

# **2017 YOKOHAMA VISION: FOR A MORE RESILIENT AND INTEGRATED ASEAN+3 IN THE FUTURE**

*Done in Yokohama, Japan on 5 May 2017*

This year marks the 20th anniversary of the Asian Financial Crisis, which caused serious damages to the ASEAN+3 region. After the crisis, individual countries have undertaken significant reforms, and implemented sound macroeconomic policies which have made us more resilient. On the multilateral front, the CMIM was established as a regional financial safety net, with the AMRO functioning as its surveillance unit. The ABMI also facilitated the development of the local currency bond markets, significantly reducing the currency and maturity mismatches in the region. With these improvements, the ASEAN+3 region weathered the Global Financial Crisis in 2008 and the taper tantrum in 2013 with limited adverse impacts in contrast to the rest of the world. However, if we look ahead in the future, we need to be vigilant against various kinds of economic and non-economic risks and shocks. In this light, we recognize the importance of further enhancing economic resilience in the region through our collective efforts, in view of our shared responsibility to contribute to sustainable global growth as one of its major drivers. Furthermore, we also recognize that increased use of local currencies in cross border transactions will contribute to enhancing regional financial stability over the medium term. Against this backdrop, we reaffirm our commitment to strengthening regional financial cooperation along the following pillars, while remaining open to new potential pillars in the future, to achieve a more resilient and integrated ASEAN+3 region.

## **PILLAR 1 ENHANCEMENT OF REGIONAL RESILIENCE AGAINST ECONOMIC AND NON-ECONOMIC SHOCKS**

- Ensure the CMIM is an important part of the global financial safety net, in effective coordination with the IMF, through further enhancing collaboration between the CMIM and the IMF;
- Strengthen CMIM's function as a front-runner of regional financial arrangements, building on clarification of the activation process of IMF De-linked Portion of the CMIM;
- Appreciate all the efforts and the significant progress that have been made in working towards the potential increase of the IMF De-linked Portion, and look forward to further progress on this issue;
- Enhance AMRO's capacity and governance to ensure it can support the smooth operation of the CMIM;
- Promote the expansion of bilateral swap arrangement networks, including those in local currencies, which complement the CMIM as the regional financial safety net; and
- Mitigate the region's vulnerability to natural disasters, including through the establishment of the South East Asia Disaster Risk Insurance Facility.

## **PILLAR 2**

### **PROMOTION OF LOCAL CURRENCY USE TO SUPPORT ASEAN FINANCIAL INTEGRATION**

- Diversify the local currency funding options available across the region by building up financial markets, in view of expected increase in local currency funding needs with the progress of the ASEAN financial integration. In this light, we welcome the progress of CSD-RTGS linkages as the regional settlement intermediary that promotes cross-border securities transactions in the region;
- Support the deepening of local currency bond markets in the region, including through effective use of CGIF with expanded guarantee capacity;
- Utilize the “Good Practices in Developing Bond Market” to share our successful experiences under the ABMI within the region as well as with other regions; and
- Continue to strategically implement our technical assistance and support for human resource development through mutual cooperation, with its focus on the bond market area.

We also recognize new challenges are emerging with the changing landscape of the economic and financial situation in this region. Building on the achievements on existing priority areas, we will evaluate those challenges as well as the opportunities from time to time, and explore potential directions and priorities to further broaden and deepen the regional financial cooperation in the future, so as to better serve the purpose of maintaining regional financial resilience and promoting economic integration.