

16th May, 2005

THIRTY FOURTH ANNUAL MEETING OF THE ASIAN CLEARING UNION HELD AT LAHORE

The 34th Annual Meeting of the Board of Directors of the Asian Clearing Union (ACU) was held today at Lahore. The Governor, State Bank of Pakistan, Dr. Ishrat Husain, who is the current Chairman of the Union, presided over the meeting.

The Central Bank Governors, Deputy Governors of Bangladesh, Bhutan, India, Iran, Myanmar, Nepal and Pakistan participated in the meeting. The Deputy Governor of the Central Bank of Afghanistan and the Deputy Managing Director of Maldives Monetary Authority (Central Bank) also attended the meeting as Observers.

The ACU Annual Report 2004, which highlights the member countries' economic performance, the volume of Intra-ACU trade, and efforts towards enlargement of the ACU membership as well as expanding the role of the ACU was presented and adopted in the meeting.

The Governors/Deputy Governors made brief presentations on the recent monetary and economic developments in their respective countries, exchanged views on the current issues in the international monetary scene, and discussed the future role and expansion of the ACU.

The Governor, Nepal Rastra Bank, Mr. Bijaya Nath Bhattarai was elected Chairman and the Governor of Bangladesh Bank, Dr. Salehuddin Ahmed, as the Vice Chairman of the ACU for the year 2006. It was also decided in the conference that the 35th Annual Meeting of the ACU will be held in Nepal next year.

The meeting also decided to set up a Technical Committee which will look into the commonly faced problems by the member countries and put forward its recommendations in the next annual meeting of the ACU. The Committee which will have representations from all the ACU members will make recommendations on the future role of the ACU.

Established in 1974, the ACU at present has eight members viz. Bangladesh, Bhutan, India, Iran, Myanmar, Nepal, Pakistan and Sri Lanka. The objectives of the ACU are (i) multilateral settlement of current international transactions (ii) conservation of foreign exchange reserves (iii) promotion of monetary cooperation and closer relations among the members' banking system, and (iv) provision for currency swap arrangement.

It may be pointed out that the Annual Meeting of ACU is hosted by the member country on rotation. The State Bank of Pakistan had earlier hosted the 27th Annual Meeting of ACU which was held in May, 1998 at Karachi.
