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PECC Report to APEC SOM III

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Report to APEC SOM III, Gyeongju

The Pacific Economic Cooperation Council (PECC) held its Sixteenth General Meeting in Seoul from 5-7 September 2005 on the twenty-fifth anniversary of PECC's founding. This meeting was a watershed for the organization, endorsing changes which provide for a more strategic and focused role for PECC, including sharper input into the APEC agenda.

PECC reaffirmed the value and importance of trans-Pacific economic cooperation and recommitted itself to this vision. Delegates issued the Seoul Declaration which outlines our concerns about regional economic cooperation and integration and provides recommendations to APEC ministers and leaders. The meeting also endorsed reform, including amendment of the PECC Charter to give the organization more flexibility, and election of a new PECC Chair.

Seoul Declaration

The PECC 2005 General Meeting addressed major challenges facing regional economies including trans-Pacific currency imbalances, regional leadership, proliferating preferential trade arrangements, and disaster management. We were pleased to have valued inputs of officials from the host government, including President Roh Moo-hyun, and outstanding representation from all parts of the PECC region.

Our discussions demonstrated that the region faces challenges even more daunting than those of twenty-five years ago, in part because of its success in having deepened interdependence as a basis for shared prosperity. The Seoul Declaration outlines these challenges. We are particularly concerned that large trade and financial imbalances are driving protectionism and resulting in weakened pro trans-Pacific political and public interest bases in some of our economies. We are watching closely the proliferation of bilateral and sub-regional free trade agreements, which may or may not be building blocks for broader Pacific and global free trade.

The Seoul Declaration makes a specific call to action for APEC ministers and leaders, as follows:

- Trans-Pacific imbalances constitute a major potential danger to the region's economic future. The issues should be thoroughly aired and actions taken on both sides of the Pacific to reverse these imbalances and give confidence to investors and financial markets. Since the trade and financial imbalances are linked, we believe the APEC finance and trade ministers should integrate their respective meetings;
- The Bogor Goals are vital to growth and development and should be reaffirmed. APEC should step up steps to ensure that preferential trade arrangements within the region are developed in accordance with APEC and WTO principles and best practice guidelines such that they contribute to the realization of the Bogor goals. APEC should address "behind the border" regulatory problems more comprehensively, backing its actions with substantial capacity-building;
- Bold steps are needed to finish essential preparatory tasks for the Hong Kong WTO Ministerial meeting and to conclude the Doha Development Agenda round of multilateral trade negotiations in 2006; and



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- Urgent institutional reform of APEC is required to ensure it responds effectively to the changing needs of the Asia-Pacific region. APEC's finances and Secretariat need to be enhanced and a more effective process developed for establishing work priorities.

New Chair

The new PECC Chair for the next three years is Dr Charles E. Morrison, President of the East-West Center in Honolulu, United States, who succeeds Dr. Kim Kihwan of Korea. Dr. Morrison apologizes that he is not able to join the SOM due to pre-existing engagements. He places high importance on PECC's continuing and productive relationship with APEC, and hopes that PECC can become of even greater service to the APEC process.

PECC Charter Change and initiatives

As an independent tripartite process for collaboration across academic, business, and government sectors, PECC aims to opinion-lead on key issues in trans-Pacific economic cooperation. Its outputs enhance and complement APEC's agenda. Like APEC, PECC has been re-examining its working arrangements in light of regional developments and the increasing challenges of Pacific economic cooperation.

Responding to an internal governance review, the PECC General Meeting endorsed major amendments to the PECC Charter that enhance the organization's ability to address policy issues flexibly and effectively. The Standing Committee of PECC will be more active in determining PECC's work program. A smaller Executive Committee will meet more frequently to carry forward this agenda. While PECC retains some of its traditional elements, such as its economic and food outlooks and trade and finance networks, it will also establish task forces to provide timely policy-oriented outputs on issues critical to trans-Pacific community-building. PECC will continue in its role as a vigorous independent forum for discussion and consensus-building.

PECC is initiating a new "State of the Region" report, which will draw upon the trade, finance, and community-building work of its forums and be presented to APEC leaders.

The PECC member committees of each of our twenty four economies are the backbone of our organization. It is important that these committees are broad-based and active, helping to improve understanding of stakes of Pacific economic cooperation at the domestic level. PECC member committees will strengthen their membership and activities, in order to further complement the intergovernmental APEC networks.

Future work

In coming weeks, PECC will be forming its task forces. Our State of the Region Report will be issued soon to APEC leaders. We are in the process of hiring a Secretary-General to oversee our International Secretariat in Singapore. Our next Standing Committee meeting will convene in Vietnam in April 2006.

We look forward to continuing excellent and collaborative relationships with APEC and related bodies, including ABAC and the APEC Study Centres. We will be keeping APEC Senior Officials informed of our activities through our Secretariat, Chair and other Standing Committee members, and via our member economy committees.

14 September 2005