

## **PRESS RELEASE (#1)**

### **APEC's Balancing Act**

*10 November 2010 (Yokohama)* - When the Leaders of the Asia-Pacific region gather in Yokohama just a day after the G20 summit in Seoul they face a delicate balancing act of continuing their ongoing agenda and responding to the urgent challenges facing the world. According to a report issued by the Pacific Economic Cooperation Council (PECC), the most pressing issues facing APEC leaders are: a post-crisis growth strategy for the region; a Free Trade Area of the Asia Pacific; the WTO Doha Development Round; financial sector regulatory reform; and the region's response to climate change.

"Our survey results show a healthy consciousness in the policy-community that Asia-Pacific cooperation needs to be about both addressing regional issues as well as how the role of the region in the world," said Dr Charles E. Morrison, Co-Chair of PECC and President of the East West Center.

The survey of over 400 opinion-leaders from business, government, research, civil society and the media was conducted by the Council from 16 September to 16 October.

The Report notes that the Asia-Pacific has recovered from the economic downturn in 2008-2009 but economic uncertainty remains and the region needs to undertake structural reforms to ensure the sustainability of the recovery when stimulus measures are withdrawn. The Report warns that the imbalances that characterized growth in the region prior to the crisis can return unless major changes are made.

"APEC can provide leadership by getting member economies to commit to structural reform, as part of a broader shift by the regional organization towards 'behind-the-border' issues," said Yuen Pau Woo, coordinator of the Report and President of the Asia Pacific Foundation of Canada. The implementation of structural reforms topped the list of actions to rebalance growth in the region.

The Report emphasized the need for strengthening domestic demand particularly in those economies running large surpluses. The measures that need to be taken include strengthened social safety nets; enhanced infrastructure to reduce supply bottlenecks; reformed corporate governance; and financial sector development.

PECC's survey showed wide recognition that there needs to be a greater emphasis on domestic demand in East Asia with 73 percent of Southeast Asian and 62 percent of Northeast Asian respondents rating it as an important to most important policy objective for sustained growth over the next 5 years. "This bodes well for G20 and APEC efforts to develop new strategies for growth in the aftermath of the crisis," said Mr Woo, "policy-makers will find strong support for their efforts amongst business and analysts which needs to be translated into public support for their objectives," he continued.

Another balancing act APEC leaders will need to deal with is how to address the assessment of whether industrialized members have met the Bogor Goals of free and open trade and investment in the region. According to the PECC survey, there is a lot of skepticism over whether the goals have been met. However, much progress has been made in reducing trade barriers and facilitating business transaction, and the PECC measure of regional integration shows the region far more integrated than when APEC was established.

“There is still a lot of work to be done to fulfill APEC’s vision of an integrated economically dynamic region,” said Mr. Woo. “Our survey results show strong support for the region to look to the ASEAN plus and Trans-Pacific Partnership Agreements as ways to further deepen the integration of the region,” he continued.

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**For media enquiries:**

Jessica Yom, Public Affairs, PECC International Secretariat,  
[jessica.yom@pecc.org](mailto:jessica.yom@pecc.org), +65 67379822 ext 19

**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](http://www.pecc.org)