



PBEC CALLS FOR FINANCIAL SERVICES REGULATORY REFORM

Los Angeles, October 18, 1998 – Today, the Pacific Basin Economic Council (PBEC) called on regional governments and multilateral organizations to focus on pro-competitive financial services regulatory reform.

PBEC recognizes the urgent need governments are faced with to implement regulatory reforms that promote transparency, establish structures for prudent and progressive financial market supervision, and allow for increased competition. PBEC also recognizes that these steps toward a market-driven financial sector will take significant political will to accomplish, but are necessary in setting the economies back on the right track.

PBEC believes that the next round of the WTO negotiations, building on the liberalization principles of the December 1997 GATS financial services agreement, should focus on the area of pro-competitive regulatory reform. In effect, PBEC strongly recognizes the importance of regulatory reform efforts as trust-building mechanisms in restoring investor and business confidence.

PBEC also emphasizes that the successful conclusion of the 1997 WTO GATS financial services agreement and the onset of the Asian financial crisis has underscored the need for governments to aggressively pursue progressive, pro-competitive regulatory reform which has led to an even more urgent need for a more open, market driven financial system in which lenders and investors can trust in transparent and independent financial supervision and regulation.

PBEC announced today that it will be holding a regional symposium on financial services regulatory reform in May 1999. The purpose of this symposium will be to establish a regional dialog between the private and public sector on issues in financial services regulatory reform.

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 Financial Services Regulatory Reform, statements on the conclusion of the Multilateral Agreement on Investment, WTO applications, WTO TRIPs Agreement, and the ABAC "APEC Food System" have also been approved by PBEC. All policy statements are available at the PBEC website (<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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