

Joint Message

The 11th Trilateral Finance Ministers' Meeting among China, Japan and Korea May 4, 2011, Hanoi, Vietnam

1. We, the Finance Ministers of China, Japan and Korea held the 11th Trilateral Finance Ministers' Meeting on May 4, 2011 in Hanoi, Vietnam. We had a valuable opportunity to exchange views on current macroeconomic and financial developments, regional financial cooperation and other issues of common interest.
2. We delivered a message of deep condolence to the Japanese people regarding the devastating earthquake and tsunami that hit Japan in March. The Ministers of Korea and China support the Japanese government's efforts for recovery and reconstruction following the crisis. The Minister of Japan deeply appreciated the warm support for Japan from China and Korea and briefed on the latest developments.
3. The economic growth in the region, after having weathered the global financial crisis, has been resilient owing to robust domestic demand and buoyant exports. However, we are mindful of the challenges the region is faced with, including growing inflationary pressure, rise in commodity prices and increasing volatility of capital flows to the region. There are also uncertainties such as the turmoil in the Middle East and North Africa region, and the impact of the earthquake in Japan. We will continue to implement appropriate macroeconomic policies and strengthen policy cooperation to achieve strong, sustainable and balanced economic growth of the three countries.
4. We discussed and welcomed the progress made on regional financial cooperation under the ASEAN+3 Finance Ministers' Process, and reaffirmed our commitment to cooperation. We were pleased with the establishment of AMRO. We shared the view that strengthening AMRO's surveillance function is an effective tool to prevent a financial crisis in the region and a key element to avoid moral hazard, and in this regard, we agreed to work together to seek measures to further strengthen AMRO's surveillance function.
5. We discussed how to strengthen regional financial cooperation in the future. We stressed the importance of initiating a study on the design of a possible regional crisis prevention function. We committed to contribute to improving the international monetary system by enhancing collaboration between Asia's regional financial arrangement and the IMF, as agreed at G20 Seoul Summit.
6. We also agreed to explore ways to further improve the Asian Bond Markets Initiative (ABMI), which helps to promote regional bond markets and reduce risks of double mismatches, and accordingly contributes to preventing financial crisis in the region. In this context, we expect that there will be discussions, in due course, on the

possibility of expanding ABMI to cover the capital market development, in order to support strong, sustainable and balanced growth of the regional economy in the post-crisis period. Also, we agreed to deepen our discussions on how to facilitate cross-border securities transactions and contribute to further developing capital markets in the region, including the studies of the establishment of RSI. We agreed to initiate studies on the new possible priorities areas for future ASEAN+3 financial cooperation, with the support from ADB as appropriate, including the studies on regional infrastructure financing, disaster risk insurance and the use of local currencies in regional trade settlement.

7. We appreciate the cooperation among the three countries, as well as the fruitful outcomes of this meeting, and believe that the Trilateral Finance Ministerial Process will continue to work as an effective platform for enhanced policy dialogue and cooperation into the future.