

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



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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