

Preface

This is an English translation of a research report entitled “Exchange Rate Fluctuations and Asian Responses: Growth Strategy in the Age of Global Money” published in late March of 1996 by the Institute of Developing Economies. This investigative report contains an analysis of the various responses to the U.S. dollar and Japanese yen exchange rate fluctuation during the eleven year period from 1985 to 1995 by the economies of China, the Newly Industrialized Economies (NIEs) and the ASEAN countries. Furthermore, the report discusses the global outlook regarding this issue as well as expectations for future Japanese policy.

Having entered the age of global money, Asian economies are faced today with an increasing need to carefully consider and take into account exchange rate fluctuation and the flow of capital across national boundaries in devising strategies for growth and industrialization. It is our hope that this investigative report will prove useful to our readers overseas since heretofore there has not been an abundant amount of research and analysis on this topic from this perspective.

We would like to thank our colleague, Ms. Tomoko Okagaki, a visiting researcher, for her assistance in the preparation of the English version of this report.

August, 1996

Toru Yanagihara
Susumu Sambommatsu