

MESSAGE FROM AMRO DIRECTOR



2022 has been a year of significant transition. The world shifted from lockdowns and social distancing to an endemic “new normal”, where high interest rates and inflation became the norm. It was also a year of significant transition for AMRO. As we moved from our first decade to the second, and toward a future-oriented mission and vision, we welcomed a new senior management team and expanded our office space.

After celebrating our 10-year milestone in 2021, we marked the beginning of a new chapter with a new roadmap—Strategic Direction 2030 (SD2030)—which will guide our organization’s development in the next decade. It will contribute to the macroeconomic and financial resilience as well as stability in the ASEAN+3 region. At this juncture, I want to thank AMRO’s former Directors, Benhua Wei, Yoichi Nemoto, Junhong Chang, and Toshinori Doi for laying a solid foundation in our formative years.

As I reflect on 2022, AMRO’s achievements give me confidence and optimism about the journey ahead. The year culminated in the successful launch of the inaugural *ASEAN+3 Economic Cooperation and Financial Stability Forum*, and with the RKH and ASEAN+3 Finance Think Tank Network (AFTN) in the immediate pipeline, we will continue to embark on more innovative and inspirational initiatives.

Amid a rapidly changing macroeconomic environment, AMRO—as a trusted policy advisor to our members—has seen rising risks and emerging challenges to the macroeconomic and financial stability in the ASEAN+3 region. Despite these uncertainties, AMRO’s core functions have progressed well throughout the year, allowing us to gain even greater recognition from our members. We also witnessed a steady progress in macroeconomic surveillance, CMIM support, and TA, as well as a smooth pilot of our newly established Policy Review Group (PRG).

With regards to surveillance, we successfully resumed physical annual consultation visits (ACVs) and interim visits, and published a total of 11 Annual Consultation Reports (ACRs). To help our stakeholders stay abreast of a rapidly changing macroeconomic environment, we published our flagship report, *ASEAN+3 Regional Economic Outlook (AREO)*, with three quarterly updates. In response to a great deal of uncertainties in the macro climate, ranging from inflation to the Russia-Ukraine conflict which escalated into a crisis and a potential global economic slowdown, AMRO expanded the scope of our research to better support our members' policymaking. Through our newly launched *Topical Talk of the Town* session, we also strengthened our engagement with members by discussing urgent issues occurring throughout the region. Thanks to the effort of AMRO's teams, 72 knowledge and outreach products were produced this year, exceeding our Medium-term Implementation Plan (MTIP) annual target.

AMRO continues to support members by enhancing the effectiveness and usability of the CMIM in a number of areas: the use of local currencies (LCYs), the assessment of a member's potential need for LCY during peacetime, the review of the CMIM margin, the revamp of the usage of the CMIM-Precautionary Line (PL) and the strengthening of intellectual support to members. AMRO also facilitated the annual CMIM test run, which was conducted jointly with the International Monetary Fund (IMF).

AMRO remains committed to building capacity and facilitating knowledge sharing among our members. In 2022, AMRO conducted a training course on macroeconomic surveillance and regulatory framework for the real estate market for a delegation from Cambodia's Real Estate Business & Pawnshop Regulator (REBPR), and carried out two consultancy projects. The first consultancy project was a study on micro, small and medium enterprises (MSMEs) financing in Cambodia, and the second was a project that built a banking risk assessment scorecard model to aid the rollout of a Risk-Based Supervisory Approach across Bank of Lao PDR (BOL). At the same time, we also hosted nine new secondees from five member economies.

Strengthening ties with stakeholders is essential to AMRO's development. AMRO participated as an Observer at the *25th ASEAN+3 Leaders' Summit* in Phnom Penh, Cambodia. This marked the first physical attendance of AMRO at such a high-level meeting. AMRO also represented the region's voice at pre-eminent forums by joining the *Network*

of Central Banks and Supervisors for Greening the Financial System (NGFS) as an Observer. We renewed Memorandum of Understandings (MoUs) with the Trilateral Cooperation Secretariat (TCS) and Latin American Reserve Fund (FLAR), and signed a collaboration agreement with the Association of the Southeast Asian Nations Secretariat (ASEC), pledging to work jointly on areas of common interest.

Simultaneously, 2022 saw the smooth transition of AMRO's Senior Management team. I would like to express my gratitude to Mr. Doi and former Deputy Directors, Yoon Kyung Kim and Wenxing Pan, for their invaluable contributions to AMRO over the past three years and for supporting the seamless leadership transition this year.

Over the years, the number of AMRO staff has grown. With the objective of establishing a structured and competitive package that not only motivates staff to contribute to AMRO's goals and objectives but attracts global talent as well, AMRO successfully concluded a holistic review of staff compensation and benefits. We also welcomed 21 new staff, each with a breadth of experience that will help AMRO achieve our aspirations. With the strong support from our host authorities, Singapore's Ministry of Finance and the Monetary Authority of Singapore, we opened our new office space in April. This will allow the organization to meet the needs of our medium-term growth plan.

It is our collective strength as ONE AMRO that makes AMRO successful. Given the challenges we faced in 2022, our achievements over the past 12 months would not have been possible without the unwavering belief and support of our members as well as the hard work and dedication of all AMRO staff.

Since I assumed the role as AMRO Director in May, I have emphasized three levers—enhancement, cooperation, and innovation—that will continue to fuel AMRO's growth. In the coming decades, the ASEAN+3 region has the opportunity to become a major engine of growth for the global economy. AMRO plays an important role as the only international organization dedicated to the region.

A rapidly evolving global landscape has made our work more important and urgent. I am confident that AMRO will continue to serve as a trusted policy advisor to ASEAN+3 members. In the next decade, I believe we will rise as both a regional knowledge hub and a thought leader with global influence.

KOUQING LI
AMRO Director