

Regional central banks take major step toward closer cooperation

1. The [EMEAP](#) Governors met in Tokyo on 19 July 1996 to review economic and financial developments in the region comprising of economies they represent and to discuss means of strengthening cooperation to enhance financial stability and market developments in the region.
2. The Governors welcomed the easing of inflationary pressures in some member economies and reaffirmed the importance of non-inflationary sustainable growth.
3. Concerning central bank cooperation, the members agreed to enhance steadily the activities of EMEAP. In this context, Governors found the meeting fruitful and agreed on holding Governors Meeting annually.

The Governors also agreed to establish two Working Groups and one Study Group to undertake studies on the primary functions of central banks.

4. The three Groups are:

- **Working Group on Financial Market Development:** EMEAP Governors recognized the importance of a robust and efficient financial infrastructure, notably the payment and bond clearing and settlement systems, to intermediate savings effectively and mobilize capital from within the region and also from outside the region. This Working Group will study the development of bond, money and foreign exchange

markets, as well as financial market infrastructure, in order to promote their further development.

- **Working Group on Central Banking Operations:** EMEAP Governors recognized that against the backdrop of increasing market innovation and interdependence, it was important to sufficiently understand their effect on central banking services. This Working Group will exchange information and technical expertise on such services.

- **Study Group on Banking Supervision:** EMEAP Governors recognized the importance of sharing information, techniques and experience to upgrade the technical understanding of banking supervision issues in the region. This Study Group will research into banking supervision issues that are of interest to member central banks.

5. The enhancement of EMEAP signifies an important step towards improving understanding and enhancing central bank cooperation in the region comprising of economies they represent.

*1 EMEAP (Executives' Meeting of East Asia-Pacific Central Banks) is an executive level meeting of 11 central banks and monetary authorities from Australia, China, Hong Kong, Indonesia, Japan, Korea, Malaysia, New Zealand, the Philippines, Singapore, and Thailand.