

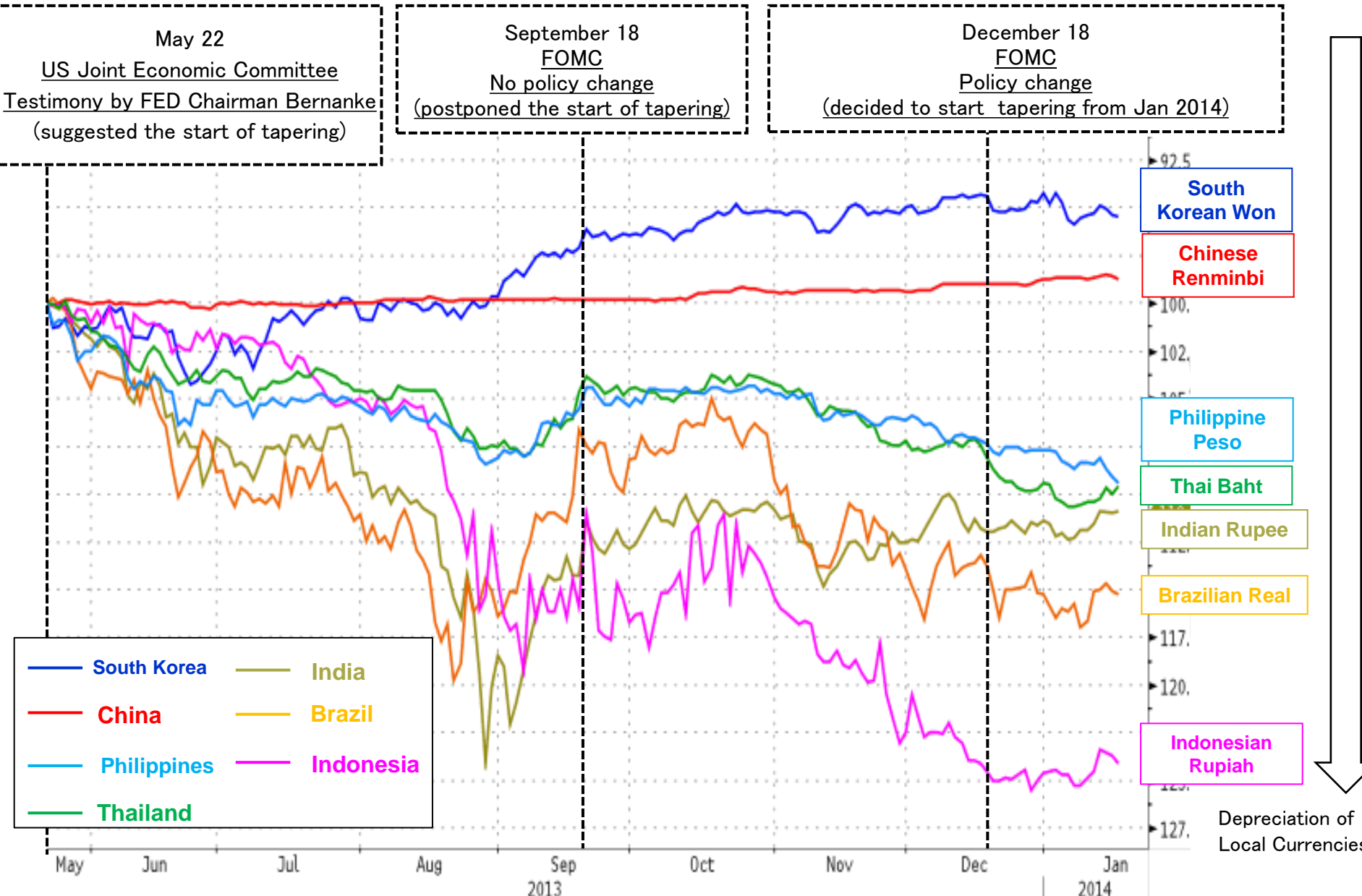
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Recent Movements in Emerging Market Currencies (against US dollar/ May 22, 2013 =100)



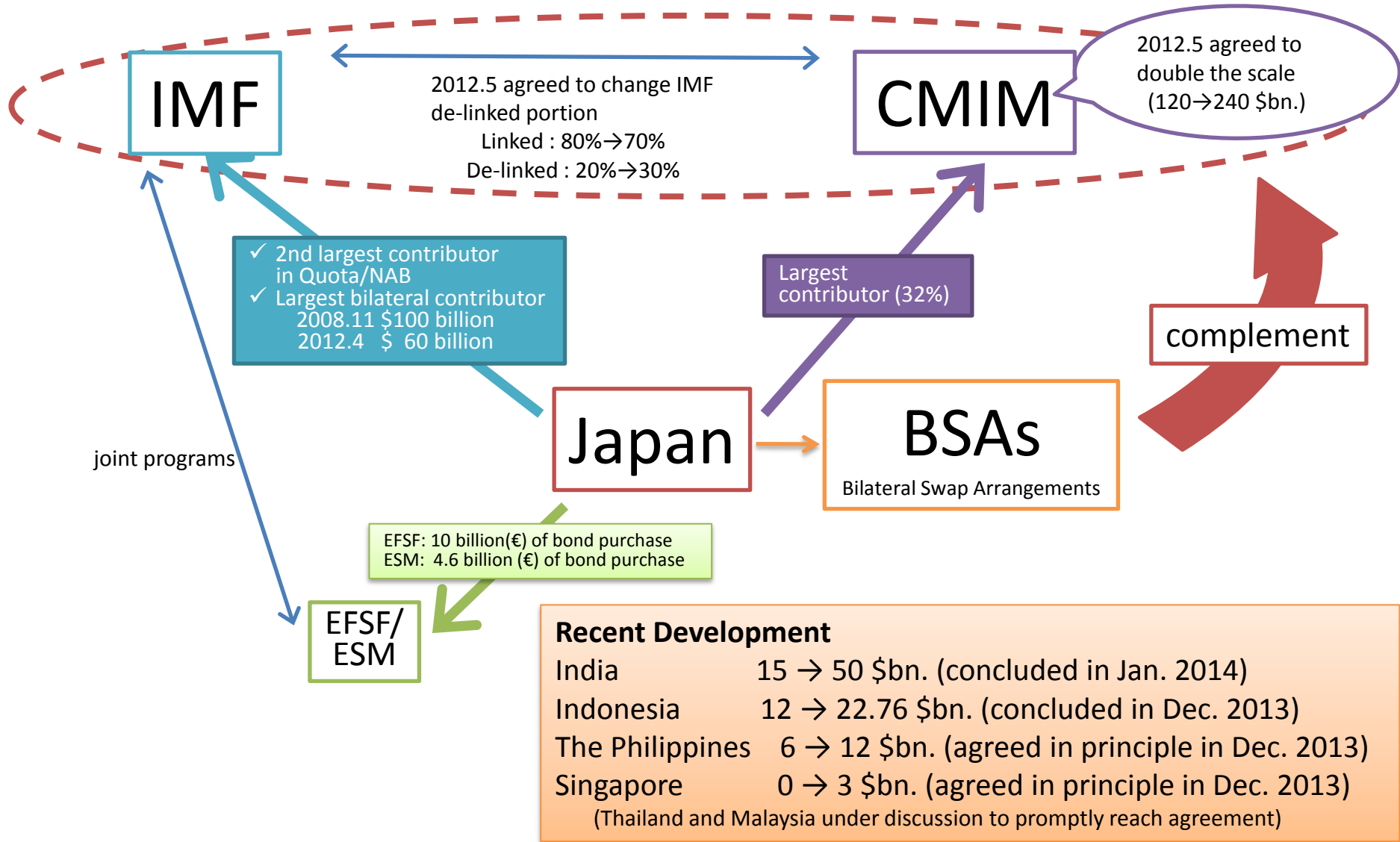
Economic Situations in EMs

	Appreciation/Depreciation of local currency (%)	Current Account to GDP (%)	CPI(%)
South Korea	4.8	3.8	2.2
China	1.4	2.3	2.6
Thailand	▲9.1[▲9.6]	0.0	3.0
India	▲9.9[▲19.4]	▲4.8	10.4
Brazil	▲13.1[▲16.5]	▲2.4	5.4
Turkey	▲15.6[▲15.6]	▲6.1	8.9
Indonesia	▲19.2[▲20.3]	▲2.7	4.3

※Appreciation/Depreciation of local currency: Last price change from May 22, 2013 to Jan 15, 2014([] means lowest level since May 22, 2013.)

※Current Account and CPI : Actual number of 2012 by IMF World Economic Outlook published in Oct 2013

Japan's Contribution to the GFSN



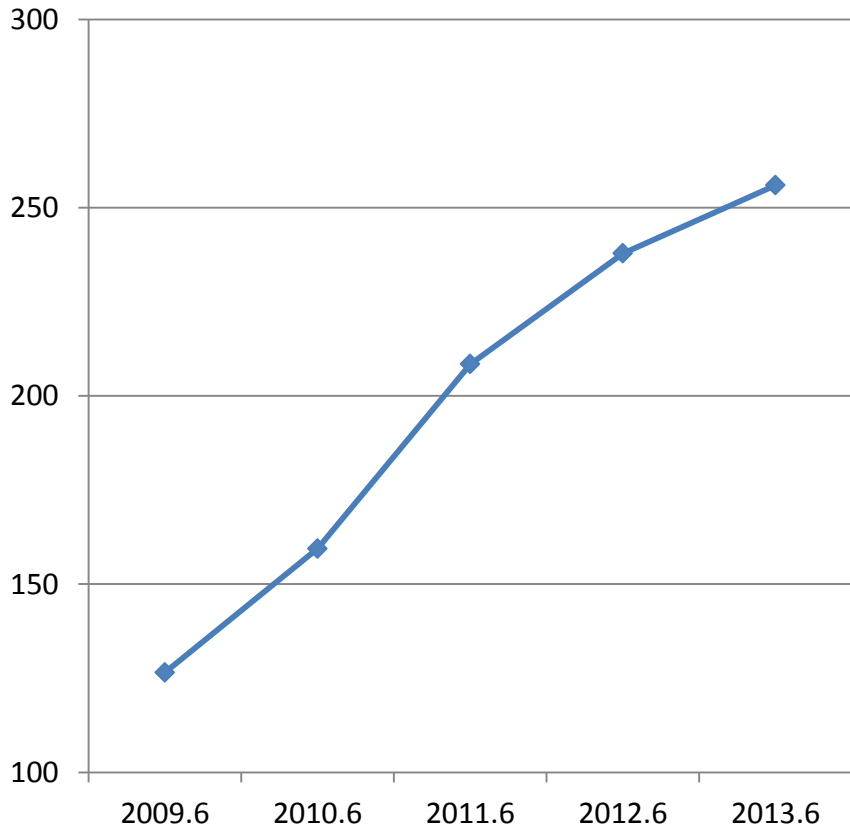
Asian Financial Safety Net: Before/After the Asian Currency Crisis

	Before the Crisis	After the Crisis
1. Foreign Reserves* *source: IMF	<ul style="list-style-type: none"> ● Limited Foreign Reserves (Total reserves, Total reserves in months of imports (1997)) <ul style="list-style-type: none"> -Indonesia: 16.6bn\$, 3.9 -Malaysia: 20.8bn\$, 3.2 -Thailand: 26.2bn\$, 5.0 	<ul style="list-style-type: none"> ● Abundant Foreign Reserves (Total reserves, Total reserves in months of imports (2012)) <ul style="list-style-type: none"> -Indonesia: 108.8bn\$, 6.8 (6.6, 1.7 times larger than in 1997) -Malaysia: 137.8bn\$, 8.4 (6.6, 2.6 times larger than in 1997) -Thailand: 173.3bn\$, 8.3 (6.6, 1.7 times larger than in 1997)
2. Bilateral Financial Cooperation	-	<ul style="list-style-type: none"> ● Bilateral Currency Swap Arrangements (BSAs) with Asian Countries <ul style="list-style-type: none"> ▪ India, Indonesia, Philippines etc. ● Structuring the framework to provide local currencies <ul style="list-style-type: none"> ▪ Cross-Border Collateral Arrangements utilizing JGB as collateral between central banks etc.
3. Regional Financial Cooperation	-	<ul style="list-style-type: none"> ● ASEAN+3 Regional Financial Cooperation <ul style="list-style-type: none"> ▪ Chiang Mai Initiative Multilateralisation (CMIM) (US\$120→240bn) ▪ ASEAN+3 Macroeconomic Research Office (AMRO) ▪ Asian Bond Markets Initiative (ABMI)
4. IMF	<ul style="list-style-type: none"> ● Broad Conditionality ● Narrow Access Limit: <ul style="list-style-type: none"> -100% of Quota(annual)* -300% of Quota(cumulative)* <p>* In case of Stand-By Arrangement (SBA)/Extended Fund Facility (EFF)</p>	<ul style="list-style-type: none"> ● Streamlined Conditionality ● Doubled Access Limit: <ul style="list-style-type: none"> -200% of Quota(annual)* -600% of Quota(cumulative)* ● New Lending instruments e.g. Flexible Credit Line (FCL) enables qualified countries to draw at any time within a pre-specified window on the credit line, or to treat it as a precautionary instrument with no ongoing conditions.

Capital Flow

Outstanding loans of Japanese banks to Asia

(\$ billion, source: BIS)



Foreign direct investment from Japan to Asia(stock)

(\$ billion, source: JETRO and MOF, Japan)

