

Joint Message of the 25th Trilateral Finance Ministers' and Central Bank Governors' Meeting

Milan, Italy, 4 May 2025

1. We, Finance Ministers and Central Bank Governors of China, Japan, and Korea, held the 25th Trilateral Meeting in Milan, Italy, under the chairmanship of H.E. Lan Fo'an, Minister of Finance of China.
2. We acknowledge that trilateral cooperation among our countries is increasingly important in sustaining economic growth from ongoing external headwinds. In this context, we are committed to strengthening our economic and trade relations to secure growth, minimize any negative effects, and prepare for future shocks. we acknowledge the significance of our 25-year-long trilateral meeting, which has continued despite uncertainties and challenges, and has greatly helped to strengthen our financial cooperation. We will continue working together to further strengthen our regional and trilateral financial cooperation through various channels, including high-level such as Ministers and Governors and Deputies, and the working-level bodies. China, Japan and Korea will demonstrate our firm commitment to the ASEAN+3 Finance Process by further enhancing our cooperation and communication with ASEAN countries in the ASEAN+3 Finance Process to work towards robust recovery and sustainable growth in our region.
3. We exchanged views on the current developments and outlook for the global and ASEAN+3 regional economies, as well as policy responses to emerging risks and challenges. Recognizing the pivotal role of the ASEAN+3 Finance Process in supporting regional

economies to navigate this uncertain environment, we agreed to further strengthen regional financial cooperation, mainly through Chiang Mai Initiative Multilateralisation (CMIM), AMRO, Asian Bond Markets Initiative (ABMI), Disaster Risk Financing Initiative (DRFI), ASEAN+3 Future Initiatives, as well as the priorities introduced this year which include Promoting Fiscal Exchange, Updating the Strategic Directions, and Exploring Policy Adjustment Instrument (PAI).

4. ASEAN+3 region observed robust and resilient economic growth in last year. The regional economy grew by 4.3 percent in 2024, following a 4.4 percent expansion in 2023. The Plus three economies also realized stable growth on their respective tracks in 2024. Despite the heightened volatility in the second half of 2024, financial markets in ASEAN+3 economies remained well-functioning, and the external sector remained resilient, supported by flexible exchange rates and ample international reserves.

5. Escalating trade protectionism weighs on global trade, leading to economic fragmentation, affecting trade, investment, and capital flows across the region. Near-term prospects may also be affected by other external risks, including tighter global financial conditions, growth slowdown in major trading partners, and reduced investment flows.

6. We call for enhanced regional unity and cooperation as we endeavor to weather the heightened uncertainty. Our current policy priority is to reinforce long-term resilience while maintaining flexibility to address near-term challenges, including rising protectionism and volatile global financial conditions. On the fiscal front, this means rebuilding policy buffers while continuing to provide well-targeted support to sustain growth while implementing structural reforms. We will also carefully recalibrate monetary policy

based on domestic conditions. We will maintain exchange rate flexibility as a buffer against external shocks. Importantly, regional growth was mainly driven by resilient domestic spending and external demand.

7. Amid rising uncertainties and long-term structural shifts, we reaffirm our full commitment to multilateralism, and a rules-based non-discriminatory, free, fair, open, inclusive, equitable and transparent multilateral trading system, with the WTO at its core. We will enhance macro-economic policy dialogue, promote regional financial cooperation, and ensure stable and unimpeded industrial and supply chains, with a view to jointly safeguarding regional economic and financial stability. We fully support the robust implementation of the Regional Comprehensive Economic Partnership (RCEP) Agreement.

8. We urge international organizations to uphold multilateralism and promote free trade, analyze and monitor the potential impact of trade tensions on the global economy, and support their members in providing policy advice to manage the negative shocks that may arise. We will promote greater intra-regional trade and investment flows to strengthen the region's resilience against external shocks, to adjust to pre-existing and new challenges, and to support sustainable and equitable economic development. Given our financial market interlinkages, we are closely monitoring regional financial market conditions. We also reaffirm our resolve and commitment to ensure our financial systems and markets remain resilient despite the uncertainty, while maintaining open communication among members in light of the rapidly evolving developments.

9. We welcome the ASEAN+3 Fiscal Policy Exchange Initiative in 2025. We appreciate the first exchange on two fiscal policy topics of members' common interest, i.e., "promoting growth while

maintaining fiscal sustainability” and “addressing population aging”, in the form of a compendium of members’ practice cases and during a closed-door exchange among the finance ministers.

10. Recognizing the evolving economic and financial landscape, we agree on the importance of reviewing and updating the “Strategic Directions of ASEAN+3 Finance Process” adopted in 2019. We endorse the “Guiding Document for Updating the Strategic Directions of ASEAN+3 Finance Process”, welcome the establishment of an Experts Panel, and look forward to the adoption of the updated Strategic Directions at the Deputies’ meeting by the end of the year and subsequently at the AFMGM+3 in May 2026.

11. We welcome the progress of exploring the Policy Adjustment Instrument as tasked by Ministers and Governors at the AFMGM+3 in Tbilisi in 2024. We endorse the introduction of the Structural Policy Improvement and Review Instrument with Technical Assistance (SPIRIT) as a voluntary and non-binding facility. SPIRIT will commence as a pilot project that initially offers a pre-defined thematic technical assistance program to support structural improvements, based on members’ development strategies and AMRO’s assessment. We commend AMRO’s support in delivering this facility and task AMRO to support its pilot programs. We appreciate the financing support from the China TA fund in AMRO. We look forward to a comprehensive assessment of the effectiveness of SPIRIT in the coming years before members consider whether to mainstream this initiative and possibly enhance it as a financial instrument if agreed to by members.

12. As we commemorate the 15th anniversary of the CMIM Agreement established in 2010, we reaffirm our firm commitment to advancing the CMIM as an effective regional financial safety net, which is a vital component of the global financial safety net. In this

regard, we approve the amended CMIM Agreement, anticipating its swift entry into force, contingent upon the signing by all Ministers and Governors. This amendment introduces the Rapid Financing Facility (RFF) with the incorporation of eligible freely usable currencies (FUCs) as its currencies of choice under the CMIM and also reflects the outcome of the second CMIM periodic review. We commend the Deputies for their approval of the updated CMIM Operational Guidelines (OGs) to align with the amendments in the CMIM Agreement. We believe that this new CMIM facility will enhance regional resilience by offering members timely access to emergency financing during urgent balance of payments needs, in response to sudden exogenous shocks such as pandemics and natural disasters.

13. We commend the Deputies' continued efforts to explore the transition of CMIM to include a paid-in capital (PIC) structure, which would further complement the global financial safety net. We welcome the establishment of the Technical Working Group for PIC Financing Structure, which will be instrumental in supporting the Task Force as the Task Force works towards the transition. We also recognize the considerable progress and substantial efforts made in the discussions with the IMF on reserve recognition. We endorse the "ASEAN+3 Task Force Report on Narrowing Down PIC Models for CMIM", welcome the progress made by Deputies in narrowing down the PIC model options, and agree to focus on the IMF type models going forward based on the agreed assessment criteria of PIC options that best suit the needs of the ASEAN+3 region. In particular, we task Deputies, with AMRO's support, to use the IMF type models as the basis to work on key remaining issues related to the transition to PIC that need to be addressed.

14. We acknowledge the progress made in the review of the IMF De-linked Portion (IDL), including the findings of the IDLP readiness

survey, and we instruct the Deputies to continue discussions and further refine the methodology to improve its usability in informing future deliberation on potentially increasing the IDLP. We welcome the Deputies' endorsement of the principles that will guide the development of a unified margin structure for local currencies (LCYs), and encourage them to continue developing a new margin structure based on the endorsed principles. Additionally, we welcome the successful completion of the 15th Test Run and look forward to the 16th Test Run.

15. We acknowledge AMRO's continued efforts to strengthen its surveillance capacity and encourage AMRO to maintain its close monitoring of risks and challenges and provide timely policy advice that will help members navigate an increasingly uncertain global environment. We commend AMRO for its excellent progress in strengthening its organizational capacity, as well as the upgrade of AMRO's Performance Evaluation Framework 2025-2030, to align with its Strategic Direction 2030. We express our heartfelt praise and gratitude to AMRO's outgoing Director, Dr. Li Kouqing, for his strong leadership in advancing AMRO's development over the past three years. We welcome the incoming Director Mr. Yasuto Watanabe, and we look forward to working with him to further enhance AMRO's role in safeguarding regional macroeconomic and financial stability. As AMRO enters a new phase of leadership, we reaffirm our commitment to supporting its continued growth and development to ensure it remains a key pillar of the ASEAN+3 Finance Process.

16. We welcome the progress made under the ABMI Medium-Term Road Map 2023-2026. Given the uncertainty in the global financial markets, well-functioning local currency bond markets remain the cornerstone of the region's financial stability. We celebrate the 15th anniversary of the Credit Guarantee and Investment Facility (CGIF). We commend CGIF's unprecedented business growth during the past

three years under the leadership of CEO Wang Hongwei. We welcome the two reports produced by CGIF, which systematically review and assess the achievements of its operation since 2010 and the progress of, and prospective policy approach to, ASEAN+3 local currency bond markets. We also acknowledge the ABMI's continued efforts to increase local currency sustainable bond issuances to create the domestic market, together with the development of a sustainable finance ecosystem, including the establishment of necessary regulatory frameworks, local verifiers, and sustainability disclosures. We endorse the establishment of the Digital Bond Market Forum under the ABMI and welcome its successful launch. We expect the Forum to function as a collaborative platform for research, knowledge exchange and the development of business models for regional adoption.

17. We commend the progress achieved in advancing DRFI, with the support of the Southeast Asia Disaster Risk Insurance Facility (SEADRIF) and multilateral partners including World Bank, the ADB, Asian Development Bank Institute (ADBI), and the Global Asia Insurance Partnership (GAIP). We acknowledge the Deputies' endorsement of the concept note that sets out the pillars for the 2026-2028 DRF Roadmap. We look forward to the adoption of the Roadmap at the Deputies' meeting by the end of this year, and subsequently at the AFMGM+3 in May 2026.

18. We welcome the substantial progress made in deepening and broadening the ASEAN+3 financial cooperation, including those made by the Working Groups (WGs). We acknowledge the progress of WG4 on work related to financial digitalization including the publication of the report titled "Digital Financial Crisis and Our Challenges: Preventing and Preparing" which identifies key digital finance-related risks. We welcome the extension of WG4 until 2026 and the direction of its activities which expands the scope of coverage, particularly with a focus on digital financial stability in the region.

19. We appreciate China and Malaysia's leadership as the Co-chairs of ASEAN+3 Finance Ministers' and Central Bank Governors' Meeting in 2025. We look forward to working with Japan and the Philippines as the co-chairs of the ASEAN+3 Finance Ministers' and Central Bank Governors' Process in 2026.

20. We believe that the Trilateral Finance Ministers' and Central Bank Governors' Meeting will continue to serve as an effective platform for enhanced policy dialogue and coordination, and we decide to meet again in Samarkand, Uzbekistan in 2026.