



Speeches

SPEECH BY MR RAYMOND LIM, MINISTER FOR TRANSPORT AND SECOND MINISTER FOR FOREIGN AFFAIRS, AT PACIFIC ECONOMIC COOPERATION COUNCIL (PECC) CONFERENCE , 09 OCTOBER 2009, 9:15 AM AT ORCHARD HOTEL

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APEC AT 20:
GROWING WITH THE REGION

Distinguished Guests,
Ladies and Gentlemen,

1 This year marks the 20th anniversary of the Asia-Pacific Economic Cooperation (APEC). The end of the Cold War opened the way for the beginning of a new grouping in the Asia-Pacific dedicated to fostering growth and prosperity through the liberalisation of trade and investment.

2 Over the past two decades, APEC's scope of regional economic cooperation has been broadened, and membership expanded. APEC has also made important contributions, including pushing for the conclusion of multilateral trade accords. During this time, the Asia-Pacific region has prospered. APEC economies have not just prospered individually. The region forms important supply chains and is part of the global pattern of merchandise flow. Taken together, these are impressive achievements.

New Global Economic Challenges

3 As APEC enters its third decade, the world is emerging slowly from the worst global recession since the Great Depression. The precipitous drop in global demand, coupled with the seizing up of trade-finance, has taken its toll on international trade, the life-blood of many APEC economies.

4 Even though the immediate crisis has waned, the key pre-occupation is how we can build, as the G20 Leaders declared in Pittsburgh, 'strong, sustained and balanced' global growth. We need to guard against complacency. The crisis came about because of excesses and imbalances. These still have to be put right. We need to persist with the often domestically difficult structural reforms that are necessary to re-balance the world economy.

5 As we press on, we should not let down our guard against the threat of protectionism. Left unmanaged, tit-for-tat retaliation will constrict the main arteries of trade and investment flows. This will leave us all worse off.

Supporting the Global Agenda

6 Singapore has assumed the APEC Chairmanship at a challenging time. Nevertheless, the crisis has provided an opportunity for APEC to define its role more sharply and to inject renewed impetus to its work.

7 The PECC Co-Chairs Charles Morrison and Jusuf Wanandi, and SINCPEC Chair Tan Khee Giap in a recent Op-Ed (Straits Times, 2 October 2009) put forward a clear view of how APEC can be "an important foundation for the building of a new global economic architecture".

8 Our core agenda in APEC – promoting balanced, inclusive and sustainable growth while pursuing trade liberalisation – complements the G20 Pittsburgh Summit's broad approach on addressing global macroeconomic imbalances and keeping markets open. These are areas where APEC has a strong track

record, and can contribute and support the global agenda.

9 In your discussions over the next two days, we look forward to the PECC contributing concrete ideas on the specific areas in which APEC can make a positive contribution.

Evolving Regional Architecture

10 Looking forward, we can never be sure how events will unfold. A fundamental political and economic rebalancing of the world is taking place. Developments in the Asia-Pacific, especially the relationship between China and the US, are at the epicentre of these changes. The cumulative effects of momentous events can reverberate over time.

11 We will require structures to manage these changes. To do so, we will need to deliver new levels of cooperation and coordination, at both the global and regional levels.

12 The designation of the G-20 as the premier forum for international economic cooperation has been the most pronounced response at the global level to these new challenges.

13 In the Asia-Pacific, the challenge has always been to develop the right framework for regional cooperation. We all share some basic interests that are centred on enhancing the region's economic growth.

- We want a region that is stable, open, and inter-connected through trade and investments, both among ourselves and with the rest of the world.

- We want a region where economies can deepen cooperation and linkages, and also compete peacefully in the economic realm; and

- We want a robust framework of cooperation within which economies can contain and manage disagreements.

14 To achieve these basic interests, we have multiple structures with different, sometimes overlapping membership and goals. Though messy, this engages all the players – big and small. This has proven to be resilient as it reflects a realistic appraisal of the disparate political, cultural and economic interests in the region. The strength of this framework is that it is representative in nature and gives everyone a stake in the region's success. Ideas to modify the existing architecture to one that is less representative are unlikely to gain wide support.

15 APEC with its core mission of promoting regional economic integration remains a vital piece of the regional equation. Within East Asia, there are two complementary and mutually supporting groups to foster intra-regional cooperation and provide concrete steps towards an East Asian community. One is the ASEAN+3 group, comprising ASEAN plus China, Japan and South Korea. The other is the East Asia Summit (EAS), which adds India, Australia and New Zealand. Across the Pacific, there is NAFTA and Mercosur.

16 APEC brings together both sides of the Pacific and prevents it from being split down the middle. It is fundamental to our interest to include the US in the region, given that it plays such an important strategic and economic role here. The construction of APEC had this in mind from the beginning. With the evolution of the global architecture and Asian integration accelerating, APEC's role has become even more vital.

Conclusion

17 Let me therefore end by returning to the beginning. The core objectives that the founding members of APEC set forth in 1989 are to:

Strengthen the multilateral trading system;

Increase the interdependence and prosperity of member economies; and

Promote sustainable economic growth.

18 APEC's vision was further defined in 1994, when APEC Leaders committed to the 'Bogor Goals' of free and open trade in the region.

19 The region will undergo even more sweeping changes in the next twenty years. APEC 2009 will mark a critical milestone in how APEC positions itself for the future. Nevertheless, APEC's guiding principles remain relevant. As long as we focus on them, APEC will remain the premier vehicle for regional cooperation and the centre-piece of the regional architecture.

20 Over the past two decades, the research and perspectives provided by the PECC have helped to shape APEC's agenda. Today's PECC Conference is another opportunity to share perspectives on the way forward for APEC. I congratulate the organisers for coming up with an excellent programme and bringing together an impressive array of speakers today. We look forward to your continued support.

21 Thank you.

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