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APEC-DECLARATION

GLOBAL FINANCIAL ARCHITECTURE TO BE ADDRESSED IN DECLARATION

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BANDAR SERI BEGAWAN, Nov 15 (Bernama) -- A new global financial architecture, an issue that requires immediate attention in the aftermath of the regional financial crisis, but one which has taken a backseat in terms of active debate, is expected to be addressed in the Brunei declaration by leaders of the Asia-Pacific Economic Cooperation (Apec) forum.

An extract of the Leaders Declaration, expected to run into some 40 pages, will be read by the Sultan of Brunei Darussalam Sultan Haji Hassanah Bolkiah at the end of the retreat at Jerudong Park Polo and Country Club here tomorrow.

Prime Minister Datuk Seri Dr Mahathir Mohamad will, among others, join Japanese Prime Minister Yoshiro Mori, Russian President Vladimir Putin and his Asean counterparts at the retreat which will begin at 8 am.

Apec officials say the supervision of the global financial system needs to be addressed to curb speculative currency activity.

Having recognised the damage it can do to developing and smaller economies, leaders are most certainly not going to sideline the issue, was the general line of thought.

The subject is also a "favourite" with Malaysia, which has been in the forefront of the quest for a restructure in the global financial system.

Both the President of Chile, Ricardo Lagos and the President of the People's Republic of China, Jiang Zemin today clearly also indicated their stand on the issue of a new global financial structure.

At the Apec 2000 CEO Summit this afternoon, both had remarked on the need for effective supervision and rational standardisation of cross border capital flow.

Lagos had stressed that the Apec business community should press for some sort of international regulations to monitor the flow of capital as the free flow of capital was posing tremendous challenges for small economies.

He said the Apec forum was continuing to ignore the dangers of volatile short-term capital flows and has not recognised the need to check such flows by way of reforms.

Malaysia's quest to raise the issue of reforming the international financial architecture has been relentlessly continuing.

Meanwhile, the declaration is also expected to address the widening disparities in wealth and knowledge and bringing the benefits of globalisation to everyone, .

In this direction, the leaders are expected to instruct trade ministers in Apec to show leadership in international forums by taking forward an agenda that incorporates the interest of both developed and developing economies.

They are also expected to encourage finance ministers to continue with their extensive work in a wide range of programmes including skills development of financial and insurance regulators and insolvency law reform and financial disclosure.

On creating new opportunities, the declaration is expected to contain new strategies that would profoundly improve the livelihood of the community ahead through the use of technology.

Realising the far-reaching benefits of technology on each economy, leaders may commit to developing and implementing a policy framework which

would enable every person to have access to information and services offered by the Internet by 2010.

A wide ranging programme of capacity building to strengthen the process of preparing for the new economy would also be launched which would encompass a network to improve markets, electronic commerce, infrastructure, knowledge and skills development.

Meanwhile, ministers would also be asked to ensure that the new electronic Individual Action Plan (IAP) system enforced this year would be fully utilised and operational by next year.

Businesses would also be encouraged to use the BizAPEC website and the Apec Clearing House as tools for seeking new opportunities within the region and to facilitate their trade and commerce.

In the area of facilitating the flow of goods and services within the region, custom procedures and standards are expected to be simplified and harmonised.

This area was raised by the Apec Business Advisory Council (ABAC) as needing priority attention as progress in the area is expected to benefit small and medium enterprises. -- BERNAMA

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