Interregional Corridors, Infrastructure and Development, A Regional Perspective

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Asia’s Infrastructure Needs

- Infrastructure key to economic growth, reducing regional inequalities
- Large parts of Asia land-locked and isolated.
- Asia’s infrastructure below global average...
  - Bottleneck to economic growth and poverty reduction.
- Asia’s investment needs 2010-2020:
  - Estimated $800 billion per year (national infrastructure).
  - Along with more than $200 billion annually for regional infrastructure projects, mainly transport and energy

Source: ADB and ADBI. 2009. *Infrastructure for a Seamless Asia.*
A huge step-up in infrastructure investment is required for Asia to sustain economic growth.

Regional Cooperation and Integration: ADB Initiatives

- Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA)
- Central Asia Regional Economic Cooperation (CAREC)
- Greater Mekong Subregion (GMS)
- Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT)
- South Asia Subregional Economic Cooperation (SASEC)
ADB adopted the RCI strategy on 25 July 2006. The RCI strategy has four pillars:

- **Pillar 1**: Regional and Subregional Economic Cooperation
- **Pillar 2**: Trade and Investment Cooperation and Integration
- **Pillar 3**: Monetary and Financial Cooperation and Integration
- **Pillar 4**: Cooperation in Regional Public Goods
Regional Cooperation

Example: CAREC

- Many stakeholders
  - 10 countries and 6 MIs, each with clear roles.
  - Strong IFI collaboration, but leadership by countries.
  - More than $28 billion of investments
  - ADB is CAREC Secretariat.

- Participating countries: Afghanistan, Azerbaijan, Kazakhstan, Kyrgyz Republic, Mongolia, Pakistan, PRC, Tajikistan, Turkmenistan, Uzbekistan

- MIs: ADB, EBRD, IMF, Islamic Development Bank, UNDP, World Bank
CAREC Transport Corridors: Interregional

- 6 corridors

1. Europe – East Asia
2. Mediterranean – East Asia South Asia
3. Russian Federation – Middle East and South Asia
4. Russian Federation – East Asia
5. East Asia – Middle East and South Asia
6. Europe – Middle East and South Asia
From Transport Corridors to Economic Corridors

- Economic corridors: *linking markets, ideas, and people*
- Focuses of economic corridor development
- Economic corridors from vision to reality: examples
  - China-Pakistan Economic Corridor
  - Almaty-Bishkek Economic Corridor
Interregional Infrastructure ++: Challenges

- **Software:** policy coordination – TTF
- **Critical inputs:**
  - Need for honest broker
  - Not just finance: Technical and knowledge partnerships
  - Private sector participation
- **Institutional partnerships**