

The thesis examines the suitability of the ASEAN region for a currency union. The evaluation is conducted primarily through a model developed by Bayoumi and Eichengreen (1996b), used by them originally to assess the prospects of European currency integration. The equation of this model is first estimated anew using a sample focused on Asia containing data from the last decade. The resulting equation, despite problems linked with certain coefficients, is used to construct the OCA indexes, which in turn serve as the basis for assessing the preparedness of the ASEAN for a single currency. The discussion of the results concludes overall rather against the idea of a monetary union in Southeast Asia. Malaysia and Singapore are identified as having notably better chances of forming a successful currency union according to the value of the corresponding index. Besides this analysis, commentaries on several factors crucially linked with the issue of monetary integration are provided. This includes an overview of Southeast Asia's developments concerning the factors, which are used for evaluating adherence to the Maastricht criteria in Europe. Throughout the thesis, numerous indicators are found, which suggest that a monetary union in the ASEAN might currently not be considered a desirable option.