

# 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

**AIF begins operations; IFC proposes new fund for long-term investments.** On 3 December, the [ASEAN Infrastructure Fund Ltd. \(AIF\)](#) began lending operations with a \$25 million loan to fund power links in Indonesia, ushering in a new era of ASEAN-led investments. On 23 December, the World Bank Group's International Finance Corporation (IFC) [proposed to establish a \\$1 billion–\\$1.5 billion IFC Asia Fund](#) to supply long-term capital for investments across emerging markets in East Asia and the Pacific.

**World trade ministers approve “Bali Package”.** World trade ministers reaffirmed their commitment to advance the Doha Development Agenda (DDA) at the [Ninth WTO Ministerial Session](#) 3–7 December in Bali, Indonesia. The agreement—labelled the “[Bali Package](#)”—covered issues related to trade facilitation, agriculture, and the least-developed countries. The ministers also discussed council work concerning Trade-Related Aspects of Intellectual Property Rights, electronic commerce, and Aid for Trade. The ministers committed to uphold agreements made and to continue working on remaining DDA issues.

**Asian stock exchanges boost cooperation.** On 4 December, a landmark MoU was signed between [Hong Kong Exchanges and Clearing Limited \(HKEx\)](#) and [Singapore Exchange \(SGX\)](#) to promote renminbi internationalization by exploring joint product development, to enhance connectivity between data centers, to collaborate on technology development and regulatory issues, and to work closely on extraterritorial market infrastructure regulations that affect Asia. On 29 October, the [China Financial Futures Exchange \(CFEX\)](#) and the [NASDAQ OMX Group, Inc. \(Nasdaq\)](#), signed an MoU strengthening cooperation in technology, consultation, information sharing, staff training, and to collaborate on future business projects.

## CROSS-BORDER INFRASTRUCTURE

**Transport ministers reaffirm commitment to Asian transport development plan.** At the United Nations Economic and Social Commission for Asia and the Pacific's (UNESCAP) [2<sup>nd</sup> session of the Forum of Asian Ministers of Transport](#) held in Bangkok, Thailand 4–8 November, ministers [reviewed the implementation of the Ministerial Declaration on Transport Development in Asia and the Pacific](#), as well as the Regional Action Programme for Transport Development in Asia and the Pacific, phase II (2012–2016).

**More GMS projects included under new Regional Investment Framework; new Thai–Lao PDR bridge fills ‘missing link’ in North-South corridor.** The [19<sup>th</sup> Ministerial Conference of the Greater Mekong Subregion \(GMS\) Economic Cooperation Program](#) held 10–13 December in Vientiane, Lao PDR endorsed a new Regional Investment Framework (RIF) under which GMS members [agree to draw up a \\$50-billion pipeline of potential projects](#). The RIF covers subregional investments and technical assistance projects prepared by all GMS countries. The ministers also formally opened a new bridge straddling the Mekong River linking [Thailand and Lao PDR](#). The bridge is considered the ‘missing link’ along the North-South Economic Corridor, the main land route connecting Yunnan province in the People's Republic of China (PRC) and Thailand.

**ASEAN IT ministers discuss how to further bridge the digital divide.** The [13<sup>th</sup> ASEAN Telecommunications and Information Technology \(IT\) Ministers Meeting](#), held in Singapore 14–15 November, adopted a [Singapore Declaration](#)—“Connecting Communities, Co-creating Possibilities”—to reiterate ASEAN's commitment to promote ICT-driven economic transformation through people engagement, empowerment, and innovation. The ICT-led transformation is to be built on infrastructure and human capital development, and aims to bridge the digital divide between ASEAN members.

**ADB inaugurates SASEC connectivity project in Bangladesh; administers infrastructure and livelihood projects in rural Myanmar.** The ADB-financed [\\$198 million Bangladesh SASEC Road Connectivity Project](#) was inaugurated 31 October. SASEC held a [workshop on a trade and transport facilitation performance monitoring system](#) 26–27 November in Bangkok, Thailand. Meanwhile, ADB, through the Japan Fund for Poverty Reduction, will administer [\\$12 million in grant assistance](#) for rural infrastructure and livelihood services in Myanmar.

## TRADE AND INVESTMENT

**TPP negotiations continue.** Delegates to the [Trans-Pacific Partnership agreement completed their 4-day ministerial meeting](#) on 10 December in Singapore, citing progress in negotiations. The meeting identified potential “landing zones” for key outstanding issues as well as market access issues. The delegates agreed to continue negotiations in January 2014. TPP members, particularly [Australia](#) and the [United States](#), welcomed the Republic of Korea’s expressed interest in joining the negotiations.

**Several trade agreements advance.** The [Republic of Korea and Australia completed negotiations on a free trade agreement](#) (FTA) 5 December. The agreement will eliminate current tariffs of up to 300% on key Australian commodity exports such as beef, wheat, sugar, dairy products, wine, horticulture, seafood, energy, and manufactured goods. The FTA also covers services to the Republic of Korea in education, telecommunications, and professional services. [New Zealand’s Economic Cooperation Agreement with Taipei, China became effective](#) 1 December, under which tariffs on 99% of New Zealand’s current exports to Taipei, China will be removed within 4 years, and 100% within 12 years.

**Pacific island countries enhance trade cooperation.** The [first joint statement of the Pacific Islands WTO Group](#)—formed earlier in the year—was issued during the 9<sup>th</sup> WTO Ministerial Conference in Bali, [highlighting support for WTO results](#) and acknowledging the importance of a multilateral rules-based system. Meanwhile, [Solomon Islands signed a memorandum of understanding \(MoU\) to establish the Pacific Regional Trade and Development Facility](#) 13 December, joining Fiji, Kiribati, Nauru, Samoa, Tonga, Tuvalu, and Vanuatu as signatories. The facility will provide regional trade-related

assistance to the signatories, especially in coordinating donor resources for Aid for Trade. The 6<sup>th</sup> Meeting of Officials and the [3<sup>rd</sup> Non-State Actors \(NSA\) Dialogue](#) on the Pacific Agreement on Closer Economic Relations (PACER) Plus was held 28 November in Auckland, New Zealand. [Australia committed \\$1.8 million to the Office of the Chief Trade Adviser](#) to help Pacific island countries advance PACER Plus trade negotiations with Australia and New Zealand. Australian Minister for Foreign Affairs Julie Bishop said PACER Plus presents an opportunity to encourage Pacific nations to integrate more.

## MONEY AND FINANCE

**Japan signs currency swaps with central banks.** On 31 October, the Bank of Japan (BoJ) announced that existing temporary bilateral liquidity swap arrangements with the central banks of [Canada, Europe, Switzerland, the United Kingdom, and the United States](#) will be converted to standing arrangements. The swap arrangements are a liquidity buffer to help stabilize global financial markets when under stress. On 12 December, the [BoJ and Bank Indonesia](#) doubled their currency swap to \$22.76 billion. They also agreed to establish a [cross-border liquidity arrangement](#) to provide rupiah liquidity against Japanese government securities to enhance the financial market stability should the need arise. The BoJ likewise doubled its currency swap arrangement with [the Philippines](#) to \$12 billion and restarted a \$3 billion swap arrangement with [Singapore](#).

**India’s central bank extends financial cooperation.** The Reserve Bank of India signed an MoU with the [Australian Prudential Regulation Authority and the Reserve Bank of New Zealand](#) on November 1 and 4, respectively. The MoUs on “Supervisory Cooperation and Exchange of Supervisory Information” provide a formal, yet legally non-binding, channel for information exchange between supervisors. It provides for information-sharing on the institutions’ financial health, cooperation between supervisors during on-site examinations, frequent meetings between supervisors, and preserving confidentiality of information shared. On 18 December, the central banks of [India and Japan](#) increased their bilateral currency swap arrangement from \$15 billion to \$50 billion.

### Conferences discuss Asian Islamic finance development.

On 4-5 November, the Islamic Financial Services Board (IFSB) and ADB hosted “Islamic Finance for Asia: Development, Prospects and Inclusive Growth” in Manila, Philippines. The conference was held to create greater awareness on the potential opportunities for Islamic finance in the region, and discussed challenges and issues related to its further development and progress. On 3 December, the first [Joint Forum on Islamic Finance, sponsored by the Hong Kong Monetary Authority and Bank Negara Malaysia](#), identified ways to further develop Hong Kong, China’s Islamic financial market and enhance strategic financial linkages to facilitate cross-border investment flows.

## REGIONAL PUBLIC GOODS

**Warsaw Climate Change Conference paves way to set targets on reducing gas emissions.** The [UN Climate Change Conference](#) held in Warsaw, Poland 11-23 November [gave governments until the first quarter of 2015 to set targets](#) on how to reduce gas emissions as the resulting agreement will come into force from 2020. These targets will be the basis for a final agreement in 2015. The conference also clarified ways to support developing countries in climate change adaptation measures and meeting targets to reduce emissions.

**Asian Judges Network on Environment launched.** The [Asian Judges Network on Environment was formally launched](#) in Manila, Philippines on 3 December at the opening day of the Asian Judges Symposium on Environment—hosted by ADB in partnership with the Supreme Court of the Philippines, the United Nations Environment Program, World Wildlife Fund, United States Agency for International Development, and the Freeland Foundation. The environmental network begins a new form of cooperation among justices on ways the legal community in Asia and the Pacific can safeguard the region’s natural endowments.

**ADB offers rehabilitation assistance after supertyphoon Haiyan devastates central Philippines.** [ADB approved loans and grants totalling \\$900 million](#) for livelihood restoration, infrastructure reconstruction, and climate resilience initiatives in communities affected by supertyphoon Haiyan. The package consists of \$23 million in immediate grants, a \$500 million emergency loan and a \$372 million loan for community-driven development. In

addition, up to \$150 million from ongoing projects can be reallocated to support conditional cash transfers, infrastructure reconstruction, and natural resource management. ADB will also establish a field office in Tacloban, Leyte to aid in project implementation.

## JANUARY 2014 EVENTS

- 6–10 January: [7<sup>th</sup> Meeting of the UN Conference on Sustainable Development’s Open Working Group on Sustainable Development Goals \(OWG 7\)](#) (New York, US)
- 13–15 January: [UNESCAP Training of Trainers Programme on Preferential Trade Agreements](#) (Nay Pyi Taw, Myanmar)
- 13–17 January: [1<sup>st</sup> Multi-Regional \(Central, South, and East Asia\) Multi-Network \(‘Climate Change and Environment’ and ‘Disaster Risk Reduction’\) f2f Meeting](#) (Nepal)
- 15–18 January: [ASEAN Foreign Ministers’ Retreat](#) (Bagan, Myanmar)
- 16–20 January: [ASEAN Tourism Forum 2014](#) (Kuching, Malaysia)
- 17–18 January: [UNESCAP Training of Researchers on Linkage between Trade Policy Formulation and Research](#) (Yangon, Myanmar)
- 20–21 January: [ASEAN Financial Integration Framework \(AFIF\) Workshop](#) (Kuala Lumpur, Malaysia)
- 21 January: [International Recovery Forum 2014](#) (Kobe, Japan)
- 23 January: [UNESCAP–ADB National Workshop on Secure Cross-Border Transport Model](#) (New Delhi, India)
- 27–28 January: [The 4<sup>th</sup> ADBI-OECD-ILO Roundtable on Labour Migration in Asia: Building Human Capital across Borders](#) (Tokyo, Japan)