

# RCI NEWS AND EVENTS

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*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

**Roadmap for ASEAN Community 2015 forges ahead.** At the 22<sup>nd</sup> ASEAN Summit, held 24–25 April in Bandar Seri Begawan, Brunei Darussalam, [leaders agreed to redouble efforts to launch an ASEAN Community in 2015](#). The ASEAN Community seeks political cohesion, economic integration, cultural harmony, and social responsibility. The Summit stressed the importance of a truly “[People-Centred](#)” ASEAN as central to its post-2015 vision.

**APEC ministers agree to promote regional trade agreements.** The [APEC Ministers Responsible for Trade](#) met 20–21 April in Surabaya, Indonesia to discuss priorities for 2013, including how to best attain the [Bogor Goals](#), promote connectivity, and support the multilateral trading system. The ministers agreed to promote the Trans-Pacific Partnership (TPP) and the Regional Comprehensive Economic Partnership (RCEP) as steps toward a Free Trade Area in the Asia-Pacific region.

## CROSS-BORDER INFRASTRUCTURE

**Central Asian cross-border trade gets boost from new road.** A [rehabilitated road in landlocked Tajikistan](#) is expected to improve domestic trade, trade with the rest of Central Asia, and the People's Republic of China (PRC). The 180-kilometer (km) road that runs from Rasht Center to Dushanbe (Tajikistan's capital) is part of a greater road corridor connecting Dushanbe with the Kyrgyz Republic. An ADB-assisted project under the [CAREC Program](#), work on the road is nearly complete.

**CAREC holds consultation workshop with the Kyrgyz Republic.** Kyrgyz Republic officials and representatives from the private sector, research institutions, and multilateral/bilateral development organizations joined the [CAREC National Consultation Workshop](#) 16 April to discuss initiatives in [transport, energy, trade policy, and trade facilitation](#). They were also updated on the status of the [CAREC Cross-Border Transport Agreement](#), energy tariff policies, and compliance with sanitary and phytosanitary standards.

**ASEAN and Japan enhance ICT cooperation.** Representatives from [ASEAN and Japan](#) met 29 April at the ASEAN Secretariat in Jakarta, Indonesia to discuss Information and Communication Technology (ICT) cooperation on regional disaster management communication. Japan also said it supports implementing the [ASEAN ICT Masterplan 2015](#).

**APEC supports unified connectivity and marine mining.** The [APEC Symposium on Connectivity](#) held 16 April in Surabaya, Indonesia discussed APEC's development plan to establish a unified connectivity framework to lower business costs, bring people together, and enhance the region's economic resilience. On 22 May in Taipei, China, the [APEC Mining Task Force](#) held a seminar to examine how member economies could expand marine mining and collaborate on policy. Coordinated development of marine mining in the region is needed to meet long-term demand for industrial commodities, while protecting other ocean-related activities from the effects of increased excavation.

## TRADE AND INVESTMENT

**ASEAN seen as a new magnet for FDIs.** The [27th Meeting of the Working Group on International Investment Statistics](#), held 15–17 May in Jogjakarta, Indonesia, discussed ASEAN's increasing attractiveness as a destination for foreign direct investment (FDI) since 2010. The meeting was held concurrently with the 6th Regional Workshop on Foreign Direct Investment Statistics. Also discussed were increasing intra-ASEAN investments.

**ASEAN+6 launches RCEP negotiations.** On 9–13 May, the first round of negotiations for the [Regional Comprehensive Economic Partnership \(RCEP\)](#) was held in Bandar Seri Begawan, Brunei Darussalam. The framework for negotiations was discussed, and [three working groups](#) were established for goods trade, services trade, and investment. The next round of [RCEP](#) negotiations is scheduled in Brisbane, Australia in September.

**ASEAN and Hong Kong, China pursue FTA.** On 26 April, [ASEAN and Hong Kong, China](#) agreed to pursue a free trade agreement, expected to cover preferential rules of origin, liberalizing services trade and investment, and a dispute settlement mechanism. ASEAN is Hong Kong, China's second largest partner in goods trade and fourth largest in services.

**Two PRC FTAs signed.** The [People's Republic of China and Iceland](#) signed a free trade agreement 15 April in Beijing, PRC. Once in force, industrial and fishery products imported from the PRC will be tariff free. The PRC will impose no tariffs on goods under 7,380 tariff numbers imported from Iceland. On 24 May in Bern, Switzerland, the [PRC and Switzerland](#) signed an MOU on completing FTA negotiations, agreeing that domestic approval procedures will be expedited so the FTA can be signed and implemented as soon as possible.

**More FTAs under negotiation.** [Japan and the European Union](#) (EU) held the first round of negotiations for an economic partnership agreement (EPA) 15–19 April in Brussels, Belgium. They discussed negotiating areas and procedures and agreed to meet again in Tokyo on 24 June. On 20–24 May in Cali, Colombia, [Japan and Colombia](#) held their second round of negotiations for an EPA. [Japan and Canada](#) also held second round EPA negotiations on 22–26 April in Ottawa, Canada. The [PRC and the Republic of Korea](#) held their fifth round of negotiations in Harbin, PRC on 26 April, where they agreed to reach a consensus on negotiation modalities as soon as possible. The third round of negotiations on a [Viet Nam-EU Free Trade Agreement](#) was held in Ho Chi Minh, Viet Nam 23–26 April, where trade in goods and services, investment, customs cooperation, and sustainable development were discussed.

**Samoa ratifies PICTA Trade in Services Protocol.** Samoa ratified the [Pacific Island Countries Trade Agreement](#) (PICTA) Trade in Services (TIS) Protocol on 8 May, making it the first Forum Island Country to do so. Under the PICTA TIS protocol, Forum Island Countries commit to deepen integration in the region and liberalize sectors such as tourism, transport, communications, and financial and business services.

**India and the EU review BTIA.** [India and EU](#) held a ministerial dialogue on the ongoing India–EU Broad-based Trade and Investment Agreement (BTIA) 15 April in Brussels, Belgium. They discussed the services sector, market access for agricultural products, pharmaceuticals, and textiles, as well as financial services and the automobile sector.

## MONEY AND FINANCE

**Asian leaders affirm support for stronger regional financial cooperation.** The [16<sup>th</sup> ASEAN+3 Finance Ministers and Central Bank Governors' Meeting](#) (AFMGM+3) held 3 May in New Delhi, India finalized an amendment to the Chiang Mai Initiative Multilateralization (CMIM) Agreement, reached consensus on the draft agreement to upgrade the ASEAN+3 Macroeconomic Research Office to an international organization, and endorsed the work plan for the New Roadmap of the Asian Bond Markets Initiative. Leaders cited infrastructure financing, disaster risk insurance, and using local currencies for regional trade settlement as future areas of financial cooperation. Infrastructure financing was also a major topic during the [7<sup>th</sup> Informal Meeting of SAARC Finance Ministers](#), also held on the sidelines of the 46<sup>th</sup> ADB Annual General Meeting in New Delhi, India.

**Japan deepens financial collaboration with ASEAN.** Japan established [new joint working groups](#) with five ASEAN members—[Indonesia, Malaysia, the Philippines, Singapore, and Thailand](#)—on 3 May on the sidelines of the AFMGM+3 in New Delhi. The working groups will enhance cooperation on development finance and improve regional financial infrastructure. On 26 May, Japan [cancelled](#) at least ¥180 billion of Myanmar's outstanding debt, while extending a fresh [¥51 billion loan](#) in support of ongoing reforms.

**APEC focuses on financial inclusion.** APEC finance officials met in Manado, Indonesia for the [APEC Senior Finance Officials Meeting \(SOFM\) and Workshop on Financial Inclusion](#), held 22–24 May. Delegates reviewed progress on cooperation activities within APEC and discussed ways to strengthen regional infrastructure investment and promote initiatives on comprehensive financial inclusion, as well as modernizing treasury systems.

**SMEs to get regional financial support.** Japan and Singapore are strengthening strategic investment opportunities between their small- and medium-sized enterprises through a Memorandum of Understanding (MOU) signed 28 May. Earlier in the month, the State Bank of India (SBI) entered into a partnership with the state-owned Industrial Bank of Korea to help the latter's SMEs operating in India. Specifically, the MOU allows companies from the Republic of Korea to seek funding from the SBI.

**PRC's expand financial links in the region.** The Reserve Bank of Australia recently announced plans to invest up to 5% of Australia's foreign currency assets in the PRC, after monetary authorities agreed to begin direct trading between renminbi and the Australian dollar. Likewise, the currency swap arrangement between the PRC and Pakistan became operational 7 May. The swap—for CNY10 billion and PKR140 billion—is to augment bilateral trade and investment financing between the two economies. On 20 May, PRC and Tajikistan established a strategic partnership in several areas, including financial support for PRC firms investing in Tajikistan and encouraging bilateral trade settlement in local currencies. The PRC and India agreed the same day to strengthen cooperation between financial regulators and enhance collaboration on bilateral project financing.

**Financial cooperation strengthening.** Effective 13 May, foreign debt registration in the PRC and rules on foreign exchange administration for FDI have been simplified. Singapore, as a regional financial center, is strengthening international cooperation to combat cross-border tax offences. This follows a call to raise standards for financial reporting in the region, possibly in collaboration with other ASEAN countries. The First India-[People's Republic of] China CEOs Forum, held 20 May in New Delhi, India, called for the two governments to expedite the process of allowing renminbi-rupee-dollar trade.

**Asian stock exchanges boost cooperation.** The Lao PDR and Viet Nam added to the string of agreements between Asian stock exchanges. The Lao [PDR] Stock Exchange, Ha Noi Stock Exchange, and Ho Chi Minh City Stock Exchange signed an MOU 10 May on information-sharing, cooperation on product and infrastructure development, and corporate governance.

## REGIONAL PUBLIC GOODS

**ASEAN advances health and energy cooperation.** In line with the ASEAN Economic Community (AEC) 2015 Blueprint, the bloc is increasing harmonization and efficiency of healthcare regulations. The Medical Devices Regulatory Harmonization Training Program, held 22–23 April in Selangor, Malaysia, helped in understanding and interpreting the ASEAN Medical Device Directive. ASEAN and the US expanded energy cooperation through the US-ASEAN Vehicle Fuel Efficiency Workshop, held the third week of May. The workshop discussed use of fuel for ASEAN road transport, bringing together officials responsible for energy efficiency and conservation.

**The Pacific advances energy efficiency and marine management.** During the first Small Island Developing States Sustainable Energy Initiative (SIDS DOCK) Pacific Regional Meeting held 6–9 May in Nadi, Fiji, the Secretariat of the Pacific Regional Environment Programme (SPREP) and UNDP signed a \$2 million agreement for renewable energy and energy efficiency projects in the Pacific. Also, a \$10.6 million fund will be devoted to assist Fiji, Kiribati, the Solomon Islands, Tonga, and Vanuatu in conserving marine and coastal biodiversity.

**Renewable energy initiatives expand in developing Asia.** In the PRC, a \$200 million loan from ADB is helping small- and medium-sized cities convert solid waste into a sustainable renewable energy source. The PRC hopes to halve growth in electricity demand, dramatically increasing its renewable energy capacity, and cutting emissions growth faster than expected, according to a 29 April Australian government climate commission report. ADB is investing \$30 million in equity to support India's hydropower and wind power projects, slated to generate 530 gigawatt-hours annually and reduce CO<sub>2</sub> emissions by 400,000 tons annually from 2017 onward. On 21 May, ADB said it would provide \$1 million in technical assistance for Indonesia's eastern Sumba island to become fully reliant on renewable energy.

**Climate change cooperation within Asia deepens.** Japan and the PRC signed agreements with the US to cooperate on practical measures for reducing greenhouse gas emissions. The Republic of Korea and the US are also cooperating on climate change through clean energy partnerships to enhance energy security and address climate change. The Philippines is joining world climate talks to urge developed nations to adhere to the principles and provisions of the United Nations Framework Convention on Climate Change treaty. Parliamentarians from India, Sri Lanka, and Bangladesh have urged the United Kingdom to accelerate its transition to renewable energy and remain active in international climate change negotiations.

**Asia launches solar energy infrastructure initiatives.** On 16 April, ADB announced it would provide \$85 million in loans to build three solar photovoltaic (PV) power plants in Thailand with a combined capacity of 57 megawatts. The Philippines is planning a \$72 million, 30-megawatt solar plant on a 44-hectare site in Ormoc, Leyte.

## JUNE 2013 EVENTS

- 3–5 Jun: **8th ASEAN-Korea Free Trade Area Implementing Committee and related meetings**
- 5 Jun: **World Environment Day 2013** (Mongolia)
- 5–7 Jun: **World Economic Forum on East Asia 2013** (Nay Pyi Taw, Myanmar)
- 6–7 Jun: **CAREC Energy Sector Coordinating Committee Meeting** (Ashkhabad, Turkmenistan)
- 9 Jun: **Coral Triangle Day** (Indonesia, Malaysia, Papua New Guinea, the Philippines, Solomon Islands, and Timor-Leste)
- 10–11 Jun: **Global Green Growth Summit 2013** (Incheon, Republic of Korea)
- 11–12 Jun: **APEC-ABAC-ADB Asia Pacific Financial Inclusion Forum** (Batam Island, Indonesia)
- 12–14 Jun: **ADB-ITCSP Asia Think Tank Summit** (Tokyo, Japan)
- 19–21 Jun: **GDN 14th Annual Global Development Conference** (ADB Headquarters, Manila, Philippines)
- 19–21 Jun: **Global Symposium: REDD+ in a Green Economy** (Jakarta, Indonesia)
- 20 Jun 2013: **BOAO Forum for Asia: Asian FTA Forum 2013** (Qingdao, PRC)
- 20–21 Jun: **Ninth Meeting of the SAARC Sub-Group on Customs Cooperation** (Colombo, Sri Lanka)
- 24–28 Jun: **31st Senior Officials Meeting on Energy (SOME) and its Meeting with Dialogue Partners** (Bali, Indonesia)
- 24–28 Jun: **33rd Meeting of the Open-Ended Working Group of the Parties to the Montreal Protocol** (Bangkok, Thailand)
- 27–28 Jun: **CAREC Senior Officials' Meeting** (Almaty, Kazakhstan)