

# RCI NEWS AND EVENTS

MAY 2013 • ISSUE NO. 1

*RCI News and Events follows regional initiatives under ADB's four RCI pillars: (i) cross-border infrastructure, (ii) trade and investment, (iii) money and finance, and (iv) regional public goods.*

## IN THE NEWS

### **ADB holds roundtable on regional cooperation in Asia.**

At its headquarters in Manila, Philippines on 5 March, ADB held a [High-Level Round Table Discussion: Regional Cooperation in a Changing Global Economic Landscape](#). The Secretary-General of the [Pacific Islands Forum](#), the Director of the [ASEAN+3 Macroeconomic Research Office](#), the Chief Economist of [ASEAN](#), and senior officials from [CAREC](#) and [SAARC](#) members joined the roundtable. The [March 2013 issue](#) of the *Asian Economic Integration Monitor* and the [Kunming Conference Report](#) were launched during the event.

**ASEAN moves toward AEC 2015.** The 19<sup>th</sup> ASEAN Economic Ministerial Meeting and related meetings were held in Ha Noi, Viet Nam 7–9 March, discussing [initiatives and recommendations](#) to meet the target of an ASEAN Economic Community (AEC) by 2015. The ministers discussed trends and priorities for 2013 and agreed to accelerate implementing commitments in goods and services trade and investment. The ministers also approved a legal framework for negotiations this year on the Regional Comprehensive Economic Partnership Agreement (RCEP).

## CROSS-BORDER INFRASTRUCTURE

**ASEAN strengthens customs risk management; pushes for stronger links with the People's Republic of China (PRC) and BIMP-EAGA.** [ASEAN Customs Officials joined a workshop on modern risk management](#) practices, methodology, and analytical tools in Kuala Lumpur, Malaysia the first week of March. The workshop tackled risk management in the context of Single Window customs implementation. Meanwhile, the [14<sup>th</sup> ASEAN–PRC Joint Cooperation Committee Meeting reviewed dialogue relations and cooperation](#) over the past year. The PRC said it was committed to the ASEAN–PRC Plan of Action (2011–2015) highlighting maritime cooperation and ASEAN connectivity. [ASEAN is also pushing for stronger links with BIMP-EAGA](#) to accelerate

implementation of BIMP-EAGA projects under the Master Plan on ASEAN Connectivity.

**CAREC holds workshop on optimizing use of monitoring data.** The [Corridor Performance Measurement and Monitoring \(CPMM\) International Workshop: CAREC Experience and International Prospects](#) was held 1 March in Almaty, Kazakhstan. Participants discussed the use of CPMM data to better facilitate trade. They also discussed how to introduce the CPMM in other subregions.

**Mongolia–PRC and Myanmar–Thailand promote cross-border trade facilitation.** [Mongolia plans to expedite customs clearance with the PRC](#). Prime Minister Norovyn Altankhuyag recently called for immediate steps to facilitate customs clearance, while the PRC invested \$2.1 million last year on a 1.15-km freight line in Mongolia to increase cross-border transport and trade. Meanwhile, [Myanmar will open another border trade outpost with Thailand](#). The new Mawtaung outpost—in Myeik in southern Taninthayi Region—is the fifth with Thailand, in addition to border crossings in Myawady, Tachikeik, Myeik, and Kawthaung.

**APEC seeks unified connectivity framework.** During a 17 April [APEC symposium in Surabaya, Indonesia](#), senior officials and economic experts agreed to pursue a unified connectivity framework that could lower business costs, bring people together, and enhance economic resilience in the Asia-Pacific region. Guided by a set of specific goals and timelines, the connectivity framework will include mechanisms that support long-term infrastructure development, elimination of trade barriers, and harmonization of standards and cross-border processes.

## TRADE AND INVESTMENT

**ASEAN's CLMV countries enhance trade cooperation.** On the sidelines of the ASEAN Economic Ministers' Retreat Meeting, the [Cambodia—Lao PDR—Myanmar—Viet Nam \(CLMV\) Senior Economic Officials Meeting](#) was held 7 March to boost economic and trade cooperation. The ministers reviewed existing CLMV action plans and discussed additional ways to boost trade and investment, develop human resources, and enhance coordination mechanisms. The CLMV meeting was preparatory to the [6<sup>th</sup> CLMV Summit](#), held 12 March in Vientiane, Lao PDR and to the [6<sup>th</sup> CLMV Economic Minister's Meeting](#), to be held later this year.

**ASEAN and EU discuss the process of integration.** Senior officials and experts from ASEAN and the European Union (EU) discussed past developments and future prospects of EU and ASEAN integration at the [EU—ASEAN Economic & Policy Forum](#) 18 April in Jakarta, Indonesia. The two groups agreed that the new ASEAN-EU Plan of Action should help address the challenges of deeper integration in the context of the current slow global economic recovery.

**FTA talks begin.** [Representatives from Viet Nam and the Customs Union of Russia, Belarus, and Kazakhstan began free trade negotiations](#) under the rules of the World Trade Organization in Ha Noi, Viet Nam on 28 March. This coincided with the first round of the [PRC—Japan—Republic of Korea Free Trade Agreement \(FTA\)](#) negotiations held in Seoul, Republic of Korea from 26–28 March. Meanwhile, Thailand and EU [began](#) FTA talks on 6 March.

**PRC signs more FTAs.** The PRC Minister of Commerce Gao Hucheng and Iceland Minister for Foreign Affairs and External Trade Ossur Skarpheoinsson signed a [PRC—Iceland FTA](#) at the Great Hall of the People in Beijing, PRC on 15 April. The Agreement is the first FTA the PRC has signed with a member of the EU. The FTA covers trade in goods and services as well as investment.

**Japan joins Trans-Pacific Partnership negotiations.** The [Trans-Pacific Partnership \(TPP\) welcomed Japan](#) as its 12<sup>th</sup> negotiating member on the sidelines of the APEC Trade Ministers' meeting 21 April in Surabaya, Indonesia. With Japan, the TPP would account for almost 40% of global GDP and about 33% of world trade. The group concluded its [16<sup>th</sup> round of negotiations](#) 13 March in Singapore. The group hopes to conclude negotiations this year. The next round will be held in Lima, Peru on 15–24 May.

**APEC reiterates the need for greater integration.** [APEC Ministers Responsible for Trade](#) reaffirmed the need for an "integrated, seamless Asia-Pacific" during its 20–21 April meeting in Surabaya, Indonesia. Facing slow global economic growth resulting in decreasing world trade, the ministers reaffirmed their commitment to the [1994 Bogor Goals](#) of free trade and investment by 2020. They agreed to monitor FTA development in the region and prepare for an eventual [Free Trade Area of the Asia-Pacific](#)—while continuing support for the [multilateral trading system](#).

**New Zealand bolsters trade partnerships.** The first [New Zealand Trade and Enterprise trade mission](#) to the [ADB Business Opportunities Fair](#) 21–22 March in Manila also met with Philippine trade and finance secretaries to discuss business opportunities. New Zealand also announced it will continue to strengthen trade and economic ties with TPP member [Chile](#) after bilateral talks 8 March between Prime Minister John Key and President Sebastian Piñera. The two leaders discussed the ongoing TPP negotiations. Prime Minister Key likewise met 6 March with [Mexico](#) President Enrique Peña Nieto (Mexico is another TPP member), where the two leaders committed to strengthen trade.

## MONEY AND FINANCE

**ASEAN commits to stronger financial cooperation.** The 17<sup>th</sup> ASEAN Finance Ministers' Meeting held in Brunei Darussalam on 3–4 April focused on regional economic developments and explored ways to strengthen the ASEAN surveillance process and regional finance cooperation, and promote initiatives under the ASEAN Central Bank Governors' forum and the ASEAN Economic Community. The joint ADB–ASEAN study, [The Road to ASEAN Financial Integration](#), was also launched during the meeting.

**India and Bhutan sign currency pact.** On 8 March, the [Reserve Bank of India \(RBI\)](#) signed a [Currency Swap Agreement with the Royal Monetary Authority of Bhutan](#). Valid for 3 years, the agreement allows Bhutan to withdraw US dollars, euros, or Indian rupees up to \$100 million (or equivalent). The pact is the first under the \$2 billion swap facility the RBI announced at the South Asia Association for Regional Cooperation (SAARC) Finance Governor's meeting in May 2012.

**PRC central bank signs agreements with Australia, Brazil, and South Africa.** On 9 April, [PRC and Australian monetary authorities](#) agreed to allow direct trading between the renminbi and Australian dollar. This should enhance trade and economic links between the two countries. Similarly, [PRC and Brazil](#) central banks signed a 3-year bilateral local currency pact worth CNY190 billion/BRL60 billion. And on 26 March, [PRC and South Africa](#) central banks signed an agreement to allow South African Reserve Bank investment in the PRC interbank bond market.

**Central bank cooperation intensifies.** On 5 March, the central banks of [India and Fiji](#) signed a memorandum of understanding (MOU) to enhance cooperation and information-sharing on bank supervision. Likewise, the RBI signed MOUs with financial and monetary authorities in [Belgium and Germany](#) to promote greater cooperation and sharing of supervisory information. On 22 March, senior officials of [Bank Indonesia and the Bank of Thailand](#) discussed sharing information and experience on monetary affairs, banking, and payment systems.

**Asian stock markets join forces to develop financial products.** [Singapore Exchange \(SGX\)](#) and [Korea Exchange \(KRX\)](#) signed an MOU on 13 March to collaborate in developing over-the-counter financial derivatives clearing. [SGX and the Philippines Stock Exchange](#) agreed 20 March to cooperate in developing Philippine-linked derivatives products. On the same day, [SGX and the Philippine Dealing System Holdings Corp.](#) signed an MOU to develop fixed income access between Singapore and the Philippines. The MOU includes developing trading platforms to support cross-border fixed income trading. SGX also signed an MOU with PRC's [China Financial Futures Exchange](#) to develop derivative markets.

**Viet Nam cooperates with other countries on financial and fiscal projects.** On 4 March, officials from [Viet Nam and Myanmar](#) agreed to negotiate a bilateral customs cooperation plan for 2013. Viet Nam also discussed with the [Japan Bank for International Cooperation](#) to provide loans for Viet Nam's Private Public Partnership projects to develop infrastructure. On 12 March, [Canada](#) announced assistance in modernizing and strengthening Viet Nam's banking system and financial regulatory environment. The [Russian state-owned VTB Bank](#) is exploring participation in Viet Nam's debt market and financing Russian investment projects in Viet Nam, among others. [Luxembourg](#) and Viet Nam officials also met to discuss financial cooperation.

**Singapore expands financial cooperation.** During the 17<sup>th</sup> ASEAN Finance Ministers' Meeting in Bandar Seri Begawan, Brunei Darussalam, 3–4 April, [Singapore signed an MOU on financial cooperation with Cambodia](#). And on 19 April, [Singapore and Japan](#) reaffirmed financial cooperation and agreed to strengthen it further.

## REGIONAL PUBLIC GOODS

**ASEAN collaborates with civil society and the scientific community for effective disaster resilience.** On 27 March, the [ASEAN Committee on Disaster Management \(ACDM\)](#) and civil society representatives discussed potential areas of cooperation, including disaster risk assessment and early warning systems. The partnership dialogue follows a 25–27 March ACDM workshop in Bangkok, Thailand on institutionalizing the [ASEAN Agreement on Disaster Management and Emergency Response](#). The ACDM also held [capacity building workshops](#) 19–22 March in Bangkok, where discussions on strengthening collaboration with the scientific community and workshops on risk assessment tools were held.

**Pacific Islands report progress on renewable energy.** Leaders from Pacific Island countries and territories gathered at the [Pacific Energy Summit](#) 24–26 March in Auckland, New Zealand to review cooperation and take stock of renewable energy targets. During the event, the Director-General of the [Secretariat of the Pacific Regional Environment Programme](#) analyzed the results of its [renewable energy project](#)—citing the importance of political leadership, clear and effective policy, and sustainable investment in successfully reducing greenhouse gas emissions through renewable energy. The [Secretariat of the Pacific Community](#) reported progress in the [North Pacific ACP Renewable Energy and Energy Efficiency Project](#), including finalizing installation contracts and agreements.

**WHO and Global Fund cite urgent need for international financing to fight TB.** On 18 March, officials of the [World Health Organization \(WHO\)](#) and [Global Fund to Fight HIV/AIDS, TB and Malaria](#) said at least \$1.6 billion a year was needed to tackle the spread of tuberculosis (TB). In addition, they said \$1.3 billion in additional funds are needed for TB research and development for 2014–2016.

**Malaysia ratifies an agreement to establish a permanent Secretariat for the Coral Triangle Initiative.** On 16 April, Malaysia said it would join Indonesia, Solomon Islands, and Timor-Leste in supporting the [agreement](#), bringing the number of signatories to four out of the six Coral Triangle members.

## MAY 2013 EVENTS

- 29 Apr–3 May: [Bonn Climate Change Conference — April 2013](#) (Bonn, Germany)
- 2 May: [SPECA 18<sup>th</sup> Session of Project Working Group on Transport and Border Crossing](#) (Almaty, Kazakhstan)
- 2 May: [ASEAN Plus Three Finance and Central Bank Deputies Meeting](#) (New Delhi, India)
- 3 May: [16<sup>th</sup> ASEAN Plus Three Finance Ministers and Central Bank Governors Meeting](#) (New Delhi, India)
- 3 May: [7<sup>th</sup> Informal Meeting of SAARC Finance Ministers](#) (New Delhi, India)
- 3 May: [SASEC Nodal Officials' Meeting](#) (New Delhi, India)
- 7–9 May: [18<sup>th</sup> ASEAN Meeting of the Coordinating Committee on Customs](#) (Manila, Philippines)
- 7–10 May: [Expert Group Meeting on the Finalisation of ASEAN CBTP and 25<sup>th</sup> ASEAN Transport Facilitation Working Group Meeting](#) (Langkawi, Malaysia)
- 9–13 May: [1<sup>st</sup> RCEP Trade Negotiating Committee and RCEP Working Groups Meeting](#) (Brunei Darussalam)
- 14–17 May: [4<sup>th</sup> Meeting of ASEAN Multisector Road Safety Special Working Group and 22<sup>nd</sup> ASEAN Land Transport Working Group Meeting](#) (Lao PDR)
- 15–24 May: [17<sup>th</sup> Round of Trans-Pacific Partnership Negotiations](#) (Lima, Peru)
- 20–21 May: [EE Global 2013—Energy Efficiency Global Forum](#) (Washington DC, USA)
- 22–23 May: [APEC Senior Finance Officials' Meeting](#) (Manado, Indonesia)
- 22–23 May: [4<sup>th</sup> ASEM Environment Ministers' Meeting](#) (Ulaanbaatar, Mongolia)
- 23–24 May: [APEC Workshop on Financial Inclusion](#) (Manado, Indonesia)
- 28 May: [35<sup>th</sup> ASEAN Senior Transport Officials Meeting](#) (Lao PDR)
- 29–31 May: [3<sup>rd</sup> CTI–CFF Regional Exchange on Climate Change Adaptation](#) (Dili, Timor-Leste)