



# Conference on Regional Cooperation and Integration

## Experiences in Asia and the Pacific

Organized by the Asian Development Bank and Kunming Municipal Government,  
Yunnan Province, People's Republic of China

## Papers and Presentations

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**Opening Remarks  
by  
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**Conference on Regional Cooperation and Integration:  
Experiences in Asia and the Pacific**

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## **I. Introduction**

Distinguished government officials, guests, ladies and gentlemen,

On behalf of the Asian Development Bank, let me start by saying what a unique opportunity this conference presents all of us. This is the first comprehensive regional conference where more than 150 officials working with all sub-regional programs have gathered to discuss major achievements, challenges and the future of regional cooperation and integration or RCI. Speaking from ADB's point of view, our 1966 Charter gives priority to national as well as regional and subregional projects and programs that contribute most effectively to harmonious economic growth of the region as a whole. Over the last decade and a half, ADB, together with our developing member countries (DMCs), has delivered an increasing number of RCI activities. Considering this, the time is now right for us to come together to share experiences and learn from one another.

## **II. New Environment for RCI**

The circumstances under which we work toward regional cooperation and integration today have changed dramatically, and particularly so over the past five years. The global financial crisis and the so called "Great

Recession” have forced us to reevaluate the role and structure of regional cooperation. In many ways, there is added urgency to think further and move ahead on RCI in a more concerted manner. Throughout the multi-paced and multi-track global recovery, we have seen the center of economic gravity gradually shifting to Asia. No doubt the advanced economies of Europe and the US will continue as critical markets for Asian products. But the deep structural changes needed in the developed economies mean they are unlikely to grow as before. This means emerging markets—such as those in Asia—will increasingly rely on building new sources of growth from within. This is where RCI holds so much potential to ultimately reduce poverty and increase the standards of living for Asians.

Strong global linkages have intensified the need for closer regional economic cooperation. Those of you here today have responded to the challenges of globalization by working with neighbors to ensure that human resources, capital, and natural resources are more effectively employed, and common issues jointly addressed. Intraregional trade is a good indicator. Take ASEAN as an example. In 2000, 58% of ASEAN exports were destined for Asian markets. In 2010 the figure had risen to 74%. And the value of those exports jumped from \$190 billion to nearly \$520 billion, a 275% increase. Regionalism works.

In responding to this substantial surge in trade volumes, there are increasing demands for speedy logistics services and mounting security concerns. So Asia has invested in the development of transport and trade facilitation hardware and software using new technology and procedures. Asia has also intensified cooperation amongst all stakeholders including the private sector. Regional power transmission and information

communication technology (ICT) programs have also been promoted in Asia, contributing to rebalancing within and amongst countries. As a result, new investments have taken place, offering employment opportunities for people across the region.

In parallel, however, Asia faces several challenges, including environmental degradation, climate change and natural disasters. These challenges have also intensified cooperation at national and regional levels, however.

### **III. ADB's RCI Strategy and RCI Programs in Asia**

RCI is one of ADB's three operational strategies, and one of five core areas of operations. Under our Strategy 2020, ADB is increasing financial resources for regional projects and initiatives and mobilizing funding and technical assistance. We are also expanding the creation and dissemination of knowledge and information on regional cooperation and integration—which is one reason we are here today. We are helping build institutional capacity to manage regional cooperation and integration, and strengthening ADB's role as a catalyst and coordinator of regional cooperation and integration.

Let me quickly offer a synopsis of major subregional programs in the region:

The Greater Mekong Subregion or GMS has strongly proven that RCI provides benefits in terms of the so-called 3-“Cs”—enhanced connectivity, improved competitiveness, and a greater sense of community. In December last year, GMS leaders endorsed a new Ten-Year Strategic

Framework for 2012–2022, which focuses mainly on policy and institutional reforms, multisector physical infrastructure investments and transport and trade facilitation along the GMS corridors. Also in the pipeline are a regional power market development, increased tourism development, and natural and human resource management initiatives. There will be an increased role for knowledge management, partnerships, and more direct work with the private sector and development partners like ADB.

Another example of RCI in Southeast Asia is the Indonesia, Malaysia and Thailand Growth Triangle (IMT-GT) and the Brunei Darussalam-Indonesia-Malaysia-Philippines East Asian Growth Area (BIMP-EAGA). These two subregional Programs have grown in stature and in range of activities.

The Central Asia Regional Economic Cooperation, or CAREC, has been in existence for over 10 years. This program has moved from consultations and studies on the benefits of regional cooperation to implementing over 120 priority regional projects worth over \$19 billion. CAREC members use regional cooperation to help reach their respective national development objectives. Last November, they endorsed a pragmatic and focused strategy for the next decade—CAREC 2020—which will guide continued efforts to build and enhance infrastructure connectivity and related software, and promote commercial activities along CAREC corridors.

And to round out the major initiatives represented here, there is the South Asia Sub-regional Economic Cooperation, or SASEC, which covers Bangladesh, Bhutan, India, and Nepal. Energy, transport and trade

facilitation are priority sectors along with the implementation of the ongoing regional ICT and tourism development projects. SASEC is open to working with SAARC and BIMSTEC.

#### **IV. Conclusion**

To conclude, it is very exciting to see participants from all these vibrant regional cooperation initiatives coming together to share on-the-ground experiences, and discuss challenges and the future of RCI. We have a full schedule, with a number of presenters and panelists for this two day event, focusing on five major common topics:

1. Major achievements of various subregional programs in the last 10 years;
2. Major factors that have positively or negatively impacted the implementation of the subregional programs;
3. New technologies, tools or approaches that may be introduced to broaden opportunities and further strengthen subregional cooperation;
4. Benefits of regional cooperation at the country level;
5. Efforts needed to link subregional, regional and inter-regional cooperation, namely, to create open regionalism which will eventually link these programs into what may, in future, develop into Pan-Asian integration.

Finally, let me thank the Ministry of Finance of People's Republic of China, the Yunnan Provincial Government, and the Kunming Municipal Government for supporting this Conference. I look forward to vibrant discussions and welcome you all again on behalf of ADB. Thank you.