

# RCI CHAT



## IN THE NEWS

**Negotiators hold 7th round of Regional Comprehensive Economic Partnership talks.** Senior officials of the Trade Negotiating Committee met in Thailand 9–13 February to discuss trade in goods and services, investment, economic and technical cooperation, intellectual property rights, competition policy, legal, and institutional issues involved with the potential regional free trade agreement. An expert meeting on electronic commerce was also held.

**ADB, Lao PDR initiate New Tourism Infrastructure Project.** ADB approved a \$40 million loan to the Lao People's Democratic Republic (Lao PDR) to finance tourism infrastructure. The loan will also help establish national and provincial Destination Management Organizations (DMOs). The project will include road improvement to provide better access and local market linkages in four provinces—Champasak, Khammouane, Luang Prabang, and Oudomxay—located along established Greater Mekong Subregion (GMS) corridors. Strengthening tourism infrastructure boosts the DMO initiative, which aims to create tourism support networks with representatives from government ministries, travel-related business associations, and development/donor agencies.

**ASEAN launches Adopt-a-Municipality for Resilient Recovery project in the Philippines.** The first stakeholders' meeting and inception workshop was held 17–18 February in Iloilo City, Philippines, to help launch the **Adopt-a-Municipality for Resilient Recovery** project—under the Association of Southeast Asian Nations (ASEAN) Assistance for the Recovery of Haiyan-Affected Areas in the Philippines. The project provides technical assistance to four pilot municipalities (Badiangan and Mina in Iloilo province; and Palo and Ormoc in Leyte province) to help reduce vulnerability and increase resilience to disasters. The initiative aims to provide lasting, concrete support from ASEAN for the communities affected in 2014 by typhoon Haiyan.

**Silk Road Fund begins operations.** Announced last year by People's Republic of China (PRC) President Xi Jinping, the **fund began operations 26 February**. The \$40 billion fund will identify investment opportunities and provide financing and investment services along the Silk Road Economic Belt and the 21<sup>st</sup> Century Maritime Silk Road (One Road and One Belt). Fund managers hope to attract domestic and international investors.

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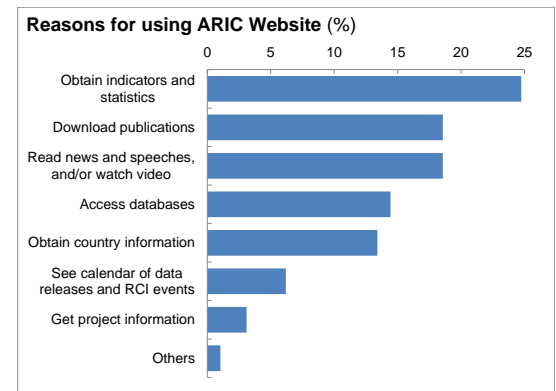
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## WHAT'S NEW IN ARIC

### ARIC Website, an RCI “data mine”

The **ARIC Website** remains to be relevant in obtaining information on RCI, particularly on statistics and indicators, and on ADB member economies. This is according to a survey conducted in January. Watch out for its relaunch!



For updates, follow us on @ARIC\_ADB and join us on now.

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

**ADB provides \$130 million for Afghan Transport Network.** ADB and the Government of Afghanistan signed two grant agreements totaling \$130 million to finance a new road link which will open up an [east-west trade corridor](#) with Tajikistan and beyond. The grant will also be used to help strengthen the Afghanistan Railway Authority, improve the movement of goods and people along Central Asia Regional Economic Cooperation (CAREC) road corridors, and run a pilot project to promote best practices in road operations and maintenance across Afghanistan.

**Myanmar, ADB sign \$80 million loan agreement to improve connectivity in Ayeyarwaddy Delta.** ADB and the Government of Myanmar signed an \$80 million loan agreement to [rehabilitate a major road to support economic development](#) in the agriculturally rich but underdeveloped Ayeyarwaddy Delta. Underinvestment in road maintenance—and the devastation caused by cyclone Nargis in 2008—left the delta road network in poor condition, undermining economic and social development.

**BBIN Transport Secretaries join meeting on Regional Road Transport Connectivity.** The Meeting of Bangladesh, Bhutan, India, and Nepal (BBIN) Transport Secretaries on [Regional Road Transport Connectivity](#) was held in Kolkata, India 2–3 February. Attended by BBIN secretaries of transportation, the meeting finalized a draft Motor Vehicles Agreement (MVA), which aims to enhance road connectivity in the subregion by allowing passenger, personal, and cargo vehicles to cross international borders and travel along designated key trade routes in the four countries and will be signed at a later date.



## TRADE AND INVESTMENT

**Japan signs EPA with Mongolia; continues to engage in bilateral agreements.** Japanese Prime Minister Shinzo Abe and Mongolian Prime Minister Chimediiin Saikhanbileg signed an [Economic Partnership Agreement \(EPA\)](#) on 10 February. The agreement liberalizes all Mongolian exports to Japan and 96% of Japan's exports to Mongolia, and covers services trade, investment, and intellectual property rights. Also, Japan held the [9<sup>th</sup> round of negotiations on the Japan-European Union EPA](#) in Brussels, Belgium, 23–27 February, while the [10<sup>th</sup> round of negotiations for the Japan-Colombia EPA](#) is planned 2–6 March in Bogota, Colombia.

**PRC eyes trade with South Asian economies.** [The PRC and the Maldives held the first working group meeting](#) 4–5 February to discuss joint feasibility studies for a proposed FTA. They discussed the framework of the feasibility studies, including division of labor, framework of research reports, and working arrangements. Meanwhile, the PRC and Pakistan held the [3<sup>rd</sup> meeting](#) for the Second Phase of [the People's Republic of] China-Pakistan Free Trade Area (CPFTA) on 6–8 January. Both parties agreed to narrow the gap on tariff reduction modalities and to establish a working group on Trade in Services and Investment.

**Lao PDR and Viet Nam host the launch of one-stop checking system.** Lao PDR Deputy Prime Minister Somsavat Lengsavat and Viet Nam Deputy Prime Minister Nguyen Xuan Phuc, with the co-hosted the 6 February opening of the [Single-Stop Inspection and Single-Window Inspection](#) at the border checkpoint linking Dansavanh, Lao PDR and Lao Bao, Viet Nam. The one-stop checking system is one milestone of the Cross-Border Transport Agreement to enhance connectivity and boost the cross border flow of goods and people in the GMS.

**CAREC cooperation in sanitary and phytosanitary measures advances.** Experts and Central Asia Regional Economic Cooperation (CAREC) consultants attended a workshop on promoting sanitary and phytosanitary (SPS) measures 26–27 January in Bishkek, Kyrgyz Republic. The findings, conclusions, and recommendations of an ADB technical assistance to promote SPS were presented during the workshop. By 2020, CAREC aims to establish regional SPS programs in at least five economies in the region under the revised [CAREC Transport and Trade Facilitation strategy](#).



## MONEY AND FINANCE

**Senior government officials and business leaders in Islamic finance discuss key issues.** The 2<sup>nd</sup> Global Islamic Finance and Investment Group (GIFIG) meeting, hosted by Bank Negara Malaysia and the United Kingdom Foreign and Commonwealth Office was held 15 February in Kuala Lumpur, Malaysia. GIFIG is a platform to foster cross-border linkages, facilitate capital and financial flows and efficient price discovery processes, and enhance competitiveness to help maintain the vibrancy of Islamic finance. During the meeting, the group agreed to work on improving global understanding of Islamic finance and use Islamic finance funds for infrastructure development.

**Singapore and Myanmar sign MOU on banking supervision.** The Central Bank of Myanmar (CBM) and the Monetary Authority of Singapore entered into a Memorandum of Understanding (MOU) to strengthen bilateral cooperation in banking supervision and capacity building. The MOU, signed 3 February, is a significant step in CBM's bank liberalization program. In 2014, CBM awarded licenses to foreign banks to offer wholesale banking services to foreign corporations, and provide financial and technical support to Myanmar's domestic banks.

**Japan-Philippines establish liquidity arrangement.** On 6 February, the Bank of Japan (BOJ) and Bangko Sentral ng Pilipinas (BSP) agreed to establish a cross-border liquidity arrangement to enhance financial stability in the Philippines. The agreement reinforces the central banks' commitment to support long-standing economic and financial relations between the two economies.

**Financial Intelligence Units of Brunei Darussalam and Bangladesh sign MOU.** The Financial Intelligence Unit of the Autoriti Monetari Brunei Darussalam signed an MOU with the Financial Intelligence Unit of the Bangladesh Bank at the Egmont Working Group meetings in Berlin, Germany 27 January. Under the MOU, the two agencies agree to cooperate in exchanging financial intelligence to assist in investigating and prosecuting money laundering and terrorism financing suspects.



## REGIONAL PUBLIC GOODS

**ASEAN Disaster Management Training Institutes Network holds capacity building workshop.** A 2-day training needs assessment workshop—organized by the ASEAN Disaster Management Training Institutes Network—was held 11–12 February in Jakarta, Indonesia to standardize regional Damage and Loss Assessment and recovery guidelines used by ASEAN national disaster management agencies. The workshop—with support from the United States and Australia—aims to increase ASEAN members' capacity in disaster management, using the ASEAN Agreement on Disaster Management and Emergency Response as the regional policy backbone and common platform.

**Pacific organic farmers support 2015 UN International Year of Soils.** The Secretariat of the Pacific Community, in collaboration with the Pacific Organic and Ethical Trade Community (POETCom) and Pacific farmers are raising awareness of civil society and policymakers on the fundamental role of soils for human life. The awareness campaign includes articles, infographics and videos to be posted on the POETCom website to promote effective policies and actions for sustainable management and protection of soil resources—to help with 'soil saving' and 'soil building'.

**Biotechnologists from SAARC gather for the First South Asian Biotechnology Conference.** Biotechnologists from the South Asian Association for Regional Cooperation (SAARC) gathered for the inaugural First South Asian Biotechnology Conference held 12–14 February in New Delhi, India. Aside from presenting research work in different areas of biotechnology and natural science, participants shared experience in applying biotechnology for development.

## MARCH 2015 UPCOMING EVENTS

WEEK 1	1	21 <sup>st</sup> ASEAN Economic Minister's Retreat (Kota Bharu, Kelantan, Malaysia)	
	3-6	Regional Workshop on the Future of Coastal/Inshore Fisheries Management (Noumea, New Caledonia)	
	5-6	APEC Finance and Central Bank Deputies' Meeting (Tagaytay, Philippines)	
WEEK 2	9-11	ASEAN Inter-Ministerial Workshop on Gender Issues in Climate Change and its Adaptation (Putrajaya, Malaysia)	
	9-20	59 <sup>th</sup> Session of the Commission on the Status of Women (New York, USA)	
	11-12	3 <sup>rd</sup> Meeting of the SASEC Customs Subgroup (Goa, India)	
WEEK 3	15-16	9 <sup>th</sup> ASEAN Defence Ministers' Meeting (ADMM) (Langkawi, Malaysia)	
	16-20	National Workshop on Time Release Study (Kathmandu, Nepal)	
	16-20	National Workshop on Revised Kyoto Convention and Amended Sales Tax, Customs, and Excise Act 2000 (Phuentsholing, Bhutan)	
	18	ASEAN Finance and Central Bank Deputies' Joint Meeting (AFCDM) (Kuala Lumpur, Malaysia)	
	18-19	ASEAN Aviation Summit (Langkawi, Malaysia)	
	18-20	Special Coordinating Committee on Services (CCS) Meeting (Kuala Lumpur, Malaysia)	
	19	Formal ASEAN+3 Finance and Central Bank Deputies' Meeting (Formal AFCDM+3) (Kuala Lumpur, Malaysia)	
	20	ASEAN Finance Ministers' Retreat (Kuala Lumpur, Malaysia)	
	21	19 <sup>th</sup> ASEAN Finance Ministers' Meeting (Kuala Lumpur, Malaysia)	
		11 <sup>th</sup> ASEAN Central Bank Governors' Meeting (Kuala Lumpur, Malaysia)	
		1 <sup>st</sup> ASEAN Finance Ministers' and Central Bank Governors' Joint Meeting (Kuala Lumpur, Malaysia)	
	WEEK 4	26-27	National Workshop on Revised Kyoto Convention and Amended Sales Tax, Customs, and Excise Act 2000 (Thimphu, Bhutan)
		27	National Workshop on the Draft Climate and Disaster Resilient Low Carbon Policy (Palau)

## PUBLICATION



**No. 146 — Trans-Pacific Partnership versus Comprehensive Economic Partnership: Control of Membership and Agenda Setting** Shintaro Hamanaka argues that the formation of regional integration frameworks can be seen as the dominant state's attempt to create a preferred regional framework in which it can exercise exclusive influence.

## SPECIAL FEATURE



The South Asia Subregional Economic Cooperation (SASEC) Program released a free mobile app available for download. This app is a one-stop source of information on SASEC Program projects, news, events, and other knowledge products. Since 2001, SASEC economies have implemented 33 regional projects worth more than \$6 billion in energy, transport, and trade facilitation. Available for iOS and Android devices.