

APPENDIX XXXI

THE JOINT MINISTERIAL STATEMENT OF THE ASEAN+3 FINANCE MINISTERS MEETING (Chiang Mai Initiative)

Introduction

1. Following the "Joint Statement on East Asia Cooperation" issued by the ASEAN + 3 Leaders at their Informal Meeting in Manila last November, we, the Finance Ministers of ASEAN, China, Japan and the Republic of Korea (ASEAN + 3), convened our meeting in Chiang Mai to exchange views on economic and financial situations and discuss further cooperation in the East Asian region.
2. H.E. Pehin Orang Kaya Laila Wijaya Dato Haji Abdul Aziz Umar, Minister representing the Ministry of Finance, Brunei Darussalam, presided over our meeting.

Strengthening East Asia Finance Cooperation

3. We appreciated the presentation by the Asian Development Bank on the East Asian economic and financial situations and welcomed the stronger-than-expected recovery of our member economies. To further sustain this economic growth, we agreed to strengthen our policy dialogues and regional cooperation activities in, among others, the areas of capital flows monitoring, self-help and support mechanism and international financial reforms.
4. On the monitoring of capital flows, our experts met in Manila in late April this year to exchanging views on capital flows monitoring mechanisms and discussed possible approaches to establish a regional monitoring framework in East Asia. We agreed to use the ASEAN + 3 framework to facilitate the exchange of consistent and timely data and information on capital flows.
5. As a first step towards establishing a well-coordinated economic and financial monitoring system in East Asia, we agreed to establish a network of contact persons to facilitate regional surveillance in East Asia. This would enhance the effectiveness of our economic reviews and policy dialogues.
6. In order to strengthen our self-help and support mechanisms in East Asia through the ASEAN + 3 framework, we recognized a need to establish a regional financing arrangement to supplement the existing international facilities. As a start, we agreed to strengthen the existing cooperative frameworks among our monetary authorities through the "Chiang Mai Initiative". The Initiative involves an expanded ASEAN Swap Arrangement that would include ASEAN countries, and a network of bilateral swap and repurchase agreement facilities among ASEAN countries, China, Japan and the Republic of Korea.
7. We requested the ASEAN Secretariat to lead and coordinate a study on other appropriate mechanisms that could enhance our ability to provide sufficient and timely financial support to ensure financial stability in the East Asian region.
8. Recognizing the importance of our human resources and the need for cooperative research to prepare for policy dialogue and consultation, we agreed to establish a network of research and training institutions to conduct research and training on issues of mutual interests. In this context, we appreciated Japan's offer to provide

technical assistance in the financial sector through training and seminars for finance officials and the dispatch of experts to meet urgent needs of improving fiscal consolidation, public debt management and monetary policy. We also welcomed China and Korea's offer of technical assistance to finance, banking and fiscal officials in the region through training programs.