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APEC-IFA

IFA GETS ATTENTION IN BRUNEI DECLARATION

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BANDAR SERI BEGAWAN, Nov 16 (Bernama) -- Malaysia's quest to push for a clause on international financial architecture (IFA) will be included in this year's Brunei APEC Declaration.

Informed sources told Bernama that the issue was being addressed in paragraph nine of the declaration which would be read by Sultan Hassanal Bolkiah at 4.00 pm at the plush sea-fronting Jerudong Polo and Country Club.

The leaders are believed to firmly endorse calls for reforms to be undertaken under the IFA after having recognised the plight of smaller economies which suffered capital flight and from the actions of "rogue speculators" during the financial crisis.

Prime Minister Datuk Seri Dr Mahathir Mohamad had consistently been blaming uncontrolled hedge funds for attacking currencies and causing the Asian meltdown, forcing some economies including Malaysia into a recession.

The paragraph on IFA is expected to pledge reforms of financial markets to ward off future crisis.

"The contents of the declaration in paragraph nine addresses Malaysia's concern all along and we are glad that this (need for an IFA) has not been sidelined as in previous declaration," an APEC official said.

There was an earlier concern that the IFA would not receive any "mention or attention" at this year's APEC Summit since the focus of discussions at the senior officials meeting and the 12th APEC Ministerial Meeting were centred on a new round of negotiations for the WTO.

It was only at the Leaders Summit that the IFA was discussed and agreed upon as priority for APEC to look into with urgency, contrary to fears that the issue would be marginalised again.

However, it is not certain if the declaration has specifics mentioned as to how the reforms under the IFA would be implemented but nevertheless it is a step in the right direction for APEC to protect the interest of vulnerable smaller economies.

Other issues which has definitely received endorsement by the leaders, and contained in the declaration are, agreeing on setting an agenda before initiating fresh negotiations for multilateral arrangement under WTO, challenges of the new economy, addressing concerns over digital divide and prospects of information and communication technology (ICT) on the future of APEC economies.

The declaration is also believed to contain a paragraph on "quota allocation".

The quota allocation pertains to giving smaller members of APEC an equal voice and right in the International Monetary Fund (IMF) when it comes to policy decision making. -- BERNAMA

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