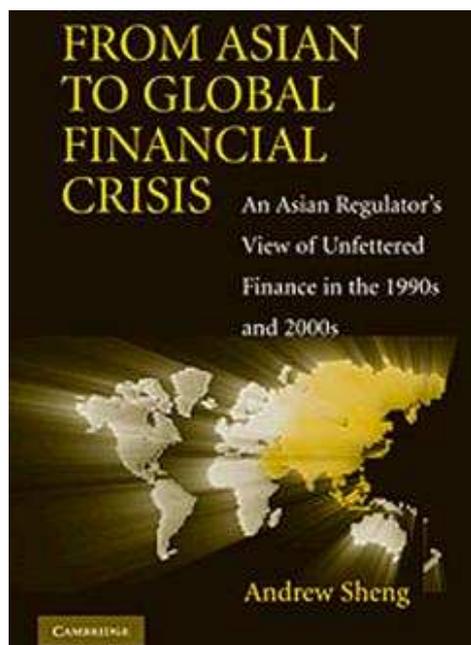


From Asian to Global Financial Crisis

by Andrew Sheng



This is a unique insider account of the new world of unfettered finance. The author, an Asian regulator, examines how old mindsets, market fundamentalism, loose monetary policy, carry trade, lax supervision, greed, cronyism, and financial engineering caused both the Asian crisis of the late 1990s and the global crisis of 2008–2009..

This book shows how the Japanese zero interest rate policy to fight deflation helped create the carry trade that generated bubbles in Asia whose effects brought Asian economies down. The study's main purpose is to demonstrate that global finance is so interlinked and interactive that our current tools and institutional structure to deal with critical episodes are completely outdated. The book explains how current financial policies and regulation failed to deal with a global bubble and makes recommendations on what must change.

- Shows how the current financial crisis recreates the Asian financial crisis of the late 1990s
- Explains how yen 'carry trade' and financial engineering helped create 2008/9 global meltdown
- A global market of unfettered finance with regulation trapped in national 'silos' was an accident waiting to happen

Reviews

In this fascinating study, Andrew Sheng combines the insights of a well-trained macroeconomist, a hard-nosed financial supervisor, and an astute inside observer of Asian politics and culture. The result is a broad-ranging, occasionally idiosyncratic, and always thought-provoking analysis of the Asian financial crisis; and a trove of lessons for thinking about the current global crisis.'

Sir Andrew Crockett, JP Morgan Chase

'There can be no-one better placed than Andrew Sheng to explain the Asian financial crisis of the 1990s and its links to the credit crunch we are now enduring. His deep knowledge of the dynamics of Asian economies is complemented by an insider's understanding of the networks of global finance. The result is a fascinating panorama, full of valuable insights.'

Sir Howard Davies, London School of Economics

'Andrew Sheng brings his extensive Asian and global regulatory experience and his analytic and expositional abilities to bear in this remarkable book. The bulk of the book consists of a fascinating and hard-hitting account of the Asian financial and economic crises, which is an essential read. As a bonus, the book is enriched - as is the reader - by Sheng's insightful analysis of the current financial crisis and its ramifications, with which it concludes.'

Stanley Fischer, Governor, Bank of Israel

'Andrew Sheng's knowledge of financial events and institutions in East Asia make him the quintessential insider. But this book is much more than a chronicle of the period from the great Asian crisis of 1997–98, up to and including the present global crisis. Nowhere will one find a more insightful analysis of this period, in particular of what happened in the impacted debtor economies of Thailand, Indonesia, Korea, and Malaysia, but also of the destabilizing financial events in Japan as their principal creditor, which so greatly aggravated the 1997–98 crisis.'

Ronald McKinnon, Stanford University

'Until now, there have been very few books that have compared the Asian financial crisis in the 1990s to the current global financial crisis that has also greatly impacted Asia. Mr Sheng has a rich and unique experience in the financial sector that enables him to systematically analyze both financial crises. This book will enlighten us and deepen our understanding of the roots of the crisis, and help us in our scientific outlook on development.'

Liu Mingkang, China Banking Regulatory Commission

'If you want to understand the current global crisis and its precursor, the Asian crisis, Andrew Sheng's book is a good book well worth reading. Its analytical framework brings forth clearly the relationship between the two crises from the perspective of macro-history, macro financial structural, and micro-institutional details.'

Wu Jinglian, Chinese State Council Development Research Centre

'Andrew Sheng is superbly qualified to write this book ... superb and detailed analysis ... with lots of facts and statistics ... very interesting.'

Central Banking

'... clear and complete [analysis] ... Sheng's perspective as an Asian regulator is especially welcome ... his most valuable contribution is that he identifies some of the major barriers standing in the way of a sound financial system and points to future solutions.'

Hu Shuli, Foreign Affairs.

[Purchase this book from Cambridge University Press](#)