

Islamabad Initiative on Economic Co-operation in Asia

We, the Ministers of Foreign Affairs and other Heads of Delegations from 26 member countries of the Asia Cooperation Dialogue (ACD), namely, the Kingdom of Bahrain, the People's Republic of Bangladesh, the Kingdom of Bhutan, Brunei Darussalam, the Kingdom of Cambodia, the People's Republic of China, the Republic of India, the Republic of Indonesia, the Islamic Republic of Iran, Japan, the Republic of Kazakhstan, the Republic of Korea, the State of Kuwait, the Lao People's Democratic Republic, Malaysia, Mongolia, the Union of Myanmar, the Sultanate of Oman, the Islamic Republic of Pakistan, the Republic of the Philippines, the State of Qatar, the Republic of Singapore, the Democratic Socialist Republic of Sri Lanka, the Kingdom of Thailand, United Arab Emirates, and the Socialist Republic of Viet Nam.

Having met in Islamabad on 6 April 2005 for the fourth Ministerial meeting of the Asian Co-operation Dialogue;

Noting the recommendations of the ACD Expert Group Seminar on Economic Co-operation in Asia;

Committed to promoting peace and prosperity in Asia as well as for the peoples of the world and preserving our natural environment;

Aware that globalization has generated new opportunities for Asian countries. New and freer global flows of goods and services, people, financial funds and information technology have made Asia interdependent.

Bearing in mind the strong economic fundamentals of Asia and the need to build complementarities and synergies to realise fully the vision of the Asian century;

Encouraged by the dynamic processes of regional and sub-regional co-operation that are transforming our great Asian continent;

Conscious of Asia's vast natural resources, huge markets, genius and talent of its people, great entrepreneurial abilities and technological expertise as well as special Asian values and traditions;

Setting forth the vision of our common greater Asian neighbourhood consisting of peaceful societies co-operating with each other in harmony in diverse fields for their common good, progress, prosperity and happiness of their peoples.

We hereby decide to realise the vision of a peaceful and prosperous Asian neighbourhood by initiating and intensifying co-operation voluntarily in the spirit of ACD:

- (i) Work towards developing a center for human resource development to equip Asian workers and professionals with necessary technical and language skills and improve their efficiency, making them more attractive in the global labor market.
- (ii) Make better use of the freer flow of information technology, ACD members will consider constructing an ACD East-West Information and Communication Technology Corridor in order to facilitate the exchange and sharing of information between East and West Asia.
- (iii) Bearing in mind the Qingdao initiative adopted in Qingdao, China on 22 June 2004, accord priority to our mutual co-operation in the field of energy, particularly to ensure mutually beneficial co-operation for secure and assured supply as well as mutual collaboration for the development and application of renewable sources of energy, including bio-gas, wind, solar power and hydro power.
- (iv) Bilaterally and through regional and global Forums, work for liberalising trade with a view to eventually realising the objective of an Asian Community. In this context, senior officials will consider modalities for high level meetings of Trade and Finance Ministries of the ACD countries.
- (v) Promote investments including foreign investment and joint ventures and actively encourage co-processing of trade so as to optimally utilise the complementarities that exist.
- (vi) Endeavour to create a better understanding among ACD members on fiscal and monetary policies with a view to creating requisite synergies for protecting and promoting Asian economies including through interaction amongst ACD finance ministries and Central Banks at relevant fora.
- (vii) To facilitate cross-border movement of capital and investments, initiate co-operation and consultation in capital markets regularly with a view to liberalising capital flows and ensure against volatility. In this context, we suggest consultations among the ACD Security Regulators and Stock Exchanges of ACD countries.
- (viii) Encourage Asian Enterprises to bring to bear their full potential for the economic development and growth of the Asian region and in this regard encourage the Chambers of Commerce and Industry of ACD countries to collaborate closely with each other.
- (ix) Encourage scientific research and development among ACD members with a view to enhancing the technological capabilities of

Asia and creating Asia-wide knowledge-based societies.

- (x) Work towards establishing efficient and effective transportation and communication links with a view to promoting commerce, people-to-people and cultural contacts as well as tourism among ACD countries.
- (xi) Establish bilaterally or multi-laterally, wherever possible, joint projects, both in the public and private sector for the development of infrastructure, promotion of investments in goods and services as well as in the transport, banking SME's sectors.