OECD-AMRO-ADB/ADBI-ERIA
Asian Regional Roundtable on Macroeconomic and Structural Policy Challenges
Background

The emerging Asian economies have strong fundamentals and have been posting steady growth, but are not immune to near-term downside risks such as global uncertainty and volatile cross-border capital flows. The region also faces medium-term structural issues such as the middle-income trap, ageing population, income disparity, environmental degradation and challenges in fostering inclusive growth. The annual OECD-AMRO-ADB/ADBI-ERIA Asian Regional Roundtable brings together policy makers, business leaders and researchers to discuss these emerging issues and share lessons on potential policy solutions.

Collaboration between OECD, AMRO, ADB/ADBI and ERIA can build useful platforms to exchange views and strengthen policy dialogue on near-term macroeconomic as well as medium-term structural policies annually at the regional level. The OECD-AMRO-ADB/ADBI-ERIA Asian Regional Roundtable is one such platform. The regional forum started in 2012 with the participation of OECD and AMRO, and from the third roundtable, ADB also joined. ERIA will also join from the fifth roundtable in 2016. This co-operation is mutually beneficial; these three organisations have complementary roles to play in promoting informed policy dialogue. AMRO, for example, can offer its expertise in analysing near-term issues; the ADB/ADBI can offer lessons from the implementation of its projects and its research in Asia; ERIA can offer its research on regional integration; and the OECD can offer policy suggestions based on the best practices of its member countries.

By meeting annually, these discussions can build on those from previous years and tackle the current issues that are facing this highly dynamic region. For this reason, the Asian Regional Roundtable covers both near-term macro challenges and medium-term structural issues, encouraging participants to take a broader perspective in thinking about stability and development.

- For the ASEAN+3 Macroeconomic Research Office (AMRO), this collaboration follows instructions by the ASEAN+3 Finance Ministers and Central Bank Governors to enhance collaboration with international organisations.
- The OECD’s involvement in the roundtable is horizontal, bringing together a number of branches of the organisation working on issues relevant to the region. This is related to the OECD Strategy on Development and the recently-launched Southeast Asia Regional Programme.
In addition, the ADB and OECD recently updated the MOU initiated in 2005 to strengthen their bilateral co-operation. This roundtable is an opportunity for ADB and OECD to share economic perspectives and key policy challenges based on their respective economic outlook publications. The Asian Development Bank Institute (ADBI), the ADB’s think tank, contributes to the roundtable. ADBI works to identify effective development strategies and to improve the capacity for sound development in Emerging Asia.

The Economic Research Institute for ASEAN and East Asia (ERIA) is an international organisation providing support to the Chair of the ASEAN Summit and the East Asia Summit through policy research on deepening economic integration, narrowing development gaps and achieving sustainable development. ERIA and the OECD have engaged in productive collaboration and signed a memorandum of understanding in 2014 on joint policy work.

This platform also promotes knowledge sharing between academics and the private sector in Emerging Asian economies through the collaboration between ERIA, ADB/ADBI, AMRO and the OECD.
Summary of discussions of past Asian Regional roundtables

The Asian Regional Roundtable draws on the expertise of the OECD, AMRO, ADB/ADBI, ERIA and gathered participants in raising issues related to near-term macroeconomic challenges – originating from within the region and internationally – and structural issues related to medium-term growth prospects.

Main messages of the First Roundtable (2012)

- Euro-area economic uncertainty can be expected to present risks for Asian economies, particularly the ASEAN member states, but they should not be seriously affected.
- The global financial crisis and resulting drop in external demand have highlighted the need for the Asian economies to pursue new growth models less dependent on exports.

What are the goals of the Asian Regional Roundtable?

The Asian Regional Roundtable provides a regular opportunity to gather a diverse group of policy professionals working on the Asian economies to meet and discuss current issues and trends. Its central goals are to:

- Promote knowledge sharing between the OECD, AMRO, ADB/ADBI, ERIA and Emerging Asia’s policy makers (i.e. finance ministries, central banks and national planning agencies) as well as academics and the private sector; and
- Provide opportunities for open dialogue on: a) near-term macroeconomic policies; and b) medium-term structural policies in Emerging Asian economies.
Addressing near-term macroeconomic challenges

Asia’s emerging economies have been exposed to a number of near-term risks originating in the advanced economies in recent years – a topic raised multiple times in past roundtables. The consequences for the region and possible policy responses to euro-area economic uncertainty and volatile cross-border capital flows resulting from the global liquidity infusion were both discussed as they unfolded, for example. These discussions touched on how policy makers in the region would need to be ready to cope with trade declines, the high volatility of capital flows and risks in the banking sector.

Roundtable participants again gathered to explore an ongoing challenge when they discussed the possible consequences facing Emerging Asia during the period of US monetary policy normalisation, and the uses of fiscal policy responses in particular. While the Fed stated that tapering would be done gradually, the market turbulence experienced in 2014 in some emerging economies, including among ASEAN+3 countries, indicated that further challenges may be encountered as US monetary policy normalisation continued. With potential limits to reliance on foreign reserves, flexible exchange rates and capital controls, fiscal policy may need to play a central role in spurring growth in the near future in some countries, where it can be employed to address shocks in a timely and pertinent manner.

Overall, growth in the Emerging Asian economies will continue to be favourable, though the countries in the region will face near-term volatility during the recovery of the global economy, particularly from the moderation and structural transformation in China. Although countries across the region have varied levels of exposure to the risks from these trends, such international influences are, in general, not expected to have a very large negative effect on the region.

Main messages of the Second Roundtable (2013)

• The global liquidity infusion is posing challenges for Emerging Asian markets in areas such as exchange rate, domestic credit, capital markets and property markets. Policy makers should pay close attention to the situation and consider macro-prudential and other measures to cope with cross-border capital flows.

• Several Emerging Asian economies may face future middle-income trap growth slowdowns if they fail to change from factor-driven to productivity-driven growth models.
Promoting structural reforms for medium-term growth

Looking beyond present policy challenges and external risks, roundtable participants have also shared their views on a number of important structural issues common in Emerging Asian economies. A central theme in many cases has been the need for these economies to rethink their past (export-oriented) growth strategies and to develop new growth models, as was underscored by the global financial crisis. While domestic demand will be an important engine for the medium-term growth in the region, new growth models will differ by country. For some countries, such as the People’s Republic of China, higher domestic demand could take the form of higher consumption. For others such as Indonesia and the Philippines, investment in general and investment in infrastructure offer the potential to sustain growth. In Malaysia, the development of private sector, in particular small and medium-sized enterprises is critical for stimulating domestic demand. Singapore is aiming to strengthen its human capital and Thailand is strengthening social policies. In Viet Nam, reform of state-owned enterprises will be important.

A broader set of structural reforms may be needed in overcoming the middle-income trap, in which fast-growing economies begin to stagnate as they reach middle-income levels. Investment in human capital and innovation, improved business environments and regional integration, and the development of advanced manufacturing and modern services are all likely to be important steps in this process. The structural transformations needed to sustain growth depend upon the underlying comparative advantages and circumstances of each country, however, and policies to facilitate the transformations will need to be adapted to these conditions. Strengthened institutional capacities are particularly important in supporting sustained growth across economies at all levels of development.

Regional integration has the potential to help drive faster growth and the creation of a more attractive market in Emerging Asia. In particular, these goals have motivated significant progress in Southeast Asia towards the ASEAN Economic Community (AEC) targets. More remains to be done, however, and members will need to consider expanding the scope of the AEC into additional areas, such as narrowing development gaps in the region and implementing reforms to energy markets and in support of green growth.
Inclusiveness is another important facet of Asia’s growth challenges, and so is a common theme in roundtable discussions. In particular, the uses of fiscal policy in promoting inclusive growth have been addressed at the roundtable. Widening inequalities in the region have led to growing calls for governments to play a more direct role in reducing disparities and helping disadvantaged groups. A major policy tool of government intervention to promote more inclusive growth is fiscal policy.

Financial development is an essential part of broader economic growth and development that can provide many benefits through opportunities to invest in education and small businesses. Inequality can also fall as financial markets develop. Policy makers need to maximise the potential of the financial sector to support inclusive growth by encouraging accessibility and financial literacy, in particular among the poor, improving access to education, and establishing strong institutions.
Sustainability should be a further goal for development strategies, meaning that environmental concerns need to be included as essential elements. Natural disasters regularly threaten economic development and growth in many Asian countries. Investing in disaster risk management and the appropriate sharing of responsibilities for financial preparedness are critical in this context. More generally, green growth policies can and should be pursued by countries at all income levels to protect natural capital and well-being while promoting sustainable economic activity.

Main messages of the Fourth Roundtable (2015)

- Short-term risks in Emerging Asia due to declining global oil prices, the divergence of monetary policy in the advanced economies, and the effects of moderating growth and structural change in China vary across the region but the impact will be generally expected to be limited.

- Progress is being made in ASEAN integration, though there is a need to improve the implementation of current targets and to consider expanding the scope of the goals of the integration project.

- Financial development can help poor households and contributes to reduced inequality in low-income countries, particularly when education is accessible and good institutions are in place.

- Environmental concerns are central to discussions of growth and development in Emerging Asia; there is a need for responsible and innovative approaches to disaster risk management and green growth.
Agendas of past Asian Regional Roundtables

1st ASIAN REGIONAL ROUNDTABLE
26 September 2012
Venue: Grand Copthorne Waterfront Hotel, Singapore

Opening Remarks:

- Rintaro Tamaki, Deputy Secretary-General, OECD
- Yoichi Nemoto, Director, ASEAN+3 Macroeconomic Research Office

Session 1: Near-term Economic Outlook of the Euro-area and Asia: Prospect for the Euro-area Economy and Macroeconomic Implication for ASEAN+3 economies

Chair: Kensuke Tanaka, Head of Asia Desk, OECD Development Centre

Presentations:

- Matthew Yiu, Senior Economist, AMRO, Singapore, “Near-term Economic Perspectives of ASEAN +3 Economies”
- José Marín Arcas, Head of Euro Area Macroeconomic Developments, European Central Bank, Germany, “Recent Economic Developments of the Euro-area and Challenges”
- Paul van den Noord, Economic Counsellor, OECD Economics Department, France, “Economic Perspectives of the Euro-area and OECD economies”
- Yuko Kawai, Chief Representative, Bank of Japan, Representative Office in Hong Kong, “Euro-area uncertainty and impact on Asian economies”
- Juda Agung, Director of Monetary Policy Group in Economic Research and Monetary Policy Department, “Euro-area uncertainty and impact on Indonesian economy”
- Francis Dakila, Director, Center for Monetary and Financial Policy, Bangko Sentral ng Pilipinas, “Euro-area uncertainty and impact on the Philippine economy”

Roundtable discussion (Panellists):

- Bambang Brodjonegoro, Head of Fiscal Policy Office, Ministry of Finance, Indonesia
- Reza Yamora Siregar, Senior Economist, AMRO, Singapore
- Aladdin D. Rillo, Director and Chief Economist, ASEAN Secretariat, ASEAN Integration Monitoring Office, Indonesia
• Baoliang Zhu, Deputy Head for Forecasting, State Information Centre, People’s Republic of China
• James Yetman, Senior Economist, Bank for International Settlements (BIS), Asian Representative Office

Open discussion

**Session 2: Medium-term policy challenges: Towards a “New Growth Model” in ASEAN+3 economies**

Chair: Lee Jae Young, Senior Economist, AMRO

Presentations:

• Kensuke Tanaka, Head of Asia Desk, OECD Development Centre, France, “Overview: Structural Policy Challenges Towards a New Growth Model in Asia”
• Bambang Prijambodo, Assistant Minister of Economics, Development and Financing, BAPPENAS, Indonesia, “Medium-term Development Strategies and a New growth Model in Indonesia”
• Kun Zhao, Deputy Director, National Economy Department, National Development and Reform Commission (NDRC), People’s Republic of China, “Medium-term Development Strategies and a New Growth Model in China”
• Allauddin Anuar, Director, Economic Planning Unit, Prime Minister’s Department, Malaysia, “Malaysia: The New Economic Model & Medium Term Development Strategies”
• Rose Edillon, Director, National Planning and Policy, National Economic and Development Authority (NEDA), Philippines, “Medium-term Development Strategies and a New Growth Model in the Philippines”

Roundtable discussion (Panellists):

• Margit Molnar, Head of Competitiveness and Structural Analysis, OECD Development Centre
• Luyna Ung, Deputy Secretary General, Supreme National Economic Council, Cambodia
• Pattama Teanravisitsagool, Director, Office of the National Economic and Social Development Board (NESDB), Thailand
• Jang Ping Thia, Director, Ministry of Trade and Industry, Singapore

Open discussion

**Final Remarks: Rintaro Tamaki, Deputy Secretary-General, OECD**
2nd ASIAN REGIONAL ROUNDTABLE
19 July 2013
Venue: Grand Copthorne Waterfront Hotel, Singapore

Opening Remarks:

- Rintaro Tamaki, Deputy Secretary-General, OECD
- Yoichi Nemoto, Director, AMRO

Session 1: Policy Challenges for Asian Economies amid Global Liquidity Infusion

Chair: Satoshi Nakagawa, Senior Coordination Officer, AMRO, Singapore

Presentations:

- Matthew Yiu, Group Head and Lead Economist, AMRO
- Feng Zhu, Senior Economist, Bank for International Settlements (BIS)
- Eckhard Wurzel, Head of European Union Desk, Economics Department, OECD

Roundtable discussion (Panellists):

- Luky Alfiirman, Head of Center for Macroeconomic Policy, Fiscal Policy Office, Ministry of Finance, Indonesia
- Myong-Hwal Lee, Senior Research Fellow, the International and Macroeconomic Finance Division, Korea Institute of Finance, Korea
- Dato’ Ooi Sang Kuang, Chairman, National Mortgage Corporation, Malaysia
- Zeno Ronald R. Abenoja, Director, Department of Economic Research, Bangko Sentral ng Pilipinas, the Philippines
- Takuji Kinkyo, Professor, Graduate School of Economics, Kobe University, Japan

Open discussion
Session 2: Escaping the middle-income trap in Asia

Chair: Joseph E. Zveglich, Jr, Assistant Chief Economist, Asian Development Bank

Presentations:

- Setting the scene: Kensuke Tanaka, Head of Asia Desk, OECD Development Centre
- Porametee Vimolsiri, Deputy Secretary General, Office of the National Economic and Social Development Board, Thailand
- Prasetijono Widjojo, Deputy Minister, BAPPENAS, Indonesia
- Allauddin Anuar, Director, Economic Planning Unit, Prime Minister’s Department, Malaysia

Roundtable discussion (Panellists):

- Odd Per Brekk, International Monetary Fund (IMF)
- Tadashi Ito, Director, Institute of Developing Economies Japan External Trade Organisation (IDE-JETRO), Japan
- Haji Abdul Amin Haji Hashim, Acting Director General, Prime Minister’s Office, Brunei
- Nguyen Hoang Ha, Director, Development Strategy Institute, Ministry of Planning and Investment, Viet Nam
- Niu Chen, National Development and Reform Commission, People’s Republic of China

Open discussion

Final Remarks: Rintaro Tamaki, Deputy Secretary-General, OECD
3rd ASIAN REGIONAL ROUNDTABLE
29 July 2014
Venue: Discovery Suites Hotel, Manila, the Philippines

Opening Remarks:
- Juzhong Zhuang, Deputy Chief Economist, ADB
- Rintaro Tamaki, Deputy Secretary-General and acting Chief Economist, OECD
- Yoichi Nemoto, Director, AMRO

Session 1: The Role of Fiscal Policy During the US Monetary Policy Normalisation Period
Chair: Odd Per Brekk, Director, Regional Office for Asia and the Pacific, IMF
Keynote speech:
Chaipat Poonpatpibul, Group Head and Principal Economist, AMRO

Discussants:
- Seong Tae Kim, Research Fellow, Korea Development Institute
- Joseph E. Zveglich, Jr., Assistant Chief Economist, Asian Development Bank

Open discussion

Session 2: Strengthening Institutional Capacities for Development
Chair: Emmanuel Esguerra, Deputy Director-General, NEDA, the Philippines
Keynote speech:
- Kensuke Tanaka, Head of Asia Desk and Derek Carnegie, Economist, OECD Development Centre
Discussants:

- Porametee Vimolsiri, Deputy Secretary-General, NESDB, Thailand
- Thurgha Govindasamy, Head of External Demand in the Fiscal and Economics Division, Ministry of Finance, Malaysia
- Shikha Jha, Principal Economist, Economics and Research Department, ADB

Open discussion

Lunch presentation of “Revenue Statistics for Asia”, OECD Centre for Tax Policy and Administration and OECD Development Centre, Maurice Nettley and Kensuke Tanaka

**Session 3: Fiscal Policy and Inclusive Growth**

Chair: Shanaka Jayanath Peiris, IMF Resident Representative to the Philippines

Keynote speech: Donghyun Park, Principal Economist, Economics and Research Department, ADB

Discussants:

- Maung Maung Win, Director-General, Ministry of Finance, Myanmar
- Petar Vujanovic, Head of Indonesia Desk, Economics Department, OECD

Open discussion

**Final Remarks**
4th ASIAN REGIONAL ROUNDTABLE
14-15 May 2015
Venue: Westin Tokyo, Tokyo, Japan

Opening Remarks:
- Rintaro Tamaki, Deputy Secretary General, OECD
- Yoichi Nemoto, Director, AMRO
- Tomomi Tamaki, Director, ADB’s Japan Representation Office

Session 1: Macroeconomic Trends and Near-term Policy Challenges in Emerging Asia

Chair: Odd Per Brekk, Director, IMF Regional Office for Asia and Pacific

Keynote speech: Chaipat Poonpatpibul, Group Head and Lead Economist, AMRO

Discussants:
- Masahiko Takeda, Professor, Hitotsubashi University, Japan
- Kensuke Tanaka, Head of Asia Desk, OECD Development Centre
- Joseph E. Zveglich, Jr. Director, Macroeconomics Research Division Economic Research and Regional Cooperation Department, ADB

Open discussion

Lunch presentation of the 2nd edition of “Revenue Statistics in Asian Countries”, OECD Centre for Tax Policy and Administration and OECD Development Centre, Maurice Nettley and Derek Carnegie

Session 2: Challenges and Opportunities in Future ASEAN Integration

Chair: Noriyuki Mita, Deputy Vice Minister for International Affairs, Ministry of Finance, Japan
Keynote speech: Sundram Pushpanathan, Managing Director Asia Pacific, EAS Strategies and former Deputy Secretary General of ASEAN

Discussants:

- Pattama Teanravisitsagool, Deputy Secretary General, National Economic and Social Development Board (NESDB), Thailand
- Sidqy L.P. Suyitno, Director, BAPPENAS, Indonesia
- So Umezaki, Director, Economic Integration Studies Group, Institute of Developing Economics, Japan External Trade Organization (JETRO)

Open discussion

**Session 3: Financial for Development in Asia**

Chair: Naoyuki Yoshino, Dean, ADBI (Asian Development Bank Institute)

Keynote speech: Kwanho Shin, Professor, Korea University

Discussants:

- Masahiro Kawai, Professor, University of Tokyo and former Dean of ADBI
- Naoki Tabata, Special advisor, Japan Economic Research Institute and former Director General, Bank of Japan
- Donghyun Park, Principal Economist, Economics Research and Regional Cooperation Department, ADB

Open discussion

**Final Remarks**
**Breakfast Meeting: Disaster Risk Reduction and Financing Strategy – Through the Case of the Philippines**

Chair: Megumi Muto, Deputy Director General, Southeast Asia and Pacific Department, JICA

Discussant: Maria Obdulia Palanca, Senior Vice President, Government Service Insurance System, the Philippines

**OECD-RIETI Joint Special Session: Green Growth in Asia**

Opening Remarks:

Atsushi Nakajima, Chairman, RIETI

Chair: Yumiko Murakami, Head, OECD Tokyo Centre

Keynote speech: Rintaro Tamaki, Deputy Secretary General, OECD

Speeches:

Green Policy and Growth in Asia, Shunsuke Managi, Faculty Fellow, RIETI / Professor of Technology and Policy, Department of Urban and Environmental Engineering, Kyushu University

Green Growth and Policy in Japan, Hiroshi Ohashi, Program Director and Faculty Fellow, RIETI / Professor, Faculty of Economics, The University of Tokyo

Open discussion
Related publications
For OECD publications see: www.oecd-ilibrary.org

http://dx.doi.org/10.1787/saeo-2015-en

http://dx.doi.org/10.1787/9789264210691-en


http://www.eria.org/publications/key_reports/ASEAN-Rising.html

For more information on the Asian Regional Roundtable, please visit:
http://www.oecd.org/dev/asia-pacific/oecd-amrojointasianregionalroundtable.htm
or contact:
OECD: Kensuke Tanaka (kensuke.tanaka@oecd.org)
AMRO: Munenari Nomura (munenari.nomura@amro-asia.org)
ADB: Joseph E. Zveglich, Jr. (jezveglich@adb.org)
ADBI: Naoyuki Yoshino (nyoshino@adbi.org)
ERIA: Izuru Kobayashi (izuru.kobayashi@eria.org)