

**ANNUAL
REPORT
2017**



**STRENGTHENING
CAPACITY**
ADVANCING
STABILITY



About AMRO

The ASEAN+3 Macroeconomic Research Office (AMRO) is a regional macroeconomic surveillance organization that aims to contribute to securing the macroeconomic and financial stability in the ASEAN+3 region. AMRO's vision is to be an independent, credible and professional regional organization acting as a trusted policy advisor to members in the ASEAN+3 region, which includes 10 member states of the Association of Southeast Asian Nations (ASEAN), and China, Japan, Korea, and Hong Kong, China.

To fulfill its mandate, AMRO focuses on three core functions: conducting macroeconomic surveillance, supporting the implementation of the Chiang Mai Initiative Multilateralisation (CMIM), and providing technical assistance to members.

With the size of USD240 billion, the CMIM is a multilateral currency swap arrangement among ASEAN+3 members.¹ Its core objectives are to address balance of payment and short-term liquidity difficulties in the region, and supplement existing international financial arrangements.

AMRO was initially established as a company limited by guarantee in Singapore in April 2011, and transformed into an international organization in February 2016.

¹ The term "ASEAN+3 members" refers to Brunei; Cambodia; China; Hong Kong, China; Indonesia; Japan; Korea; Lao PDR; Malaysia; Myanmar; Philippines; Singapore; Thailand; and Vietnam.

Mission

To contribute to the macroeconomic and financial stability of the region through conducting macroeconomic surveillance and supporting the implementation of the regional financial arrangement.

Vision

To be an independent, credible and professional regional organization acting as a trusted policy advisor to members in the ASEAN+3 region.

Core Functions

- Conducting macroeconomic surveillance
- Supporting the implementation of CMIM
- Providing technical assistance to members



Contents



- 06 Highlights of AMRO's Achievements in 2017
- 08 Message from AMRO Director
- 10 Message from 2017 Co-Chairs of the Executive Committee
- 12 Key Milestones of AMRO

2017 WORK PRIORITIES

- 14 **Developing Strength for High-Quality Surveillance**
 - 16 Adopting Stronger Surveillance Framework
 - 17 Bolstering Country Surveillance
 - 20 Upgrading Regional Surveillance
 - 21 Enhancing Sectoral and Functional Surveillance
 - 21 Conducting Thematic Studies and Research
- 22 **Enhancing Support to CMIM Development**
 - 24 Supporting the CMIM Periodic Review
 - 24 Fortifying CMIM Peacetime Preparation
 - 24 Facilitating the CMIM Test Run
 - 25 Upgrading the CMIM Operational Guidelines
 - 25 Developing CMIM Strategy and Policies
 - 25 Enhancing the ERP Matrix
 - 25 Facilitating CMIM's Collaboration with IFIs and Enhancing Intellectual Support
- 26 **Stepping Up Efforts for Regional Capacity Building**
 - 28 Progress and New Initiatives under the TA Program
- 30 **Strengthening Institution Building for an Effective Organization**
 - 32 Budget and Financial Management
 - 32 Audit
 - 33 Human Resource Management
 - 34 The Work Environment
 - 34 Legal Affairs
 - 35 Strengthening the Accountability Mechanisms
- 36 **Promoting Strategic Partnerships and a Dynamic Role in the GFSN**
 - 38 Enhancing Communications with Authorities
 - 38 Deepening Engagements with Strategic Partners
 - 39 AMRO's Collaboration with IFIs and Outreach Activities
 - 40 Organizing the 2nd ATFF
 - 40 Publishing AMRO's Knowledge Products
 - 41 Engaging with the Media
 - 41 Enhancing AMRO's Website

ORGANIZATION FACTSHEET

- 42 Financial Highlights
- 43 Members and Voting Power
- 44 Executive Committee Members
- 45 Organization Structure
- 46 Advisory Panel Members
- 48 Senior Management Team
- 50 AMRO Family

STRENGTHENING CAPACITY



Development of Country Surveillance Guidance Note

The Country Surveillance Guidance Note stipulates the processes, guidelines and formal requirements for country surveillance. It provides guidance to AMRO on how to improve the quality of its surveillance work and enhance engagement with stakeholders.



Enhancement of CMIM Operational Readiness

AMRO prepared manuals for CMIM activation and developed a new checklist to ensure rapid and effective response in the event of activation.



Debut of TA Research and Training Program

The TA Research Program supports AMRO's efforts to deepen engagement with the academic community while the Training Program enables AMRO to provide and engage in training programs with peer organizations and members.



Attainment of UN Permanent Observer Status

UN Permanent Observer status allows AMRO to contribute to discussions on the international financial system as well as grants access to documents of various UN committees, diversifying its sources of data and heightening its awareness of global developments.

ADVANCING STABILITY



Signing of MOUs with Strategic Partners

AMRO signed MOUs with ADB, ESM and IMF to promote financial stability through advancing cooperation and leveraging on each institution's expertise.



Shaping Developments to Strengthen the Global Financial Safety Net

AMRO, together with RFAs, organized the inaugural RFA Joint Research Seminar and convened the 2nd RFA High-level Dialogue as part of its commitment to share information and best practices, and discuss key issues related to global and regional stability.



Regular and Timely Updates on Topical Issues

More regular and timely updates on topical issues and key regional economic developments were circulated to members to keep them abreast of developments in this dynamic environment.



Publication of AMRO Knowledge Products

AMRO published its inaugural AREO, country surveillance reports and thematic studies in response to members' request to share its views and analyses with a wider audience.

Highlights of AMRO's Achievements in 2017

SURVEILLANCE REPORTS



14 Annual Consultation Reports

THEMATIC STUDIES



3 Thematic Studies

TECHNICAL ASSISTANCE ACTIVITIES



8 Secondees

TECHNICAL ASSISTANCE ACTIVITIES



1 Visiting Fellow

SURVEILLANCE REPORTS



1 ASEAN+3 Regional Economic Outlook (AREO)

POLICY PAPERS/NOTES



21 Policy Papers/Notes

TECHNICAL ASSISTANCE ACTIVITIES



2 Ongoing Projects

SURVEILLANCE REPORTS



9 Updates of the AREO

RESOLUTIONS ADOPTED



11 Resolutions

PARTNERSHIPS



3

Memoranda of Understanding Signed (ADB, ESM, IMF)

DIVERSITY



32% Female

68% Male Professional Staff

PARTNERSHIPS



18

Events Organized/ Co-organized

PUBLICATIONS



13

AMRO Reports/ Studies Published

VISIBILITY



42

Press Releases Published

VISIBILITY



34

Seminars, Conferences, and External Meetings

VISIBILITY



220

Articles Published in the Media

VISIBILITY



>100,000

Page Views on AMRO Website

Message from AMRO Director

We entered 2017 filled with excitement and against a backdrop of numerous challenges. In the first year of implementation of our Strategic Direction and Medium-term Implementation Plan (SD&MTIP), we launched several initiatives and made substantial progress in achieving the objectives set out in this guiding document.

2017 marked 20 years since the occurrence of the Asian Financial Crisis (AFC), a landmark event in our region's history that shook up conventional wisdom on how a financial crisis can start and spread, but it offered long-lasting lessons in crisis management. It

propelled regional financial cooperation and led to the establishment of the CMIM and AMRO.

Similarly, the rise of protectionism, rapid aging Asia population, and the onslaught of new technological disruptions sweeping the global economy posed new challenges for the region. Hearteningly, our region has weathered the many external shocks in the past decade well, including the Global Financial Crisis (GFC), the Great Recession, the European Sovereign Debt Crisis, and episodes of risk aversion and capital flows volatility.

Hence, as an organization born in response to the AFC and GFC, and

tasked with the mission of contributing to the macroeconomic and financial stability of the region, 2017 presented an extraordinary opportunity for us to learn from the past, and confront current challenges while strengthening our institutions, and preparing for the future.

In 2017, we greatly enhanced our surveillance capabilities and capacity to conduct rigorous assessment of risks and vulnerabilities facing the region and provide sound policy advice to our members. We conducted 14 annual consultation visits to all members and took steps to enhance communication with the authorities and the public. At the end of each



“As an organization born in response to the AFC and GFC, and tasked with the mission of contributing to the macroeconomic and financial stability of the region, 2017 presented an extraordinary opportunity for us to learn from the past, and confront current challenges while strengthening our institutions, and preparing for the future.”

mission, we engaged the authorities in a policy dialogue based on our draft preliminary assessment and issued a press release on the main findings of this assessment. In several economies such as Japan, Indonesia, Singapore, Korea, China, and the Philippines, we also conducted roundtable discussions with various stakeholders to strengthen communication with opinion leaders and augment AMRO's visibility.

We have further enhanced our forward-looking analysis, risk assessment and policy recommendations in our annual consultation reports. These reports now also include more policy-oriented background studies on selected issues. Guided by our Publication Policy, we published four Annual Consultation Reports for 2016 and another four for 2017.

In May, we launched the ASEAN+3 Regional Economic Outlook 2017, or the AREO 2017, with the theme *ASEAN+3 Region: 20 Years after the Asian Financial Crisis* on the side of the ADB Annual Meeting in Yokohama, Japan, which was widely covered by the media. The successful launch was followed by a series of roadshows in China, Indonesia, Malaysia, Singapore, Thailand, and the US.

We produced timely and regular updates of global and regional developments for our stakeholders and supported regional fora by providing policy notes and participating in policy discussions. One such policy note was on *ASEAN+3 Economic Prospects* for the ASEAN+3 Leaders' Meeting in Manila.

In our support for the CMIM, we are always mindful of the rising expectations on the role of regional safety nets as an integral part of the Global Financial Safety Net (GFSN). In 2017, AMRO focused on supporting the CMIM periodic review, the 8th CMIM test run, CMIM de-linked portion issue, and the enhancement of the operational readiness of CMIM. In addition, we also enhanced our support for CMIM by

developing and proposing institutional mechanisms and policy framework to strengthen the CMIM arrangement. Amongst which, we developed the CMIM Conditionality Framework, prepared the Manuals for CMIM activation, and facilitated CMIM's collaboration with other international financial institutions (IFIs). The year 2017 also saw us providing intellectual and administrative support for members' discussion on fundamental issues related to the GFSN and Regional Financing Arrangements (RFAs) development.

Under the Technical Assistance Program, we had a record-high number of secondees joining AMRO in 2017. By participating in our country missions and conducting and contributing to various research projects, they have not only received on-the-job training, but also made significant contributions to AMRO's outputs.

Recognizing the importance of cooperation with other peer international organizations and among different layers of the GFSN, AMRO signed MoUs with the Asian Development Bank (ADB), the International Monetary Fund (IMF) and the European Stability Mechanism (ESM), to strengthen partnerships and pave the way for leveraging on one another's expertise and knowledge. We also co-hosted the 1st Joint RFA Research Seminar in Singapore and the 2nd High-level RFA Dialogue in Washington, D.C, with our strategic partners, the ESM and the Fondo Latinoamericano de Reservas (FLAR). During the year, AMRO's Senior Management attended several high-level fora to exchange views with their counterparts in peer organizations. Concurrently, our staff also strengthened ties with the private sector and the academic community by participating in seminars and conferences, as well as hosting external experts at AMRO.

To better support our core functions, we made big strides in enhancing AMRO's corporate capacity and institutional building in 2017. We developed AMRO's

Performance Evaluation Framework (PEF) and Human Resource (HR) Development Framework to further enhance AMRO's accountability and governance, building AMRO into a credible professional organization.

To boost transparency and accountability, we started publishing AMRO's policy and research papers, including our surveillance reports at both the regional and country levels, and our first Annual Report. In addition, to make AMRO's knowledge products more accessible to the public, we organized seminars and roundtables during annual consultation visits, engaged with local and international media, and provided regular updates of our activities through our website.

I would like to thank all members and partners for your support and cooperation in making 2017 a highly productive and fruitful year for AMRO. Building upon the fast and steady progress made in 2017, we are committed to step up our efforts across all functions and to enhance our corporate capacity to ensure that we have the knowledge, expertise, and talents to support our members more effectively in the years to come.

Junhong Chang

AMRO Director

Message from 2017 Co-Chairs of the Executive Committee



Masatsugu Asakawa

Vice Minister of Finance for International Affairs, Japan



Tomoyuki Fukumoto

*Deputy Director-General for Asian Affairs,
International Department, Bank of Japan*

Building on the momentum of transitioning to an international organization in 2016, 2017 was another milestone year for AMRO. In 2017, AMRO worked hard to strengthen its capacity, credibility and capability through the implementation of its SD&MTIP. The SD&MTIP serves as a blueprint to guide AMRO's operations and management for the next three to five years, while it concurrently pursues its mission, vision and core functions.

As Co-Chairs of the Executive Committee (EC)² of AMRO, we commend AMRO's management and staff for their achievements in 2017. During the EC meetings in April and December 2017, AMRO kept us abreast of the progress in its core functions – surveillance, CMIM support, technical assistance and corporate enhancement – and we are pleased to note the substantial advancements made.

Surveillance

AMRO was established with the

clear mandate of contributing to the macroeconomic and financial stability of the ASEAN+3 region through the conduct of macroeconomic surveillance and support of the CMIM. Towards this end, AMRO's accomplishments in 2017 are noteworthy. The development of AMRO's Country Surveillance Guidance Note, strengthening of its analytical frameworks, and implementation of its Policy Recommendation Framework, have resulted in further strengthening of AMRO's surveillance capacity and capability. We are also pleased to note that AMRO has produced more regular policy updates on topical issues in a timely manner for members.

During the year, we witnessed the launch of AMRO's inaugural AREO with the theme *ASEAN+3 Region: 20 Years after the Asian Financial Crisis* at the sidelines of the ADB Annual Meeting in May 2017. The AREO 2017 garnered wide coverage in the media. This was further augmented by the subsequent series of roadshows in China, Indonesia, Malaysia,

Singapore, and Thailand, as well as a seminar held in Washington D.C., during the IMF – World Bank (WB) Annual Meeting in October 2017. Resultantly, AMRO's profile was significantly raised both in the region and globally.

CMIM Support

We appreciate AMRO's active and sustained support for the CMIM process. On the technical front, AMRO provided timely and notable support to the enhancement of the Economic Review and Policy Dialogue (ERPD) Matrix, the ongoing conduct of the periodic review of the CMIM Agreement process and the peacetime checklist exercise, and also assisted with the 8th test run, which also marked the 2nd joint test run with the IMF. More importantly, we are heartened that AMRO took on a more proactive role and stepped up its intellectual support for the CMIM by co-organizing and participating in relevant high-level conferences and seminars in 2017. Analytical papers on the role of the CMIM in the GFSN were also prepared,

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 equivalent.



Diwa Guinigundo
Deputy Governor, Bangko Sentral ng Pilipinas



Ma. Edita Z. Tan
Assistant Secretary for Finance, Philippines

enabling us to reflect on substantive issues when considering ways to further strengthen the CMIM as the regional financing arrangement.

Technical Assistance

Capacity development remains a priority of the EC as it plays an important role in improving the macroeconomic surveillance capabilities and capacity within the region, and of AMRO. In 2017, AMRO received a record number of secondees, and organized its first retreat for ASEAN+3 members to discuss technical issues related to financial cooperation. Likewise, AMRO launched its Research Collaboration Program and is currently supporting two ongoing projects of its members. Beyond which, AMRO actively explored ways to increase financial resources for technical assistance in 2017 in order to expand programs in this area.

Corporate Enhancement

In 2017, great strides were made to strengthen AMRO's professionalism, credibility and stature. Several important policies to strengthen governance and accountability were adopted. Key accomplishments include

the publication of AMRO's first Annual Report, development of the AMRO PEF, and completion of the HR Development Framework. Notably, AMRO deepened various strategic partnerships in 2017 with the successful attainment of the United Nations (UN) Permanent Observer status, and concluding MoUs with ADB, ESM and the IMF. These achievements were instrumental in enabling AMRO to institutionalize collaboration with peers, and elevate its stature on the global stage.

During the year, AMRO also proactively organized seminars, conferences and roundtables, such as the 4th AMRO-IMF Joint Seminar to facilitate policy dialogues. In particular, we are proud of AMRO's efforts in spearheading discussions on the role of RFAs in the global financial safety net through high-level events such as the inaugural Joint RFA Seminar and 2nd RFA High-level Dialogue.

In terms of voice and visibility, 2017 was a watershed year as it marked the first time AMRO published its country and regional surveillance reports, and press releases of its country consultations.

In general, these activities have led to a greater awareness of AMRO's role and mandate, with AMRO's reports and views being increasingly cited by major international and regional media.

In light of these accomplishments, the Co-Chairs strongly commend AMRO's senior management, led by Director Dr Junhong Chang for consistently upgrading the initiatives and efforts of the institution to promote the collective interests of its members. We believe that under the leadership of the 2018 Co-Chairs, Korea and Singapore, AMRO will continue to strengthen its engagement with members, strategic partners and the wider public in pursuit of its mandate. Together with the rest of the ASEAN+3 members and AMRO, we look forward to heightened and closer regional economic and financial cooperation in 2018 and the years ahead.

Masatsugu Asakawa
Tomoyuki Fukumoto
Diwa Guinigundo
Ma. Edita Z. Tan
Co-Chairs

Key Milestones of AMRO



ASEAN+3 Finance Ministers agreed to establish an independent regional surveillance unit to promote objective economic monitoring.

**FEB
2009**

AMRO was established as a company limited by guarantee in Singapore in accordance with Singapore's Companies Act. The first AMRO Director was Mr Benhua Wei (second from the right in this photo).

**APR
2011**

**MAR
2010**

The CMIM Agreement came into effect.

**JUL
2014**

The amended CMIM Agreement came into effect.

- Key points of the amendment:
- (i) Size doubled to USD 240 billion
 - (ii) IMF de-linked portion was raised from 20% to 30%
 - (iii) A crisis prevention facility, CMIM Precautionary Line (CMIM-PL) was introduced
 - (iv) The maturity and supporting period of CMIM facilities were extended



ASEAN+3 members successfully completed the signing of the AMRO Agreement to establish AMRO as an international organization.

**OCT
2014**



The Executive Committee, the primary decision-making body of AMRO, approved and endorsed the SD&MTIP, a leading document that articulates AMRO's mission, vision and core functions as well as ensures consistency in AMRO's operations and management.

**DEC
2016**

**FEB
2016**

The AMRO Agreement entered into force, thereby establishing AMRO as an international organization with full legal personality. In this photo, then Director Dr Yoichi Nemoto delivered remarks at the opening ceremony of AMRO as an international organization.



2017

AMRO obtained UN Permanent Observer status and signed MoUs with ADB, IMF, and ESM to strengthen partnerships with strategic peer organizations. AMRO also started publishing surveillance reports and knowledge products to enhance its capacity and visibility, and adopted several important policies to strengthen its governance and accountability.



A red rectangular graphic containing a white line graph icon with a bar chart at the bottom. Below the icon, the text 'Launched the inaugural AREO' is written in white.



Adopted the
Guidance Note for
Country Surveillance
Consultation



2017 Work Priorities
**Developing Strength
for High-Quality
Surveillance**



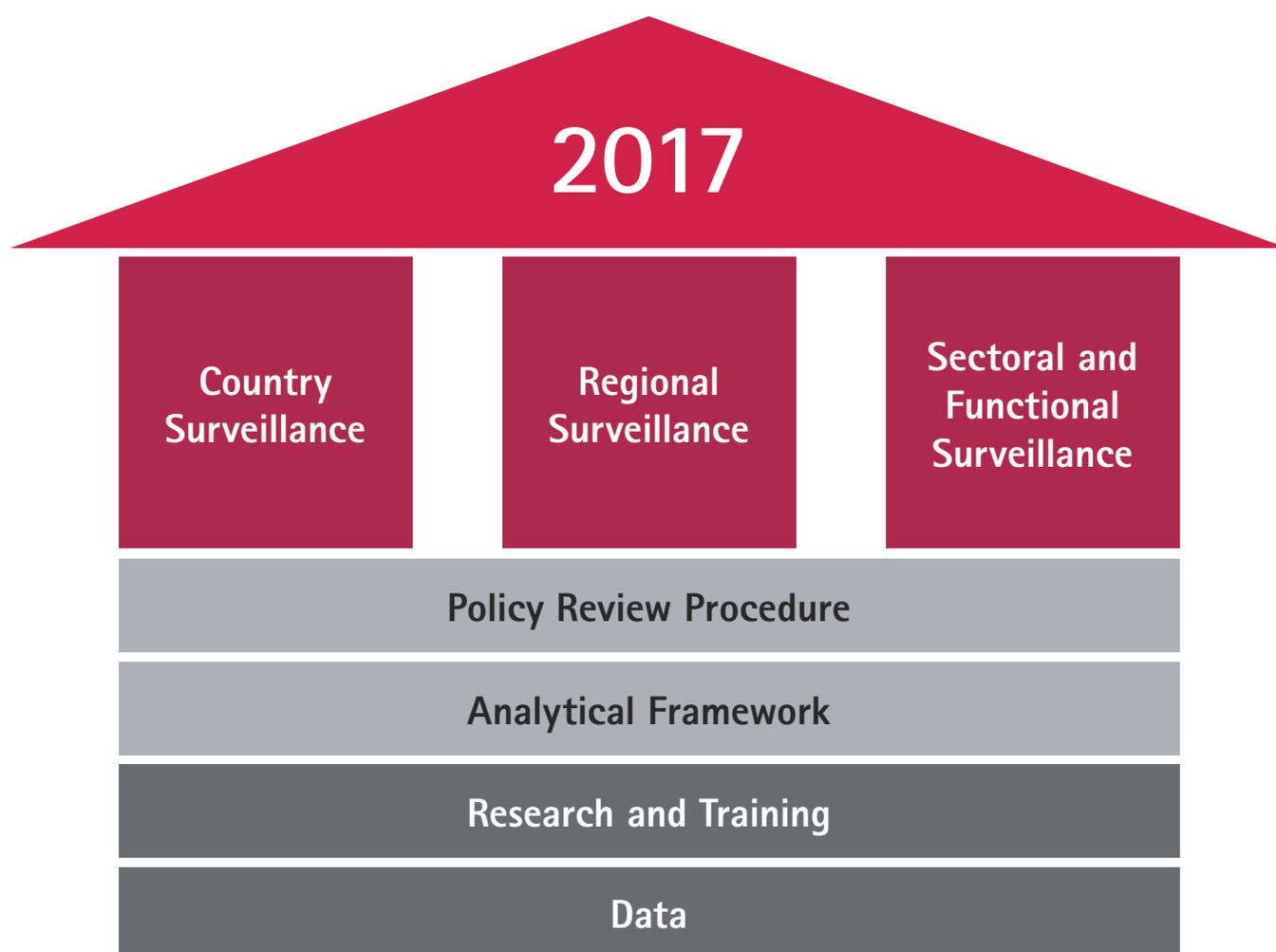
In 2017, AMRO continued to improve its surveillance products, enhance its framework for surveillance activities, and further developed its analytical toolkits to conduct country and regional surveillance. These surveillance efforts and innovations contribute to the strengthening of AMRO's capacity to pursue its mandate as the regional surveillance arm of the CMIM.

Adopting Stronger Surveillance Framework

AMRO, as the regional surveillance unit for the ASEAN+3 region, has been consistently working to strengthen its surveillance capacity to meet its members' needs and expectations for their economies and the region as a whole.

In 2017, AMRO continued to fortify its surveillance framework to conduct macroeconomic and financial surveillance. In particular, AMRO revamped its surveillance framework by formally adopting the Guidance Note for AMRO Country Surveillance

Consultation (hereafter referred to as "Guidance Note") which was endorsed at the AMRO EC Meeting in Cebu, the Philippines, in April 2017. In tandem with the enhancement of its policy review processes and practices, AMRO also improved its surveillance through the development of analytical frameworks, as explained in the following country and regional surveillance sections. Analytical enhancements allowed AMRO to conduct more comprehensive policy-oriented background research relevant to member economies.



Bolstering Country Surveillance

Country surveillance is the main component of AMRO's surveillance mandate. As such, annual consultations serve as the main vehicle for bilateral, regional and other multilateral surveillance. Annual consultations focus on the appropriateness and effectiveness of a member's policies in responding to risks and challenges threatening the member's macroeconomic and financial stability.

In 2017, AMRO revamped its country surveillance framework to make the assessment more forward-looking and focused on risks and vulnerabilities; the process more structured, rigorous and transparent; and the policy dialogue more engaging and effective. The Guidance Note, which was discussed in the previous section, provides formal direction on annual consultations of surveillance for member economies, with a focus on macroeconomic and financial stability. It also stipulates a number of processes, timelines, guidelines, and formal requirements for country surveillance while requiring

that AMRO enhance engagement and communication with various stakeholders to achieve AMRO's vision to be a trusted policy advisor. In line with the Guidance Note, AMRO strengthened its internal policy review practices and further streamlined processes around the annual consultation visits to member economies.

AMRO has also improved its country surveillance through the development of relevant analytical frameworks, such as country risk map, financial stress index, markets monitor, and debt sustainability analysis. Enhanced analytical toolkits enabled AMRO to provide members with more forward-looking analyses, risk assessments, and policy recommendations in its 14 annual consultation reports for members in 2017 and 14 country notes that were reported at the ERPD sessions during the ASEAN+3 Finance and Central Bank Deputies' Meetings (AFDCM+3). Analytical enhancements also allowed AMRO to conduct more

elaborate policy-oriented background research relevant to member economies.

Recognizing that the confidence and trust that members have in AMRO's role as a trusted policy advisor has an impact on the traction for its surveillance advice, AMRO pursued even-handed, candid and timely surveillance, with good communication. In 2017, in line with the policy review process, AMRO strengthened its country consultation activities with a view to enhance stakeholder engagement. At the end of each annual consultation visit, AMRO conducted formal policy dialogues with its members based on its draft preliminary assessments. Through roundtable discussions with various stakeholders, AMRO strengthened its communication with industry thought leaders. The issuance of a press release at the end of each consultation visit, and the publication of annual consultation reports further communicated AMRO's perspective to the general public and improved the transparency of its work.



AMRO Director Dr Junhong Chang, Chief Economist Dr Hoe Ee Khor, and the mission team join a policy dialogue with Vice Minister of Finance Dr Yaobin Shi (third from left) and officials of the Ministry of Finance, China, during the Annual Consultation Visit in August 2017.

Enhancement of AMRO Annual Consultation in 2017 – The Case of Korea

Throughout 2017, AMRO country teams made great efforts not only to enhance its entire surveillance process – including pre-mission preparation, on-site mission activities and production of the final country report – but also to achieve more effective engagement and communication with various stakeholders. During the 2017 Annual Consultation Visit to Korea from 16 to 25 August 2017, AMRO successfully incorporated all these new features of the revamped country surveillance framework.

The visit was extended beyond one week to allow for more comprehensive discussions and the preparation of a preliminary assessment note. During the visit, AMRO's mission team conducted a series of meetings with the public sector, including the Ministry of Strategy and

Finance (KMOSF), Bank of Korea (BOK), Financial Services Commission, and Financial Supervisory Service. The team also visited a variety of policy research institutions, financial institutions, credit bureau institutes, and academies, and organized a roundtable discussion with renowned experts from different backgrounds and expertise.

Insights gained from various meetings were invaluable for AMRO to reinforce its understanding of the Korean economy. On 24 August, Director Chang made a courtesy call to Dr Dong-Yeon Kim, Deputy Prime Minister and Minister of Strategy and Finance, and they had a fruitful exchange of views on the new government's economic policy direction. In addition, Director Chang and Chief Economist Dr Khor had an exclusive

interview with *Chosun Biz*, one of the most influential news media outlets in Korea to introduce the key functions of AMRO and CMIM, as well as share AMRO's views on the Korean economy (the English-translated version is available on AMRO's website).

Significantly, when exchanging views with the Korean authorities, the team adopted a new procedure for the preparation of the preliminary assessment note, in accordance with the *Guidance Note for AMRO Country Surveillance Consultation*. The note summarizes key findings and policy recommendations to facilitate more constructive and comprehensive wrap-up policy dialogues with KMOSF and BOK. An assessment summary is contained in the press release issued on the last day of the mission, which was also posted on AMRO's website.



Deputy Governor, Mr Minho Kim (fourth from left), and officials of the Bank of Korea, discuss with AMRO Director Dr Junhong Chang, Chief Economist Dr Hoe Ee Khor, and the mission team during the Annual Consultation Visit in August 2017.

On 23 August, with support from KMOSF, AMRO held a roundtable discussion with Korean experts to discuss recent developments in the Korean economy and the country's challenges in achieving sustainable growth. The roundtable discussion – moderated by our Advisory Panel (AP) member, Professor Kyung-Wook Hur, and attended by distinguished academics including Dr Junghun Kim, Vice President of the Korea Institute of Public Finance; Dr Joohoon Kim, Chief Economist of the Korea Development Institute; Dr Jae-Ha Park, Senior Research Fellow of the Korea Institute of Finance; Dr Taeyoon Sung, Professor of Economics of Yonsei University; and Dr Gyu-Don Jung, President of the Korea Center for International Finance – provided valuable insights on key aspects of the Korean economy, including macroeconomic trends, the financial system, fiscal policies, and the industrial and external sectors. In particular, the AMRO mission team was able to gain different perspectives and a deeper understanding of the challenges facing the Korean economy. The roundtable has laid a firm foundation for stronger partnerships between AMRO and distinguished experts in Korea, contributing to strengthened AMRO's surveillance capacity.

After the policy dialogues with KMOSF and BOK at the end of the visit, AMRO issued a press release in both English and Korean that summarized the key findings of its preliminary assessment on the economy. In total, more than 20 news stories were published on local media, which helped increase AMRO's visibility and credibility in the country.

Country surveillance reflects members' circumstances. As such, it makes sense to adopt different approaches for member economies based on their economic fundamentals, for example, emerging market economies, low-income countries, advanced economies and systemic economies. In 2017, AMRO not only conducted more policy-oriented and forward-looking background research, but also included them in annual consultation reports as selected issues. Amongst them were dollarization and monetary policy in Cambodia, fiscal stance in Indonesia, and drivers of inflation in Myanmar.



AMRO Director Dr Junhong Chang, Chief Economist Dr Hoe Ee Khor, and the mission team meets with Governor H.E. Dr Somphao Phaysith (fifth from left) and officials of the Bank of the Lao PDR during its Annual Consultation Visit in February 2017.



AMRO mission team visits Hengyi oil refinery and petrochemical plant in Brunei during its Annual Consultation Visit in October–November 2017.

Upgrading Regional Surveillance

As the region's key surveillance organization, AMRO assesses the economic outlook for the ASEAN+3 region by identifying and assessing risks from outside the region and global spillovers; monitoring and assessing intra-regional linkages and spillovers; and benchmarking economies in the region using common analytical frameworks. In 2017, AMRO enhanced its regional surveillance by strengthening its analytical frameworks with the introduction of the global risk map, business and credit cycles analysis, a PMI heatmap, and a policy matrix framework.

Based on its risk assessment, AMRO provides policy recommendations to its stakeholders at both country and regional levels. In addition, AMRO supports regional surveillance discussions at the ERPD – peer review surveillance sessions among Deputies at the AFDCM+3. AMRO also presents its assessment of the regional outlook

at the ASEAN+3 Finance Ministers' and Central Bank Governors' Meeting (AFMGM+3), and other regional fora such as the ASEAN Senior Level Committee on Financial Integration. In 2017, AMRO also supported regional fora and regional integration through policy notes. At the ASEAN+3 Leaders' Meeting in Manila, AMRO provided a policy note on ASEAN+3 economic prospects. Similarly, a background paper was crafted for the Lancang-Mekong Cooperation Foreign Ministers' Meeting.

In May 2017 in Yokohama, Japan, AMRO launched its inaugural annual flagship publication, AREO, which provided a detailed report on AMRO's outlook and risk assessment for the region. The report provided AMRO's macroeconomic projections for the region as a whole, as well as a brief assessment of macroeconomic outlook for each member economy. This first flagship publication also featured a

thematic chapter on the *ASEAN+3 Region: 20 Years after the Asian Financial Crisis*, giving recognition to the AFC as a landmark event that shaped policymakers' perspectives on crisis management and resolution and the resulting establishment of AMRO and CMIM. The thematic chapter highlighted lessons from the AFC that remain valuable today – the importance of policy attention to risks from financial markets and capital outflows; the speed and impact of contagion among economies; and the need for a flexible and responsive policy framework to deal with external shocks.

Complementary to the annual AREO publication, AMRO circulated Monthly AREO Updates on regional economic developments, and arising topical issues such as the impact of US policies on China and capital flows in regional emerging markets, to its members.



About 60 participants including policy makers, journalists, and academia, attend the inaugural AREO launch in May 2017 in Yokohama, Japan.



AMRO Chief Economist Dr Hoe Ee Khor speaks at the seminar with the theme "Reformed and resilient Asia: 20 years after the Asian Financial Crisis" in July 2017 in Jakarta, Indonesia. Jointly organized by AMRO and Bank Indonesia Institute, the seminar is part of a roadshow to six countries to promote the AREO 2017.

Enhancing Sectoral and Functional Surveillance

Sectoral and functional surveillance is an important pillar of AMRO's surveillance function, and supports its country and regional surveillance. Through conducting in-depth analyses, in particular, on fiscal and financial sectors of the region and of member economies, sectoral and functional surveillance aims to add value to AMRO's overall surveillance activities. In 2017, AMRO utilized its Debt Sustainability Analysis (DSA) methodology in its assessment of member economies. Apart from using Credit and Business Cycles for analyses in both country and regional surveillance, AMRO also worked on enhancing its Financial Stress Index (FSI) for application to surveillance of regional economies.

Conducting Thematic Studies and Research

In support of its surveillance activities, AMRO continued to conduct in-depth studies and research on relevant policy issues in 2017. Notably, leveraging its strengthened surveillance framework and analytical toolkit, AMRO conducted several policy-oriented researches to support country and regional

surveillance. They include *Assessing the Fiscal Stance in Indonesia*, and *Dollarization, Inflation and Exchange-rate Based Monetary Policy in Cambodia*. In November 2017, AMRO also published one of the thematic studies, *High Corporate Debt in China: Macro and Sectoral Risk Assessments* on its website.



Renowned experts discuss issues pertaining to corporate debt in China at a seminar co-organized by AMRO, Tsinghua University School of Economics and Management, National Institute for Fiscal Studies of Tsinghua University, and Yicai Research Institute in August 2017 in Beijing, China.



Successfully
conducted the 8th
CMIM test run



Enhanced the
ERPD Matrix framework
and methodology



2017 Work Priorities

Enhancing Support to CMIM Development

The CMIM is a multilateral liquidity support arrangement, which came into effect on 24 March 2010, between ASEAN+3 members. It was established under the agreement signed by ASEAN+3 Finance Ministers and Central Bank Governors. The liquidity is provided in US dollar through multilateralized currency swaps between authorities of the ASEAN+3 members. To support the implementation of the CMIM, the members established AMRO on 20 April 2011 as the surveillance unit.

In 2017, AMRO supported the ASEAN+3 members in conducting the CMIM periodic review and enhancing the operational readiness of the CMIM through peacetime preparation exercises, test runs, Operational Guidelines (OG) revision to strengthen the effectiveness of CMIM, and piloting and enhancing the ERP Matrix framework. AMRO also provided intellectual and administrative support to further strengthen the CMIM Arrangements with the development of the CMIM conditionality framework and manuals for CMIM activation and the facilitation of CMIM's collaboration with other IFIs.



Supporting the CMIM Periodic Review

The CMIM Parties are required to carry out regular and ad-hoc joint reviews of the CMIM Agreement and the key terms and conditions of the CMIM Arrangement. This is to ensure that the CMIM remains up-to-date and appropriately reflective of the respective circumstances of the contracting parties, as well as global economic and financial conditions. The first mandatory CMIM periodic review that was started in 2017 will be completed by May 2018.

AMRO's role during the review encompasses supporting CMIM members in identifying and addressing key issues, as well as consolidating points raised at the CMIM test runs evaluation sessions. AMRO also helps members revise language used in the CMIM Agreement, and provides relevant background notes for the members' reference.

Fortifying CMIM Peacetime Preparation

AMRO supports the operational readiness of the CMIM through peacetime preparation. In 2017, AMRO assisted in the completion of the existing peacetime checklist and the development of a new checklist. As part of the latter, AMRO drafted a Manual for CMIM Swap Transaction Mechanism, in coordination with the Federal Reserve Bank of New York. This was endorsed by the Deputies in December 2017. In addition, in line with the peacetime preparation, AMRO also developed its own Staff Manual for CMIM Activation, ensuring rapid and effective response during a CMIM Arrangement activation. This internal procedure was tested twice in 2017 to enable the identification of loopholes and further refinement.

Facilitating the CMIM Test Run

The second joint CMIM-IMF test run was conducted in conjunction with the 8th CMIM test run exercise in 2017. The exercise examined the effectiveness of information sharing between the CMIM and the IMF during an activation of the IMF-Linked Portion (ILP) of the CMIM facility. AMRO supported the test run by participating in designing the scenario; assisting the CMIM members in implementing the procedures, including completing necessary legal documents; and drafting a report with policy recommendations for the CMIM decision-making body.

Upgrading the CMIM OG

Improving the CMIM OG is a continuous process that is based on findings from past test runs and issues identified during CMIM members' discussion. In line with the test run in 2017, proposed enhancements to the OG focused on determining an appropriate mechanism for information sharing between the CMIM and the IMF. AMRO supported the members in identifying issues and developing the mechanism.

Developing CMIM Strategy and Policies

AMRO provided support and assistance to members on the development of CMIM strategy and policies. At the request of members, AMRO developed a CMIM conditionality framework in 2017. This aims to enable the CMIM to work independently or collaboratively with other layers of the GFSN, including the IMF. The CMIM conditionality framework is still under discussion among members and will be further developed in 2018.

Enhancing the ERPD Matrix

AMRO is continuously developing the qualification criteria and methodology for the CMIM Precautionary Line (CMIM-PL), known as the ERPD Matrix framework. This framework analyzes five key macro financial areas, namely, the external sector, fiscal policy, monetary policy, financial sector and data adequacy – consistent with the requirements for the IMF's liquidity facilities – of all ASEAN+3 member economies.



AMRO Director Dr Junhong Chang, IMF Managing Director Madam Christine Lagarde, heads of RFAs, and high-level officials of relevant institutions attend the 2nd High-level RFA Dialogue in October 2017 in Washington, DC, USA.

Facilitating CMIM's Collaboration with IFIs and Enhancing Intellectual Support

AMRO actively co-organized and participated in relevant seminars and conferences in 2017. Amongst which were the 1st Joint RFA Research Seminar and the 2nd RFA High Level Dialogue. Besides sharing knowledge on issues of common interests, AMRO took the opportunity to enhance its visibility among other RFAs, including the ESM and FLAR, Arab Monetary Fund (AMF), Brazil, Russia, India, China and South Africa Contingent Reserve

Arrangement (BRICS CRA), Eurasian Fund for Stabilization and Development (EFSD) and South Asian Association for Regional Cooperation (SAARC), at these events.

Through monitoring the progress of regional and global discussions in developing RFAs and the GFSN, AMRO also enhanced its technical support to members by providing relevant policy notes in a timely manner during the year.

The ASEAN+3 Deputies endorsed the comprehensive ERPD Matrix framework in December 2016. Applying this framework, AMRO conducted two pilot projects in 2017 – in collaboration with volunteer member economies – using a pre-defined set of indicators and complemented with qualitative assessments to determine "qualification" for the CMIM-PL.

Based on the findings from these pilot projects, AMRO subsequently enhanced the ERPD Matrix framework and methodology. The enhancements comprised (i) a revised framework incorporating both quantitative and qualitative assessments; (ii) an expanded set of macro financial indicators (quantitative analysis), plus a revised set of benchmark countries derived from applying appropriate filters; (iii) close integration with regular surveillance (quantitative and qualitative analytics); (iv) expert assessments/judgment (qualitative). The enhanced ERPD Matrix framework, which was endorsed by the Deputies in December 2017, will be applied to a new round of pilot projects in 2018.



Successfully launched
the Expanded
Secondment Program





Introduced the
Research Collaboration
Program



2017 Work Priorities

Stepping Up Efforts for Regional Capacity Building

AMRO's Technical Assistance (TA) Program takes into consideration the development stage, country-specific environment and policy priorities of ASEAN+3 members. This ensures that needs of members are met under the TA Framework. Launched in 2016, the TA Program entered its implementation stage following financing contributions into the AMRO TA Trust Funds from the Ministry of Finance, China (CMOF); the Ministry of Finance, Japan (JMOF); and KMOSF. The TA Program provides a platform to strengthen members' macroeconomic surveillance capacities, facilitate knowledge sharing among members and other international organizations, as well as leverage on synergies with other TA providers, such as the IMF and ASEAN Secretariat (ASEC) to ensure effective and efficient capacity building for members.

Progress and New Initiatives under the TA Program

Secondment Program

In line with the main objective of the TA Program to improve and bolster macroeconomic surveillance capacities of its members, AMRO has hosted a number of secondees from its members through the Secondment Program. The said program sees AMRO providing secondees with on-the-job training opportunities at the AMRO office as well as during AMRO's Annual Staff Consultation Visits to the member economies. In addition, AMRO's Senior Management also encourages all secondees to attend relevant macroeconomic and financial courses organized by the IMF-Singapore Regional Training Institute (STI), riding on the cooperation between AMRO and IMF-STI.

In 2017, AMRO received seven secondees from seven parent organizations, namely, the Ministry of Economy and Finance, Cambodia; the National Bank of Cambodia; the Ministry of Finance, Lao PDR; the Bank of Lao PDR; the Ministry of Planning and Finance, Myanmar; the State Bank of Vietnam; and the Ministry of Finance, Vietnam.

In June, AMRO further launched the Expanded Secondment Program (ESP), opening the opportunity for members to second their experienced staff to AMRO for a few years to augment AMRO's expertise and capabilities, increasing its staff capacity.

Messages from Secondees of the 2017 Secondment Program

Oudom Cheng, National Bank of Cambodia

I would like to sincerely thank AMRO for providing me with a great opportunity to receive on-the-job-training for one year from January 2017 to January 2018. During this period, I was privileged to be involved in every process of country surveillance – supporting routine monitoring of macroeconomic and financial sectors, joining Staff Annual Consultation Visits, as well as conducting researches on topics relevant to the Annual Consultation Reports. In addition, the discussions I had with economists at AMRO have given me a deeper understanding and insights to suitable approaches for analyzing economic and financial conditions. I look forward to utilizing what I have learned in AMRO to contribute to the surveillance works at the National Bank of Cambodia when I return to Cambodia.

Giang Huong Nguyen, State Bank of Vietnam

The six-month secondment at AMRO from January to July 2017 was a really great experience for me. I had the opportunity to participate in both AMRO's CMIM support activities and macroeconomic surveillance activities for ASEAN+3 members. As a result, I have gained a much deeper understanding of the CMIM and CMIM-related issues, macroeconomic surveillance activities and AMRO's role in fulfilling such functions. In particular, my participation in the preparation for Taskforce (TF) meetings and the 8th CMIM test run allowed me to experience first-hand the actual process of CMIM activation, and become more aware of AMRO's role in the CMIM activation process as well as all technical issues relevant to the CMIM Agreement and OG. Taking part in AMRO's interim visit to Vietnam had also provided insights to AMRO's macroeconomic surveillance activities, the coordination process between AMRO and its members as well as emerging issues facing members. In addition, I was honored to be able to learn from AMRO's AP, Director, Chief Economist, Group Heads, colleagues and consultants. Their sharing has honed my skills in conducting researches and making presentations. I am confident that the knowledge I have acquired from AMRO pertaining to the GFSN and the macroeconomic surveillance activities will help me significantly in my current work at the Department of International Cooperation of the State Bank of Vietnam. From the bottom of my heart, I would like to sincerely thank AMRO for giving me such a wonderful opportunity.



Ms Giang Huong Nguyen (first from right) and Mr Oudom Cheng (third from right) present on their experience and contribution at AMRO in 2017.



Professor Junko Shimizu (middle) of Gakusyuin University, Japan, who joined AMRO's Research Collaboration Program in 2017, discusses with AMRO colleagues on her study on financial integration-related issues for the ASEAN+3 region.

Consultancy Program

The Consultancy Program, launched in 2017, is aimed at providing technical support to ASEAN+3 members and helping them to strengthen their macroeconomic surveillance capacities. In 2017, AMRO received several TA requests from members on a number of projects; of which, two are currently being implemented – (i) Support in Website Development for the Ministry of Finance, Lao PDR; and (ii) Support in the Collection and Analysis of Real Estate Transaction Data for the Ministry of Economy and Finance, Cambodia.

Research and Training Program

This program aims to provide training and research for ASEAN+3 members through seminars and conferences as well as joint training programs with other international organizations such as IMF and ADB. This led to the introduction of AMRO's Research Collaboration Program in July 2017.

Subsequently, AMRO started collaborating with a visiting fellow who conducted a study entitled "*Prospect of Local Currencies' Usage in Asia*" in September 2017. The visiting fellow also conducted research on other financial integration-related issues for the ASEAN+3 region.

Also in September 2017, AMRO hosted the ASEAN+3 Taskforce Members' Retreat in Singapore. The event provided a platform for ASEAN+3 members and AMRO staff to exchange viewpoints about AMRO's surveillance activities and CMIM's operational procedures.

Moving forward, AMRO will continue to manage its TA Program to further enhance ASEAN+3 members' macroeconomic surveillance capacity as well as promote AMRO's surveillance, research and CMIM activities.



Obtained UN
Permanent
Observer Status





Developed the
Corporate Performance
Evaluation Framework



2017 Work Priorities

Strengthening Institution Building for an Effective Organization

Organizational Management

A well-functioning organization is key to achieving AMRO's mission successfully. In order to ensure efficiency, AMRO champions a lean but productive management system supported by highly motivated staff and state-of-the-art technology, including Information and Communication Technology (ICT). AMRO is mindful that its resources are derived from the taxpayers of its members. As such, AMRO emphasizes financial discipline, prudence and soundness. AMRO also seeks to establish a legal basis that is consistent with the AMRO Agreement, international laws, and the best practices of other international organizations and IFIs for its activities.



Budget and Financial Management

AMRO ensures transparency and accountability while maintaining a good balance between relevant budget requests, prudent spending and effective budget implementation. AMRO strives to achieve this through strict discipline on each expenditure item and maximization of cost-effectiveness.

The 2017 manpower-related budget amounted to USD 13.5 million with an implementation rate of 99.7%. AMRO's expanded core operations were supported by lean budgeting, consistent with historical expenditure trends and tightened operations. AMRO fully utilized the allocated financial resources which the members provided, to discharge its core functions while ensuring that the money is well spent.

The office-related budget amounting to USD 5.1 million had an implementation rate of 90.9%. This was mainly attributed to capital spending related to the third phase of the AMRO office renovation and the implementation of ICT security and capacity enhancements.

AMRO's reserves amounted to USD 7.2 million as at 31 December 2017. AMRO is in a better position to be more accountable and transparent in managing its reserves following the approval of the new Reserves Usage Guidelines by the EC in December 2016.

AMRO will continue to ensure relevance in budgeting, prudence in spending, and efficiency in reserves management with proper policy implementation, thereby fulfilling members' expectations of transparency and accountability.

2017 manpower-related budget amounted to

USD **13.5**
million

with an
implementation
rate of

99.7%

Audit

An independent auditor, PricewaterhouseCoopers LLP, appointed by the EC, conducted a thorough audit on the financial statements of AMRO, the China TA Trust Fund, and the Japan Special Trust Fund.

It opined that the financial statements of the organization had been drawn up in accordance with the International Financial Reporting Standards (IFRS) to give a true and fair view of the state of affairs of AMRO and the Trust Funds as at 31 December 2017.





Human Resource Management

AMRO is committed to hiring diverse talents on a merit basis. Using a transparent and open recruitment process, AMRO seeks to attract candidates with appropriate competency skill sets and experiences. Hence, 2017 could be considered to be a fruitful year for human resource management with 96% of staff vacancies filled by year end. By the end of 2017, female staff accounted for 32% of AMRO's professional staff, an increase from 21% from the previous year.

Notably, the development of AMRO's HR Development Framework was a milestone for AMRO's HR management. The framework aims to position AMRO as an Employer of Choice for talents employed in regional financial stability

work through three priority areas. They are (i) Operational Efficiency and Collaboration, (ii) Culture of Open-mindedness and Integrity, and (iii) Staff Development and Career Progression. The framework was endorsed by the EC in December 2017.

Another major development was the formulation of the Code of Conduct which codifies the rules and policies found in different documents in AMRO. It provides guidelines on how to exercise good judgment in ethical matters and clarifies the obligations of AMRO staff as international civil servants in their conduct within and outside the workplace so as to be in line with best practices of other international organizations.

To ensure relevance, AMRO staff were invited to participate in a staff engagement survey during the course of policy formulation. The survey sought their feedback on areas for improvement in HR management such as managerial effectiveness, strategic focus, employee experience, confidence and engagement, collaboration and teamwork, and career development opportunities. The feedback collected provided a basis for the HR Development Framework. During the year, AMRO also held town hall meetings with all staff to encourage organizational engagement. The town hall meetings provided a good opportunity for AMRO staff and senior management to openly interact with one another and exchange ideas on how to improve AMRO's operations and management.

The Work Environment

Fostering a work environment that is conducive is part of AMRO's effort to support staff productivity and performance. This is achieved through improving the administrative process, upgrading the office space and technological support.

In 2017, AMRO completed all three phases of office renovation, which was started in 2011 when AMRO first established its office in Singapore. In conjunction with the completion of renovation works, AMRO initiated a call for artwork donations from its members. The donated artworks, which are now displayed in AMRO's office, demonstrate the rich and diverse culture of ASEAN+3 members.

AMRO continues to ensure that its ICT infrastructure is up-to-date and efficient to support AMRO's core functions. As part of the support for the CMIM, AMRO ran a connection check test of the video conference system with each member to ensure that prompt interaction can be established for information sharing during the CMIM process and the CMIM test run. AMRO also introduced an enhanced end-point security that provides both data backup and a disaster recovery site. This measure aims to ensure reliability and continuity of AMRO's ICT infrastructure.

Legal Affairs

AMRO's application for recognition of the jurisdiction of the International Labor Organization (ILO) Administrative Tribunal (ILOAT) was unanimously approved by the ILO Governing Body on 31 October 2017. This made AMRO the 59th international organization to join the ILOAT and institutes a formal settlement system for employment-related disputes between AMRO and its staff members.

The AMRO Agreement was registered with the UN Secretariat in accordance with Article 102 of the UN Charter. This ensures that the dispute settlement provision between AMRO and a member under Article 23 of the AMRO Agreement may be operationalized.

On 7 December 2017, AMRO was granted permanent observer status in the UN General Assembly. This will help establish a firm basis for regular and well-organized cooperation between AMRO and UN in the implementation of policies that would contribute to a stable global macroeconomic environment. It is also expected to broaden and deepen AMRO's interactions with other countries as well as regional and international organizations.



AMRO Director Dr Junhong Chang welcomes Chinese artist Lin Rongsheng (far right), author of the masterpiece "Mountain Village in the Morning" donated by the Ministry of Finance, China.



AMRO Director Dr Junhong Chang meets with Mr Zhenmin Liu, UN Under-Secretary-General for Economic and Social Affairs, during her visit to the UN headquarters in New York City in September 2017.



AMRO Deputy Director Yasuto Watanabe attends the "High-Level Dialogue on Regional Economic Cooperation and Integration for Enhancing Sustainable Development in Asia and the Pacific" organized by the UN Economic and Social Commission for Asia and the Pacific in Bangkok, Thailand in April 2017. As a panelist, he shared insights on enhancing financial cooperation in the region.

Accountability

Strengthening Accountability Mechanisms

As part of AMRO's efforts to enhance transparency, AMRO also published its first Annual Report – Annual Report 2016 – in May 2017. This report highlighted AMRO's achievements and progress in fiscal year 2016, and sought to bolster AMRO's credibility to its stakeholders and the public.

AMRO has been conducting self-evaluations on an annual basis

since 2013. To further strengthen its accountability to members, and in support of the implementation of AMRO's medium-term strategic vision, AMRO developed its corporate PEF in 2017. The PEF draws on best practices and general methodologies adopted by peer international organizations' results-based management framework. It captures the impact, outcomes and output of AMRO's operations, and will

be utilized for reference in strategic planning, implementation, and monitoring. It will also enhance institutional learning and further promote a culture of accountability, transparency and results. Endorsed by the EC in December 2017, the general thrust of the PEF will be implemented on a trial basis in 2018 to facilitate fine-tuning of its technical readiness.



Signed MoUs with strategic partners, expanded collaboration with peers organizations






Started publishing reports and papers and enhanced media engagement



2017 Work Priorities

Promoting Strategic Partnerships and a Dynamic Role in the GFSN

Partnerships

In an increasingly interconnected world, it is crucial for AMRO to deepen its engagements with stakeholders, strategic partners, academia and the public to function effectively, deliver on its mandate and build its capacity. In line with its aspiration to be a trusted policy advisor, and to support the implementation of the CMIM, AMRO has adopted a collaborative approach to complement its capacity and the work of its peers.

Enhancing Communications with Authorities

Recognizing that effective communications is fundamental to its core functions, AMRO has strengthened its communications with members by providing timely updates on its operations and developments. AMRO also produced up-to-date analyses of pertinent regional macroeconomic and financial issues and thought pieces designed to facilitate deliberations on the future of ASEAN+3 financial cooperation.

In 2017, AMRO strengthened its two-way communication with members by conducting formal policy dialogues with them during the consultation visits. AMRO also issued press releases after the visits to inform the general public of its findings from the consultation visits. These preliminary assessments and press releases have strengthened the engagement with the authorities and enhanced the transparency and accountability of its work.

Deepening Engagements with Strategic Partners

2017 was a milestone year for AMRO as it successfully institutionalized its collaboration with several strategic partners.

In May, AMRO and the ADB signed a MoU to strengthen cooperation between the two institutions in support of ASEAN+3 members at the sidelines of the 50th Annual Meeting of the ADB's Board of Governors' in Yokohama, Japan. Through making use of their comparative advantages in supporting efforts and policies focused on short-term macro financial stability and long-term economic growth, AMRO and ADB will collaborate to enhance cooperation and integration in the ASEAN+3 region.

In October, AMRO signed two MoUs with the IMF and ESM respectively, at the sidelines of the IMF Annual Meetings in Washington, D.C., USA. In particular, the AMRO-IMF MoU seeks to promote regional and global

financial stability through advancing cooperation and leveraging on each other's expertise. It also institutionalizes the exchange of views on common members' economies, training and staff exchange opportunities for staff, capacity building for ASEAN+3 members in macro-economic management, and joint activities that will contribute to strengthening the global and regional financial safety nets. The AMRO-ESM MoU provides a general framework to strengthen collaboration in matters of common interest and covers the organization of joint activities, joint research, technical cooperation, capacity building and staff exchange, among others.



The 4th AMRO-IMF Joint Seminar taking place in March 2017 in Manila, the Philippines.

AMRO's Collaboration with IFIs and Outreach Activities

AMRO conducted roundtable discussions with various stakeholders, strengthening its communication with opinion leaders and augmenting its visibility.

In February 2017, AMRO contributed to the ASEAN Senior Leaders' Committee (SLC) Meeting in February in Davao City, Philippines.

In March 2017, AMRO presented preliminary findings of its study on *ASEAN+3 Region 20 years after the Asian Financial Crisis* at the 4th AMRO-IMF Joint Seminar, which took place in Manila, Philippines. IMF also presented on *Macro-financial Challenges in ASEAN-5 Economies* at the half-day event.

Beyond the ASEAN+3 region, AMRO also participated in international and regional fora such as the Bo'ao Asia Forum in Hainan, China, in March 2017.

In April 2017, AMRO was invited to the ADB-ADB International Conference, *20 Years after the Asian Financial Crisis: Lessons, Challenges and the Way Forward* in Tokyo, Japan. AMRO presented its perspectives on macro-prudential policy and capital flow management frameworks, capital market development and integration, and challenges and risks facing the region and policy options for financial stability and resilience. In the same month, an AMRO representative was invited to speak at the High-Level Dialogue on Regional Economic Cooperation and Integration for Enhancing Sustainable Development in Asia and the Pacific, organized by the UN Economic and Social Commission for Asia and the Pacific (ESCAP) in Bangkok, Thailand.

In May 2017, AMRO joined the High-level Dialogue of the Belt and Road Forum



AMRO Senior Management team, AP members, distinguished speakers, and participants from RFAs at the 1st RFA Research Seminar jointly organized by AMRO, ESM, and FLAR in Singapore in September 2017.

for International Cooperation in Beijing, China, as well as the United Nations Conference on Trade and Development (UNCTAD) Regional Seminar in Johannesburg, South Africa.

In June 2017, the AMRO Director presented on the theme: *Fiscal Policy under Demographic Change and Radical Uncertainties* at the Tokyo Fiscal Forum in Tokyo, Japan. She also shared her perspective on regional fiscal developments. The event was co-hosted by the Policy Research Institute of JMOF, the IMF, and ADB Institute (ADBI). AMRO also participated in the 2nd Asian Infrastructure Investment Bank Annual Meeting in Jeju, Korea, in the same month.

In July 2017, Director Chang led an AMRO delegation to pay visits to the core organizations in the European RFA – the ESM, and Economics and Financial Affairs (ECFIN) of the European Commission – to exchange views on how to enhance synergy among different layers of the GFSN, share knowledge of surveillance and crisis management, and discuss cooperation between both institutions. During the Europe trip, Director Chang also participated as a speaker in the seminar *Living with Globalization* in Hamburg, Germany, to introduce the development of the CMIM in the ASEAN+3 region.

In September 2017, AMRO hosted the inaugural Joint RFA Research Seminar

in Singapore, in collaboration with ESM and FLAR. The annual seminar is geared towards bringing academics and institutions together to discuss key issues related to global and regional financial stability, in particular, the role of RFAs within the GFSN.

In October 2017, AMRO co-hosted the 2nd High-level RFA Dialogue in Washington, D.C., USA, together with ESM and FLAR. The event was well attended by high-level representatives from the IMF, the AMF, BRICS CRA, Eurasian Development Bank, European Commission, SAARC and the G20 International Financial Architecture (IFA) Working Group. At the forum, RFAs shared the recent activities and developments in their institutions and regions since the last meeting, and discussed the IMF's ongoing work in formulating operational guidelines for IMF-RFA cooperation and how to tailor them to meet the specific needs of each RFA. AMRO was also invited to share its perspective on the regional outlook at the 14th Meeting of the SLC on ASEAN Financial Integration in Luang Prabang, Lao PDR, in the same month.

In November 2017, AMRO Director attended the IMF Regional Office for Asia and the Pacific 20th Anniversary celebrations in Tokyo, Japan, and met IMF Managing Director, Madame Christine Lagarde to exchange views on cooperation between two organizations.

Visibility

As a relatively young organization, AMRO aspires to reach out to external stakeholders to better understand their perspectives, and in doing so, improve the quality of AMRO's analysis and policy recommendations. At the same time, through such interactions, AMRO hopes to enable a broader audience to better understand its operations.

Organizing the 2nd ATFF

Building upon the success of the inaugural ASEAN+3 Financial Forum (ATFF) in 2016, AMRO held the 2nd ATFF back to back with the AFCDM+3 in Asahikawa, Japan, in December 2017. Themed "*Adapting to a Changing World*", ASEAN+3 Deputies, academics and high-level representatives of international financial institutions discussed the regional outlook and policy responses to address structural challenges, and developments in the international monetary system and the role of the CMIM and AMRO. It was highlighted that ASEAN+3 members would need to implement and follow through on structural reforms to set their economies on a solid foundation for continued robust growth, and in response to domestic and external challenges, such as rising sentiments of anti-globalization and protectionism, and aging populations and new technologies. At the same time, enhancing economic and financial cooperation among regional economies would make the best of each economy's comparative advantage while safeguarding regional financial stability. Participants also highlighted that the CMIM should be further developed to complement the GFSN and help the region in meeting the challenges ahead.

Publishing AMRO's Knowledge Products

Guided by the Publication Policy, in 2017, AMRO started publishing its reports and research papers to share its views and analysis with a broader audience, including government agencies, academia, the private sector, and the public.

In May 2017, AMRO launched AREO 2017, with the theme *ASEAN+3 Region: 20 Years after the Asian Financial Crisis* at a press conference on the margins of the ADB Annual Meeting in Yokohama, Japan. The launch was widely covered by the media with close to 50 news stories across 11 member economies, including live interviews on CNBC, Bloomberg, NHK, and Channel NewsAsia, to name a

few. The successful launch was followed by a series of roadshows in China, Indonesia, Malaysia, Singapore, Thailand, and most recently, a seminar at the sidelines of the IMF/World Bank Annual Meeting in Washington, D.C., USA.

Throughout the year, AMRO also kept up the momentum by publishing four 2016 Annual Consultation Reports (Hong Kong, China; Philippines; Singapore; and Thailand), and another four 2017 Annual Consultation Reports (Cambodia, Myanmar, Singapore and Thailand). After each Annual Consultation Visit, AMRO also issued a press release capturing key points of its preliminary assessments of the economy.



AMRO Senior Management team, ASEAN+3 Finance and Central Bank Deputies, and distinguished speakers and participants at the 2017 ATFF in December 2017 in Asahikawa, Japan.

Engaging with the Media

To increase transparency and outreach to a broader audience in 2017, AMRO proactively interacted with the public and engaged with the media across the region to share AMRO's views on regional macroeconomic issues and explain AMRO's operations.

During the year, AMRO's senior management and lead economists appeared in numerous stand-alone interviews, while AMRO's views and perspectives were referenced in

more than 220 news articles on both international, regional, and local media, such as Bloomberg, CNBC, BBC, the Nikkei, the Business Times, the Korea Times, the China Daily, the Edge, the Philippines Daily Inquirer, the Nation, etc. Many stories were published in local languages, accessible to local audience in member economies.

To express its independent and insightful views on pressing issues in the region, AMRO also published several opinion

pieces in major newspapers in the region. For example, in tandem with the 1st Joint RFA Research Seminar in September, AMRO co-authored an article titled *Getting the world's crisis funds to work closer together* for the Business Times with ESM and FLAR. AMRO also published two other opinion pieces on country-specific issues: *Curbing inflation in Myanmar – fiscal discipline must continue* in the Myanmar Times and *Target sectors to curb corporate debt* in the China Daily.



AMRO Chief Economist Dr Hoe Ee Khor discusses the regional economic outlook in a live interview with CNBC after the AREO 2017 launch in May 2017 in Yokohama, Japan.



ChosunBiz, one of the leading news outlets in Korea, published an interview with AMRO Director Dr Junhong Chang and Chief Economist Dr Hoe Ee Khor

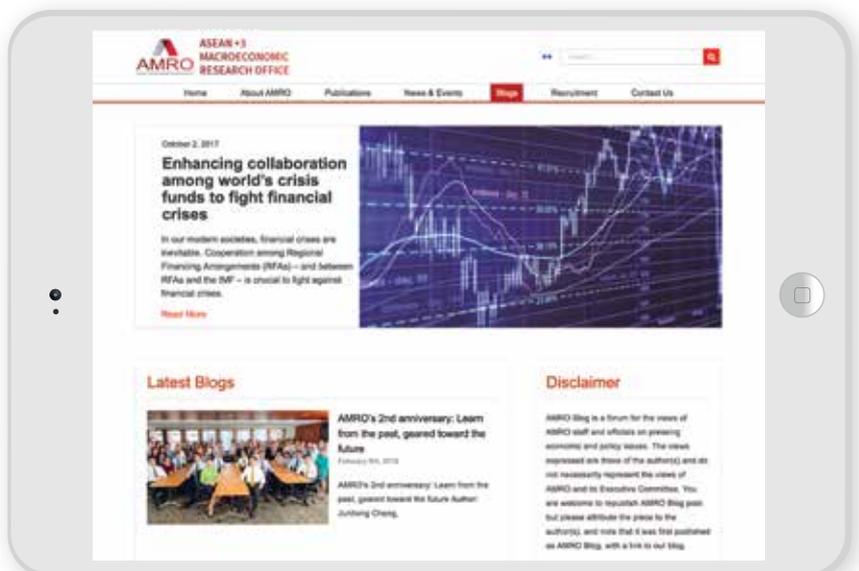


AMRO's op-ed piece on the topic of corporate debt in China in the China Daily, one of the leading newspapers in the country.

Enhancing AMRO's Website

In a rapidly changing world, AMRO is fully aware that new technologies, such as websites, videos, and blogs are powerful tools for strategic engagement with its audience. After revamping the website in late 2016, AMRO continued to upgrade and enhance the website with richer, more accessible content, and a user-friendly interface during 2017. During the year, AMRO published 42 press releases, 14 feature stories, four events, and two videos on its website, which drew more than 100,000 page views.

In 2017, AMRO also introduced blogs on its website. This provides a forum for AMRO staff to share views and perspectives on pressing economic and policy issues.



Financial Highlights

Highlights of 2017 Budget Implementation

AMRO is funded annually by its members, with the Manpower Related Budget contributed by ASEAN+3 members in proportion to their share of financial contribution as listed in the Table on "Members and Voting Power" (page 43), while the Office Related Budget is contributed wholly by the host country. The staffing level is approved annually by the EC.

At the staffing level of 50, the 2017 Manpower Related Budget amounted to USD 13.5 million, the implementation rate of which was 99.7%. Meanwhile, the 2017 Office Related Budget amounted to USD 5.1 million, with an implementation rate of 90.9%. AMRO's expanded

core operations, supported by lean budgeting coupled with prudent expenditure control enabled AMRO to achieve an implementation rate within budget. AMRO's reserves amounted to USD 7.2 million as at 31 December 2017.

AMRO endeavors to manage its finances in an accountable and transparent manner through quarterly external audits, as well as continuous study and adoption of international best practices.

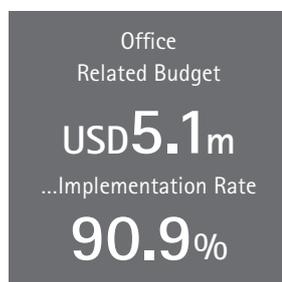
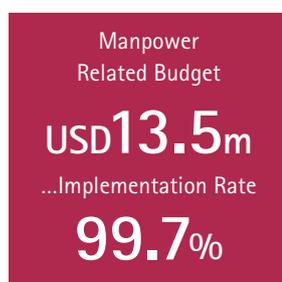
Summary of Director's Statement and Independent Auditor's Report on AMRO's Financial Statements

In the opinion of the AMRO Director, (i) the financial statements were drawn up in accordance with the IFRS, so as to give a true and fair view of the financial position of AMRO as at

31 December 2017 and of the financial performance of the business, changes in equity and cash flows of AMRO for the financial year ended; and (ii) there were reasonable grounds to believe that AMRO will be able to pay its debts as and when they fall due.

PricewaterhouseCoopers LLP, appointed by the EC, audited AMRO's financial statements for the financial year ended 31 December 2017. It was the auditors' opinion that the financial statements of AMRO were properly drawn up in accordance with the IFRS, so as to give a true and fair view of the financial position of AMRO as at 31 December 2017, and of the financial performance, changes in equity and cash flows of AMRO for the year ended on that date.

2017 Key Numbers



2017 Financial Summary

Manpower Related Budget and Implementation	
2017	USD '000
Manpower Related Budget	13,521
Manpower Related Implementation	13,481

Office Related Budget and Implementation	
2017	USD '000
Office Related Budget	5,056
Office Related Implementation	4,596

Assets, Liabilities & Reserves	
As at 31 December 2017	USD '000
Assets	16,930
Liabilities	9,724
Reserves	7,206

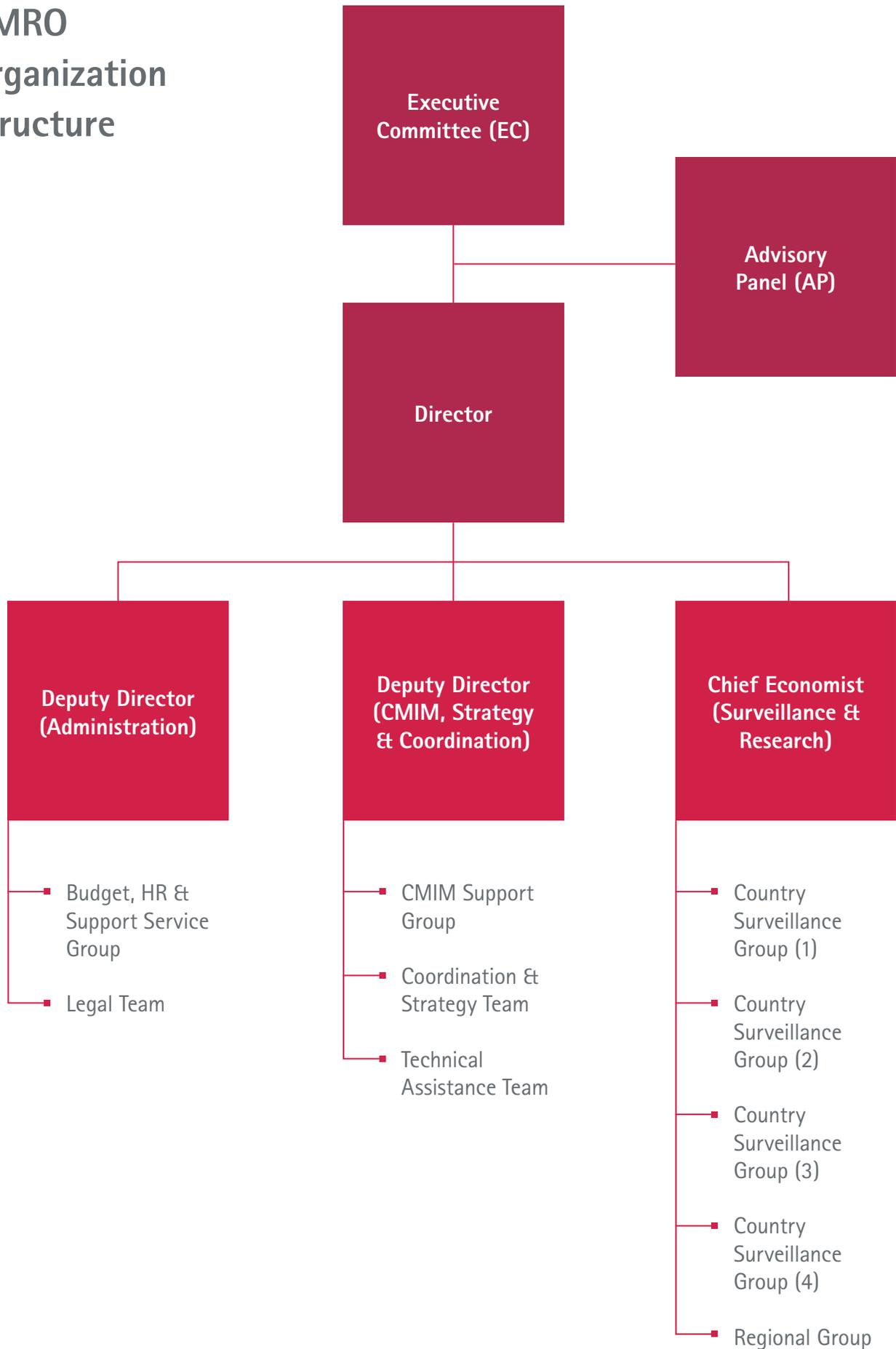
Members and Voting Power

		Financial contribution				Purchasing Multiple	Maximum Arrangement Amount USD (billion)	Total voting power	
		USD (billion)		(%)				(number of votes)	(%)
China	China (excluding Hong Kong)	76.80	68.40	32.0	28.50	0.5	34.20	71.60	25.43
	Hong Kong, China		8.40		3.50				
Japan		76.80	32.00		0.5	38.40	80.00	28.41	
Korea		38.40	16.00		1	38.40	41.60	14.77	
Plus 3		192.00	80.00			117.30	201.60	71.59	
Indonesia		9.104	3.793		2.5	22.76	12.304	4.369	
Thailand		9.104	3.793		2.5	22.76	12.304	4.369	
Malaysia		9.104	3.793		2.5	22.76	12.304	4.369	
Singapore		9.104	3.793		2.5	22.76	12.304	4.369	
Philippines		9.104	3.793		2.5	22.76	12.304	4.369	
Vietnam		2.00	0.833		5	10.00	5.20	1.847	
Cambodia		0.24	0.100		5	1.20	3.44	1.222	
Myanmar		0.12	0.050		5	0.60	3.32	1.179	
Brunei		0.06	0.025		5	0.30	3.26	1.158	
Lao PDR		0.06	0.025		5	0.30	3.26	1.158	
ASEAN		48.00	20.00			126.20	80.00	28.41	
Total		240.00	100.00			243.50	281.60	100.00	

Executive Committee Members

Country	Organization	Name	Designation
Brunei Darussalam	Ministry of Finance	Dato Ahmaddin Abd Rahman	Deputy Minister of Finance
	Autoriti Monetari Brunei Darussalam	Adi Marhain Leman	Assistant Managing Director
Cambodia	Ministry of Economy and Finance	Vongsey Vissoth	Secretary of State
	National Bank of Cambodia	Chanthana Neav	Deputy Governor
China	Ministry of Finance	Yaobin Shi	Vice Minister
	People's Bank of China	Gang Yi	Deputy Governor
Hong Kong, China	Hong Kong Monetary Authority	Eddie Yue	Deputy Chief Executive
Indonesia	Fiscal Policy Agency – Ministry of Finance	Suahasil Nazara	Deputy Minister
	Bank Indonesia	Perry Warjiyo	Deputy Governor
Japan	Ministry of Finance	Masatsugu Asakawa	Vice Minister of Finance for International Affairs
	Bank of Japan	Tomoyuki Fukumoto	Deputy Director General for Asian Affairs
Korea	Ministry of Strategy and Finance	Kunil Hwang	Deputy Minister
	Bank of Korea	Minho Kim	Deputy Governor
Lao PDR	Ministry of Finance	Thipphakone Chanthavongsa	Deputy Minister
	Bank of Lao PDR	Vathana Dalaloy	Deputy Governor
Malaysia	Ministry of Finance	Siti Zauyah binti Md. Desa	Deputy Secretary-General (Policy)
	Bank Negara Malaysia	Abdul Rasheed Ghaffour	Deputy Governor
Myanmar	Ministry of Planning and Finance	Maung Maung Win	Deputy Minister
	Central Bank of Myanmar	Soe Thein	Deputy Governor
Philippines	Bangko Sentral ng Pilipinas	Diwa Guinigundo	Deputy Governor
	Department of Finance	Ma. Edita Z. Tan	Assistant Secretary
Singapore	Ministry of Finance	Ching Yee Tan	Permanent Secretary
	Monetary Authority of Singapore	Jacqueline Loh	Deputy Managing Director
Thailand	Ministry of Finance	Somchai Sujjapongse	Permanent Secretary
	Bank of Thailand	Mathee Supapongse	Deputy Governor
Vietnam	Ministry of Finance	Ha Xuan Tran	Vice Minister
	State Bank of Vietnam	Hong Thi Nguyen	Deputy Governor

AMRO Organization Structure



Advisory Panel Members

1. Dr Akira Ariyoshi (Advisory Panel Chair)

Dr Akira Ariyoshi is a Specially Invited Professor at the Graduate School of International Relations, International University of Japan. Dr Ariyoshi has extensive experience working with the Japanese Government and international financial institutions in macroeconomics and financial regulatory policies. He has held numerous portfolios, including Director of the Regional Office for Asia and the Pacific at IMF, Vice-Minister for International Affairs at the Japan Ministry of Finance, and Director of the Legal and Planning Division at the Japanese Financial Services Agency (FSA). Dr Ariyoshi moved to academia in 2010, and was a Professor at the School of International and Public Policy, Hitotsubashi University, until his retirement in March 2017.

Dr Ariyoshi's other current engagements include President of Japan Risk Forum, a non-profit organization of Chief Risk Officers (CROs) and risk specialists; he also serves on the Risk Committee of Mitsubishi UFJ Financial Group. He is a graduate of Tokyo University and holds a doctorate in Economics from Oxford University.

2. Dr Maria Socorro Gochoco-Bautista (Advisory Panel Member)

Dr Maria Socorro Gochoco-Bautista is the Bangko Sentral ng Pilipinas Sterling Chair Professor of Monetary Economics at the University of the Philippines School of Economics. She began her academic career as an Assistant Professor at the University of Hawaii at Manoa. Subsequently, she went on

to be a Visiting Research Scholar at the Center for Pacific Basin Monetary and Economic Studies of the Federal Reserve Bank of San Francisco, and a Senior Research Fellow at the Bank for International Settlements (BIS) Office for Asia and the Pacific in Hong Kong. More recently, she spent five years as Senior Economic Advisor in the Office of the Chief Economist at the Economic and Research Department of ADB. A member and former Chair of the Asian Shadow Financial Regulatory Committee, and an Associate Editor of Asian Economic Papers, Dr Gochoco-Bautista also sits on the advisory boards of other regional and international journals. She has published widely in the areas of monetary economics and open economy macroeconomics. She has a Bachelor in Economics, Magna cum laude and Phi Beta Kappa from Mount Holyoke College, and a doctorate in Economics from Columbia University.

3. Mr Kyung Wook Hur (Advisory Panel Member)

Mr Kyung Wook Hur is a Senior Advisor at Bae, Kim & Lee LLC (BKL) and the chief advisor of the KSP program of KDI to India. He is also the chair of advisory board for CFA Society Korea. Previously, Mr Hur served as Director for International Finance Bureau and Deputy Vice Minister of International Finance for the Ministry of Strategy and Finance, Korea, Secretary of National Affairs for the Office of President (Blue House), First Vice Minister of Strategy and Finance, and Ambassador Extraordinary and Plenipotentiary of Korea to the Organization for Economic

Co-operation and Development (OECD). During which time, he also delivered lectures as a Visiting Professor at Seoul National University Graduate School of International Studies and at KDI School of Public Policy and Management.

Mr Hur has extensive experience in policy making and implementation, as well as deep knowledge of the Korean economy, international economy, and international finance.

4. Dr Mohamad Ikhsan (Advisory Panel Member)

Dr Mohamad Ikhsan is the Advisor to the Vice President of the Republic of Indonesia. Prior to that, he was special advisor to the Coordinating Minister for Economic Affairs. Dr Ikhsan is concurrently a Professor of Economics at the University of Indonesia and a member of Policy Advisory Committee at ADBI in Tokyo, Japan.

Dr Ikhsan serves as a non-executive board member in several state-owned enterprises and private companies. Before joining the government, he was the Director for the Institute of Economics and Social Research University of Indonesia. From 2008 to 2014, Dr Ikhsan was a member of the Board of Trustee International Food Policy Research Institute (IFPRI), Washington D.C.

Dr Ikhsan holds a doctorate in Economics from the University of Illinois at Urbana-Champaign, USA, and a Master in Economics from Vanderbilt University in Nashville, Tennessee, USA. He received his Bachelor in Economics from the University of Indonesia.



5. Dr Feng Lu
(Advisory Panel Member)

Dr Feng Lu is currently a Professor of Economics at the National School of Development (NSD) at Peking University, China. He had served as Deputy Dean for NSD formerly. Dr Lu also serves as an advisor and a member of expert groups for various government agencies in China, including Ministry of Finance, Ministry of Human Resources and Social Security, and People's Bank of China.

Leveraging his extensive knowledge of the China economy on issues such as exchange rates, external imbalance, capital return, food security and agricultural development, Dr Lu has

published over 40 academic papers in various Chinese and English journals, six academic books and numerous magazine articles. In addition, Dr Lu was the founding editor of *China Economic Journal*, the official English journal for China Center for Economic Research at Peking University.

6. Dr Bandid Nijathaworn
(Advisory Panel Member)

Dr Bandid Nijathaworn is presently President and CEO of the Thai Institute of Directors, a Visiting Professor at Hitotsubashi University, Tokyo, Japan, and a member of the Council of Trustees and the Board of

Directors of Thailand Development Research Institute (TDRI). Dr Nijathaworn is an established economist with expansive experience in macroeconomics. He left the Bank of Thailand (BOT) in November 2010, after a decade of service, to work on improving Thailand's corporate governance and manage the country's private sector anti-corruption initiative in his capacity as President and CEO of the Thai Institute of Directors. During his tenure at the BOT, he held the position of Deputy Governor for the portfolios of Monetary Stability and Financial Stability.

Senior Management Team

1. Dr Junhong Chang

AMRO Director

Dr Junhong Chang became the third director of AMRO in May 2016.

Dr Chang's career in public and international public service spans over two decades. This has provided her with rich experiences in regional and multilateral economic and financial fora, as well as profound insights on the global economy, international finance, international development, and regional financial cooperation.

Prior to her appointment in AMRO, Dr Chang served as Deputy Director General of the Department of International Economic Relations in the Ministry of Finance, China. From 2011 to 2015, she was responsible for China's engagement in multilateral platforms such as the G20, APEC and ASEAN+3, as well as bilateral economic and financial dialogues with other major economies. Dr Chang has also held several senior positions in international financial institutions, including Alternate Executive Director for China at the World Bank Group from 2009 to 2010 and Advisor to the Executive Director for China at ADB between the period of 2002 and 2004.

Dr Chang holds a Ph.D. in Economics from the Institute of Asia Pacific Studies of the Chinese Academy of Social Sciences (CASS) and a Master of Engineering from the Management School of Tianjin University, China.

2. Mr Byungseo Yoo

AMRO Deputy Director (Administration)

Mr Byungseo Yoo was appointed as AMRO Deputy Director in September 2017. He is responsible for AMRO's Administration functions including Human Resource management, budgets, and legal affairs.

Mr Yoo began his career as a government official in 1995 and has over 20 years of experience in the areas of planning and budgeting, international finance and development. Prior to joining AMRO, he served in the Office of the President (Cheong Wa Dae) as Chief Assistant Secretary to the President for Planning from 2016 to 2017 and to the President for Economic and Financial Policy from 2012 to 2013. He also held various key positions in the Ministry of Strategy and Finance, Korea, including Senior Director of the Welfare, Land and Transportation, and Education Budget Divisions in the Budget Office between 2013 and 2016. During his tenure, he was in charge of setting the Korean national strategy, formulating and coordinating national budget, macroeconomic policies, and international cooperation and official development assistance (ODA) policy.

Mr Yoo also worked as Senior Economist for the Japan and Korea Desk in the department of Economics at the OECD in France between 2009 and 2012, and was involved in OECD Economic Outlook and Surveys.

Mr Yoo holds a Master of Science in Industrial Administration from Krannert Graduate School of Management, Purdue University, USA and a Bachelor of Economics from Seoul National University.

3. Mr Yasuto Watanabe

AMRO Deputy Director (CMIM, Strategy & Coordination)

Mr Yasuto Watanabe assumed the position of AMRO Deputy Director in June 2016 and is responsible for CMIM support, strategy and coordination.

Mr Watanabe brings more than 25 years of extensive experiences in international finance and development finance, regional financial cooperation and financial regulation since the beginning of his career at the Ministry of Finance, Japan, in 1992. Before joining AMRO, Mr Watanabe served as Assistant Commissioner of the Financial Services Agency, Japan until 2016 and had oversight of international cooperation, international financial market, financial reporting issues and trade negotiations. He was the lead negotiator for the Trans-Pacific Partnership (TPP), and was also involved in Regional Comprehensive Economic Partnership (RCEP) and Trade in Services Agreement (TiSA/WTO).

Mr Watanabe has held board member positions at multilateral development banks. He was an Alternate Executive Director at the ADB from 2008 to 2011 and Senior Counselor at the Inter-American Development Bank from 1998 to 2001. In addition, he served as the Vice Chairman of the sixth policy committee of the International Organization of Securities Commissions (IOSCO) from 2014 to 2016.

Mr Watanabe holds a Master of Arts in International/Development Economics from Yale University, and Bachelor degrees in Economics and in Management from the University of Tokyo.



4. Dr Hoe Ee Khor *AMRO Chief Economist*

Dr Hoe Ee Khor is the Chief Economist of AMRO. He is responsible for overseeing and conducting macroeconomic and financial market surveillance for East Asia and member economies in the region. He is also a member of the senior management team responsible for setting the strategic direction and management of AMRO.

Prior to joining AMRO, Dr Khor was a Deputy Director of the Asia and Pacific

Department (APD) at the IMF. He was in charge of overseeing surveillance work on six ASEAN and 12 Pacific Island countries. Dr Khor started his career as an economist at the IMF in 1981 and has experience working with economies in the Western Hemisphere, Asia and Pacific. He was IMF's Deputy Resident Representative in China between 1991 and 1993.

Dr Khor also served at the Monetary Authority of Singapore (MAS) from 1996 to 2009. He held the position of Assistant Managing Director from

2001 to 2009 and was responsible for economic research, monetary policy, macro-financial surveillance, and international relations. After his stint at MAS, Dr Khor went on to become Head of Economic Development and Chief Economist at the Abu Dhabi Council for Economic Development (ADCED) from 2009 to 2010.

Dr Khor obtained his Bachelor in Economics/Mathematics from the University of Rochester and Ph.D. in Economics from Princeton University.

AMRO Family





Abbreviations

AMRO	ASEAN+3 Macroeconomic Research Office	ESCAP	UN Economic and Social Commission for Asia and Pacific
ADB	Asian Development Bank	ESM	European Stability Mechanism
ADB I	Asian Development Bank Institute	ESP	Expanded Secondment Program
ADCED	Abu Dhabi Council for Economic Development	FLAR	Fondo Latinoamericano de Reservas
AFC	Asian Financial Crisis	FSI	Financial Stress Index
AFCDM	ASEAN Finance and Central Bank Deputies' Meeting	GFC	Global Financial Crisis
AFCDM+3	ASEAN+3 Finance and Central Bank Deputies' Meetings	GFSN	Global Financial Safety Net
AFMGM	ASEAN Finance Ministers' and Central Bank Governors' Meeting	HR	Human Resource
AIIB	Asian Infrastructure Investment Bank	ICT	Information and Communication Technology
AMF	Arab Monetary Fund	IDB	Inter-American Development Bank
APEC	Asia-Pacific Economic Cooperation	IFIs	International Financial Institutions
AREM	AMRO Regional Economic Monitoring	IFPRI	International Food Policy Research Institute
AREO	ASEAN+3 Regional Economic Outlook Report	IFRS	International Financial Reporting Standards
ASEC	ASEAN Secretariat	ILO	International Labor Organization
ASEM	Asia-Europe Meeting	ILOAT	International Labor Organization Administrative Tribunal
ATFF	ASEAN+3 Financial Forum	ILP	IMF-Linked Portion
BOK	Bank of Korea	IMF	International Monetary Fund
BRICS	Brazil, Russia, India, China and South Africa	IOSCO	International Organization of Securities Commissions
BRICS CRA	Brazil, Russia, India, China and South Africa Contingent Reserve Arrangement	ISEAS	Institute of Southeast Asian Studies
BSP	Bangko Sentral ng Pilipinas	IWEP	Institute of World Economics and Politics
CASS	Chinese Academy of Social Science	JMOF	Ministry of Finance, Japan
CAF	Corporación Andina de Fomento	KMOSF	Ministry of Strategy and Finance, Korea
CLMV	Cambodia, Lao PDR, Myanmar and Vietnam	MAS	Monetary Authority of Singapore
CMI	Chiang Mai Initiative	OECD	Organization for Economic Co-operation and Development
CMIM	Chiang Mai Initiative Multilateralisation	OG	Operational Guidelines
CMIM-PL	Chiang Mai Initiative Multilateralisation Precautionary Line	PEF	Performance Evaluation Framework
CMIM-SF	Chiang Mai Initiative Multilateralisation Stability Facility	RCEP	Regional Comprehensive Economic Partnership
CMOF	Ministry of Finance, China	RFA	Regional Financial Arrangement
CRA	Contingent Reserve Arrangement	SAARC	South Asian Association for Regional Cooperation
DSA	Debt Sustainability Analysis	SD&MTIP	Strategic Direction and Medium-term Implementation Plan
EC	Executive Committee	SLC	Senior Leader's Committee
ECFIN	Economics and Financial Affairs	STI	IMF-Singapore Regional Training Institute
EFSD	Eurasian Fund for Stabilization and Development	TA	Technical Assistance
ERIA	Economic Research Institute for ASEAN and East Asia	TF	Taskforce
ERPD	Economic Review and Policy Dialogue	TISA/WTO	Trade in Services Agreement
		TPP	Trans-Pacific Partnership
		UN	United Nations
		UNCTAD	United Nations Conference on Trade and Development
		WB	World Bank

This report is a product of the Director and staff of AMRO and has been approved by the Executive Committee. Any interpretations or conclusions expressed are not necessarily those of the AMRO members. By making any designation of or reference to a particular territory or geographical area, or by using the term "member" or "country" in this report, AMRO does not intend to make any judgments as to the legal or other status of any territory or area.

Nothing herein shall constitute or be considered to be a limitation upon or waiver of the privileges and immunities of AMRO, all of which are specifically reserved.

This report contains highlights of the audited financial statements as at 31 December 2017, and the summary of the independent auditor's report in respect of their audit concerning these financial statements.

The factual information and the description of AMRO policies and activities cover the year 2017, except when stated otherwise.

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Printed in Singapore

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