EU VS ASEAN: Game Theory View
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EXECUTIVE SUMMARY

Profit maximization for the collective firms in two trading block's is depicted in a game theoretic framework Gaming is depicted in two commodities traded categories. In the homogeneous product case, absence of incessant devaluations with their destabilizing effects, removes much of the conflicts among members monetary interests. In the competing commodities case, revaluation is focused on a stable set of prices, analogously removing much of the conflicts among members' monetary interests. With vertical EU and ASEAN markets stabilized by EUASEAN, less uncertainty would exist and less indeterminacy of the inter-member monetary and fiscal policy on member's Economies. Such stabilization benefits to the EU and ASEAN may exceed any loss in consumer surplus created by EUASEAN.

Keywords: Global economy, Global trade, International trade blocs