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ABAC SUGGESTS APEC LEADERS ENDORSE STEPS TO BOOST CAPITAL MARKETS

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VANCOUVER, Nov 21 (Bernama) -- The Apec Business Advisory Council (ABAC) has advised Asia-Pacific Economic Co-operation (Apec) Forum leaders, who are to assemble here Monday and Tuesday for their annual conference, to endorse steps that would help capital markets facilitate economic growth.

ABAC underlined specifically steps promoting regulation and transparency, establishing modern clearing and settlement systems, developing understandable and harmonised accounting standards and disclosure, broadening the local investor base, and liberalising foreign access.

It also recommended for endorsement of public-sector co-operation to facilitate the development of markets for asset-backed securities in the region. The report containing the recommendations was made available to the press here Friday.

These suggestions were among 10 new recommendations made by ABAC for this year's Apec forum hosted by Canada at this Pacific coast city. Leaders from all 18 Apec economies including Prime Minister Datuk Seri Dr Mahathir Mohamad are attending the Apec summit

ABAC is a private-sector component of Apec with members comprising corporate chief executives from the 18 Apec economies. Malaysia is represented in ABAC by Malaysia Airlines executive chairman Tan Sri Tajudin Ramli, YTL Corporation managing director Tan Sri Francis and Sime Darby chief executive officer Tan Sri Nik Mohamed Yaacob.

The council suggested co-operation among Apec stock exchanges in developing rules, listing requirements and surveillance mechanisms that will increase investor confidence and further the development of equity markets in the Apec region.

It also called for a meeting of Apec Roundtable of Exchanges with regulators and finance officials from each economy.

In making further recommendations on capital market developments, ABAC suggested that Apec economies should set up an Apec Association of Stock Exchanges (AASE) as framework to accomplish co-operation, besides asking the economies' stock exchanges and regulatory authorities, where practical, be encouraged to facilitate trading in small and medium enterprises.

On competition policy and deregulation, ABAC recommended that Apec consider the views of business in its approach to competition policy and deregulation.

In particular, ABAC said it would want to provide input on:

- * the forms of private sector conduct which should be prohibited on the grounds that they work against the competitive process and have no redeeming features;

- * the treatment of utilities and natural monopolies;

- * the relationship between competition policy and anti dumping;

- * the constitution of adequate and effective competition law; and

- * the identification of key regulatory and other barriers to effective competition.

On taxation issues, ABAC said Apec should set the goal of 2010 as a target date when consistent bilateral tax treaties should be executed and effective between 153 pairs of Apec economies.

It said Apec economies should announce their individual targets for arriving at bilateral tax treaties in their Individual Action Plans (IAPs).

The council's last new recommendation was to ask Apec to draw from

World Trade Organisation's (WTO) Agreement on Government Procurement (AGP) to finalise non-binding principles of government procurement by 1998.

ABAC has also reviewed the previous recommendations including on Manila Action Plan for Apec (MAPA), which includes issues on business mobility, intellectual property rights, standards and conformance, professional standards, implementation of Bogor Liberalisation Goals, infrastructure development and economic technical co-operation.

Meanwhile, in a press conference at the end of the first day of a two-day Apec ministerial meeting, international trade and industry minister Datuk Seri Rafidah Aziz said the ministerial meeting had endorsed ABAC's recommendation for presentation to the leaders' summit. -- BERNAMA

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