

**PECC Statement to the Second Officials' Meeting
Bandar Seri Begawan, Brunei Darussalam
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by
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(1) PECC's Participation in SOM II and Related Meetings

PECC's continuous interest and heartfelt appreciation of APEC as a valuable regional organization is evident in our 8-person delegation for this SOM and related Committee and Subfora meetings in the past few days. PECC's participation is represented by Dr. Kerrin Vautier and Mr. Paul Crampton in the Competition and Deregulation Workshop, Professor Chris Findlay in the GOS, Professor Chris Findlay and Dr. Mari Pangestu in the CTI, Dr. Andrew Elek in the ESC, and I myself in the SOM. Two papers on Competition Principles in practice were submitted [#2000/SOM2/CPD/018 and /019], and A report on the TPF meeting was submitted earlier to the CTI [#2000/SOM2/CTI/062/Rev.1]. With the generous support of the Brunei Darussalam National Committee for Pacific Economic Cooperation as well as the SOM Chair's Office, among others, PECC was able to convene, under the leadership of Professor Edward Chen, the Trade Policy Forum (TPF) on 28-29 May with 70 participants including a joint session with the APEC Study Centers Consortium.

PECC was fortunate to have Ambassador Serbini Ali, APEC Executive Director, join us in Dalian, China at the PECC Standing Committee in April [the Press Release is attached for your reference] and share views on APEC-PECC linkages. PECC was most inspired to learn of APEC's appreciation for and encouragement in PECC's contribution to APEC. APEC's continuous support for PECC has showcased its commitment-in-action to engage private sector participation in forging policy analysis and recommendations. PECC, for its part, with a strong tripartite network of academia, business and government, though somewhat meager financial resources, will continue campaigning our mutual goals of liberalization and development cooperation.

(2) PECC's Views on APEC's Immediate Agenda and Potential Contribution to WTO

(2.1) Image and Confidence Building to Move Liberalization Forward:

While observing an ebbing confidence in liberalization amidst the aftermath of financial crisis and post-Seattle-WTO juncture, PECC believes that APEC could well play a pivotal role in restoring its somewhat tinted or misperceived image and renewing a sense of confidence among its members. APEC has achieved in the past decade steady and substantive progress in concerted unilateralism and has nurtured a sense of shared concerns in the course of development. However, the expectations of what APEC can do and how fast policy change ought to be vary greatly due to diverse levels of economic development and various extents of crisis ripple effect. The perceptions of APEC being too slow in liberalization or not gearing up to crisis management should neither undermine what APEC has achieved nor overtake the faith in liberalization. PECC would like to see APEC restore its image by confidence building and stand by its goals of liberalization, facilitation, and development cooperation with the concerted efforts of government, business, and civil society at large.

(2.2) **Research on Concrete Benefits and Adjustment Measures for Liberalization:**

To restore a positive sentiment for liberalization in the region, APEC could provide more substantive research on case studies that illustrate how economies strive for liberalization with adjustment measures and reap the inherent benefits and prosperity. The prototypes of trade and investment liberalization could be evaluated in terms of sequence, timing and content of liberalization, and thereby serve as a reference point for redesigning or managing globalization.

(2.3) **Operationalize Trade and Investment Facilitation by Competition Principles:**

The PECC Competition Principles and APEC Principles to Enhance Competition and Regulatory Reform were motivated by welfare maximization and do not subscribe to top-down one-size-fits-all legal rules. After the endorsement of the Principles, the next logical step seems to be capacity building and institutional linkages. For capacity building, PECC has identified a number of generic practical issues in terms of timing and optimal policy sequencing, including those relating to transition periods. For institutional linkages, PECC and APEC could explore ways to collaborate in outreach process, including inter- and intra-government cooperation for strengthening markets.

(2.4) **Enhancing Ecotech via IAPs and CAPs:**

APEC economies have been undertaking policy coordination, institutional capacity building, and human resource development, financed by individual governments, development agencies, or the private sector, which could well be acknowledged in the IAPs and serve as exemplary for regional cooperation. Ecotech not only builds support for reform, but also serves as insurance against backsliding into protectionism. APEC could take some concrete measures as CAPs so as to highlight its political will in Ecotech in parallel to achievements in TILF. .

(2.5) **Areas where APEC Could Contribute to WTO:**

APEC, as well as PECC, could contribute to the WTO process by providing a forum for discussion or by playing an exemplary role in several issue areas, which if left unaddressed would constrain further progress in liberalization and reaping benefits from globalization:

- (2.5.1) WTO's institutional reform in consensus building and conflict resolution;
- (2.5.2) WTO's linkage with other international and regional organizations;
- (2.5.3) Charting a balanced agenda for developed and developing economies;
- (2.5.4) Advancing capacity building for implementing liberalization;
- (2.5.5) Analyzing new issues of concern such as investment, competition and anti-dumping, environment, labor, and knowledge-based economy; and
- (2.5.6) General Principles on Regional Trade Arrangements (which could include transparency, consistency with existing international commitments, restraints on new barriers to other economies, provisions for accession, MFN extensions of preferential commitments and peer review, etc.)

With these and on behalf of PECC, I submit for Senior Officials' consideration.