

# **Financial Cooperation and the Northeast Asia**

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# Current Situation of the World Economy

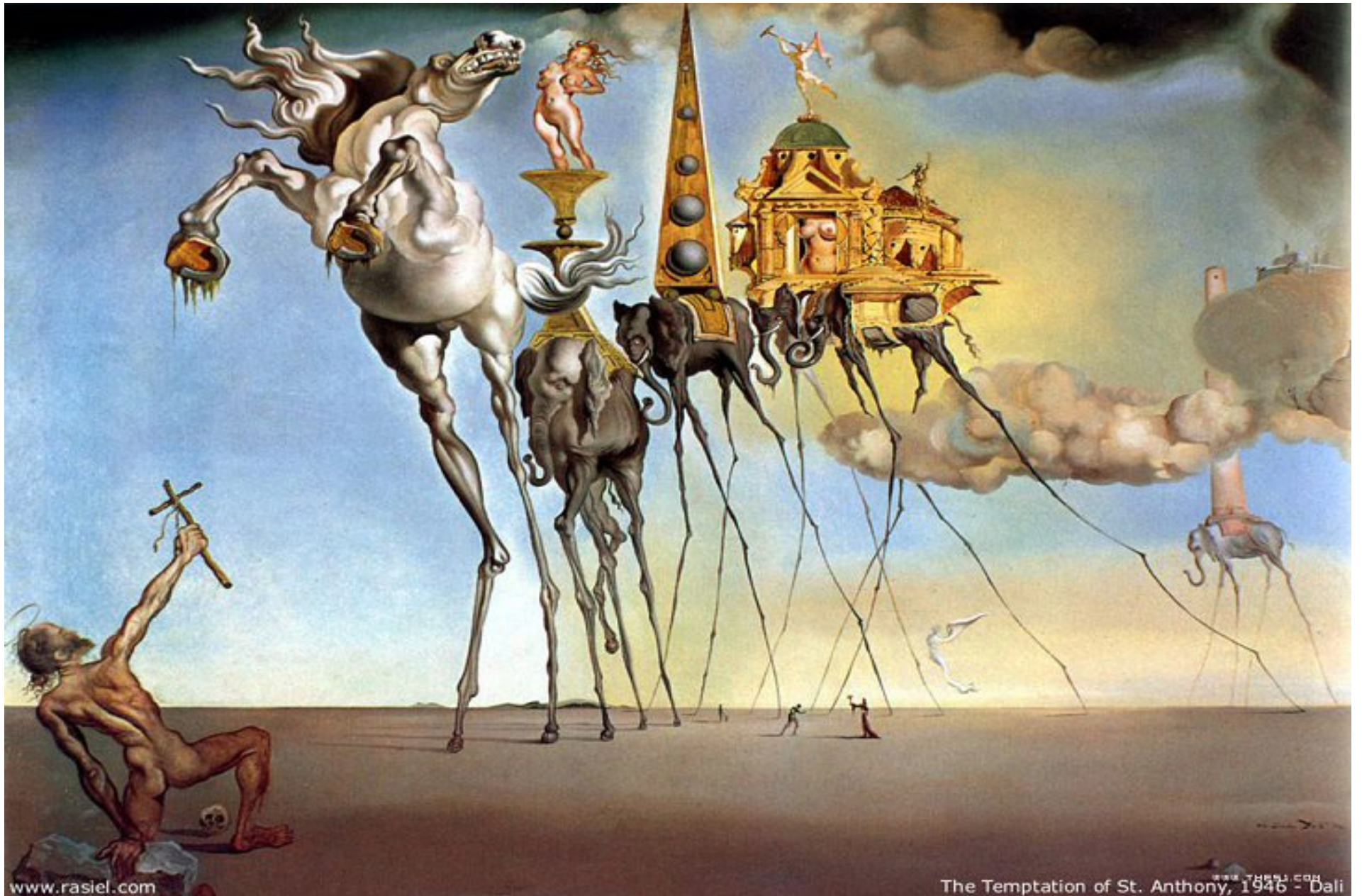
- Global economic recession?
  - US
    - Treasure Bond Problem
    - QE1,2 and maybe 3?
    - Unemployment
  - EU
    - PI(I)GS
    - EURO
  - Japan
  - China, India, Russia and Brazil
  - Australia, Canada
  - Korea, ASEAN, etc

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# Salvador Dali's Original Painting



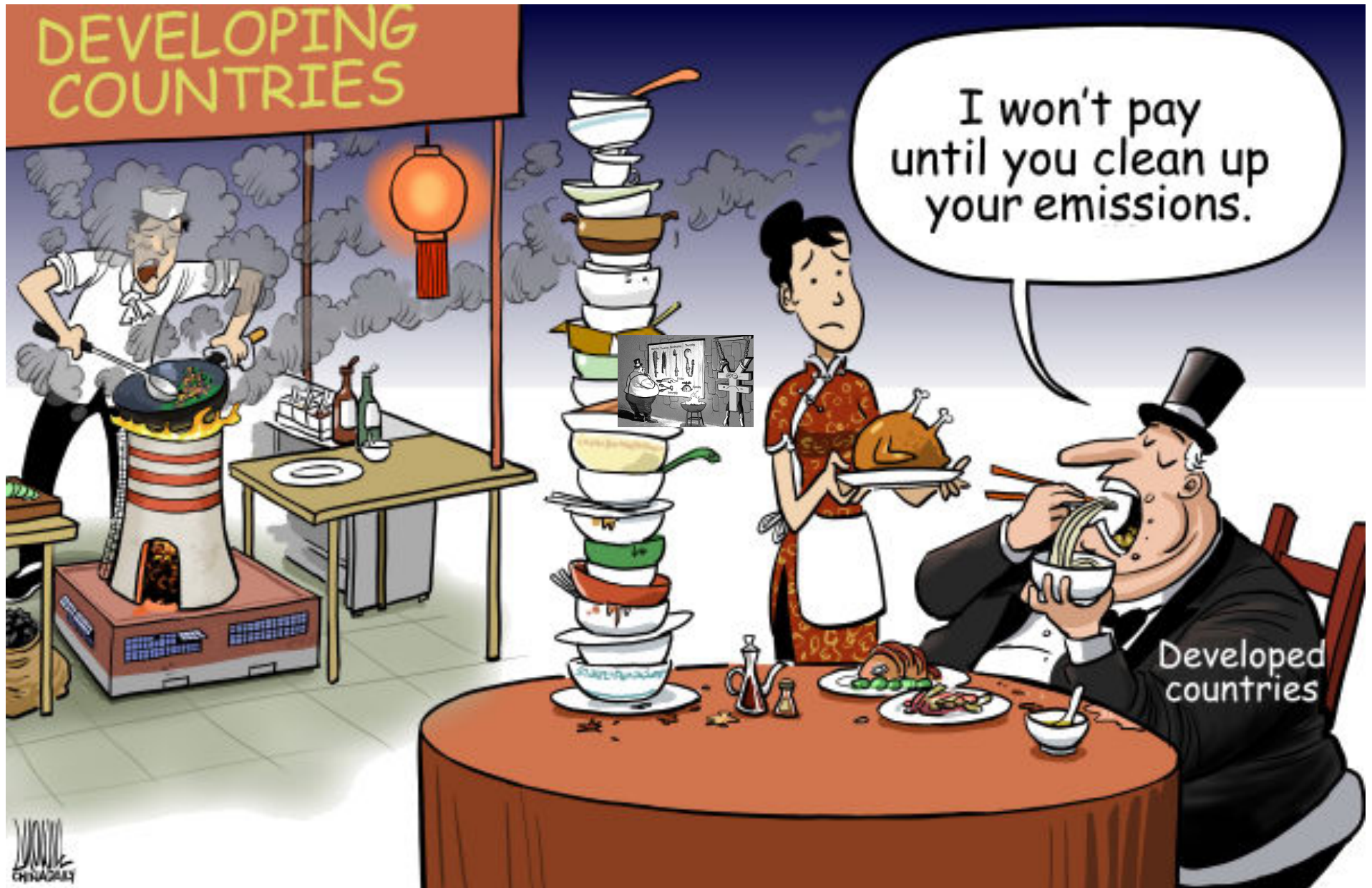
# How to Solve the Problem?

- Solution-Cooperation

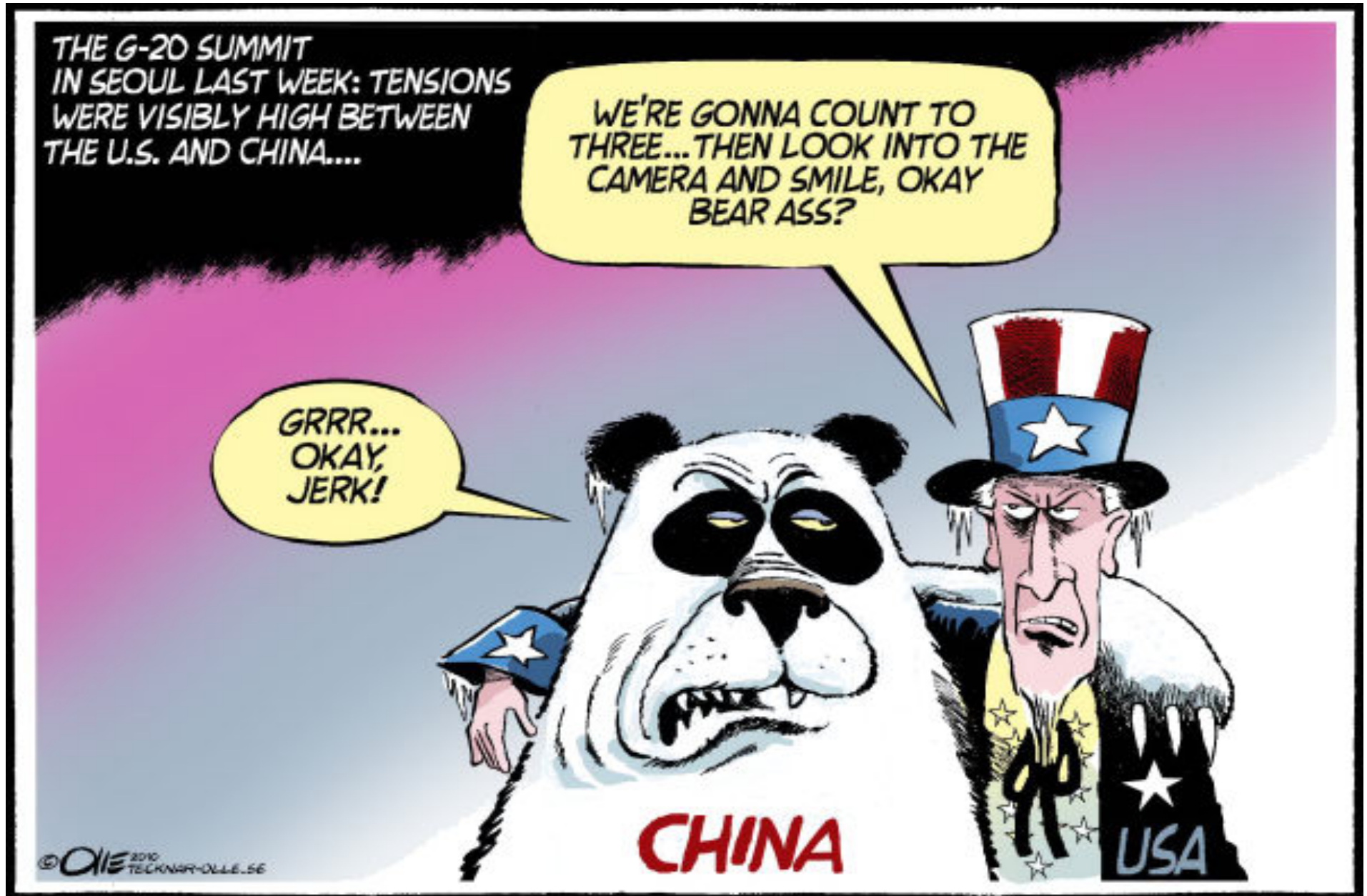
# How to Cooperate

- Find a common interest
- Think in others' shoes
  - Try not to irritate your potential partner
  - Try to leave some room for the opposite party to survive
- Strong leadership will
- Don't rush and don't miss any opportunity
- Be optimistic
- Easier said than done

# Think in Others' Shoes



# Be Optimistic





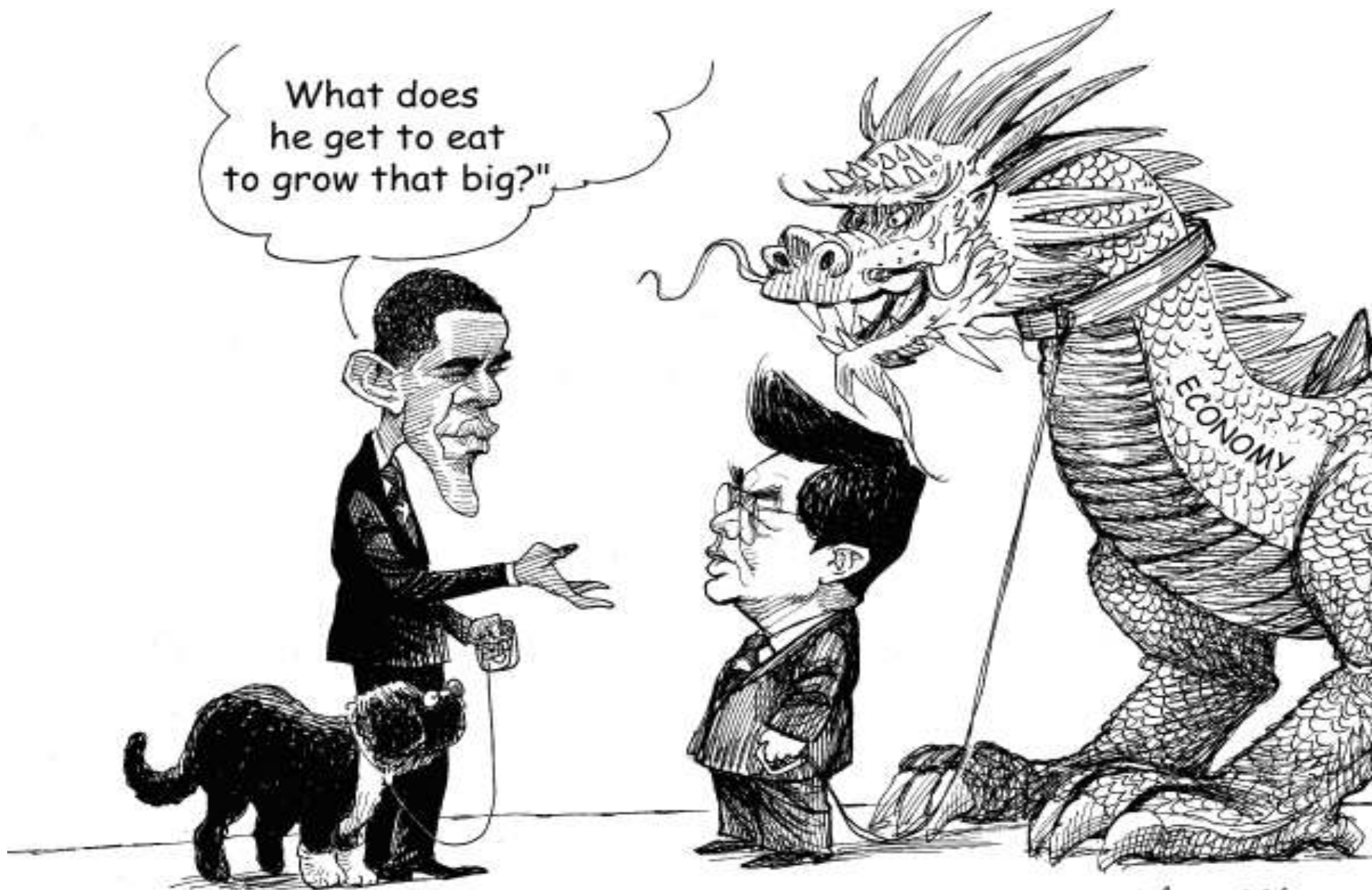
# What we should do and what could be done for the NEA

- A common interest
  - Peace
  - Development
- Solve difficulty
  - Scarcity and choice
  - Political problems
- Culture understanding

# A Subregional Development Bank

- What were changed since it been proposed
  - Each member country's interests
  - World economic situation
  - Great opportunity
- Bottom-up vs. Cross-Border
- New progress in China/Korea
  - Informal but real situation

What does  
he get to eat  
to grow that big?"



Fisher-Spaul '11

# Four key elements to regional financial arrangements

- Improved policy dialogue and surveillance
- Strong, robust and open financial markets and institutions
- Effective mechanisms for financial support in a crisis
- Cooperative exchange rate and monetary policy regimes

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