



## Greater Mekong Subregion Economic Cooperation Program

### JOINT MINISTERIAL STATEMENT

#### *Pave the way to a more integrated, inclusive, sustainable and prosperous GMS*

1. We, the Ministers from the Governments of the Kingdom of Cambodia, the People's Republic of China (PRC), the Lao People's Democratic Republic (Lao PDR), the Republic of the Union of Myanmar, the Kingdom of Thailand, and the Socialist Republic of Viet Nam met virtually on the 4<sup>th</sup> of November 2020 for the 24<sup>th</sup> Ministerial Meeting of the Greater Mekong Subregion Economic Cooperation Program (GMS Program).

2. We note with great concern that the unprecedented global outbreak of the novel coronavirus disease (COVID-19 or the pandemic) since early 2020 has severely strained the world's health systems and created a devastating impact on the global economy, severely disrupting people's lives. COVID-19 has so far infected over 43 million people globally and claimed over one million lives. The cost of the pandemic on the world economy is estimated to range from \$5.8 trillion to \$8.8 trillion, equivalent to a loss of 6.4% - 9.7% of global gross domestic product (GDP) with an additional 88 to 115 million people estimated to be pushed into extreme poverty in 2020. This is largely due to the decline in global demand and trade and production disruptions resulting from the necessary disease containment measures adopted by countries including travel bans, labor mobility restrictions, workplace closures, and other constraints on normal economic activities.

3. We also note that in the Greater Mekong Subregion, the cumulative COVID-19 infection cases totaled 53,382 as of 28 October 2020, with 1,245 deaths. Despite these relatively mild numbers and commendable efforts done by GMS countries to promptly control the pandemic, the real GDP for the GMS countries (excluding Yunnan and Guangxi) is still projected to contract by around 4.1% in 2020 before rebounding to 5.2% GDP growth in 2021.

4. In this context, we determined the theme of the 24<sup>th</sup> Ministerial Conference: **Pave the way to a more integrated, inclusive, sustainable and prosperous GMS**; which signals our firm resolve to find effective ways to combat COVID-19 and strengthen the subregion's economic resilience and improve our capacity to address public health emergencies to achieve our vision of a more integrated, sustainable, prosperous, and inclusive GMS.

#### **I. GMS Resilience in the Face of the Global Challenge**

5. We compliment the GMS governments for their prompt, prudent and proactive actions to control the spread of the disease. These timely actions, coupled with strict following of standard operating procedures, have succeeded in keeping the disease in check in the subregion. Some GMS governments have also been implementing economic stimulus and support programs for the most affected sectors, such as micro, small, and medium-size enterprises, as well as social protection measures aimed at the most vulnerable groups, such as low income families and those who suffered job and livelihood losses. GMS governments are also gearing up their socio-economic plans to accelerate recovery from the downturn caused by the pandemic.

6. We reaffirm our support to GMS countries' collective cooperation and individual countries' efforts in combating COVID-19 aimed at effective economic recovery in the subregion. To this end we pledge to continue to work together to strengthen cooperation in all sectors including under the regional free trade agreements and to maintain regional and global trade and supply chains to ensure the free flow of essential goods and services. This is necessary to combat the negative effects of the pandemic and to lead our subregion toward an early and strong economic recovery.

## II. Achievements in the Midst of the Pandemic: The Key Role of GMS Cooperation

7. We also compliment the GMS Economic Cooperation Program, which—using its well established mechanisms and institutions, built over many years of results oriented cooperation—responded promptly and effectively and complemented the national policies and programs of individual GMS countries and supported their joint and cooperative responses to mitigate and overcome the adverse impacts and threats of COVID-19.

8. We, the Ministers of the GMS countries, note with satisfaction that with the GMS Program's support the sectors most severely impacted were able to respond quickly to the challenges. We would like to express our sincere gratitude to the GMS Senior Officials, sector working groups, the Asian Development Bank (ADB), and GMS development partners for their prompt, unwavering and substantial support in responding to the pandemic. ADB support, in the form of technical and financial assistance to individual countries as well as to the subregion as a whole through the GMS Program, has enabled us to weather the shocks from the pandemic as well as pave the way toward recovery and resilience.

- The GMS Working Group on **Health** Cooperation greatly helped the GMS countries in jumpstarting the GMS COVID-19 response by providing immediate support through: (i) assistance in the procurement of diagnostic and laboratory equipment; (ii) policy dialogue to strengthen regional collaboration and address common capacity constraints hampering an effective COVID-19 response; and, (iii) strengthening public health security mechanisms. It supported delivery of thermal scanners, personal protective equipment, real-time polymerase chain reaction machines, infrared thermometers, laboratory equipment, and ICU respiratory ventilators to GMS countries. In the spirit of regional cooperation, the GMS countries also supported each other through provision of medical equipment and materials while PRC also dispatched medical staff to some GMS countries at their request.
- The GMS Working Group on **Agriculture** responded promptly to help the GMS countries ensure food safety and security, a critical component of the countries' response to COVID-19. It organized policy dialogue on COVID-19-responsive green agribusiness supply chains, livestock health and safety measures, and digital technologies. Work is also underway on helping the GMS better prepare for and prevent future outbreaks of transboundary animal diseases, zoonosis and antimicrobial resistance, as well as improve livestock value chains.
- The GMS Working Group on **Environment** held a virtual dialogue in June 2020 to discuss ways toward employing regional cooperation in integrating climate and disaster resilience considerations and low carbon transitions of key sectors into the COVID-19 recovery efforts in the GMS.

- In the **trade and transport facilitation** area the GMS National Transport Facilitation Committees have been working to mitigate the situation and in a virtual informal Senior Officials Meeting in June 2020 agreed on exchange of updated information on border closures and coordination and a timetable for adjustments and possible border reopening. It also agreed to prepare a draft COVID-19 Trade and Transport Facilitation Action Plan covering notification procedures, communications among various agencies and phased border reopening, training, and problem-solving mechanisms.
- **Tourism**—a booming sector in 2019—has been severely affected by the pandemic with 2020 GMS tourist arrivals and corresponding destination spending expected to decline by at least 80% compared to 2019. The GMS countries, with the support of the GMS Tourism Working Group and the Mekong Tourism Coordinating Office are responding to the pandemic by implementing measures to protect public health and help the tourism industry survive its worst downturn in generations. This includes organization of several knowledge events—with ADB and other development partner support—to share tourism recovery planning experiences and policies for building back more sustainable and resilient tourism in the wake of COVID-19.

9. We also recognize that, despite the present difficulties, work in the other sectors of the GMS has continued with great progress, including the following:

- In the **transport sector**, in line with the GMS Transport Sector Strategy 2030's thrust toward multi-modalism, the Greater Mekong Railway Association continued its work on the feasibility and investment requirements of the identified nine priority GMS railway links as well as work on a *Framework Agreement on Cross-Border Railway Transport Connectivity in the GMS* to cover the software side of railway connectivity in the subregion.
- In the **energy sector**, we recognize that the efforts to accelerate power trade cooperation remain a priority as GMS countries continue to pursue power grid interconnection and power trade within the GMS and with neighboring countries. We note the urgent need to establish the Regional Power Coordination Center to expand power trade further and to coordinate the applications of grid codes, performance standards and regional regulatory functions.
- In **urban development**, we welcome the initiatives of the GMS Urban Development Working Group aimed at expanding GMS countries' efforts to improve the resilience of city development and promote healthy oceans and sustainable blue economies post COVID-19.

10. We acknowledge that application of new **information and communication** technologies and **E-Commerce** have been crucial in COVID-19 response and we are determined to devote more resources and strengthen GMS cooperation in digital economy, working together to build an open, fair, just and non-discriminatory business environment.

11. Recognizing that economic corridor development remains the anchor of GMS development, we welcome the results of the **11<sup>th</sup> GMS Economic Corridors Forum** (ECF11)

chaired by Thailand. The fruitful discussions of important topics covered in the ECF-11—including development plans focused on specific sections of key corridors; promotion of multilateralism and better implementation of regional free trade agreements; advancement of E-Commerce; accelerated implementation of transport and trade facilitation measures; and support for safe labor mobility in GMS for a more sustainable and prosperous subregion.

12. We appreciate the results of the pilot ***Study on Section-Specific Planning for the GMS North-South Economic Corridor in Myanmar and the People's Republic of China***, which has identified measures for cooperation to transform this key corridor section into a full fledged economic corridor that generates increased investment, employment, and incomes along and around it in an inclusive and sustainable manner.

13. We also recognize significant results achieved by the virtual **GMS Senior Officials Meetings** (SOM) in 2020 by covering meaningful topics and critical strategic documents including the GMS Economic Cooperation Program Strategic Framework 2030 (GMS-2030) and the GMS COVID-19 Response and Recovery Plan 2021-2023.

14. We also appreciate the very useful findings and recommendations of the study ***The Greater Mekong Subregion 2030 and Beyond: Integration, Upgrading, Cities, and Connectivity***, which provides possible ways for accelerating GMS development through better integrating with global and regional value chains, greater industrial diversification and tapping the growth-driving potentials of cities.

15. We also endorse the **Third Progress Report and Update of the GMS RIF 2022** with a new total of 125 investment projects and 85 technical assistance projects requiring a total of \$78.3 billion financing. We welcome its encouraging results, among which, 71% of the financing required (\$55.6 billion) has been identified, and 58% (121) of the projects are either completed or ongoing.

16. We note the proposal to establish a **Task Force on Labor Migration in the GMS**, which may contribute to ensuring that migration in the subregion is safe and will contribute to overall subregional development. We mandate our Senior Officials, in collaboration with Ministries in charge of management of migrant workers in GMS and with the assistance of the Secretariat, to further discuss this matter and prepare recommendations for the next steps in this regard.

### **III. Looking into the Longer Term Future**

17. We realize, however, that our efforts must not be limited to actions to respond to immediate challenges, nor just the needs of medium-term recovery, but should also be geared toward building long-term resilience. We must not lose sight of our longer term goals and vision for the subregion. Over the past 28 years, the GMS Program helped GMS countries achieve tangible outcomes in various areas, such as poverty alleviation, trade, tourism, etc. We are committed to further strengthen regional cooperation and partnership among GMS countries, to achieve an integrated, prosperous, sustainable and inclusive subregion.

18. We recognize the benefits of globalization to GMS and we reiterate our support for a rules-based multilateral trading system which steadily builds an open, fair, just and nondiscriminatory business environment in the subregion. We recognize that COVID-19 pandemic is affecting supply chains across the globe and the GMS and that facilitating

movement of people and essential goods is crucial for economic recovery. We will therefore promote further discussion on measures to reduce the impact of the pandemic on socio-economic development of GMS countries including discussions on “priority lanes”, “eco-friendly lanes”, and setting up of “green channels”.

19. To promote robust economic growth in the GMS and to ensure effective recovery from the impacts of the pandemic, we commit to strengthening macroeconomic policy coordination; promoting trade and investment facilitation and liberalization; stabilizing the industry and supply chains; and working hand-in-hand to address the emergent public health challenges and improving the capacities of public institutions to ensure resilience against any future disasters in the subregion.

20. We recognize an urgent need to enhance the cooperation in key areas such as digital economy, scientific and technological innovation, health security, and regional public governance—areas that will act as new vehicles for post-pandemic recovery and economic development in the subregion. We also recognize the importance of strengthening further our relationships with GMS development partners—including ADB and other multilateral development banks, other regional cooperation initiatives, and the private sector—not only to mobilize critical investments and financing but also generating knowledge to promote robust economic recovery in the subregion. The knowledge partnerships will include dialogue and forums with international and regional experts on key themes and areas including information and communication technology. We mandate the GMS Senior Officials, with the assistance of the GMS Secretariat, to organize one such high level forum on digital economy in 2021 to bring together information and communications technology experts, private sector and policy makers for exploring ways to support growth in the subregion using technological innovation and digitalization.

21. We welcome the substantial progress in the preparation of the proposed **GMS Economic Cooperation Program Strategic Framework 2030 (GMS-2030)**. After two years of joint and solid efforts to prepare and refine the GMS-2030 and to address the new and significant challenges posed by the COVID-19, we find the present GMS-2030 document essentially aligned with our vision and goals for the GMS, as well as basic principles, priorities, and strategies for realizing the spirit of community, connectivity, and competitiveness in the subregion and further promoting subregional economic integration. We therefore mandate our Senior Officials, with the assistance of the GMS Secretariat, to finalize the GMS-2030, subject to the further guidance and refinements that we provided in this Conference, for presentation to the Leaders at the 7th GMS Summit for their endorsement and adoption.

22. We also welcome the idea of developing the **GMS COVID-19 Response and Recovery Plan 2021-2023**. We recognize that this Plan aims at maximizing our collaborative efforts to support the COVID-19 recovery in the subregion and will be an effective complement to GMS-2030. We support its pillars: a ‘One Health’ approach addressing human and animal health, healthy crops and food and healthy cities; addressing the needs of the vulnerable, the poor in border towns and along economic corridors as well as safe and orderly labor movement and management; and the recovery needs for keeping borders open and accelerating economic recovery, with a focus on trade and trade facilitation, investment, tourism and agriculture. We therefore mandate the GMS Senior Officials, with the assistance of the GMS Secretariat, to finalize the Plan, subject to the guidance and refinements raised in this Conference, for presentation to the Leaders at the 7<sup>th</sup> GMS Summit for their endorsement.

23. Lastly, we recognize that we can only be successful in achieving the vision for the GMS set in our new strategy if we remain steadfast in our commitment to cooperate and trust that our joint actions will bring the desired results. We recognize the crucial role of regional cooperation and integration and therefore we will seek to tap synergies and complementarities between the GMS program and other global and regional initiatives including the Association of Southeast Asian Nations, Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy, Belt and Road Initiative, and Lancang-Mekong Cooperation. Moreover, while we must do our part diligently and persistently, our success also critically depends on the support of our development partners. While we take this opportunity to again thank them, we also wish to encourage the ADB and all our development partners to continue and further strengthen their support for the GMS Program. We also express our heartfelt gratitude to the People's Republic of China for their gracious and able hosting of the 24th GMS Ministerial Conference.

*Endorsed on the 4<sup>th</sup> of November 2020.*