

**Greater Mekong Subregion
Economic Cooperation Program
Highlights of the Economic Corridors Forum
5-6 June 2008
Kunming, Yunnan Province, People's Republic of China**

I. Introduction

1. An Experts' Group Meeting (EGM) on the Economic Corridors Forum (ECF) and the Inaugural Meeting of the ECF were held on 5 and 6 June 2008, respectively, in Kunming, Yunnan Province, People's Republic of China (PRC). The ECF was chaired by H.E. Madame Qiu Hong, Assistant Minister of Commerce of the PRC. Mr. Klaus Gerhaeusser, then Deputy Director General and now Director General, East Asia Regional Department, Asian Development Bank (ADB) co-chaired the ECF. Mr. Thomas Crouch, Deputy Director General, Southeast Asia Regional Department, ADB chaired the EGM.

2. The objectives of the EGM were to (i) consolidate the results of the national consultations on the ECF with a view to finalizing the terms of reference of the ECF and its related bodies; and (ii) discuss remaining issues and succeeding activities for enhancing institutions for promoting GMS economic corridor development. The Inaugural Meeting of the ECF consisted of (i) an opening ceremony; (ii) the Economic Corridors Forum; (iii) Roundtable Meeting for the Governors Forum; and (iv) Roundtable Meeting for Border Area Development. The agenda of the EGM and the Inaugural Meeting is in Attachment 1. The list of participants of the EGM is in Attachment 2.

II. Highlights of the EGM and the Inaugural Meeting of the ECF.

3. The EGM agreed on the draft terms of reference of the ECF and the Governors' Forum (see Attachments 3 and 4). The ECF is envisaged to serve as the main advocate and promoter of economic corridor development in the GMS. It will enhance collaboration among areas along the GMS economic corridors, among GMS sector working groups, and between the public and the private sectors. It will serve as a venue for networking and sharing of information and views among central and local officials, business people and international agencies to accelerate economic corridor development. A Governors Forum, which will be a mechanism for coordination among governors of the provinces along the economic corridors, was constituted within the ECF. The ECF will be a standing body dealing with economic corridor development. It shall recommend measures to the GMS Ministerial Conference to promote economic corridor development. Initiatives and measures discussed during ECF Meetings shall be considered by the GMS Ministerial Meeting through the Senior Officials Meeting (SOM).

4. Meetings of the ECF shall be held at the Ministerial level. Participating ministers may be the GMS Minister and/or some other Minister, depending on the focus of the agenda of the ECF meeting, with the specific arrangements being made through the GMS National Coordinators. The ECF shall meet every year or as and when required by the circumstances. A Governors' Forum may be held prior to the ECF. The venue of subsequent ECF meetings shall be rotated among the GMS countries or as agreed to by the GMS countries. The Chinese Government made the offer that Yunnan Province is willing to collaborate with any future host in providing the venue for the ECF Meeting. Outcomes of ECF meetings will be reported to the GMS Ministerial Conference through the SOM.

5. The Inaugural Meeting of the ECF was attended by high-level officials of the GMS countries, including Lao Deputy Prime Minister Somsavad Lengsavad, Cambodian Senior Minister Cham Prasidh, PRC Commerce Minister Chen Deming, Lao GMS Minister Khempheng Pholsena, Myanmar Commerce Minister Brig. Gen. Tin Naing Thein, Thai Deputy Commerce Minister Viroon Tejapaibul, Vietnamese Vice Minister of Planning and Investment Cao Viet Sinh, and Yunnan Province Governor Qin Guangrong. They expressed their strong support for the establishment of the ECF, which will help transform the GMS transport corridors into economic corridors. They endorsed the draft terms of reference of the ECF and the Governors' Forum, and were pleased with the immediate follow up work that was done by the GMS countries, with the assistance of ADB, in fulfilling the directive of the third GMS summit to establish the ECF. They adopted their joint ministerial statement, entitled "Kunming Consensus" (see Attachment 5).

6. The Roundtable Meeting for the Governors' Forum was attended by governors of key corridor provinces in Cambodia, the PRC (Yunnan and Guangxi), Lao PDR, Thailand, and Viet Nam. They strongly supported the establishment of the Governors Forum within the ECF as a means to: (i) get the governors more involved in the GMS Program; (ii) strengthen cooperation among them in developing the corridor-influenced areas, including generating increased private sector interest and involvement in these areas; and (iii) bring to the attention of the ECF issues that need resolution at the level of the central governments. They suggested possible cooperative initiatives, such as in agriculture given different soil conditions in the corridor provinces, exchanges of provincial government personnel, joint tourism promotion, logistics development, and establishment of industrial parks and special economic zones.

7. The Roundtable Meeting for Border Area Development was attended by representatives from the UNDP, the private sector, and various cross-border area development schemes. UNDP representative presented UNDP's study on China-Viet Nam Border Economic Cooperation Area, which involves a feasibility study on establishment of cross-border economic zones at border areas between the PRC and Viet Nam. Suggestions were made on ways to develop special economic zones at the border areas. Key obstacles faced by Thai private transport operators in using the Bangkok-Kunming via Lao PDR road corridor were outlined during the Meeting.