

PRESS RELEASE

Cooperation essential to restore confidence 19th General Meeting of PECC

22 October 2010 (Tokyo)

The Asia-Pacific region is leading the global economic recovery but needs to begin implementing structural reforms to ensure that the imbalances that characterized the region's growth in the lead up to the crisis do not re-emerge.

Eminent opinion leaders and economic experts from around the Asia-Pacific region reiterated their concerns over the continued fragility of the global economic recovery and urged G-20 and APEC leaders to take credible measures to achieve balanced, inclusive and sustainable growth over the longer-term. They also expressed a strong desire to see the economies of the Asia-Pacific region providing increased global leadership.

"The APEC and G20 meetings come at a critical time to restore confidence in international cooperation at a time of rising tensions," said Jusuf Wanandi, Co-Chair of the Pacific Economic Cooperation Council.

A key part of the economic policy equation is the enhancement of social resilience through social safety net and financial sector reform. "The enhancement of social safety nets such as pensions, healthcare and unemployment insurance will help reduce precautionary savings and increase domestic consumption in surplus economies," said Ambassador Yoshiji Nogami, President of the Japan Institute of International Affairs and host of the Meeting.

While there are signs that adjustments were under way such as higher US household savings and stronger domestic demand in China, persistent high unemployment was a critical issue confronting the region.

Experts noted that the availability of credit also reduced precautionary savings noting that there low rates of banded that a critical measure was making credit more available pointing to a future agenda for financial market reforms.

The 19th General Meeting of the PECC, involving over 300 participants from 22 economies, took place against the backdrop of increased tension over currency values. Participants said that this issue needed to be managed appropriately in order to increase business confidence in the economic environment and to maintain focus on the core G-20 and APEC agendas. Participants strongly supported G-20 work in the areas of macroeconomic cooperation, reform of IMF quotas, and endorsement of Basel 3 accord on financial regulation.

The subsequent APEC meetings in Japan will allow consultations with a broader group of 21 Asia-Pacific economies and focus on regional integration issues. Charles Morrison, the Co-Chair of PECC and President of the East-West Center said, "with global leadership more diffuse and uncertain, Asia-Pacific economies needed to enhance their collaboration and cooperation on global issues and agendas."

Among the areas emphasized as supportive of the longer-term balanced, inclusive and sustainable growth agenda, the Council members emphasized the following:

- Structural reforms on both sides of the Pacific to shrink trans-Pacific imbalances;
- Continued efforts to promote regional integration and trade through multiple tracks such as the various ASEAN plus agreements and the Trans-Pacific Partnership;
- Continued development of effective social safety nets.

PECC approved new projects on services trade, structural unemployment, and the protection of maritime resources. It also approved continuation of its annual *State of the Region* report and work on social resilience.

For media enquiries:

Jessica Yom, Public Affairs, PECC International Secretariat, jessica.yom@pecc.org, +65 67379822 ext. 19

Yoko Otsuka, JIIA/ JANCPEC, peccjp3503@jia.or.jp, +81-3-3503-7744

About the Pacific Economic Cooperation Council

The Pacific Economic Cooperation Council (PECC) is a non-profit international organization committed to the promotion of cooperation and dialogue in the Asia Pacific. Founded in 1980, PECC is a tripartite network of 26 member committees comprising individuals and institutions dedicated to this shared mission. Of the 26 member committees, 23 represent the economies of Australia, Brunei Darussalam, Canada, Chile, China, Colombia, Ecuador, Hong Kong (China), Indonesia, Japan, Korea, Malaysia, Mexico, Mongolia, New Zealand, the Pacific Islands Forum, Peru, the Philippines, Singapore, Chinese Taipei, Thailand, the United States of America, and Vietnam. The PECC also has one associate member, France (Pacific Territories), and two institutional members, the Pacific Trade and Development Conference and the Pacific Basin Economic Council. As the only non-governmental official observer of APEC (Asia-Pacific Economic Cooperation), PECC provides independent business and research input for the regional policy-making process. www.pecc.org