

Joint Press Communiqué
60th SEACEN Governors' Conference and the 44th Meeting of the SEACEN Board of
Governors
December 6-7, 2024
Seoul, Korea

The Bank of Korea (BOK) hosted the 60th SEACEN Governors' Conference and the 44th Meeting of the SEACEN Board of Governors (BOG) on December 6-7, 2024, in Seoul, Korea.¹

Despite complex policy challenges amid heightened economic uncertainty, the SEACEN community has weathered the economic situation well and sustained its growth momentum in 2024 on the back of robust investment, healthy consumer spending and buoyant exports. But the spectre of trade tensions in the forms of rifts and tariffs threatens the growth trajectory, while central banks face fundamental changes, with major structural shifts driven by digitisation, the advent of artificial intelligence (AI), the green transition, population aging and climate change. Against this backdrop, the Governors' Conference on December 6, 2024, acknowledged the challenging trade-offs emerging from different policy objectives in an increasingly uncertain policy environment, and tackling them using diverse sets of policy tools. The conference was attended by the Governors and Managing Directors, as well as delegates from SEACEN member central banks and monetary authorities.

Following the welcome remarks by Mr. Chang Yong Rhee, Governor, Bank of Korea, and Mrs. Cynyoung Park, Executive Director of the SEACEN Centre, Mr. Abdul Rasheed Ghaffour, Governor, Bank Negara Malaysia, moderated the first session on *Prospects for the Global Economy and Financial Markets in 2025*. In his special address on this topic, Mr. Pierre-Olivier Gourinchas, Economic Counsellor and Director of the Research Department, International Monetary Fund, noted that global growth is projected to hold steady, but amid weakening

¹SEACEN comprises the 19 member central banks and monetary authorities of Brunei Darussalam, Cambodia, China, India, Indonesia, Hong Kong SAR, Korea, Lao PDR, Malaysia, Mongolia, Myanmar, Nepal, Papua New Guinea, Philippines, Singapore, Sri Lanka, Chinese Taipei, Thailand and Vietnam. In addition, SEACEN has eight Associate Members and eight Observers.

prospects and rising threats, the world needs a monetary, fiscal and structural “triple policy pivot”. This would provide much-needed macroeconomic breathing room, at a time where risks and challenges remain elevated. He also addressed concerns about global imbalances, which in his view, mainly reflect macroeconomic forces, and will require setting the macro dials appropriately.

This was followed by a panel discussion comprised of Mr. Sethaput Suthiwartnarueput²; Mr. P Nandalal Weerasinghe³; and Ms. Chea Serey⁴. This panel stressed the continued uncertainty central banks faced, some driven by increasing geopolitical tensions, and the need for robust and flexible policies. Resilience in the face of uncertainty could be bolstered by building fiscal, monetary, financial sector and corporate/household balance sheet buffers. Other supporting features were robust monetary policy frameworks and the flexibility provided by an integrated policy framework of complementary policy tools. The SEACEN community should be mindful of any unintended consequences of economic policies taken elsewhere. Regional co-operation and integration were stressed as keys to bolstering financial resilience as economic and financial fragmentation induced by the new geopolitical shocks posed serious concerns for financial stability. Finally, central banks should stay the course and complete existing policy tasks before embarking on meeting new challenges like artificial intelligence, digitisation, climate change and the green transition.

The second session on *Policy Implications of Geo-economic Fragmentation for the Asian Economies* was moderated by Mr. P Nandalal Weerasinghe, Governor, Central Bank of Sri Lanka. Mr. Hyun Song Shin, Economic Adviser and Head of Research, Bank for International Settlements, gave the second special address on the realignment of global value chains. This was followed by a panel discussion comprised of Mr. Lkhagvasuren Byadran⁵; Mr. Maha

² Governor, Bank of Thailand.

³ Governor, Central Bank of Sri Lanka.

⁴ Governor, National Bank of Cambodia.

⁵ Governor, Bank of Mongolia.

Prasad Adhikari⁶; and Mr. Ahsan H Mansur⁷. The transmission of geopolitical shocks through financial market channels warranted consistent monitoring, as it could lead to higher funding costs and tighter financial conditions. Sudden changes in the latter might expose existing vulnerabilities in emerging and developing countries. More generally, panellists mentioned the importance of open borders and the role of labour migration. Mirroring the recommendations of the first panel, panelists suggested that building up buffers, robust risk management practices and clear policy communication were essential to mitigate risks.

The Conference concluded by noting that urgent reforms were needed to tackle the issues and challenges related to the longer-term structural transformations. Participants also stressed that monetary and financial conditions varied greatly across member economies, making an appropriate policy mix conditional on economy-specific requirements. More fundamentally, policy responses needed to be configured not only with short-term goals, but also with medium- and long-term impacts in mind. This would allow for structural transformations that would ensure gains in productivity, improved competitiveness and inclusive, resilient and sustainable growth.

On December 7, 2024, the 44th Meeting of the SEACEN Board of Governors (BOG) was held. The Governors welcomed Mr. Chang Yong Rhee, Governor, BOK as the SEACEN Chair for 2025. The Governors approved the administrative matters relating to the SEACEN Centre, including the matters approved by the Executive Committee (EXCO) members in their meeting held on 30 August 2024. The members expressed their appreciation for the outgoing Chairperson, Mr. Shaktikanta Das, Governor of the Reserve Bank of India for his strong leadership as the SEACEN Chair during 2024.

⁶ Governor, Nepal Rastra Bank.

⁷ Governor, Bangladesh Bank.

The Governors also welcomed with appreciation Bank Indonesia's acceptance to take over the SEACEN chair in 2026.