



**THE 17th ANNUAL MEETING OF
THE ASIA-PACIFIC PARLIAMENTARY FORUM (APPF)**
11-15 January 2009, Vientiane Capital, Lao PDR

APPF/RES/1

Resolution
on
Overcoming the Global Financial Crisis
(Sponsored by Japan, Mexico and Russia)

THE SEVENTEENTH ANNUAL MEETING OF THE ASIA PACIFIC PARLIAMENTARY FORUM:

Acknowledging that today's world financial crisis is one of the most serious economic challenges which the world community has faced;

Confirming that because of mutual economic interdependence, financial market trends in one country are almost instantaneously transmitted to the financial markets in other countries;

Concerned by the worsening credit crunch, as further declines in house prices and tighter lending conditions spread across countries, most notably in the United States and Europe, as a result of the financial crisis that erupted in August 2007;

Expressing concern over the impact of the spreading international financial crisis on the world economy and in particular, the severe challenges it poses to financial stability and economic development in Asia Pacific countries;

Indicating as the main root causes of the emerging economic crisis the financial market imbalances and faulty economic policies of certain countries, where market participants sought higher yields without an adequate appreciation of the risks and failed to exercise proper due diligence;

Expressing firm confidence that Asia Pacific countries' high human and technological potential shall allow them to become the locomotive of sustainable world economic development in the future;

But for all that bearing in mind a risk that slower world growth could lead to calls for protectionist measures which would only exacerbate the current economic situation;

Welcoming each country's commitment in international meetings such as the Summit on Financial Markets and the World Economy and APEC summit meeting to the stability of the financial markets and the recovery of the orderly functioning of credit markets;

Hereby resolves to:

1. **Call to** continue the efforts by export credit agencies, international financial institutions 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;
2. **Reiterate** firm belief that free market principles and open trade and investment regimes will continue to drive global growth, employment and poverty reduction;
3. **Call upon** the member countries to continue to strengthen coordination and cooperation and take effective and available economic and financial measures in a comprehensive way to restore market confidence, stabilize global financial markets and promote global economic growth;
4. **Confirm** that it is imperative to handle properly the balance between financial innovation and regulation, and call upon member countries to consider how governments should be involved in markets, how to cooperate between them and how the International Monetary Fund and the other international financial institutions meet these new challenges;
5. **Point out** the pressing necessity to develop and implement a broad economic policy response to resume world economic growth and to restore stability based on closer macroeconomic cooperation, to eliminate negative side effects of the crisis and to support emerging market economies and developing countries, to reform and strengthen seriously the international financial institutions enabling them to address future challenges in most efficient manner;
6. **Urge** the Governments and the Parliaments to refrain, while seeking for national interests, from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing the World Trade Organization (WTO) inconsistent measures in all areas, including those that stimulate exports;
7. **Recommend** the Parliaments of the Asia Pacific countries give sound legislative support to the efforts aimed at the economic development and stabilization of financial markets, and also to the reforms of the financial markets, regulatory regimes and gears so as to avoid any recurrence of crisis like today's in future by sharing information and exchanging policies through the Annual Meetings of the APPF.