

# **ASEAN-Japan 50th Anniversary** **Finance Ministers and Central Bank Governors' Special Meeting**

Commemorating the 50th anniversary of cooperation between ASEAN and Japan, the ASEAN-Japan 50th Anniversary Finance Ministers and Central Bank Governors' Special Meeting was held in Incheon, Republic of Korea, on May 2.

As the global economy faces various uncertainties due to the impacts of the pandemic and Russia's invasion of Ukraine, it is becoming increasingly important for ASEAN and Japan, the world's growth center, to closely work together for sustainable growth of the regional and the world economy.

In this context, we reaffirmed our commitment to further strengthening economic and financial cooperation and addressing emerging issues with close coordination to achieve sustainable growth of ASEAN and Japan. Specifically, we shared the need for ASEAN and Japan to work together on the four policy issues: (1) deepening regional financial cooperation, (2) promoting and managing financial digitalization, (3) cooperating in sustainable finance, and (4) enhancing supply chain resilience.

## **1. Deepening financial cooperation**

- We agreed to advance discussions on the regional financial safety net in the ASEAN+3 Finance Process toward the creation of a new rapid financing facility, which will allow the members to access financing to meet urgent balance of payment needs arising from sudden exogenous shocks, such as pandemics and natural disasters.
- We shared the view, in the ASEAN+3 Finance Process, to enhance our disaster risk financing initiative to strengthen financial resilience against natural disasters in the ASEAN region.
- As economic ties between ASEAN and Japan are getting stronger, promoting the use of local currencies in cross-border transactions in the region will benefit both ASEAN and Japan. We will employ the "Local Currency Settlement Framework" established with Indonesia to other ASEAN countries and promote the use of the Yen and local currencies.

## 2. **Promoting and managing financial digitalization**

- With rapid progress in financial digitalization, ASEAN countries are working on development of Central Bank Digital Currencies (CBDCs) and strengthening connectivity of cross-border payments. At the same time, challenges exist in mitigating associated risks to, among others, the stability of the financial system. In order to maximize benefits of financial digitalization and minimize risks, Japan will collaborate and cooperate with ASEAN countries through the following.
  - CBDC-related capacity development assistance through the IMF
  - AMRO's enhanced support in financial digitalization through its renewed framework of surveillance and technical assistance
  - Coordination and cooperation among authorities on financial supervision technical assistance through ADB and JICA

## 3. **Cooperating in sustainable finance**

- Sustainable finance plays an important role in promoting economic and social decarbonization efforts toward a net-zero society. Japan will facilitate the following cooperation:
  - Providing support through ADB's Energy Transition Mechanism
  - Promoting work on information, human resources, and finance related to GX investment in Asia, including enhancement of relevant data in the Asian region, establishment of consortiums to promote GX in ASEAN, and upgrading of university courses for human resource development including in the ASEAN region

## 4. **Enhancing supply chain resilience**

- To strengthen supply chain resilience, JBIC will make most use of the Global Investment Enhancement Facility, established in July 2022, and the recent amendments of the JBIC Act.
- As part of efforts to improve the business environment on trade between ASEAN and Japan, we will promote electronic data exchanges of certificates of origin with ASEAN countries. We will also provide tailored assistance to ASEAN, including by long-term experts from Japan customs officials. We will facilitate customs cooperation through the World Customs Organization (WCO) and the ASEAN-Japan Customs Authority Conference.