



Asian Parliamentary Assembly

Secretariat

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SUMMARY RECORD

of

The First Round Table on Asian Monetary Fund

9-10 July 2007, Tehran, Iran

At the invitation by the APA Secretary-General dated 30 May, 2007, delegates from the Member Parliaments and representatives from their Central Banks took part in the First Round Table Discussion on Asian Monetary Fund which was held in Tehran on 9-10 July, 2007. Designated Representatives from 16 Member Parliaments participated in the deliberations. The following is the summary record of the deliberation.

- His Excellency, Dr. Nejad-Hosseinian, APA Secretary-General, in his opening statement, asserted that APA is “making history, however in a small way. Getting together from so many countries to discuss an issue like Asian Monetary Fund seems a small step in the direction of Asian integration, but again a journey of a thousand miles begins with a first step.” He further added that “we in Asia are on the right track. Asia as the ancient continent, the cradle of civilizations and all religions, a continent with vast and complimentary human and natural resources should and will choose a fast track for integration. Asia dares to build a strong foundation for moving forward together. We will be left behind if we do not move faster than is customary.”

The Secretary General continued “it is absolutely critical that we take each step in the direction of Asian integration with an educated degree of certitude and strong resolve, while of course avoiding sensationalism and haste. This is the art of multilateralism; striking a balance between effectiveness and representation.” Dr. Nejad-Hosseinian also noted that “the finding of our experts is that before the establishment of an "Asian Monetary Fund", other steps may be required on the part of Asian countries to prepare the ground.”

- Honorable M. H. Aboutrabi, Deputy Speaker of the Islamic Consultative Assembly, in a welcoming speech, referred to Asia as cradle of great civilizations and highlighted religions, and the role of the continent in maintaining peace and security in the world. He further pointed out to the high economic growth in some Asian countries and emphasized that economic cooperation between Asian

countries could bring a desirable synergy to the continent. “Despite high rates of economic growth in Asia,” he observed “the Continent is plagued with endemic poverty, which demands, in part, regional cooperation and convergence. Mr. Aboutrabi thanked the delegations for taking part in the Round Table and wished that the meeting would achieve its goals which could eventually bring welfare to Asian people and pave the way for a peaceful and prosperous Asia.

- Honorable Mesbahi Moghadam, Member of Parliament and head of the AMF working Group, gave a brief report of the Working Group’s activities during past few months. He explained that the Working Group had reviewed the current financial system and several best practices of regional economic and financial cooperation. He also noted that emergence of any new economic or financial mechanism should be complementary to the existing financial system; and redundancy or competition should be avoided. Mr. Mesbahi Moghadam mentioned that studies undertaken by the Working Group has revealed many promising areas of potential economic cooperation among Asian countries, especially between east and west of the Continent, but such specific financial system as AMF needs broadening economic and trade cooperation in advance. He concluded with his optimism that the delegates would reach constructive agreements on ways to further strengthen the Asian Parliamentary Assembly.
- The Vice Governor of the Central Bank of the Islamic Republic of Iran, Dr. Akbar Komijani, chaired the round table discussion. He reviewed the "Working Paper on Asian Monetary Fund" contained in the Secretariat's document S/2007/2 dated 28 June 2007.
- Many delegates regarded the Working Paper prepared by the Secretariat as a good basis to further study on the idea of an AMF that can complement the IMF. Many delegates underlined the need for taking advantage of the vast and long experience of IMF and to complement its activities in Asia, rather than to compete with it. By the same token, some delegates stressed that further studies on AMF can take stock of many successful financial arrangements in Asia and beyond. Lessons learned from the management of 1997 Asian financial crisis in context of bilateral and multilateral cooperation as well as the balance of payment support under the Chiang Mai Initiative (CMI) and efforts to develop capital markets under the Asian Bond Market Initiative were discussed.
- Various funds and financial arrangements including Arab Monetary Fund, CMI and similar institutions in other parts of the world were reviewed. Furthermore, the roles these institutions play in contributing to financial stability and overcoming liquidity problems of their members were highlighted.
- Many delegates reiterated the Working Paper's emphasis that establishing AMF is a multi-faceted and complex task, likely to face many political, economic, and organizational challenges. Therefore, pursuing the idea needs to be approached with a great deal of care. Some delegates suggested that focal points from the

Central Banks of the APA Members may establish a forum for exchanging views on AMF, particularly through the use of video-conferencing and Internet.

- Some delegates suggested the need to explore the possibility of greater utilization, within Asia, of excess financial resources. This was explained as the means for pursuing the objective of greater monetary and economic stability in Asia.
- Many delegates underlined their national policies to promote economic cooperation throughout the world in general and within Asia in particular. Many delegates observed that expanding economic cooperation among the Asian countries would facilitate to set in a process for promoting financial cooperation in Asia.
- Delegates took note of the suggestion in the Secretariat's Working Paper about promoting economic cooperation in Asia through a structured mechanism that takes advantage of interlinking various current economic and financial arrangements, with a view to identifying the most promising areas of cooperation throughout Asia. They stated that the suggestion in the Working Paper merits further study.
- The Secretariat requested the Member Parliaments and their relevant Governmental experts to transmit their views on the Working Paper's suggestion contained in Paragraphs 7-10 to the Secretariat by mid-August 2007, so that the issue could be further considered in the APA Working Group on the Subject Matters of Paragraph 9 of Tehran Declaration, scheduled for 26-28 August.

Annexes:

1. Program of Work
2. The Working Paper
3. Statement by Secretary-General
4. List of Participants
5. Statement by Distinguished Delegation from Pakistan
6. Joint statement by Distinguished Delegations from the Philippines, the Republic of Korea & Indonesia
7. Suggestions from the Parliament of the Kingdom of Thailand