

RCI CHAT

The Monthly Newsletter of the Asia Regional Integration Center
Under the Office of Regional Economic Integration (OREI)



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IN THE NEWS

ADB conference highlights regional cooperation to help boost productivity. OREI hosted a [2-day conference](#) 17–18 November at ADB headquarters to discuss how to boost productivity through regional cooperation initiatives. Government officials, private sector leaders, academics, and other experts from the region discussed the importance of productivity growth in sustaining economic expansion, reducing poverty and inequality, and avoiding the middle-income trap.

Asian exchanges intensify cooperation. The much anticipated [Hong Kong–Shanghai Stock Connect](#) was launched 17 November. Hong Kong, China Chief Executive CY Leung said the new system better links the mainland market to international markets—with Hong Kong, China as the “super-connector” for equity investments in the People’s Republic of China (PRC). Several Asian exchanges also signed counterpart agreements—for example, the [Shenzhen Stock Exchange signed a memorandum of understanding \(MOU\) with NASDAQ](#) on 29 October (during the World Federation of Exchanges 54th General Assembly), and with the [Korea Exchange \(KRX\)](#) on 4 November. Other MOUs that were signed were between the [Stock Exchange of Thailand and Korea Financial Investment Association](#) on 4 November, the [KRX and S&P](#) on 6 November, the [Irish Stock Exchange and the Shanghai Stock Exchange](#) on 17 November, and [KRX and Dubai Mercantile Exchange](#) on 26 November.

ASEAN SMEs plan online access to information and training resources. The ASEAN Small and Medium Enterprises (SMEs) working group, together with the US-ASEAN Business Alliance for Competitive SMEs, began designing an “[ASEAN Online SME Academy](#)” 5 November in Bangkok, Thailand. The Academy will be a one-stop shop for SMEs to access information and training resources in local languages. The initiative will help ASEAN SME start-ups improve business development through establishing supply-chain links, among others.

PRC concludes trade negotiations with the Republic of Korea and Australia. PRC President Xi Jinping and Republic of Korea President Park Geun-hye [announced](#) a free trade agreement (FTA) 10 November covering 17 areas—including trade in goods and services, investments, and other trade and economic issues. The PRC-Australia FTA trade was [concluded](#) on 17 November, liberalizing trade in goods and services and streamlining trade and investment rules.

WHAT’S NEW IN ARIC

ADB concludes RCI roundtable conference



Presentations from the recently concluded roundtable conference “*The Future of Regional Cooperation and Integration and Productivity*” are available for download [here](#). Event photos are also posted on [ARIC Facebook](#).

OREI launches the *Asian Economic Integration Monitor* November 2014



OREI launched the latest [Asian Economic Integration Monitor](#) on 18 November 2014 at the ADB HQ, Manila, Philippines. Iwan J. Azis, OREI head, discusses how Asia is becoming increasingly integrated as governments bolster trade and boost interconnectivity, forging regional institutions that better fit the region’s diversity and development aspirations. The issue includes a Special Chapter comparing financial integration and crisis response in Asia and Europe. Get your copy [here](#).

SPECIAL FEATURE: Photo Highlights of the Asian RCI Roundtable Conference, p. 5

RCI Chat is the monthly newsletter of the Asia Regional Integration Center (ARIC). It tracks regional cooperation and integration (RCI) activities and events in ADB’s 48 regional member economies under ADB’s four RCI pillars: (i) cross-border infrastructure, (ii) trade and investment, (iii) money and finance, and (iv) regional public goods.



CROSS-BORDER INFRASTRUCTURE

SASEC meets on trade facilitation, transport and energy; releases new brochures. South Asia Subregional Economic Cooperation (SASEC) program working groups held a meeting 4–5 November on [trade facilitation](#), [transport](#) and [energy](#) in Kathmandu, Nepal. Participants discussed future measures under its trade facilitation strategic framework and assessed the overall progress and future direction of transport and energy cooperation. For more information on SASEC, see the [SASEC brochure](#) and [website](#), or download the [mobile app](#).

ADB, Norway offer aid to Nepal to reduce power shortages. A [co-financing agreement](#) for the SASEC Power System Expansion Project—to improve Nepal's energy access—was signed 14 November by ADB and Norway's Ministry of Foreign Affairs in Kathmandu. The project aims to increase electricity access through power transmission from India to Nepal.

The Kyrgyz Republic hosts 13th CAREC Ministerial Conference. Ministers of the 10 Central Asia Regional Economic Cooperation (CAREC) program members met 6 November in Bishkek, Kyrgyz Republic to [express support](#) for the [Almaty-Bishkek Corridor Initiative](#). The meeting also discussed the establishment of the CAREC Institute in Urumqi, Xinjiang Uygur Autonomous Region, PRC.

Turkmenistan, Afghanistan, Pakistan and India establish landmark TAPI pipeline company. State-owned gas companies in Turkmenistan, Afghanistan, Pakistan, and India [established a company](#) to build, own and operate a planned 1,800-kilometer Turkmenistan-Afghanistan-Pakistan-India (TAPI) natural gas pipeline. ADB was appointed transaction advisor for the Project in November 2013.

ADB, EU to help Nauru deliver safe, reliable power. ADB and the European Union (EU) will [co-finance a grant](#) to support the delivery of reliable, sustainable electricity under the Nauru Electricity Supply Security and Sustainability Project. The project will fund the delivery and installation of a new and efficient diesel generator, and the repair of Nauru Utilities Corporation's power station.



TRADE AND INVESTMENT

The Republic of Korea and New Zealand conclude FTA. Republic of Korea President Park Geun-hye and New Zealand Prime Minister John Key announced the [completion](#) of bilateral trade negotiations on 15 November. The trade agreement will abolish tariffs on 92% of New Zealand imports from the Republic of Korea and on 48.3% of the Republic of Korea's imports from New Zealand. It will liberalize investment and promote youth tourism. The agreement will be signed in early 2015.

APEC leaders endorse FTAAP roadmap. Asia-Pacific Economic Cooperation (APEC) Leaders agreed to conduct a study for the proposed Free Trade Area of the Asia-Pacific (FTAAP) at the 22nd APEC Economic Leader's Summit 11 November in Beijing, PRC. They endorsed the [Beijing Roadmap for APEC's Contribution to the Realization of the FTAAP](#).

TPP negotiations make progress. In a [statement](#) 10 November, leaders representing Trans-Pacific Partnership (TPP) members said negotiations have narrowed remaining gaps in the legal text, and that talks continue to ensure open markets will benefit all members.

India Prime Minister Modi visits Australia to deepen partnership. India Prime Minister Narendra Modi met with Australian Prime Minister Tony Abbott during an [official visit](#) to Australia 16–18 November to discuss wide-ranging cooperation. They agreed that the Comprehensive Economic Cooperation Agreement negotiations should be concluded to allow better market access for goods and services.



MONEY AND FINANCE

Central banks sign bilateral swap and cooperation agreements. On 3 November, the People's Bank of China (PBC) and Qatar Central Bank signed a 3-year, CNY35 billion/QAR30.8 billion bilateral local currency swap agreement. On 8 November, the PBC and Bank of Canada agreed to a reciprocal 3-year, CNY200 billion/Can\$30 billion swap line. The PBC also signed a bilateral swap agreement with the Reserve Bank of Australia 17 November. At the same time, the PBC released the \$500 million second tranche of its CNY/ARS agreement with the Argentine Central Bank to boost Argentina's foreign reserves. The \$814 billion first tranche of the swap agreement, signed in July, was released in September. The PBC also signed a cooperation agreement with the Central Bank of Mozambique during Governor Eduardo Gove's 10–17 November visit to Beijing, PRC. On 5 November, the Bank of Korea and Qatar Central Bank signed an MOU on technical support, mutual cooperation and exchanges.

International forums and organizations broaden cooperation. On 29 October, the WFE 54th General Assembly, hosted by KRX, appointed KRX Chairman & CEO Kyungsoo Choi director representing the Asia Pacific region. The KRX signed agreements and cooperation plans with other WFE members. The Hong Kong Monetary Authority announced it joined the South-East Asian Central Banks (SEACEN) Centre 1 November. The GreTai Securities Market hosted the 10th Asia-Pacific New Markets Forum 6 November on "Optimizing exchanges' role in developing SME capital markets and creating opportunities". The Boao Forum for Asia Financial Cooperation Conference was held 23–24 November, calling for deeper financial cooperation in light of the still fragile global economic recovery.

Clearinghouse appointments strengthen renminbi internationalization. The PBC designated Qatar as center for Renminbi (RMB) clearing and settlement and appointed the Industrial and Commercial Bank of China as clearinghouse. The PBC also established clearinghouse arrangements with Bank Negara Malaysia and the Bank of Canada the first week of November. On 19 November, the Bank of China and Australian Exchange signed a Heads of Agreement, appointing the Bank of China as official clearing bank in Australia for RMB settlement.



REGIONAL PUBLIC GOODS

Gender dimensions of climate change are highlighted at Secretariat of the Pacific Community (SPC) governing council meeting. The Pacific Gender and Climate Change Toolkit was launched during the 44th Committee of Regional Governments and Administrations of the Secretariat of the Pacific Community meeting. The Toolkit was designed by the SPC and the German Agency for International Cooperation in collaboration with the United Nations Development Programme, UN Women, and the Secretariat of the Pacific Regional Environment Programme.

ASEAN to heighten public awareness of biodiversity. The ASEAN Biodiversity Communication, Education and Public Awareness Workshop was held 24–26 November in Manila, Philippines to promote public awareness of biodiversity and to help reduce biodiversity loss. The workshop was organized by the ASEAN Centre for Biodiversity and supported by the Government of Germany through its Biodiversity and Climate Change Project.

ASEAN and civil society launch safe school initiative. The ASEAN Safe School Initiative (ASSI) Phase II was launched 24 November in Jakarta, Indonesia to promote a strategic partnership aimed to strengthen collaboration among ASEAN members in advancing safe schools. This initiative underscores ASEAN's commitment to continue building safer schools and enable children to better understand and prepare for natural disasters. ASSI implementation will include ministries of education, disaster management agencies, and humanitarian organizations.

APEC targets doubling of renewable energy. APEC economies are pushing measures to double the share of renewable energy in the region within 15 years—to keep pace with rising demand and ease the environmental impact of economic development across the Asia-Pacific region. Actions ranging from technical cooperation to facilitate solar photovoltaic rooftop installation, support for low carbon heating system development, and renewable energy grid integration were discussed during the 17–22 November APEC energy officials' assembly held in Port Moresby, Papua New Guinea.

DECEMBER 2014 UPCOMING EVENTS

WEEK 1	1-3	South Asia Subregional Economic Cooperation (SASEC) Trade Facilitation Workshop: Sanitary/Phytosanitary and Technical Barriers to Trade (Bangkok, Thailand)
	1-5	6 th RCEP TNC and related meetings (Greater Noida, New Delhi, India)
	1-5	International Conference on Occupational Radiation Protection: Enhancing the Protection of Workers (Vienna, Austria)
	1-12	United Nations Climate Change Conference (Lima, Peru)
	2-3	South-South City Leaders Forum (Manila, Philippines)
	2-5	Conference on Measuring and Achieving Universal Health Coverage with ICT and 3rd Asia eHealth Information Network General Meeting (Manila, Philippines)
WEEK 2	3-4	1 st Meeting of ASEAN-EU Aviation Working Group (Brussels, Belgium)
	3-4	Arab and Asian Labour Migration Experts Frame Fair Migration Agenda (Kathmandu, Nepal)
	5-6	11 th Asia Europe Economic Forum - What Can Asia Learn From Economic Reforms in Europe? (Tokyo, Japan)
WEEK 3	8-9	Inaugural Knowledge Sharing Workshop of CAREC Institute's Physical Base (Urumqi, PRC)
	15-17	Regional Training of Trainer Workshop on Trade Facilitation & Paperless Systems for Agrifood Products (Bangkok, Thailand)
	17-18	AICHR Regional Workshop on Comparative Domestication of Human Rights Treaty Obligations with National Laws in ASEAN (Luangprabang, Lao PDR)
	19-20	5 th Greater Mekong Subregion Summit (Bangkok, Thailand)

PUBLICATIONS

Asian Economic Integration Monitor



The AEIM—which evolved from the *Asia Recovery Report* covering the 1997/98 Asian financial crisis and policy response—now covers all of Asia and the Pacific. This semiannual series combines regional economic and financial monitoring and an assessment of developments in regional cooperation and integration (RCI)—two important elements of ADB's knowledge portfolio. The AEIM reviews recent economic performance, assesses new RCI developments in Asia and the Pacific and its subregions. *November 2014.*

(Updated) [RCI Publications List 1992-2014](#)

Regional Cooperation and Integration Publications List 1992-2014



ADB's Regional Cooperation and Integration Community of Practice (RCI CoP) and the Asia Regional Integration Center (ARIC) released an updated bibliography of RCI publications. The list includes books, journals, working papers, reports, conference proceedings, and background papers. Download the [RCI Publications List](#). *November 2014.*

ERRATUM: The regional launch of “ASEAN Community 2015: Managing integration for better jobs and shared prosperity” was held 20 August, not 8 October, as mentioned in the November 2014 issue. Subsequent country launches were held in Viet Nam, Singapore, the Philippines (8 October), Malaysia, and Cambodia.

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Special Feature

Photo Highlights: Asian RCI Roundtable Conference

17-18 November, ADB Headquarters, Manila



ADB President Takehiko Nakao's keynote remarks formally open the 2-day roundtable conference.



ADB OREI Head Iwan J. Azis discussed how critical it is for the region to tackle the structural issues underlying the slowing growth in productivity.



Over a hundred government officials, private sector leaders, academics, and other experts from around the region gathered to discuss the productivity challenge and the way forward for regional cooperation.



ADB Private Sector Operations Director General Todd Freeland presented during the Lunch Talk on 'The Role of the Private Sector in RCI'.



ADB VP for Knowledge Management and Sustainable Development Bindu N. Lohani delivered the Closing Remarks to mark the conclusion of the conference.

To access full set of event photos, visit ARIC [Facebook](#) or [Flickr](#).