: Are They Marching In Step?”** Labor markets in the Federal Reserve’s Eighth District, as in the rest of the nation, are very tight. The growth of the District’s payroll employment, however, has been slower than the national average. Looking at statistics on both manufacturing and nonmanufacturing employment in the region, economist Adam M. Zaretsky found that the outlook for output growth in 1999 may be a bit weaker in the District than for the rest of the country.

Subscriptions to *The Regional Economist* are free and can be obtained by calling (314) 444-8809. The publication is also available on the Bank’s web site: www.stls.frb.org.

###