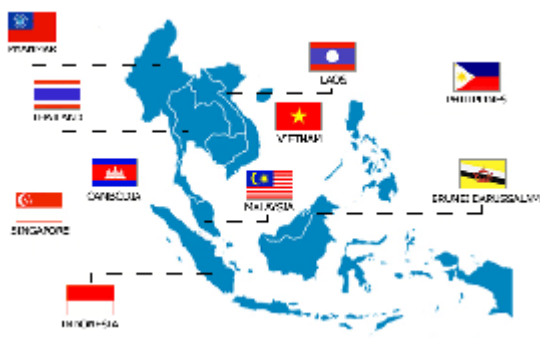


# *The* CAMBODIA DAILY

## Asian Nations Look to Double Currency Fund



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by Author Eric Bellman*

JAKARTA – Southeast Asian nations along with Japan, South Korea and China plan to double the size of a fund created to help each country battle currency volatility, an official of the Asean meeting said Sunday.

The group, which includes the 10 members of Asean as well as the north Asian countries, is considering boosting to \$240 billion the war chest to combat currency troubles through the so-called Chiang Mai Initiative, said Aladdin Rillo, director and chief economist of the Asean integration monitoring office.

A task force of technocrats from Asean and the other nations decided to recommend the change to members earlier this month, he said. It will be considered and likely approved by deputy finance ministers and central bank governors of all the countries when they meet in Cambodia on March 28.

If agreed, it will be finalized during a meeting of finance ministers of the 13 countries on the sidelines of the Asian Development Bank's annual meeting in Manila in May.

"Right now, economic uncertainties have escalated," so the task force decided more money was needed in the case of emergencies, he said.

Under the Chiang Mai Initiative, launched in 2010, the 13 participating countries pledged to help other members by using their foreign currency reserves should any of their currencies come under attack. The countries originally pledged up to \$120 billion of their reserves to battle speculation. While the countries have yet to have to call on the pledged funds, recent concerns about potential global fallout from the debt problems in Europe have made some analysts worried that \$120 billion might not be enough.

Asian economies have been hit by currency speculation in the past, most notably in the 1990s, when big Currency bets were blamed by Asian leaders for helping contribute to the Asian financial crisis.

On March 1, the task force also decided to recommend that the scope of the Chiang Mai Initiative be expanded to include closer monitoring, Rillo said, without describing exactly how that would work.