

Joint Press Statement on ASEAN+3 Cooperation in Response to the Global Economic and Financial Crisis

H.E. Mr. Abhisit Vejjajiva, Prime Minister of the Kingdom of Thailand, as the ASEAN Chair and the ASEAN+3 coordinator, has been mandated by the ASEAN+3 Leaders to issue Joint Press Statement on ASEAN+3 Cooperation in Response to the Global Economic and Financial Crisis on behalf of the ASEAN+3 Leaders.

The ASEAN+3 Leaders recalled the ASEAN+3 Leaders' Special Meeting in Beijing on 24 October 2008 and, in this regard, continued their discussion on the impact and development of the current global economic and financial crisis.

They welcomed the Press Statement on the Global Economic and Financial Crisis which was issued by the ASEAN Leaders in Cha-am Hua Hin, Thailand, on 1 March 2009. They were of the view that Asian economic fundamentals had improved significantly as a result of significant structural reforms undertaken since the 1997-1998 Asian Financial Crisis. However, the deepening global economic downturn, coupled with heightened risk aversion in financial markets, adversely impacted trade and investment in the region, thereby necessitating the intensification of concerted efforts to enhance confidence, maintain financial stability, and prevent a decline in economic growth.

They welcomed the results of the 12th ASEAN+3 Finance Ministers' Meeting in Bali, Indonesia, on 3 May 2009 where the substantial progress of regional financial cooperation initiatives has been made.

They welcomed proactive policy measures including monetary and fiscal stimulus packages undertaken by each member country in the collective efforts to sustain financial market stability and promote economic growth.

In order to strengthen the regional cooperation to respond effectively to the global economic and financial crisis, the ASEAN+3 Leaders:

- **endorsed** the decision made at the Special ASEAN+3 Finance Ministers' Meeting in Phuket, Thailand, on 22 February 2009, to increase the size of the Chiang Mai Initiative Multilateralisation (CMIM) from US\$80 billion to US\$120 billion, and the outcome of the 12th ASEAN+3 Finance Ministers' Meeting in Bali, Indonesia, on 3 May 2009, where agreement on all main components of the CMIM was reached.
- **stressed** the importance of an early operationalisation of the CMIM and to this end welcomed the agreement reached by the 12th ASEAN+3 Finance Ministers' Meeting to implement the CMIM before the end of 2009.
- **supported** the Finance Ministers' recommendation that, as an interim measure, the existing bilateral swap arrangements network should play its full role as a regional self-help mechanism that would enable the ASEAN+3 countries to assist one another if need be in the event of liquidity shortfalls and short-term balance of payment difficulties.
- **supported** the strengthening of the regional surveillance mechanism by establishing an independent regional surveillance unit as soon as possible to

efficiently facilitate the implementation of the CMIM and monitor the regional and global economic situation.

- **commended** the ongoing efforts under the Asian Bond Markets Initiative (ABMI) to promote the development of local currency-denominated bond markets and facilitate greater accessibility to the regional bond markets, and welcomed the endorsement to establish the Credit Guarantee and Investment Mechanism (CGIM) with an initial capital of US\$500 million to support the issuance of local currency-denominated corporate bond in the region.
- **recognized** the important roles that Multilateral Development Banks (MDB) play in addressing development agenda and supporting infrastructure and trade finance and in this regard reiterated a call for a prompt implementation of the Fifth General Capital Increase of the Asian Development Bank (ADB) to ensure that the ADB has an adequate capital base to fulfill its role in Asia, especially during this global economic slowdown. =
- **tasked** their Finance Ministers to closely monitor the risks to the regional and global economic and financial stability, assess the impact of the current crisis and further recommend pre-emptive measures to fully and quickly deal with the crisis.
- **shared** a common view that decisive, coordinated and comprehensive macroeconomic policies are needed to counter the global economic slowdown and tasked the Finance and relevant Ministers to continue to work closely by implementing policies to support economic growth and maintain financial stability.
- **tasked** the relevant Ministers to explore ways and means to increase regional trade through measures, such as trade facilitation and trade financing, as well as to develop concrete measures to alleviate the impact of the crisis, including social safety net programmes and assistance to small and medium enterprises.
- **noted** that the East Asia Free Trade Area (EAFTA) Initiative could further enhance intra-regional trade and, in this regard, they tasked the Economic Ministers to submit the final report of the 2nd Phase feasibility study of the EAFTA at the 13th ASEAN+3 Summit in October 2009.
- **reaffirmed** their strong commitment to free and fair trade by standing firmly against protectionist measures, refraining from raising new barriers and working with other partners to ensure an early conclusion of the Doha Development Agenda.
- **agreed** that ASEAN-led consultations among other organisations and fora in Asia and Asia-Pacific would contribute to safeguarding the region from future regional and global economic and financial crisis.
- **resolved** that the ASEAN+3 countries would do their utmost to stimulate growth and investment in the region, thereby contributing to the global economic recovery in partnership with other cooperation frameworks, such as EAS, APEC and G20.
- **supported** the agreement at the London Summit on 2 April 2009 to restore confidence, growth and jobs, reject protectionism and promote global trade and investment, strengthen financial regulations to rebuild trust, reform international financial institutions, and inject an additional US\$ 1.1 trillion to enhance global financial liquidity; and resolved to take necessary actions individually and collectively to achieve the goals envisioned by G20.

Issued on 3 June 2009 in Bangkok, Thailand