Monetary and Financial Cooperation in East Asia: The Chiang Mai Initiative and Beyond

Pradumna B. Rana

February 2002
ERD Working Paper No. 6

MONETARY AND FINANCIAL COOPERATION IN EAST ASIA:
THE CHIANG MAI INITIATIVE AND BEYOND

Pradumna B. Rana

February 2002

Pradumna B. Rana is the Director of the Regional Economic Monitoring Unit of the Asian Development Bank. This paper was presented at the 2001 KIEP/NEAEF Conference on “Strengthening Economic Cooperation in Northeast Asia” held 16-17 August 2001 in Honolulu, Hawaii. The views expressed in this paper are those of the author and do not necessarily represent those of the Asian Development Bank. The author is grateful to Charles Adams, Srinivas Madhur, Juzhong Zhuang, and Josef Yap for their valuable comments.
Foreword

The ERD Working Paper Series is a forum for ongoing and recently completed research and policy studies undertaken in the Asian Development Bank or on its behalf. The Series is a quick-disseminating, informal publication meant to stimulate discussion and elicit feedback. Papers published under this Series could subsequently be revised for publication as articles in professional journals or chapters in books.
Contents

Abstract vii

I. Introduction 1

II. The Case for and against Monetary and Financial Cooperation 2
   A. Case for Monetary and Financial Cooperation 2
   B. Case against Monetary and Financial Cooperation 3
   C. Changed Context 4

III. Evolving Regional Financial Architecture in East Asia 5
   A. Information Exchange and Surveillance Processes 5
   B. Mechanisms for Resource Provision 7
   C. The Chiang Mai Initiative of the ASEAN+3 Finance Ministers 8

IV. Beyond the Chiang Mai Initiative: Coordination of Macroeconomic and Exchange Rate Policies 11

V. Conclusion 12

References 13
Abstract

Until recently, not much attention had been paid to the need to promote regional monetary and financial cooperation. This is surprising as cooperation in finance provides more opportunities for “win-win” situations. However, the pace of monetary and financial cooperation has picked up in the postcrisis period. Countries in East Asia appear to have mustered a certain amount of “political will” to propel the process further. Cooperation has ranged from information exchange and surveillance, to establishing regional financing facilities and early warning systems. Beyond the Chiang Mai Initiative, efforts are also under way to coordinate macroeconomic and exchange rate policies mainly under the ASEAN Task Force on ASEAN Currency and Exchange Rate Mechanism of the Asia-Europe Finance Ministers group. As a regional development bank, the Asian Development Bank is supporting the efforts of its developing member countries to strengthen regional monetary and financial cooperation.
I. Introduction

While a lot has been said and written on regionalism in trade and the need to promote intraregional trade and investment, relatively less attention was paid, until recently, to the need for promoting regional monetary and financial cooperation (or a new regional financial architecture). This is a bit surprising because cooperation in finance provides participating members more opportunities for “win-win” situations, since it does not involve loss of competitiveness vis-à-vis trading partners and trade diversion as could cooperation in trade and investment. One argument for focusing on trade cooperation is that the benefits from monetary and financial cooperation increase with the level of trade integration. However, others (Rose 2001, Glick and Rose 2001, and Persson 2001) have shown that joining a monetary union could have significant multiplier effects on trade. Rose shows that trade between countries that share a common currency is on average more than three times what would be predicted from a gravity model of trade. Persson has found similar benefits, but less than 300 percent.

In the postcrisis period, the pace of monetary and financial cooperation has picked up in an encouraging manner and the countries in East Asia appear to have mustered up a certain amount of “political will” to propel the process further. Some may disagree with this assessment, for example, by noting that only 10 percent of the financing available under the bilateral swaps under the Chiang Mai Initiative (CMI) are free of International Monetary Fund (IMF) conditionalities. But once institutional arrangements are in place, increases in size and loosening of conditions could perhaps be relatively easy and more a regional initiative. Swaps among the G-10 central banks were often increased during the 1960s and 1970s.

In this context, this paper has two major objectives: (i) to review the evolving postcrisis efforts to promote a new regional financial architecture in East Asia; and (ii) to identify activities of various groups, such as the ASEAN, ASEAN+3 (ASEAN plus People’s Republic of China [PRC], Japan, and the Republic of Korea [henceforth Korea]), and the Asia-Europe Finance Ministers (ASEM), which are presently under way to strengthen the process.

East Asian policymakers are aware that at the present level of trade, monetary, and labor market integration, a “single currency” is at best a long-term objective. They are, however, keen to consolidate the successes so far and to extend integration further by identifying the transitional steps in the areas of macroeconomic policy and exchange rate harmonization.

The paper is organized as follows: Section II outlines the arguments for and against monetary and financial cooperation and how the context has changed in the past year or so. It will be argued
that the case for a new regional architecture extends beyond the perceived inadequacies of the initial IMF prescription. Section III reviews efforts to promote monetary and financial cooperation in East Asia by facilitating information exchange and establishment of regional surveillance systems and by developing self-help regional financing mechanisms. Some see the CMI narrowly as the establishment of a network of currency swap arrangements. The CMI actually goes beyond this and reflects the Ministers' desire to strengthen information exchange and the peer review process, and to further enhance monetary and financial cooperation within the region. The CMI, together with the establishment of the ASEAN and the ASEAN+3 Surveillance Processes, therefore, marks a watershed in a new regional financial architecture in East Asia. Section IV reviews ongoing efforts to enhance cooperation beyond the CMI and harmonize macroeconomic and exchange rate policies. Section V concludes with the role of the Asian Development Bank (ADB).

II. The Case for and against Monetary and Financial Cooperation

In the immediate aftermath of the Asian crisis, a number of cases were made both for and against a new regional financial architecture in the region.

A. Case for Monetary and Financial Cooperation

1. Globalization and Spillover Effects

Globalization of commodity and factor markets has led to increased interdependence among countries. Transborder challenges, including the spillover of policies across national boundaries, have become important forces to contend with. These externalities can be global (e.g., malaria, HIV/AIDS control) or regional (e.g., controlling financial contagion). In this context, national and international policies have to be complemented by regional responses, because a single country cannot fully internalize the benefits and costs of its actions. Unfortunately, while the demand for international public goods to countervail the negative externalities has increased, their “supply” has tended to decline in the post-hegemonic world (Guerreiri and Falautano 2000).

2. East Asian Crisis: A Type II Crisis

Initially the East Asian crisis ignited the debate between the macrofundamental and the investor panic views. According to the former, the crisis resulted from weak macroeconomic fundamentals; in other words, it was a question of solvency. The competing view held that the crisis was an outcome of self-fulfilling prophecies and financial panics, including bank runs and outflow of hot money, because of structural weaknesses in financial and governance systems. The consensus view favors the crisis-of-confidence-cum-structural weakness stance (Rana and Lim 1999, Rana and Yap 2001). The East Asian crisis differed from previous crises in several key respects.
First it was a capital account crisis, not a traditional current account crisis (Yoshitomi and Ohno 1999). Second, unlike other crises of confidence of the 1980s and 1990s, its root causes were structural: premature financial sector liberalization, weak governance, and policy mistakes in managing private capital flows. Another important characteristic of the crisis was that financial contagion tended to be mainly regional, requiring regional solutions.

3. Viner’s Stages of Economic Cooperation

Viner (1961), focusing on economies of scale, identified three stages of cooperation in ascending order of sophistication: (i) trade cooperation, (ii) monetary cooperation, and (iii) full economic union. Since the early 1990s many of the East Asian countries have made sustained efforts to deregulate and open domestic markets. As a result, intraregional trade and investment have increased. In terms of importing country data, intraregional trade in East Asia (ASEAN+3 and Taipei, China) was more than 50 percent of the region’s total trade in 1998, even when many of the countries were in crisis. The benefits of such trade could be maximized by further efforts to promote monetary and financial cooperation.

4. Increased Dependence on Short-term Capital

East Asia traditionally has had high levels of savings (about 30-40 percent). Because of weak national and regional capital markets, these savings were invested in the more advanced industrialized countries and were recycled to meet the development finance needs of the region, mainly in the form of short-term bank loans from industrialized markets. This led to the growing vulnerability of East Asian countries, and eventually precipitated the crisis (Kuroda 1999). Development of a regional capital market including a regional bond market would, therefore, reduce vulnerability in the future.

B. Case against Monetary and Financial Cooperation

The idea of regional monetary and financial cooperation, especially the Asian Monetary Fund (AMF), was initially opposed by the IMF, European Union, and United States, for a number of reasons.

1. Regional Approaches could Aggravate the Moral Hazard Problem

It is argued that the global economy does not need a proliferation of regional efforts as these could lead to “soft conditionality” and aggravate the moral hazard problem. While it is true that regional funds might find it difficult to impose politically unpopular policies, moral hazard is not a problem associated only with regional facilities. The IMF itself is not totally immune to this problem and the Council of Foreign Relations, among others, has alluded to the problem and
advised the IMF to adhere consistently to normal lending limits to redress the moral hazard problem.

2. Lack of “Political Will” in East Asia

The argument goes that the East Asian countries, while satisfying many of the criteria for an optimum currency area, have not developed political conditions necessary for a durable regional arrangement, certainly not as much as Europe had accomplished when it started the exercise. East Asia lacks “integrationist” thinking and the web of interlocking agreements that encourage monetary and financial cooperation.

While the importance of preconditions cannot be denied, recent developments in East Asia suggest that political integration has become less of a constraint than before mainly because democratic principles are taking root in the governance of these countries. East Asian central banks are also acquiring a greater level of independence (Park 2001). East Asia is changing and may be on the brink of an historical evolution, as Europe was half a century ago (Bergsten 2000). Having survived the crisis, East Asian countries are prepared to set aside their differences and work together to develop a self-help support mechanism, in an effort to prevent future crises.

3. Single Currency is Premature; Focus on Structural Reforms

The European experience emphasizes the need for satisfying preconditions and a relatively long transition period. A typical argument suggests that East Asian countries should focus more on financial and corporate reforms to avoid future crises rather than a “single currency.” While this is a legitimate argument, few East Asian policymakers are naive enough to believe that they can establish a “single currency” in the near future. What they would like to do is to continue the pace of monetary and financial cooperation and initiate actions on the transitional steps toward a full monetary union, which is a long-term objective at this stage. Also reforms and regional architecture address two different sets of issues. While the former is oriented to efficiency and growth, the latter is an attempt specifically targeted to manage if not prevent a crisis.

C. Changed Context

Gradually the situation has changed, and there is growing consensus that efforts to promote regional monetary and financial cooperation should be continued.

1. IMF and ASEM Support Regional Monetary and Financial Cooperation

In an interview last year, Horst Kohler, IMF Managing Director, commented that “our advice (to the East Asian region) is to pursue regionalization, not in opposition to the IMF, because the IMF is a global institution, but to do it in a complementary fashion. That is exactly what is
happening now and it makes a lot of sense” (Far Eastern Economic Review 14 June 2001, 48-50). The ASEM Finance Ministers have also initiated the “Kobe Research Project” (see Section IV).

A regional financial cooperative scheme such as the CMI could be structured to complement the IMF in various ways. First, a regional facility could provide resources in addition to that provided by the IMF while joining forces to work on matters related to the prevention and management of financial crises. Second, it could also support the work of the IMF by monitoring economic developments in the region and taking part in the IMF’s global surveillance activities. Finally, “competitive pluralism” provides a menu of options to clients and places them on the driver’s seat.

2. Regionalism can Supplement Multilateralism

Any argument for regional arrangements must begin by answering the most fundamental question of whether regional groupings, whatever forms they may take, are conducive to, or likely to interfere with, multilateralism. Despite misgivings and their “second best” nature, regional trading arrangements are increasingly being seen as building blocks rather than stumbling blocks for an integrating world. Some 170 regional trading arrangements including bilateral areas have been registered with the WTO. The Japan-Singapore Free Trade Area (FTA) was signed recently. Others being studied or negotiated in the Asian and Pacific region are Korea-Japan FTA, Korea-PRC FTA, PRC-ASEAN FTA, Korea-ASEAN FTA, and ASEAN+3 FTA. There is no evidence suggesting that an East Asian financial arrangement will be oriented toward a withdrawal from the global economy and hence erect barriers to global financial integration. The IMF Managing Director agrees that “the IMF has increased its support for regional cooperation and integration, as a way to promote strong policies and institutions in neighboring countries and stepping stone toward successful integration into global markets” (Kohler 2001).

III. Evolving Regional Financial Architecture in East Asia

Efforts to promote monetary and financial cooperation in East Asia have focused on two areas: information exchange and surveillance processes, and resource provision mechanisms.

A. Information Exchange and Surveillance Processes

1. Manila Framework Group

The Manila Framework Group was established in November 1997, when the proposal for the AMF was shot down, for the overriding purpose of regional surveillance. This Group meets semiannually and brings together deputies from the finance ministries and central banks of 14 countries, both within and outside the Asian and Pacific region. In these meetings, ADB, IMF,
and World Bank provide surveillance reports. Australia is now coordinating a working group to explore the possibility of establishing a “regional financing facility” under this Group. The proposal was discussed at the meeting of the Group in New Zealand in December 2001.

2. **ASEAN Surveillance Process**

In October 1998, the ASEAN Finance Ministers signed a Terms of Understanding that established the ASEAN Surveillance Process. Based on the principles of peer review and mutual interest among ASEAN member countries, the overall purpose is to strengthen the capacity of policy making within the ASEAN group. In addition to the usual monitoring of exchange rates and macroeconomic aggregates, the ASEAN Surveillance Process monitors sectoral and social policies, and includes provisions for capacity building, institutional strengthening, and sharing of information. The ASEAN Finance Ministers meet twice a year for policy coordination under the ASEAN Surveillance Process.

The ASEAN Surveillance Process is an important initiative by a group of developing countries to exchange information on economic developments and policies, and to consider individual and collective responses to events that could negatively impact subregional economic well-being.

3. **ASEAN+3 Surveillance Process**

The ASEAN+3 group was formalized in November 1999 and the first peer review meeting under the ASEAN+3 Surveillance Process was held in May 2000 in the sidelines of ADB’s Annual Meeting. The ASEAN+3 Surveillance Process is similar to the ASEAN Surveillance Process and under it the Finance Ministers of the 13 countries and the Secretary General meet twice a year for policy coordination.

4. **Monitoring Capital Flows**

A joint ADB/ASEAN Secretariat Workshop on “Monitoring Private Capital Flows in ASEAN+3” was held on 26-27 April 2000. Subsequently, a draft data template has been developed to monitor capital (especially short-term) flows to the region and financial markets. The template is being finalized and implemented.

5. **Establishment of the ASEAN+3 Early Warning Systems**

The establishment of ASEAN+3 early warning systems was alluded to in the communique of the ASEAN+3 Finance Ministers’ Meeting in Honolulu in May 2001. ADB is now implementing a technical assistance to support collaborative efforts among the ASEAN+3 countries leading to the development of a regional early warning system that would help detect emerging
macroeconomic, financial, and corporate sector vulnerabilities, in an attempt to prevent financial crises in the future. The technical assistance will finance: (i) the development of an early warning prototype based on existing approaches of the IMF, the academic community, and various countries; (ii) the identification of a “core set” of macroprudential indicators relevant to establishing an early warning system; and (iii) workshops to finalize, disseminate, and implement the prototype model among the ASEAN+3 countries.

B. Mechanisms for Resource Provision

1. Asian Monetary Fund/Regional Financing Facility

The notion of regional monetary cooperation in Asia was introduced initially by Japan in September 1997. A $100 billion fund was to be created, half of which was to be provided by Japan and the remainder by PRC; Hong Kong, China; Singapore; and Taipei, China. It was argued that this would provide sufficient liquidity that could be quickly mobilized to forestall speculative attacks on the region’s currencies. Despite the strong support of Malaysia, the idea was turned down at the Fifth Asia Pacific Economic Cooperation Meeting in Manila. It was argued that a regional fund would unnecessarily duplicate IMF’s activities and lead to moral hazard problems.

However, the regional monetary fund or an equivalent structure continues to feature prominently in regional consultative meetings, and in academic papers and articles. A Regional Stability Forum was proposed by Hajime Shinohara (1999) of the Japanese Institute for International Monetary Affairs to (i) promote regional policy dialogues, (ii) establish a mechanism for emergency financial support, and (iii) prevent future crises through regional economic surveillance and cooperation.

The ADB Institute in Tokyo and the Asia Policy Forum network that it has established have similarly suggested the establishment of a regional financing arrangement to (i) serve as a lender of last resort, (ii) provide effective regional surveillance, and (iii) promote financial and corporate restructuring (Yoshitomi and Shirai 2000).

The need for a regional monetary scheme has also been a prominent feature of discussions outside of Asia. Former Vice-Minister of Germany Heiner Flassbeck (1999) was among the first to suggest that Asia should have a joint supervisory/academic body as a precursor to a regional currency regime. The body could undertake economic surveillance and advise governments, in addition to prompting and coordinating their responses. It could even provide liquidity to countries during financial crises.

The belief that the IMF could not monitor and respond appropriately to crises has led Wade and Venoroso (1998) to support a regional fund. They make a strong case for the creation of AMF, suggesting that it could build on Asia’s saving surplus, foreign exchange reserves, and net-creditor status (including reserves and Treasury bills). The AMF could also raise the necessary funds for its core financing from subscriptions by member governments.
Andrew Rose of the US Federal Reserve Bank of San Francisco is also in favor of establishing a regional monetary fund parallel to the IMF. Rose (1999) notes that currency crises tend to be more regional and spread along the lines of trade linkages, disrupting regional trade flows. Since currency crises create regional costs, the region would have an incentive to mitigate these by providing a financial safety net.

The IMF Board of Directors reiterated in its meeting of September 1999 that “surveillance should pay more attention to the vulnerabilities of individual countries and to the international and regional aspects of surveillance.” As discussions on a regional monetary fund gain impetus, the IMF appears to favor the regional surveillance process over a regional fund, while not completely ruling out a regional fund that could complement the IMF’s efforts in the region in the longer term. The Joint Ministerial Statement of the seventh APEC Finance Ministers’ Meeting also noted that “cooperative financing arrangements at the regional level designed to complement resources provided by the IFIs in support of IMF programs can be effective in crisis prevention and resolution” (Bandar Seri Begawan, Brunei Darussalam 9-10 September 2000).

C. The Chiang Mai Initiative of the ASEAN+3 Finance Ministers

At their May 2001 meeting held in Chiang Mai, in the sidelines of the ADB Annual Meeting, the ASEAN+3 Finance Ministers came up with the CMI. In addition to reiterating the need for strengthened policy dialogues and regional cooperation activities, the CMI called for:

(i) An expanded ASEAN Swap Arrangement that would include all ASEAN countries and a network of bilateral swap and repurchase agreement facilities among ASEAN countries, PRC, Japan, and Korea.

(ii) Use of the ASEAN+3 framework to promote the exchange of consistent and timely data and information on capital flows.

(iii) Establishment of a regional financing arrangement to supplement existing international facilities.

(iv) Establishment of an appropriate mechanism (early warning system) that could enhance the ability to provide sufficient and timely financial stability in the East Asian region.

Notable progress has been achieved in each of the above areas.

1. Expanded ASEAN Swap Arrangement and Network of Bilateral Swaps and Repurchase Agreements

Subsequent to the Chiang Mai meeting, the deputies of the ASEAN+3 negotiated the details that produced the framework paper for the ASA and BSA. This framework paper was approved
in a meeting of the deputies in Beijing in November 2000.

a. Expanded ASEAN Swap Arrangement (ASA)

In 1997, five ASEAN countries (Indonesia, Malaysia, Philippines, Singapore, and Thailand) agreed to establish the ASA to provide liquidity support for the participating countries that experience balance of payments difficulties. In November 2000, the ASA was expanded to cover all ASEAN members and the total amount was also increased from $200 million to $1 billion.

Under the ASA, apart from the US dollar, other currencies available include the yen and euro, with euro yen and euro LIBOR interest rates, respectively, as the applicable base rates. The contributions from participating countries are characterized into two groups based on their ability to pay (Table 1):

<table>
<thead>
<tr>
<th>Group 1</th>
<th>Amount ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brunei, Indonesia, Malaysia, Philippines, Singapore, Thailand</td>
<td>150 Each</td>
</tr>
<tr>
<td></td>
<td>41.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Group 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Viet Nam</td>
</tr>
<tr>
<td>Myanmar</td>
</tr>
<tr>
<td>Cambodia</td>
</tr>
<tr>
<td>Lao People’s Democratic Republic</td>
</tr>
</tbody>
</table>

The maximum drawdown amount by each participating member remains limited to twice their committed amount under the ASA. The swap transactions have a maturity not exceeding 6 months, subject to rollover for a period not exceeding 6 months.

b. Network of Bilateral Swaps and Repurchase Agreements (BSA)

The BSA is a facility designed to provide short-term liquidity assistance in the form of swaps of US dollars with the domestic currencies of a participating country. Participating countries can draw on the BSA for a period of 90 days. The first drawing may be renewed seven times. The interest rate applicable to the drawing is the LIBOR plus a premium of 150 basis points for the first and the first renewal drawings. Thereafter, the premium is increased by an additional 50 basis points for every two renewals, but not exceeding 300 basis points. While the framework paper lays out the basic principles, each bilateral agreement could be slightly different.

The BSA is complementary to the IMF’s assistance in that countries drawing from the facility are required to accept an IMF program for macroeconomic and structural adjustment. The BSA, however, allows an automatic disbursement of up to 10 percent of the maximum amount of drawing
without any linkage to an IMF program or conditionality. This limit is to be increased as the region develops its own surveillance capacity.

Repurchase agreements (Repo) are also to be established to provide short-term liquidity to a participating member though the sale and buyback of appropriate securities. Securities eligible under the Repo agreements are US Treasury notes or bills with a remaining life of not more than 5 years and government securities of the counter party country of the Repo.

After the ASEAN+3 summit in November 2000, PRC, Japan, and Korea began negotiating BSAs with the ASEAN countries. So far, five BSAs have been signed, three other BSAs are to be signed in the next few months, and four other BSAs are under negotiation (Table 2).

<table>
<thead>
<tr>
<th>Agreements</th>
<th>Date Signed</th>
<th>Amounts ($ Billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Signed</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan-Korea</td>
<td>4 July 2001</td>
<td>2+5</td>
</tr>
<tr>
<td>Japan-Thailand</td>
<td>28 July 2001</td>
<td>3</td>
</tr>
<tr>
<td>Japan-Philippines</td>
<td>30 August 2001</td>
<td>3</td>
</tr>
<tr>
<td>Japan-Malaysia</td>
<td>5 October 2001</td>
<td>1+2.5</td>
</tr>
<tr>
<td>PRC-Thailand</td>
<td>6 December 2001</td>
<td>2</td>
</tr>
<tr>
<td><strong>Soon to be Signed</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan-PRC</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Korea-PRC</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Korea-Thailand</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td><strong>Negotiation in Progress</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Korea-Malaysia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Korea-Philippines</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PRC-Malaysia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PRC-Philippines</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Under the New Miyazawa Initiative

For a discussion of ASEAN+3 efforts to monitor private capital flows and establish an ASEAN+3 Early Warning System, see Section III.

2. Establishment of a Regional Financing Facility

The swap arrangements that are in place between the ASEAN countries and the ASEAN+3 group will be utilized only when one or several countries encounter short-term and temporary balance of payments difficulties, a situation that may or may not arise in the near future. To enhance
cross-border financial interactions within the framework of existing financing facilities, the ASEAN Secretariat had commissioned a study on “Regional Financing Arrangement.” This study has recommended that each monetary authority set aside a modest percentage, say 5 percent, of its international reserves and place the funds with the other 12 central banks on a “pro rata” basis, to be determined by some equitable formula. This multicurrency placement is designed to achieve the dual objective of increasing the role of currencies within the region while decreasing that of outside currencies. The proposal is also to let each country borrow multiples of the placement amount, a concept similar to the much practiced margin loans in the securities business.

3. Monitoring/Surveillance Unit and Decision-making Body

As already discussed, at the institutional level, efforts are being made to establish early warning systems and to monitor short-term capital flows. A study group has also been set up to identify a Monitoring or Surveillance Unit for the successful implementation of the CMI. This Unit will monitor:

(i) liquidity positions as well as economic fundamentals of its member countries
(ii) implementation of common standards agreed among members
(iii) policy implementation and reforms
(iv) coordination and harmonization of economic policies among the member countries

Efforts are being made to establish a decision-making body for the CMI.

IV. Beyond the Chiang Mai Initiative: Coordination of Macroeconomic and Exchange Rate Policies

Efforts are also under way to go beyond the CMI and coordinate macroeconomic and exchange rate policies. For example, an ASEAN Task Force on “ASEAN Currency and Exchange Rate Mechanism” was established in March 2001 and its deliberations are continuing. Additional impetus to this work is being provided under the Kobe Research Project, which is an initiative of the Asia-Europe Finance Ministers group.

At their meeting in January 2001, the ASEM Finance Ministers encouraged cooperative activities in economic and financial areas, such as sharing experience and lessons in fostering regional economic and monetary cooperation, exchange rate regimes, and public debt management.

Under the Kobe Research Project a large number of studies are being undertaken by institutions/individuals in Asia and Europe to further enhance monetary and financial cooperation in the Asian region. The ADB is conducting a “Study on Monetary and Financial Cooperation in East Asia” (RETA 6000). Three in-depth technical core studies have been commissioned on: (i) information exchange, surveillance systems, and institutional arrangements; (ii) mechanisms for resource provision including multilateralization of the CMI swap agreements and regional
financing facilities; and (iii) transitional regional exchange rate arrangements and coordination mechanisms. The emphasis is on identifying the transitional steps that could perhaps facilitate the adoption of a single currency in the long term.

At a recent lecture at ADB, Robert Mundell (2001) argued that eventually Asia needs a common currency like the euro. In the interim, however, some transitional regional cooperative arrangement (e.g., a parallel currency to be used for international transactions) could be considered to bring about greater coherence of macroeconomic policies across countries.

Eichengreen and Bayoumi (1999) have calculated an optimum currency index (based on trade patterns, openness, nature of disturbance) for East Asia and found that this index is not very different from what it was in Europe before the Maastricht Treaty was signed. Bayoumi and Mauro (1999) and Plummer (2001) have reached a similar conclusion for the ASEAN countries. All of them argue also that some of the conditions for successful economic integration are endogenous, i.e., they arise after financial cooperation is initiated.

V. Conclusion

In the postcrisis period, there has been a significant change in the thinking of East Asian policymakers in developing a new regional financial architecture by promoting self-help efforts. In this context the establishment of the ASEAN and ASEAN+3 Surveillance Processes are not only historic but also regional watersheds. So is the Chiang Mai Initiative. Efforts are also being made to expand the CMI to harmonize macroeconomic and exchange rate policies. “Political will” has to be developed for more concerted actions. The Macroeconomic Monitoring Group of Mercosur in South America has set convergence targets to be met by the end of 2002. Similarly, the Economic Community of West African States is heading for a full monetary union by 2003 and 2004. East Asia has to catch up with these other subregions.

As a regional development bank, ADB continues to support the efforts of the ASEAN, ASEAN+3, ASEM, and Manila Framework groups. In early 1999, ADB established the Regional Economic Monitoring Unit (REMU) to support regional monetary and financial cooperation. REMU provides high frequency monitoring inputs to meetings of the Manila Framework Group and the ASEAN and ASEAN+3 Finance Ministers. Through capacity building activities, REMU assists in establishing a network of institutions to support the ASEAN Surveillance Process involving National Surveillance Units in the Ministries of Finance, the ASEAN Surveillance Coordination Unit at the ASEAN Secretariat, and the ASEAN Surveillance Technical Support Unit at ADB. REMU is supporting regional initiatives in the monitoring of short-term capital flows and establishment of early warning systems. REMU also maintains and develops the Asia Recovery Information Center website (http://aric.adb.org) and prepares the quarterly Asia Economic Monitor report. REMU is conducting special studies on topics related to regional monetary and financial cooperation, including a study to develop a roadmap of policy options to carry forward the ongoing monetary and financial cooperation efforts in East Asia as part of the Kobe Research Project of the Asia-Europe Finance Ministers.
References


PUBLICATIONS FROM THE ECONOMICS AND RESEARCH DEPARTMENT

ERD WORKING PAPER SERIES (WPS)
(Published in-house; Available through ADB Office of External Relations; Free of Charge)

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Author(s)</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Capitalizing on Globalization</td>
<td>Barry Eichengreen</td>
<td>January 2002</td>
</tr>
<tr>
<td>3</td>
<td>The Automotive Supply Chain: Global Trends and Asian Perspectives</td>
<td>Francisco Veloso and Rajiv Kumar</td>
<td>January 2002</td>
</tr>
<tr>
<td>4</td>
<td>International Competitiveness of Asian Firms: An Analytical Framework</td>
<td>Rajiv Kumar and Doren Chadee</td>
<td>February 2002</td>
</tr>
<tr>
<td>5</td>
<td>The International Competitiveness of Asian Economies in the Apparel Commodity Chain</td>
<td>Gary Gereffi</td>
<td>February 2002</td>
</tr>
<tr>
<td>6</td>
<td>Monetary and Financial Cooperation in East Asia—The Chiang Mai Initiative and Beyond</td>
<td>Pradumna B. Rana</td>
<td>February 2002</td>
</tr>
</tbody>
</table>

MONOGRAPH SERIES
(Published in-house; Available through ADB Office of External Relations; Free of charge)

EDRC REPORT SERIES (ER)

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Author(s)</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ASEAN and the Asian Development Bank</td>
<td>Seiji Naya</td>
<td>April 1982</td>
</tr>
<tr>
<td>2</td>
<td>Development Issues for the Developing East and Southeast Asian Countries and International Cooperation</td>
<td>Seiji Naya and Graham Abbott</td>
<td>April 1982</td>
</tr>
<tr>
<td>3</td>
<td>Aid, Savings, and Growth in the Asian Region</td>
<td>J. Malcolm Dowling and Ulrich Hiemenz</td>
<td>April 1982</td>
</tr>
<tr>
<td>4</td>
<td>Development-oriented Foreign Investment and the Role of ADB</td>
<td>Kiyoshi Kajima</td>
<td>April 1982</td>
</tr>
<tr>
<td>5</td>
<td>The Multilateral Development Banks and the International Economy's Missing Public Sector</td>
<td>John Lewis</td>
<td>June 1982</td>
</tr>
<tr>
<td>6</td>
<td>Notes on External Debt of DMCs</td>
<td>Evelyn Go</td>
<td>July 1982</td>
</tr>
<tr>
<td>7</td>
<td>Grant Element in Bank Loans</td>
<td>Dal Hyun Kim</td>
<td>July 1982</td>
</tr>
<tr>
<td>8</td>
<td>Shadow Exchange Rates and Standard Conversion Factors in Project Evaluation</td>
<td>Peter Warr</td>
<td>September 1982</td>
</tr>
<tr>
<td>9</td>
<td>Small and Medium-Scale Manufacturing Establishments in ASEAN Countries: Perspectives and Policy Issues</td>
<td>Mathias Bruch and Ulrich Hiemenz</td>
<td>January 1983</td>
</tr>
<tr>
<td>10</td>
<td>A Note on the Third Ministerial Meeting of GATT</td>
<td>J.ungsoo Lee</td>
<td>January 1983</td>
</tr>
<tr>
<td>12</td>
<td>ASEAN: Economic Situation and Prospects</td>
<td>Seiji Naya</td>
<td>March 1983</td>
</tr>
<tr>
<td>13</td>
<td>The Future Prospects for the Developing Countries of Asia</td>
<td>Seiji Naya</td>
<td>March 1983</td>
</tr>
<tr>
<td>14</td>
<td>Energy and Structural Change in the Asia-Pacific Region, Summary of the Thirteenth Pacific Trade and Development Conference</td>
<td>Seiji Naya</td>
<td>March 1983</td>
</tr>
<tr>
<td>15</td>
<td>A Survey of Empirical Studies on Demand for Electricity with Special Emphasis on Price Elasticity of Demand</td>
<td>Wsarr Pupphavesa</td>
<td>june 1983</td>
</tr>
<tr>
<td>19</td>
<td>Relative External Debt Situation of Asian Developing Countries: An Application of Ranking Method</td>
<td>J.ungsoo Lee</td>
<td>June 1983</td>
</tr>
<tr>
<td>20</td>
<td>New Evidence on Yields, Fertilizer Application, and Prices in Asian Rice Production</td>
<td>William J. ames and Teresa Ramirez</td>
<td>July 1983</td>
</tr>
<tr>
<td>22</td>
<td>Effects of External Shocks on the Balance of Payments, Policy Responses, and Debt Problems of Asian Developing Countries</td>
<td>Seiji Naya</td>
<td>December 1983</td>
</tr>
<tr>
<td>23</td>
<td>Changing Trade Patterns and Policy Issues: The Prospects for East and Southeast Asian Developing Countries</td>
<td>Seiji Naya, and Ulrich Hiemenz</td>
<td>February 1984</td>
</tr>
<tr>
<td>24</td>
<td>Small-Scale Industries in Asian Economic Development: Problems and Prospects</td>
<td>Seiji Naya, and Ulrich Hiemenz</td>
<td>February 1984</td>
</tr>
<tr>
<td>25</td>
<td>A Study on the External Debt Indicators Applying Logit Analysis</td>
<td>J.ungsoo Lee and Clarita Barretto</td>
<td>February 1984</td>
</tr>
<tr>
<td>26</td>
<td>Alternatives to Institutional Credit Programs in the Agricultural Sector of Low-Income</td>
<td>Seiji Naya</td>
<td>February 1984</td>
</tr>
</tbody>
</table>
No. 47 An Approach to Estimating the Poverty Alleviation Impact of an Agricultural Project
—J. Ali, January 1990

No. 48 Economic Growth Performance of Indonesia, the Philippines, and Thailand:
—E.M. Pernia, January 1990

No. 49 Foreign Exchange and Fiscal Impact of a Project:
A Methodological Framework for Estimation
—J. Ali, February 1990

No. 50 Public Investment Criteria: Financial and Economic Internal Rates of Return
—I. Ali, April 1990

No. 51 Evaluation of Water Supply Projects:
An Economic Framework
—I. Ali, May 1990

No. 52 Interrelationship Between Shadow Prices, Project Investment, and Policy Reforms:
An Analytical Framework
—I. Ali, November 1990

No. 53 Issues in Assessing the Impact of Project and Sector Adjustment Lending
—I. Ali, December 1990

No. 54 Some Aspects of Urbanization and the Environment in Southeast Asia
—Ernesto M. Pernia, January 1991

No. 55 Financial Sector and Economic Development: A Survey
—I. Ali, February 1991

No. 56 A Framework for Justifying Bank-Assisted Education Projects in Asia: A Review of the Socioeconomic Analysis and Identification of Areas of Improvement
—Etienne Van De Walle, February 1992

No. 57 Medium-term Growth-Stabilization Relationship in Asian Developing Countries and Some Policy Considerations
—Yun-Hwan Kim, February 1993

No. 58 Urbanization, Population Distribution, and Economic Development in Asia
—I. Ali, February 1993

No. 59 The Need for Fiscal Consolidation in Nepal: The Results of a Simulation
—Filippo di Mauro and Ronald Antonio Butiong, July 1993

No. 60 A Computable General Equilibrium Model of Nepal
—Timothy Buehrer and Filippo di Mauro, October 1993

No. 61 The Role of Government in Export Expansion in the Republic of Korea: A Revisit
—Yun-Hwan Kim, February 1994

No. 62 Rural Reform, Structural Change, and Agricultural Growth in the People's Republic of China
—Bo Lin, August 1994

No. 63 Incentives and Regulation for Pollution Abatement with an Application to Waste Water Treatment

No. 64 Saving Transitions in Southeast Asia
—Frank Harrigan, February 1996

No. 65 Total Factor Productivity Growth in East Asia: A Critical Survey
—Jesus Felipe, September 1997

No. 66 Foreign Direct Investment in Pakistan: Policy Issues and Operational Implications
—Ashfaqe H. Khan and Yun-Hwan Kim, July 1999

No. 67 Fiscal Policy, Income Distribution and Growth
—Sailesh K. Jha, November 1999
<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Author(s)</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>International Reserves: Factors Determining Needs and Adequacy</td>
<td>Evelyn Go</td>
<td>May 1981</td>
</tr>
<tr>
<td>2</td>
<td>Domestic Savings in Selected Developing Asian Countries</td>
<td>Basil Moore, assisted by A.H.M. Nuruddin Chowdhury</td>
<td>September 1981</td>
</tr>
<tr>
<td>4</td>
<td>By-Passed Areas, Regional Inequalities, and Development Policies in Selected Southeast Asian Countries</td>
<td>William James</td>
<td>October 1981</td>
</tr>
<tr>
<td>5</td>
<td>Asian Agriculture and Economic Development</td>
<td>William James</td>
<td>March 1982</td>
</tr>
<tr>
<td>6</td>
<td>Inflation in Developing Member Countries: An Analysis of Recent Trends</td>
<td>A.H.M. Nuruddin Chowdhury and J. Malcolm Dowling</td>
<td>March 1982</td>
</tr>
<tr>
<td>7</td>
<td>Industrial Growth and Employment in Developing Asian Countries: Issues and Perspectives for the Coming Decade</td>
<td>Ulrich Hiemenz</td>
<td>March 1982</td>
</tr>
<tr>
<td>9</td>
<td>Developing Asia: The Importance of Domestic Policies</td>
<td>Economics Office Staff under the direction of Seiji Naya</td>
<td>May 1982</td>
</tr>
<tr>
<td>11</td>
<td>Industrial Development: Role of Specialized Financial Institutions</td>
<td>Kedar N. Kohli</td>
<td>August 1982</td>
</tr>
<tr>
<td>13</td>
<td>Credit Rationing, Rural Savings, and Financial Policy in Developing Countries</td>
<td>William James</td>
<td>September 1982</td>
</tr>
<tr>
<td>14</td>
<td>Small and Medium-Scale Manufacturing Establishments in ASEAN Countries: Perspectives and Policy Issues</td>
<td>J. Malcolm Dowling and David Soo</td>
<td>March 1983</td>
</tr>
<tr>
<td>15</td>
<td>Income Distribution and Economic Growth in Developing Asian Countries</td>
<td>J. Malcolm Dowling and David Soo</td>
<td>March 1983</td>
</tr>
<tr>
<td>16</td>
<td>Long-Run Debt-Servicing Capacity of Asian Developing Countries: An Application of Critical Interest Rate Approach</td>
<td>Jungsoo Lee</td>
<td>June 1983</td>
</tr>
<tr>
<td>18</td>
<td>The Impact of the Current Exchange Rate System on Trade and Inflation of Selected Developing Member Countries</td>
<td>Pradumna Rana</td>
<td>September 1983</td>
</tr>
<tr>
<td>19</td>
<td>Asian Agriculture in Transition: Key Policy Issues</td>
<td>William James</td>
<td>September 1983</td>
</tr>
<tr>
<td>20</td>
<td>The Transition to an Industrial Economy in Monsoon Asia</td>
<td>Harry T. Oshima</td>
<td>October 1983</td>
</tr>
<tr>
<td>21</td>
<td>The Significance of Off-Farm Employment and Incomes in Post-War East Asian Growth</td>
<td>Harry T. Oshima</td>
<td>January 1984</td>
</tr>
<tr>
<td>22</td>
<td>Income Distribution and Poverty in Selected Asian Countries</td>
<td>John Malcolm Dowling, J.R.</td>
<td>November 1984</td>
</tr>
<tr>
<td>23</td>
<td>ASEAN Economies and ASEAN Economic Cooperation</td>
<td>Narongchai Akrasanee</td>
<td>November 1984</td>
</tr>
<tr>
<td>24</td>
<td>Economic Analysis of Power Projects</td>
<td>Pradumna Rana</td>
<td>February 1985</td>
</tr>
<tr>
<td>25</td>
<td>Exports and Economic Growth in the Asian Region</td>
<td>Pradumna Rana</td>
<td>February 1985</td>
</tr>
<tr>
<td>26</td>
<td>Patterns of External Financing of DMCs</td>
<td>E. Go</td>
<td>May 1985</td>
</tr>
<tr>
<td>27</td>
<td>Industrial Technology Development of the Republic of Korea</td>
<td>S.Y. Lo</td>
<td>July 1985</td>
</tr>
<tr>
<td>29</td>
<td>Rice in Indonesia: Price Policy and Comparative Advantage</td>
<td>I. Ali</td>
<td>January 1986</td>
</tr>
<tr>
<td>30</td>
<td>Effects of Foreign Capital Inflows on Developing Countries of Asia</td>
<td>Jungsoo Lee, Pradumna B. Rana, and Yoshihiro Iwasaki</td>
<td>April 1986</td>
</tr>
<tr>
<td>32</td>
<td>Science and Technology for Development: Role of the Bank</td>
<td>P. B. Rana</td>
<td>November 1986</td>
</tr>
<tr>
<td>33</td>
<td>Satellite Remote Sensing in the Asian and Pacific Region</td>
<td>Mohan Sundara Rajan</td>
<td>December 1986</td>
</tr>
<tr>
<td>34</td>
<td>Changes in the Export Patterns of Asian and Pacific Developing Countries: An Empirical Overview</td>
<td>Pradumna Rana</td>
<td>January 1987</td>
</tr>
<tr>
<td>35</td>
<td>Agricultural Price Policy in Nepal</td>
<td>Gerald C. Nelson</td>
<td>March 1987</td>
</tr>
<tr>
<td>36</td>
<td>Implications of Falling Primary Commodity Prices for Agricultural Strategy in the Philippines</td>
<td>Ifzal Ali</td>
<td>September 1987</td>
</tr>
<tr>
<td>37</td>
<td>Determining Irrigation Charges: A Framework</td>
<td>Pradhakar B. Ghatre</td>
<td>October 1987</td>
</tr>
<tr>
<td>38</td>
<td>The Role of Fertilizer Subsidies in Agricultural Production: A Review of Select Issues</td>
<td>S. Y. Lo</td>
<td>October 1987</td>
</tr>
<tr>
<td>39</td>
<td>Domestic Adjustment to External Shocks in Developing Asia</td>
<td>Jungsoo Lee</td>
<td>November 1987</td>
</tr>
<tr>
<td>40</td>
<td>Improving Domestic Resource Mobilization through Financial Development: Indonesia</td>
<td>Philip Erquiesta</td>
<td>November 1987</td>
</tr>
<tr>
<td>41</td>
<td>Recent Trends and Issues on Foreign Direct Investment in Asian and Pacific Developing Countries</td>
<td>P.B. Rana</td>
<td>March 1988</td>
</tr>
<tr>
<td>42</td>
<td>Manufactured Exports from the Philippines: A Sector Profile and an Agenda for Reform</td>
<td>Ifzal Ali</td>
<td>September 1988</td>
</tr>
<tr>
<td>No. 1</td>
<td>Poverty in the People's Republic of China: Recent Developments and Scope for Bank Assistance</td>
<td>—K.H. Moinuddin, November 1992</td>
<td></td>
</tr>
<tr>
<td>No. 2</td>
<td>The Eastern Islands of Indonesia: An Overview of Development Needs and Potential</td>
<td>—Brian K. Parkinson, January 1993</td>
<td></td>
</tr>
<tr>
<td>No. 4</td>
<td>Fiscal Deficits and Current Account Imbalances of the South Pacific Countries: A Case Study of Vanuatu</td>
<td>—T.K. Jayaraman, December 1993</td>
<td></td>
</tr>
<tr>
<td>No. 5</td>
<td>Reforms in the Transitional Economies of Asia</td>
<td>—Pradumna B. Rana, December 1993</td>
<td></td>
</tr>
<tr>
<td>No. 6</td>
<td>Environmental Challenges in the People's Republic of China and Scope for Bank Assistance</td>
<td>—Elisabetta Capannelli and Omkar L. Shrestha, December 1993</td>
<td></td>
</tr>
<tr>
<td>No. 7</td>
<td>Sustainable Development Environment and Poverty Nexus</td>
<td>—K.F. Jalal, December 1993</td>
<td></td>
</tr>
<tr>
<td>No. 9</td>
<td>Interest Rate Deregulation: A Brief Survey of the Policy Issues and the Asian Experience</td>
<td>—Carlos J. Glover, July 1994</td>
<td></td>
</tr>
<tr>
<td>No. 10</td>
<td>Some Aspects of Land Administration in Indonesia: Implications for Bank Operations</td>
<td>—Sutanu Behuria, July 1994</td>
<td></td>
</tr>
</tbody>
</table>

| No. 44 | Promotion of Manufactured Exports in Pakistan | —Jungsoo Lee and Yoshihiro Iwaski, September 1989 |
| No. 45 | Education and Labor Markets in Indonesia: A Sector Survey | —Ernesto M. Pernia and David N. Wilson, September 1989 |
| No. 46 | Industrial Technology Capabilities and Policies in Selected ADCs | —Hiroshi Kakazu, June 1990 |
| No. 47 | Designing Strategies and Policies for Managing Structural Change in Asia | —Ifzal Ali, June 1990 |
| No. 51 | The Gender and Poverty Nexus: Issues and Policies | —M.G. Quibria, November 1993 |
| No. 52 | The Role of the State in Economic Development: Theory, the East Asian Experience, and the Malaysian Case | —Jason Brown, December 1993 |

**OCCASIONAL PAPERS (OP)**

| No. 53 | The Economic Benefits of Potable Water Supply Projects to Households in Developing Countries | —Dale Whittington and Venkateswarlu Swarna, January 1994 |
| No. 54 | Growth Triangles: Conceptual Issues and Operational Problems | —Min Tang and Myo Than, February 1994 |
| No. 55 | The Emerging Global Trading Environment and Developing Asia | —Amudhiy Chatterjee, November 1995 |
| No. 56 | Aspects of Urban Water and Sanitation in the Context of Rapid Urbanization in Developing Asia | —Ernesto M. Pernia and Stella L.F. Alabastro, September 1995 |
| No. 58 | Economic Analysis of Health Sector Projects-A Review of Issues, Methods, and Approaches | —Ramesh Adhikari, Paul Gertler, and Anneli Lagman, March 1999 |
| No. 59 | The Asian Crisis: An Alternate View | —Rajiv Kumar and Bikram Debroy, July 1999 |
| No. 60 | Social Consequences of the Financial Crisis in Asia | —James C. Knowles, Ernesto M. Pernia, and Mary Racelis, November 1999 |
STATISTICAL REPORT SERIES (SR)

No. 1 Estimates of the Total External Debt of the Developing Member Countries of ADB: 1981-1983
—I.P. David, September 1984
No. 2 Multivariate Statistical and Graphical Classification Techniques Applied to the Problem of Grouping Countries
—I.P. David and D.S. Maligalig, March 1985
No. 3 Gross National Product (GNP) Measurement Issues in South Pacific Developing Member Countries
—S.G. Tiwari, September 1985
No. 4 Estimates of Comparable Savings in Selected DMCs
—Hananto Sigit, December 1985
No. 5 Keeping Sample Survey Design and Analysis Simple
—I.P. David, December 1985
No. 6 External Debt Situation in Asian Developing Countries
—I.P. David and Jungsoo Lee, March 1986
No. 7 Study of GNP Measurement Issues in the South Pacific Developing Member Countries. Part I: Existing National Accounts of SPDMCs-Analysis of Methodology and Application of SNA Concepts
—P. Hodgkinson, October 1986
No. 8 Study of GNP Measurement Issues in the South Pacific Developing Member Countries. Part II: Factors Affecting Intercountry Comparability of Per Capita GNP
—P. Hodgkinson, October 1986
No. 9 Survey of the External Debt Situation in Asian Developing Countries, 1985
—Jungsoo Lee and I.P. David, April 1987
No. 10 A Survey of the External Debt Situation in Asian Developing Countries, 1986
—Jungsoo Lee and I.P. David, April 1988
No. 11 Changing Pattern of Financial Flows to Asian and Pacific Developing Countries
—I.P. David, March 1989
No. 12 The State of Agricultural Statistics in Southeast Asia
—I.P. David, March 1989
—Jungsoo Lee and I.P. David, July 1989
No. 14 A Survey of the External Debt Situation in Asian and Pacific Developing Countries: 1988-1989
—Jungsoo Lee, May 1990
No. 15 A Survey of the External Debt Situation in Asian and Pacific Developing Countries: 1989-1992
—Min Tang, June 1991
No. 16 Recent Trends and Prospects of External Debt Situation and Financial Flows to Asian and Pacific Developing Countries
—Min Tang and Aludia Pardo, June 1992
No. 17 Purchasing Power Parity in Asian Developing Countries: A Co-Integration Test
—Min Tang and Ronald Q. Butiong, April 1994
No. 18 Capital Flows to Asian and Pacific Developing Countries: Recent Trends and Future Prospects
—Min Tang and James Villafuerte, October 1995

SPECIAL STUDIES, COMPLIMENTARY (SSC)
(Published in-house; Available through ADB Office of External Relations; Free of Charge)

1. Improving Domestic Resource Mobilization Through Financial Development: Overview September 1985
5. Financing Public Sector Development Expenditure in Selected Countries: Overview January 1988
7. Financing Public Sector Development Expenditure in Selected Countries: Bangladesh June 1988
8. Financing Public Sector Development Expenditure in Selected Countries: India June 1988
11. Financing Public Sector Development Expenditure in Selected Countries: Pakistan June 1988
12. Financing Public Sector Development Expenditure in Selected Countries: Philippines June 1988
13. Financing Public Sector Development Expenditure in Selected Countries: Thailand June 1988
17. Foreign Trade Barriers and Export Growth September 1988
18. The Role of Small and Medium-Scale Industries in the Industrial Development of the Philippines April 1989
19. The Role of Small and Medium-Scale Manufacturing Industries in Industrial Development: The Experience of Selected Asian Countries January 1990
23. Export Finance: Some Asian Examples September 1990
27. Guidelines for the Economic Analysis of Projects
   February 1997
28. Investing in Asia
   1997

SPECIAL STUDIES, ADB (SS, ADB)
(Published in-house; Available commercially through ADB Office of External Relations)

1. Rural Poverty in Developing Asia
   Edited by M.G. Quibria
   Vol. 1: Bangladesh, India, and Sri Lanka, 1994
   $35.00 (paperback)
   Vol. 2: Indonesia, Republic of Korea, Philippines, and Thailand, 1996
   $35.00 (paperback)
2. External Shocks and Policy Adjustments:
   Lessons from the Gulf Crisis
   Edited by Naved Hamid and Shahid N. Zahid, 1995
   $20.00 (paperback)
3. Gender Indicators of Developing Asian and Pacific Countries
   Asian Development Bank, 1993
   $25.00 (paperback)
   Edited by Ernesto Pernia, 1994
   $20.00 (paperback)
5. Indonesia-Malaysia-Thai Growth Triangle:
   Theory to Practice
   Edited by Myo Thant and Min Tang, 1996
   $15.00 (paperback)
6. Emerging Asia: Changes and Challenges
   Asian Development Bank, 1997
   $30.00 (paperback)
7. Asian Exports
   Edited by Dilip Das, 1999
   $35.00 (paperback)
   $55.00 (hardbound)
8. Mortgage-Backed Securities Markets in Asia
   Edited by S.Ghon Rhee & Yutaka Shimomoto, 1999
   $35.00 (paperback)
9. Corporate Governance and Finance in East Asia:
   A Study of Indonesia, Republic of Korea, Malaysia, Philippines and Thailand
   Vol. 1, 2000 $10.00 (paperback)
   Vol. 2, 2001 $15.00 (paperback)
10. Financial Management and Governance Issues
    Asian Development Bank, 2000
    Cambodia $10.00 (paperback)
    People's Republic of China $10.00 (paperback)
    Mongolia $10.00 (paperback)
    Pakistan $10.00 (paperback)
    Papua New Guinea $10.00 (paperback)
    Viet Nam $10.00 (paperback)
    Selected Developing Member Countries $10.00 (paperback)
11. Guidelines for the Economic Analysis of Projects
    Asian Development Bank, 1997
    $10.00 (paperback)
    Asian Development Bank, 1999
    $15.00 (hardbound)
    Asian Development Bank, 2000
    $10.00 (paperback)

SPECIAL STUDIES, OUP (SS, OUP)
(Co-published with Oxford University Press; Available commercially through Oxford University Press Offices, Associated Companies, and Agents)

1. Informal Finance: Some Findings from Asia
   Prabhu Ghate et al., 1992
   $15.00 (paperback)
2. Mongolia: A Centrally Planned Economy in Transition
   Asian Development Bank, 1992
   $15.00 (paperback)
3. Rural Poverty in Asia, Priority Issues and Policy Options
   Edited by M.G. Quibria, 1994
   $25.00 (paperback)
4. Growth Triangles in Asia: A New Approach to Regional Economic Cooperation
   Edited by Myo Thant, Min Tang, and Hiroshi Kakazu
   1st ed., 1994
   $36.00 (hardbound)
   Revised ed., 1998
   $55.00 (hardbound)
5. Urban Poverty in Asia: A Survey of Critical Issues
   Edited by Ernesto Pernia, 1994
   $18.00 (paperback)
6. Critical Issues in Asian Development:
   Theories, Experiences, and Policies
   Edited by M.G. Quibria, 1995
   $15.00 (paperback)
7. From Centrally Planned to Market Economies:
   The Asian Approach
   Edited by Pradumna R. Rana and Naved Hamid, 1995
   Vol. 1: Overview
   $36.00 (hardbound)
   Vol. 2: People's Republic of China and Mongolia
   $50.00 (hardbound)
   Vol. 3: Lao PDR, Myanmar, and Viet Nam
   $50.00 (hardbound)
8. Financial Sector Development in Asia
   Edited by Shahid N. Zahid, 1995
   $50.00 (hardbound)
9. Financial Sector Development in Asia: Country Studies
   Edited by Shahid N. Zahid, 1995
   $55.00 (hardbound)
    Christine P.W. Wong, Christopher Heady, and Wng T. Woo, 1995
    $15.00 (paperback)
   Edited by M.G. Quibria and J. Malcolm Dowling, 1996
   $50.00 (hardbound)

12. The Bangladesh Economy in Transition
    Edited by M.G. Quibria, 1997
    $20.00 (hardbound)

13. The Global Trading System and Developing Asia
    Edited by Arvind Panagariya, M.G. Quibria, and Narhari Rao, 1997
    $55.00 (hardbound)

14. Rising to the Challenge in Asia: A Study of Financial Markets
    Asian Development Bank, 1999
    Vol. 1 $20.00 (paperback)
    Vol. 2 $15.00 (paperback)
    Vol. 3 $25.00 (paperback)
    Vols. 4-12 $20.00 (paperback)

SERIALS
(Co-published with Oxford University Press; Available commercially through Oxford University Press Offices, Associated Companies, and Agents)

1. Asian Development Outlook (ADO; annual)
   $36.00 (paperback)

2. Key Indicators of Developing Asian and Pacific Countries (KI; annual)
   $35.00 (paperback)

JOURNAL
(Published in-house; Available commercially through ADB Office of External Relations)

1. Asian Development Review (ADR; semiannual)
   $5.00 per issue; $8.00 per year (2 issues)