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APEC-MARKETS

DEVT OF EQUITY MARKETS TO FUEL REGIONAL ECONOMIC UPTURN

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SHANGHAI, Oct 21 (Bernama) -- The development of equity markets will continue to be one of the primary engines fuelling a regional economic upturn in the APEC region, senior officials who attended the Asia Pacific Economic Cooperation (APEC) chief executive officers summit, said today.

They also agreed that China would become one of the most important international capital centres in the region, a move that could offer much livelihood to the economic development in the region in the coming decades.

"The 1997 economic crisis exposed many problems in the Asian financial systems, such as undercapitalisation, poor regulation, inadequate accounting and disclosure," said Joseph Gasper, president of Nationwide Financial Services Inc, who participated in the CEO summit.

Besides this, "the Sept 11 attacks have reminded us that cooperation is the key in the area of business and economic growth as well as international safety and security," Gasper said.

Following the example of equity markets in the United States and Europe, most Asian economies experienced an economic slowdown starting late last year that was also reflected in the equity markets and their performances as most of these economies are heavily export-reliant.

Ramon del Rosanrio, chairman and chief executive of the Philippines-based AB Capital and Investment Corp said: "We are facing a long drawn-out adjustment in the capital markets that could last for the next 12 to 24 months."

He said the adjustments could be an opportunity not only for individual enterprises but entire industries and economies to extract greater efficiencies and eventually more rapid growth in the future.

He said member economies should overcome these current problems and persevere in their efforts as the opportunities that were offered by the new economy were real.

"I believe the equity market in Asia in the future is promising and sound because all the economies will depend on the capital market for financing," said Laura Cha, vice-chairwoman of the China Securities Regulatory Commission.

The most profound factor that would influence APEC's capital market is the evaluation of a new Asian economic structure in the next decade, she said.

She said that being the third largest equity market in Asia after Japan and Hong Kong, the Chinese mainland would continue its efforts to further reform its capital market.

More than 500 chief executive officers of world-renowned companies from the 21 APEC member economies attended the three-day summit which ended yesterday.

The summit also saw among others Prime Minister Datuk Seri Dr Mahathir Mohamad delivering a keynote address. -- BERNAMA

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