

RCI CHAT



Issue No. 13 • November–December 2015 • aric.adb.org

IN THE NEWS

Trans-Pacific Partnership (TPP) negotiations conclude; full text released. After over five years of negotiations, the 12 TPP members — Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, the United States (US), Singapore, and Viet Nam — successfully **concluded TPP negotiations** 5 October 2015 in the US. A month later, the **full text** of the TPP was released. When in effect, the **historic agreement** should (i) promote economic growth and employment; (ii) enhance innovation, productivity and competitiveness; (iii) raise living standards; (iv) reduce poverty; and (v) promote transparency, good governance, and labor and environmental protections.

South Asia Subregional Economic Cooperation (SASEC) holds 2025 Regional Consultation Workshop. The 14-15 October **workshop** in Singapore presented and discussed the SASEC 2025 framework paper. It outlines a 10-year strategy and roadmap for SASEC. The workshop drew comments and suggestions on the vision, strategic objectives, and operational priorities from SASEC members, to develop the framework paper further.

Pacific countries advance development agenda with smart maps. The 16 November **conference** on “Bridging Information Gaps by Creating Smarter Maps” held in Suva, Fiji discussed Geographic Information Systems (GIS) and Remote Sensing (RS) applications and how they can help manage resources in small Pacific island countries and territories. GIS and RS applications are powerful tools for policy- and decision-making. The conference brought together Pacific Island government officials who use GIS and RS, consulting companies, and the private sector. They discussed the latest software, hardware, data and methods to optimize application use to suit customer needs.

APEC leaders agree to strengthen financial integration. At the **APEC Economic Leaders’ Meeting** 17–20 November in Manila, Philippines, heads of state welcomed the launch of the Cebu Action Plan under the APEC Finance Ministers Process. Participants reaffirmed the need for quality financial infrastructure development and financing to meet increasing demand for connectivity.

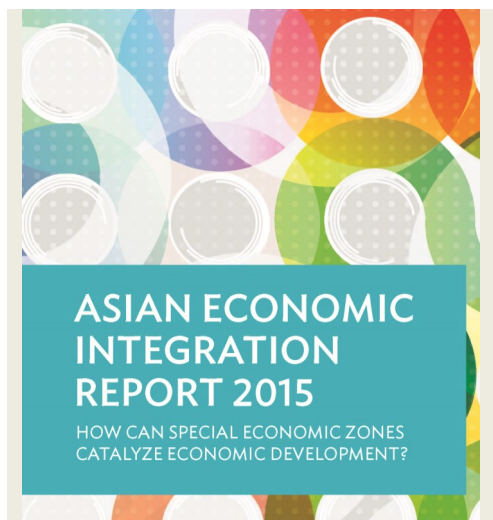
HIGHLIGHTS

Cross-border Infrastructure: 6th Asia Pacific Urban Forum adopted a “Call for Action” on Asia-Pacific cities.

Trade and Investment: The Philippines and Chile undertake joint FTA feasibility study.

Money and Finance: Boao Forum participants agree to promote financial cooperation and integration

Regional Public Goods: ASEAN Environment Ministers meet to discuss actions on environmental sustainability.



The Asian Economic Integration Report (AEIR) is an annual review of Asia’s regional economic cooperation and integration. It covers the 48 regional members of the Asian Development Bank. This issue includes a special chapter, *How Can Special Economic Zones Catalyze Economic Development?* AEIR will be launched on 8 December 2015 at the Lee Kuan Yew School of Public Policy in Singapore.

RCI Chat is the bimonthly newsletter of the Asia Regional Integration Center (ARIC). It tracks regional cooperation and integration (RCI) activities and events in ADB’s 48 regional member economies under ADB’s four RCI pillars: (i) cross-border infrastructure, (ii) trade and investment, (iii) money and finance, and (iv) regional public goods.

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CROSS-BORDER INFRASTRUCTURE



Source: CAREC.

6th Asia Pacific Urban Forum adopts a “Call for Action” on Asia-Pacific cities.

The 6th Asia Pacific Urban Forum held 19–21 October in Jakarta, Indonesia shared best practices on critical and emerging urban development issues. Participants agreed on a “Call for Action” that outlines urban issues that must be addressed to improve the quality of life across the region. The “Call for Action” will be presented at the Asia-Pacific Regional Meeting in preparation for the 3rd United Nations Conference on Housing and Sustainable Urban Development (Habitat III), scheduled in October 2016 in Quito, Ecuador.

ADB scales up financing for preparing subregional transport projects in Bangladesh. ADB has approved **additional financing** for a SASEC transport project that supports preparation of high-priority railway and road projects in Bangladesh—along the Trans-Asian Railway and the Asian Highway network. These projects will enhance cross-border traffic, expand connectivity in the Bangladesh-Bhutan-India-Nepal (BBIN) subregion, and link South Asia and Southeast Asia.

Cargo transport trial run starts under BBIN Motor Vehicles Agreement (MVA). On 1 November the first cargo truck from Kolkata, West Bengal to Agartala, Tripura, passed through Dhaka, Bangladesh as part of the BBIN MVA **trial run**. The cargo vehicle traveled a distance of only 640 kilometers (km) compared with the longer 1,550-km traditional route.

TAPI shareholders sign initial agreement. The shareholders of TAPI Pipeline Company Limited (TPCL) signed the **Shareholders Agreement** during the 23rd meeting of the TAPI Steering Committee in Ashgabat, Turkmenistan 24 October. The agreement sets the rules agreed by the shareholders on the management and operation of TPCL, the rights and obligations of shareholders, and ownership and transfer of shares. The TAPI pipeline is expected to export up to 33 billion cubic meters of natural gas a year (for 30 years) from Turkmenistan to Afghanistan, Pakistan and India.

Joint Working Group (JWG) meets on the Almaty-Bishkek Corridor Initiative (ABCI). Kazakhstan and Kyrgyz Republic senior officials met 19–20 October in Madrid, Spain to review progress on the **ABCI**. The JWG discussed reports on education, agriculture and agribusiness, tourism, disaster risk management for corridor development, use of information and communications technology across sectors and prospects for public-private partnerships. The JWG was established by the governments of Kazakhstan and the Kyrgyz Republic to guide, monitor and implement the ABCI, supported by ADB technical assistance under the Central Asia Region Economic Cooperation (CAREC) Program.

ADB will help upgrade India-Bangladesh cross-border power exchange. The ADB will help finance increased transmission capacity of a **cross-border electricity link** between India and Bangladesh, allowing Bangladesh to better meet rising power demand and support increased power exchanges across South Asia. Through ADB’s \$120 million loan, Bangladesh will double the capacity of the existing interconnection system-linked in 2013 under an ADB project. Transmission capacity will rise from 500 megawatts (MW) to 1,000 MW.



TRADE AND INVESTMENT

The Philippines and Chile undertake joint free trade agreement (FTA)

feasibility study. On 17 November the Philippines and Chile signed a **Letter of Intent (LOI)** for a joint feasibility study to examine benefits of a FTA between the two economies. The two countries will begin discussing a framework for negotiating a mutually beneficial trade agreement—flexible and pragmatic as to depth and scope—to increase trade in goods and investments, and to promote technical cooperation in areas of mutual interest.

Banking business service protocol of the People's Republic of China–Pakistan FTA service trade takes effect. The **Banking Business Service Protocol of the Service Trade of the Free Trade Area (Protocol)** between the PRC and Pakistan took effect on 11 November. The Protocol effectivity will further improve liberalization of the PRC–Pakistan FTA service trade, ease financing transactions for companies that offer guarantees for the smooth implementation of major projects like the PRC–Pakistan economic corridor.

Turkey and Singapore sign comprehensive FTA. Singapore and Turkey enhanced bilateral relations and boosted cooperation by signing the **Turkey–Singapore Free Trade Agreement (TRSFTA)**. Negotiations were launched by Prime Minister Lee and Turkey's then Prime Minister Erdoğan in January 2014 and concluded in October 2015. The signing builds upon the Strategic Partnership signed in October 2014.

The PRC and Singapore will upgrade negotiations for the PRC–Singapore FTA. Singapore Prime Minister Lee Hsien Loong and PRC President Xi Jinping witnessed the launch of the **PRC–Singapore FTA** upgrade negotiations and the signing of three agreements to launch the third government-to-government project based in Chongqing Municipality in Western PRC 9 November at the Istana, Singapore.

SASEC Customs Subgroup (SCS) holds 4th meeting. The 27–28 October **meeting** in Cebu, Philippines reviewed implementation of subregional and national projects in the SCS Work Plan 2014–2016, and discussed subregional capacity-building. The meeting noted considerable progress made in SCS projects, including finalization of arrangements for the exchange of export-related data and implementation of national projects on customs modernization.

India and Bhutan finalize feasibility study on Secure Cross-Border Transport Model (SCBTM). Bhutan and India agreed to adopt the **feasibility study report** on the use of the Electronic Cargo Tracking System (ECTS) at the Finalization Meeting of the Feasibility Study for the Pilot Implementation of the SCBTM held 29 October in Cebu, Philippines. The meeting also agreed on further steps for the ECTS application, which includes pilot implementation of the system along the Kolkata–Phuentsholing route for 6 months on voluntary basis, and created a Task Force to oversee piloting, routes to be covered, and scope of services provided.



MONEY AND FINANCE



Source: Boao Forum.

Forum participants agree to promote financial cooperation and integration.

On 8 November, participants at the **Boao Forum** met in London, UK. They agreed to boost financial cooperation by (i) setting up financial institutions, (ii) connecting capital markets, (iii) expanding currency swaps, and (iv) expanding local currency settlement and direct trading, among other initiatives. Participants aim to avoid the low-growth trap and sustain prosperity in Asia and Europe. At the **G20 summit** in Turkey, 16 November, Indonesian President Widodo and PRC President Xi committed to intensify economic and financial cooperation by increasing their currency bilateral swap arrangement to \$20 billion. Singapore and Shanghai, PRC launched the **Singapore-Shanghai Financial Forum** 17 November. The forum aims to be a platform for “two of Asia’s leading financial centers to exchange views on topical issues and emerging trends, and explore strategic partnerships.”

Central banks and government authorities strengthen ties with international counterparts.

In October, the Reserve Bank of India (RBI) entered into a Memorandum of Understanding (MOU) on supervisory cooperation and exchange of supervisory information with several central banks. On 12 October, RBI signed an **MOU** with the Bank of Botswana. On 19 October, it signed another **MOU** with the Central Bank of United Arab Emirates. On 26 October, government officials of Kazakhstan and Qatar signed several agreements to boost ties. Among them was an **agreement** between the National Bank of Kazakhstan and Central Bank of Qatar. On 9 November, the Monetary Authority of Singapore (MAS) and People’s Bank of China (PBC) **agreed** to implement initiatives to help develop their respective capital markets through closer ties between MAS and the PRC Securities Regulatory Commission.

Bank cooperation deepens with cross-border agreements and deals.

On 5 October, PRC’s Haitong Bank signed an **MOU** with Euronext to expand membership and activities on the Portuguese market, among others. On 13 October, another PRC-based bank, CITIC, signed an **agreement** with Deutsche Bank allowing CITIC to use the German bank’s dollar and

euro payment clearing services for corporate and retail customer transactions.

Cross-border currency transactions gain traction.

On 8 October, Germany’s Deutsche Bank announced its **selection as a participant** in PBC’s newly-launched Cross-Border Interbank Payment System (CIPS). CIPS aims to facilitate efficient RMB transactions by connecting onshore and offshore clearing markets and participating banks. On 9 November, the PBC and [the People’s Republic of] China Foreign Exchange Trading System launched **direct RMB-Swiss Franc trading**, which will “promote the financial cooperation and enhance economic and financial ties” between the PRC and Switzerland. Also on 9 November, MAS and PBC forged three deals to strengthen RMB flows. MAS and PBC agreed to **extend cross-border RMB initiatives** available in Suzhou and Tianjin to the municipality of Chongqing. They also agreed to double Singapore’s RFQII quota from RMB50 billion to RMB 100 billion; as well as to renew and enhance the bilateral swap agreement signed 13 March 2013.



REGIONAL PUBLIC GOODS



Source: ASEAN.

ASEAN Environment Ministers meet.

On 28 October, ASEAN environment ministers reviewed regional cooperation and actions taken on environmental sustainability under the ASEAN Socio-Cultural Community Blueprint during the **13th Ministerial Meeting** in Ha Noi, Viet Nam. In line with the Post-2015 Vision, they also discussed developing the ASEAN Strategic Plan of Action on Environmental Cooperation, the Roadmap for Haze-Free ASEAN, the 5th ASEAN State of Environment Report, and the ASEAN-UN Post-2015 Environment and Climate Change work plan. On 29 October, the ministers also met their counterparts from the Plus 3 (Japan, the Republic of Korea and the PRC) economies to discuss future cooperation in biodiversity, climate change and environmentally sustainable cities, among others.

Pacific Community to promote gender equality through media. The Secretariat of the Pacific Community (SPC), in collaboration with FemLINK PACIFIC and the Government of Australia, organized a 5-day **workshop** 16-20 November in Noumea, New Caledonia. The workshop was attended by government leaders in the region and strategized on promoting gender equality in media. In opening remarks, SPC Deputy Director-General Cameron Diver said there is evidence that links exposure to violence through media and greater tolerance and approval of violence. They also had a series of interactive sessions about developing effective messages by using a language accessible to the wider public and how to prepare to interact with media in different contexts.

Protection of women and children's rights move forward in ASEAN. The ASEAN Commission on the Promotion and Protection of the Rights of Women and Children (ACWC) **convened** 18 October in Makati, Philippines. The ACWC is currently working on three thematic studies. First is a Regional Study on Child

Protection System led by Indonesia; second is the regional assessment on laws, policies and practices within ASEAN relating to identification and treatment of victims of trafficking, especially women and children, under the coordination of the Lao PDR; and third is the Progress Report on Women's Rights, Empowerment and Gender Equality, scheduled for completion and launch on 8 March 2016, in time of the 50th Anniversary of ASEAN.

APEC calls for sustainable forest management. Ministers endorsed the **Eda Statement** on 28 October in Port Moresby, Papua New Guinea, to highlight the importance of sustainable forest management in achieving long-term sustainable socio-economic development in APEC. They also discussed **forest conservation and forest rehabilitation** to mitigate and adapt to the impact of climate change and the challenge of strengthening efforts to combat illegal logging.



DECEMBER 2015–JANUARY 2016 RCI EVENTS CALENDAR

DECEMBER 2015		JANUARY 2016	
2–3	7 th Southeast Asia Institutional Investment Forum (Singapore)	18–19	9 th Asian Financial Forum (Hong Kong, China)
2–3	ASIFMA Annual Conference 2015: Developing Asia's Capital Markets (Hong Kong, China)		
2–4	National Workshop on Developing a Road Map for WTO Accession and Capacity for Implementation (Thimphu, Bhutan)		
3	ADB Annual Conference 2015: Global Uncertainty, Macroeconomic Shocks and Growth in Asia (Tokyo, Japan)		
3–4	Joint Workshop on the Electronic Cargo Tracking System for Bangladesh, Bhutan, India, and Nepal (Phuentsholing, Bhutan)		
9–11	Joint ESCAP –UIC Seminar on Facilitation and Costing of Railway Services along the Trans-Asian Railway (Bangkok, Thailand)		
14–18	APEC 50 th Meeting of the Energy Working Group (Hawaii, United States)		
14–16	ABCI 4 th Joint Working Group Meeting: Consultation Workshop (TBA)		
16–17	8 th session of the Team of Specialists on Innovation and Competitiveness Policies (Geneva, Switzerland)		
19–21	APEC Workshop on Smart Cities (Chengdu, PRC)		
TBC	ASEAN Conference of Young Leaders (TBC)		