

**POSSIBLE USE OF REGIONAL MONETARY UNITS – IDENTIFICATION OF
ISSUES FOR PRACTICAL USE**

Final Report

Prepared for the ASEAN+3 Secretariat

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Executive Summary

The objectives of the study are twofold. First, we contribute further to the studies on Regional Monetary Unit (RMU) that have been conducted by the ASEAN+3 Research Group in 2006/2007 and 2007/2008 by assessing the perceptions and views of the stakeholders on the RMU through an online *Perception Survey*. Second, through the survey results we identify practical issues in introducing the RMU in the region.

We designed a comprehensive survey questionnaire comprising 2 parts and 23 questions. Among these questions, 9 of them focus on economic integration in ASEAN+3 and the role of RMU, Chiang Mai Initiative Multilateralization (CMIM), Asia Macroeconomic Research Office (AMRO), ASEAN+3 Research Group and Asian Monetary Fund (AMF). The other 14 questions concentrate on purposes, weights, and practical issues of RMU.

The online *Perception Survey* was conducted among government officials from ministries of finance, trade and foreign affairs, academia and representatives from the financial sector in all 13 member countries of ASEAN+3.

Survey results present a fairly positive assessment of the economic integration process in ASEAN+3 and its prospects. Key findings from the *Perception Survey* are summarized:

- (1) 36% of the ASEAN+3 opinion leaders who responded strongly felt that the level of economic integration in their region was high.
- (2) 45% of the respondents felt that the introduction of the RMU could further accelerate the integration process. Newly established institutions could also strengthen the ASEAN+3 economic integration process.
- (3) 69% of the respondents strongly felt that the decision to establish the AMRO was a good one and that with AMRO the usage of CMIM would increase in the future. They also felt that the AMF should be established in the longer term, sometime after 2016 and that the AMF should complement the IMF and not substitute for it.

- (4) ASEAN+3 opinion leaders are optimistic about ASEAN+3 economic integration and institutions than ASEAN leaders supporting the view of some that new institutions were driven mainly by the Plus-3 countries. The respondents felt, however, that greater publicity needed to be given to the work of the ASEAN+3 Research Group and newer institutions such as the CMIM and AMRO so that there would be a greater awareness and appreciation of their work and their contribution to the economic integration process.
- (5) The findings also strongly support the 2006/2007 ASEAN+3 Research Group's recommendation that "RMU for regional surveillance should start immediately". The major practical issues are political and institutional. The latter issue will be alleviated by the establishment of the AMRO should AMRO decide to calculate and publicize the RMU on a daily basis and use it for regional surveillance. The political issue can be addressed by greater efforts to convince countries that CMIM weights which includes all 13 members countries is the best option. This would also address the technical issue. AMRO contribution and budget, and AMRO and CMIM operations should also be denominated in RMU. Private sector demand for RMU would increase only after official uses of RMU increases. Eventually, RMU could also be considered as a reference basket currency for ASEAN+3. However, RMU as a single currency for ASEAN+3 is still a long time off, if ever.

Based on the survey results, we draw some policy implications:

- (1) ASEAN+3 Research Group should once again reiterate its call that "RMU for regional surveillance should start immediately". ASEAN+3 opinion leaders who had responded to the survey questionnaire had identified three major practical issues in calculating and publicizing the RMU – (in descending order) political, institutional, and technical. The recent agreement on CMIM and CMIM weights has addressed the political and technical issues, while the agreement to establish the AMRO has addressed the institutional issue.

Because the CMIM and AMRO are still new institutional arrangements, there may still be some inertia, but these should be overcome through greater publicity and discussions.

- (2) ASEAN+3 Research Group should make a pitch for AMRO to calculate the RMU using CMIM weights and publicize it on a daily basis.
- (3) Private sectors uses of RMU can be considered only after its official use is firmly established.

1. Introduction

A Regional Monetary Unit (RMU) in East Asia could have several purposes. First, like the Euro in Europe, it could be the single currency for East Asia leading to the establishment of a monetary union. This idea is not totally new and has been suggested, among others, by academics like Nobel Laureate Robert Mundell¹ and politicians like Mahathir² and Arroyo³. However, the recent developments in the eurozone suggest that the viability of single currency requires not only close monetary coordination but also close fiscal union. The East Asian region is, therefore, perhaps not yet ready for a single currency.

Second, RMU could be a parallel currency in the region. Rejecting the idea of a single currency for the region at the present time, Eichengreen (2006) has proposed that governments create a RMU as a parallel currency based on a weighted average of Asian currencies, and allow it to circulate alongside existing national currencies. Official RMUs would be created in exchange for swaps of a portion of participating central banks' international reserves, and RMUs would be used in transactions among member banks, as well as in denominating bond issuances. Monetary unification in this case would be driven by the market rather than politicians, as the RMU gains acceptance as a common regional currency among market participants.

Third, RMU could be an alternative international reserve asset. This idea has become popular especially after the global economic crisis of 2008-2009 and the on-going sovereign debt crisis of 2010 in Europe which has raised questions regarding the value of the US dollar and the Euro. As is well-known, Zhou⁴, the central bank governor of PRC, has proposed

¹ "After European, now Asian Monetary Union?", Asia Times Online, 8 September 2001.

² "Asian Currency Unit still a Dream", People's Daily Online, 16 November 2006.

³ "The Future of Asia 2003", The Nikkei Weekly, 9 June 2003.

⁴ "Reform of the International Monetary System", People's Bank of China, 2009.

the creation of a new supranational currency to establish a more symmetric international reserve asset.

Fourth, a much less ambitious purpose than the ones above, is to have RMU as a numeraire or unit of account. “Official RMU” could be used for surveillance purposes as an indicator of relative currency values to make sure that countries are avoiding competitive devaluations among each other and are converging their policies for deeper integration. Countries could also use the RMU to peg their currencies and bring about stability which would be beneficial for intra-regional trade. Also the use of the RMU as a component of an Asian Monetary System similar to the role that the ECU played within the EMS is an attractive concept in East Asia to enhance monetary integration.

Private RMU could be used by exporters and importers and market participants to denominate economic transactions such as in invoicing, deposit-taking, lending, hedging and issuing bonds in a more stable reference currency. This draws from the experience of the ECU, which was initially adopted in 1975 as the unit of account for the European Community’s budget, but which was taken up by market participants, particularly those attracted by opportunities for diversification and regulatory arbitrage. Banks handled ECU deposits and governments eventually issued ECU bonds.

In the context of Chiang Mai Initiative Multilateralization (CMIM), the establishment of the Asia Macroeconomic Research Office (AMRO) by May 2010, and the establishment of the \$120 billion crisis fund, another purpose of the official RMU could be to serve as the unit of account for contributions and withdrawals by members countries. This would mirror the role of the SDR in the operations of the IMF. The multiples that can be withdrawn from the fund could also be linked to the deviation of the RMU rate of a member with the official rate with those countries tracking the RMU being awarded higher multiples and those with divergent policies being lower multiples. Such a system, as suggested by Montiel (2004) could lead to a convergence of exchange rates in the region.

As mentioned above, the global economic crisis of 2008-2009, the on-going sovereign debt crisis in Europe, and the progress in monetary integration in East Asia have greatly enhanced the case for the introduction of RMU in East Asia. The ADB-led initiative to create a RMU index was suspended in 2006. It is now time for ASEAN+3 to take the lead role. A study by Kawai (2010) shows that in the post-crisis period, East Asian countries are attracting large amounts of private capital and the best policy option for the region is to allow a collective currency appreciation of their currencies vis-a-vis the US dollar and the Euro, while maintaining stability of intraregional rates.

Rana (2008) and Rana, Cheng, and Chia (2010) have found that business cycles in East Asian countries are becoming increasingly more synchronized with each other, thereby, enhancing the benefits of macroeconomic policy coordination including the introduction of the RMU.

2. Objectives of the Research

The objectives of the research are twofold. First, we review and analyze the findings of the studies conducted by the ASEAN+3 Research Group in 2006/2007 and 2007/2008 on RMU by assessing the perceptions and views of the stakeholders on the RMU through an online *Perception Survey*. Second, through the survey results we identify practical issues in introducing the RMU in the region.

The report is organized as follow. Section 3 provides the objective of the *Perception Survey* and describes the methodology of the *Perception Survey*. Section 4 reports the results of the *Perception Survey*. Section 5 concludes with some policy implications.

3. Perception Survey

3.1 Objective of Perception Survey

The objective of this *Perception Survey* was to assess the views of a broad range of ASEAN+3 opinion leaders on two key issues. First issue is on the status of economic integration in the region and the role of CMIM, ASEAN+3 Research Group, and the proposed institutional arrangements such as RMU, AMRO and AMF in enhancing the process of economic integration in the region. Second issue focuses on the purposes, weighting, and practical issues in introducing the RMU. In this *Perception Survey*, the latter is our major focus.

The ASEAN+3 Finance Ministers Process was initiated after the Asian financial crisis, to promote regional cooperation among the 13 member countries. ASEAN+3 economic cooperation efforts focus on four areas: trade and investment and related connectivity issues, macroeconomic policy coordination, regional self-help financing mechanism, and financial market development. A number of institutional arrangements such as the Economic Review and Policy Dialogue (ERPD), Chiang Mai Initiative (CMI) and Chiang Mai Initiative Multilateralization (CMIM) and the ASEAN+3 Bond Market Initiative were established to support the process. Available data suggest that economic integration in both trade and finance is deeper among the ASEAN+3 countries than in other sub-regions of Asia including the ASEAN. For example, the level of intra-regional trade as percentage of total trade of the 13 countries has increased relatively quickly from 30% in 1980 to 57% now which is close to the EU level. How do ASEAN opinion leaders assess the ASEAN+3 economic integration process and what is the role that they see for the CMIM and ASEAN+3 Research Group, and other proposed institutional arrangements such and the RMU, AMRO, and the AMF?

Based on previous studies conducted by it in 2006/2007 and 2007/2008, the ASEAN+3 Research Group had, in 2008, recommended that RMU for surveillance purpose should start immediately. The ASEAN+3 Finance Ministers had endorsed this recommendation. But there was no action. Accordingly, the terms of reference for this study had requested that we focus on identifying issues in practical use of RMU. We felt that a *Perception Survey* of ASEAN+3

opinion makers was the best method of analyzing these issues⁵. Accordingly the survey questions focused on

- (1) The concept of the RMU - countries to be included and the weights to be used,
- (2) The various purposes of the RMU and the ranking by the ASEAN+3 opinion leaders according to the needs of the region,
- (3) The constraints and practical issues in introducing the RMU, and
- (4) The ideas of the opinion leaders on how to promote RMU denominated transactions.

The survey questionnaire is in **Appendix 1**.

3.2 Survey methodology

The *Perception Survey* used a stratified sample of 1691 ASEAN+3 opinion leaders divided into three categories: government officials (mainly from ministries of finance, trade, and foreign affairs), academia, and representatives of the financial sector. We did not include non-financial business sector because they would be less familiar with the various institutional arrangements to promote integration and as they are new and are still evolving. The sample covered the 13 member countries of the ASEAN+3 broken down into 2 groups – the Plus 3 countries (China, Japan, and Korea) and the 10 ASEAN countries. We conducted an online survey where the names and contact details of opinion leaders were obtained mainly from the list of ASEAN+3 Deputies and ASEAN+3 Research Group members provided by the ASEAN Secretariat. They were supplemented by the mailing list of S. S. Rajaratnam School of International Studies and personal files of the authors.

The survey questionnaire comprised 2 parts and 23 questions – 9 questions on economic integration in ASEAN+3 and the role of RMU, CMIM, AMRO, ASEAN+3 Research Group, and AMF and 14 questions on purposes, weights, and practical issues of RMU. To increase

⁵ The two relevant Perception Surveys conducted by the Asian Development Bank are (1) A Perception Survey on Asian Economic Interdependence of Asian Opinion Leaders and PECC (2007) and (2) State of the Region Report (2008).

the likelihood of responses, the questionnaire was designed to take 10-15 minutes of the respondent's time.

4. Survey results

Interviews were conducted from 1 November 2010 to 26 December 2010 using an online survey. Opinion leaders were contacted and invited to participate in the survey. After sending the invitations, we also followed up with the respondents who did not reply by sending them a number of reminders. At the end of eight weeks, a total of 218 responses were collected, corresponding to 12.9% of the sample. This response rate was slightly lower than the response rate of 14.7%, a perception survey conducted by the Asian Development Bank in 2007. At that time, the ADB had noted that the 14.7% response rate was “considered as a quite high response rate for this type of surveys”. Had we used a professional surveying firm and followed by telephone calls like the ADB had the response rate would certainly have been higher. Table 1 shows the breakdown of responses by region country and category.

Table 1 Survey responses profile

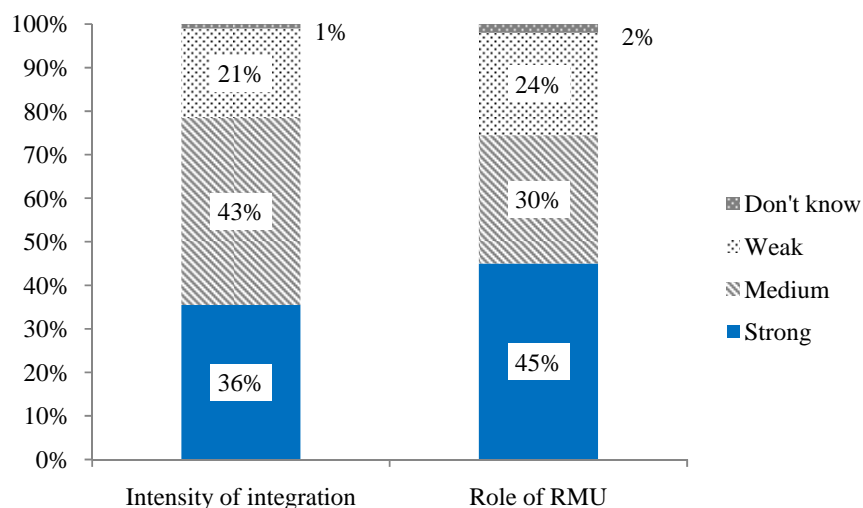
		Government Official	Researcher/ Academia	Private Financial Sector	Total
Plus 3	China	2	9	2	13
	Japan	3	31	4	38
	Korea	2	12	0	14
	Subtotal	7	52	6	65
ASEAN	Indonesia	7	24	3	34
	Malaysia	4	22	2	28
	Philippines	2	13	4	19
	Singapore	6	29	8	43
	Thailand	4	7	0	11
	Viet Nam	2	5	0	7
	Cambodia	1	3	0	4
	Brunei	2	4	0	6
	Laos	0	1	0	1
	Myanmar	0	0	0	0
Subtotal	28	108	17	153	
Grand total		35	160	23	218

The majority of opinion leaders who responded to the survey were based in the ASEAN countries. ASEAN countries account for 70.2% of the total respondents with the Plus 3 countries account for the remaining 29.8%. The majority of the respondents were from Singapore (19.7%) followed by Japan (17.4%) and Malaysia (12.8%). There was only one respondent from Laos and none from Myanmar. There were low response rates from Vietnam (3.2%), Brunei (2.8%), and Cambodia (1.8%). We did not translate the questionnaire into various languages like the ADB survey did. The response rate could have been useful if we translated the survey into other languages. Reflecting the bias in the list made available to us by the ASEAN Secretariat, academia comprised 73.4% of the respondents followed by government officials (16.1%) and representatives of the private financial sector (10.6%).

While there were 218 responses to the first 9 questions, question 10 which requested a ranking by the opinion leaders of the six purposes of RMU confused many and only 148 responses were obtained for question 11 onwards.

4.1 Assessment of economic integration in ASEAN+3 and the Role of RMU

The survey results show that although the interest of policy makers in promoting regional cooperation started only after the Asian financial crisis and is, therefore, fairly recent, 36% of the respondents felt that the intensity of economic integration within ASEAN+3 was strong. 43% felt that the intensity was average and 20% felt that it was weak as shown in Figure 1. Additionally, the data in Figure 1 also show that a relatively high proportion of 45% of the opinion makers who responded felt strongly that the introduction of the RMU could increase economic integration within ASEAN+3.



Note: Values are based on total responses (200) and are rounded to the nearest integers. The question was formulated as follows:

Question 1 Estimate the intensity of the current level of economic integration within the ASEAN+3 countries.

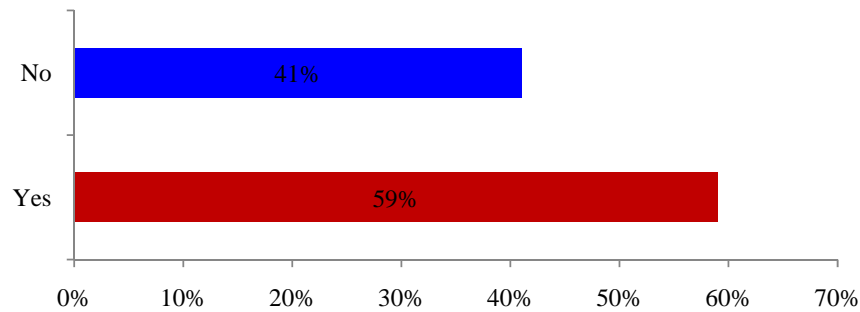
Question 2 Assess the possible role of RMU in enhancing economic integration among the ASEAN+3 countries.

Figure 1 Assessment of economic integration in ASEAN+3 and the role of RMU

4.2 Awareness of CMIM and plans to establish AMRO

As part of their regional self-help financing mechanism, in 1998, the ASEAN+3 Finance Ministers had launched the CMI comprising bilateral swaps among each other. In December 2009, the bilateral swaps under the CMI were multilateralized to form the CMIM which comprises the \$120 billion crisis fund. Also last year, ASEAN+3 decided to establish the AMRO in Singapore by early this year to serve as an independent regional surveillance unit for the ASEAN+3 Finance Ministers process. According to the information posted in the web site of the ASEAN Secretariat, AMRO will: (1) monitor, assess, and report on the macroeconomic situation and financial soundness of the ASEAN+3 countries, (2) assess macroeconomic and financial vulnerabilities in any of the ASEAN+3 countries and provide assistance in timely formulation of policy recommendations to mitigate such risks, and (3) ensure compliance of swap requesting parties with the lending covenants under the CMIM agreement.

As shown in Figure 2, the survey results show that 59% of the respondents were aware of the CMIM and plans to establish the AMRO. Over 41% of the respondents were, however, unaware of these new institutional arrangements suggesting regional integration issues are new not only to the general public but also to quite a few opinion makers.

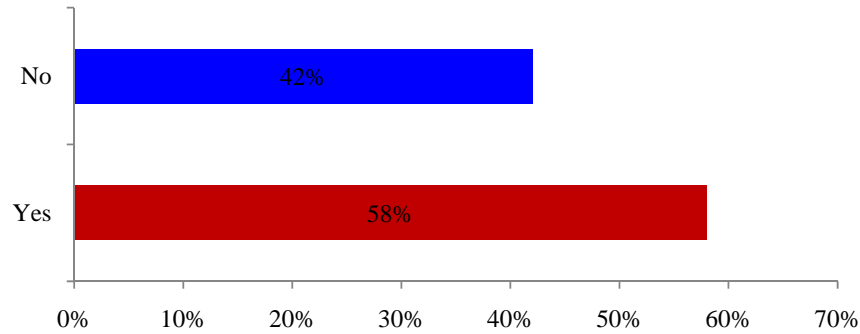


Note: Percent of respondents answering “Yes” or “No”. Values are based on total responses (200) and are rounded to the nearest integers. The question was formulated as follows:
Question 3 Are you aware of the CMIM and plans to establish AMRO by early next year?

Figure 2 Awareness of the CMIM and plans to establish AMRO

4.3 Assessment of the ASEAN+3 Research Group

The ASEAN+3 Research Group is a network of research institutes from the 13 countries that supports the ASEAN+3 Finance Ministers Process by conducting research on topics identified by the Ministers. As shown in Figure 3, although 58% of the respondents were aware of the ASEAN+3 Research Group and its activities, a large percentage of 42% were not.



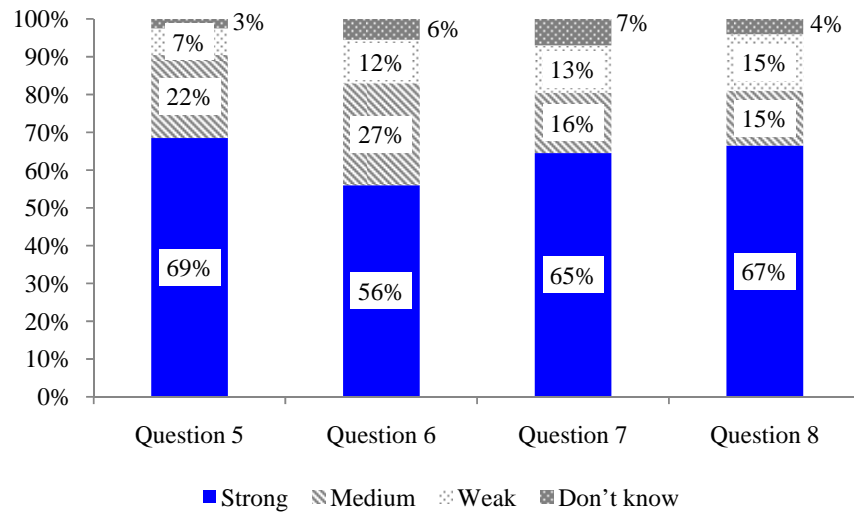
Note: Percent of respondents answering “Yes” or “No”. Values are based on total responses (200) and are rounded to the nearest integers. The question was formulated as follows:

Question 4 Are you aware of the ASEAN+3 Research Group which a network of research institutions that supports the ASEAN+3 Finance Ministers’ Process (including the Economic Review and Policy Dialogue, the Chiang Mai Initiative, and the ASEAN+3 Asian Bond Market Initiative)?

Figure 3 Awareness of the ASEAN+3 research group

4.4 Future of AMRO and CMIM

Figure 4 show that (1) 69% of the respondents felt strongly that the decision to establish the AMRO was a significant step towards enhancing regional economic integration, (2) 65% of the respondents were of the view that sometime in the future, the CMIM and AMRO should be merged together to create an institution similar to the once proposed Asian Monetary Fund (AMF), and (3) 67% of the respondents felt strongly that if the AMF were to be established in the future, it should work in a complementary manner with the IMF, regional institutions should not try to replace global ones. Additionally, a majority of 56% of the respondents actually felt that although CMIM, whose size at present is \$120 billion, has not been used, the use of CMIM would increase as the capacity of AMRO is strengthened. This is encouraging because in late 2008 when countries in the region (e.g. Korea and Singapore) needed liquidity, they had relied either on national reserves or entered into bilateral swap arrangements with non-regional and regional countries outside of the CMIM (Korea had entered into bilateral swap arrangements with the US and China, and Singapore with the US and Japan).



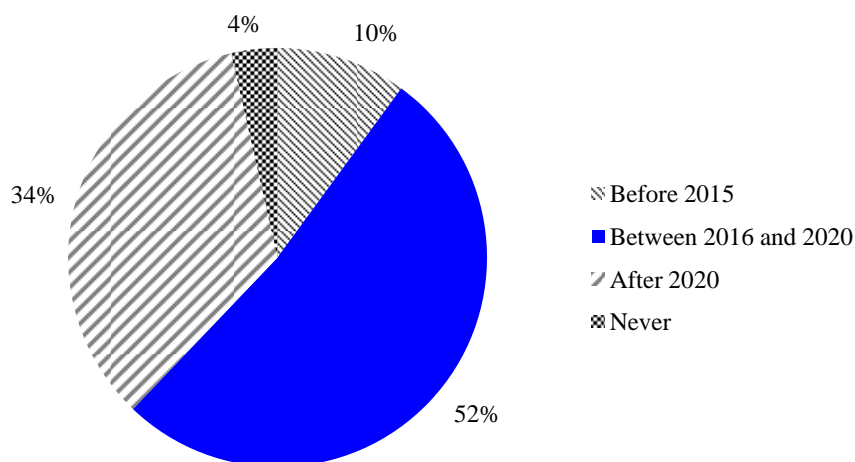
Note: Values are based on total responses (200) and are rounded to the nearest integers. The questions were formulated as follows: Please select an answer from each row (5-Very strong 1-Very weak, 0-Don't know).

- Question 5 In your opinion, is the establishment of AMRO a significant step towards strengthening regional surveillance in the region?
- Question 6 So far, CMIM, whose size at present is \$120 billion, has not been used. Do you think that this will change as the capacity of AMRO is strengthened?
- Question 7 In your opinion should the CMIM and AMRO be merged to create an institution like the Asian Monetary Fund sometime in the future?
- Question 8 If the Asian Monetary Fund is established, sometime in the future, it should work in a complementary manner with the IMF.

Figure 4 Future of AMRO and CMIM

4.5 When can the AMF be established?

In general, as shown in Figure 5, it is of the view that the AMF cannot be established any time soon. Of those who felt strongly that the AMF should be established sometime in the future, 34.3% felt that it should be established only after 2020 and another 52.1% felt that it should be established sometime during 2016 and 2020. Only 10.1% of the respondents felt that it should be established before 2015.



Note: Values are based on total responses (169) and are rounded to the nearest integers. The questions were formulated as follows:

Question 9 Answer this question only if your answer to Question 8 is Strong or Very strong.
When do you think an Asian Monetary Fund can be established?

Figure 5 Establishment of Asian Monetary Fund

4.6 Assessment of ASEAN+3 economic integration by Plus-3 and ASEAN respondents

Some interesting results are derived by splitting the sample into two. We find that Plus-3 (China, Japan and Korea) opinion leaders are more optimistic about ASEAN+3 economic integration and institutions than ASEAN opinion makers. This can be shown from Figures A1-A5 (a) and (b) in **Appendix 2**.

- (1) 45% of Plus-3 leaders felt strongly that the intensity of ASEAN+3 economic integration was high as opposed to 32% of ASEAN leaders,
- (2) 52% of Plus-3 leaders felt strongly that RMU could enhance ASEAN+3 integration, compared to 41% of ASEAN leaders,
- (3) 69% of Plus-3 leaders were aware of CMIM and AMRO as opposed to 55% of ASEAN leaders,
- (4) 71% of Plus-3 leaders were aware of the ASEAN+3 Research Group as compared to 53% of ASEAN opinion leaders,

- (5) 78% of Plus-3 leaders felt strongly that the establishment of AMRO was a significant step as opposed to 65% of ASEAN leaders,
- (6) 60% of Plus-3 leaders felt strongly that AMRO could strengthen CMIM as opposed to 54% in ASEAN, and
- (7) Nearly three-fourth of Plus-3 opinion leaders felt that an AMF should be established sometime in the future as opposed to only 60% in ASEAN.

The above finding supports the comments made by some that it was the Plus-3 countries and not so much ASEAN, that is driving regional integration institutions such as CMIM, AMRO, and AMF.

4.7 Purposes of RMU

After conducting a number of studies in 2006/2006 and 2007/2008, the ASEAN+3 Research Group had highlighted the following 6 reasons or purposes for calculating the RMU. These include: (1) regional surveillance in ASEAN+3, (2) denominator of official transactions (such as budget for AMRO, unit of account for AMRO operations), (3) denominator of private transactions (such as trade, bond and bank deposit denomination), (4) reference basket currency (like the European Currency Unit in the European Monetary System), (5) New international reserve asset, and (6) Single currency for Asia. How would the ASEAN+3 opinion leaders rank the purposes in terms of their urgency for the ASEAN+3 economic integration process?

Table 2 shows that the respondents felt that regional surveillance was the most urgent purpose for introducing the RMU, followed by RMU as a denominator of official and private transactions. According to the survey, the fourth urgent purpose for introducing the RMU was to serve as a reference basket like the European Currency Unit (ECU) in the European Monetary System (EMS), followed by RMU as a new international reserve asset. The least urgent of the 6 purposes was RMU as a single currency for the region which is at best a very long term objective because of need of economic convergence.

Table 2 Assessment of the purposes of RMU

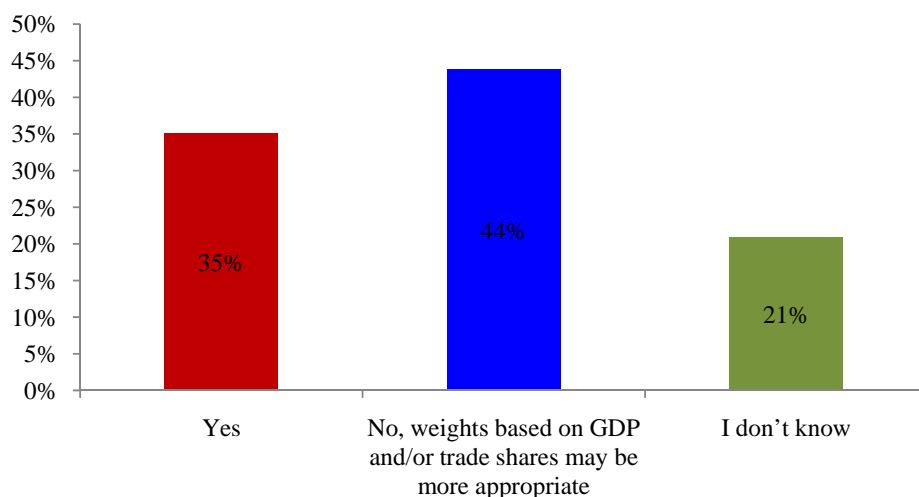
Purposes	Degrees of urgency					
	6	5	4	3	2	1
Regional surveillance	70%	11%	6%	9%	1%	4%
Denominator of official transactions	9%	40%	22%	16%	9%	5%
Denominator of private transactions	2%	11%	40%	22%	20%	4%
Reference basket currency	10%	22%	16%	38%	11%	3%
New international reserve asset	5%	15%	11%	10%	47%	12%
Single currency for Asia	5%	1%	5%	5%	12%	72%

Note: Values are based on total responses (148). The questions were formulated as follows:

Question 10 After conducting a number of studies, in 2008, the ASEAN+3 Research Group had highlighted the following reasons or purposes for calculating the RMU. Rank the purposes according to what you think is the most urgent for ASEAN+3 and should be done at the soonest by ASEAN+3 (6-most urgent to 1-least urgent): (a) Regional surveillance in ASEAN+3, (b) Denominator of official transactions (such as budget for AMRO, unit of account for AMRO operations), (c) Denominator of private transactions (such as trade, bond and bank deposit denomination), (d) Reference basket currency (like the European Currency Unit in the European Monetary System), (e) New international reserve asset, and (f) Single currency for Asia.

4.8 Weights for RMU

Given that all 13 ASEAN+3 countries (including Cambodia, Laos, Myanmar, and Vietnam) have, after extended negotiations, agreed to contribute to the CMIM, CMIM weights would have been a good candidate to determine the value of the RMU. But Figure 6 shows that only 35% strongly felt that this was so, 44% felt that weights based on GDP and/or trade were more appropriate, and 21% of the respondents said that they did not know. A possible explanation for this finding could be that the agreement on CMIM is fairly new and even the ASEAN+3 opinion leaders may still be unfamiliar with it and its potential implications.



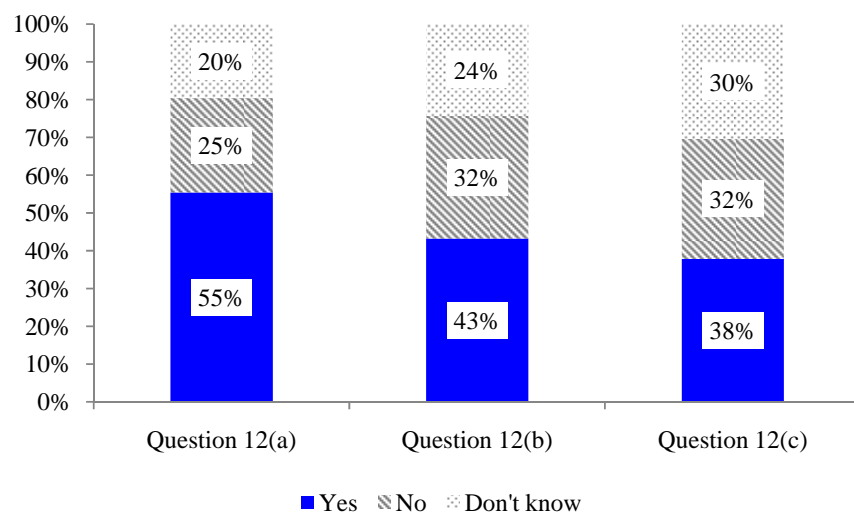
Note: Percent of respondents. Values are based on total responses (148) and are rounded to the nearest integers. The questions were formulated as follows:

Question 11 A number of studies conducted by the ASEAN+3 Research Group have shown that the choice of weights (such as GDP and intra-regional trade or a combination of the two) does not make much difference in calculating the value of the RMU. But given that now all 13 ASEAN+3 countries have agreed to contribute to the CMIM, in your opinion should CMIM weights be used to calculate the RMU?

Figure 6 Using CMIM weights to calculate the RMU

4.9 *Is there a need to calculate different types of RMU?*

A frequently encountered issue on the RMU is whether one type of RMU is good enough for all purposes or whether there is a need to calculate different types of RMU for different purposes. From Figure 7, it is shown that the majority of the respondents i.e. 55% of them felt strongly that there was a need for RMU with regional weights for ASEAN+3 surveillance and policy coordination. 44% of the respondents also strongly felt that there was a need for a RMU plus US dollar and Euro weighted basket for extra-ASEAN+3 stability and 37% felt that there was a need for a core RMU comprising only the convertible ASEAN+3 currencies for private sector transactions.



Note: Percent of respondents. Values are based on total responses (148) and are rounded to the nearest integers. The questions were formulated as follows:

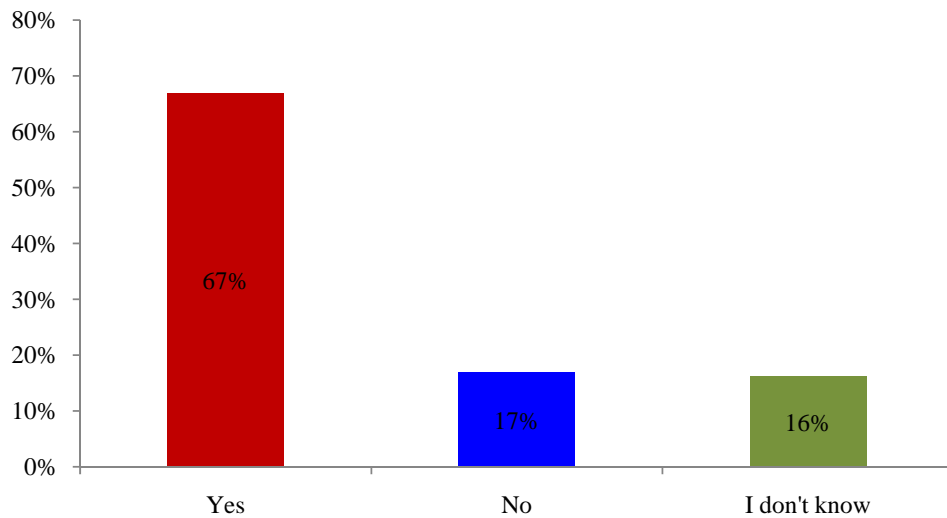
Question 12 Do you think that there is a need for calculating different types of RMU? (a) RMU for ASEAN+3 surveillance and policy coordination; (b) RMU plus US dollar and Euro weighted basket for extra ASEAN+3 stability; (c) Core RMU comprising only the convertible ASEAN+3 currencies for private sector transactions.

Figure 7 Different types of RMU

4.10 *Should AMRO calculate and publicize the RMU?*

The ADB-led initiative of creating a RMU/ACU index in 2006 was suspended in 2006 due to Plus-3 position that currency weights in RMU/ACU should not be decided by the ADB. Now that the AMRO is to be established soon, should the AMRO calculate the RMU and publicize it on a daily basis?

Figure 8 shows that over two-thirds of the respondents felt that the AMRO should be tasked with calculating the RMU and publicizing it on a daily basis. 17% of the respondents said no and another 16% said that they did not know.

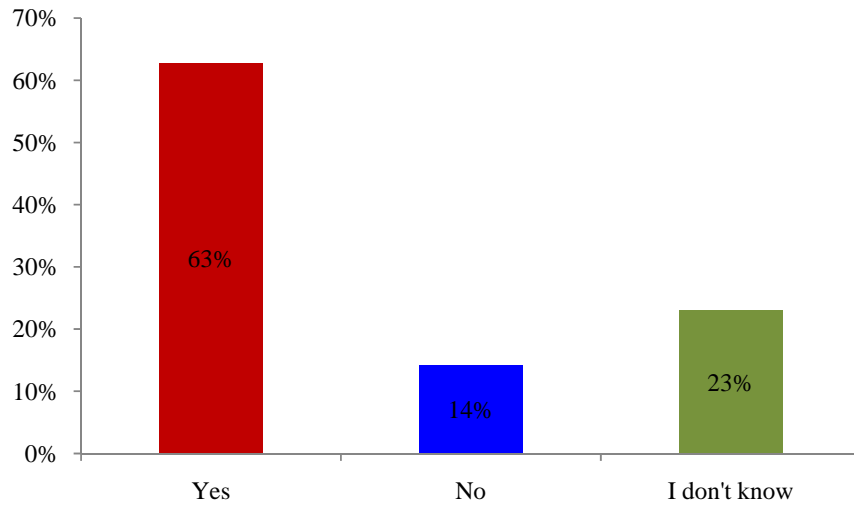


Note: Percent of respondents. Values are based on total responses (148) and are rounded to the nearest integers. The questions were formulated as follows:
 Question 13 Now that AMRO is to be established soon, do you think AMRO should calculate the RMU and publicize it on a daily basis?

Figure 8 Calculation and publication of RMU

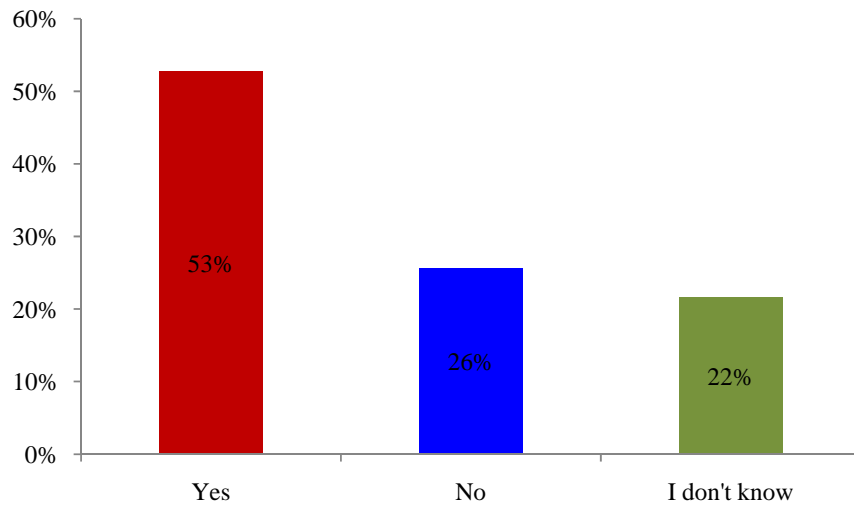
4.11 Should AMRO use RMU and RMU Divergence Indicators for Regional Surveillance

As shown in Figure 9, nearly two-thirds of the respondents felt that the AMRO should indeed use the RMU and RMU divergence indicators for regional surveillance, the key activity of AMRO. This would, among others, bring about intra-regional exchange rate stability.



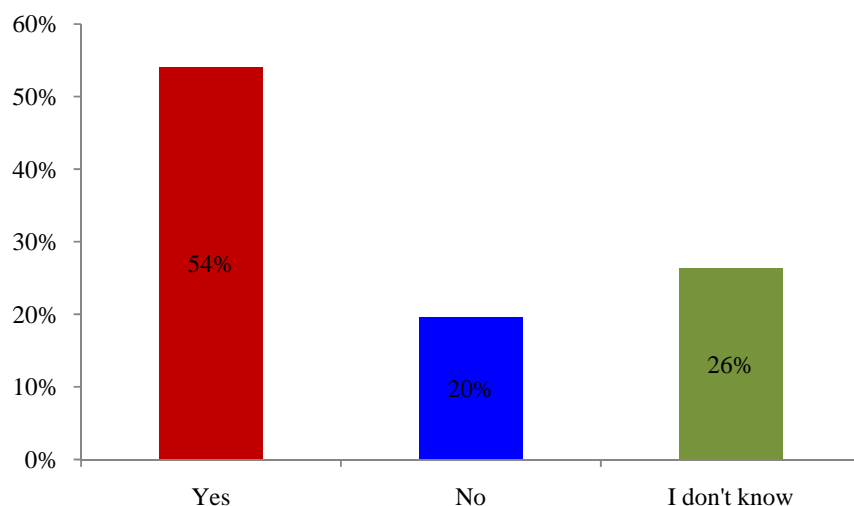
Note: Percent of respondents. Values are based on total responses (148) and are rounded to the nearest integers. The questions were formulated as follows:
 Question 14 Should AMRO use RMU and RMU Divergence Indicators for regional surveillance and policy coordination in ASEAN+3?

Figure 9 Use of RMU and RMU divergence indicators for regional surveillance



Note: Percent of respondents. Values are based on total responses (148) and are rounded to the nearest integers. The questions were formulated as follows:
 Question 15 Should contributions to the budget of AMRO by the individual ASEAN+3 countries be denominated in RMU?

Figure 10 Contributions to AMRO budget denominated in RMU



Note: Percent of respondents. Values are based on total responses (148) and are rounded to the nearest integers. The questions were formulated as follows:
 Question 16 Should the operations of AMRO and CMIM be denominated in RMU like the SDR in the IMF?

Figure 11 AMRO and CMIM operations be denominated in RMU

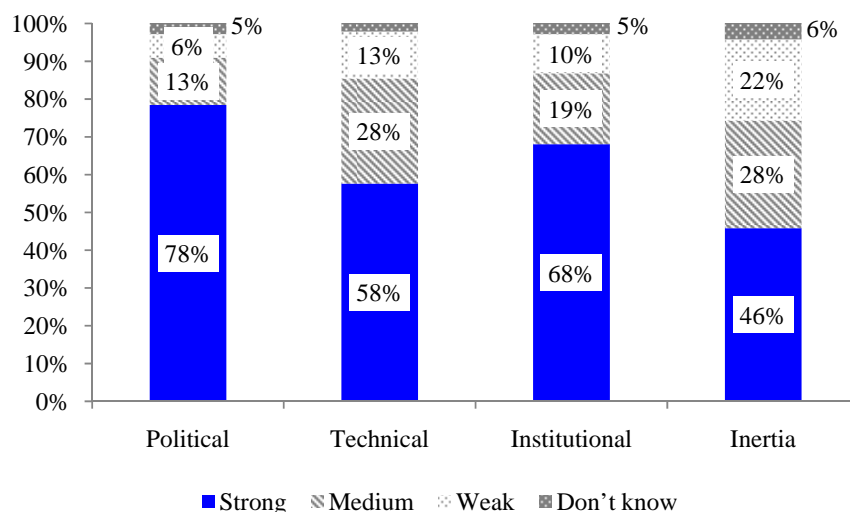
4.12 Practical issues in calculating and publicizing RMU for regional surveillance

As already mentioned above, in 2008, the ASEAN+3 Research Group had recommended that “RMU for regional surveillance purpose should start immediately”. But this has not happened yet. Why? What were the practical issues in calculating and publicizing RMU for regional surveillance? Were they (1) political (2) technical (3) institutional or (4) inertia?

Our survey result shown in Figure Survey results show that over three-quarters of the respondents strongly felt that the issue was political namely deciding which countries to include in the basket (Figure 12). Two-thirds of the participants strongly believed that the constraint was institutional - absence of a suitable institution to calculate the RMU on a daily basis and to publicize it (in 2006, ADB was requested by the ASEAN+3 to suspend its work on calculating and publicizing the RMU and so there was an institutional gap).

Over one-half of the respondents strongly felt that the issue was technical namely choice of weights, choice of the base year, and level of integration not being high enough to justify

RMU. 44% of the respondents strongly felt that the issue was inertia, that is, simple inertia of officials to maintain the status quo.



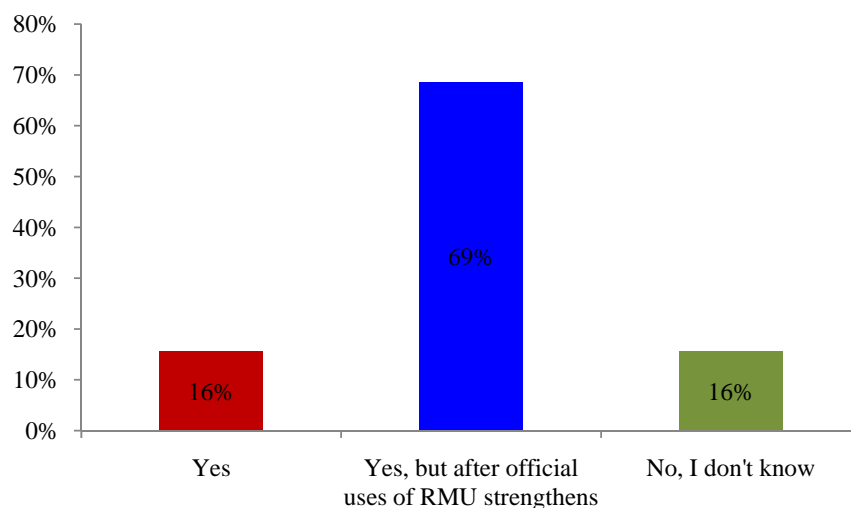
Note: Values are based on total responses (147) and are rounded to the nearest integers. The questions were formulated as follows: In 2008, the ASEAN+3 Research Group had recommended that “RMU for regional surveillance purpose should start immediately”. But this has not happened yet. In your opinion, why has this happened? Estimate the intensity of the following constraints to calculating and using the RMU for surveillance purpose (5-Very strong, 1-Very weak, 0-Don't know).

- Question 17 Political: deciding which countries to include in the basket
- Question 18 Technical: choice of weights, choice of the base year, level of integration not high enough to justify RMU
- Question 19 Institutional: absence of a suitable institution to calculate the RMU on a daily basis and to publicize it (in 2006, ADB was requested by the ASEAN+3 to suspend its work on calculating and publicizing the RMU and so there is an institutional gap);
- Question 20 Inertia: simple inertia of officials to maintain the status quo.

Figure 12 Practical issues in calculating and publicizing RMU for regional surveillance

4.13 Do you think that private sector will be interested in using the RMU?

Figure 13 shows the survey results of how respondents see the usage of RMU in the private sector. Close to two-thirds of the respondents felt that the private sector would be interested in denominating selected transactions (such as trade, bank deposits, and bond issues) in RMU but only after official use of RMU strengthens.



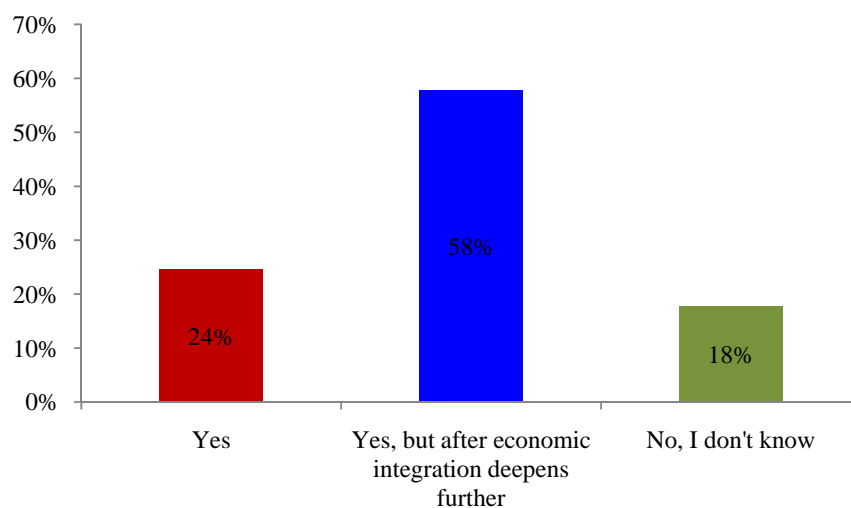
Note: Percent of respondents. Values are based on total responses (147) and are rounded to the nearest integers. The questions were formulated as follows:

Question 21 Once the RMU is calculated and publicized, do you think that the private sector in ASEAN +3 will be interested in denominating selected transactions (such as trade, bank deposits, bond issues) in RMU?

Figure 13 Do you think that private sector will be interested in using the RMU?

4.14 Do you think that RMU should be used to stabilize exchange rates in ASEAN+3?

In the EMS, countries had stabilized their exchange rate around the ECU. Should RMU be used for such purposes in ASEAN+3? From Figure 14, nearly 60% of the respondents said yes, but only after economic integration deepens further in the region, not right now.



Note: Percent of respondents. Values are based on total responses (147) and are rounded to the nearest integers. The questions were formulated as follows:

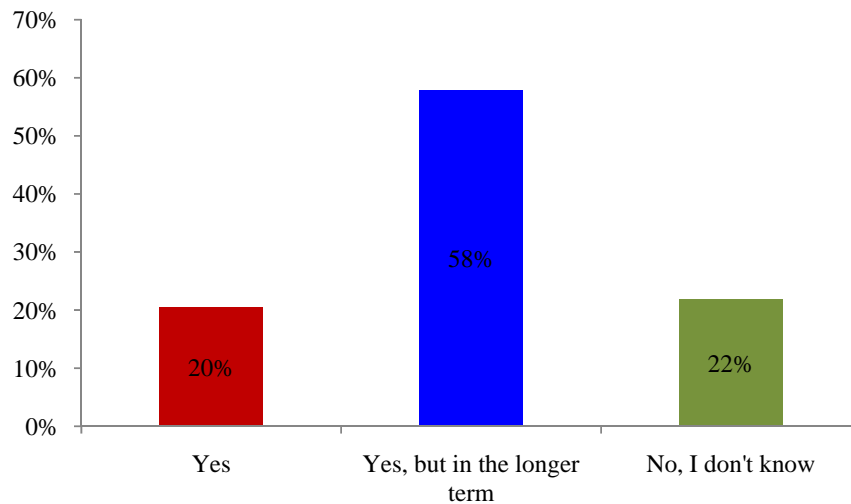
Question 22 Because of growing economic interdependence among countries, some analysts have suggested that ASEAN+3 should stabilize their exchange rates around the RMU like

the European Monetary System? Do you agree?

Figure 14 RMU to stabilize exchange rate in ASEAN+3

4.15 *Do you think that Asia needs a single currency?*

Survey results in Figure 15 show that nearly 60% of the respondents felt that the creation of a single currency for ASEAN+3 could be useful in enhancing economic integration, but that the single currency was possible only in the longer term.



Note: Percent of respondents. Values are based on total responses (147) and are rounded to the nearest integers. The questions were formulated as follows:

Question 23 Some have also suggested that the creation of a single currency for ASEAN+3 sometime in the future could be useful in enhancing economic integration. Do you agree?

Figure 15 A single currency in Asia

4.16 *Additional comments from the respondents*

The survey questionnaire had provided a box where the respondents could offer additional comments. These focused on (1) the usefulness of RMU (both the positives and the negatives), (2) weights for RMU (iii) RMU for private sector, and (iv) RMU vs Euro. Selected comments are summarised in Table 3.

Table 3 Some additional comments

Respondents' comments	
Usefulness of RMU: Some positive comments	<ul style="list-style-type: none">◦ RMU is very useful but could have bottlenecks with political will of different countries.◦ The RMU is useful as a focus point for discussion and learning to work with each other.◦ We should begin to use RMU for surveillance even on a trial basis immediately.◦ RMU is very important since RMU will promote economic growth within member countries.◦ It is good for surveillance purpose. Other uses could only happen if economic integration in the region is deepening.
Usefulness of RMU: Some negative comments	<ul style="list-style-type: none">◦ Political will among the participants is crucial. A strong leader may provide the necessary rallying points for the establishment of RMU. Defining the weights to be used is also a sensitive topic that should be resolved.◦ Political obstacles among the plus-3 countries must be addressed first.◦ There is a risk that RMU will be ineffective like the SDR. Needs to be desired by the market, therefore, RMU's effectiveness is likely to depend on whether RMB is included and RMB is freely convertible.◦ Some Asian countries still have political systems that are too unpredictable to make them reliable partners to integrate monetary affairs in this group.◦ It will take a long time because of the diversity in culture, history, politic and economy. A complicated issue, but worth trying to go into this direction.◦ Different countries have differing economic priorities that will make consensus on the RMU difficult to achieve.◦ Whether RMU is practically needed for East and Southeast Asia remains an open question.◦ Harmonization of the statistical system among the ASEAN+3 is also a key to the success of the practical application of RMU.◦ I strongly recommend RMU initiative to be discussed at the Business Chambers level.
Weights for RMU	<ul style="list-style-type: none">◦ The use of CMIM weights as a base for RMU calculation is questionable due to its non-economical nature. The adoption of RMU for any purposes is hindered by wide variety in exchange rate regimes among member countries.◦ Currency basket weight should reflect the member country's share in CMIM. I do not see any difficulty to establish RMU anymore. The political willingness in APT is only the issue left.
RMU and private sector	<ul style="list-style-type: none">◦ Private use shall be the key for RMU success.◦ The lead will have to be taken by the official sector.◦ I strongly recommend the RMU initiative to be discussed at the Business Chambers level.◦ As RMU is an artificial currency, RMU should give confidence by very strong official commitment to use it.◦ If there is no currency markets for RMU vis-a-vis other major currencies, including forward markets, private sector will simply not be interested.
RMU and Euro	<ul style="list-style-type: none">◦ After the disastrous results of the EURO experiment, I am surprised there is still talk of RMU at all. We should learn from others' mistakes.◦ RMU will only be relevant to Asia if the Euro succeeds as an alternative to the US Dollar as a global reserve currency.

5. Overall summary and policy recommendations for the ASEAN+3 Research Group

Survey results present a fairly positive assessment of the economic integration process in ASEAN+3 and its prospects. Over one-third of the ASEAN+3 opinion leaders who responded strongly felt that the level of economic integration in their region was high. Nearly one-half of the respondents felt that the introduction of the RMU could further accelerate the integration process. Newly established institutions could also strengthen the ASEAN+3 economic integration process. Nearly two-thirds of the respondents strongly felt that the decision to establish the AMRO was a good one and that with AMRO the usage of CMIM would increase in the future. They also felt that the AMF should be established in the longer term (sometime after 2016) and that the AMF should complement the IMF and not substitute for it. ASEAN+3 opinion leaders are optimistic about ASEAN+3 economic integration and institutions than ASEAN leaders supporting the view of some that new institutions were driven mainly by the Plus-3 countries. The respondents felt, however, that greater publicity needed to be given to the work of the ASEAN+3 Research Group and newer institutions such as the CMIM and AMRO so that there would be a greater awareness and appreciation of their work and their contribution to the economic integration process.

The Survey results strongly support the 2006 ASEAN+3 Research Group recommendation that “RMU for regional surveillance should start immediately”. The major practical issues are political and institutional. The latter issue will be alleviated by the establishment of the AMRO should AMRO decide to calculate and publicize the RMU on a daily basis and use it for regional surveillance. The political issue can be addressed by greater efforts to convince countries that CMIM weights which includes all 13 members countries is the best option. This would also address the technical issue. AMRO contribution and budget, and AMRO and CMIM operations should also be denominated in RMU. Private sector demand for RMU would increase only after official uses of RMU increases. Eventually,

RMU could also be considered as a reference basket currency for ASEAN+3. However, RMU as a single currency for ASEAN+3 is still a long time off, if ever.

Below are some policy recommendations for ASEAN+3 Research Group:

- (1) ASEAN+3 Research Group should once again reiterate its call that “RMU for regional surveillance should start immediately”. ASEAN+3 opinion leaders who had responded to the survey questionnaire had identified three major practical issues in calculating and publicizing the RMU – (in descending order) political, institutional, and technical. The recent agreement on CMIM and CMIM weights has addressed the political and technical issues, while the agreement to establish the AMRO has addressed the institutional issue. Because the CMIM and AMRO are still new institutional arrangements, there may still be some inertia, but these should be overcome through greater publicity and discussions.
- (2) ASEAN+3 Research Group should make a pitch for AMRO to calculate the RMU using CMIM weights and publicize it on a daily basis.
- (3) ASEAN+3 Research Group should also a pitch for the AMRO budget, CMIM and AMRO contributions and operations to be denominated in the RMU. Private sectors uses of RMU can be considered only after its official use is firmly established.
- (4) In addition to posting its research on the ASEAN Secretariat web site, ASEAN+3 Research Group should consider publishing it in a book form (perhaps with some time lag). This would widen the readership of the research output and enhance the credibility and visibility of the Research Group.

Appendix 1 Online Perception Survey



Questions marked with a * are required.

Respondent's Profile

Thank you for accepting our invitation. We appreciate your participation in our online survey. Results will only be reported on an aggregate level, and any information you provide will be entirely anonymous and confidential.

Occupation: *

- Government official
- Researcher/Academia
- Finance/Banking

Country: *

- | | |
|--|-----------------------------------|
| <input checked="" type="radio"/> Brunei Darussalam | <input type="radio"/> Malaysia |
| <input type="radio"/> Cambodia | <input type="radio"/> Myanmar |
| <input type="radio"/> China | <input type="radio"/> Philippines |
| <input type="radio"/> Indonesia | <input type="radio"/> Singapore |
| <input type="radio"/> Japan | <input type="radio"/> Thailand |
| <input type="radio"/> Korea | <input type="radio"/> Vietnam |
| <input type="radio"/> Lao PDR | |

Email address (Each respondent stands a chance to win an i-Phone. Please provide an email so that we can contact you accordingly.)

1 / 5

20%

Quit

Next



Questions marked with a * are required.

I. Economic Integration in ASEAN+3 and RMU (a regional basket currency)

A. Assessment of economic integration in ASEAN+3 and the role of RMU

Please select an answer from each row (5-Very strong, 1-Very weak, 0-Don't know).

	5	4	3	2	1	0
1. Estimate the intensity of the current level of economic integration within the ASEAN+3 countries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. Assess the possible role of RMU in enhancing economic integration among the ASEAN+3 countries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

B. Chiang Mai Initiative Multilateralization (CMIM), ASEAN+3 Macroeconomic Research Office (AMRO), ASEAN+3 Research Group

ASEAN+3 countries have recently agreed to the establishment of AMRO for conducting economic and financial surveillance as part of the CMIM. They have also agreed on individual member countries' contribution to the CMIM.

Members	Contributions		Voting Power	
	US\$ billions	% share	No. of votes	% share
China	38.4	32	40	28.41
People's Republic of China	34.2	28.5	35.8	25.43
Hong Kong	4.2	3.5	4.2	2.98
Japan	38.4	32	40	28.41
Republic of Korea	19.2	16	20.8	14.77
Plus 9 Countries	96	80	100.8	71.6
Brunel Darussalam	0.03	0.03	1.68	1.16
Cambodia	0.12	0.1	1.72	1.22
Indonesia	4.77	3.98	6.37	4.52
Lao people's Democratic Republic	0.03	0.03	1.68	1.16
Malaysia	4.77	3.98	6.37	4.52
Myanmar	0.06	0.05	1.68	1.16
Philippines	3.68	3.07	6.28	4.52
Singapore	4.77	3.98	6.37	4.52
Thailand	4.77	3.98	6.37	4.52
Vietnam	1	0.83	2.6	1.86
ASEAN	24	20	40	28.41
ASEAN + 9	120	100	140.8	100

3. Are you aware of the CMIM and plans to establish AMRO by early next year?

Yes

No

4. Are you aware of the ASEAN+3 Research Group which a network of research institutions that supports the ASEAN+3 Finance Ministers' Process (including the Economic Review and Policy Dialogue, the Chiang Mai Initiative, and the ASEAN+3 Asian Bond Market Initiative)?

Yes

No

C. Future of AMRO and CMIM

Please select an answer from each row (5-Very strong 1-Very weak, 0-Don't know).

	5	4	3	2	1	0
5. In your opinion, is the establishment of AMRO a significant step towards strengthening regional surveillance in the region?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. So far, CMIM, whose size at present is \$120 billion, has not been used. Do you think that this will change as the capacity of AMRO is strengthened?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7. In your opinion should the CMIM and AMRO be merged to create an institution like the Asian Monetary Fund sometime in the future?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8. If the Asian Monetary Fund is established, sometime in the future, it should work in a complementary manner with the IMF.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

9. Answer this question only if your answer to Question 7 is 4 or 5. When do you think an Asian Monetary Fund can be established?

Before 2015

Between 2016 and 2020

After 2020

Never

2 / 5

40%

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Questions marked with a * are required.

II. Purposes and Practical Aspects of RMU

A. Assessment of the purposes of RMU

10. After conducting a number of studies, in 2008, the ASEAN+3 Research Group had highlighted the following reasons or purposes for calculating the RMU. **Rank the purposes according to what you think is the most urgent for ASEAN+3 and should be done at the soonest by ASEAN+3 (6-most urgent to 1-least urgent).**

	6	5	4	3	2	1
Regional surveillance in ASEAN+3	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Denominator of official transactions (such as budget for AMRO, unit of account for AMRO operations)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Denominator of private transactions (such as trade, bond and bank deposit denomination)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reference basket currency (like the European Currency Unit in the European Monetary System)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
New international reserve asset	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Single currency for Asia	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

B. Choice of weights and types of RMU

11. A number of studies conducted by the ASEAN+3 Research Group have shown that the choice of weights (such as GDP and intra-regional trade or a combination of the two) does not make much difference in calculating the value of the RMU. But given that now all 13 ASEAN+3 countries have agreed to contribute to the CMIM (see [Table 1](#)), in your opinion should CMIM weights be used to calculate the RMU?

- Yes
- No, weights based on GDP and/or trade shares may be more appropriate
- I don't know

12. Do you think that there is a need for calculating different types of RMU?

	Yes	No	I don't know
a. RMU for ASEAN+3 surveillance and policy coordination	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b. RMU plus US dollar and Euro weighted basket for extra ASEAN+3 stability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c. Core RMU comprising only the convertible ASEAN+3 currencies for private sector transactions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

C. AMRO and CMIM operations

13. Now that AMRO is to be established soon, do you think AMRO should calculate the RMU and publicize it on a daily basis?

- Yes
- No
- I don't know

14. Should AMRO use RMU and RMU Divergence Indicators for regional surveillance and policy coordination in ASEAN+3?

- Yes
- No
- I don't know

15. Should contributions to the budget of AMRO by the individual ASEAN+3 countries be denominated in RMU?

- Yes
- No
- I don't know

16. Should the operations of AMRO and CMIM be denominated in RMU like the SDR in the IMF?

- Yes
- No
- I don't know

3 / 5

60%

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Questions marked with a * are required.

III. Practical Issues in Calculating and Publicizing RMU for Regional Surveillance

In 2008, the ASEAN+3 Research Group had recommended that “RMU for regional surveillance purpose should start immediately”. But this has not happened yet. In your opinion, why has this happened? Estimate the intensity of the following constraints to calculating and using the RMU for surveillance purpose (5-Very strong, 1-Very weak, 0-Don't know).

	5	4	3	2	1	0
17. Political: deciding which countries to include in the basket	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
18. Technical: choice of weights, choice of the base year, level of integration not high enough to justify RMU	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
19. Institutional: absence of a suitable institution to calculate the RMU on a daily basis and to publicize it (in 2006, ADB was requested by the ASEAN+3 to suspend its work on calculating and publicizing the RMU and so there is an institutional gap)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
20. Inertia: simple inertia of officials to maintain the status quo	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4 / 5 | 80%

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Next



Questions marked with a * are required.

IV. Additional Remarks by Respondent

21. Once the RMU is calculated and publicized, do you think that the private sector in ASEAN +3 will be interested in denominating selected transactions (such as trade, bank deposits, bond issues) in RMU?

- Yes
- Yes, but after official uses of RMU strengthens
- No, I don't know

22. Because of growing economic interdependence among countries, some analysts have suggested that ASEAN+3 should stabilize their exchange rates around the RMU like the European Monetary System? Do you agree?

- Yes
- Yes, but after economic integration deepens further
- No, I don't know

23. Some have also suggested that the creation of a single currency for Asia sometime in the future could be useful in enhancing economic integration. Do you agree?

- Yes
- Yes, but in the longer term
- No, I don't know

24. Are there any comments that you would like to share with us on the subject of RMU – its usefulness, practical difficulties in calculating and publicizing it?

5 / 5

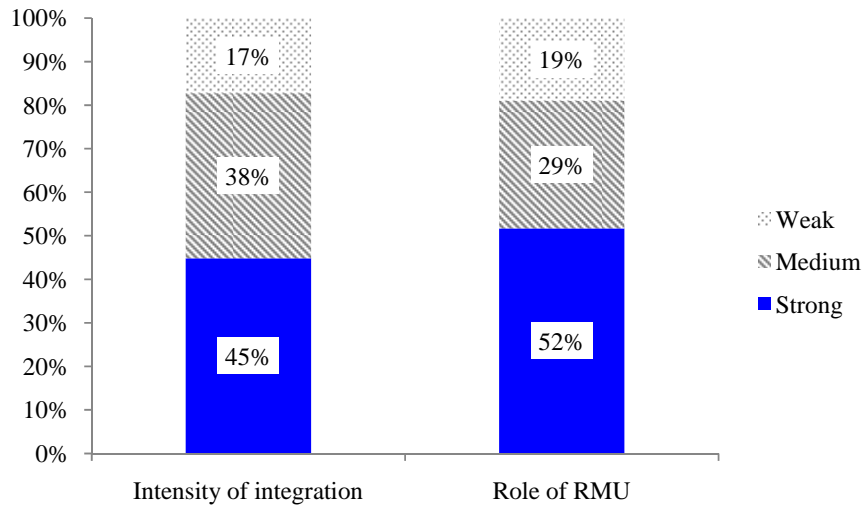
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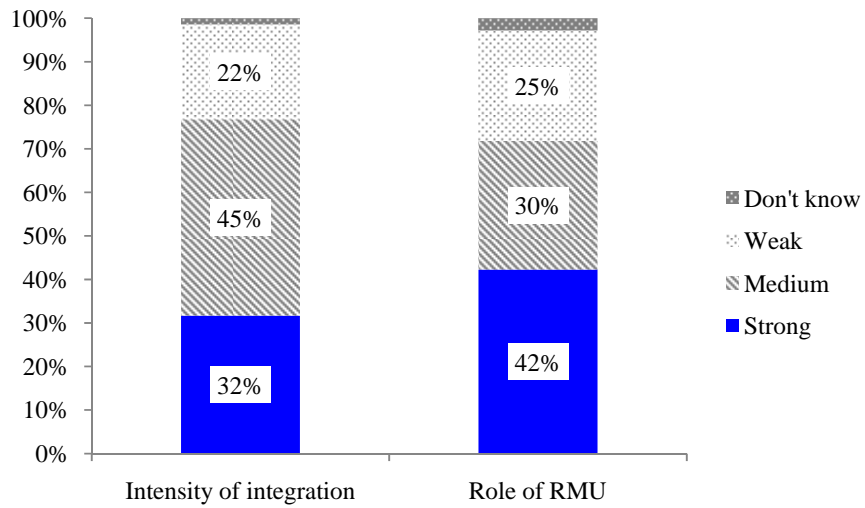
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Appendix 2 Perception from ASEAN and Plus-3



(a) China, Japan and Korea. Total responses: 58

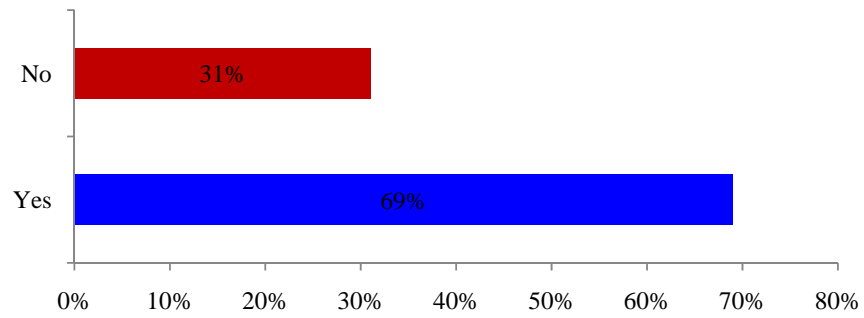


(b) ASEAN. Total responses: 142

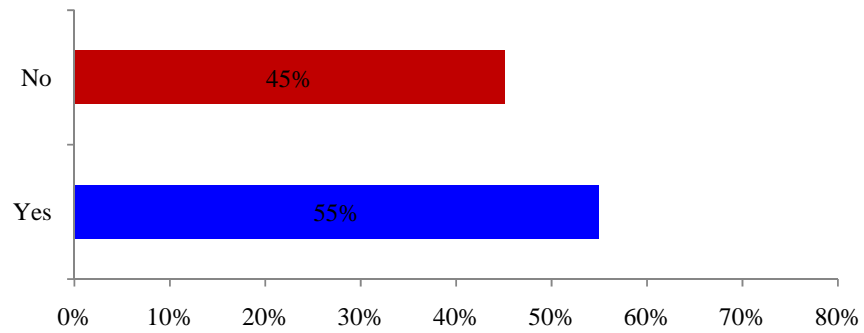
Note: Values are based on total responses (200) and are rounded to the nearest integers. The question was formulated as follows:

- Question 1 Estimate the intensity of the current level of economic integration within the ASEAN+3 countries
- Question 2 Assess the possible role of RMU in enhancing economic integration among the ASEAN+3 countries

Figure A1 Assessment of economic integration in ASEAN+3 and the role of RMU



(a) China, Japan and Korea. Total responses: 58

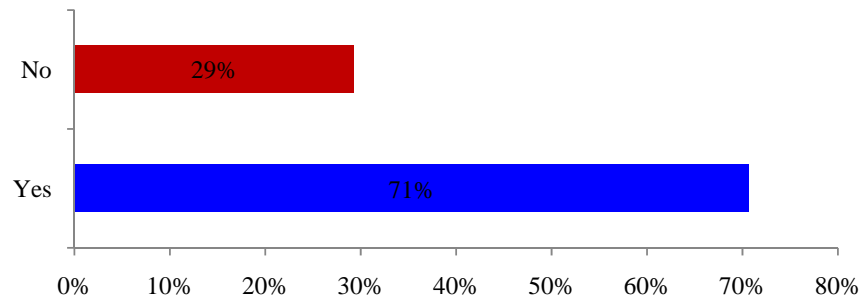


(b) ASEAN. Total responses: 142

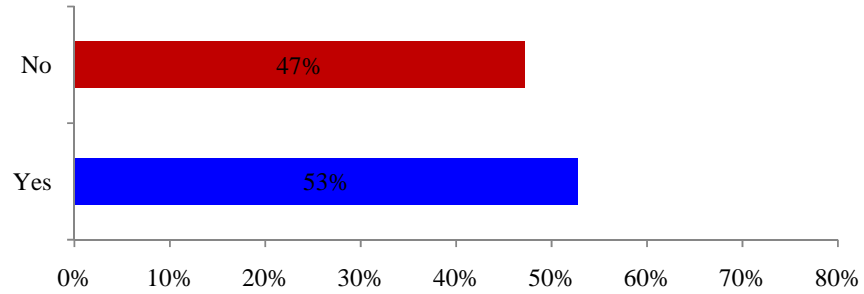
Note: Percent of respondents answering “Yes” or “No”. Values are based on total responses (200) and are rounded to the nearest integers. The question was formulated as follow:

Question 3 Are you aware of the CMIM and plans to establish AMRO by early next year?

Figure A2 Awareness of the CMIM and plans to establish AMRO



(a) China, Japan and Korea. Total responses: 58

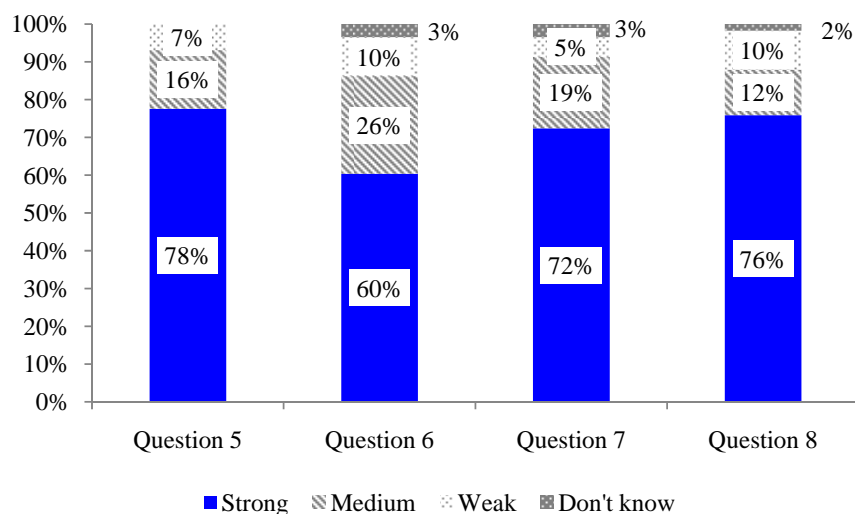


(b) ASEAN. Total responses: 142

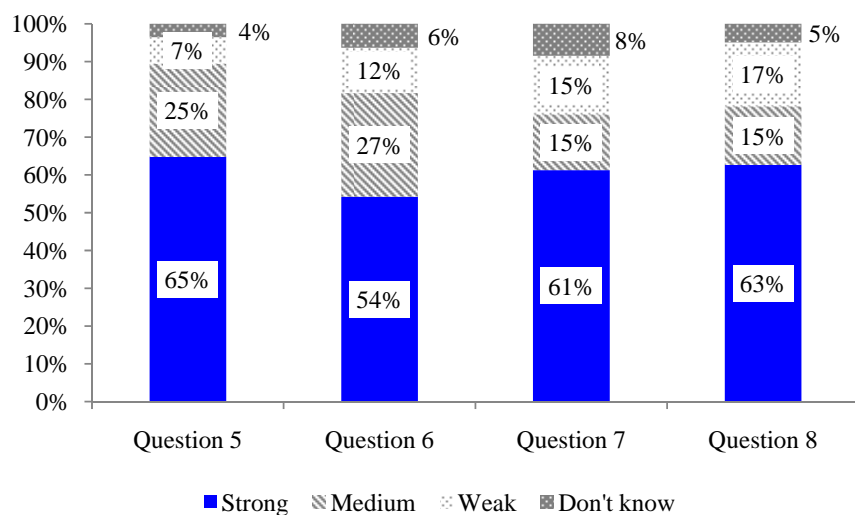
Note: Percent of respondents answering “Yes” or “No”. Values are based on total responses (200) and are rounded to the nearest integers. The question was formulated as follow:

Question 4 Are you aware of the ASEAN+3 Research Group which a network of research institutions that supports the ASEAN+3 Finance Ministers’ Process (including the Economic Review and Policy Dialogue, the Chiang Mai Initiative, and the ASEAN+3 Asian Bond Market Initiative)?

Figure A3 Awareness of the ASEAN+3 Research Group



(a) China, Japan and Korea. Total responses: 58

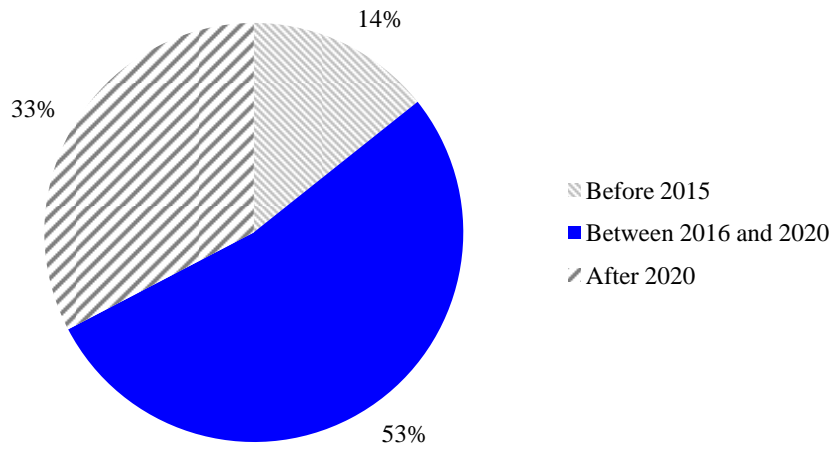


(b) ASEAN. Total responses: 142

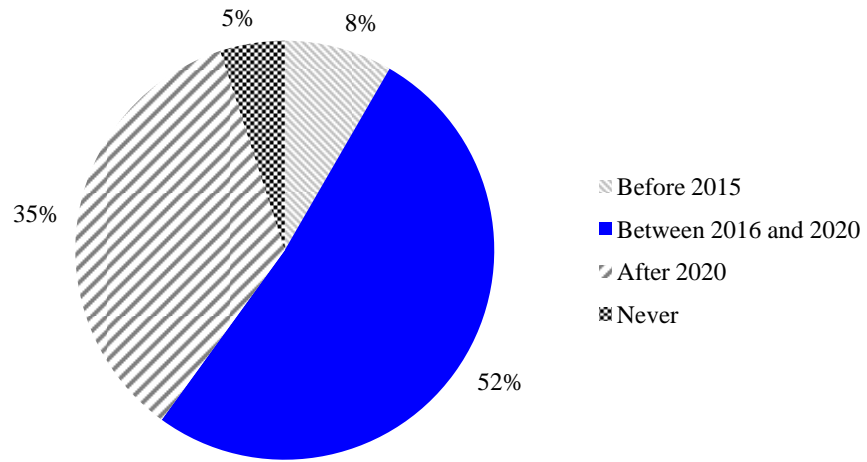
Note: Values are based on total responses (200) and are rounded to the nearest integers. The questions were formulated as follows: Please select an answer from each row (5-Very strong 1-Very weak, 0-Don't know).

- Question 5 In your opinion, is the establishment of AMRO a significant step towards strengthening regional surveillance in the region?
- Question 6 So far, CMIM, whose size at present is \$120 billion, has not been used. Do you think that this will change as the capacity of AMRO is strengthened?
- Question 7 In your opinion should the CMIM and AMRO be merged to create an institution like the Asian Monetary Fund sometime in the future?
- Question 8 If the Asian Monetary Fund is established, sometime in the future, it should work in a complementary manner with the IMF.

Figure A4 Future of AMRO and CMIM



(a) China, Japan and Korea. Total responses: 49



(b) ASEAN. Total responses: 120

Note: Values are based on total responses (169) and are rounded to the nearest integers. The questions were formulated as follows:

Question 9 Answer this question only if your answer to Question 8 is Strong or Very strong. When do you think an Asian Monetary Fund can be established?

Figure A5 Establishment of Asian Monetary Fund

References

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