

Dec. 2023

A Proposal for an Asian digital common currency or ADCC (Outline)

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We are proposing to introduce an Asian common currency in the form of a digital currency (ADCC) by circulating central bank digital currencies in Asian countries.

An Asian common currency would improve the excessive dependences of Asia's trade currencies on the U.S. dollar. It will also contribute to stabilizing exchange rates within the region. As Asia's economic integration progresses, a common currency will advance financial integration. In fact, digital bonds denominated in the Asian digital common currency (ADCC) will be issued as the underlying assets for the ADCC. The issuance of this digital bond will advance the integration of Asian bond markets.

Another feature of this initiative is that the Asian common currency, an international currency, will be governed by an international cooperative system similar to the euro. Currency is a public good, and its international governance is proposed. This will further deepen financial cooperation in Asia.

In our proposal, unlike the euro, the Asian common currency and national currencies coexist. It is no surprise that multiple currencies will be in circulation in the future, as seen with digital currencies such as Bitcoin.

Japan has played a leading role in stabilizing the international financial system in Asia, as seen in the Miyazawa Initiative during the Asian Financial Crisis. In a situation where China's influence is increasing in place of the United States, it is significant for Japan to take the lead in strengthening international cooperation.

Our report is. It is based on previous papers such as the following:

¹ ISO/TC68 AG5, SC2WG8, and SC2WG17 as well as ISO 20022 Payments SEG and Securities SEG, etc.

Main References:

Taiji Inui, Wataru Takahashi and Mamoru Ishida, "A proposal for an Asian digital common currency," VovEU, CEPR, 2020

[A proposal for an Asian digital common currency | CEPR](#)

Takahashi Wataru and Taiji Inui, "Asia Digital Common Currency as a global (international) currency", Discussion Paper Series DP2022-06, Kobe Univ, 2022

[DP2022-06 \(kobe-u.ac.jp\)](#)