

## **Promoting Sustainable Growth**

5. We affirm our unwavering confidence in the medium and long-term growth prospects for the Asia-Pacific region since the fundamentals of the region remain sound. As reforms and restructuring following the 1997-1998 financial crisis take effect, many emerging economies are now in a much stronger position to cushion themselves against the impact of the economic slowdown and unexpected shocks.
6. We undertake to adopt appropriate policies and measures to increase economic growth and resolve to enhance macroeconomic policy dialogue and cooperation not only to resume growth but also to build a stronger foundation for sustainable growth and broad-based development. It is important for all economies to take timely policy actions to strengthen markets and facilitate an early pick-up in global economic activity.
7. In this context, we pledge to accelerate our domestic efforts to build capacity and deepen structural reform so as to strengthen the market fundamentals across the region. To this end, we emphasize the importance of sound economic policies and corporate governance as well as the important role and responsibility of governments in shaping the legal and regulatory framework that encourages competition and innovation, with an increased emphasis on capacity building. Developing the social safety net is a high priority, as it can make an important contribution to reducing the harmful effects of economic shocks on vulnerable groups. As noted in the 2001 Economic Outlook, enhancing financial efficiency is also essential to promoting growth. We thus welcome efforts made in these areas in APEC, including strengthening economic legal infrastructure, supervision of capital markets, corporate governance, and implementation of international financial standards, as exemplified by the work done through the Finance Ministers' process. We also welcome contributions by Pacific Economic Cooperation Council (PECC) in these areas. We direct responsible Ministers and Officials to build on their work.
8. Recognizing the importance of promoting financial stability and crisis prevention, we stress the need to strengthen the international financial system. We urge continued efforts to enhance the effectiveness of mechanisms to prevent the recurrence of financial crisis. We welcome the important steps that have been taken to strengthen the international financial architecture including, for example, the review by the Financial Stability Forum of the effectiveness and the progress in implementing the recommendations from the Working Group on Offshore Financial Centers and Highly Leveraged Institutions. We emphasize the importance of ensuring that representation on the International Monetary Fund (IMF) Board and IMF quota/share allocation appropriately reflects the current world economy. While the IMF and other international financial