

International Monetary Study II
—国際通貨論 II—
for KUINEP

Professor MURASE Tetsuji
留学生センター教授 村瀬哲司
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I. Introduction

1. Course overview

The 1st semester (April-July 2004)

Asian currencies and the yen—アジア通貨と円の将来

- (1) Chinese renminbi (人民元)
 - (2) Hong Kong dollar
 - (3) The Asian monetary crisis
 - (4) The internationalization of the yen
 - (5) Search for a new monetary order in East Asia
- continued

The 2nd semester (October 2004-January 2005)

History and contemporary issues of the euro economy—ユーロの歴史とその課題

- (1) History of the euro
- (2) Economic policies of the euro area
- (3) Euro as an international key currency
- (4) Short- and long term risks of EMU -the European Economic and Monetary Union
- (5) The international monetary order in transition

2. Textbooks and the grading policy

(1) Textbooks

- *A Zone of Asian Monetary Stability*,
MURASE Tetsuji, Asia Pacific Press, 2002
(available in the classroom)
- アジア安定通貨圏、村瀬哲司著、けい草書
房、2000年

(2) Grading policy—成績評価

mid-term report: 40%

term-end test: 60%

3. Why do we study Asian currencies?

なぜアジア通貨を学ぶのか？

(1) The world monetary order in a historical change

(i) The US dollar has been the only international key currency in the past half century.

1945-1971: Bretton Woods System

1971-today: Floating exchange rate system

(ii) The euro was created in 1999, and the unipolar system will gradually move to a bipolar system (US\$ and euro) that tends to be unstable.

(2) Dual mega-trends in the world 二つの世界潮流

(i) Accelerating movements of massive international capital in volume and velocity 国際資本の動き

- The balance of international capital: \$21.8 trillion (securities 10.7+bank loans & deposits 11.1) (Sep 03, source: BIS Quarterly)
- Foreign exchange turnover: \$1.2 trillion/day (April 01, source: BIS)
(cf. total world trade (export) volume in 2000: \$6.3 trillion /year or \$17 billion/day, source: IFS)
- Background: IT innovation and the liberalization of capital accounts
- Enormous destructive power as seen during the Asian monetary crisis!

(ii) Regionalism along with globalism 地域主義の台頭

- Multilateral global institutions:
 - IMF/World Bank in the financial field
 - GATT/WTO in the trade field
- Growing regionalism:
 - EU enlargement from 15 to 25 countries (May 04)
 - NAFTA/Mercosur→FTAA
- Multilateral institutions do not work properly because of (a) concentration of power (IMF) or (b) stalemate between various powers (WTO).

(3) East Asia: search for a new regional monetary order

新しい通貨体制の模索

- (i) The incredible impact of the Asian monetary crisis: millions of people in Indonesia, Thailand and Korea were forced to live in poverty. アジア危機の衝撃
- (ii) The tripolar monetary system of US\$, euro and yen: it was an accepted scenario during 1980s, but not any more. Why? 三極通貨体制は夢か
- (iii) Emergence of regional identity and importance of regional cooperation 東アジア地域の連帯感
 - Chiang Mai Initiative as the 1st financial cooperation among ASEAN+3
 - movement of FTA within the region

(iv) USA, Euro area and East Asia in figures

Year 2001	USA	Euro area	East Asia
Population: million	284.8	306.4	1,881 (China 1,278, Indonesia 215, Japan 127)
Nom. GDP: billion \$	10,082	6,108	6,716 (Japan 4,165, China 1,159, Korea 422)
Per capita GDP: \$	35,264	19,936	n.a. (Japan 32,763, HK 24,386, China 911)
GDP growth : % (2002)	2.2	0.9	n.a. (Japan 1.2, HK 2.3, China 8.0, Korea 6.3)

(出所: 内閣府 「世界経済の潮流」 2002年など)