

Press Statement on the Global Economic and Financial Crisis Cha-am Hua Hin, Thailand, 1 March 2009

The Heads of State/Government of the ASEAN Member States met in Cha-am Hua Hin on 1 March 2009 to discuss, among others, the global economic and financial crisis.

They noted that while ASEAN's economic fundamentals remain sound as a result of significant structural reforms undertaken since the 1997/98 Asian financial crisis, the deepening global economic downturn, coupled with heightened risk aversion in financial markets, have adversely impacted trade and investment in the region. These developments pose significant downside risks to regional economic growth.

In view of this global economic and financial crisis, the Leaders:

- **concurred** on the necessity of proactive and decisive policy actions to restore market confidence and ensure continued financial stability to promote sustainable regional economic growth. They also welcomed expansionary macroeconomic policies, including fiscal stimulus, monetary easing, access to credit including trade financing, and measures to support private sector, particularly small and medium enterprises (SMEs) undertaken by each ASEAN Member State to stimulate domestic demand. Towards this end, they stressed the importance of coordinating policies and taking joint actions that would be mutually reinforcing at the regional level.
- **reaffirmed** their determination to ensure the free flow of goods, services and investment, and facilitate movement of business persons, professionals, talents and labour, and freer flow of capital. They agreed to stand firm against protectionism and to refrain from introducing and raising new barriers. They reaffirmed their commitment to implement measures adopted in the ASEAN Economic Community Blueprint which would create greater business opportunities in the region. In addition, they agreed to intensify efforts to ensure a strong Doha Development Agenda outcome.
- **commended** the ASEAN+3 Finance Ministers on the outcome of the recent Special ASEAN+3 Finance Ministers' Meeting held in Phuket, Thailand, on 22 February 2009, which was convened in response to the global financial turmoil. In particular, they welcomed the agreement of the ASEAN+3 Finance Ministers to increase the size of the Chiang Mai

Initiative Multilateralisation (CMIM) from US\$ 80 billion to US\$ 120 billion and to develop a more robust and effective surveillance mechanism to support the operation of the CMIM. They underscored the importance and urgency of launching the CMIM and tasked the ASEAN Finance Ministers to continue working with their Plus Three counterparts to resolve remaining issues in order to operationalise this arrangement expeditiously.

- **acknowledged** that the scope for regional cooperation must be expanded to mobilise savings for investments in productive areas, particularly infrastructure development to spur regional growth. They welcomed the new Asian Bond Markets Initiative Roadmap and noted the on-going discussion to promote regional infrastructure financing.
- **recognised** efforts to promote financial sector cooperation in various ASEAN-led fora including ASEAN+1, ASEAN+3 and East Asia Summit. They agreed that ASEAN-led consultations among other fora and organisations in the region would be essential to safeguard the region from future economic and financial crises.
- **urged** that more coordinated action by both developed and developing countries be taken to restore financial stability and ensure the continued functioning of financial markets to provide support to growth.
- **called** for a bold and urgent reform of the international financial system to achieve a more comprehensive, equitable and inclusive system that takes into consideration the interests and voices of the emerging and developing economies. They stressed the importance of strengthening the existing financial and regulatory framework.
- **looked** forward to working with other partners to convey the above views at the forthcoming London Summit in April 2009. In this connection, they asked ASEAN Finance Ministers to provide further inputs for the ASEAN Chair and Indonesia, as a member of G20, to convey to the London Summit.

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