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FINANCIERS GROUP TO PRESENT RECOMMENDATIONS TO APEC FINANCE MINISTERS

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CEBU CITY, April 4 (Bernama) -- The APEC Financiers Group (AFG), an advisory group comprising leading financiers from economies of the 18-member grouping, are to present their recommendations to APEC finance ministers here tomorrow.

The recommendations will be in four functional areas related to infrastructure financing, financial systems and capital market development, freer flow of capital and data dissemination, APEC officials said.

The AFG, which met in Bali in 1995 and in Tokyo last year, will also hold a dialogue with the APEC finance ministers here. Malaysia will be represented by Deputy Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim.

The APEC Finance Ministers meeting will be officially opened by Philippines President Fidel Ramos.

The ministers, who met in Honolulu in 1994, Bali in 1995 and Kyoto last year, are also expected to discuss current macroeconomic issues and policies for supporting the freer flow of capital, facilitating private sector participation in infrastructure development and promoting financial and capital market development.

The ministers are to agree on collaborative initiatives in these areas in response to the APEC economic leaders' call for concrete measures to be taken to achieve the objectives.

The economic leaders summit in Subic Bay near Manila last year, attended by Prime Minister Datuk Seri Dr Mahathir Mohamad, declared that lack of infrastructure could severely constrain sustained growth.

The leaders had commented that since public financing could not fully meet the enormous requirements of the region, private sector investment must be mobilised.

They also said that providing the appropriate financial, economic, commercial and regulatory environment would be the key to stimulating such investments.

The issue of capital flows had been studied by the ministers for quite some time and there is general consensus that steps should be taken to improve the quality of capital flows, and that means promoting capital that generate real economic returns like direct investment and portfolio holdings as opposed to speculative funds.

The ministers had in the past noted that capital market development is important in order to smoothen capital flows and to mobilise sufficient domestic funds to reduce over-dependence on capital flows.

Hence, APEC officials said, it is important for the 18 member economies to develop their infrastructure for broad and deep capital markets which include human resource development for financial market supporting institutions.

APEC groups Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, South Korea, Taiwan, Thailand and the United States. -- BERNAMA

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