

Asian Parliamentary Assembly



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10 December 2009

Resolution on Ramification of International Financial Crisis for the Economies of the Countries of APA Member Parliaments

We, the Members of the Asian Parliamentary Assembly,

Recalling the roots of the Global Financial Crisis which were sparked in the US in 2007 and escalated to the financial markets all across the world;

Expressing concern about the continuous negative repercussions of this crisis on the economies of the Asian countries;

Expressing concern also about the increasing volume of un-employment, poverty and vulnerability among the Asian people;

Emphasizing again the responsibility of the developed countries, particularly the US as well as international financial institutions, to continue taking the necessary measures to control the dimensions of the current financial crisis;

Reaffirming the important role that the Asian Parliaments can play in managing and preventing further expansion of the current financial crisis impacts to the future of Asian economies;

Expressing concern about the loss of confidence and public trust in the international financial system which is seriously affecting economic development all over Asia;

Gravely concerned about the increasing of the duration of international economic recession which has had devastating consequences on Asian economies;

Considering the decreasing of the investments of multilateral financial institutions in the Asian countries, which, in turn, has had negative impact on their productive capacity, un-employment, export and foreign exchange potentials;

Supporting the deliberations at the UN General Assembly and the establishment of the panel to play its due role in effectively redressing the situation;

Calling upon the G20 *developed/industrialized* countries to follow through on their commitments made at the G20 London Summit to make available an additional \$1.1 trillion program (\$850 billion through the International Financial Institutions, and \$250 billion for trade finance) of support to help the world economy through the crisis and to restore credit, growth and jobs. The fulfillment of these commitments should be properly monitored by the APA Parliaments.

Recognizing the various human values and ethics and social dimensions to the crisis, and our responsibility to address the human security challenges that it has created and exacerbated.

Rejecting the imposition of needlessly onerous regulatory requirements, but calling for credible and enforceable regulations by Asian Parliaments to ensure the necessary global transparency and oversight at all levels of the financial system

Recalling while effective regulatory system should be national there must be some global regulatory framework to establish minimum national standards and also govern the global operations of systemically relevant global financial institutions;

Appreciating the measures that have been taken by Asian governments to reduce the negative impacts of the present crisis in their economies and expecting them to take further steps to stimulate economies

We therefore;

1. **Call** upon all Asian countries particularly the Asian Parliaments to take the necessary measures to restore public trust and to protect the interests of all stakeholders in the Asian financial markets;
2. **Call** for close cooperation and coordination between Asian governments and parliaments to control the on-going negative consequences of the current financial crisis on Asian economies;
3. **Urge** Asian Parliaments to examine the efficiency of the framework of national regulatory bodies, with a view to preventing future instability in Asian markets;
4. **Urge** to embark on serious reflection about the lessons the globalized economy will have to learn from the present financial crisis;
5. **Urge** Asian Parliaments to collectively address the crisis including the support for the establishment of a new global financial architecture and define its elements;
6. **Decide** to promote respect for the international agreed laws and standards by APA Parliaments on the transparency of financial markets to ensure the clarity of financial transactions;
7. **Call on** all APA Member Parliaments, Within the context of national responses to the crisis, to accelerate their collective recovery from the crisis through adoption of appropriate legislations, improved transparency, combat and eradicate corruption, promote democracy and a recommitment to good governance;
8. **Call upon** all APA Member Parliaments to strengthen the existing social safety nets, protection of social expenditures, and advancement of people-centered development

9. **Urge** all Asian Parliaments to adopt more effective regulations for all economic players, including financial institutions, credit rating agencies, audit firms, and the principals in the shadow financial system.
10. **Call** for the urgent need for Bretton Woods and other international financial institutions to be reformed and re-structured to better enable them to respond to the current financial and economic emergencies and to the needs of APA Members, *to increase the voice and representations of developing countries* and to better equip them to strengthen existing monitoring and supervisory roles to prevent the occurrence of similar crises in the future
11. **Urge** the International Labor Organization to elaborate a proposal to create a Global Jobs Pact. This pact should make the global response for recovery job-intensive and shape a pattern for sustainable growth, which would also include ensuring adequate access to credits for small and medium-sized enterprises and for farmers, especially in developing countries
12. **Propose** to establish a unified and responsive Monitoring and Response Mechanism in or out of the UN system, that will draw information systematically from throughout the world, to track the full impact of the crisis and to promote effective, timely coordination of multilateral responses;
13. **Propose** to APA Plenary to assess Islamic Financial System which has proved its efficiency in the current global financial crisis;
14. **Urge** Asian Parliamentary Assembly to develop a joint and comprehensive strategy setting out the response of the system in its multiple dimensions, globally, regionally and nationally
15. **Establish a Panel of Experts** (Advisory Group or Asian Board) to offer independent advice to the Executive Council on issues that they shall deem relevant to each of the main areas of global economic, financial, trade, and regulatory coordination and action. The Panel may include well reputed experts, as well as representatives of other sectors
16. **Propose to review** the agreement between the United Nations and the Bretton Woods institutions in collaboration with these institutions, focusing particular attention on the mechanisms for enhancing coordination and cooperation between the respective institutions, as well as the opportunities for contributing to strengthening the development mandates and effectiveness of both institutions and also to increase the representation of Asian countries at IMF
17. **Call on** the World Trade Organization to quicken/accelerate the fulfillment of the decision of Doha Conference of WTO Member Countries Trade Ministers (Qatar, 2001) on decreasing trade tariff barriers regarding products of developing countries
18. **Advise** all APA Member Parliaments to apply counter-cyclical policies to stimulate their economies through ways including inviting investment), especially in needed infrastructure that generates economic growth under by employment
19. **Call upon** the G-20 *developed/industrialized* who created a US\$200 billion out of the US\$850 billion facility to stimulate credit for world trade to include banks in poor and developing countries and if the amount is insufficient, it should be increased so that letters of credit can stimulate international commerce world-wide
20. **Call for** the completion of a truly development-oriented trade round, to create an international trade regime which truly promotes growth in the developing countries. It is essential, that in all trade negotiations, the long recognized principle of special and differential treatment of developing countries be preserved.
21. **Encourage** Asian Central Banks to meet for further coordination and cooperation to share experience and to enhance existing rules and regulations;

22. **Decide** on the extension of the mandate of the Sub-Committee to review the development of the current financial crisis and to propose ways to control, manage and formulate exit strategy from the crisis;
23. **Request** the Secretary General to arrange for the meetings of the Sub-Committee in a volunteer country or the country of the APA President and to prepare a report for consideration in the Sub-Committee.