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Apec leaders endorse proposal for IMF study on currency trading

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PACIFIC Rim leaders on Tuesday endorsed the Malaysian-initiated move for the International Monetary Fund to study the role of currency traders in the recent financial troubles in Southeast and East Asia and to recommend whether their activities should be regulated.

At the same time the Apec leaders sent out strong signals to restore the confidence of investors by describing growth prospects for Southeast and East Asia as "exceptionally strong".

The leaders in their final declaration endorsed and backed an IMF-centred approach to bailing out the badly-battered economies and even went to the extent of pledging to provide supplementary funds, if necessary.

"We also believe it is critically important that we move quickly to enhance the capacity of the international system to prevent and, if necessary, to respond to financial crises of this kind," declared the leaders of the Asia-Pacific Economic Co-operation forum at the end of the summit.

Prime Minister Datuk Seri Dr Mahathir Mohamad told a packed Press conference after the meeting that he was satisfied with the outcome of the summit, saying that all leaders without exception had agreed that currency trading was a global problem.

He said the meeting also agreed to admit Peru, Russia and Vietnam, which would be attending the Apec summit in Kuala Lumpur on Nov 17 and 18 next year.

The summit, called Apec Economic Leaders' Meeting in the nomenclature of the forum, also gave indirect backing to China's request to join the World Trade Organisation as soon as possible.

"Full participation in and support of the WTO by all Apec economies is the key to our ability to continue to strengthen the global trading system," said the declaration entitled Apec Economic Leaders' Declaration: Connecting the Apec Community.

All the leaders were convinced that open markets brought significant benefits and they would continue to pursue trade and investment liberalisation.

"Prudent and transparent policies, particularly sound macroeconomic and structural policies, human resource development strategies, and effective financial sector regulation are crucial to restoring financial stability and realising this growth potential," said the seven-page document.

The declaration also endorsed the decision made at ministerial level last week to put nine sectors on a liberalisation fast-track that would come to fruition in 1999.

The sectors were environment-related equipment and services, fisheries, toys, forestry, jewels and gems, chemicals, telecommunications, energy-related equipment and services and medical equipment.

In response to the haze which had enveloped Southeast Asia for several months recently, the declaration said: "We recognise that unexpected disasters which affect one of us can affect all of us, and that we can benefit from sharing expertise and collaborating on emergency preparedness and response."

Apec leaders also expressed the need to reduce greenhouse gas emissions and called for co-operative efforts by the international community, in accordance with the principle of common but differentiated responsibilities.

The wording represented a retreat from a draft text that had stressed the need for "all countries" to be involved in the effort - apparently in response to US demands that developing nations also curb emissions.

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