

On Asian Monetary Union

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The paper examines five options to establish a monetary union among 15 countries in Asia Pacific region. For comparison purpose a group of American countries is also formed as a sixth option. The empirical results show that due to diverse economic circumstances of countries in the area, a practical approach would be to start with a smaller local subgroup. While from economical perspective, the East Asian countries are gradually becoming more integrated and can establish a monetary union as well as enjoy the benefits, the possibility for the whole region joining in one currency area is still weak. Japan will be more beneficial to move with East Asian countries than to connect with more developed economies in the region.