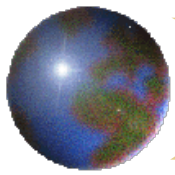


# **Ways to Promote Financial Cooperation in Asia**

- Promoting the Use of Local Currencies in Asia**

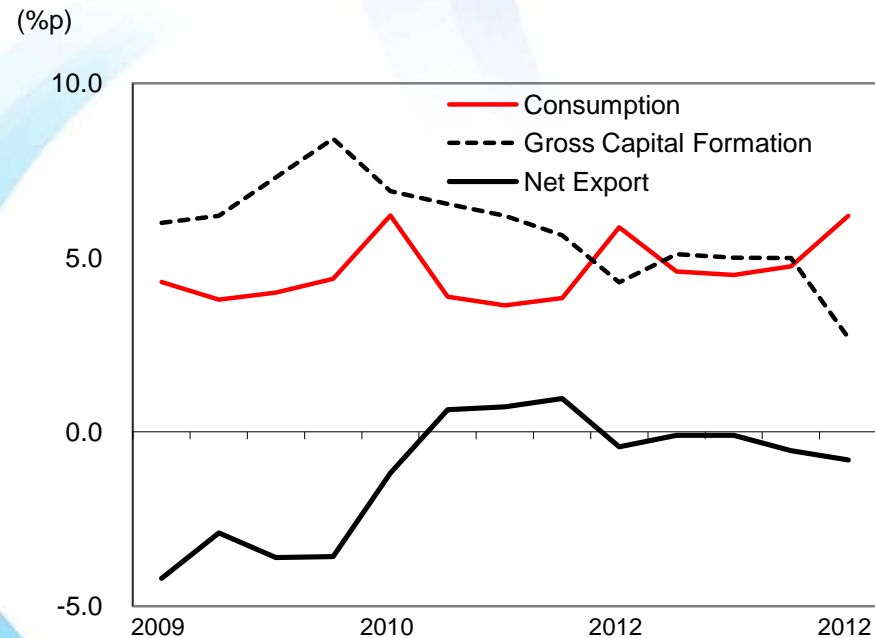
**2012. 5. 10**

**Baek, Yongchun  
Korean Embassy in China**



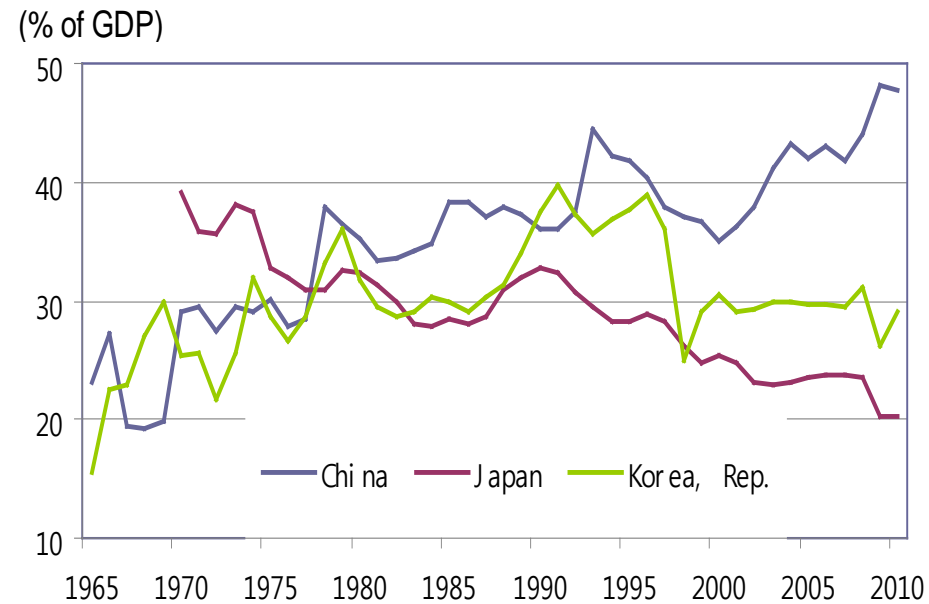
# I . Chinese Economy at a Glance

## GDP Contribution

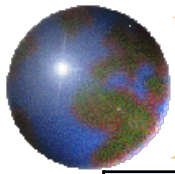


Source: CEIC

## Gross Capital Formation



Source: World Bank, World Development Indicators



## II. International Currency Status: A Score Board

<AE Currencies>	USD	Euro	Yen	Pound	SWF	AUD	CAD	NZD
Widely used an international reserves	●	●	●	●	◐	○	○	○
Widely Used in capital and trade payments	●	●	◐	◐	○	○	○	○
Widely traded in FX markets	●	●	●	●	◐	◐	◐	◐
Economic size	●	●	●	●	◐	◐	◐	○
Trade network	●	●	●	●	◐	◐	◐	◐
Investability 2/	●	●	●	●	●	●	●	●
Capital account openness 3/	●	●	●	●	●	◐	●	●
Financial depth index 4/	●	●	●	●	◐	◐	◐	○
<EM and NIE currencies>	HKD	Won	SGD	RMB	Real	Rupee	Ruble	Rand
Widely used an international reserves	○	○	○	○	○	○	○	○
Widely Used in capital and trade payments	○	○	○	○	○	○	○	○
Widely traded in FX markets	●	◐	◐	○	○	○	○	○
Economic size	○	◐	○	●	◐	◐	◐	◐
Trade network	◐	◐	◐	●	◐	◐	◐	◐
Investability 2/	●	●	●	●	◐	◐	◐	●
Capital account openness 3/	●	◐	●	○	◐	○	◐	○
Financial depth index 4/	◐	◐	◐	●	◐	◐	◐	◐

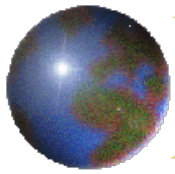
1/ "●" criteria fully met, "◐" partially met, "○" not met

2/ "●" Based on sovereign risk ratings "A" or above by Moody's and S&P

3/ Based on Chinn and Ito "Capital Account Openness Indicator, 2008"

4/ Country contribution to global financial depth, "●" for top five contributors.

Source: "Internationalization of Emerging Market Currencies: A Balance between Risks and Rewards" (2011)



# III. Foreign Presence of Financial Institutions

## 1. Korea to China

- Bank: Overseas affiliated Companies(5), Foreign Branches(2)
- Insurance: Joint-venture Life insurance(1), Property insurance(3)
- Securities: Investment consulting companies, Representative offices

## 2. China to Korea

- Bank: Foreign Branches(4), Representative office(1)
- Securities: Representative offices(2)