

**JOINT MINISTERIAL STATEMENT OF
THE ASEAN FINANCE MINISTERS
DUBAI, 8 OCTOBER 2008**

**ASEAN FINACE MINISTERS REAFFIRM CONFIDENCE IN THE
RESLIENCE OF THE REGION'S BANKING AND FINANCIAL SYSTEMS**

1. We, the ASEAN Finance Ministers, met in Dubai for an informal ASEAN Finance Ministers; Meeting on 7 October 2008. We expressed full confidence in ASEAN Member States' economic and financial resilience, and their ability to weather the current difficulties in global financial markets. We also reaffirmed our commitment to further strengthen economic and financial cooperation in the region so as to reinforce our competitiveness in global markets.
2. While regional GDP growth is expected to moderate slightly from the 6.7% achieved last year, we recognized that ASEAN's economic fundamentals remain sound. ASEAN today is lean and fit, in part reflective of the significant reforms undertaken over the decade since the 1997 financial crisis. ASEAN Member States have strengthened fiscal sustainability, deepened capital markets, enhanced financial regulation and supervisory frameworks, reduced debt exposure and improved their reserve positions. They have also responded to the recent surge in inflation with appropriate macroeconomic policies, which are already showing positive signs of alleviating price pressure in their economies.
3. The strong capitalization of banking and financial institutions in the ASEAN region, relatively low loan to asset ratios in mortgage financing, and their limited direct exposure to the deterioration in the US and other affected credit markets, constitute important strengths in the current environment. These strengths also ensure that the regional financial systems continue to perform their intermediation function efficiently. Nevertheless, in view of the increasing uncertainty in the global financial markets, our authorities remain alert and vigilant.
4. We also decide to move expeditiously towards implementing the Chiang Mai Initiative (CMI) Multilateralisation facility in the first half of 2009, while pressing ahead with other regional integration and cooperation initiatives. In this regard, we agreed to strengthen the capacity of the ASEAN Secretariat by setting up a new high-level Macroeconomic and Finance surveillance office in the ASEAN Secretariat. It will play an important role and effective role in facilitating initiatives by ASEAN and its dialogue partners to boost regional financial stability and accelerate regional integration. In particular, it will contribute to the implementation of a robust and credible regional surveillance mechanism as part of the CMI Multilateralisation process.
