

**Address to the APEC Ministerial Meeting in Shanghai, China
17-18 October 2001**

[Thank you,] Mr. Chairman, your excellencies, on behalf of PECC, I would like to thank Ministers for the opportunity to address this distinguished gathering.

Developments in East Asia since the 1997 financial crisis have underscored the critical importance of structural reforms in the governance of the business enterprises. These reforms are necessary for strengthening the microeconomic base of the economies in the region. They are also important for securing sustainable economic growth in the region.

In this connection, we have established a network of Institutes of Directors in the region last year to strengthen the regional cooperation on corporate governance reforms. In cooperation with the World Bank Institute we have started a series of training activities for corporate directors. We have also formed the East Asian Sub-group of the Business Sector Advisory Group, in cooperation with the OECD/WB, which is led by the top business leaders of the region to push for corporate governance reform.

We have started a series of consultative meetings which brought together representatives of the Institutes of Directors, funds managers, and regulatory agencies to discuss good practice of corporate governance during the past year.

From the extensive consultation process, we come to the view that reforms should be economy-specific. They need to take due account of differences between economies. In particular, there is a need for guidelines that provide broad and general principles that can inspire and guide steps towards eventual convergence of corporate governance reforms with the global best practices. In light of such guidelines, each economy may voluntarily take appropriate and specific steps, at the time, pace and sequence of its choosing to respond to the challenge of international market competition.

With this background, I am pleased to present to you the document titled “Guidelines for Good Corporate Governance Practice”, numbered “AMM/017”. These guidelines provide a non-binding and voluntary framework for the implementation of global best practices. The focus of these guidelines is on the role of the Board of Directors in ensuring sound corporate governance practices. These guidelines reflect the views of market participants of how the Board of Directors should act in a fair, accountable and transparent manner.

In addition, I would like to take this opportunity to thank APEC officials for their comments during the development of the guidelines. Through our presentation to the APEC Senior Officials in their various meetings and our presentation to the finance ministers during the APEC Finance Ministers’ Meeting in Suzhou in September this year, we received very encouraging and constructive comments from APEC officials, which help shape these guidelines into this final form.

Mr. Chairman, your excellencies, we would like to seek your support to endorse these guidelines and further recommend it to the Leaders for building a solid foundation for the corporate governance reforms in the region. Thank you.

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