



**EUROPEAN COUNCIL
THE PRESIDENT**

**Brussels, 4 October 2010
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More effective global financial and economic governance

**remarks by
President Herman VAN ROMPUY
after the first day of the 8th Asia- Europe Meeting (ASEM)**

Today we had a very fruitful discussion during the first working session of the 8th ASEM Summit. Moving towards a more effective global financial and economic governance remains a most important priority. I thank all the Heads of State and Government present for their contributions and suggestions.

During our previous meeting in Beijing we witnessed the dire effects of the crisis as well as the vulnerabilities of our financial systems. Our actions taken eased the economic recovery. Today our challenge is to deal with the long term effects of the crisis and to adopt measures in order to avoid the repetition of similar economic problems.

Against this background, we agreed to give further momentum to the cooperation between Asia and Europe. We aim to reach strong, sustainable and balanced and inclusive growth in both Asia and in Europe, while strengthening confidence in the financial market and promoting economic progress in developing countries.

ASEM members will work towards structural reforms whilst reducing excessive public deficits, non-sustainable debts and development gaps. We welcomed the packages of measures implemented by both European and Asian members to curtail the prolonged outcomes of the crisis.

We reaffirmed our commitment to deliver on the projected reforms in the field of financial regulation and supervision. We agreed on the need to eliminate excessive leverage practices, the need to improve supervisory and crisis management process, to strengthen over-the-counter derivatives regulation, and to improve regulatory oversight of financial firms, hedge funds and credit-rating agencies.

P R E S S

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We also agreed that it is essential to improve the credibility, effectiveness and legitimacy of the IMF. In this regard we support the Fund's efforts to update its mandate and to clarify its role and responsibilities in the overall surveillance and preservation of the stability of the international monetary and financial system.

Moreover, we support the implementation of the IMF quota reform by the G20 Summit of November, to adequately reflect the relative weight and responsibilities of the IMF members in the world economy. The IMF quota shares must be shifted to dynamic emerging markets and developing countries by at least 5% from overrepresented to underrepresented countries. We recognise that, in parallel, wider governance issues should be addressed. We welcome the decision on the World Bank's voice reform, which will increase the voting power of developing and transition countries.
