

Message from AMRO Director

“The year 2016 marked several significant milestones for AMRO... Looking ahead into 2017, the first year that we implement our Strategic Direction and Medium-term Implementation Plan, I am committed to leading AMRO to make substantial progress in our journey toward becoming an independent, credible and professional regional organization.”



I am honored and humbled to be able to lead AMRO to enhance its institutional operations and capacity in the past year. The year 2016 marked several significant milestones for AMRO, which are accordingly highlighted in our first annual report.

AMRO was upgraded to become an international organization in February 2016. This has opened up more opportunities for AMRO to solidify its position as a leading international organization in the ASEAN+3 region and the international community. AMRO had been a company established in 2011 with a handful of staff. But AMRO now stands tall with almost 50 staff from all over the ASEAN+3

region. We have expanded and deepened our collaboration with various stakeholders and strategic partners.

I am mindful that AMRO, as a newly established international organization, faces many challenges coming from the rapidly changing global and regional economic and financial landscape. To meet these new challenges, we mapped the Strategic Direction, which was approved by the Executive Committee² (EC) in December 2016. The Strategic Direction serves as the blueprint for AMRO's work programs in the coming years. The Medium-term Implementation Plan for the period from 2017 to 2021 was also developed to translate our strategic direction into concrete initiatives and action plans.

² The Executive Committee consists of the Deputies of AMRO members and is responsible for maintaining strategic oversight of, and setting policy directions for AMRO. Each AMRO member may appoint up to two Deputies: one finance deputy from its government with responsibility for finance and one central bank deputy from its central bank or its equivalent.

With the mission of contributing to the region's macroeconomic and financial stability, AMRO envisions itself as an independent, credible and professional regional organization that is capable of acting as a trusted policy advisor to ASEAN+3 members. To achieve that mission and vision, we focus on three core functions – conducting macroeconomic surveillance, supporting the implementation of the CMIM, and providing TA to members. We also work on enhancing our corporate capacity and outreach strategy to ensure the smooth and efficient implementation of AMRO's work plans. With the global economy facing unprecedented challenges in basic principles underpinning economic and financial cooperation, macroeconomic and financial stability has become more crucial than ever. Therefore, we look to enhance AMRO's surveillance work to better support our members on this front. In 2016, AMRO revamped its country surveillance format, completed annual consultation visits to all 14 members and strengthened its policy dialogues with the authorities. AMRO also started preparations on its first flagship publication on regional surveillance, covering both the regional economic outlook and timely thematic issues, which is set to be launched in May 2017.

At AMRO, we recognize that collective actions are essential for safeguarding regional financial stability. To which end, AMRO and the CMIM together promote macroeconomic and financial stability and advance regional financial cooperation. In 2016, AMRO supported the Co-Chairs³ initiative on ensuring the CMIM's peacetime operational readiness as well as the conduct of the seventh test run on the CMIM-IMF linked portion.

To support members in enhancing their surveillance capacity, we set up the TA Trust Funds with financial support from China, Japan, and Korea, and developed the TA Framework to provide customized support to members in a more timely and systematic manner.

Another highlight of the year was the organization of the inaugural ASEAN+3 Financial Forum (ATFF) in December – AMRO's flagship platform for policymakers, academics and high-level representatives from international financial institutions – to brainstorm on key issues relevant to regional economic and financial cooperation. We hope to become a "regional anchor" that can inspire insightful and forward-

looking thinking and ideas on regional financial cooperation, as well as facilitate knowledge sharing and best practices among members.

In 2016, we also strengthened relationships with peer international financial institutions and contributed to the enhancement of the Global Financial Safety Net (GFSN). I met with International Monetary Fund (IMF) Managing Director Christine Lagarde, Asian Development Bank (ADB) President Takehiko Nakao, and Asian Infrastructure Investment Bank (AIIB) President Liqun Jin during the year. AMRO also co-hosted the first High-level Dialogue on Regional Financing Arrangements, along with the European Stability Mechanism (ESM) and the Latin American Reserve Fund (FLAR), and jointly organized the 5th Asian Regional Roundtable with the Organization for Economic Co-operation and Development (OECD), the Economic Research Institute for ASEAN and East Asia (ERIA), ADB and the Asian Development Bank Institute (ADBI).

AMRO's senior management also participated in several high-level events to share our views on regional and global developments while AMRO staff increased their engagements with the private sector and market practitioners, the media and the general public, both directly and through an enhanced website.

I would also like to recognize the pioneering contributions made by my predecessors, Mr Benhua Wei and Dr Yoichi Nemoto, for building a very solid foundation for AMRO's developments. Without their strong leadership, AMRO could not have reached recent achievements.

Looking ahead into 2017, the first year that we implement our Strategic Direction and Medium-term Implementation Plan (SD&MTIP), I am committed to leading AMRO to make substantial progress in our journey toward becoming an independent, credible and professional regional organization. I look forward to working with all members to address challenges and build on our momentum to achieve that vision.

Junhong Chang

AMRO Director

³ The Co-Chairs refer to two Deputies from each of the coordinating countries, which consist of two members, one from among the ASEAN Member States and the other from among China, Japan and Korea.