

Joint Message

The 8th Trilateral Finance Ministers' Meeting among China, Japan and Korea

May 4, 2008 Madrid, Spain

We, the Finance Ministers of China, Japan and Korea held the 8th Trilateral Finance Ministers' Meeting on May 4, 2008 in Madrid, Spain. We had a precious opportunity to exchange views on current macroeconomic and financial developments, regional financial cooperation and other issues of common interest.

We welcomed the continued solid growth in our three economies. However, the regional economy is not entirely immune from the global economic slowdown in the midst of increasing potential downside risks looming in the world economy. Against this backdrop, we recognized the need to closely monitor potential risks and promote cooperation of information sharing, extended working level meetings and deeper understanding on the macroeconomic and financial situation in the three countries.

The current international financial market turbulence is one of the main risks to the economies, and the interdependence in terms of both financial transactions and trade of goods and services is steadily increasing in the Asian region. We are mindful of the necessity to enhance communication among authorities responsible for macroeconomic and financial stability. In this sense, we recognized the importance of holding a workshop initially by the end of this year with participation of ministries of finance, financial supervisory authorities and central banks in China, Japan and Korea.

We discussed and welcomed progress made on regional financial cooperation under the ASEAN+3 Finance Ministers' Process, and reaffirmed our commitment to continued close collaboration. We were pleased to see the progress towards the CMI Multilateralisation. We reached an agreement on several key elements of the CMI Multilateralisation. We agreed to further expedite our efforts to reach consensus on all of the elements of CMI Multilateralisation, particularly through the enhanced internal discussion among the three countries.

We agreed to continue the support for the Asian Bond Markets Initiative (ABMI), aiming at the development of bond markets in the ASEAN+3 countries. We believe that the ABMI has contributed to recent bond market developments in the region both by accelerating market reforms of each country and stimulating policy cooperation among the ASEAN +3 countries. We agreed to level up concerted efforts on the ABMI toward further development of Asian bond markets.

We were content with the achievements in our tripartite cooperation and the fruitful outcomes of this meeting, and had a concurrent view that the Trilateral Finance Ministerial Process will continue to act as an effective medium for enhanced policy dialogue and coordination into the future.