ASEAN+3 Finance Ministers Process Initiative

Asia Regional Integration Center (ARIC)

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As it developed, the Association of Southeast Asian Nations (ASEAN) pursued cooperative ties with other economies.
East Asian countries, in particular the People’s Republic of China, Japan, and the Republic of Korea. The Joint Statement on East Asia Cooperation, issued in November 1999, serves as the main framework for the ASEAN+3 Finance Ministers Process. The Process aims to strengthen policy dialogue, coordination, and collaboration on common financial, monetary, and fiscal issues. The Process has four components: (i) the Economic Review and Policy Dialogue (ERPD); (ii) the Chiang Mai Initiative (CMI); (iii) the Asian Bond Markets Initiative (ABMI); and (iv) the ASEAN+3 Research Group.

ERPD aims to contribute in the prevention of financial crises through the swift implementation of remedial policy actions. It also focuses on issues of common interest. It likewise aims to prepare the foundation for providing immediate assistance, such as CMI, in the event of a crisis. Under the ERPD, ASEAN+3 Finance Ministers meet annually (their deputies meet semiannually) to discuss economic and policy issues.

CMI was initiated at the ASEAN+3 Finance Ministers’ Meeting in May 2000. It was created to provide a regional financing arrangement in order to supplement existing international facilities through a network of bilateral swap and repurchase agreements among ASEAN+3 members. The CMI also expanded the ASEAN Swap Arrangement (ASA), established in 1977, to include all ASEAN members.

The ASEAN+3 Finance Ministers endorsed ABMI during their August 2003 official meeting. A key initiative to increase financial cooperation in East Asia, the ABMI aims to develop efficient and liquid bond markets, which would enable better utilization of Asian savings for Asian investments. Likewise, it aims to contribute in mitigating financial currency and maturity mismatches. Six voluntary working groups were established to focus on areas crucial for bond market development. These include (i) new securitized debt instruments; (ii) credit guarantee mechanisms; (iii) foreign exchange transactions and settlement issues; (iv) issuance of bonds denominated in local currency by Multilateral Development Banks (MDBs), foreign government agencies, and Asian multinational corporations; (v) local and regional rating agencies; and (vi) technical assistance coordination.
The ASEAN+3 Finance Ministers set up a voluntary research group in August 2003 to explore ways of further strengthening regional financial cooperation and support the Process. The first ASEAN+3 Research Group meeting was held in March 2004. Recognizing the importance to further build intellectual capital across the region, in May 2005 the ASEAN+3 Finance Ministers endorsed three research areas for 2005 to 2006: (i) capital flow liberalization and institutional arrangements; (ii) capital market development, including the asset management industry; and (iii) policy coordination. The Asian Development Bank (ADB) has supported the initiatives undertaken under the ASEAN+3 Finance Ministers Process which include, among others, hosting the AsianBondsOnline website, a one-stop information clearinghouse on bond market development within the region; conducting studies for the ABMI working groups on credit guarantee mechanisms and regional clearing and settlement mechanisms; and supplying technical assistance in developing a regional early warning system (EWS) and in capacity building to strengthen the surveillance capacity of participating member countries.

ASEAN+3 includes the 10 members of the Association of Southeast Asian Nations (Brunei Darussalam, Cambodia, Indonesia, the Lao People’s Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Viet Nam) plus the People’s Republic of China, Japan, and the Republic of Korea.

**Agreements**

- Joint Statement of the 25th ASEAN+3 Finance Ministers and Central Bank Governors Meeting
  Association of Southeast Asian Nations (ASEAN) Secretariat
  12 May 2022

- Joint Statement of the Third High-level Regional Financing Arrangement Dialogue
  AMRO
  10 Oct 2018

- The Joint Statement of the 21st ASEAN+3 Finance Ministers' and Central Bank Governors' Meeting
  AMRO
  4 May 2018

- The Joint Statement of the 2nd High-Level Regional Financing Arrangement Dialogue
  AMRO
  11 Oct 2017

- The Joint Statement of the 20th ASEAN+3 Finance Ministers' and Central Bank Governors' Meeting
  AMRO
  5 May 2017
Japan, [People's Republic of] China, [Republic of Korea] and ASEAN agree to explore new financial safety nets

Japan, [Republic of] Korea hold 1st finance leaders' meeting in 7 years

Cambodia, [People's Republic of] China central banks discuss local currency settlement

Cambodia, [People's Republic of] China central banks discuss local currency settlement

Innovative financing key to private sector participation in ASEAN+3

Japan's megabanks are on the march in Southeast Asia

Why does [Republic of] Korea want currency deal with Japan?

Japan, [Republic of] Korea, [People's Republic of] China may put agreements back in place
Studies and Research

- Is International Monetary Policy Coordination Feasible for the ASEAN-5 + 3 Countries?  
  E. A. Sugandi  
  Asian Development Bank  
  16 May 2020

- Facilitating Foreign Exchange Risk Management for Bond Investments in ASEAN+3  
  Asian Development Bank  
  26 Aug 2015

- Financial Integration in Asset and Liability Holdings in East Asia  
  D. Park and K. Shin  
  Asian Development Bank  
  1 Aug 2015

- Developing the Financial Sector and Expanding Market Instruments to Support a Post-2015 Development Agenda in Asia and the Pacific  
  V. Rao  
  Asian Development Bank  
  1 Mar 2015

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ASEAN+3 Finance and Central Bank Deputies' Meeting (AFCDM+3)

AMRO
12 Dec 2018

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February 2023

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About us
The Asia Regional Integration Center (ARIC) is an ongoing technical assistance project of the Economic Research and Regional Cooperation Department (ERCD). Following the 1997/98 Asian financial crisis and the contagion evident around the region, ADB was asked to use its knowledge-based expertise to help monitor the recovery and report objectively on potential vulnerabilities and policy solutions. With the ASEAN+3 process just starting, ADB provided technical assistance beginning in 1999—to create the Asia Recovery Information Center, the precursor to ARIC.

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