



## **LIMA APEC LEADERS' STATEMENT ON THE GLOBAL ECONOMY**

**22 November 2008**

We, the APEC Economic Leaders, began our 16<sup>th</sup> Meeting in Peru on 22 November with a discussion on the impact of the global financial crisis and the actions APEC members are taking, individually and collectively, to restore confidence in our economies and maintain our region on a path of long-term growth.

We are convinced that we can overcome this crisis in a period of eighteen months. We have already taken urgent and extraordinary steps to stabilize our financial sectors and strengthen economic growth and promote investment and consumption. We will continue to take such steps, and work closely, in a coordinated and comprehensive manner, to implement future actions to address this crisis. We will also support efforts by export credit agencies, international financial institutions (IFIs) and private banks to ensure that adequate finance is available to business, including small and medium-sized enterprises, and to keep trade and investment flowing in the region.

The current situation highlights the importance of ongoing financial sector reform in our economies and the valuable role played by APEC's financial sector capacity building work. We welcome continued development and innovation in the financial sector and believe that as financial systems deepen and become more complex, regulatory and supervisory tools must be more effective. The crisis also highlights the need to develop more effective standards of corporate governance and risk management as well as the importance of social responsibility in the financial sector.

We welcome the Washington Declaration of the leaders of the Group of Twenty at their Summit on Financial Markets and the World Economy and strongly support the common principles that will guide the Action Plan for financial markets reform. In this regard, we strongly support the broad policy response needed to restore global economic growth and stability through: closer macroeconomic cooperation; avoiding negative spillovers; supporting emerging and developing economies; and comprehensively reforming and strengthening the IFIs to reflect the increasing voice and representation of emerging and developing economies and be more responsive to future challenges. We reiterate our firm belief that free market principles, and open trade and investment regimes, will continue to drive global growth, employment and poverty reduction.

We recognize that the International Monetary Fund (IMF), the World Bank, the Asian Development Bank, the Inter-American Development Bank and other multilateral development banks have a critical role in assisting economies affected by the financial crisis and require sufficient and readily available resources. The IMF, with its focus on surveillance, should strengthen collaboration with other IFIs, enhancing efforts to integrate regulatory and supervisory responses into the macro-prudential policy framework and conduct early warning exercises. We endorse the APEC Finance Ministers' encouragement for our economies, where applicable, to participate in the IMF/World Bank Financial Sector Assessment Program taking into account the level of development and the specific conditions of each member economy.

There is a risk that slower world growth could lead to calls for protectionist measures which would only exacerbate the current economic situation. In this regard, we strongly support the Washington Declaration and will refrain within the next 12 months from raising new barriers to investment or to trade in goods and services,



imposing new export restrictions, or implementing World Trade Organization (WTO) inconsistent measures in all areas, including those that stimulate exports. We seek an ambitious and balanced conclusion to the Doha Development Agenda negotiations to provide the basis for our economies to grow and prosper. We are committed to reach agreement on modalities next month on the basis of progress made to date and we direct our Ministers to meet in Geneva in December to achieve that objective. We and our Ministers are intensifying our engagement with WTO counterparts to create the convergence necessary to achieve this outcome.

We reaffirm our commitment to the Bogor Goals of free and open trade and investment in the Asia-Pacific as a key organizing principle and driving force for APEC. We instruct APEC Ministers and officials to accelerate implementation of the measures contained in our Regional Economic Integration Agenda, including a possible Free Trade Area of the Asia-Pacific as a long-term prospect and intensifying work on structural reform. The current growth crisis will not shake our determination to address the important challenges facing the region including climate change, energy security and clean development, and the fight against poverty, hunger, disease and terrorism. We will stand by our international commitments in these areas, including in Official Development Assistance and the Millennium Development Goals.