

## **Themes of the Sixth APEC Economic Leaders' Meeting**

Leaders from 21 Pacific Rim economies will meet from Nov. 16 to 18 in Kuala Lumpur, Malaysia, for the sixth Asia-Pacific Economic Cooperation (APEC) Economic Leaders' Meeting. The leaders of APEC economies will discuss issues that have an impact on growth and development in the region, including current economic disturbances that first affected the economies of Southeast Asia, later spread to the rest of Asia, Russia and Latin America, and are now slowing prospects for growth worldwide.

The leaders' agenda will also include discussions on strengthening foundations for economic and development co-operation, the multilateral trading system, and electronic commerce. The leaders' meeting will be preceded on Nov. 14 and 15 by the 10th meeting of APEC ministers responsible for international trade and for foreign affairs. Both meetings will include participation, for the first time, of three new APEC members, Peru, Russia, and Vietnam.

### **Promoting Financial Stability**

At the fifth APEC Economic Leaders' Meeting, held in Vancouver in 1997, the leaders acknowledged the growing disturbances in regional financial markets and agreed to greater co-operation to promote financial stability, including enhanced regional surveillance; intensified economic and technical co-operation to improve domestic financial systems and regulatory capacities; and more emphasis on the central role for the International Monetary Fund (IMF). The leaders also recognized that, as the region's most comprehensive economic forum, APEC was particularly well suited to play a role in fostering dialogue and co-operation on economic solutions to improve the well-being of citizens throughout the region.

At their meeting in May 1998 in Kananaskis, Alberta, APEC finance ministers endorsed a number of initiatives, including a proposal to enhance the surveillance of financial supervisory systems by a peer review process. Canada originally made this proposal at an IMF meeting in April 1998. Under the peer review process, supervisors and regulators would survey other countries' supervisory and regulatory systems and would identify problems before they lead to crisis. In May, the APEC finance ministers also asked the World Bank and the IMF to study the experiences of countries that have undertaken capital market liberalization. Canada has since asked that the study be completed by April 1999. The objective is to codify best practices and provide policy makers with a road map for achieving liberalized capital flows without the distortions that undermine economic stability.