

The Joint Ministerial Statement of the ASEAN + 3 Finance Ministers Meeting (9 May 2001, Honolulu)

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Introduction

1. We, the Finance Ministers of ASEAN, China, Japan and the Republic of Korea (ASEAN + 3) convened our meeting in Honolulu to exchange views on recent economic and financial developments, review the progress of and discuss further cooperation in the East Asian region, in particular the implementation of the Chiang Mai Initiative (CMI) and monitoring of capital flows.
2. H.E. Tun Daim Zainuddin, Finance Minister, Malaysia, presided over our meeting.

Strengthening East Asia Finance Cooperation

3. We had an exchange of views on recent global and regional economic and financial developments. In this regard, we would like to thank the Asian Development Bank for their update on economic and financial developments in East Asia, which has provided a useful reference point for our discussions.
4. Growth in the regional economies was robust in 2000, supported by strong export and the revival of domestic consumer demand. With the prospects for the region this year likely to be more subdued, given the weak outlook for the major industrial economies, we noted that some member countries are pursuing accommodative monetary policies and expansionary fiscal policies to sustain growth, while persevering with reforms in the financial and corporate sectors.
5. At the regional level, we will continue to enhance policy dialogues and regional cooperation activities, particularly in the areas of regional self-help and support mechanisms, international financial reform and short-term capital flows monitoring. In this regard, we agreed to update the capital flows situation in each member country and to exchange data on capital flows bilaterally among member countries on a voluntary basis. Our efforts in financial cooperation are being complemented by closer cooperation in other areas as witnessed by an expanded scope of East Asia cooperation, such as trade, agriculture and tourism.

6. We are pleased to note the significant progress that has been made in implementing the CMI to further strengthen our self-help and support mechanisms in East Asia.

The ASEAN Swap Arrangement, one of the CMI main components, has been enlarged to USD 1 billion effective 17 November 2000 and has as its participants all ASEAN member countries.

Regarding the network of bilateral swap arrangements (BSA) and repurchase agreements under the CMI, substantial agreements on the BSA have been reached between Korea-Japan, Malaysia-Japan, and Thailand-Japan. Our senior officials will continue to work towards establishing a network of bilateral swap and repurchase agreement facilities among ASEAN countries, China, Japan and Korea.

We agreed that we would review the current main principles of the bilateral swap arrangement under the CMI in three years, taking account of the actual operation of the BSA and other relevant factors.

Recognizing the importance of enhanced monitoring of the economic situation in our region in implementing the BSA, we agreed to establish a study group to examine ways of enhancing the effectiveness of our economic reviews and policy dialogues.

7. On human resources development, we appreciated China's effort in arranging for the training courses on Economic Reforms and Development in China for the ASEAN + 3 Finance and Central Bank officials in Beijing last October and in Shanghai in February 2001. We gratefully noted Korea's support for the working visit by ASEAN senior officials to Seoul in October last year and welcomed the initiative to organize a training program on financial and corporate restructuring later this year for the ASEAN Finance and Central Bank officials. We also welcomed Japan's offer of financial assistance to member countries, through the ASEAN Secretariat, in the monitoring of capital flows in the region and the study of other appropriate mechanisms to promote financial stability.

8. We acknowledged Korea's initiative in organizing an international seminar on early warning system modeling and joint regional monitoring in Seoul last November as part of our network of research and training institutes. We agreed to continue to exchange views on the early warning systems and to work towards developing appropriate early warning system models for East Asian countries, through appropriate processes such as holding additional seminars.