



SP - 6/KLI/2023

ASEAN +3 Task Force Meeting Serves as the First Agenda of ASEAN Chairmanship 2023 Financial Track

Bali, 6 February 2023 – After successfully running the G20 Presidency in 2022, Indonesia is taking global leadership by assuming the ASEAN Chairmanship and ASEAN+3 Co-Chairmanship for 2023. The theme of Indonesia's ASEAN Chairmanship is "ASEAN Matters: Epicentrum of Growth", which is a continuum the previous Indonesia's G20 Presidency theme "Recover Together, Recover Stronger". Indonesia's chairmanship aims to drive ASEAN to play an active role, exploring ideas and solutions to strengthen economic recovery and make Southeast Asia an engine of sustainable economic growth.

The ASEAN+3 Task Force (TF) Meeting was held in February 2nd and 3rd, 2023 in Nusa Dua Bali. This event is the opening of series of meeting on Financial Track for Indonesia's ASEAN Chairmanship and joint Co-Chairmanship with Japan for the ASEAN+3 cooperation forum (ASEAN and China, Japan, South Korea). The abatement of COVID-19 pandemic in most parts of the world, including ASEAN, becomes the momentum for Indonesia to host physical meetings for this event.

The first session of the TF meeting discussed the co-chairs ideas (Indonesia and Japan) and AMRO (ASEAN+3 Macroeconomic Research Office) to develop an extensive financial stability safety net architecture in the region, including the possibility of the establishment of new facilities align with the development and the dynamics of global and regional economic challenges. The second session discussed the effort to strengthening the mechanism of Chiang Mai Initiative Multilateralization (CMIM) as one of the existing financial stability security facilities. CMIM is a liquidity support agreement among ASEAN+3 member countries. The discussion focused on CMIM's development plans and how to improve its business operation. It is expected that the short-term liquidity financing facility offered by CMIM matches with members' needs and is equipped with a better access mechanism.

The third session discussed the ASEAN+3 Future Initiative. In general, this session discussed various ideas to expand and strengthen ASEAN+3 cooperation initiatives. These initiatives later will be developed by associated fora managed by the Ministry of Finance and the ASEAN+3 Central Bank. Financial Digitalization agenda was proposed by Japan in 2022 which discussed the challenges and opportunities of implementing financial digitization to strengthen mutual understanding concerning the regional stability framework.

The third session also discussed progress on existing ASEAN+3 initiatives as reported by Chairs from all WG. Chair from each WG presented developments and their future work plans. On this occasion, Working Group 1, led by Singapore, presented the results of an ADB study on Financing Solutions for ASEAN+3 Post-COVID 19 Infrastructure. The third draft report that presented at this meeting provides a comprehensive compilation of innovative financing solutions as a reference for ASEAN+3 infrastructure to narrow the gap in financing and support post-COVID-19 recovery. Working Group 2, chaired by China discussed the development of macro structural instruments. Working Group 3, chaired by Japan, discussed initiatives to strengthen Disaster Risk Financing (DRF) and proposed an action plan for the 2023-2025 period. This action plan consists of dialogue and implementation of policies and activities in three priority areas, namely (i) Financial solutions to strengthen financial preparedness to disasters, (ii) Knowledge Solutions is an overall capacity building and knowledge work program (iii) Technical Solutions to improve technical innovation and tools in regional risk monitoring and impact assessments. Working Group 4, chaired by South Korea, discussed increasing policy coordination for technological advancement (Fintech).

In the following session, TF discussed a proposal by Indonesia for ASEAN+3 to review and analyse the development of database household debt and sustainable finance. For these two agendas, the Indonesia Ministry of Finance, together with AMRO will develop a joint work plan and a study. Collaborative discussions among ASEAN+3 countries based on the study is expected in order to strengthen the AMRO surveillance framework and to develop new initiatives on sustainable finance that are highly relevant to current global agenda.

On the second day, the meeting was divided into two sessions. The first session was a special meeting of the ASEAN+3 Macroeconomic Research Office (AMRO) Working Committee which discussed the strengthening of the organization and governance of AMRO based on the work plan that had been prepared by AMRO. In the second session, Indonesia and AMRO proposed a plan to strengthen AMRO governance to support AMRO's capacity and role.

The ASEAN+3 members needs to continuously monitor the risk of the global economy projected by international institutions and various global fora. To overcome the challenges of these economic risks, ASEAN+3 will continue to strengthen the domestic economy and take advantage of the regional as well as international economic and financial cooperation.

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