

Subregional Investment Working Group: Terms of Reference

Initiation

The Subregional Investment Working (SIWG) was established under the GMS Economic Cooperation Program to serve as an advisory body on investment matters affecting the subregion. It was established by the Third Conference on Subregional Economic Cooperation held on 20-23 April 1994 in Hanoi, Viet Nam and its priority was reaffirmed at the Subregional Ministerial Meeting in Yangon, Myanmar, on 25 April 1995 and the Fifth Ministerial Conference in Manila, on 9-10 November 1995.

Rationale

As the economies of the Subregion open up to foreign investment as a means to finance development, the need for enhanced cooperation and experience sharing among the investment-related agencies in the subregion has become increasingly important. This is especially the case in the context of transborder and complementary investment projects. The SIWG promotes subregional cooperation to enhance the attractiveness of the subregion as an investment location.

Main Objectives

The SIWG has the following objectives:

- Support increasing cooperation among the participating countries in general investment facilitation, especially in the context of transborder projects and complementary investment;
- Provide a vehicle for cooperation in investment promotion efforts; and
- Provide a venue for cooperation related to the regulatory framework for investment.

In support of these objectives, SIWG has decided on the following work program:

- *investment promotion efforts*: (i) development of subregional promotional materials and dissemination mechanisms; (ii) initiation of and participation in promotion missions both within and outside the region, including responding to invitations to arrange for such missions; and (iii) development of a promotional strategy, including deciding which aspects of the regional investment environment should be promoted, the appropriate mechanisms/techniques for promotion, and the timing of the promotional activities;
- *general investment facilitation*: (i) conducting training and personnel exchanges, including seminars and forums that strengthen the overall investment promotion process, especially among the investment promotion agencies; (ii) developing subregional agreements and /or adapting existing agreements, such as the utilization of the Association of Southeast Asian Nations (ASEAN) investment promotion and protection agreement; (iii) encouraging bilateral agreements, such as double taxation agreements; (iv) improving the quality of FDI data collection,

- processing, and dissemination, including standardizing reporting definitions; and (v) exchanging subregional experiences on policy and promotion issues; and
- *regulatory framework for investment*: (i) the possibility of simplifying and increasing the consistency of investment application procedures; (ii) improving consistency of incentives and guarantees; (iii) identifying and addressing the legal, bureaucratic, and other regulatory inconsistencies at the national level; and (iv) the exchange of relevant experience both within and outside of the subregion.

Membership

Each GMS country is represented by senior-level officials from government agencies responsible for the promotion and/or regulation of investment. Senior representatives of other investment-related agencies may be involved, as required. At the Seventh Conference on Subregional Cooperation held at ADB Headquarters, Manila on 11 April, the Terms of Reference of the SIWG was amended to include the participation of the ASEAN Secretariat.

Chairperson and Venue

The venue (host country) for the SIWG meetings rotates among the participating countries. The host country provides for the Chairperson of the SIWG and provide the necessary technical, administrative, and coordinating support for SIWG activities.

Frequency of SIWG Meetings

The SIWG meets at least once a year or more frequently depending on its work program.

SIWG Meetings Held

- Third Meeting, 27-28 February 2001, Ho Chi Minh City, Viet Nam
- Inception Meeting of the GMS Business Forum (CORE GROUP), 3 October 2000, Bangkok, Thailand
- Second Meeting, 23-24 September 1999, Kunming, People's Republic of China
- Inception Meeting, 18-19 December 1995, Bangkok, Thailand