

18th Trilateral Finance Ministers and Central Bank Governors' Meeting Joint Message

(May 4, 2018, Manila, Philippine)

1. We, Finance Ministers and Central Bank Governors of China, Japan and Korea, held the 18th trilateral meeting in Manila, Philippine, under the chairmanship of H.E. Taro Aso, Deputy Prime Minister and Minister of Finance, Japan, and exchanged views on the latest developments in the global economy and regional financial cooperation.
2. We discussed current economic developments and potential risk factors in financial markets and underlying economic conditions. We recognize that the ASEAN+3 region contribute to the improving global economic outlook, with sustained economic growth amid stable inflation. Nevertheless, we remain vigilant against downside risks that may threaten the recovery in the global economy. We noted the risks posed by rising trade protectionism, faster-than-expected tightening in global financial conditions, and uncertainty of geopolitical tensions. In this regard, we welcome the Panmunjeom Declaration agreed between the leaders of South and North Korea on April 27, 2018 and look forward to further progress in easing geopolitical tension in the region. We stressed the importance of resisting all forms of protectionism, ensuring an open and rule-based multilateral trade and investment system, and of strengthening resilience against external shocks, and agree to further enhance communication and coordination among China, Japan and Korea.
3. We welcome the successful progress of the first Chiang Mai Initiative Multilateralisation (CMIM) Periodic Review, which contributes to stronger CMIM as a regional financial safety net by reinforcing the financial support and establishing a better coordination process with the IMF to facilitate co-financing. In addition, we further welcome the

continued work of our Deputies to further enhance the operational readiness of the CMIM including updating the CMIM Operational Guidelines (OG), and conducting further test runs, jointly with the IMF. We acknowledge the progress made in improving the qualification criteria for the CMIM Precautionary Line. We look forward to the 9th CMIM test run in 2018 jointly with the IMF and welcome the progress made in developing the CMIM Conditionality Framework.

4. We acknowledge continued efforts by ASEAN+3 Macroeconomic Research Office (AMRO) to evolve into a full-fledged international organization by strengthening its capacity for regional macroeconomic surveillance, CMIM support and technical assistance. We also commend AMRO for its progress to establish and expand regional and global partnership, such as through the signing of Memorandums of Understanding with the IMF and European Stability Mechanism (ESM), and AMRO's attainment of UN Permanent Observer status. We reaffirm our strong support for AMRO to further enhance its surveillance and organizational capacity to fulfill its mandate as an independent, credible and professional international organization.
5. We note that Asian Bond Markets Initiative (ABMI) has made significant advance in a number of areas. In particular, we welcome the decision on capital increase of the Credit Guarantee and Investment Facility (CGIF) by its contributors in December 2017. And we are pleased with the publication of the study report on promoting local currency-denominated green bonds for infrastructure development to meet the region's infrastructure needs. We welcome the decision to develop this Central Securities Depository-Real Time Gross Settlement (CSD-RTGS) linkage between the Bank of Japan(BOJ) and the Hong Kong Monetary Authority(HKMA) toward implementation around the spring of 2021, which will contribute to the reduction of the settlement risk for cross-border and cross-currency repo transactions. We are pleased with the approval of General Principles for the participation of non-ASEAN+3 country as observer in ASEAN+3 Bond Market Forum (ABMF) by the

Deputies meeting in Singapore in April 2018, as well as the efforts in updating “Good Practices in Developing Bond Market.

6. We welcome the agreement of Japan, Lao PDR, Myanmar and Singapore to establish a regional catastrophe risk pool as a first product of the Southeast Asia Disaster Risk Insurance Facility (SEADRIF), which aims to provide ASEAN countries with climate and disaster risk insurance solutions, with technical support from the World Bank.
7. We appreciate Korea and Singapore's leadership as the co-chairs of ASEAN+3 Finance Ministers and Central Bank Governors Meeting in 2018. In addition, we agree to support China and Thailand to chair the 22nd ASEAN+3 Finance Ministers and Central Bank Governors' Meeting to be held in May 2019.
8. We will cooperate to ensure the success of the 7th Trilateral Summit to be held on May9, 2018, and believe that the Summit will provide a momentum to further solidify our close relationship in regional financial cooperation.
9. We believe that the Trilateral Finance Ministers and Central Bank Governors' Meeting will serve as an effective platform for enhanced policy dialogue and coordination, and decided to meet again in Nadi, Fiji in May 2019.