

# NEWSLETTER



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## Message from the Chairman

My dear colleagues:

It is a pleasure to present to you the “Asian Council on Trade Facilitation” newsletter, volume VII for 2018. This publication is a compendium of relevant news, reports, and analysis on recent developments in trade facilitation in Asia Pacific.

This issue features prominently Indian efforts to expand trade using technology and establishing new channels in the Asia Pacific region, while Vietnam continues expanding trade deals in the region and beyond.

Central Asian nations are also cooperating in infrastructure projects to further facilitate trade to new markets and the US continues building bilateral deals promoting trade.

Overall, despite some recent political hiccups, the trade among Pacific nations and beyond continues unimpeded.

This compendium of key reports will show that trade facilitation continues propelling the Asia Pacific economic growth. Enjoy your reading!

**R. B. Rauniar**  
*Chairman of Asian Council on Trade Facilitation  
CACCI*

## Exim Bank India: Building an online portal for export facilitation

ADFIAP, 20 March 2018



In its endeavor to improve the competitiveness of MSMEs and promote cross border trade and investments, Export Import Bank of India (Exim Bank India) launched an export facilitation portal, “Exim Mitra”, to provide information on availability of financial products for exports, and delivering trade related information.

Through the portal, a wide array of market intelligence services are provided to potential and existing exporters. This includes, among others, assessment of demand across products and markets; information pertaining to market standards, sanitary/phytosanitary requirement, and other rules and regulations in key market like the USA and EU; government incentives across various sectors; relevant contact information for handholding agencies; cost and duration of shipments from across the globe, and country ratings. For potential exporters, the portal also provides services such as identification of HS codes, detailed calculation of duty and tax, list of applicable taxes for a country, etc.

Another major focus of the portal is promoting financial inclusion by facilitating financial services that will address more than 200 million formal and informal MSMEs in emerging economies lacking adequate financing to thrive and grow. The portal will also serve as an avenue to address information asymmetry, the major reason for high rejection rate for MSME trade finance applications, by acting as intermediary between banks and firms. Being an interactive platform, Exim Mitra offers an opportunity for MSMEs to discuss the requirement of trade finance applications with experts.

In less than a year of its launch, Exim Mitra had more than 225,000 visitors, and has responded to queries of more than 200 MSME exporters. A large majority of the queries are from MSME exporters in labour-intensive sectors such as agro and food products, and textile and garments. Exim Bank India’s intervention in form of information advisory has enabled these MSMEs to successfully tap export opportunities.

Exim Bank’s “Exim Mitra: Export Facilitation Portal” received a Merit Awards in the 2018 ADFIAP Outstanding Development Project Awards, under the SME development category.

<http://www.adfiap.org/news/members-news/exim-bank-india-building-an-online-portal-to-enhance-export-facilitation/>

## Việt Nam-US forum seeks investment, trade ties

Vietnam News, 19 May 2018

HCM CITY - There is a huge opportunity for Việt Nam and the US to expand investment and trade ties in many sectors, a bilateral trade forum communicated to media in HCM City.

Deputy Minister of Industry and Trade Đỗ Thắng Hải said trade between the two countries has gone up from a modest US\$220 million in 1994 (the year the US lifted its economic embargo against Việt Nam) to \$50.8 billion last year, with Việt Nam enjoying a surplus.

“The US has been the leading trade partner for Việt Nam in the last 10 years.” The two economies are complementary rather than competing, he said.

“Việt Nam, a developing economy, has great demand for machinery, technology, aviation and telecom equipment, agricultural inputs, and others, while the US has demand for agricultural products, textiles, footwear and electronics equipment, in which Việt Nam has competitive advantages.”

Tim Liston, deputy principal officer of the US consulate general in HCM City, said: “We have already seen strong growth in bilateral trade, with the US becoming Việt Nam’s largest export market.” Việt Nam is a top 10 market for US food and agricultural products.



“Việt Nam has the fastest growing middle class in Asia. This means increased demand for the high quality US consumer products and services,” Liston said.

“I see opportunity to invest in cleaner energy solutions. I see opportunity to leverage (and in some cases leapfrog) technology to build smarter cities and create new start-ups. I see opportunity to develop educational partnerships that encourage innovation and foster entrepreneurship.

“I see opportunity for greater bilateral

investment. The US Mission is currently recruiting a delegation of Vietnamese firms to participate in the SelectUSA Investment Summit that will take place next month in Washington, DC. This summit will expose Vietnamese companies to investment opportunities in the United States.”

## Challenges

Though its exports to the US are growing rapidly, Việt Nam mainly ships raw or sub-contracted products with low value addition, delegates said.

Đinh Thị Hương Nga of the Handicraft and Wood Industry Association of HCM City said Việt Nam earned \$8 billion from export of wood and wood products last year, with the US accounting for 40% of this.

“We mainly make products based on customers’ designs. If we invest more in design and exploit the high-end segment, exports to the US can jump many fold.”

An AmCham representative said Việt Nam is “very good in volume of export but not good at value of export.” She suggested that Vietnamese firms should think about export of “added value products, not jut export of raw materials at a time when trade protection is increasing globally.”

According to Hải, the big challenge for Vietnamese exporters is the US's imposition of strict import regulations.

In addition to federal laws, each state has different rules and regulations, he said. Protectionism through new regulations and standards for quality, food safety, origin of products, especially for agro-forestry and fisheries products, is also increasing, he said.

Chu Thắng Trung, deputy director of the Ministry of Industry and Trade's Trade Remedies Authority, said the number of anti-dumping and anti-subsidy lawsuits by the US has already doubled under the new Government there.

"Not only products with high export volumes but even minor items face these lawsuits," he said.

Trương Đình Hòa, general secretary of the Việt Nam Association of Seafood Exporters and Producers, said trade protection has tended to increase in recent years, making it difficult for seafood companies to export to the US.

The US annually imports around 600,000 tonnes of shrimps, or 80-90 per cent of its domestic demand, with imports from Việt Nam just accounting for 10% of imports.

"We can supply higher volumes, our product quality is not inferior to any other country's, but due to anti-dumping issue we have to accept that modest export rate."

Organised by the Ministry of Industry and Trade, the Việt Nam-US Trade Forum attracted more than 300 delegates, including government officials, local leaders, and Vietnamese and US business executives. - VNS

<http://vietnamnews.vn/economy/448252/viet-nam-us-forum-seeks-boost-to-investment-trade-ties.html#vVQm8Z3iAFvxbwXX.97>

## **International markets access for Uzbeks made easier**

**Uzbekistan Today, 12 February 2018**

During the first half of 2018 in Uzbekistan, a new electronic online platform named ZoodMall will be launched. This platform will allow manufacturing companies, dealers, representatives of Uzbek and world trade brands to sell their goods without intermediaries.

This project follows from the memorandum signed by the National Postal Operator of Uzbekistan "Uzbekiston Pochtasi" JSC and the Swiss company "ZOODEL".

"ZOODEL" together with "Uzbekiston Pochtasi" JSC offer a solution that allows sellers and manufacturers to export goods in the most convenient way, namely:

- to place products on the ZoodMall website through mobile applications;
- to promote goods placed on ZoodMall through the world's international B2B trading platforms (eBay, AliExpress, Lazada, Cdiscount, etc.).

It will provide access to Uzbek products to hundreds of millions of customers per day. For Uzbek producers, there is a free registration in the program.

The mobile ZoodMall application will enable Uzbek entrepreneurs to conduct online trade on international markets. And this is more than 300 million potential buyers. Consumers of Uzbekistan will receive some of the best prices and offers, as well as delivery by the national postal operator of Uzbekistan.

Cooperation between ZOODEL and “Uzbekiston Pochtasi” JSC will promote the development of E-commerce and postal services in Uzbekistan.

ZOODEL is the leading B2B platform that facilitates trade with the countries of the Silk Road (the Russian Federation, Kazakhstan, Armenia, Azerbaijan, Georgia, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan, Turkey, Lebanon, Afghanistan, Pakistan, Iran, Iraq and China).

[http://ut.uz/en/business/access-to-international-markets-for-uzbek-entrepreneurs-will-be-simplified/?sphrase\\_id=11518](http://ut.uz/en/business/access-to-international-markets-for-uzbek-entrepreneurs-will-be-simplified/?sphrase_id=11518)

## NSW implementation to commence mid-July

**The Ceylon Today, Nishel Fernando, 5 April 2018**

COLOMBO - Sri Lanka will commence the implementation plan of the National Single Window (NSW) by mid-July this year, while 80 per cent of work should have been completed for the launch of the Trade Information Portal (TIP) in mid-May.

This report was revealed during the first public-private consultations on the establishment of a National Single Window (NSW) in Sri Lanka, organized by Geneva-based International Trade Centre (ITC) in collaboration with Sri Lanka's National Trade Facilitation Committee (NTFC).

The Prime Minister has appointed eight committees to implement the Trade Facilitation Agreement. The NSW and TIP are considered to be major components of the TFA, which is set to promote private sector growth and boost export-oriented FDI to the country.



Addressing the gathering, Director General of Customs, P S M Charles noted that paperless documents are technically ready to be launch while there are some pending adjustments to be made.

However, speaking at the event, Department of Commerce (DoC) Director General Sonali Wijeratne pointed out certain delays in

implementing commitments under the TFA. She said it had taken almost three years for Sri Lanka to officially notify the WTO of the commitments under categories A, B and C of the TFA. Complete article can be accessed at:

<http://www.ceylontoday.lk/news-search/trade%20facilitation/news-more/729>



## FTA between Sri Lanka and Singapore

The Ceylon Chamber of Commerce, 22 January 2018



Sri Lanka has managed to send a positive signal to the world, demonstrating the country's openness to investments and its willingness to create much-needed business links with the rest of the world by signing a comprehensive, high quality FTA with Singapore.

These views were expressed by the Chief Negotiator of the National Negotiation Team, K. J. Weerasinghe, speaking at a seminar on Expand Your Business Opportunities Through Sri Lanka- Singapore FTA, held at the Ceylon Chamber of Commerce Auditorium.

The Sri Lanka-Singapore FTA is the first comprehensive agreement for Sri Lanka beyond trade in goods and covers goods, services, investments, technical barriers to trade intellectual property rights, rules of origin,

customs procedure and trade facilitation, trade remedies, competition, transparency provisions, government procurement, dispute settlement and general and final provisions while it includes chapters on telecommunications, e-commerce and financial services annex.

Research Director at Verite Research, Subhashini Abeysinghe also speaking at the seminar said signing a FTA with Singapore is not going to be a game changer for Sri Lanka especially in terms of export of goods...It will be complimentary."

<http://www.chamber.lk/index.php/news/9-media-releases/66-fta-with-singapore-positive-signal-to-world>

## Philippines & US to pursue bilateral trade deal

The Manila Times, May 25, 2018

Philippine and US trade officials will continue to pursue a possible free trade agreement (FTA) in a bid to improve bilateral ties between the two countries.

Trade Secretary Ramon Lopez met with Deputy US Trade Representative Jeffrey Gerrish met and acknowledged that the current Trade and Investment Framework Agreement (TIFA) offered opportunities for increased engagement.

"We are looking forward to exploring a free trade agreement with the US," Lopez was quoted as saying in a Finance department statement. "Meanwhile, we can simultaneously pursue low-hanging opportunities like the existing TIFA and the privileges under the Generalized System of Preferences (GSP)," he added.

Gerrish, meanwhile, was quoted as saying that “[US] President [Donald] Trump has made clear his commitment to the Indo-Pacific region and the United States values our very important trade relationship with the Philippines. Greater engagement on trade and investment will benefit both countries,” he added.

A range of Philippine goods currently enjoy preferential duty-free entry to the US through the GSP scheme, which Trump renewed earlier this year. In 2017, GSP exports accounted for 17.6 percent of Philippine exports to the US, valued at US\$1.492 billion. Leading GSP exports include tires, sugar, electronics, and fruit and vegetable juices.

The renewed GSP has extended the duty-free treatment to a number of travel goods and the Trade department also wants to add footwear to the list, which would promote local shoe firms and could prompt foreign manufacturers to locate in the Philippines.

<http://www.manilatimes.net/ph-us-to-pursue-bilateral-trade-deal/400965/>

## US sees trade deals shoring up Asian strategy

BusinessWorld, Janina C. Lim, Reuters, 25 March 2018



The United States views trade deals to be critical to its overall strategy in the Asia-Pacific, and considers the Philippines to be among the countries where trade agreements would be advantageous, the Department of Trade and Industry (DTI) said.

Trade Secretary Ramon M. Lopez told reporters in a mobile phone message: “Learned that USTR (United States Trade

Representative) Amb. (Robert E.) Lighthizer has acknowledged in a recent US Congressional hearing that... having an FTA with... countries in the Pacific such as Japan, Malaysia and Vietnam” are key to the US strategy in the region and that pursuing increased trade with the Philippines is also “a reasonable first step” in pursuing this approach.

“I believe that this is a good indication we will be able to elevate the quality of our trade ties with the US, going beyond the current GSP arrangements,” Mr. Lopez added.

Under the 1989 bilateral Trade and Investment Framework Agreement (TIFA), the United States and the Philippines have several agreed to cooperate in customs administration and trade facilitation protocol, and stopping illegal transshipments of textiles and apparel, among others.

According to the USTR, goods and services trade with the Philippines were worth \$27 billion in 2016, with exports at \$10.8 billion and imports at \$16.2 billion.

<http://bworldonline.com/us-sees-trade-deals-shoring-up-asian-strategy/>

## Facilitation pact to cut trade costs in Asia-Pacific

Dawn, Amin Ahmed, 24 March 2018

ISLAMABAD - Trade costs in Asia and the Pacific is projected to be reduced by 26% or savings of \$673 billion every year with the full implementation of the WTO's Trade Facilitation Agreement together with other paperless trade measures, according to a new report released by the United Nations.

The report, 'Digital Trade Facilitation in Asia and the Pacific', launched by the UN Economic and Social Commission for Asia and the Pacific (UNESCAP), shows that the potential trade cost reductions in South Asia exceed 20% in all countries of that region including Pakistan, while the potential trade cost reductions for all ASEAN countries exceed 15%. Least Developed Countries and Pacific Island countries have the most to gain, with trade cost reductions from digital trade facilitation exceeding 30%.

A recent UNESCAP study found that moderate region-wide improvements in trade facilitation in Asia-Pacific could lift GDP by 0.32% annually between 2015 and 2030, which is equivalent to nearly \$87bn per year.

Digital trade facilitation refers to the application of modern information and communications technologies (ICTs) to procedures involved in moving physical goods across borders. Implementing digital trade facilitation including paperless trade measures, to the level currently seen in China could increase the region's annual GDP by more than 3.8%, and its exports by 11.2% by 2030. At the same time, the report notes that achieving cross-border paperless trade is expected to be a long and complicated process, and it cannot be achieved without close collaboration between countries.



*A truck drives along the China-Pakistan Friendship Highway before the Karakorum mountain range near Tashkurgan, China's Xinjiang province. (AFP file)*

"Trade facilitation is about making trade easier for all," said UNESCAP Executive Secretary Dr Shamshad Akhtar. "Countries need to work closer together to streamline and digitalise trade procedures. "The Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific can support this process", she said.

The Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific is fully dedicated to the digitalisation of trade processes and enabling the seamless electronic exchange and legal recognition of trade-related data and documents across

borders, rather than only between stakeholders located in the same country.

Developed by a diverse group of more than 25 Asia-Pacific economies at very different stages of development over four years. Implementation of the Agreement is expected to greatly reduce transaction time and costs as well as increase regulatory compliance. Importantly, it will enable countries that have already initiated work at the bilateral or sub-regional levels to leverage that work and ensure that emerging regional and multilateral solutions more fully take into account existing work.



The report says that more than 70% of the countries surveyed in the Asia-Pacific have at least partially developed the legal and regulatory frameworks needed to support electronic transactions, but that these frameworks remain incomplete and may not readily support the legal recognition of electronic data or documents received from stakeholders in other countries.

<https://www.dawn.com/news/1397180>

## **UN supports Afghanistan-Turkmenistan-Azerbaijan transit corridor project**

**Azernews, Trend, 13 March 2018**

A resolution has been unanimously adopted on supporting international efforts to assist Afghanistan at the next meeting of the UN Security Council, Turkmen President Gurbanguly Berdimuhamedov said in his message.

In this resolution of the UN Security Council, a special role is assigned to the measures being implemented to revive the socio-economic infrastructure of Afghanistan.

The Security Council, on the basis of the initiatives put forward, supported the efforts to strengthen economic cooperation in the region and urged all countries to undertake the necessary work in this direction.



The Agreement on the establishment of the transit, trade and transport corridor Afghanistan-Turkmenistan-Azerbaijan-Georgia-Turkey (Lapis Lazuli) is among these initiatives.

In November 2017, the Turkmen parliament ratified this agreement, which had been signed in Ashgabat by foreign ministry officials of Afghanistan, Turkmenistan, Azerbaijan, Georgia and Turkey.

It is expected that the railways and motorways will connect the city of Turgundi in the Afghan province of Herat with Ashgabat, and then with the Caspian port of Turkmenbashi. The corridor will run until Baku, then through Tbilisi to Ankara with branches to Poti and Batumi, and further from Ankara to Istanbul.

The project's budget, which is aimed at facilitating transit logistics and simplifying customs procedures, is estimated at \$2 billion. The project is designed to increase the economic integration of the region and the volume of trade.

[https://www.azernews.az/news.php?news\\_id=128693&cat=business](https://www.azernews.az/news.php?news_id=128693&cat=business)

## Caspian states mull economic, trade agreement in Ashgabat

Azernews, Kamila Aliyeva, 13 March 2018



A third regular meeting of representatives of the Caspian littoral states to discuss a draft agreement on trade and economic cooperation kicked off in Ashgabat, the Turkmen Foreign Ministry said in a message on March 13.

The meeting was organized by the Turkmen Foreign Ministry, the Ministry of Finance and Economy, and the State Enterprise for Caspian Sea Affairs under the President of Turkmenistan.

Heads, leading specialists and experts of the relevant ministries and departments of Azerbaijan, Iran, Kazakhstan, Russia and Turkmenistan took part in the meeting.

The meeting noted that a lot of work was done over the past period on practical implementation of the previously reached agreements.

Significant progress was made on a number of new normative and legal documents, which are planned to be signed in a five-sided format. They include the agreement on trade and economic cooperation among the Caspian littoral states, designed to promote the comprehensive strengthening and expansion of mutually beneficial economic ties.

The negotiators stressed that the draft agreement, developed by the Turkmen side, is aimed at boosting mutually beneficial trade and economic ties among the Caspian littoral states.

The legal document is designed to simplify and intensify the interaction of the parties in industry, agriculture, trade, tourism and other areas, responding to the interests of the peoples of the regional states, contributing to sustainable development and strengthening of friendship among the neighboring countries on the Caspian Sea.

The participants of the meeting noted that the Caspian region, in the context of the globalization of the world economy, is playing an increasingly leading role in the Eurasian space as one of the most important geopolitical, trade-economic, energy and transport-communication centers. Therefore, the establishment of coordinated international cooperation based on clear legal norms and mutual consideration of the interests of the Caspian states is of high importance and urgency.

The Caspian Sea is surrounded by the five coastal countries of Azerbaijan, Iran, Kazakhstan, Russia and Turkmenistan. The Sea has a total surface area of 371,000 square kilometers, holding 78,200 cubic kilometers of water.

[https://www.azernews.az/news.php?news\\_id=128659&cat=nation](https://www.azernews.az/news.php?news_id=128659&cat=nation)

## Integration challenges of big bay area

**The Standard, Money Glitz, Joyce Chen 11 December 2017**

A major study has identified five main areas of concern related to logistics and trade facilitation issues in the Guangdong-Hong Kong-Macau Greater Bay Area.

One concern among stakeholders is the lack of clarity on the approach to integration of the cities in the context of "One Country Two Systems." Dynamics between market economy and policy driven economy, and given such dynamics, whether there is a division of services in the region, were two more issues that were identified.

Concerns were also raised on whether customs practices in the region will be reformed. The fifth concern was about creating a single window to facilitate trade and logistics.

These issues formed part of the findings in a report, "Logistics and Trade Facilitation in Guangdong-Hong Kong-Macau Bay Area: Stakeholders Concerns, Comments from Central Government, and Policy Recommendations," by a team that included members of the Policy Research Institute of Global Supply Chain of Hang Seng Management College and the Asian Institute of Supply Chains & Logistics of the Chinese University of Hong Kong. The report was based on a study of logistics and trade facilitation in the Big Bay Area.

Business leaders, industry experts and academics shared their thoughts on logistics and trading issues in the area at a symposium at Sheraton Hong Kong Hotel & Towers.

The study organized services into three categories: aviation, marine and ground, and also made several recommendations.

Known as the Big Bay Area, the initiative was proposed by China to link two special administrative regions and nine cities in Guangdong province into an innovation and technology hub. The nine cities are Guangzhou, Shenzhen, Foshan, Dongguan, Zhuhai, Huizhou, Zhongshan, Jiangmen, and Zhaoqing. The area also includes the two special administrative regions, Hong Kong and Macau.

Cheung Wai-man, a professor from the CUHK, says that cities and regions of the Big Bay Area should first bring their own strengths into full play, so it can compete with other bays and countries. As a historical free-trade zone, Hong Kong should be the entry point for overseas investors and an exit point for mainland enterprises.

Mainland exporters would benefit from the less complicated customs clearance in Hong Kong, Cheung says. Citing a retailer, he says, the merchant can store more inventory in Hong Kong according to its regular exports volume, rather than shipping on orders. It can save time for mainland customs clearance and become more efficient.

Wilson Fung Wing-yip, the executive director of corporate development at Hong Kong International Airport, notes that the airline business is a key industry for collaboration. Guangzhou has plans for a second airport, while Shenzhen International Airport is building the 4th terminal, to move 60 million more passengers. These airports altogether offer more than 300 air routes to the mainland, while Hong Kong only has less than 50 accessing the mainland.

These airports could help Hong Kong attract more transit passengers, he says. The airports have also entered into partnerships with air ticket sellers such as Ctrip.

A month earlier, Hong Kong airport teamed up with DHL Express to expand capacity at the logistics center. However, since aviation is highly regulated and involves the government, an authority or commission for regional coordination is necessary, Cheung says. Hong Kong airport, so far, has set up an office in Guangzhou. "Before nine cities and two special administrative regions integrate, we have to settle this as soon as possible to avoid unhealthy competition internally," he says.

"Not only is an airline committee needed for handling related issues, the 'single window' development should be speeded up in the area well." Single window refers to a facility that allows different trading parties, international or cross-border, to lodge standard information, or regulations through a single entity.

There is an office called Guangzhou Port Authority in Guangzhou, dealing with administration and business related to nine mainland cities. However, such a single window in Hong Kong might not be possible until 2024 based on the current public consultation process, Cheung suggests.

Moreover, Hong Kong can foster the area's development by attracting more international talents. For instance, Shenzhen is the leading technology hub in China where global talents seek opportunities. But, they might be used to international living standards that Hong Kong offers a better solution, according to Cheung. The study found that in general, Beijing favors a two-phase approach: integrate nine cities in the first phase and then nine cities plus two special administrative regions in the second stage.

Industrial stakeholders and policy bureaus see merit in division of services in the Big Bay Area and that market forces should be recognized as the basis for such divisions, the study found. It was noted that there are advantages such as geographical and functional, which should not be overlooked. There are various concerns on the alignments of systems and policies, the study says.

[http://www.thestandard.com.hk/section-news.php?id=190530&story\\_id=50002190&d\\_str=20171211&fc=1](http://www.thestandard.com.hk/section-news.php?id=190530&story_id=50002190&d_str=20171211&fc=1)

## **Indonesia, India step up Economic, Maritime Cooperation**

**Jakarta Globe, 6 January 2018**

Jakarta. Indonesia and India agreed to strengthen strategic partnerships across various key areas, including defense, security, economy and maritime at the 5th Indonesia-India joint commission meeting in Jakarta in January of this year.

"We discussed ways to broaden our partnerships, including by expediting finalization of our defense cooperation agreements," Indonesian Foreign Affairs Minister Retno Marsudi said in a joint press statement.



*Indonesia's Foreign Affairs Minister, Retno Marsudi, right, and her Indian counterpart Sushma Swaraj in Jakarta. (JG Photo/Sheany)*

She said Indonesia and India also agreed to strengthen maritime cooperation to fight piracy and illegal fishing.

The two countries will also work together to counter terrorism through deradicalization programs and by developing a legal framework to combat transnational organized crimes, including cyber attacks.

India's foreign affairs minister, Sushma Swaraj, said the two countries is "in a unique position to develop synergetic relationship to harness potentials [in the] Indo-Pacific region."

The countries also agreed to work bilaterally and with other partners to "turn challenges facing the region into opportunities."

Swaraj said the two countries are united in opposing "any selective approaches in dealing with terrorism, and urged countries to stop sponsoring terrorism and refrain from encouraging the use of their respective territories to establish 'terrorist safe havens.'"

Indonesia and India also agreed to speed up negotiations on exclusive economic zones and intensify cooperation to promote trade facilitations and to explore other trade potentials through greater market access.

They will also endeavor to improve investment facilities in many sectors, including pharmacy and mining. Bilateral trade between India and Indonesia was worth nearly \$15 billion between January and October 2017, with Indonesia's surplus at \$8.3 billion.

The meeting also saw both countries agreeing to address India's high trade deficit, not through restricting trade but rather by increasing it to the tune of \$50 billion in 2025.

India is Indonesia's top export market for palm oil and the second biggest importer of Indonesian coal.

"We agreed to create a balanced and sustainable trade by providing greater market access in both goods and services," Swaraj said.

Swaraj's visit to Indonesia is part of a whirlwind tour that also traverses Thailand and Singapore as part of India's new "Act East" policy.

The policy seeks to improve India's relations with countries in the Indo-Pacific region – members of the Association of Southeast Asian Nations (ASEAN), South Korea, Australia, New Zealand and Pacific Island countries.

India wants to bolster partnerships with these countries in economy, security, politics, counterterrorism and defense.



"For India, relations with ASEAN is a key priority. It is at the core of our Act East Policy," Swaraj said.

On January 6<sup>th</sup>, Retno and Swaraj inaugurated the ASEAN-India Think-Tanks Forum (AINTT), which brings key thinkers to analyze pressing challenges in the region.

Retno said any attempts to improve peace, stability and prosperity in the region will require "strengthening the regional architecture" — from dialogue to proactive engagement in regional forums such as the Indian Ocean Rim Association (IORA).

Indonesia and India also agreed to expand aviation links, and planned to start direct flights between the two countries.

Swaraj also said that India will continue to help Indonesia develop the skills of its workers through short-term training programs and scholarships.

The two countries will also strengthen cooperation in education, information and communication technology and healthcare, Swaraj said.

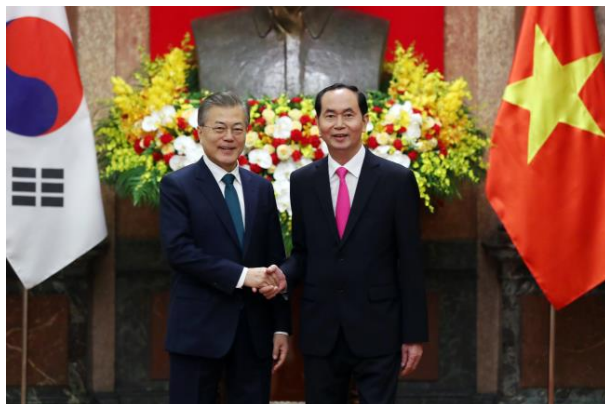
<http://jakartaglobe.id/news/indonesia-india-step-economic-maritime-cooperation/>

## Seoul, Hanoi agree on more trade, cooperation

**The Korea Herald, Choi He-Suk, 23 March 2018**

South Korea and Vietnam agreed to raise bilateral relations to that of strategic partners, and to increase trade to \$100 billion by 2020.

The agreement was included in the Korea-Vietnam joint declaration announced following President Moon Jae-in's summit with Vietnamese President Tran Dai Quang in Hanoi.



*President Moon Jae-in and Vietnamese President Tran Dai Quang pose for a photograph before their summit in Hanoi, Vietnam. Yonhap*

In a joint declaration released shortly after their summit, the two leaders noted each of their countries had become one of the most important partners.

"The leaders of the two countries highly evaluated the fact that the countries have greatly improved their relations over the past 25 years since the South Korea-Vietnam diplomatic ties were established," read the joint declaration at a joint press conference.

"In addition, the leaders agreed on the need to upgrade the South Korea-Vietnam strategic cooperative partnership by expanding and deepening their exchange in each area while

solidifying their complementary, active and creative cooperation by continuing their achievement

in the development of bilateral ties over the past 25 years under the spirit of mutual respect,” they said in their declaration.

Efforts to enhance their ties must include increased exchanges between their governments and people in all areas.

Moon and Quang also agreed to increase their countries’ diplomatic and defense cooperation.

The countries will launch regular dialogue between their foreign ministers, while their defense ministries will seek to announce a joint statement on defense cooperation and shared vision at an early date, they said.

As part of the plans for increasing trade, the two leaders agreed to seek Regional Comprehensive Economic Partnership negotiations this year and cooperate in facilitating free trade in the region. In 2017, trade between the two countries came to just under \$64 billion.

The two sides also signed six memorandums of understanding for increasing trade, and industrial cooperation. Areas the two countries agreed to seek further cooperation include materials and components manufacturing, transport and infrastructure, construction and urban development. The memorandums signed also included one on drawing up plans for boosting bilateral trade.

The summit also led to the conclusion of negotiations for a social security agreement, under which some 13,000 South Korean business people and laborers currently in Vietnam will be exempt from Vietnam’s new mandatory social welfare program over the next five years, according to Cheong Wa Dae.

Ahead of the summit talks, Moon also expressed regret over South Korean soldiers’ conduct during the Vietnam War.

“(I) express regret over the unfortunate history between the two countries that remains in our minds, while Korea and Vietnam continue to develop exemplary cooperative relationship,” Moon said.

His comment marked the second time the president had expressed such sentiment over developments that arose from the country’s participation in the Vietnam War in support of the US.

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Founded in 1966, the Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI) is a regional non-governmental association principally composed of the national chambers or associations of commerce and industry in Asia and the Western Pacific. Its current membership of 28 countries and independent economies cuts across national boundaries to link businessmen and promote economic growth throughout the Asia-Pacific region. CACCI holds Consultative Status in the Roster Category of United Nations' Economic and Social Council (ECOSOC)

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