Pacific Economic Cooperation Council

state of the region

2009-2010

About the Pacific Economic Cooperation Council

The Pacific Economic Cooperation Council (PECC) is a non-profit international organization committed to the promotion of cooperation and dialogue in the Asia Pacific. Founded in 1980, PECC is a tripartite network of 26 member committees comprising individuals and institutions dedicated to this shared mission. As the only non-governmental official observer of APEC (Asia-Pacific Economic Cooperation), PECC provides independent business and research input to influence the regional policy-making process. **www.pecc.org**

The *State of the Region* report is a product of a task force established by the governing body of PECC. While efforts are made to ensure that the views of the PECC members are taken into account, the opinions and facts contained in this report are the sole responsibility of the authors and editorial committee and do not necessarily reflect those of the member committees of PECC, nor their individual members.

We would like to acknowledge the significant contributions made by Professor Peter Petri (Brandeis University/ East-West Center, US) and his team by providing contents from the PECC task force work that focused on the recent economic crisis and recovery. We are also grateful to the Asia Pacific Foundation of Canada and especially to Ms Alexandra Ho for their work on the regional integration index.

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Message from the Co-Chairs of PECC

This publication is the Pacific Economic Cooperation Council's fourth *State of the Region* report. It includes the key findings of a PECC task force on the global economic crisis, the results of a survey of close to 400 opinion-leaders from twenty-one Asia-Pacific economies, and an update of our index of economic integration in the region.

Although this is the fourth *State of the Region* report, this work has a much longer history which traces back to 1988 and the decision taken at the Sixth PECC General Meeting in Osaka to publish an annual economic forecast for the region. However, this year, we have decided to discontinue the forecast element as we felt that there are many more frequent and in-depth forecasts now publicly available. We also felt that there was a need for a broader analysis of developments in the region. Forecasts alone cannot tell the story of how a region is developing and the prospects the future holds for it. Moreover, they cannot tell what needs to be done.

We would like to take this opportunity to express our deepest gratitude to those who had been involved with the *Pacific Economic Outlook* over the past 20 years. They are: Lawrence Krause, Ross Garnaut, and Yuen Pau Woo who served as coordinators of the forecast; and the team of forecasters that tirelessly contributed their thoughts on the outlook for the region. We would especially like to acknowledge Saul Hymans and Chikashi Moriguchi who served as the anchors for the forecast group throughout much of its history. The forecasts would not have been possible without the strong support of the PECC member committees who have hosted the regular meetings of the forecast group; especially the Japan PECC committee through the Kansai Institute for Social and Economic Research, the host of the Japan Committee for *PEO (Pacific Economic Outlook).*

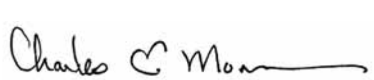
A constant theme of recent forecasts has been the need for the region to address the transpacific imbalances that have characterized the regional economy for the past few years. The unwinding of these imbalances is once again a major issue for the work undertaken by the PECC task force on the global economic crisis. We would like to thank Peter Petri and his team for his contribution to this report contained in Chapter 1.

This report also includes the results of a survey conducted by PECC of regional opinion-leaders on issues confronting the region. This survey was conducted in October 2009 and we believe its findings represent the views of the community most actively engaged in the regional cooperation process.

The final component of this report is an index of regional economic integration. The basic finding of this index is that the Asia-Pacific region has become more integrated over the past twenty years. However, while flows of trade, investment and people have increased, it has not meant a convergence in terms of the key indicators of standard of living. Indeed, development gaps among the region's economies seem to be increasing. This points to a need to refocus work in the region towards strengthening the ability of economies to compete in the global economy.

There are many people we need to thank who have contributed to this report, Mr Yuen Pau Woo, coordinator of the project, as well as the editorial committee who have guided the report's development. We would also like to express our appreciation to our member committees on whom we depend to identify the respondents to our survey and to solicit their responses.

We view this report as work in progress. It is very much a community effort and we look forward to hearing your views on the issues it addresses and we can make this report more useful in your day-to-day work.



Charles E. Morrison
Co-Chair

Jusuf Wanandi
Co-Chair

Executive Summary

The worst of the global economic downturn which began in late 2008 now appears to be behind us. Yet, the outlook for 2010 and for a sustained recovery in the Asia-Pacific region remains uncertain. While economic growth has returned to most major economies, the rebound has been weak, and there are serious concerns about the ability of governments to continue providing fiscal and monetary stimulus to their economies. The downside risks to growth are large and these risks will likely persist for the foreseeable future.

The most important of these risks is the problem of so-called “global imbalances”, which in practice boils down to an imbalance between on the one hand the United States – which is saving too little and carrying too much debt – and on the other hand the Asian economies – which have relied too much on US consumer spending and on holdings of US debt. The resolution of the “global imbalance” problem in effect requires the rebalancing of growth in the Asia-Pacific region.

Chapter 1 of this report is based on the work of a PECC task force set up to look at the issue of rebalancing Asia-Pacific growth, and to identify new long-term growth strategies that are inclusive and sustainable. The task force was led by Professor Peter Petri of Brandeis University. His team of researchers from around the region have concluded that the US-Asia imbalance is not an insurmountable challenge in terms of dollar value, but that a long-term solution will require major structural changes in economies on both sides of the Pacific, and that this will require regional cooperation and domestic political will.

Our annual survey of opinion leaders also dealt with the issue of rebalancing growth in the Asia-Pacific region, as reported in Chapter 2. Respondents broadly agreed with the PECC task force on the need for more emphasis on domestic demand growth in Asia, and that the most important engines of growth in the next five years should be expenditures on social priorities (health, education, pensions); the liberalization and development of the services sector in Asia; and measures to promote a green economy.

Opinion leaders were much more optimistic about the economic outlook than they had been in the previous year’s survey, but admitted to a concern about downside risks in the near-term outlook. While respondents were generally satisfied with the crisis responses of major economies, they were much less satisfied with the performance of regional and global institutions, with the exception of the newly established G20.

In Chapter 3, we present an update to our index of economic integration in the Asia-Pacific region. First launched in 2008, the index tracks the extent to which the economies are becoming more alike in their economic characteristics (i.e. “convergence” measures) as well as the relative importance of regional trade, investment and human flows compared to economic relations with the rest of the world. To the extent that APEC and the Bogor targets are fundamentally about deepening regional economic integration, this index provides one measure of APEC’s success in the last 20 years.

The latest results for our integration index suggest that the Asia-Pacific region as a whole is more integrated at the end of 2006 than it was in 1990. The index shows that there has been a definite trend towards deeper regional integration of trade, investment and people flows. However, the measures of “convergence” show a widening of the gap since 1998 in terms of GDP per capita, life expectancy, level of urbanization, and educational investments. The growing development gaps within the region (not to mention within economies) should be a cause for concern not only because of the welfare of the populations that are left behind, but also because widening inequality could undermine the continued deepening of trade, investment, and human flows in the Asia-Pacific region.

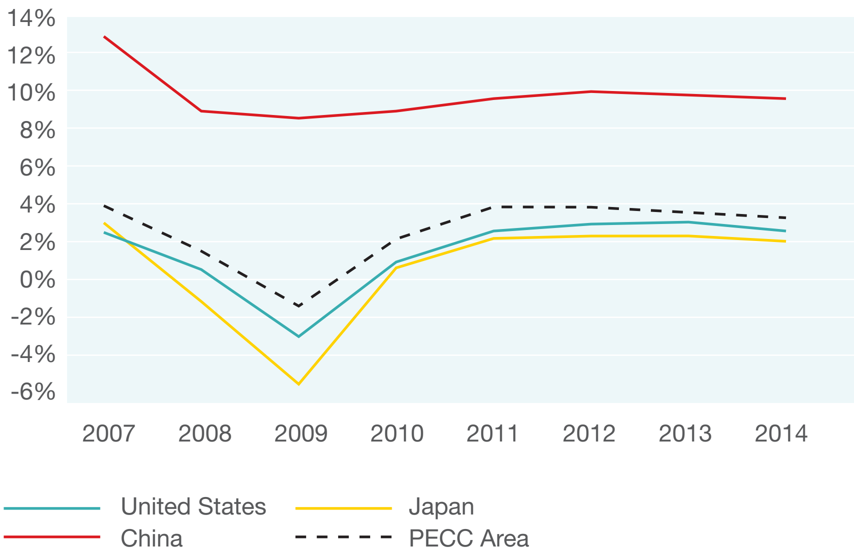
Yuen Pau Woo
Coordinator

Chapter 1 | Crisis to Growth: Strategies for Recovery in the Asia-Pacific

The recovery of the Asia-Pacific from the global economic crisis of 2008-09 is underway, but the region still faces considerable unemployment and the twin challenges of exiting interventions adopted in the crisis and implementing new structural policies to drive growth. This will be a difficult transition and there is still ample risk of slow growth and persistent unemployment, reemerging global imbalances, and financial volatility.

This chapter is based on the report of a task force commissioned by the Pacific Economic Cooperation Council (PECC) in March 2009 to see what the Asia-Pacific should do in response to the global economic crisis.*

Chart 1-1: Real GDP Growth Projections (IMF, October 2009)



The policies that stopped the economic freefall – huge stimulus packages in China, the United States and even small economies like Singapore, and massive financial bailouts in the West – were urgent, relatively easy to sell politically, and to a large extent forced by circumstances (particularly the fall of Lehman Brothers). They were deployed under extraordinary time pressures and have proved remarkably successful.

But sustained recovery will require tackling different problems, including international imbalances between the United States, China, and other economies. U.S. consumers are not likely to drive world demand in the medium term, and the slack will have to be taken up in part by Asian consumption and investment. The early responses to the crisis were not designed to address these issues, and some are even counterproductive from that perspective.

The best outcomes – inclusive, balanced, sustained growth – will require structural reforms that change economic relationships within economies and among them. The policies required to achieve such a path are complicated and varied, addressing household and government finances, investment incentives, risk management, infrastructure, productivity, social and environmental priorities, and other fundamental aspects of growth.

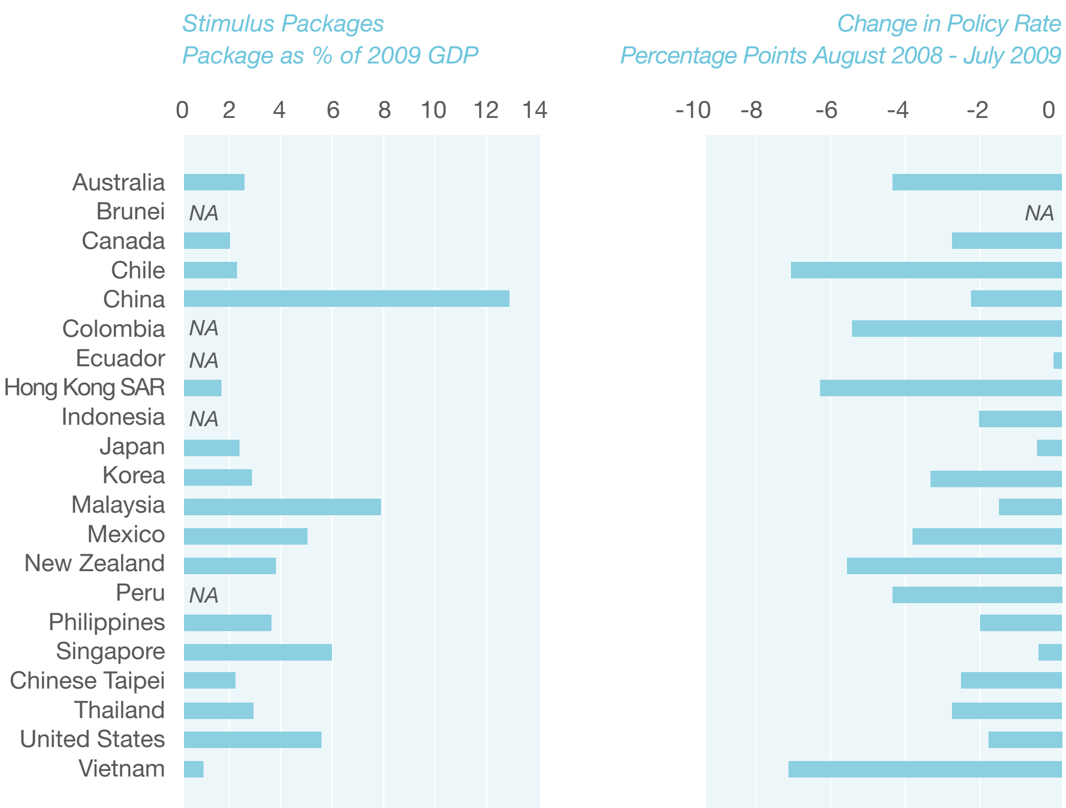
* *The members of the task force members are: Yongfu Cao, Chinese Academy of Social Sciences, Wendy Dobson, University of Toronto, Yiping Huang, Peking University, Peter A. Petri (coordinator) Brandeis University & East West Center, Michael Plummer, Johns Hopkins University & East West Center, Raimundo Soto, Catholic University of Chile, and Shinji Takagi, Osaka University. The taskforce would like to also acknowledge the valuable feedback from an international panel of advisors. The report of the taskforce will be published in 2010.*

Crisis, recovery and risks

The crisis originated, as is now well known, in the highly leveraged financial sector of the United States. It simmered from early 2007 until the collapse of Lehman Brothers in September 2008, and then spread swiftly through the Asia-Pacific and the world. Because Asian financial systems survived the early phases of the crisis relatively well, some observers had hoped that the region was "decoupled" from North American business cycles. But the crisis did hit Asia, and very forcefully so through the trade channel. Most Asia-Pacific economies experienced sharp declines in exports, output and employment, and plummeting asset prices. A few – China, Indonesia – continued to grow even at the bottom of the crisis, but others, notably Asian exporters of advanced manufactured products, became its most severely affected casualties.

Asia-Pacific governments led the world in the speed and scale of policy responses. Monetary and financial measures included sharp reductions in policy interest rates in nearly all economies. Central banks intervened deeply in a wide range of markets; for example, the Federal Reserve System of the United States more than doubled its balance sheet in just two months in the fall of 2008. Large fiscal measures followed. Together, Asia-Pacific economies adopted stimulus packages of $1.7 trillion, or 84% of the estimated total world-wide discretionary stimulus, [1] including $0.6 trillion in China and $0.8 trillion in the United States. Singapore, Mexico and many other economies also responded with major stimulus efforts.

Chart 1-2: Fiscal and Monetary Measures



Sources: IILS (August 2008-July 2009), ADB Asian Economic Monitor (June 2009), CEIC (accessed 2 October 2009).

[1] *European economies had somewhat stronger automatic stabilizers operating through the crisis.*

Given the severity of the global shock, the first “green shoots” of recovery appeared surprising quickly. In 2009 Q2, the Chinese economy began to accelerate, and Japan, Korea, Singapore and other economies that were especially hard hit in previous quarters returned to growth. By the 2009 Q3, the United States had also turned the corner. The reasons for these early successes were large stimulus programs, recovery from negative stock-adjustments early in crisis, and the basic resilience of Asia-Pacific economies. In mid-2009, forecasters began to revise projections upward and converged toward describing the crisis as a deep “V” and some economies such as Australia have begun to raise policy interest rates.

Yet in late 2009 a full recovery is far from assured. Adverse outcomes are especially likely if China and/or the United States are unable to transition to balanced growth. In the US, this might be due to continued weakness in the financial sector and large government deficits; in China, it might be caused by excessive bank lending for investment. Poor outcomes could also follow from premature tightening of monetary or fiscal policies; insufficient demand due to entrenched unemployment and other structural problems; persistent financial fragility due to the drag of bad assets on the financial sector; and expanding international imbalances that trigger asset price and/or currency volatility. Since governments have exhausted many policy options in recent months, they have little ammunition left to fight another setback, should one occur.

Sustained growth beyond the crisis

The term “rebalancing” is widely but imprecisely applied to policies that address some of these threats, and especially global imbalances. Before the crisis, unsustainable borrowing supported high US consumption, while unprecedented savings – including more than half of China’s national income – went into unsustainable investments in export industries and dollar assets. These internal imbalances in expenditures led to large international imbalances in terms of trade and capital flows between the United States and China, Japan and other economies.

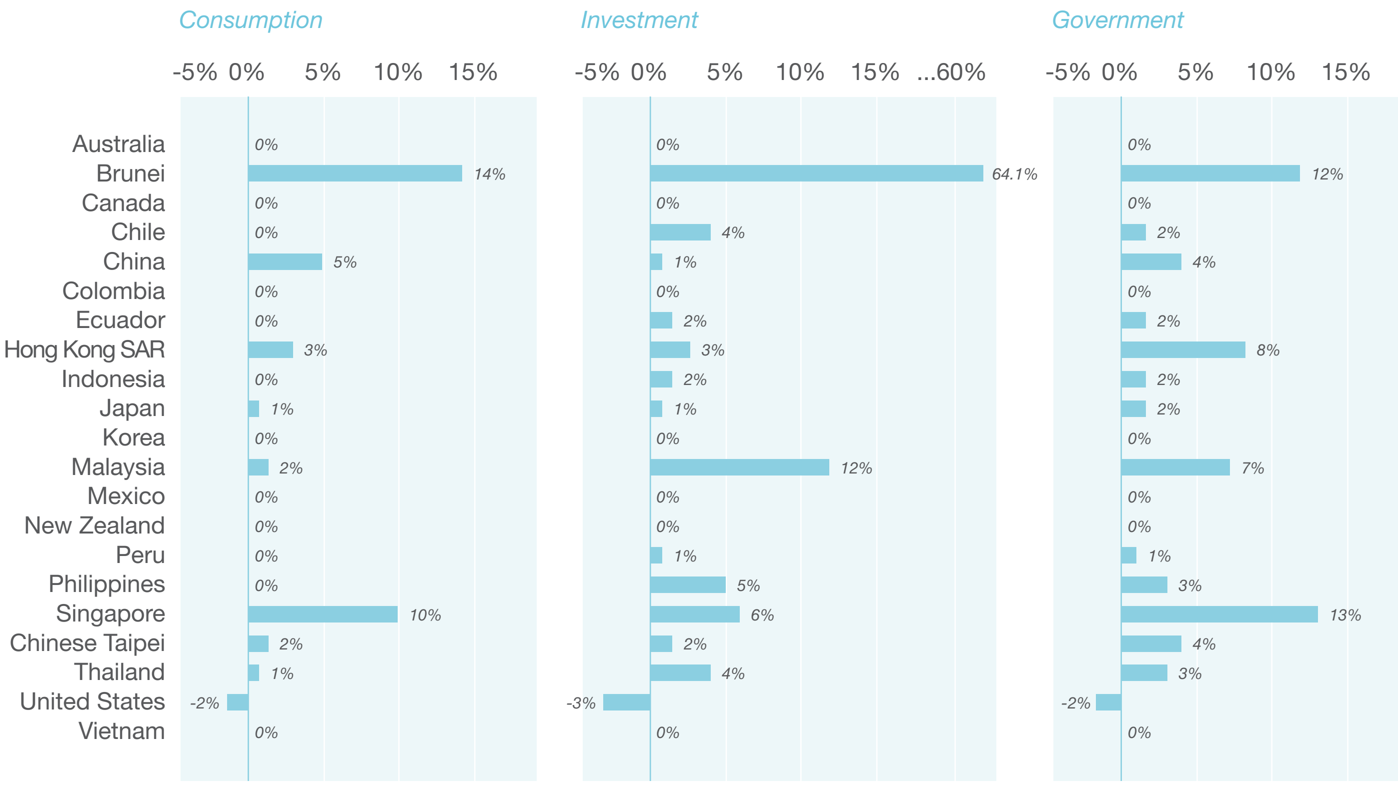
Harsh market adjustments have reduced these imbalances during the crisis. The US current account deficit declined to under 3 percent of GDP, a level widely considered sustainable. U.S. consumers are attempting to rebuild savings, and imports by US and European consumers are likely to stay sluggish for some time. To compensate for these trends and to orient Asia-Pacific production toward expenditures that are sustainable in the medium term, producers across the region will need to depend increasingly on Asian consumption and investment demand, rather than net exports.

Some current forecasts – including by the IMF – foresee US external deficits remaining at sustainable levels, but not all are optimistic. For example, William Cline (2009) projects lower world growth rates and higher imbalances; in one simulation he sees US current account deficits rising to 5.2 percent of GDP by 2011 and eventually to 16 percent of GDP by 2030. This scenario is based on the assumption that the US will not reduce its government deficits and that foreign investors (especially China) will continue to buy US assets despite growing debt. This would be a risky path. Once markets recognize that imbalances are not under control, currency and asset markets would likely become volatile, perhaps triggering another downturn.

Avoiding large new imbalances is thus an important prerequisite for a sustained recovery. We find, however, that the arithmetic of this challenge is manageable. Even at its maximum before 2007, the “excessive” part of the U.S. deficit (the portion above 3 percent of GDP) amounted to little more than $300 billion. This is a large value, but one that needs to be viewed in the context of the Asia-Pacific region’s $28.8 trillion economy.

Chart 1-3: Rebalancing Demand

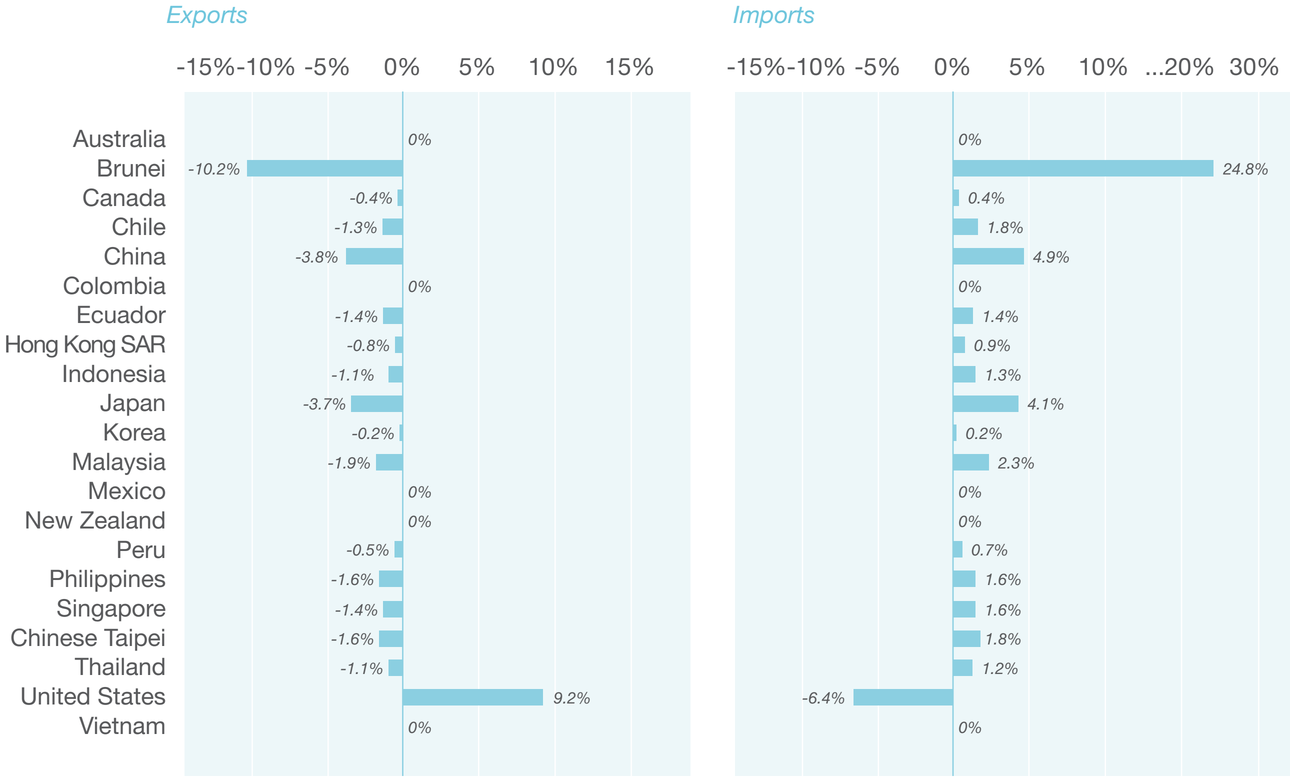
Expenditure Changes to Rebalance Growth (from 2007 baseline)



To assess the implications of rebalancing, we used a simple simulation to calculate a pattern of expenditures in 2007 that would have brought U.S. deficits down to sustainable levels. It turns out that this objective could have been achieved with modest expenditure changes. In China, consumption would have had to increase by 4% over the 2007 level – a change normally achieved in 6 months given China's rapid growth. Somewhat larger percentage increases (5%) would have been required for investment in Southeast Asia and Latin America, and somewhat smaller (2%) reductions in consumption and government expenditures in the United States. Trade changes would have been a little larger: 9% for US exports and -6% for US imports. (The results show large changes for Brunei since that economy's surplus was the region's largest, in relative terms, in 2007. The calculations do not account for special circumstances that might suggest different or smaller adjustments in that case.)

Chart 1-4: Rebalancing Trade

Trade Changes to Rebalance Growth (from 2007 baseline)



The arithmetic of rebalancing is favorable because imbalances that exert great stress on global financial relations are relatively small compared to broad categories of domestic expenditures in large economies. But the arithmetic tells only part of the story. The politics of these adjustments is likely to be more difficult. Some possible policies are discussed below and in greater detail in the PECC Taskforce report.

Structural policies

Achieving solid, balanced growth will require economies to exit their stimulus programs and to adopt complex and varied structural reforms. These will be difficult to implement technically and politically. For example:

- U.S. policies could impose new disciplines on consumer and government spending by reining in excessive borrowing and by increasing taxes.
- China's policies could stimulate domestic demand by improving social safety nets, freeing labor markets in order to raise wages, and opening capital markets to smaller firms.
- Japan and other advanced Asian economies could free up service sectors and refocus technological capabilities on growth markets such as aging populations and energy conservation.
- Southeast Asia and South America could accelerate investment through measures that improve productivity and the conditions for doing business.

Sustained growth will also require changes in supply – resource flows to tradable goods industries in the United States and to non-tradable sectors, especially services, in Asia. Ultimately, such compositional shifts require significant relative price changes. Exchange rate flexibility (the appreciation of the currencies of China and other Asian exporters vis-à-vis the United States dollar) is the least disruptive way to achieve them, cooperative approaches to this may be useful in bringing about this change.

Within this general framework, each Asia-Pacific economy will face its own challenges – in some, attention will have to focus on household incomes and expenditures, in others investment and infrastructure, and in still others agriculture, resources, or services. The complexity of these changes should not be underestimated, but all are within reach of Asia's pragmatic, successful approaches to policy. Asia does not need to "throw out the baby with the bathwater;" outward-oriented policies, efficient manufacturing, and high savings remain powerful assets for growth. The challenge in the post-crisis period is to extend market-oriented reforms to more sectors within economies and to more transactions among them.

Growth engines

These demand and supply shifts could be accelerated with high profile Asia-Pacific initiatives. Selected "growth engines" could address important trends – population aging and other social and environmental priorities – and use government expenditures and other incentives to stimulate investment. They could be backed by catalytic commitments from the Asian Development Bank and other international investors. Four important areas for such projects are:

- Economic integration: investments in connectivity and trade agreements that strengthen Asia- Pacific markets.
- Green economy: investments in energy conservation, research and development, efficient irrigation, and energy-saving vehicles and transport systems.
- Social priorities: investments in education, health care, pensions and social safety nets.
- Knowledge and productivity: investments in research and development and technology, and reforms to drive productivity.

Such regional initiatives could stimulate Asian demand, create markets for Asia's manufactures, engage American resources and technology, and put Asia's savings to productive use.

A role for Asia-Pacific institutions

International cooperation will be essential to a successful policy framework. The G-20 now provides a "board of directors" for the global system, with substantial Asia-Pacific membership. But the plans of these "directors" will need to be translated into concrete initiatives and projects. And more inclusive forums will be needed in order to engage economies not in the G-20.

Layered Cooperation

Layer	Institutions	Tasks
Board of directors	G-20 Leaders	Goals
Corporate staff	Ministers Bretton Woods Institutions	Targets
Line divisions	Bretton Woods Institutions Regional Institutions Individual economies	Projects

In the Asia-Pacific region, ASEAN+3 could play an important role in orchestrating a smooth realignment of Asian exchange rates relative to the dollar. APEC is also in a good position to help. As a trans-Pacific forum, it spans critical economies and dimensions of rebalancing. It has accumulated expertise on structural reforms and its non-binding format is suited to the complex cooperation required. APEC's "pathfinder" approach, for example, could provide a platform for initiatives by groups of economies that support specific rebalancing objectives. APEC's workplan could take on packages to address priority "behind the border" barriers to trade, and engines of growth focused on common social and environmental goals.

Interdependence in the Asia-Pacific region is now often viewed as a source of risk, but it is also a tremendous asset: it connects the most powerful technological, financial, and productive resources ever assembled in history. Asia-Pacific institutions should not miss the opportunity to build on these connections to address the crisis. By working together, Asia-Pacific governments could send a powerful signal to markets that they are committed to cooperation and to holding each other accountable for keeping growth on track.

Chapter 2 | Survey of Opinion-Leaders

While economic growth seems to have returned to the region, there remain many questions around an exit strategy from the extraordinary measures taken in response to the crisis, and how to put in place policies that will generate long-term sustainable growth.

This chapter is based on a survey of close to 400 opinion-leaders from twenty-one Asia-Pacific economies conducted from 29 September to 30 October.

This survey is not one of public opinion, but rather of those who lead opinions. Panelists include senior officials, business leaders, media commentators, and leading scholars/analysts, reflecting the unique membership of PECC.

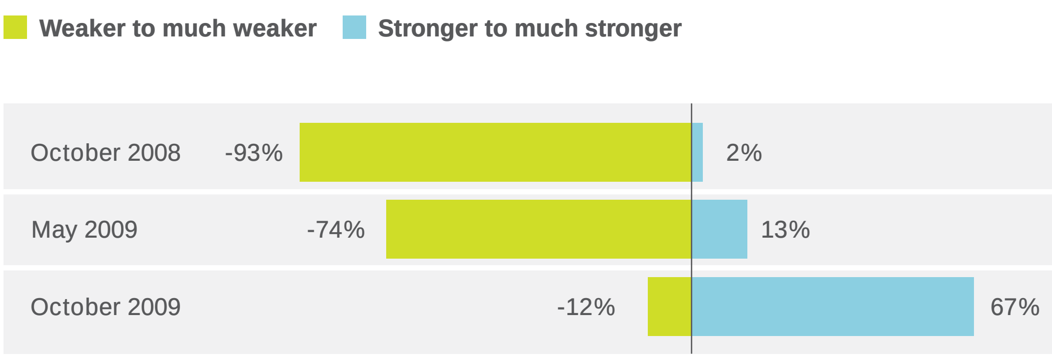
The questionnaire consisted of three sections: economic outlook; responses to the economic crisis; and regional cooperation and integration. On the whole, we believe that respondents selected to participate in the survey broadly represent the community most actively engaged in policy debates on the Asia-Pacific region.

Rising Optimism on the Economic Outlook

As was discussed in the previous chapter, economic growth has returned to the region. This observation is echoed in the views of respondents on expectations for growth over the next twelve months. Close to 70 per cent of respondents expected economic growth for the global economy to be stronger or much stronger over the next 12 months, compared to only 13 percent 6 months ago and 2 percent a year ago.

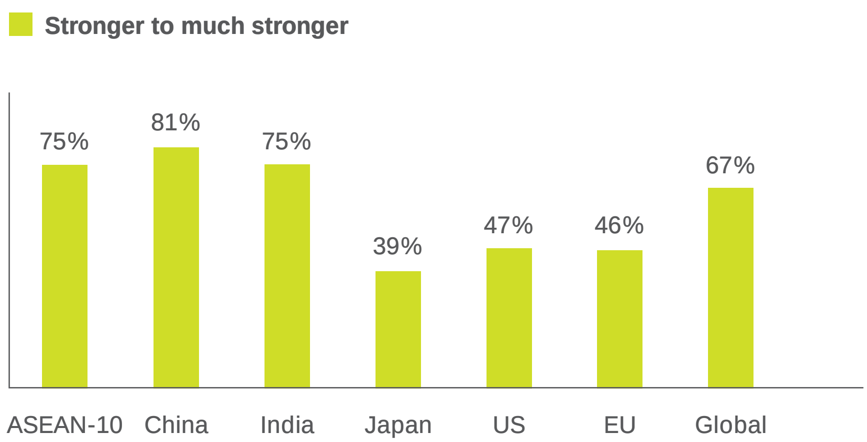
Chart 2-1: Expectations for growth of the global economy: in October 2008, May 2009 and October 2009

% respondents who thought economic growth for the global economy would be weaker to much weaker and stronger to much stronger



However, opinion-leaders do not expect an even recovery and were much more optimistic about the prospects for growth in developing economies of the Asia Pacific region. Respondents were most optimistic about the Chinese economy with 84 percent expecting stronger to much stronger growth.

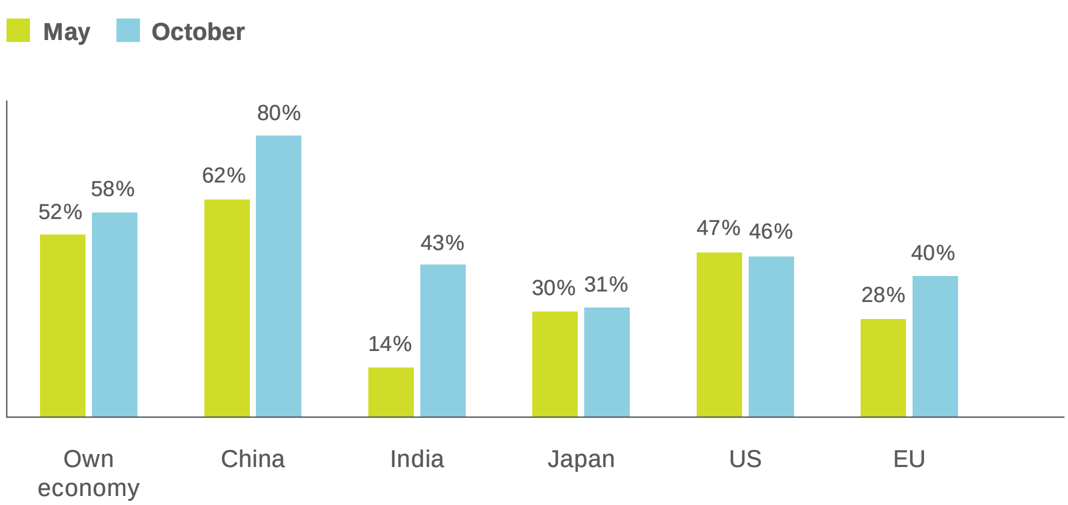
Chart 2-2: What are your expectations for economic growth over the next 12 months compared to the last 12?
% respondents who thought economic growth in the following economies/regions would be stronger to much stronger



Policy Responses to the Crisis

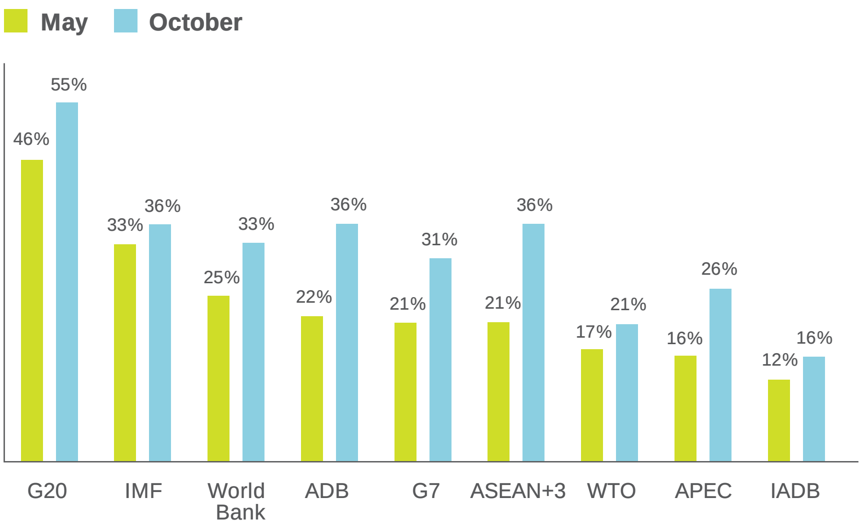
The economies of the Asia-Pacific region were responsible for 84 percent of the global stimulus packages enacted as a response to the crisis. Since the last survey, respondents have come to view the economic and stimulus packages of various countries more favorably, with the exception of the United States.

Chart 2-3: How satisfied are you with the responses of the following economies to the crisis? (May 2009 compared to October 2009)
% respondents who were satisfied to very satisfied



Respondents were less satisfied with the responses from regional and global institutions. The fledgling G20 came out best, with 55 percent of respondents expressing satisfaction with its responses to the crisis. Opinions of institutional responses to the crisis have improved across the board since our previous survey in May 2009, which likely reflects the continued efforts of these organizations to address the crisis and the more positive economic outlook in recent months.

Chart 2-4: How satisfied are you with the responses of the following international institutions to the crisis? (May 2009 compared to October 2009)
% respondents who were satisfied to very satisfied

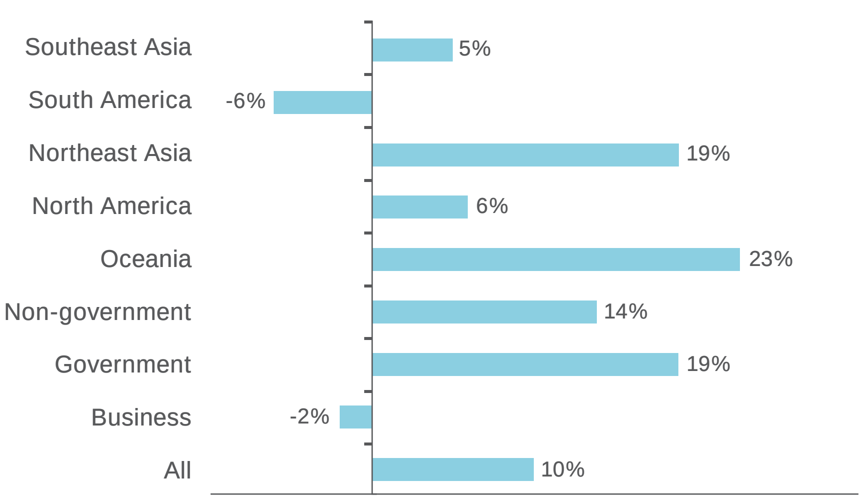


Even so, opinion leaders held a rather dim view of the responses of the IADB and the WTO, with only one in five respondents expressing satisfaction with the crisis responses of these two organizations. However, in the case of the IADB, a significant number of respondents, 35 percent, did not know what the IADB had done in response to the crisis. This should not be too surprising given that the IADB's operations are limited to the Americas and the vast proportion of respondents were from Asian side of the Pacific.

Protectionism

One major concern at the beginning of the crisis was whether governments would resort to protectionism in response to the economic downturn. Although there was overall agreement with the statement that protectionism has largely been avoided, there was divergence between sub-regions and sectors. South America was the only sub-region where more respondents disagreed than agreed with the statement "Economies have largely avoided resorting to protectionist measures in response to the crisis". Likewise, while respondents from the government and non-government organizations agreed with the statement, the business sector took a contrary view.

Chart 2-5: Economies have largely avoided resorting to protectionist measures in response to the crisis
% respondents who agreed with the above statement minus those who disagreed, by sub-region and sector

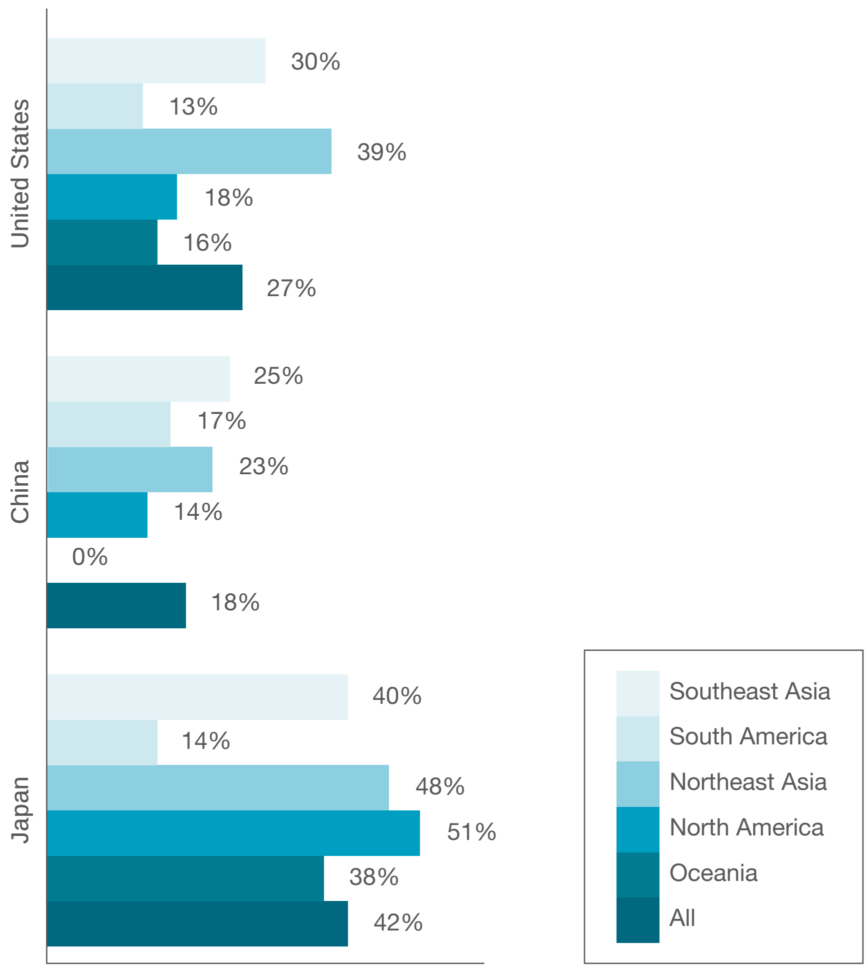


Not yet time to exit

Even though there is rising optimism about the economic outlook in the region, opinion leaders were unanimous in their view that it would be premature to exit from the expansionary fiscal and monetary policies taken in responses to the crisis.

Chart 2-6: It's time to exit from expansionary fiscal and monetary policies in the United States, China, and Japan

% respondents who agreed with the above statements minus those who disagreed, by sub-region

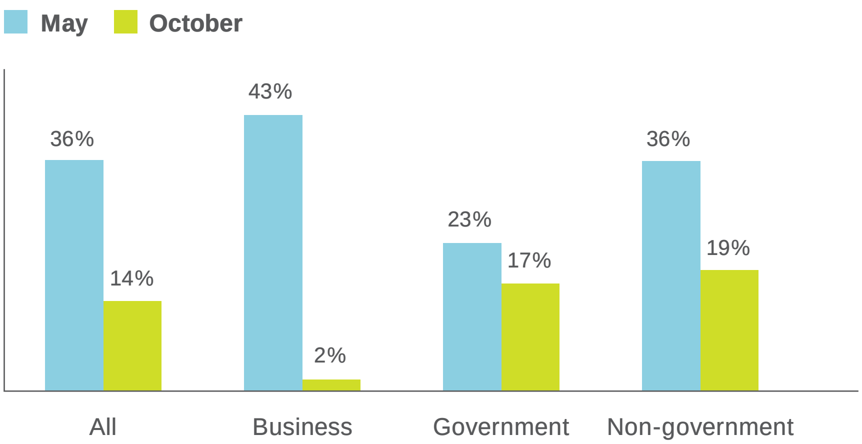


Respondents were asked if it was time to exit from the expansionary fiscal and monetary policies in the region's three largest economies – the United States; China; and Japan – the response was a resounding 'no'. However, there were substantial differences, among the sub-regions on this issue.

- United States: Northeast Asian respondents led in the view that the United States should not exit from its expansionary policies.
- China: Opinion leaders were in agreement that China should exit from expansionary policies, with the exception of respondents from Oceania whose views were evenly split.
- Japan: North American respondents were most resistant to the idea that it was time for Japan to exit from its expansionary stance

Views were much more mixed on whether the US economy would recover from the crisis to retain its leading position in the world economy. While more respondents agreed than disagreed (14 percent net agreement), business respondents were much more skeptical with net agreement of only 2 percent. In response to a similar question six months ago respondents were much more confident that the US would recover to retain its leading position in the world economy.

Chart 2-7: The US economy will recover from the economic crisis to retain its leading position in the world economy
% respondents who agreed with the statement minus those who disagreed, by sector



Most respondents did not think there was a high risk of the world economy falling back into recession next year. Forty percent of opinion leaders disagreed with the statement "There is a high risk of the world economy falling back into recession next year" while 27 percent agreed. Reflecting the more uncertain economic outlook in the United States, respondents from North America took the opposite view, with 44 percent of respondents agreeing with the statement compared to 24 percent who disagreed.

International Policy Objectives for Sustained Growth

The previous chapter of this report discussed the underlying issues that need to be addressed to ensure that the recovery is inclusive, balanced, and sustained. The survey results suggest that there is an emerging consensus among opinion-leaders on what needs to be done, namely to strengthen the regulation of the financial sector; to rebalance the Chinese and US economies; and to increase final goods trade among Asian economies.

Table 2-1: Importance of the following policy objectives for achieving sustained growth in the Asia-Pacific over the next five years.
(Average rating based on a scale from 1= "not at all important" to 5= "very important")

Strengthening financial regulations across the globe	4.19
Rebalancing the Chinese economy	4.17
Rebalancing the US economy	4.04
Increasing final goods trade among Asian economies	3.87
Increasing flexibility of the Chinese Yuan	3.73
Coordinating Asian exchange rate policies	3.34
Replacing the US dollar with other currencies and/or SDR in foreign exchange reserves	2.69

It is worth noting that "replacing the US dollar with other currencies and/or special drawing rights in foreign exchange reserves" – a popular issue in media commentaries – was seen as the least important policy priority and had an average rating significantly lower than the other policy choices.

What will drive growth over the next 5 years?

The global economic crisis – and its implications for slower growth in the US economy – have raised some stark questions about the sources of growth for the region in the foreseeable future. In a list of five potential growth engines, opinion-leaders ranked expenditures on social priorities (health, education and pensions) as the top engine of growth for the next five years. This was followed by the liberalization of the service sector; and measures to promote a green economy. Lower in the list but still ranked as important were trade policy instruments such as regional trade agreements and the WTO Doha Development Round of multilateral trade talks.

Table 2-2: Growth Engines in the Asia-Pacific over the next 5 years
(scale from 1= "not at all important" to 5= "very important")

	All	Business	Government	Non-government
Expenditures on social priorities (health, education, pensions)	3.98	3.79	4.20	4.00
Liberalization and development of the services sector in Asia	3.93	3.92	3.95	3.93
Measures to promote a green economy	3.81	3.76	3.97	3.78
The conclusion of the WTO Doha Round	3.68	3.65	3.92	3.61
Regional trade agreements	3.63	3.85	3.57	3.54
US export growth	3.40	3.36	3.35	3.44

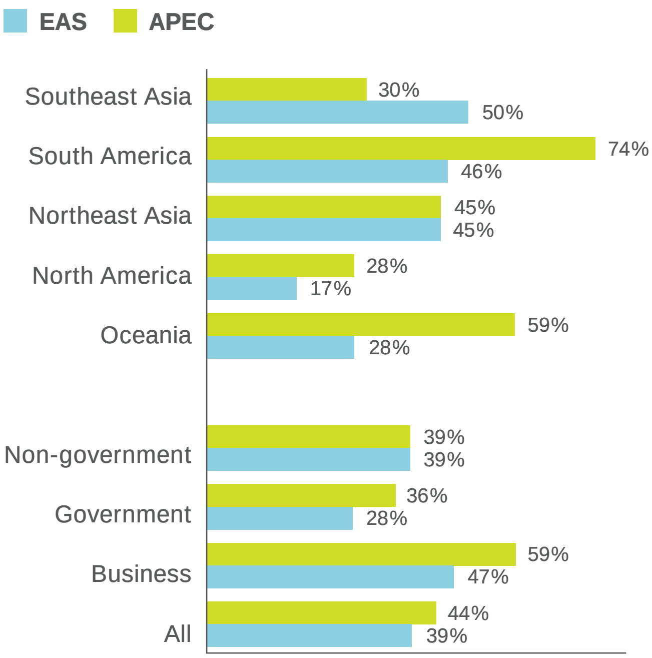
There were differences in views between respondents from business, government, and the non-government sectors.

- Business respondents ranked service sector liberalization and development as the top driver of growth followed by regional trade agreements and then expenditures on social priorities
- Government respondents ranked expenditures on social priorities as top followed by measures to promote green economies and then the liberalization of the service sector
- Respondents from the non-government sector ranked expenditures on social priorities top followed by service sector liberalization and development and then measures to promote a green economy

Free Trade Agreements

One issue that has been on the regional agenda is large scale plurilateral trade agreements. A variety of combinations of members have been proposed, including an agreement among the ASEAN Plus Three (APT) grouping, an agreement of the East Asia Summit (EAS) members, and an agreement among APEC members.

Chart 2-8: A free trade area for the members of EAS/APEC members should be negotiated as soon as possible
% respondents who agreed with the statement minus those who disagreed by sub-region and sector



- Business respondents were much more enthusiastic about regional trade areas than their counterparts from government and the non-government sectors
- Northeast Asian respondents were equally enthusiastic about an agreement for EAS and APEC members
- South American respondents were much more interested in an APEC agreement than an EAS agreement
- North American respondents were least enthusiastic about either idea

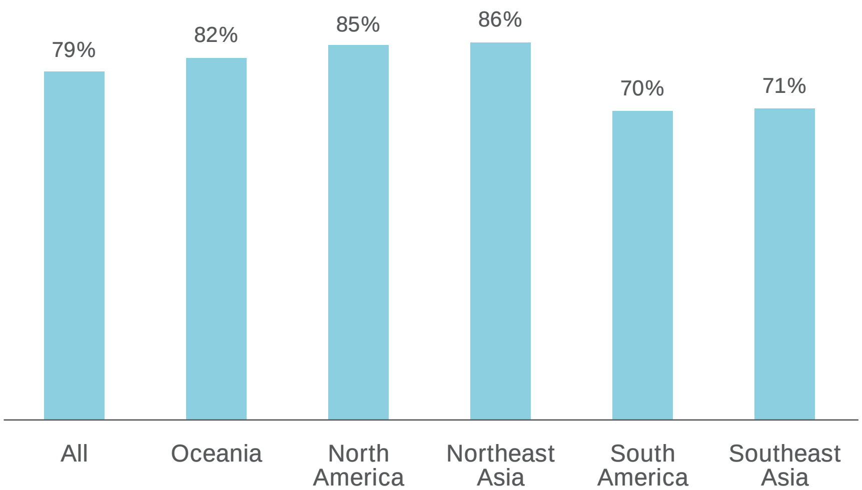
Regional and International Cooperation

With the designation of the G20 as the premier world forum for economic cooperation or "the steering committee of the global economy", the economic crisis may have ushered in a new era for multilateral cooperation. At the Pittsburgh Summit in September 2009, G20 leaders agreed to institutionalize the grouping and committed to a joint meeting of the G8 and G20 in Canada in June 2010, followed by a G20 Summit in Korea in November of the same year. Regional opinion leaders overwhelmingly support this development with 92 percent of respondents agreeing that "the G20 leaders' process should be institutionalized even after the crisis is over".

Respondents also agreed overwhelmingly with the proposition that the Asian economies should have a bigger say in the governance of the International Monetary Fund and the World Bank.

Chart 2-9: The G20 Leaders' process should continue and be institutionalized even after the economic crisis is over

% respondents who agreed with the above statement minus those who disagreed, by sub-region

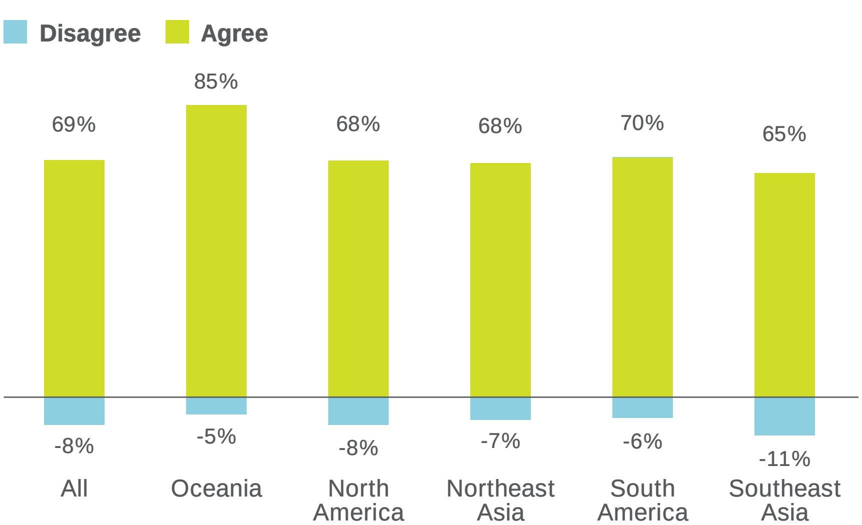


Regional Architecture

It has been widely noted that while APEC is a useful forum for economic cooperation, the Asia-Pacific region lacks a summit-level forum to address political and security issues. When asked if the region needs such a forum, close to 70 percent of respondents agreed, with the most support coming from Oceania.

Chart 2-10: The Asia-Pacific needs a forum for Leaders to discuss political and security issues

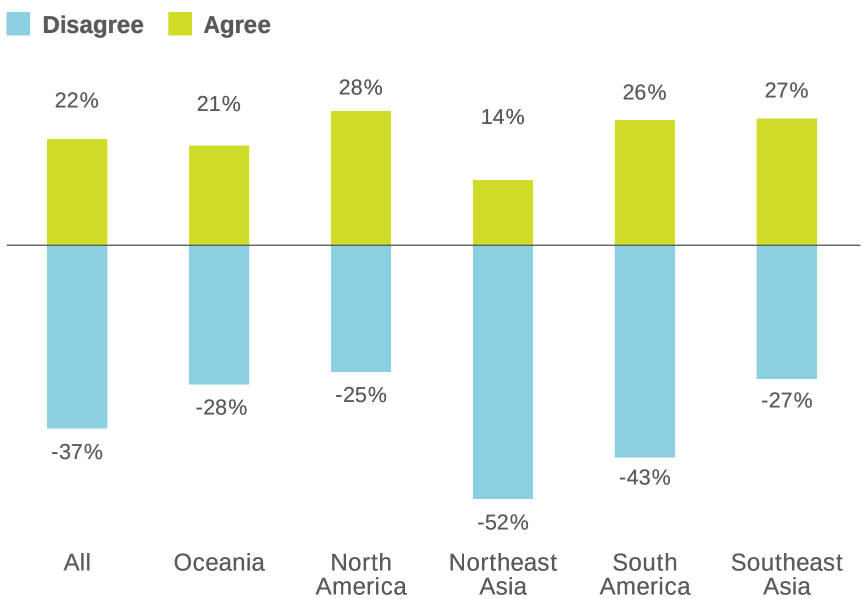
% respondents who agreed/disagreed with the above statement



Another issue being debated is the role of Asia-only processes like the ASEAN Plus Three and East Asia Summit vis-à-vis a broader Asia-Pacific grouping. When asked if "the East Asia Summit will eventually overshadow APEC", 22 percent agreed while 37 percent disagreed.

There were wide disparities in views from different sub-regions. Southeast Asian respondents, representing the sub-region that has been at the core of both Asia-Pacific and East Asian initiatives, were equivocal in their assessment with 27 percent disagreeing and 27 percent agreeing with the statement. Interestingly, the sub-regions of the Asia-Pacific left out of Asia-only groupings differed in their assessments. While North Americans marginally thought that the EAS would overshadow APEC (3 percent net agreement), South Americans disagreed (17 percent net agreement).

Chart 2-11: The East Asia Summit process will eventually overshadow APEC
% respondents who agreed/disagreed with the above statement



APEC Leaders Should Focus on the Economic Crisis

By far the most pressing issue that respondents thought APEC Leaders should take up at the Singapore Summit was: "continued action on the economic crisis". The top five issues identified by opinion leaders were as follows:

Table 2-3: Top 5 priorities for APEC Leaders to discuss in Singapore, 2009

All	Oceania	North America	Northeast Asia	South America	Southeast Asia
Continued action on the economic crisis	Continued action on the economic crisis	Continued action on the economic crisis	Continued action on the economic crisis	Continued action on the economic crisis	Continued action on the economic crisis
Regulation of the financial sector	Restarting the Doha process	Regulation of the financial sector	Climate change and the Copenhagen Deal	Restarting the Doha process	Regulation of the financial sector
Restarting the Doha process	Regulation of the financial sector	Restarting the Doha process	Restarting the Doha process	Regulation of the financial sector	Reducing the cost of doing business
Climate change and the Copenhagen Deal	Improving governance	Correcting trans-Pacific imbalances	Regulation of the financial sector	Reducing the cost of doing business	Restarting the Doha process
Reducing the cost of doing business	Climate change and the Copenhagen Deal	Climate change and the Copenhagen Deal	Environmental protection	Environmental protection	Social safety nets

There was remarkable consistency among respondents from business, government and non-government sectors, with each group agreeing on 4 of the top 5 issues.

As the APEC Summit takes place only a month before the Copenhagen Conference on Climate Change, opinion-leaders have placed it high on the Leaders' agenda. APEC Leaders discussed climate change at their Sydney Summit in 2007, but APEC has not had any meaningful follow-up since that meeting.

(For detailed survey results, refer to Annex)

Chapter 3 A Composite Index of Economic Integration in the Asia-Pacific

The Asia-Pacific Economic Cooperation (APEC) forum celebrates its 20th anniversary in 2009 at a time of great stress and change in the world economy. With the emergence of new global fora such as the G20, and the heightened interest in Asian regional architecture, the validity and success of APEC's work in the past two decades is under fresh scrutiny. There will be special attention in 2010 when APEC reaches the first of its Bogor targets for free and open trade in the developed member economies. Since APEC has not defined "free and open trade", there are potentially many different ways to measure its success in achieving this target. It is important, however, that APEC critically assesses its performance against the 2010 target, and uses it as an opportunity to revive and reform the organization.

It is in this context that PECC has created a new measure of economic integration across 17 APEC economies (data was not available for Brunei Darussalam, Papua New Guinea, Peru and Russia). The PECC Composite Index of Asia-Pacific Economic Integration tracks both the extent to which the economies are becoming more alike in their economic characteristics (i.e. "convergence" measures) and the relative importance of regional trade, investment and human flows compared to economic relations with the rest of the world. To the extent that APEC and the Bogor targets are fundamentally about deepening regional economic integration, this index provides one measure of APEC's success in the last 20 years.

The index was first unveiled in 2008, using data up to 2005, and it has been since been updated to include 2006 data.

Major findings of the 2009 Composite Index of Asia-Pacific Economic Integration include:

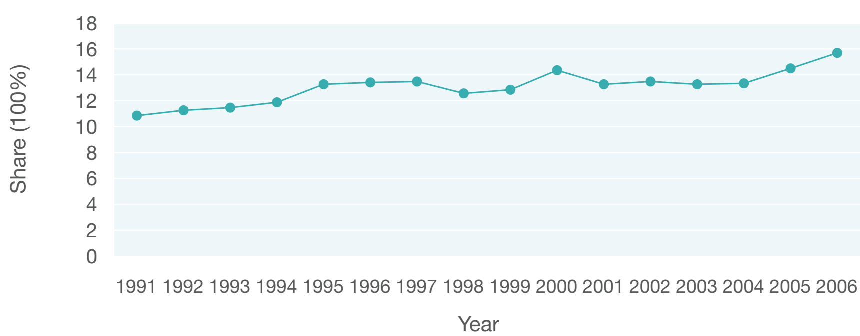
- The Asia-Pacific region as a whole is more integrated at the end of 2006 than it was in 1990. Last year's index shows a steady upward trend in the economic integration of the region from 1991 through 2000, followed by a slight decline between 2001 and 2003, before a resumption in the trend of greater regional economic integration through 2004-2006.
- Singapore is the economy most highly integrated with the Asia-Pacific region, followed by Hong Kong and Chinese Taipei. These three economies have held the top positions for most of the period covered by the index.
- The least integrated economy in 2006 was Indonesia, followed by China, the United States and the Philippines. This is consistent with last year's findings which ranked both Indonesia and China as the two least integrated economies in the region. The US index, which has fluctuated within a limited range since 1991, continues on a mild downward trajectory.
- The economies which have seen the biggest movement towards regional economic integration between 1991 and 2006 are Hong Kong, New Zealand, Viet Nam, and the Republic of Korea.
- Three economies were less integrated with the Asia-Pacific region in 2006 than in 1991: Indonesia, Mexico, and Singapore. Last year's findings showed a total of six economies that were less integrated in 2005 than in 1990.

Table 3-1: Comparison of 2005 and 2006 Composite Index

Economy	2005	Ranking	2006 (Chained)	Ranking
Singapore	265.51	1	268.68	1
Hong Kong	114.85	2	118.51	2
Chinese Taipei	74.95	3	97.91	3
Rep. of Korea	63.69	5	66.97	4
New Zealand	61.10	4	70.58	5
Malaysia	48.55	6	49.08	6
Australia	40.10	7	43.76	7
Thailand	39.37	8	37.56	8
Chile	25.07	9	26.18	9
Japan	16.69	10	19.39	10
Canada	11.94	11	15.09	11
Phillipines	11.65	14	8.39	12
Mexico	11.22	12	12.22	13
Viet Nam	8.58	13	9.4	14
United States	5.97	15	6.03	15
PRC	-2.44	16	-4.48	16
Indonesia	-21.35	17	-20.22	17
AP Region	9.26	-	9.72	-

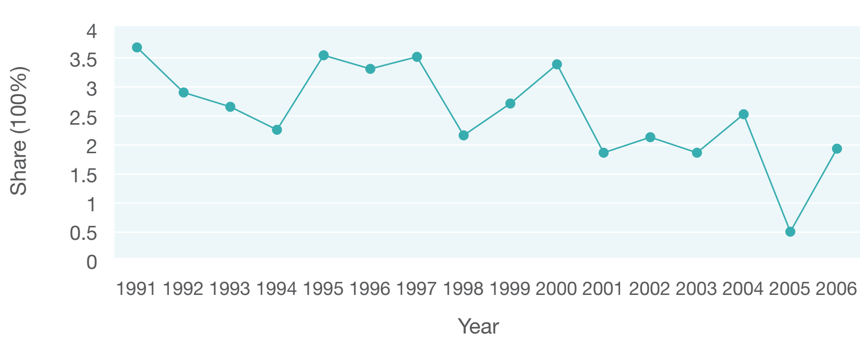
Ranking for the most and least economic intregrated economies remain the same except for New Zealand and Korea who swap spots in the updated composite index. New Zealand drops a spot to 5th place while Korea has risen one position to number 4.

Chart 3-1: Intra-regional trade share, Asia-Pacific



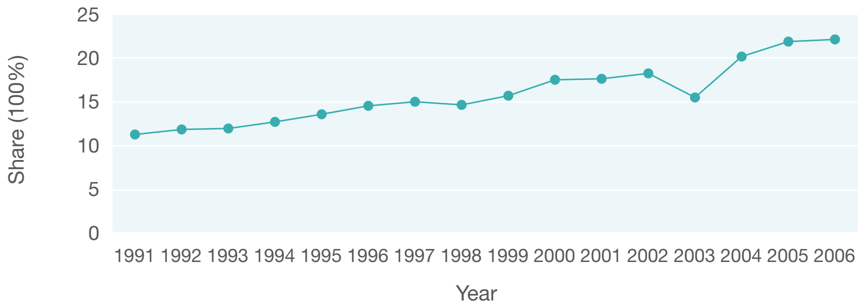
The intra-regional trade share reached a new high in 2006. For the purposes of the index, this calculation excludes trade within sub-regional trading blocs.

Chart 3-2: Intra-regional FDI share, Asia-Pacific



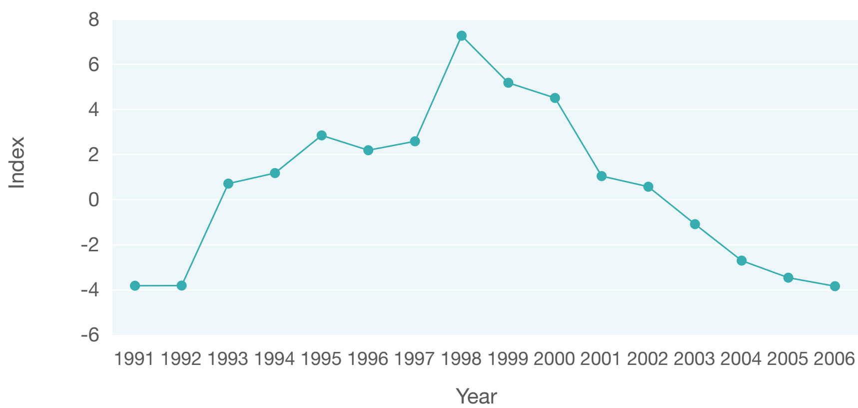
Intra-regional FDI has been very volatile over the period 1991 and 2006. The latest data shows a sharp upward spike.

Chart 3-3: Intra-regional tourist inflow, Asia-Pacific



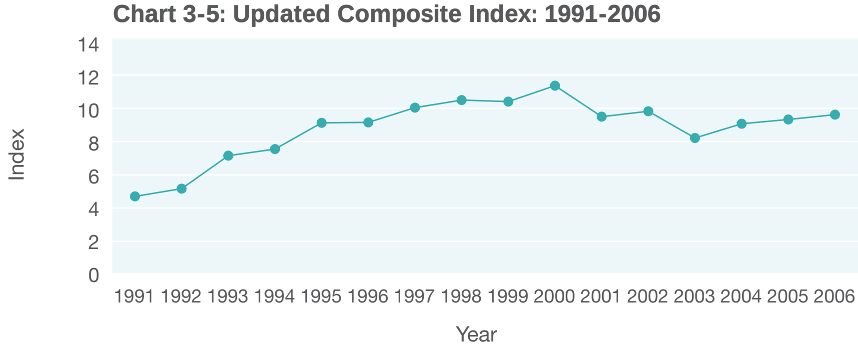
Intra-regional tourism flows continued their upward trend in 2006.

Chart 3-4: Updated Convergence Index: 1991-2006



The convergence index –based on deviations from GDP per capita, life expectancy and the level of urbanisation and educational investments—continue to show growing economic differences, suggesting that gaps in the level of economic development in the region remain and may in fact be increasing.

Chart 3-5: Updated Composite Index: 1991-2006



Despite indications of greater economic divergence, the composite index shows that on the whole regional economic integration continued to deepen in 2006.

How to Read the PECC Index of Asia-Pacific Economic Integration

The composite index of economic integration is based on a combination of measures that on the one hand looks at the extent to which the reference economies are becoming more alike in their economic characteristics (“convergence” measures) and on the other hand at the relative importance of trade, investment and human flows within the region compared to economic relations with the rest of the world. The convergence measures are premised on the notion that integration will lead to greater uniformity among the economies. Accordingly, more trade and investment among regional partners may not translate into a higher score on the integration index if at the same time the partners are diverging in terms of income, education, life expectancy, urbanization, and economic structure. Furthermore, since the trade, investment, and tourism measures are calculated relative to global transactions, the index will rise for a given economy only if that economy’s share of trade/investment is growing relative to total trade and investment.

An important feature of the index is that it excludes trade and investment flows among geographically contiguous sub-regional trade agreements, namely NAFTA, the ASEAN free trade agreement, and Australia-New Zealand Closer Economic Relations. It also excludes flows – among the People’s Republic of China, Hong Kong, and Chinese Taipei. This is to control for the effect that sub-regional flows may have on the index, whereby a very high degree of integration among say NAFTA economies could result in a falsely high measure of integration with the Asia-Pacific region as a whole. The exclusion of intra-regional flows did not affect the positions of Hong Kong and Chinese Taipei at the top rankings of the index. On the other hand, the People’s Republic of China’s much lower ranking suggests that a large share of its trade and investment flows with Asia-Pacific partners is with Hong Kong and Chinese Taipei, and that its share of trade and investment with countries outside of the Asia-Pacific is larger than that of other economies in the region.

Caution should be exercised in the interpretation of these findings. The measures chosen for inclusion in the composite index are imperfect indicators of “convergence” and trade/investment integration. The rankings in turn should not be read normatively as "league tables" in the sense that a higher ranking is superior to a lower ranking. Indeed, a low ranking may simply indicate that an economy is more oriented globally than regionally, as is likely the case for China and the United States.

Nevertheless, the change in index value for a given economy over time can be read as a measure of its changing economic orientation. The index value for the region as a whole can also be seen as a measure of closer economic ties among Asia-Pacific economies and as one indicator of APEC’s success. We believe that this finding should be an important – and positive -- factor in assessing APEC’s 2010 Bogor target.

Technical Note on the Composite Index of Asia-Pacific Economic Integration

The index is constructed in two stages, with weights assigned by “Principal Components Analysis” – which calculates the relative importance of each sub-component based on its statistical qualities – rather than by subjective assessment.

In the first stage, a convergence index is constructed to measure the dispersion of selected economic indicators among the Asia-Pacific sample economies. The convergence index is a measure of whether the economies are becoming more alike as a result of closer interaction and economic development. The indicators included in the convergence index are as follows

- Real GDP per capita
- Share of non-agricultural sector in GDP
- Ratio of urban residents to total population
- Life expectancy
- Share of education expenditure in GDP

In the second stage, indicators of trade, investment, and people flows are added to the convergence index and weights are assigned, again using Principal Components Analysis, resulting in the composite index. A change in this year's index is the use of time-varying weights which are used to update the index using a chained weight approach. Time-varying weights ensure than the relative importance of weights remains accurate from year to year while a chained approach ensures that indices in the composite index are comparable across the 1991 to 2006 period. The chained weights used in the composite index are as follows:

- Composite = 0.2370
- Share of exports and imports to / from other Asia-Pacific economies = 0.2951
- Share of foreign direct investment flows to / from other Asia-Pacific economies = 0.1094
- Share of Asia-Pacific tourist flows from other Asia-Pacific economies = 0.3585

The economies included in the index are all APEC members, namely Australia, Japan, Republic of Korea, People's Republic of China, Hong Kong, Chinese Taipei, Vietnam, Thailand, Philippines, Indonesia, Singapore, Malaysia, United States of America, Canada, Mexico, Chile, and New Zealand. The stage two components exclude flows among geographically contiguous sub-regional trade agreements, namely the Association of Southeast Asian Nations Free Trade Area (AFTA), North America Free Trade Agreement (NAFTA), and Australia-New Zealand Closer Economic Relations. It also excludes flows among the People's Republic of China, Hong Kong, and Chinese Taipei.

A full description of the composite index is found in Chen, Bo and Woo, Yuen Pau (2009), *A Composite Index of Economic Integration in the Asia-Pacific Region*, available at **www.asiapacific.ca**

State of the Region Survey

Respondent Profile:

The panelists were selected by PECC's member committees from the academe; business; government; civil society on the basis of their level of knowledge of the Asia-Pacific region. The criteria given for the selection of panelists were as follows:

- **Government**

Panelists should be either decision-makers or senior advisors to decision-makers. As a guide, the government respondents last year included a number of former and current Ministers, Deputy and Vice-Ministers, Central Bank Governors and their advisors for Asia Pacific issues, current APEC Senior Officials, and a number of former APEC Senior Officials.

- **Business**

Panelists should be from companies who have operations in a number of Asia-Pacific economies or conduct business with a number of partners from the region, this might include each economy's current ABAC members as well as past ABAC members.

- **Research Community/Civil Society/Media**

Panelists should be well-versed in Asia-Pacific affairs, being the type of individuals whom the governments, businesses, and the media would tap into to provide input on issues related to Asia-Pacific cooperation. These included Presidents of institutes concerned with Asia-Pacific issues, heads of departments, senior professors, and correspondents covering international affairs.

Number of Respondents: 394

Number of respondents by sector:

Business	108
Government	75
Non-government (includes academics, media, and civil society)	211

The survey analysis includes breakdowns for sub-regional groupings, namely Oceania; North America, Northeast Asia; South America; and Southeast Asia.

For this survey we define those sub-regions as:

- Oceania: Australia; New Zealand and Papua New Guinea
- North America: Canada; United States; and Mexico
- Northeast Asia: China; Japan, Hong Kong SAR, Korea, and Chinese Taipei
- South America: Chile; Colombia; Ecuador; and Peru
- Southeast Asia: Brunei; Indonesia; Malaysia; the Philippines; Singapore; Thailand; and Vietnam

Number of respondents by sub-region

Oceania	39
Northeast Asia	133
Southeast Asia	96
North America	72
South America	54

What are your expectations for economic growth over the next 12 months compared to the last 12?

	Much weaker	Somewhat weaker	About the same	Somewhat stronger	Much stronger	Don't know	Total
Your own economy	3%	10%	18%	54%	15%	1%	100%
ASEAN-10 economies	1%	6%	16%	65%	10%	3%	100%
China	0%	3%	15%	45%	36%	1%	100%
India	1%	2%	19%	55%	20%	4%	100%
Japan	2%	15%	42%	35%	4%	2%	100%
United States	4%	15%	33%	43%	4%	2%	100%
European Union	2%	13%	37%	44%	2%	2%	100%
The global economy	1%	11%	19%	64%	3%	2%	100%

How satisfied are you with the responses of the following economies to the crisis? *Please use a scale of 1-5, with 1 representing very dissatisfied and 5 very satisfied.*

	1 - Very dissatisfied	2	3 - Neither satisfied nor dissatisfied	4	5 - Very satisfied	Don't know	Total
Your own economy	6%	13%	21%	40%	18%	1%	100%
China	0%	3%	13%	45%	35%	3%	100%
India	0%	4%	35%	33%	10%	18%	100%
Japan	3%	16%	45%	28%	3%	6%	100%
United States	4%	19%	28%	37%	9%	2%	100%
European Union	1%	17%	35%	35%	5%	7%	100%

How satisfied are you with the responses of the following international institutions to the crisis? *Please use a scale of 1-5, with 1 representing very dissatisfied and 5 very satisfied.*

	1 - Very dissatisfied	2	3 - Neither satisfied nor dissatisfied	4	5 - Very satisfied	Don't know	Total
International Monetary Fund	6%	19%	33%	32%	4%	6%	100%
G20	3%	13%	26%	44%	12%	4%	100%
G7/G8	6%	22%	35%	26%	5%	5%	100%
The World Bank	4%	16%	40%	29%	4%	8%	100%
The ADB	2%	10%	37%	30%	6%	16%	100%
The IADB	4%	8%	37%	14%	2%	35%	100%
APEC	6%	17%	41%	23%	3%	10%	100%
ASEAN+3	2%	13%	39%	32%	4%	9%	100%
World Trade Organization	7%	22%	42%	18%	3%	9%	100%

Please indicate your agreement or disagreement with the following statements.

	1 - Strongly disagree	2	3 - Neither agree nor disagree	4	5 - Strongly agree	Don't know	Total
It's time to exit from expansionary fiscal and monetary policies in the US	10%	45%	13%	22%	5%	4%	100%
It's time to exit from expansionary fiscal and monetary policies in China	6%	40%	20%	23%	5%	5%	100%
It's time to exit from expansionary fiscal and monetary policies in Japan	12%	45%	20%	14%	3%	6%	100%
The US economy will recover from the economic crisis to retain its leading position in the world economy	5%	26%	20%	36%	9%	4%	100%
Slower growth in the Western industrialized countries will encourage a shift to domestic demand growth in Asian economies	0%	9%	12%	61%	16%	2%	100%
There is a high risk of the world economy falling back into recession next year	4%	35%	30%	23%	4%	4%	100%
China is doing enough to encourage domestic demand	3%	21%	20%	44%	9%	4%	100%
The global crisis will accelerate the pace of Asian economic integration and cooperation	1%	11%	18%	55%	13%	2%	100%
The recent election of a new government in Japan will accelerate the pace of Asian economic integration and cooperation	1%	13%	34%	34%	4%	14%	100%
Economies have largely avoided resorting to protectionist measures in response to the crisis	3%	30%	22%	39%	4%	2%	100%
Protectionism is likely to increase if the recovery stalls	1%	11%	11%	55%	20%	2%	100%

Please rate the importance of the following policy objectives for achieving sustained growth in the Asia-Pacific over the next five years.

	1 - Not at all important	2	3	4	5 - Very important	Don't know	Total
Rebalancing the US economy (higher savings, lower current account deficit)	2%	7%	14%	33%	43%	2%	100%
Rebalancing the Chinese economy (higher consumption, lower current account surplus)	0%	2%	14%	41%	41%	2%	100%
Increasing final goods trade among Asian economies	1%	6%	21%	38%	32%	3%	100%
Strengthening financial regulations across the globe	1%	3%	13%	30%	51%	3%	100%
Increasing flexibility of the Chinese yuan	3%	7%	19%	41%	27%	4%	100%
Coordinating Asian exchange rate policies	5%	11%	28%	38%	14%	3%	100%
Replacing the US dollar with other currencies and/or SDR in foreign exchange reserves	14%	25%	29%	14%	12%	5%	100%

Please rate the importance of the following "growth engines" in stimulating economic growth in the Asia Pacific over the next five years. *Please use a scale of 1-5, with 1 representing 'not at all important' and 5 - very important.*

	1 - Not at all important	2	3	4	5 - Very important	Don't know	Total
Expenditures on social priorities (health, education, pensions)	0%	7%	23%	30%	39%	1%	100%
Measures to promote a green economy	3%	10%	21%	36%	31%	1%	100%
Liberalization and development of the services sector in Asia	1%	3%	21%	49%	26%	1%	100%
US export growth	2%	10%	38%	34%	14%	3%	100%
Regional trade agreements	3%	10%	25%	37%	24%	2%	100%
The conclusion of the WTO Doha Round	2%	9%	23%	30%	32%	4%	100%

Please indicate your agreement or disagreement with the following statements:

	2	3 - Neither agree nor disagree	4	5 - Strongly agree	Don't know	Total
The East Asia Summit Process will eventually overshadow APEC	32%	30%	18%	4%	10%	100%
The Asia-Pacific needs a forum for Leaders to discuss political and security issues	7%	20%	52%	17%	3%	100%
The G20 Leaders' process should continue and be institutionalized even after the economic crisis is over	3%	13%	53%	29%	3%	100%
The IMF and World Bank need to be significantly reformed to increase Asian economies' role in their governance	2%	9%	47%	39%	2%	100%
A free trade area for East Asia Summit members should be negotiated as soon as possible	9%	34%	37%	14%	2%	100%
A free trade area for APEC members should be negotiated as soon as possible	10%	28%	39%	18%	2%	100%

When do you think the following Asia-only regional institutions will be created?

	2010	2015	2020	2030	Never	Don't know	Total
An institution to promote financial stability	10%	40%	23%	8%	6%	12%	100%
A secretariat for economic policy coordination	9%	36%	26%	7%	8%	13%	100%
A free trade and investment area	4%	25%	37%	19%	6%	10%	100%
A common currency	0%	2%	12%	25%	38%	22%	100%

What are the most important challenges facing APEC? *Please use a scale of 1-5 with 1 representing 'not at all important' and 5 representing 'very important'*

	1 - Not at all important	2	3	4	5 - Very important	Don't know	Total
Lack of focus on relevant economic issues	2%	8%	20%	40%	27%	3%	100%
Lack of focus on political and security issues	9%	17%	31%	27%	13%	4%	100%
Lack of commitment from key member economies	1%	3%	13%	38%	41%	4%	100%
Lack of relevance to issues facing ordinary citizens	5%	11%	26%	33%	22%	4%	100%
Annual Leaders' meetings are not effective	2%	9%	30%	31%	23%	5%	100%
Too many members	19%	23%	25%	16%	10%	6%	100%
Limited central budget for APEC activities	4%	15%	29%	27%	15%	10%	100%
Weak international secretariat	4%	11%	26%	32%	16%	11%	100%
Excessive number of meetings	8%	20%	31%	17%	12%	11%	100%

What do you think should be the top 5 priorities for APEC Leaders to discuss at their upcoming meeting in Singapore?

Rank	Issue	Percent of total votes (weighted)
	Continued action on the economic crisis	20.9%
	Regulation of the financial sector	8.9%
	Restarting the Doha process	8.3%
	Climate change and the Copenhagen Deal	7.0%
	Reducing the cost of doing business	5.5%
	Environmental protection	5.0%
	Correcting trans-Pacific imbalances	4.5%
	The role of the US dollar and other currencies in international reserves	4.0%
	Social safety nets	3.8%
	Food safety and security	3.7%
	Energy security	3.5%
	Support for poorest countries	3.4%
	Improving governance	3.4%
	Corruption	3.3%
	Labor mobility	2.9%
	APEC reform	2.9%
	Exchange rate policies	2.5%
	Infrastructure	2.4%
	Political instability and terrorism	1.5%
	Intellectual property	1.4%
	APEC Membership	1.1%

Member Committees

PECC Co-Chairs

Mr Jusuf WANANDI
and
Dr. Charles MORRISON

Contacts:
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