

PECC Statement to the APEC Ministers

Bandar Seri Begawan, Brunei Darussalam

13 November 2000

In our San Francisco Declaration of 1992, PECC stressed that “the economic dynamism of the Pacific region is due mainly to its increasing openness and that the Pacific experience in economic cooperation can contribute to a stronger, more open global economic system.”

Our views on these issues have not changed. Our objectives are to help our members ride the wave of globalization successfully and to

- prevent a “closing in” of economies,
- fight against a mentality of isolation and insulation, and
- sustain the momentum of “openness”, including open regionalism.

Openness and globalization have brought huge benefits to our region. They have also raised new challenges, as the events of the last few years have demonstrated.

In response to these challenges, we have set the main theme of our work as “Managing Globalization in the 21st Century” and re-structured our work program under the three headings of

- Charting the Millennium Trade Agenda,
- Strengthening Financial Markets and Corporate Governance, and
- Community Building.

Throughout our work, we maintain a focus on the opportunities presented to us by the progress in information technology.

We are also getting more directly involved in capacity building programs to support the policy agenda in the region. We are not just talking about capacity building, we are also doing it.

Our role in the APEC is one we take extremely seriously. We share with you the overall goals of growth and development in our region. On a working level, we are deeply involved in, or we complement, many of your programs of policy development and capacity building.

Let me illustrate these points by referring to just some of the links that now exist and to some of the areas in which our partnership might be developed. This is not the whole of our agenda, and we look forward to continuing our close working relationship with the incoming chair to ensure that you are well informed about our programs.

Charting the Millennium Trade Agenda

Despite its difficulties, the liberalization agenda of APEC remains a key component of the cooperation portfolio. It should not be discounted or downgraded.

In PECC we are developing new ways to support your work on trade policy issues.

For example:

- We are contributing to the design of the Menu of Options which will promote the voluntary liberalization and facilitation as well as Ecotech in services trade and investment.
- We are also planning to reissue our survey of impediments to trade in the region. We hope that will become a useful reference point for you as you move forward on the liberalization agenda.
- We are using our tripartite networks of expertise to look for creative ways to put the competition principles into practice and to prevent the winding back of non-tariff measures.

A critical element of the APEC technology of cooperation is the Individual Action Plans (IAPs).

We congratulate you on the achievement made in the development of the e-IAPs. This should greatly enhance the user friendliness of the IAP and help track progress towards the Bogor goals. Your efforts exceed our expectations when we undertook our Assessment of IAPs for APEC last year.

We also welcome your consideration of a new, but optional, chapter on e-commerce in the IAPs.

PECC appreciates that the trade policy making environment is now made more complex by the absence of a new WTO round. It is also complicated by the widespread experimentation with new forms of partnership, including among APEC members.

While we appreciate the source of the interest in these new partnerships, and while we applaud experimentation to deal with new issues, the use of preferential structures carries grave risks in our region. PECC's trade policy experts have stressed the value of a set of principles or reference points to help members respond to or to design these initiatives.

In our view, the best of these arrangements will be the ones that support the open regionalism goals of APEC.

Strengthening Financial Markets and Corporate Governance

The appreciation of the importance of corporate governance issues is now much greater in the region. We have developed new programs in this area, in addition to our established work on financial markets.

We look forward to working closely with APEC next year as our group of experts (in the Peer Assistance and Review Network, or PARNET) develops its set of Corporate Governance Principles and strengthens its new regional network of Institutes of Directors.

Our Financial Markets Development Project group will be looking at financial market developments including

- the issues of currency cooperation,
- financing for start-up firms and for SMEs,
- impacts of e-commerce on financial firms and services.

Community Building

The New Role for Ecotech

We have noticed a move in APEC towards a more integrated approach to ecotech and capacity building across the board and in particular in trade and investment liberalization and facilitation and the new economy.

This is a move that PECC fully supports. It will also be especially important in bridging the so-called “digital divide” and in preventing the increasing disparities in development. Such capacity building efforts will no doubt enable economies to participate meaningfully in the process of globalization, to capitalize on the opportunities in the new economy and to reap the benefits of trade and investment liberalization. We hope that this move will help to jump-start the WTO process.

Within PECC we are utilizing the potential of our tripartite structure of business-government-academia to help in this process. We are organizing various activities to increase the ability of communities to take part in this globalized world.

We are especially happy with the progress made in the joint APEC-PECC Regional Integration for Sustainable Economies (RISE) project. RISE acts as a catalyst to bring together the private and public sectors in accelerating development in secondary market centers and strengthening the linkages and capacities in surrounding rural regions. In Jiangmen, for example, we have linked IBM and the E-Commerce Readiness Initiative; Cargill, Mitsui, Satake, and Dah Chong Hong are all considering or committed to investing in agro-industry projects.

PECC has been running seminars on strategies for entrepreneurs and small business people to get involved in e-commerce. Our Human Resource Development Task Force has managed these seminars in conjunction with the e-ASEAN group.

Our Technology and Information Industries Forum has restarted an alliance, called EduPACT, for IT skills and Training in the Asia Pacific.

PECC's Sustainable Cities task force held its first General Meeting in Bangkok last October. This promises to be another area through which we will make full use of our tripartite structure in formulating holistic solutions to the new problems evident in urbanization.

The Benefits of Liberalization

We applaud the efforts made by APEC in reaching out to communities and we will be happy to help in the efforts to foster a deeper understanding of the benefits that trade can bring to communities.

We greatly appreciate the BizAPEC website. We also know that it will be a challenge to keep it up to date and relevant. We are happy to have PECC and our task forces give feedback to help meet the challenge, and also to encourage our business networks to make use of it.

We agree with you that outreaching efforts to enhance public understanding of the benefits of liberalization is an important step in building our community. Therefore, last month in Jakarta, we hosted a public seminar, "Dealing with Globalization: Experiences of PECC Member Economies." During this seminar, the five main issues discussed were financial reform and openness, corporate governance, competition policy, industrial policy, and agricultural reform. Representatives of our member economies shared the lessons of their experience with an Indonesian audience. Through such experience sharing, we hope that Indonesia could find the relevant responses in its pursuit of open economic policies.

The Asia Pacific is still in the shadow of the financial crisis and economic downturns. Each time there is an economic crisis, there will be the inevitable critics calling for an end to trade liberalization and for governments to adopt protectionist measures. . While there has been much success in giving TILF a human face through Ecotech and capacity building, more can be done to respond to the critics who have doubts over our goals of trade liberalization and its benefits. Against this background, we would also accord priority to engaging our community and to enriching their understanding of the benefits of liberalization in the year ahead. Therefore, in our next General Meeting in Hong Kong in November 2001, we hope to include participation from non-government organizations who will help us to refine our ideas and increase the constituency of PECC's work.

Building for the Future

PECC is celebrating its 20th Anniversary this year; in another 20 years we will be celebrating something much more significant. It is the year that the Bogor goal of free trade in the Asia Pacific will be achieved. The time is short and there is still much to be done. Governments cannot do it all, and partnerships within communities will be critical to success.

Over the past 20 years, PECC has been building partnerships among business, government, and the research community. In the next few years we will face more challenges and complex issues than we have ever had to in the past. It is our belief that only by enhancing participation of all sectors and reaching out to all constituencies that we will achieve our goals. Business, government and researchers can work together to meet the challenge of formulating an agenda appropriate for the new millennium.

Thank you.