



AMRO

ASEAN +3 MACROECONOMIC RESEARCH OFFICE

ANNUAL REPORT **2016**

Abbreviations

AMRO	ASEAN+3 Macroeconomic Research Office
ADB	Asian Development Bank
ADB I	Asian Development Bank Institute
ADCED	Abu Dhabi Council for Economic Development
AFCDM	ASEAN Finance and Central Bank Deputies' Meeting
AFCDM+3	ASEAN+3 Finance and Central Bank Deputies' Meetings
AFCMGM	ASEAN Finance Ministers' and Central Bank Governors' Meeting
AIIB	Asian Infrastructure Investment Bank
APEC	Asia-Pacific Economic Cooperation
AREM	AMRO Regional Economic Monitoring
AREO	ASEAN+3 Regional Economic Outlook Report
ASEM	Asia-Europe Meeting
ATFF	ASEAN+3 Financial Forum
BRICS	Brazil, Russia, India, China and South Africa
BSP	Bangko Sentral ng Pilipinas
CASS	Chinese Academy of Social Science
CAF	Corporación Andina de Fomento
CLMV	Cambodia, Lao PDR, Myanmar and Vietnam
CMI	Chiang Mai Initiative
CMIM	Chiang Mai Initiative Multilateralisation
CMIM-PL	Chiang Mai Initiative Multilateralisation Precautionary Line
CMIM-SF	Chiang Mai Initiative Multilateralisation Stability Facility
CRA	Contingent Reserve Arrangement
EC	Executive Committee
ERIA	Economic Research Institute for ASEAN and East Asia
ERPD	Economic Review and Policy Dialogue
ESM	European Stability Mechanism
FLAR	Latin American Reserve Fund
GFSN	Global Financial Safety Net
HR	Human Resource
IDB	Inter-American Development Bank
IFIs	International Financial Institutions
IFPRI	International Food Policy Research Institute
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IMF-STI	International Monetary Fund-Singapore Regional Training Institute
IOSCO	International Organization of Securities Commissions
ISEAS	Institute of Southeast Asian Studies
IWEP	Institute of World Economics and Politics
MAS	Monetary Authority of Singapore
MOSF	Ministry of Strategy and Finance, Korea
OECD	Organization for Economic Co-operation and Development
OG	Operational Guidelines
RCEP	Regional Comprehensive Economic Partnership
RFA	Regional Financial Arrangement
SD&MTIP	Strategic Direction and Medium-term Implementation Plan
TA	Technical Assistance
TISA/WTO	Trade in Services Agreement
TPP	Trans-Pacific Partnership

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 judgements 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 December 31, 2016, 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 2016, except when stated otherwise.

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About the ASEAN+3 Macroeconomic Research Office

The ASEAN+3 Macroeconomic Research Office (AMRO) was established to contribute to securing the economic and financial stability of the region through conducting macroeconomic surveillance and supporting the implementation of the Chiang Mai Initiative Multilateralisation (CMIM). The CMIM is a multilateral currency swap arrangement among ASEAN+3 members¹, established under the agreement signed by the ASEAN+3 Finance Ministers and Central Bank Governors that came into effect on March 24, 2010. AMRO was initially established as a company limited by guarantee in Singapore in April 2011, and transformed into an international organization in February 2016. In order to fulfill its mandate, AMRO focuses on three core functions, namely conducting macroeconomic surveillance, supporting the implementation of CMIM, and providing Technical Assistance (TA) to members.

For surveillance work, AMRO's operational priorities are to further strengthen country surveillance; reinforce regional surveillance; develop a comprehensive surveillance framework and analytical toolkits; and enhance the work on functional and sectoral surveillance, and on thematic studies and research.

In order to support ASEAN+3 members in CMIM implementation, AMRO's effort centers on providing support to the members to ensure that the CMIM is operationally ready. AMRO helps the members to develop and specify relevant activation procedures for the CMIM with the Operational Guidelines (OG). In addition, AMRO also supports the members in conducting regular test runs under various scenarios and updating the peacetime checklist to facilitate the member authorities' preparation for CMIM activation according to the CMIM Agreement and OG.

AMRO provides TA to the members to enhance their human and institutional capacities for macroeconomic surveillance and the implementation of the CMIM. AMRO's TA is provided in the form of secondment, consultancy, and research and training programs, taking into account the members' development stages, country-specific environments and policy priorities.

AMRO hosts, co-organizes and participates in regional and global events on macroeconomic and financial issues, and strengthens partnerships with peer international organizations, academic institutions, and the private sector.

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

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



Message from AMRO Director

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

Junhong Chang

AMRO Director

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

Message from 2016 Co-Chairs of the Executive Committee



Thiphakone Chanthavongsa
Vice Minister of Finance of Lao PDR



Vathana Dalaloy
Deputy Governor, Bank of the Lao PDR



Yaobin Shi
Vice Minister of Finance, China



Yong Yin
Deputy Governor, People's Bank of China

As Co-Chairs of the Executive Committee of AMRO, which maintains strategic oversight of and sets the policy direction for AMRO, we would like to congratulate AMRO's management and staff for their remarkable achievements in 2016. Notwithstanding policy uncertainties, moderate growth in advanced economies, and the backlash against globalization, 2016 turned out to be a good year for the ASEAN+3 region as a whole, during which time, the economies in the region continued to grow at a relatively strong pace, demonstrating their resilience to external shocks while undertaking reforms to strengthen their growth potential.

We have achieved a lot as a region in economic integration and strengthening our macroeconomic and financial

cooperation, and we should be proud. A notable achievement in the past year was AMRO's transition to an international organization in February. This is a significant milestone as it not only institutionalized regional financial cooperation among ASEAN+3 members, but also demonstrated our commitment to work together for the stability and prosperity of our region. We would like to commend our members for their unwavering support in this endeavor.

During the year, we also witnessed the appointment of AMRO's new senior management, and the formulation of AMRO's SD&MTIP, comprising AMRO's mission and vision, core functions, corporate enhancement strategy as well as

// A notable achievement in 2016 was AMRO's transition to an international organization in February. This is a significant milestone as it not only institutionalized regional financial cooperation between ASEAN+3 members, but also demonstrated our commitment to work together for the stability and prosperity of our region. We commend our members for their unwavering support during this course. //

key priorities and medium term initiatives in the coming years. The plan provides a good basis for AMRO to develop itself into an independent, credible and professional regional organization, acting as a trusted policy advisor to members in the ASEAN+3 region, and contributing to regional macroeconomic and financial stability.

On the CMIM front, we commend AMRO for its provision of technical support to the CMIM, including the peacetime checklist exercise, improvement of OG, enhancement of the Economic Review and Policy Dialogue (ERPD) Matrix, and the successful seventh test run on the CMIM-IMF linked portion for CMIM Stability Facility (CMIM-SF).

These pivotal developments of ASEAN+3 in 2016 attest to the importance of AMRO's role as the regional anchor to facilitate ASEAN+3 financial cooperation. Besides acting as the institutional memory for the ASEAN+3 financial process, AMRO had provided excellent secretariat support to the Co-Chairs throughout the year, enabling our successful Co-Chairmanship in 2016.

In addition, we have seen a steady increase in AMRO's capacity and a significant improvement in the quality and timeliness of AMRO's surveillance reports, accompanied by an enhancement in the policy dialogue with the authorities.

We also welcome AMRO's establishment of TA trust funds with members' contribution and the development of a TA framework. AMRO is encouraged to redouble its efforts in

expanding partnerships with peer international organizations, academia and the private sector.

We strongly commend AMRO's senior management led by Director Dr Junhong Chang for their efforts in reinvigorating the organization, and are confident that moving forward, AMRO will continue to advance the collective interest of the region. We look forward to working closely with AMRO's senior management in the coming years to translate AMRO's SD&MTIP into concrete results.

Taking this opportunity, we would also like to bid farewell to Dr Yoichi Nemoto, who served as AMRO Director for four years till May 2016. We are grateful for his dedication and tireless efforts in building up AMRO during his term.

We are confident that under the leadership of the new 2017 Co-Chairs, Japan and the Philippines, there will continue to be close cooperation among ASEAN+3 members, advancing our regional economic and financial cooperation to new heights.

Thank you.

Thipphakone Chanthavongsa
Vathana Dalalay
Yaobin Shi
Yong Yin

Co-Chairs

Key Milestones of AMRO



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

The CMIM Agreement came into effect.

**February
2009**

**March
2010**

**April
2011**

**July
2014**

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).



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



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.

**October
2014**

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



**February
2016**

**December
2016**

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.



2016 Achievements in Numbers



Surveillance Reports

Country Reports

7
Annual Consultation Reports (May to December 2016)

14
Country Surveillance Reports (April 2016)

14
Country Surveillance Notes (December 2016)

Regional Reports

1
AMRO Regional Economic Monitoring (AREM) (April 2016)

1
Regional Outlook (December 2016)

8
Monthly Updates of AREM

5
Special Notes on topical issues



Thematic Studies

2
Thematic Studies

Support for CMIM

2
Reports for the Seventh Test Run

2
ERPD Matrix Reports



AMRO Policy Documents

2

Policy Documents

Executive Committee Decisions



20

EC Decisions Adopted



TA Activities

3

Trust Funds established

2

Secondees

Events



4 Events

- 3rd AMRO-IMF Seminar in Hong Kong, China
- 5th Asian Regional Roundtable in Tokyo, Japan
- 1st High-level Regional Financial Arrangements (RFAs) Dialogue in Washington D.C., USA
- Inaugural ATFF in Guiyang, China

2016 Work Priorities

Safeguarding Macroeconomic and Financial Stability Through Surveillance Activities



AMRO Director Dr Junhong Chang meets with the People's Bank of China Deputy Governor, Dr Gang Yi, during AMRO's Consultation Visit to China in June 2016.

In 2016, AMRO set out to strengthen its country and regional surveillance functions and research capacity through the development of a comprehensive surveillance framework and its own analytical toolkits. These initiatives pave the way for the subsequent enhancement of AMRO's capacity to fulfill its mandate as the regional surveillance unit for the ASEAN+3 economies.

Surveillance Framework

Since 2011, AMRO has been building up its capacity to conduct macroeconomic surveillance of its member economies and the region. Besides conducting annual consultation visits and producing country surveillance reports and regional economic monitorings for the biannual ASEAN+3 Finance and Central Bank Deputies' Meetings (AFCDM+3), AMRO also produces monthly updates of the regional report to keep member authorities informed of macroeconomic and financial market developments in the global economy and the region. Short analytical notes on topical issues of policy interest are also provided in a timely manner, when relevant.

In line with AMRO's work priorities, in 2016, it revamped and further streamlined its country surveillance framework, focusing more on the risks and vulnerabilities as well as policy issues, based on a forward-looking assessment of economic and financial development of members. In particular, AMRO started to include relevant policy recommendations to enhance policy dialogues with authorities, together with analytical notes on selected issues. AMRO's Annual Consultation framework was streamlined and reinforced substantially in June 2016 by including (a) preparation of a preliminary assessment note during each consultation visit to facilitate policy discussions with authorities; (b) issuance of a press release at the end of each visit; (c) completion of the Annual Consultation Report around two months after each visit; and (d) submitting the consultation report to the

authorities for their review within a two-week period before a wider circulation to all member authorities.

Notably, the revamped and streamlined country surveillance process was implemented during subsequent consultation visits to ASEAN+3 members and Annual Consultation Reports were prepared and submitted after each consultation visit. To facilitate discussions of policy country issues during the informal surveillance session of the EC meeting, country surveillance notes on all 14 member economies were prepared drawing upon the findings of the annual consultation reports.

During the year, AMRO strengthened its forward-looking regional surveillance analysis in the AREM Report by providing projections of key macroeconomic variables for all ASEAN+3 economies. For the convenience of readers, monthly AREM updates were also simplified to take on a presentation format.

Concurrently, AMRO proposed an expanded framework for the ERP Matrix, which would constitute the basic qualification criteria for CMIM crisis prevention facility (CMIM-PL) in crisis time, and form an essential part of country surveillance during peacetime. Apart from being instrumental to the activation of CMIM-PL facility, the ERP Matrix framework is expected to also provide an important assessment tool for AMRO's peacetime surveillance activities. The proposed framework was endorsed at the AFCDM+3 in December 2016.

Country Surveillance

Country surveillance is a key component of AMRO's comprehensive surveillance framework. Through conducting timely and extensive macroeconomic surveillance on each ASEAN+3 member, AMRO assesses members' macroeconomic developments, outlook, risks and vulnerabilities, including spillovers, stability of external and financial sectors, and fiscal sustainability.

In 2016, AMRO revamped its country surveillance framework while conducting annual consultation visits to all 14 ASEAN+3 members and supplementary short visits to some economies. During each of these visits, the country team – comprising a Group Head as mission chief and four to five economists – would meet with various stakeholders – including the authorities, think

tanks, international organizations, scholars and market participants – to discuss major challenges and issues, which range from short-term economic outlook, risks and vulnerabilities to mid-to-long term structural challenges and policy issues facing the economy. Director and Chief Economist would usually join the policy discussions during the last few days of these missions.

At the end of each annual consultation visit, AMRO provided the authorities with a preliminary assessment note to facilitate open and constructive discussions on policies with the government's senior officials. An Annual Consultation Report was also prepared and submitted to the member authorities around two months after the visit, for their review and comments within a two-week period. The final



Then AMRO Director Dr Yoichi Nemoto (fourth from the right) meets with Vice Minister of Finance of Lao PDR Ms. Thipphakone Chanthavongsa (center) during a country consultation visit in January 2016.

report incorporating factual comments, together with the authorities' policy comments, was then circulated to the authorities of all ASEAN+3 members.

These initiatives to strengthen AMRO's country surveillance function – coupled with content refinement to (a) place more emphasis on forward-looking assessment that is supported with more rigorous analysis; and (b) include sections on risks and vulnerabilities, selected issues, and

policy discussions and recommendations – were well received by the authorities.

The provision of country surveillance notes, which consist of updates on all 14 member economies and discussions of key issues facing each economy in the region, to the EC members at the biannual EC Meetings of AMRO further enriched open discussions on key risks facing the regional economies and possible policy options.

Regional Surveillance

As the surveillance body for the region, AMRO assumes the role of assessing region-wide economic developments and emerging trends that may expose ASEAN+3 members to significant risks and vulnerabilities within and outside the ASEAN+3 region. AMRO also assesses the macro-financial linkages and the implications of these economic developments and trends on ASEAN+3 members and the region as a whole, taking into account spillovers and contagion risks.

Recommendations on appropriate policy measures are then provided to relevant policymakers on both the country and regional levels, to help the economies and the region as a whole cope with and counter these possible spillover

and contagion risks. As an international organization in the ASEAN+3 region, AMRO not only supports regional surveillance-related activities and cooperation initiatives but also reinforces its representation at international economic fora.

In 2016, AMRO bolstered its regional surveillance activities by establishing a dedicated team for this function as well as revamping its AREM structure to enhance its forward-looking analysis with macroeconomic projections and inherent risk factors for all ASEAN+3 members, and facilitate discussions of intra-regional linkages and spillovers. These improvements further strengthened its support for the regional surveillance discussion at the AMRO EC Meeting held in December 2016.

Enhancements to AMRO's Regional Surveillance

Two major enhancements were introduced in 2016 to strengthen AMRO's regional surveillance. The first was the inclusion of macroeconomic projections for all ASEAN+3 economies; and the second was the emphasis on intra-regional and macro-financial linkages as well as spillovers.

Since 2016, AMRO has also started work on its first annual flagship publication – ASEAN+3 Regional Economic Outlook (AREO) that would cover both the regional economic outlook and timely thematic issues. Surveillance documents provided for the discussion at AMRO EC Meeting incorporate preliminary views from member authorities where appropriate. The inaugural report will be launched on the sidelines of the ASEAN+3 Finance Ministers and Central Bank

Governors Meeting in May 2017. This annual publication will comprise a regional outlook section containing AMRO's outlook on regional growth and risks and vulnerabilities, analysis on regional linkages and spillovers, and a thematic section focusing on issues of policy interest. The adopted theme for the inaugural report is "ASEAN+3 Region: 20 Years After the Asian Financial Crisis".

Other regional surveillance initiatives in 2016 included the streamlining of AMRO's monthly updates on regional developments into a concise, reader-friendly presentation format and the circulation of timely updates and assessments on significant global events, such as Brexit and the U.S. election result, affecting the regional economies and financial markets.

Sectoral and Functional Surveillance

AMRO sectoral and functional surveillance is complementary to its country and regional surveillance activities. Through monitoring and conducting in-depth analysis on trends and developments in the financial and fiscal sector of the regional and global economy, AMRO aims to augment its macroeconomic and financial surveillance of member economies. When developing its own analytical toolkits on sectoral and functional

surveillance, AMRO referenced international best practices to ensure that the tools enable a rigorous and fair assessment across ASEAN+3 economies while taking into account country-specific circumstances. In 2016, apart from incorporating surveillance of financial stability and fiscal sector analysis into country and regional surveillance reports, AMRO also included these sectoral and functional surveillance features in its thematic studies.

Thematic Studies and Research

AMRO conducts in-depth and rigorous analytical studies and research on important policy issues that are relevant to ASEAN+3 policymakers, in a timely manner. The use of rigorous analytical frameworks and tools, which are benchmarked to international standards in AMRO's studies and research underpins AMRO's contribution to the knowledge building and sharing among stakeholders in the ASEAN+3 region.

In 2016, AMRO conducted thematic studies on analytical or policy issues which provided useful analytical tools and findings for both country and sectoral surveillance. A thematic study on non-financial corporate bond financing in foreign currency was also published on AMRO's website.⁴ Another thematic study on estimating output gap in selected economies in ASEAN+3 is still ongoing. When completed, the study can provide a baseline for other analytical work such as structural fiscal balance estimation and the analysis of inflation dynamics.

⁴ <http://www.amro-asia.org/non-financial-corporate-bond-financing-in-foreign-currency-trends-and-risks-in-asean-3-emerging-economies/>

2016 Work Priorities

Supporting CMIM Developments



ASEAN+3 Finance and Central Bank Deputies' Meeting in Vientiane, Lao PDR, April 2-3, 2016.

In 2016, AMRO supported members in conducting a test run on the CMIM-IMF linked portion of the CMIM in collaboration with the IMF. AMRO also contributed to upgrading the CMIM OG to provide clarity for the establishment and activation procedures of the CMIM arrangements as well as proposed a more comprehensive ERPD Matrix framework for assessing a member's eligibility to access the CMIM-PL.

Overview of the CMIM



The CMIM is a multilateral currency swap arrangement among ASEAN+3 members, that came into effect on March 24, 2010. Its core objectives are (a) to address balance of payment and short-term liquidity difficulties in the ASEAN+3 region, and (b) to supplement the existing international financial arrangements. The contracting parties to the CMIM Agreement comprise 13 finance ministries and 14 central banks of ASEAN+3.

In 2000, in the wake of the Asian Financial Crisis, ASEAN+3 financial authorities decided to strengthen their financial cooperation through the establishment of *Chiang Mai Initiative (CMI)*, comprising a network of bilateral swap agreements among members. In 2010, the CMI was multilateralized into a single contractual agreement called the *CMIM Agreement* and the total size of the CMIM facility was expanded and established at USD 120 billion. The evolution of the CMI into the CMIM marked an important milestone, exemplifying the members' strong commitment to continuously improve and promote financial stability in the region. The CMIM was further strengthened in 2014 by doubling the size to USD 240 billion, increasing the CMIM-IMF de-linked portion to 30%, and extending the maturity and

supporting periods. A crisis prevention facility, CMIM-PL, was also introduced, in addition to the existing CMIM-SF for crisis resolution function.

Coordination with the IMF and RFAs

Against the backdrop of the international financial architecture reform following the Global Financial Crisis, with the aim of strengthening the GFSN with the IMF at its center, ASEAN+3 members sought to better integrate the CMIM into the GFSN. To this end, a test run on the IMF linked portion of the CMIM was conducted in collaboration with the IMF in 2016. AMRO was involved in providing an assessment of the IMF financial program, assisting the test-run country in preparing the country report, rendering administrative support to the Co-Chairs of CMIM, and furnishing an evaluation report of the test run.

Periodic Review of the CMIM

To ensure that the CMIM Arrangement and the CMIM Agreement remain up-to-date and appropriately reflect members' respective circumstances as well as global economic and financial conditions, ASEAN+3 members are required to conduct a periodic review of the facility. The first periodic review is expected to be completed in 2018.

AMRO’s Support for the CMIM

According to AMRO Agreement (Article 3), AMRO is mandated to support CMIM members in the implementation of the CMIM Agreement. On that basis, AMRO supported the CMIM Co-Chairs in organizing the test runs, reviewing the peacetime checklist, and preparing the OG manual, so as to ensure that the CMIM is operationally ready and strengthened as part of the GFSN. Since 2012, AMRO has been playing an important role in developing qualification criteria for the CMIM-PL, namely the ERPD matrix. In addition, since 2013, ASEAN+3 members have been regularly conducting test runs under various scenarios and different CMIM facilities. The peacetime checklist has also been reviewed regularly to reaffirm that the member authorities’ preparation for CMIM activation is in accordance with the CMIM Agreement and OG.

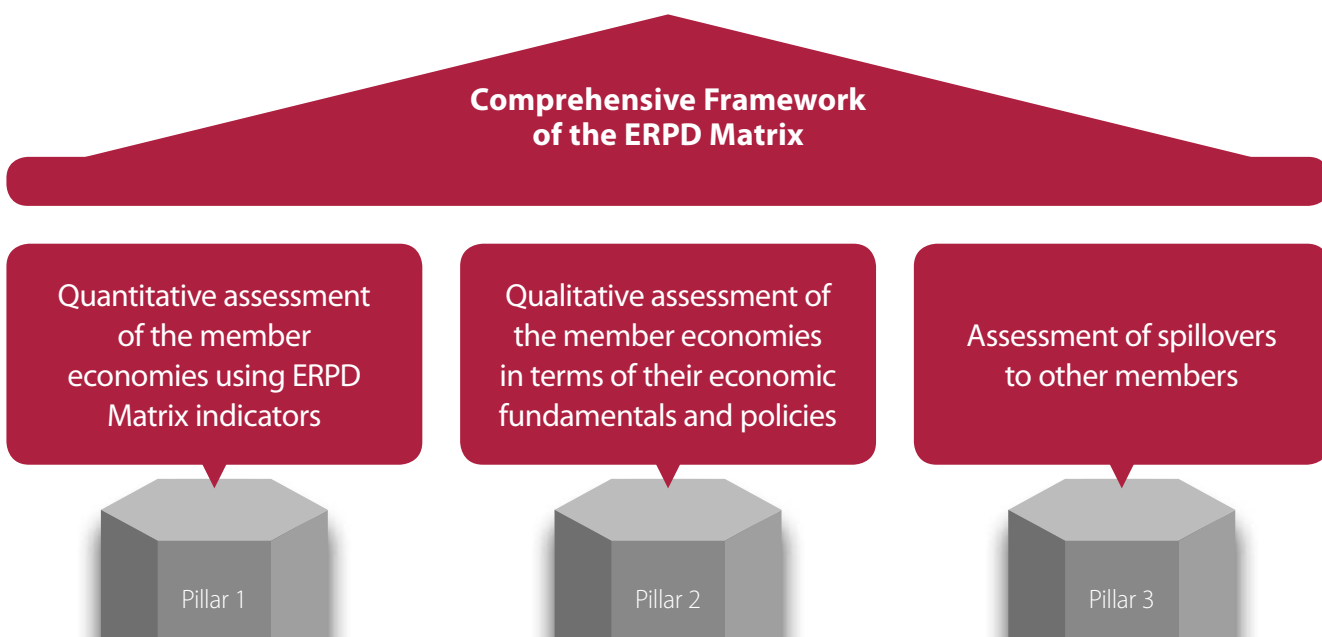
Operational Guidelines

A comprehensive set of CMIM OG was drafted to specify relevant activation procedures. In 2016, AMRO supported CMIM members in further upgrading and revising the CMIM OG to provide clarity for the establishment and activation procedures of the CMIM arrangements. The revision was based on the issues identified during previous test runs, such as the calculation method for the contribution amount and voting power, and the objectives and activation process of the CMIM-IMF de-linked portion.

ERPD Matrix

AMRO has been providing analytical support to CMIM members in developing qualification criteria for the CMIM-PL under the ERPD⁵ Matrix since 2012. The ERPD Matrix was established on the basis of five criteria comprising (a) external position and market access, (b) fiscal policy, (c) monetary policy, (d) financial sector soundness and supervision, and (e) data adequacy.

The first set of ERPD Matrix framework with indicators was proposed and endorsed by the Deputies at the AFCDM+3 in Nay Pyi Taw, Myanmar, in April 2014. At the AFCDM+3 in Guiyang, China, in December 2016, AMRO proposed a more comprehensive ERPD Matrix framework for assessing a member’s eligibility to access the facility, comprising (a) quantitative assessment of the member economies using ERPD Matrix indicators, (b) qualitative assessment of the member economies in terms of their economic fundamentals and policies, and (c) assessment of spillovers to other members. The comprehensive framework was endorsed by the Deputies at the AFCDM+3 in Guiyang, China, in December 2016, along with an expanded set of indicators (11 primary and 26 supplementary) as a “working assumption” and a pilot project for peacetime procedure with regards to the ERPD Matrix.



⁵ The ERPD was introduced in May 2000 as a peer review and policy dialogue process to support regional economic surveillance that would promote macroeconomic and financial stability in the region.

CMIM Peacetime Preparation

AMRO supports the CMIM in its peacetime preparation to ensure the operational readiness of the CMIM facilities. In 2016, AMRO's contribution to the members focused on facilitating CMIM members in ensuring their compliance with legal requirement of the CMIM as well as in preparing communication and transaction infrastructures.

CMIM Test Run

Given the complexity of the multilateral swap facility, several CMIM test runs have been conducted since 2013 to ensure the operability of CMIM OG, identify further room for improvements in the OG and CMIM arrangements, and familiarize members with the activation procedures. In 2016,

the seventh test run was conducted with participation of the IMF to test the activation of the CMIM-IMF-linked portion of the CMIM-SF. In this CMIM-IMF joint test run, AMRO provided an assessment of the financial program and legal advice, drafted and submitted its report to the CMIM decision-making body, and supported the coordinating countries in developing the relevant documents for conducting the test run.

The test run in 2016 marked a milestone in advancing cooperation between the CMIM and the IMF, which is not only important for the CMIM given the IMF linked portion facilities, but also in line with the global initiative to strengthen the GFSN through enhanced cooperation between the CMIM and the IMF.



The comprehensive ERPD Matrix framework was endorsed by the Deputies at the AFCDM+3 in Guiyang, China, in December 2016.

2016 Work Priorities

Providing TA for Regional Capacity Building



First discussed at the EC meeting in late 2013, the TA program was endorsed at the EC meeting in April 2016. Right after the endorsement, the program received financial contributions from three members, namely China, Japan, and Korea, with the total amount of approximately USD 5 million. The TA program aims to enhance the ASEAN+3 members' capacity in macroeconomic surveillance.

// I would like to express my sincere gratitude to AMRO for giving me a great opportunity to work at AMRO under the secondment program from May 3 to October 28, 2016.

During my six-month stay at AMRO, I was able to take part in some sub assignments which I sincerely felt were useful, and truly eye-opening. For instance, the annual consultation visit, which I had the honor to be involved in, enabled me to learn about the whole process – from engagement with authorities to preparation of questionnaires and conduct of professional performance check. I hope to translate the insights and knowledge gained from this valuable experience into my work when I return to my hometown. //

Thipsavanh Vongphranakhone

Bank of the Lao PDR

Overview of the TA Program

AMRO TA program aims to contribute towards improving macroeconomic surveillance capabilities of ASEAN+3 members. The program is designed and implemented in response to members' specific needs, taking into consideration each member's development stage and policy priorities.

Secondment Program

- **Purpose:** To provide on-the-job training opportunities to secondees from ASEAN+3 members, especially Cambodia, Lao PDR, Myanmar and Vietnam (CLMV).
- **Achievement in 2016:**
 - One secondee from Lao PDR from May to October
 - One secondee from China from August onward

Consultancy Program

- **Purpose:** To provide technical support to ASEAN+3 members to strengthen their macroeconomic surveillance capacity.
- **Achievement in 2016:** AMRO reviewed several requests from some members on consultancy projects.

Research and Training Program

- **Purpose:** To provide training programs targeted at ASEAN+3 members and AMRO staff through seminars, conferences, and joint training programs with other organizations.
- **Achievements in 2016:** AMRO held the *ATFF: East Asia in a Dynamic New World* in Guiyang, China, on December 10, 2016.

Trust Fund Implementation

AMRO secured contributions to the Trust Funds and signed agreements with the authorities of three members – China, Japan, and Korea.

The China TA Trust Fund supports the secondment, consultancy, and training programs to enhance ASEAN+3 members' capacity in macroeconomic surveillance, as well as AMRO's institutional capacity development.

The Japan Special Trust Fund focuses on supporting the secondment and consultancy programs with an emphasis on the CLMV countries. It will also finance AMRO's research activities, seminars and workshops.

As for Korea-AMRO TA Trust Fund, the details are still under discussion.

Contributors	Date of MoU Signing	Contribution Amount (USD)
Japan	May 24, 2016	1.9 million
China	June 29, 2016	3 million for four years
Korea	July 12, 2016	100,000

Collaboration with Other International Financial Institutions

During the year, AMRO explored collaboration opportunities with the IMF-Singapore Regional Training Institute (IMF-STI) on designing training programs related

to macroeconomic surveillance. We also discussed the development of our macroeconomic surveillance database with ADB.

2016 Work Priorities

Delivering an Effective and Accountable Organization



Lean budgeting coupled with tightened expenditure control enabled AMRO to achieve an implementation rate within both the Manpower Related Budget and the Office Related Budget. The use of an assessment template in the annual evaluation of the performance of the Director of AMRO also strengthened AMRO's accountability to its members.

Budget and Financial Management

AMRO aims to ensure transparency and accountability while maintaining a good balance between relevant budget requests, prudent spending and effective budget implementation. AMRO strives to achieve this through timely and complete data collection and analysis.

The 2016 Manpower Related Budget amounted to USD 12.8 million with an implementation rate of 98%. Lean budgeting coupled with close reflection of historical expenditure trends and tightened operations – the introduction of a stricter travel policy – enabled AMRO to achieve an implementation rate within budget.

The Office Related Budget amounted to USD 5.9 million with an implementation rate of 98%, mainly attributed to capital purchases relating to Phase 2 renovation of the

AMRO office as well as the implementation of IT security and capacity enhancements.

AMRO's reserves amounted to USD 7.2 million as at December 31, 2016. AMRO is positioned to be more accountable and transparent in managing its reserves after the new Reserves Usage Guidelines were approved by the EC in December 2016, which permitted AMRO to retain net surplus up to the approved amount of USD 7.5 million for 2017 for contingent use, and instructed AMRO to manage the reserve in a safe and liquid account.

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



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 December 31, 2016.

Human Resource Management

In 2016, AMRO continued to recruit staff from diverse backgrounds and as wide a regional geographical base as possible, on a merit basis through an open, transparent and accountable recruitment process. The objective of which was to ensure that AMRO has the ability to strengthen its capacity and improve its competencies to better serve its members.

In the first quarter of 2016, AMRO started a recruitment campaign for new senior management staff. This was successfully completed with the recruitment and appointment of the Director and Chief Economist in the second quarter, followed by the Deputy Director (Administration) and Deputy Director (CMIM, Strategy & Coordination) in the third quarter. Concurrently, AMRO also recruited other management staff, including a Group Head for Budget, Human Resource (HR) and Support Services, and a Senior Coordination Officer.

To support its growth, AMRO received approval for a higher headcount to strengthen its human resources while improving on the recruitment system and staff retention framework to align with international best practices and ensure competitive remuneration package. AMRO also established a secondment program with its members to facilitate the mutual transfer of knowledge and experience.

To further enhance the core competencies of staff, AMRO organized training programs. External professional consultants and trainers were engaged to administer enrichment workshops for all levels of staff. Moving forward, AMRO will continue to explore new AMRO staff development opportunities, focusing on growing their career progression and personal achievements.

Legal Affairs

Upon the entry into force of the AMRO Agreement on February 9, 2016, AMRO took over the operations of AMRO Ltd. This involved the transfer of all assets, liabilities and staff of AMRO Ltd to AMRO. AMRO will initiate the dissolution of AMRO Ltd upon completion of the ratification process of the AMRO Agreement.

In the spirit of anticipating and defusing conflict wherever possible and providing channels for conflict resolution

and development of mutual trust between AMRO and its staff, AMRO formally adopted staff relations and dispute resolution policies. Formal procedures, which include consultations with staff members, formal administrative review, and conciliation by an external conciliator, have been established. AMRO has also submitted an application to the International Labor Organization Administrative Tribunal to hear and decide on employment-related disputes between AMRO and its staff members.



IT Infrastructure

Designed as a flat network with a small business server environment, AMRO IT Infrastructure maintenance and enhancement was last made two years ago. In 2016, AMRO identified external and internal risks such as cybersecurity attacks and the internet data or transaction loss as critical areas to be addressed.

AMRO's efforts in IT enhancement and improvements made significant progress with the revamp of existing infrastructure and enhancement of data backup. The progress made in 2016 set the foundation for further IT enhancements, including the establishment of a database system. For which, AMRO is in discussion with ADB to explore the feasibility of a macroeconomic surveillance database system.

Accountability

In May 2012, AMRO's EC agreed to establish a performance evaluation system for AMRO at the organizational level. In November 2012, the EC approved the broad evaluation criteria for AMRO's self-evaluation. Subsequently, AMRO has been submitting its self-evaluation on an annual basis.

In order to further strengthen AMRO's accountability to its members, the EC endorsed an assessment template to be used for the annual evaluation of the performance of the Director of AMRO at its meeting in December 2015.

At its meeting in December 2016, the EC encouraged AMRO to continue to strengthen its accountability framework to enhance its credibility and ensure relevance, commensurating with its status as an international organization. To this end, AMRO is committed to strengthening its performance evaluation mechanism and accelerating efforts in defining its results management framework.

Office Management

Phase 2 of the office renovation project was completed on schedule. The new office is compliant with the "Green Building" and fire security requirements.

2016 Work Priorities

Promoting Partnerships and Visibility



AMRO Senior Management team, Finance and Central Bank Deputies and distinguished speakers and participants at the inaugural ASEAN+3 Financial Forum (ATFF) on the sidelines of the AFCDM+3 in Guiyang, China on December 10, 2016.

In 2016, AMRO strengthened strategic partnerships with ASEAN+3 member authorities, relevant peer international financial institutions, academic institutions, the private sector as well as the media and the general public. In addition, AMRO intensified efforts to increase visibility on the international stage, garnering support for its core functions through outreach to a wider audience.

Partnerships

Enhancing Communications with Authorities

AMRO enhanced its communications with member authorities by providing more frequent updates on AMRO's operations and developments during regional meetings and events, in addition to the annual consultation visits. AMRO also started providing more timely updates and policy advice on pertinent issues that affect the region.

Expanding Outreach Activities

In January, at the 3rd AMRO-IMF Joint Seminar held in Hong Kong, China, AMRO presented its study on *Non-Financial Corporate Bonds Financing in Foreign Currency: Trends and Risks in ASEAN+3 Emerging Economies*, while the IMF made a presentation on *Spillovers from China to Asian Economies*.

In April, AMRO was invited for the first time to participate in the ASEAN Finance and Central Bank Deputies' Meeting (AFCDM) to share its views on the regional macroeconomic and financial developments. AMRO also participated in discussions at the ASEAN Finance Ministers' and Central Bank Governors' Meeting (AFMGM) for the fourth time.

In July, AMRO co-organized the 5th Asian Regional Roundtable with OECD, ADB, ADBI and ERIA in Tokyo with the theme of *Macroeconomic and Structural Policy Challenges*.

In October, AMRO was invited to attend the 12th ASEAN Senior Level Committee on Financial Integration in Jakarta and give a presentation on macroeconomic and financial developments in the region.

Enhancing Cooperation with RFAs and GFSN

In July, AMRO participated in the FLAR-Corporación Andina de Fomento (FLAR-CAF) Economic Studies Conference in Cartagena de Indias, Colombia, and shared its views on the need for effective coordination between different layers of global and regional financial safety nets at the session about the GFSN and the role for RFAs.

In October, AMRO co-hosted the inaugural high-level RFAs dialogue in Washington D.C., USA, together with ESM and FLAR. The event was attended by high-level representatives from the Arab Monetary Fund, BRICS⁶ Contingent Reserve Arrangement (CRA), Eurasian



AMRO Director, Dr Junhong Chang, with heads of other regional organizations and high-level delegates at the high-level seminar on the role of RFAs in the GFSN on October 6, 2016 in Washington D.C.

⁶ BRICS refer to Brazil, Russia, India, China and South Africa.

Partnerships

Development Bank, European Commission, the IMF and the G20 International Financial Architecture Working Group. It was the first time the RFAs convene to exchange views on the GFSN.

Deepening Engagements with Other International Organizations and Multilateral Forums

In October, Director Junhong Chang met with IMF Managing Director Christine Lagarde, in Washington, D.C., on the sidelines of the IMF/World Bank Annual Meetings. Both sides underscored the importance of cooperation between the two institutions and outlined concrete outcomes going forward.

AMRO and ADB have also maintained close institutional cooperation. Then AMRO Director Yoichi Nemoto, met ADB President Takehiko Nakao, during the high-level dialogues at AMRO in March. Subsequently, Director Junhong Chang also met President Nakao in July and August to discuss the enhancement of bilateral cooperation. A dialogue

mechanism was established between the Chief Economists of both organizations to facilitate views exchange on regional economic and financial issues, on a semi-annual basis.

In June, Director Chang met with AIIB President Liqun Jin to discuss the possibility of fostering mutually beneficial cooperation when AMRO attended the inaugural AIIB Annual Meeting in Beijing.

In April, AMRO was invited to participate for the first time in the meeting of the G20 Working Group on the International Financial Architecture, on the sidelines of the IMF/World Bank Spring Meetings, and to share its views on the role of RFAs in the GFSN.

In June, AMRO attended the 12th Asia-Europe Meeting (ASEM) Finance Ministers' Meeting in Ulaanbaatar, Mongolia, which focused on macroeconomic developments and prospects in Asia and Europe, and the importance of enhancing connectivity between the two regions.



AMRO Director, Dr Junhong Chang, delivers remarks at the 5th Asian Regional Roundtable, jointly organized by AMRO, OECD, ADB-ADBI and ERIA on July 14 and 15, 2016 in Tokyo.

AMRO Director, Dr Junhong Chang, meets with IMF Managing Director, Madame Christine Lagarde, in Washington D.C. on October 7 during the 2016 IMF Annual Meetings to exchange views on the collaboration of the two organizations.

Visibility

Establishment of AMRO as an International Organization

On February 19, AMRO held its Opening Ceremony in Singapore to officially launch AMRO as an international organization. The event was attended by high-ranking dignitaries from ASEAN+3 member authorities, prominent representatives from international organizations, members of the diplomatic corps stationed in Singapore, private sector financial institutions and economic research institutions. The event also drew media coverage from news organizations such as Channel NewsAsia, Bloomberg, CCTV, Xinhua, NHK, Nikkei, and Thomson Reuters.

Enhancement of Publication

In line with its new status as an international organization, AMRO amended its publication policy to promote transparency and accountability. In December, AMRO's amended Publication Policy was approved by the EC at the AFCDM+3 Meeting. The policy, which came into effect on January 1, 2017, allows AMRO to raise its visibility by publishing its regional and country surveillance reports, and research papers and to promote transparency and accountability.

Inauguration of the ATFF

AMRO held its inaugural ATFF in Guiyang, China, on December 10 under the theme *East Asia in a Dynamic New World*. The inaugural ATFF successfully brought together thought leaders and policymakers, facilitating constructive exchange of views on pertinent regional economic and financial cooperation issues.

Improvements of the AMRO Website

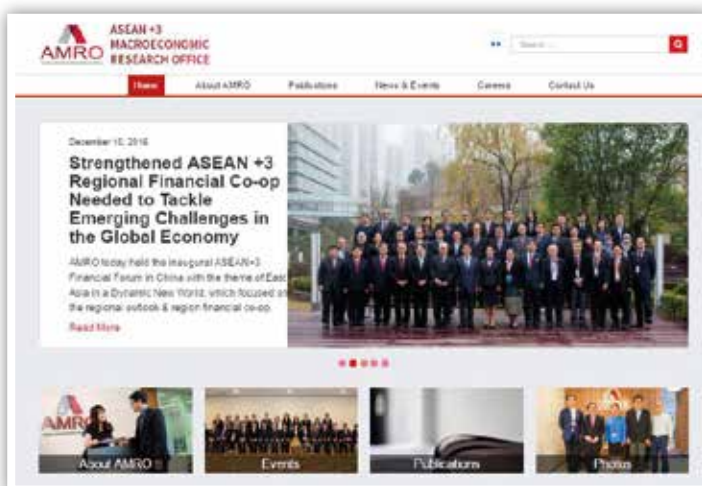
The new website was launched in conjunction with AMRO's Opening Ceremony in February. Recognizing that the website serves as an important communication medium, AMRO implemented website improvements throughout the year. In December, the website was further revamped to make it even more interactive and user-friendly.

Engagement with the Media

AMRO also increased its engagement with the media. AMRO Director was invited to deliver a keynote speech at the 6th Asia Research Forum at the Chinese Academy of Social Science (CASS), with the theme *CMIM-Asian Multilateralism and Cooperation*, in Beijing, China, in July. The speech addressed the significance of CMIM and AMRO from a regional and global perspective. It was subsequently published in People's Daily on August 10.

On October 7, Nikkei News published an interview with AMRO Director, which covered a range of issues, from regional economic outlook to the role of AMRO in the international financial architecture.

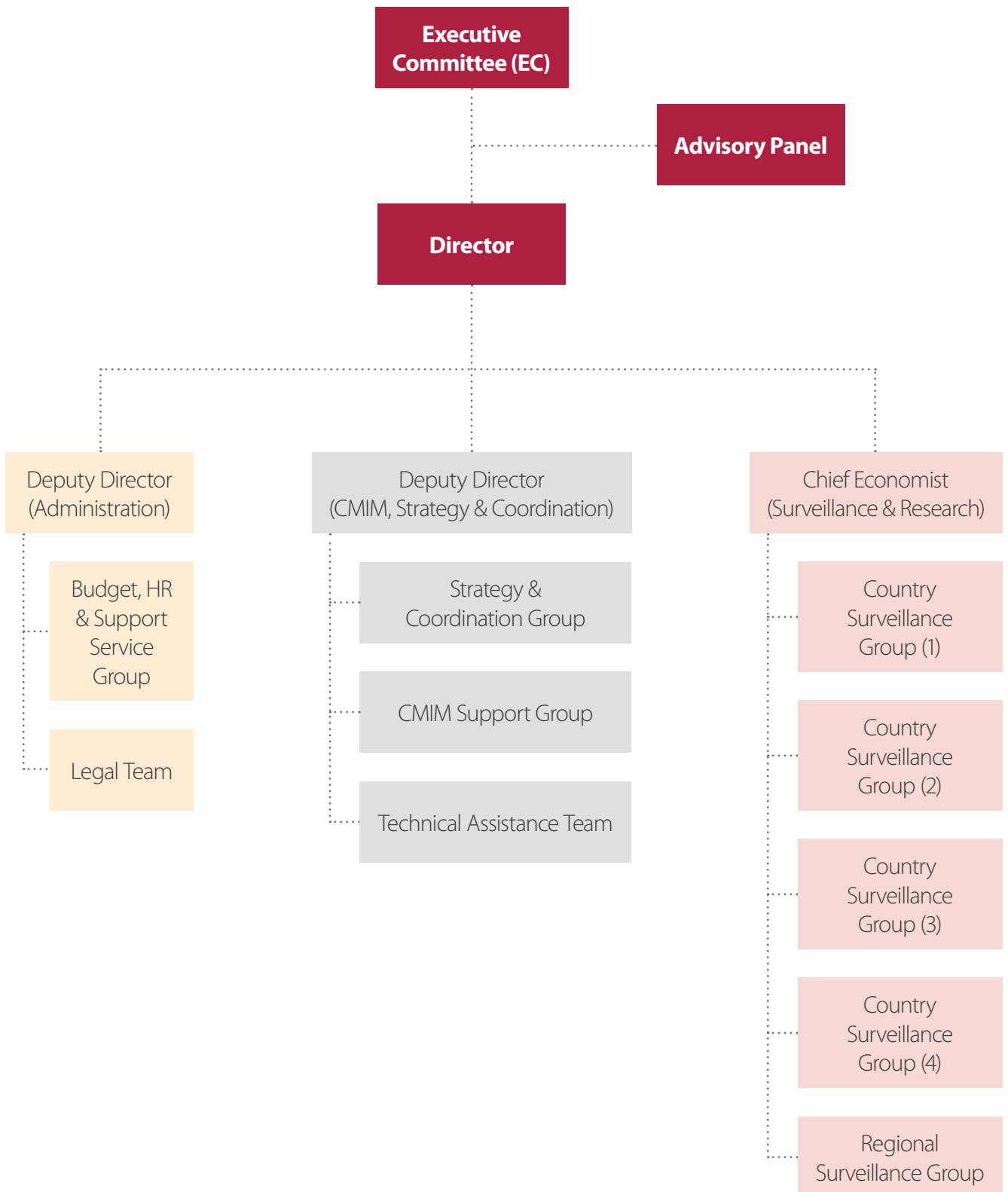
In November, AMRO was interviewed by the Institute of Southeast Asian Studies (ISEAS) Yusof Ishak Institute for its October/November edition of ASEANFocus. The interview elaborated on the roles of AMRO and CMIM in regional risk detection, macroeconomic surveillance, and the international financial architecture.



Organization Factsheet
**Our DNA as an
International
Organization**



Organization



Members and Voting Power

		Financial contribution		Basic votes	Votes based on contribution	Total voting power	
		%		(number of votes)	(number of votes)	(number of votes)	(%)
China	China (excluding Hong Kong)	32.0	28.50	3.20	68.40	71.60	25.43
	Hong Kong, China		3.50	0.00	8.40	8.40	2.98
Japan			32.00	3.20	76.80	80.00	28.41
Korea			16.00	3.20	38.40	41.60	14.77
Plus 3			80.00	9.60	192.00	201.60	71.59
Indonesia			3.793	3.20	9.104	12.304	4.369
Thailand			3.793	3.20	9.104	12.304	4.369
Malaysia			3.793	3.20	9.104	12.304	4.369
Singapore			3.793	3.20	9.104	12.304	4.369
Philippines			3.793	3.20	9.104	12.304	4.369
Vietnam			0.833	3.20	2.00	5.20	1.847
Cambodia			0.100	3.20	0.24	3.44	1.222
Myanmar			0.050	3.20	0.12	3.32	1.179
Brunei			0.025	3.20	0.06	3.26	1.158
Lao PDR			0.025	3.20	0.06	3.26	1.158
ASEAN			20.00	32.00	48.000	80.00	28.41
Total			100.00	41.60	240.00	281.60	100.00

Executive Committee Members

Members	Authorities	Name	Designation
Brunei	Ministry of Finance	Nazmi Mohamad	Permanent Secretary
	Autoriti Monetari Brunei Darussalam	Adi Marhain Leman	Assistant Managing Director, Monetary Operation
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	Yong Yin	Deputy Governor
Hong Kong, China	Hong Kong Monetary Authority	Eddie Yue	Deputy Chief Executive
Indonesia	Ministry of Finance	Suahasil Nazara	Deputy Minister, Fiscal Policy Agency
	Bank Indonesia	Perry Warjiyo	Deputy Governor
Japan	Ministry of Finance	Masatsugu Asakawa	Vice Minister of Finance for International Affairs
	Bank of Japan	Keiichi Miyata	Associate Director-General for Asian Affairs of the International Department
Korea	Ministry of Strategy and Finance	In-chang Song	Deputy Minister
	Bank of Korea	Minho Kim	Deputy Governor
Lao PDR	Ministry of Finance	Thipphakone Chanthavongsa	Vice Minister
	Bank of the Lao PDR	Vathana Dalalay	Deputy Governor
Malaysia	Ministry of Finance	Siti Zauyah Binti Md. Desa	Deputy Secretary-General (Policy)
	Bank Negara Malaysia	Sukhdave Singh	Deputy Governor
Myanmar	Ministry of Planning and Finance	Maung Maung Win	Deputy Minister, Union Minister's Office
	Central Bank of Myanmar	Khin Saw Oo	Deputy Governor
Philippines	Ministry of Finance	Roberto B. Tan	Undersecretary, International Finance Group
	Bangko Sentral ng Pilipinas	Diwa C. Guinigundo	Deputy Governor, Monetary Stability Sector
Singapore	Ministry of Finance	Ching Yee Tan	Permanent Secretary (Finance)
	Monetary Authority of Singapore	Jacqueline Loh	Deputy Managing Director
Thailand	Ministry of Finance	Somchai Sujjapongse	Permanent Secretary
	Bank of Thailand	Mathee Supapongse	Deputy Governor, Monetary Stability
Vietnam	Ministry of Finance	Ha Xuan Tran	Vice Minister
	State Bank of Vietnam	Hong Thi Nguyen	Deputy Governor

Advisory Panel Members



1. Bandid Nijathaworn (Advisory Panel Chair)

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

Dr Nijathaworn is a well-known economist with expansive experience in macroeconomics. He left the Bank of Thailand 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 under the capacity of President and CEO of the Thai Institute of Directors. During his tenure at the Bank of Thailand, he had held positions of Deputy Governor for Monetary Stability and Financial Stability.

2. Cyd N. Tũaño-Amador (Advisory Panel Member)

Dr Cyd Amador is a former Assistant Governor of Bangko Sentral ng Pilipinas (BSP), where she headed the Monetary Policy Sub-Sector. She was a member of the Advisory Committee that recommends monetary policy stance to the BSP's Monetary Board. She was also a member of the BSP's Financial Stability Committee and the Inclusive Finance Steering Committee. She had represented BSP in various international and regional meetings as well as in several local inter-agency committees. She had also delivered lectures on monetary, financial and external sector policies. Amador was seconded to the IMF from 2003 to 2006.

Dr Amador earned her Ph.D in Economics from the Australian National University after obtaining her Masters at the U.P. School of Economics and the Graduate Institute for Policy Studies in Japan. Dr Amador holds a Business Economics degree from the University of the Philippines School of Economics.

3. Yuyan Zhang (Advisory Panel Member)

Dr Yuyan Zhang is a Senior Fellow and Director of Institute of World Economics and Politics (IWEP), CASS, Member of the Foreign Policy Advisory Group of the Ministry of Foreign Affairs of China. He is also an expert at the Advisory Committee for Economic and Trade Policy for the Ministry of Commerce of China and President of China Society of World Economy.

Dr Zhang got his Bachelor Degree in Economics from the Department of Economics at Peking University in 1983, and Master and Ph.D. Degrees in Economics at the Graduate School of CASS in 1986 and 1991 respectively. His main academic interests include institutional economics and international political economy. He authored *Economic Development and the Choice of Institutions* (1992), *International Economic Politics* (2008), and *The Sources of American Conduct* (2015), etc.

4. Mohamad Ikhsan (Advisory Panel Member)

Dr Mohamad Ikhsan is the Advisor to the Vice President of Indonesia. Prior to that, he was special advisor to the Coordinating Minister for Economic Affairs. He is concurrently a Professor of Economics at the University of Indonesia. In addition to being a member of the Advisory Panel at AMRO, he is also a member of Policy Advisory Committee at ADBI in Tokyo.

Dr Ikhsan serves as a non-executive board member at 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 has a Ph.D. in Economics from the University of Illinois at Urbana-Champaign, USA, and a Master's Degree in Economics from Vanderbilt University in Nashville, Tennessee, USA. He received his Bachelor Degree in Economics from the University of Indonesia.

5. Akira Ariyoshi (Advisory Panel Member)

Dr Akira Ariyoshi is a Professor at the School of International and Public Policy, Hitotsubashi University. Dr Ariyoshi has extensive experience working with the Japanese Government and international financial institutions in macroeconomics and financial regulatory policies; and has held portfolios of Director of the Regional Office for Asia and the Pacific at the IMF, Deputy Vice-Minister for International Affairs at the Japanese Ministry of Finance and Director of the Legal and Planning Division at the Japanese Financial Services Agency.

Dr Ariyoshi is currently the President of Japan Risk Forum, a non-profit organization of Chief Risk Officers (CROs) and risk specialists, and 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.

6. Kyung Wook Hur (Advisory Panel Member)

Mr Kyung Wook Hur serves as Director for International Finance Bureau and Deputy Vice Minister of International Finance for the Ministry of Strategy and Finance, Secretary of National Affairs for the Office of President, First Vice Minister of Strategy and Finance, and Ambassador Extraordinary and Plenipotentiary of Korea to OECD. In addition, he gives lectures as Visiting Professor at Seoul National University Graduate School of International Studies.

Mr Hur has extensive experience in policymaking and implementation, as well as relevant knowledge in, Korean economy, international economy, and international finance, among other areas of expertise.

Senior Management Team



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 domains, as well as deep insights on issues pertaining to global economy, international finance, international development, and regional financial cooperation.

Prior to her appointment at AMRO, Dr Chang served as Deputy Director General of the Department of International Economic Relations in the Ministry of Finance of China. From 2011 to 2015, she was responsible for China's engagement in multilateral platforms such as the G20, Asia-Pacific Economic Cooperation (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 the ADB from 2002 to 2004.

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



Huntae Lee
AMRO Deputy Director (Administration)

Mr Huntai Lee is the Deputy Director of AMRO. He leads and supervises AMRO's administrative functions, including budget and finance, human resources policies, legal policies and processes, IT, and procurement policies and processes.

Prior to joining AMRO, Mr Lee had served at the Ministry of Strategy and Finance (MOSF), Korea, and the Inter-American Development Bank (IDB) for 23 years. At MOSF, he held the position of Assistant Director General for International Financial Cooperation Bureau and was responsible for the G20 Summit, G20 Finance Ministers Meeting and APEC/ASEM Finance Ministers Meeting agendas. He also served as Director of International Financial Cooperation Division, Macroeconomic Cooperation Division, Administrative Affairs Budget Division, Regional Development Budget Division and Head of Human Resources Management Team during his tenure at MOSF. At IDB, Mr Lee worked as Senior Trust Fund Officer from 2008 to 2012. He was responsible for financial support for diverse TA for small and medium enterprises development in Latin America and Caribbean countries.

Mr Lee holds a B.A. in Business Administration from Korea University, and a Master of Business Administration from University of Southampton, UK.



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.

Starting his career at the Ministry of Finance, Japan, in 1992, Mr Watanabe brings over 20 years of experience from the fields of international finance and development finance, regional financial cooperation and financial regulation. Before joining AMRO, Mr Watanabe served as Assistant Commissioner of the Financial Services Agency from 2013 to 2016 and was in charge of various areas including international cooperation, international financial market, financial reporting issues and trade negotiations such as the Trans-Pacific Partnership (TPP), the Regional Comprehensive Economic Partnership (RCEP) and Trade in Services Agreement (TiSA/WTO).

He had also held positions at Multilateral Development Banks Boards, including Alternate Executive Director at the ADB from 2008 to 2011 and Senior Counsellor at the Inter-American Development Bank from 1998 to 2001. He also served as 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.



Hoe Ee Khor
AMRO Chief Economist

Dr Hoe Ee Khor is the Chief Economist of AMRO, and is responsible for overseeing and developing macroeconomic and financial market surveillance programs for East Asia and member economies in the region. A member of the senior management, he also plays an active role in setting AMRO's strategic direction and managing AMRO's operations.

Prior to joining AMRO, Dr Khor was the Deputy Director of the Asia and Pacific Department at the IMF where he oversaw surveillance work for six ASEAN and 12 Pacific Island countries. Dr Khor started his career as an economist at the IMF in 1981 and had accumulated experience in various economies in the Western Hemisphere, Asia and Pacific. He was the IMF Deputy Resident Representative in China from 1991 to 1993.

Dr Khor had 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's Degree in Economics/Mathematics from the University of Rochester and a Ph.D. in Economics from Princeton University.

Family Photo





Financial Highlights

Highlight of 2016 Budget and 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 32), and 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 45, the 2016 Manpower Related Budget amounted to USD 12.8 million, the implementation rate of which was 98%. The 2016 Office Related Budget amounted to USD 5.9 million, the implementation rate of which was also at 98%. Lean budgeting coupled with tightened expenditure control enabled AMRO to achieve an implementation rate within budget. AMRO’s reserves amounted to USD 7.2 million as at December 31, 2016. AMRO is positioned to be more accountable and transparent in managing its reserves after the new Reserves Usage Guidelines was approved by the EC in December 2016.

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

In the opinion of the AMRO Director, (a) 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 December 31, 2016 and of the financial performance of the business, changes in equity and cash flows of AMRO for the financial year ended; and (b) 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 December 31, 2016. 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 December 31, 2016, and of the financial performance, changes in equity and cash flows of AMRO for the year ended on that date.

2016 Key Numbers

Manpower Related Budget

USD12.8m

... Implementation Rate

98%

Office Related Budget

USD5.9m

... Implementation Rate

98%

Reserves

USD7.2m

2016 Financial Summary

Manpower Related Budget and Implementation

2016	USD '000
Manpower Related Budget	12,798
Manpower Related Implementation	(12,439)

Office Related Budget and Implementation

2016	USD '000
Office Related Budget	5,947
Office Related Implementation	(5,851)

Assets, Liabilities & Reserves

As at December 31, 2016	USD '000
Assets	15,677
Liabilities	8,511
Reserves	7,166



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