



PBEC EXPRESSES CONFIDENCE IN ASIA; SPELLS OUT ACTION POINTS FOR BUSINESS AND GOVERNMENT

Los Angeles, October 18, 1998 – Leading corporate executives from throughout the Asia-Pacific today expressed confidence that Asia would rebound from the current economic crisis, provided that the required reforms were undertaken.

Wrapping up 3 days of productive meetings in Los Angeles, the Pacific Basin Economic Council (PBEC) spelled out a number of specific actions that both business and government must undertake in order to hasten recovery and rebuild growth and stability. In particular, PBEC called for strong action and leadership by governments in the region to undertake needed reforms in international financial institutions and sustain their commitment to broadening and deepening multilateral trade liberalization. The PBEC Board recommitted its members to sustain business engagement in the region, and expressed its deep concern about the widespread suffering caused by the crisis. PBEC also called for enhanced effectiveness of IMF policies and programs, flexibility to meet the needs of individual economies, and a redefinition of the IMF's role to reduce the moral hazard problem.

The effects of the crisis to-date have been manifold and serious. There have been sharp corrections in the stock markets of affected economies, considerable contraction in bank lending leading to a liquidity crunch, increasing numbers of bankruptcies and rising unemployment, a collapse in asset values and in profitability and a slow down in trade as well as in foreign direct investment.

PBEC reaffirmed its long-term confidence in the ability of the affected economies to make the necessary political, economic and social adjustments to overcome the current crisis. PBEC members individually and collectively have not stopped making investments in the region and continue to have a prominent interest to do business with and in these economies in the coming years and decades.

PBEC's Mid-term Meeting is an opportunity for the region's foremost corporate leaders to tackle the key issues in the regional economy, and to publicly issue policy recommendations and statements. In addition to the statement on the economic crisis, PBEC also approved statements in support of pending WTO applications, the Multilateral Agreement on Investment, Pro-competitive Financial Services Regulatory Reform, the WTO TRIPs Agreement, and ABAC's APEC Food System. All policy statements are available at the PBEC website ([http:// www.pbec.org/](http://www.pbec.org/)).

PBEC is an international association of senior business leaders representing more than 1,100 major corporations in 20 economies around the Pacific, which account for more than US \$4 trillion in global sales and employ more than 10 million people. The unprecedented scope of PBEC's membership constitutes a broad and balanced reservoir of international business knowledge, unmatched in credibility and expertise. PBEC is the independent voice of business in the Pacific.

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