



# MEETING MINDS



A NEWSLETTER FOR THE APEC STUDY CENTERS

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East-West Center

September 1999

## Conference on Asia Pacific Trade in the Post-Crisis Era

East-West Center,  
Imin Conference Center, Honolulu  
July 1-3, 1999

The East-West Center organized a three day conference titled, *Asia Pacific Trade In The Post Crisis Era.* Co-sponsored by the State of Hawaii Department of Business, Economic Development and Tourism, Bank of Hawaii, and the Korea Economic Institute of America, the conference brought together senior government trade officials and non-governmental experts from Japan, China, the Republic of Korea, Taiwan, Australia and the United States for informal discussions on regional trade issues in the aftermath of the Asia-Pacific financial crisis.

### Participants

Donald Phillips, Assistant U.S. Trade Representative for Asia and APEC, delivered the keynote address titled, *Report on the APEC Trade Ministerial Meeting in Auckland.* Robert Lees, Secretary-General of the Pacific Basin Economic Council, Honolulu, presented *Views From the Corporate Sector.* Joining East-West Center research staff were: Richard De Ferranti, Deputy Director, Department of Foreign Affairs and Trade (DFAT), Canberra, Australia; Wu Jia-Huang, Senior Advisor, China's WTO Negotiation Team; Hideshi Ueda, Director, APEC Promotion Office, Ministry of International Trade and Industry (MITI), Japan; Byoung-Joo Kim, Trade Affairs Specialist, Korean Ministry for Foreign Affairs and Trade (MOFAT); Shiau Fung-Shyung, Secretary General, Council for Economic Planning and Development, Executive Yuan, Taiwan; Michael T. Carroll, Assistant Commercial Attache, U.S. Embassy in Jakarta; Seiji Naya, Director, State of Hawaii, Department of

Business, Economic Development and Tourism; Peter Beck, Director of Research and Academic Affairs, Korea Economic Institute of America; William James, Chief Research Division, International Center for the Study of East Asian Development, Japan; and Peter Woolcott, Australian Consul General in Hawaii.

### Conference Goals and Themes

The conference goals were to provide an informal and productive venue for discussion among official and non-official experts and to generate critical thinking, identify common ground, and set priorities for the international trade agenda, particularly in the WTO and APEC.

Key themes were discussed during the conference included *The Changing Patterns of Trade in the Asia-Pacific Region and the Impact of the Financial Crisis on Trade,* *Impact of the Crisis on Trade Politics, Policies and Strategies of the U.S. and Asian Trading Nations,* and *Implications of New Developments and National Strategies for the Future Course of Trade Institutions – WTO and APEC.* Country briefings were also presented on China, Indonesia, Taiwan, Australia, Japan and Korea.

### Conference Summary and Recommendations

The three day conference of discussions produced a wide exchange of views on an array of issues, including the role of trade in contributing to Asia's recovery from the recent financial crisis; the role of the U.S. economy; the future of APEC as a trade liberalizing institution; Asia Pacific perspectives on future activities of the WTO, particularly a new multi-lateral trade round; and prospects for China's membership in the WTO.

The most salient conclusion reached by the conference participants was that Asia is indeed recovering from its financial crisis, albeit unevenly. Complacency was considered, as the biggest threat to this still fragile recovery, which could lead to an abandonment of reformist policies and a reversion to the policies that contributed to the crisis.

Based on the conference discussions, the following recommendations were issued by East-West Center experts:

- Early China membership to the WTO clearly is in the interests of China, the U.S., Taiwan, and all APEC members. U.S.-China WTO accession negotiations should be treated separately from wider political issues as much as possible;
- It is highly desirable that China be an integral part of launching the new WTO Trade Round. In view of this, the U.S. and China should resume WTO accession talks as soon as possible;
- Taiwan should become a WTO member as soon as practicable;
- APEC should serve as a forum for "best practices" on how to foster competitive open domestic markets. A top priority for APEC as an institution should be to pool and share the varied experiences of member countries;
- APEC should concentrate its efforts on ensuring that APEC member priorities are reflected in the agenda for the upcoming WTO trade round;
- APEC should encourage its more developed members to cooperate with developing members in formulating and implementing best practices in building competitive open domestic markets;
- The sharp deterioration in the U.S. current account largely is the result of a fall off of exports to the affected Asian economies. U.S. exports and the current account are likely to improve as Asian economies recover. The U.S. should resist protectionist pressures that call for counterproductive long-term "solutions" to what likely will prove a short-term problem. The

solution is to create conditions that boost U.S. exports, not cut imports from Asia.

### Conference Report

The conference proceedings will be published in a more detailed report ready for distribution in September. For more information on the report and conference, contact:

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## News from Member-Economy APEC Study Centers

### Canada

#### APEC Workshop 1999 "A Strategic Approach to Canada's role in APEC" Toronto, October 27, 1999

**Objective:** To provide an opportunity for Canadian government officials, academics and selected business representatives to review and assess Canada's involvement in APEC with a view to developing a strategic approach which both reflects Canada's foreign policy objectives and complements Canada's involvement in related international organizations.

**Format:** Intended as a working session, the APEC Workshop 1999 will avoid prepared speeches and expanded reviews of Canada's current APEC activities. Instead, the focus will be on the development of core principles and practical steps to address the challenges of Canada's continuing involvement in APEC within the broader context of Canada's foreign policy objectives.



**Program Outline:**

9:30-9:35 am

Welcome (Yuen Pau Woo & John Kirton)

9:35-9:45 am

Introduction (Joseph Caron)

- *A Review of Canada's Performance in APEC in 1999*

9:45-11:00 am

Session 1 -- Is APEC's Trade Agenda Redundant?

- *APEC's Relationship to WTO: Can It Make a Meaningful Contribution?*
- *The IAP Model: Does It Work?*

11:00-11:15 am

Break

11:15-12:30 pm

Session 2 -- It's the Plumbing: APEC's Business Facilitation Advantage

- *Is Trade Facilitation What APEC Does Best? If So, How Can Canada Capitalize?*

12:30-1:30 pm

Lunch

1:30-3:30pm

Session 3 -- A Strategic Approach to ECOTECH

- *Strengthening the ECOTECH-TILF Relationship*
- *APEC as a Regional Forum for Policy Development on ECOTECH Issues*

3:30-3:45 pm

Break

3:45-5:15 pm

Session 4 -- Charting a Course for the Future

- *APEC and the Geopolitics of Asia Pacific*
- *Canada in the World: Implications for Our Role in APEC*

For more information on the workshop, contact:

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**Mexico**

**Mexican APEC Study Programme  
El Colegio de Mexico**

The APEC Study Centre was founded in 1996 as a separate programme within the broader confines of the Centre for Asian and African Studies at the Colegio de Mexico. In order to meet the Programme's objective of gathering and diffusing information on various subjects related to the Asia Pacific community; our activities have focused on serving as a link between Mexican academics, government, and businesses, as well as other institutions across Latin America.

The Programme's infrastructure is sustained by its close relations with other centers in El Colegio de Mexico and other universities and research institutes around the country. Although still of limited size, the Programme is gradually growing and has come to include four staff members besides the coordinator, three of whom are specialised area researchers and one administrative assistant. Furthermore, in February 1999, the Universidad de Colima announced the creation of its APEC Study Centre, the second in Mexico.

In order to foster its aims, the Programme has participated in and organised conferences, public seminars and lectures related to the region. It has also participated in international conferences involving representatives of the different sectors of the economy, as part of a commitment to disseminate information within the APEC membership.

The Programme has also maintained close links with government departments, in order to discuss subjects of importance to the Asia-Pacific countries related to environment, energy, commerce, human resources, science and technology. It also further reinforces consultative relationships and advises the Mexican representatives to the different forums such as the Pacific Basin Economic Council

(PBEC) and the Pacific Economic Co-operation Council (PECC).

This year for the first time the Programme co-ordinated, wrote, and edited the *Asia Pacific Yearbook 1998*, a well-known publication in Mexico and other Latin American countries. Written in Spanish and analysing the main events in the region, it is used as a reliable source of information by academics and government entities. The 1999 edition is currently being printed and should be ready next September. At the beginning of this year the Programme also published, in co-ordination with a national editing house, a book related to the Mexican banking rescue programme, its deficiencies, and the weaknesses of the Mexican financial system. The chapter on the Asian financial crisis and its impact and lessons for Mexico was written by the coordinator of the Programme.

During 1998 the Programme and El Colegio de Mexico together with the Korean Foundation organised a forum where academics, government representatives, and leading businessmen of Mexico and Korea exchanged ideas and reflected on recent political, economic and social trends in both countries. The next meeting is scheduled for the year 2000.

Over the years, conferences and seminars in South America have taken place with the idea of enhancing relations not only between Mexico and Asia, but between Asia and Latin America.

Mexico participated in the APEC Study Centre International Consortium, which took place at the end of May 1999, in Auckland, New Zealand, as it has every year since its foundation. The Programme's coordinator presented two papers: "*East Asian Crisis and Its Impacts in Latin America*" and "*APEC After 10 years: The View of the Mexican Study Centre*".

During the month of June, the Sistema Latinoamericano and the Chinese Council for

the Promotion of International Commerce, organised *The Economic and Commercial Sino-Latin American and Caribbean Seminar*, in Beijing and Chengdu, where the Programme contributed and participated with the paper: "*The Mexican Economy and its relations with China.*"

The Institute of International Policy of Wellington, New Zealand, invited Mexico's APEC Study Programme to participate in the *Seminar on Economic Reform in the APEC Economies*, which took place July 12-14 in Wellington, to contribute towards a greater understanding of Mexico's economic reform experience.

Besides the co-ordinating and bridging work described above, members have undertaken various academic activities in well known private and public universities, have written newspapers and magazine articles, and have acted as advisors and researchers in projects co-ordinated by other entities.

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## Philippines

### **PASCN Completes Ten Research Studies, Identifies Research Themes for the Next Millennium**

The Philippine APEC Study Center Network (PASCN) has so far completed ten research studies under its two research teams for the year. The research team "Coalition Building and APEC" completed four studies on the following topics:

- "Political Economy of Philippine Commitments to APEC" by Wilfrido Villacorta, Dr. Angelo Unite and Dr. Tereso Tullao, Jr.;
- "The Use of One Within the Other: A Study of the Effectiveness of ASEAN as a Collective Bargaining Group within APEC" by Mr. Malcolm Cook;
- "APEC and ASEM: Reconciling Two Regional Agendas" by Mr. John Avila; and
- "The Legal Characterization of APEC and the Individual Action Plans in International Law" by Atty. Sedfrey Candelaria.

For the research team, "China and Its Implications to the Asia-Pacific", six studies were finalized, which include:

- "China's Changing Trade Patterns" by Dr. Ellen Palanca;
- "Foreign Direct Investment Flows To and From China" by Dr. Rosalina Tan;
- "China's Macroeconomy in the Nineties and Beyond" by Dr. Joseph Lim;
- "The Political Economy of the Philippines-China Relations" by Dr. Benito Lim;
- "The Political Economy of China's Relations with Southeast Asia" by Ms. Aileen Baviera;
- "The Great Dragon Effect: Mainland China and the ASEAN Slowdown" by Dr. Raul Fabella

These studies will soon be circulated as PASCN Discussion Papers and will be available online at the PASCN website (<http://pascn.pids.gov.ph>).

After several deliberations, discussions and consultations, the PASCN has finally come up with its major research themes for the next two years. These include the following:

- E-Commerce: Prospects, Opportunities and Challenges;

- Education and Globalization;
- Human Resource Impact of APEC and Developments in the External Environment: the Gender Dimension;
- Impacts, Risks and Opportunities of Financial Liberalization and Integration: a Macro-Micro Analysis;
- Food Security, Agricultural Efficiency and APEC;
- Islamic Impact of Globalization: Its Implications to Global Trade and Investment in the APEC Region.

Based on these themes, the call for research proposals was launched among its member-institutions for the conduct of research.

For more information on PASCN, please contact:

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USA

### U.S. Consortium of APEC Study Centers

#### University of California, Berkeley

We are very excited about the upcoming year for the Berkeley APEC Study Cent (BASC). First, the *Asia Beckons Europe* project is scheduled to be completed before the end of the year. Final drafts are currently being reviewed and will be available as BASC working papers available on-line at the BASC website. With several case studies of high-profile companies blended together with empirical and theoretical synthetic work, we believe that this volume will make a significant contribution to the field. Second, we are pleased to announce the launch of the *Asia Beckons America* project funded by the Japan Foundation's Center for Global Partnership (CGP). As the first part of the two-year extension of

the *Asia Beckons Europe* project, we are excited about the beginning of this interdisciplinary collaboration of scholars from around the world. Collaborating with Japanese and European scholars, this project plans to compare American firms' strategies and responses to recent changes in the global political economy with their counterparts abroad. We plan to host the first research conference in November 1999 at the Berkeley campus. The second half of this research collaboration is scheduled to be launched next spring at Waseda University. Third, BASC Director Vinod Aggarwal and fellow Research Affiliates have continued to report BASC research findings on the Asian Crisis, multilateralism and Asia-Pacific regionalism at various academic, business and policy fora. In addition to making research and/or policy presentations to trade associations and councils, we have also presented our research at academic and/or business conferences in China, Sweden, Italy, and throughout the U.S. Next year, we hope to launch a large research project that applies our previous research on reconciling multiple institutions to the study of Asia-Pacific regionalism from a comparative viewpoint. BASC welcomes anyone interested in this research topic to contact us for more information.

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We are also seeking submissions for our new journal, *Business and Politics*. For more information call BASC at (510) 643-1732.

**East-West Center APEC Study Center**

On October 6, 1999 at the East-West Center, oil and gas strategic planning specialists of the APEC Experts' Group on Clean Fossil Energy will meet to discuss and establish the long-term objectives of the oil and gas program. The group will decide which projects to promote for the upcoming year. Participation is by invitation. The meeting is sponsored by the East-West Center Research Program on Environmental Studies and the U.S. Department of Energy. For more information contact:

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