

A stylized world map in a light blue color, centered on the Atlantic Ocean, set against a dark blue background with a fine grid pattern. The map is semi-transparent, allowing the grid to be seen through it.

ASEAN + 3

By
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PECC 20th General Meeting

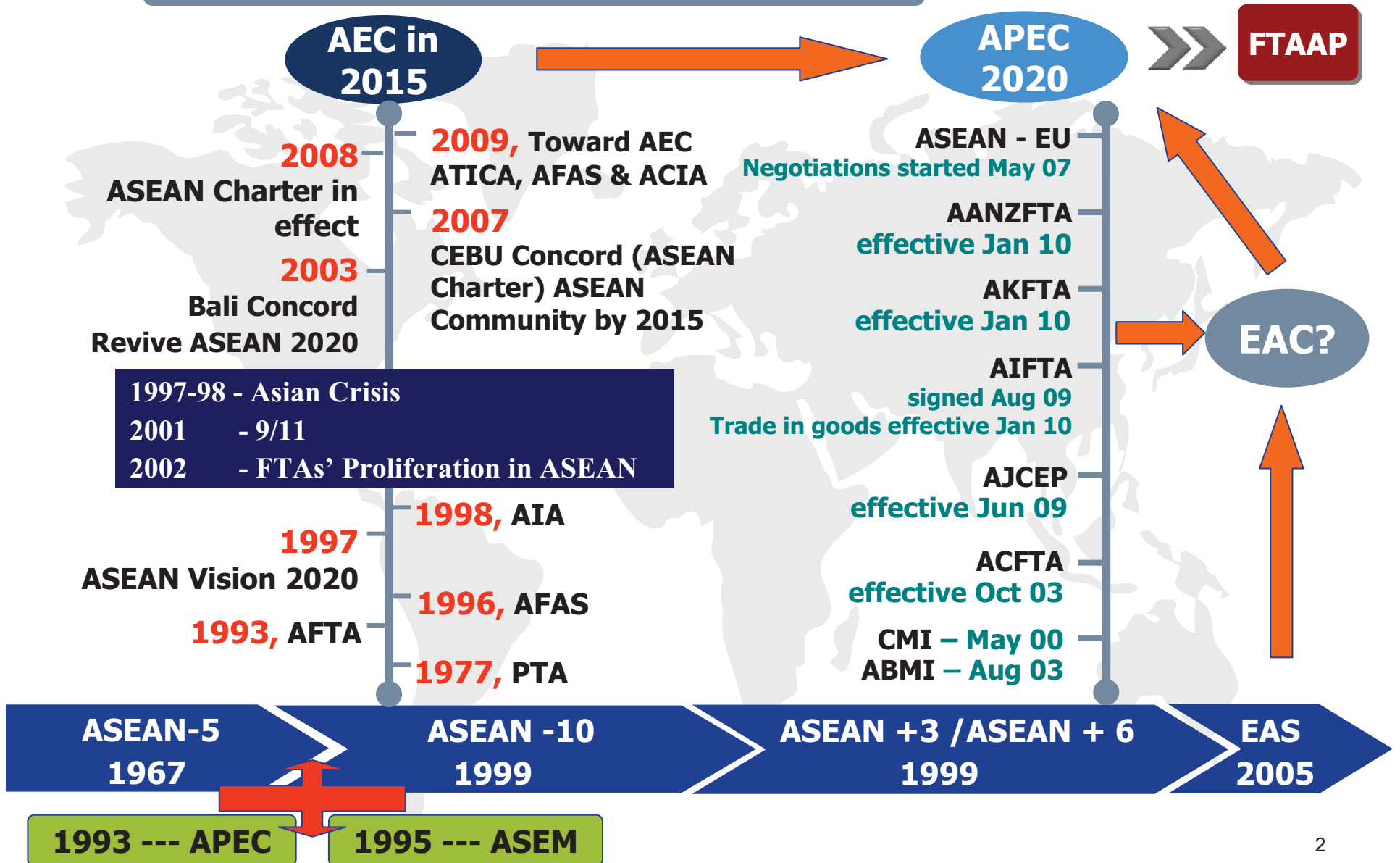
“State of the Region”

The Madison Hotel, Washington D.C.

29 September, 2011

Asia regional cooperation schemes

AEC and ASEAN + 3 are not exclusive



Progress (1)

❖ East Asia Summit

- Established in 2005, 5 meetings have been held.
- At the 5th EAS, 2010, decision was made to invite the leaders from the US and Russia. The leaders of those two countries will participate in the EAS starting from 2011.

❖ ASEAN +3

- Nov 2004 -- Proposed East Asia Free Trade Area on Nov 2004. Under consultation/study at present
- Nov 2007 -- Adopted ASEAN +3 Cooperation Work Plan (2007 - 2017) as a master plan to enhance ASEAN +3 relations and cooperation. The plan sets 5 major areas for cooperation and coordination

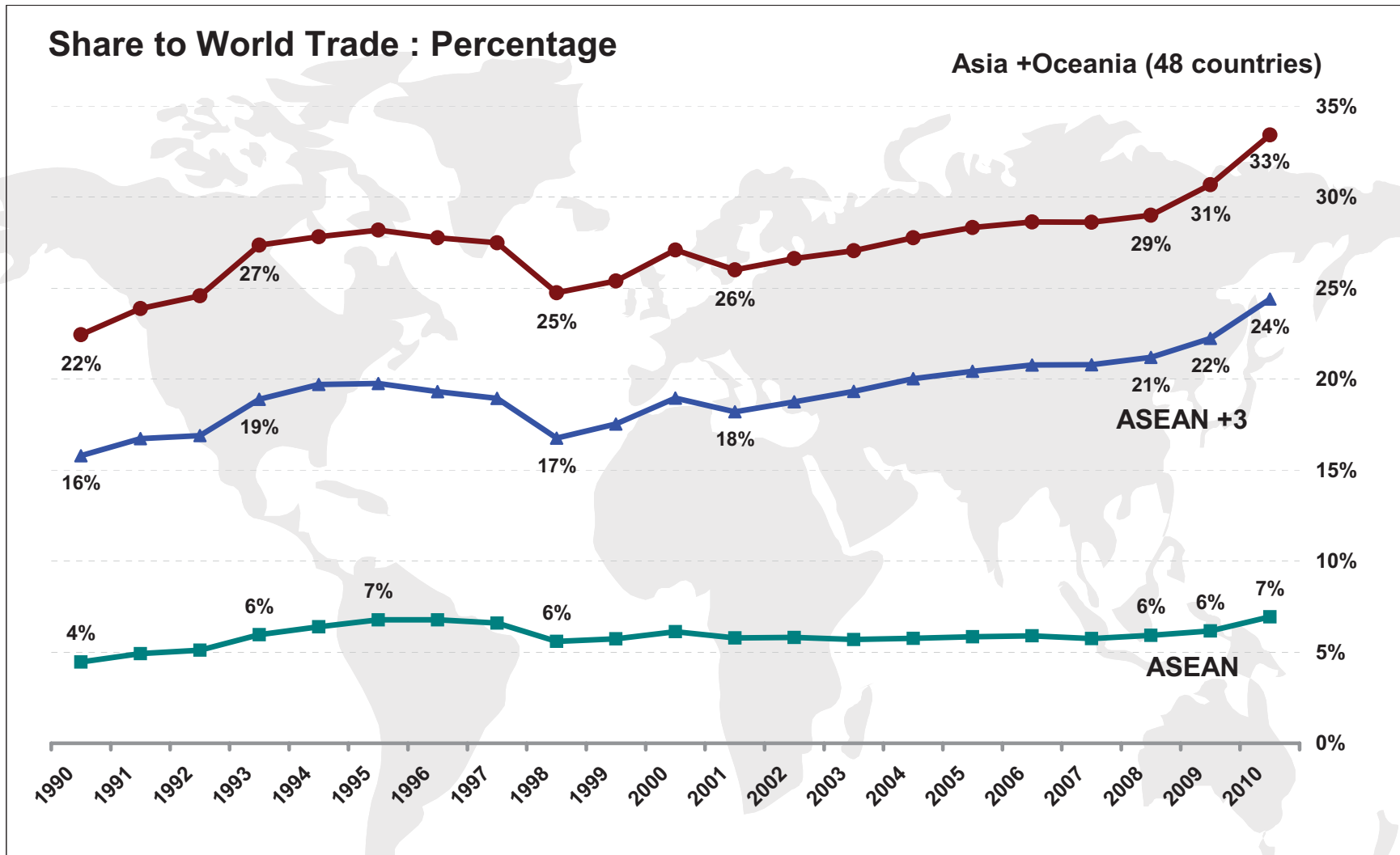
1) Political and security;



Progress (2)

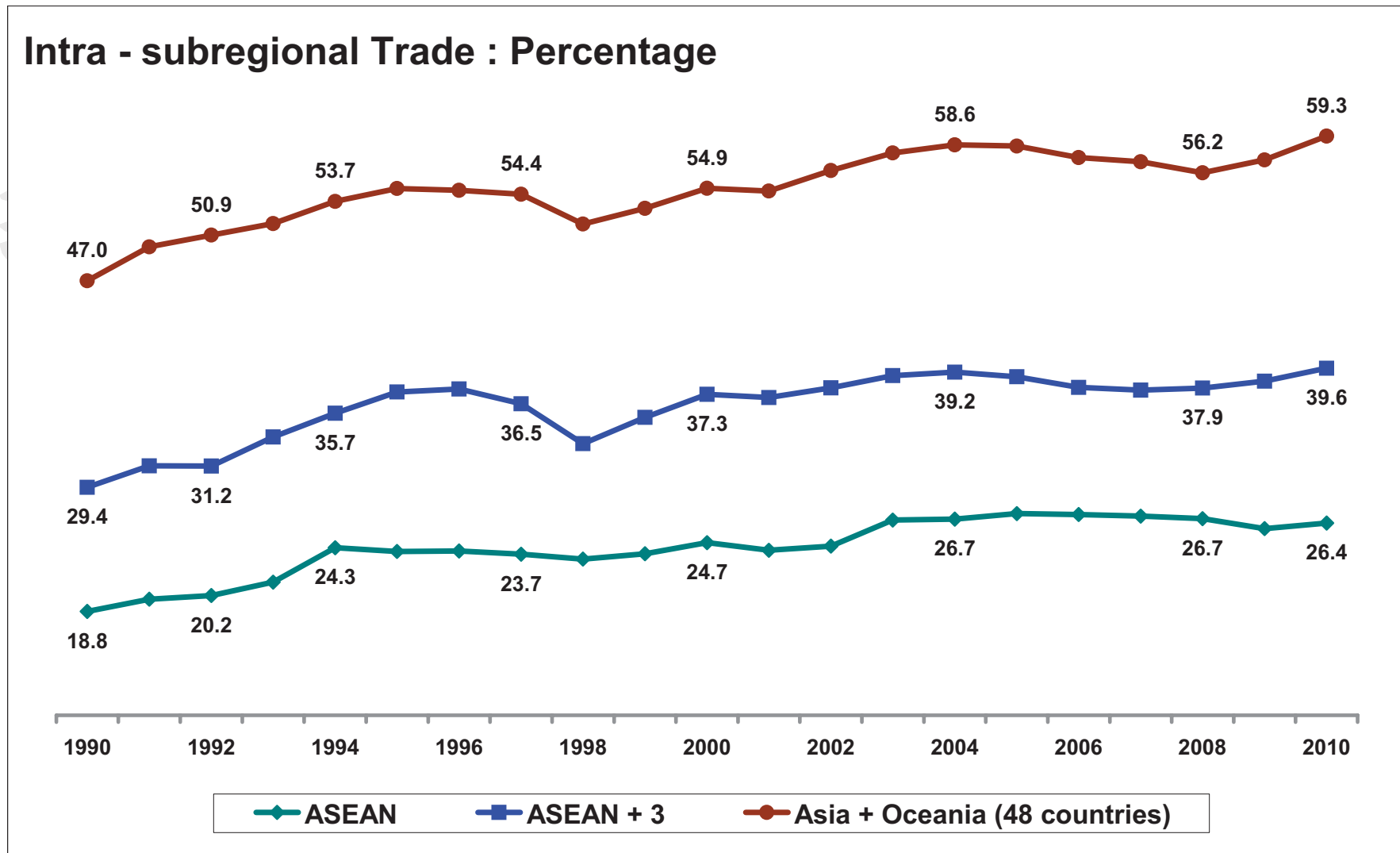
- 2) **Economic and financial;**
- 3) **Energy, environment, climate change and sustainable development;**
- 4) **Socio – cultural development; and**
- 5) **Institutional support and follow-up mechanism.**

Progress (3)



Source: Asia Regional Integration Center, ADB

Progress (4)



Source: Asia Regional Integration Center, ADB

Progress (5)

- **Chiang Mai Initiative, established in 2000**
 - **May 2009 --- Implemented the Chiang Mai Initiative Multilateralisation (CMIM) with the total size of US\$ 120 billion (increased from US\$ 80 Bn). CMIM has been realized since 24 March 2010.**
 - **Main components of CMIM arrangement**
 - **2 objectives --- (1) to address the short-term liquidity problems, (2) to supplement the existing international financial arrangements**
 - **Governed by a single contractual arrangement**
 - **The contribution proportion between ASEAN and the +3 countries is 20:80**

Progress (6)

- Maximum amount each country can borrow is based on its contribution multiplied by its respective borrowing multiplier
- Decision-making mechanism

	Issues	Rule of decision - making
Fundamental	Review, re-admission, membership, terms of lending, etc	Consensus
Lending	Lending, renewal, default	Majority

- **ASEAN +3 Macroeconomic Research Office (AMRO), a regional macroeconomic surveillance and crisis management unit based in Singapore, started operations on May 16, 2011.**

Progress (7)

Country	Contribution (USD Bn)	Borrowing multiplier
Brunei	0.03	5
Cambodia	0.12	5
China	38.4 <i>(China 34.2; HK 4.2)</i>	China 0.5 HK 2.5
Indonesia	4.77	2.5
Japan	38.4	0.5
Korea	19.2	1
Lao PDR	0.03	5
Malaysia	4.77	2.5
Myanmar	0.06	5
Philippines	3.68	2.5
Singapore	4.77	2.5
Thailand	4.77	2.5
Vietnam	1.00	5

Source: The Joint Media Statement of the 12th ASEAN Plus Three Finance Ministers' Meeting, Bali, Indonesia, 3 May 2009 , ASEAN Secretariat

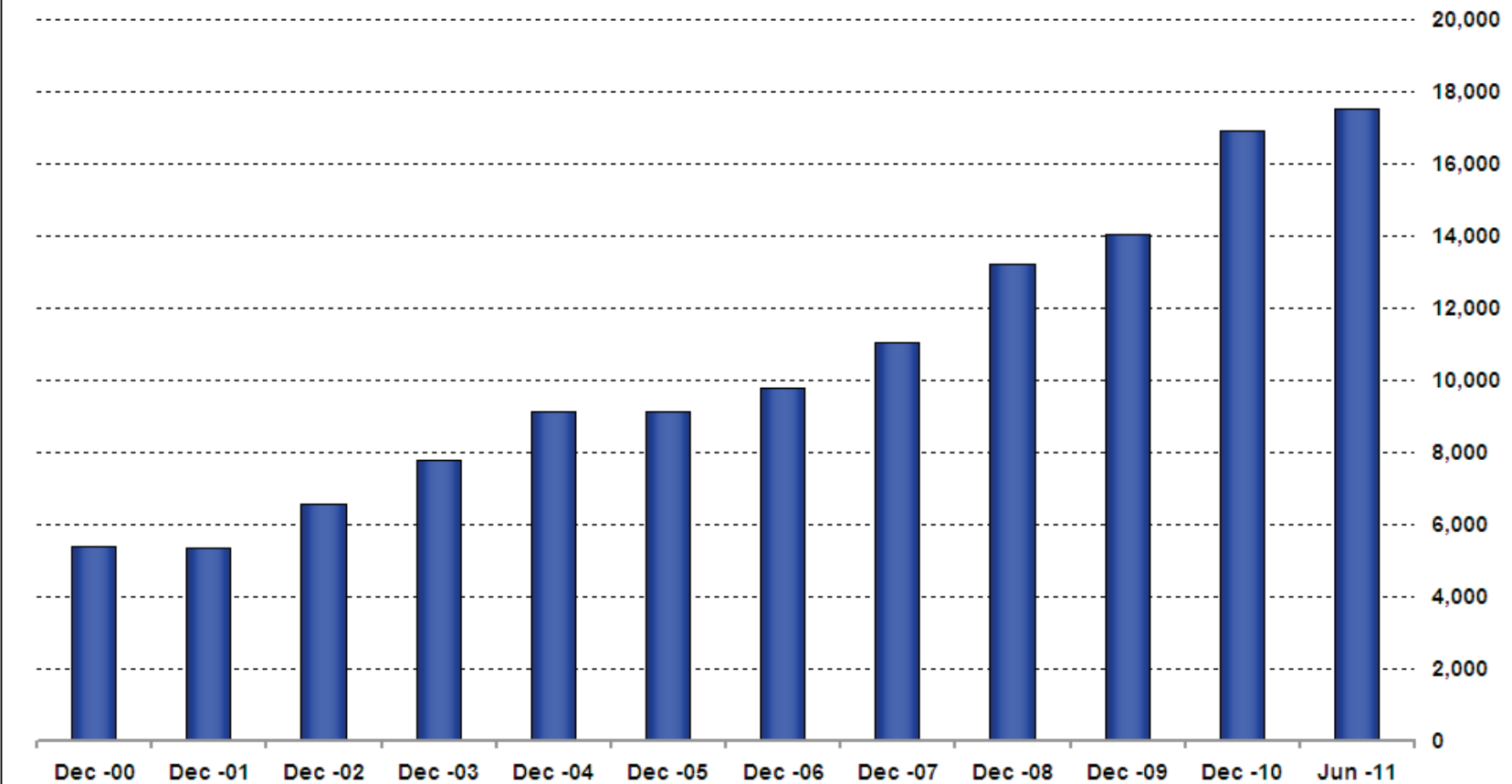


Progress (8)

- **ASIAN Bond Markets Initiative, established in 2002**
 - **May 2008 --- Endorsed the ABMI Roadmap in order to develop a regional bond market to be more accessible for issuers and investors**
 - **Agreed to establish the Credit Guarantee and Investment Mechanism (CGIM) with an initial capital of USD 500 Mn to support the local currency-denominated corporate bond in the region, expected to be effective in 2010**
 - **Explored the possible measures to enable mutual access to securities market in the region**
 - **September 2010 --- Established the ASEAN+3 Bond Market Forum (ABMF) as a common platform to foster standardization of market practices and harmonization of regulations relating to cross-border bond transaction in the region.**

Progress (9)

Size of Local Currency Bond Market of ASEAN+3, billions of US\$



Note : Excluded Myanmar, Laos, Cambodia, Brunei

Source: Asian Bonds Online, ADB