5. In China, interest rates have been eased and an expansionary fiscal package is being implemented to further stimulate economic growth. Maintenance of the renminbi exchange rate has provided an important anchor to help secure regional financial stability.

6. In recent weeks, these developments have been reinforced by:

- the reduction of short-term interest rates in a number of industrialised economies;

- Japan's commitment of substantial public resources to strengthen its financial system. The authorities have made clear their intention that the essential swift and effective action in the banking sector, including the recapitalisation of banks, with appropriate conditions, will be taken as a matter of urgency. This action, together with a sustained boost to domestic demand is key to the restoration of market confidence and growth not just in Japan but in the whole Asian region;

- the progress made toward providing additional resources to the IMF; and

- the G-7's agreement to support the establishment of a new IMF facility to deal with contagion by providing a precautionary line of credit for economies with sound policies supported by the IMF.

7. But important challenges remain. To meet these challenges, **we are committed to pursuing a cooperative growth strategy** with the following dimensions:

- Growth-oriented prudent macroeconomic policies, appropriate to the specific requirements of each of our economies;

- Expanded financial assistance from the international community to generate employment and to build and strengthen social safety nets to protect the poor and vulnerable;

- A comprehensive programme of support for efforts to strengthen financial systems, restore trade finance, and accelerate corporate sector restructuring;

- New approaches to catalyse the return of stable and sustainable private capital flows into the region;

- A renewed commitment to the Bogor goals of achieving free and open trade and investment within APEC; and