

## PREFACE

The genesis of this book was an IDE-JETRO sponsored symposium "Asian Crisis and Its Impact on Trade and Investment," held in Tokyo on November 6, 1998, as a commemorative event of the merger of the Institute of Developing Economies (IDE) and the Japan External Trade Organization (JETRO).

The Asian economic crisis started with the baht crisis in Thailand in July 1997. It quickly infected ASEAN neighbors and other East Asian economies to become a region-wide economic crisis. Although substantial efforts have been made by each country to reactivate its economy, we have not seen an omen of a recovery yet.

In this symposium we focused on two questions: "How far has the Asian economic crisis proceeded? Do we see an omen of recovery?" and "Is there any room for concerted efforts and cooperation to supplement individual governments' efforts in order to get over the crisis as soon as possible?" A task-force of IDE-JETRO prepared a background paper containing basic information on these issues, which is also included in this volume as an appendix.

The papers in this volume analyze the current situation of the economic crisis and explore the policy choices to restore sound growth for the region. While they are based on diverse case studies, most of the authors focus on a trade-off between macroeconomic stabilization reliant on high interest rate policy and a reactivation of production which requires expansionist fiscal and monetary policy. It has also become a consensus that international cooperation in some respects will be helpful.

East Asia has been a major repertory of both IDE and JETRO since their inception. Both of them have tackled the job of monitoring and analyzing the contagion of the crisis. In February 1998, IDE and JETRO jointly organized the first symposium on the East Asian economy, based on which a book entitled *Can Asia Recover Its Vitality: Globalization and the Roles of Japanese and U.S. Cooperations* was published by IDE. We believe that our progressive contribution to this problem will show the advantage of the merger of IDE and JETRO, both equipped with their region-wide coverage.

We thank all participants to the symposium for their valuable contributions. Special thanks go to Dr. Jesus P. Estanislao, Dean of the Asian Development Bank Institute, for his stimulating keynote speech. We also acknowledge generous support from the Ministry of International Trade and Industry, especially Mr. Tadakatsu Sano, Director-General of the International Trade Administration Bureau, for his delivery of the opening

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Any opinions expressed in this volume are those of the authors and not of their organizations.

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