

Joint Message

The 7th Trilateral (China, Japan and Korea) Finance Ministers' Meeting

May 4th, 2007, Kyoto, Japan

We, the Finance Ministers of China, Japan and Korea held our 7th Trilateral Finance Ministers' Meeting on May 4, 2007 in Kyoto, Japan. We had fruitful discussions on current macroeconomic developments, regional financial cooperation and other issues of common interest.

We welcomed the continued solid growth in our three economies. In general, we were optimistic about the economic prospects for both regional and global economies in 2007. We recognized the need to keep vigilant on potential risk factors and emphasized the importance to adopt appropriate macroeconomic policies in a manner compatible with sustained global growth.

We discussed and welcomed progress made on regional financial cooperation under the ASEAN+3 Finance Ministers' Process, and reaffirmed our commitment to continued close cooperation. We were pleased to see that the total amount of the current bilateral swap arrangements under the Chiang Mai Initiative (CMI) continues to increase. We welcomed the progress of the study towards an advanced framework of regional liquidity support arrangement (CMI multilateralization or Post-CMI). We agreed to further strengthen our efforts to jointly explore ways for CMI multilateralization, while confirming our commitment to maintain the two core objectives of the CMI, i.e., (i) to address short-term liquidity difficulties in the region and (ii) to supplement the existing international financial arrangements.

We agreed to work collectively to push forward the development of the Asian Bond Markets Initiative (ABMI). We believe that this collective work will facilitate the diversification of issuers and types of local currency-denominated bonds and thus contribute to the deepening of local bond markets. We reaffirmed the importance of the ABMI in order to enhance sustainable economic development in the region by channeling its abundant savings to the efficient investment. We agreed to promote other cooperative agenda through the ASEAN+3 Finance Ministers' Process, and elevate regional financial solidarity and strength to a higher level through our partnership with all ASEAN+3 members.

We were satisfied with the cooperation among our three countries and the success of this meeting, and agreed to further strengthen our policy dialogue and cooperation through the Trilateral Finance Ministerial Process in the future.