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★ *Special APEC Update Section Inside* ★

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Admiral Joseph W. Prueher at the PBEC Mid-term Steering Committee Meeting in Kauai

Pacific Military Commander Addresses PBEC Delegates

At this year's Mid-term Steering Committee Meeting in Kauai, Admiral Joseph W. Prueher, Commander-in-Chief of the United States Pacific Command (CINCPAC), addressed PBEC leaders with an insightful speech concerning the increasingly important links between security and economic prosperity in the Asia Pacific region.

The admiral's speech touched on several areas including the confluence of
See CINCPAC cont'd on pg. 9

PBEC Moves Forward with Three Resolutions

Building on the momentum of the Washington IGM and PBEC's comprehensive policy paper, PBEC adopted three groundbreaking resolutions at its Mid-term Steering Committee Meeting in Kauai. They include an endorsement for the Information Technology Agreement (ITA), a challenge to the WTO to match or exceed the time-goals adopted in the APEC Bogor Declaration, and an endorsement for the APEC Business Advisory Council's (ABAC's) report.

PBEC endorsed the ITA, which would eliminate tariffs throughout the world on information technology (IT) products by 2000, stating that such an agreement was an important step towards trade and investment liberalization and that a similar agreement should be developed for other industry sectors. In a press release, PBEC Chairman Gary Tooker said, "Immediate adoption of the ITA is critical

for the Pacific region, because eliminating trade tariffs on IT products cannot wait. We need to act now."

PBEC Philippines Chairman Oscar Hilado added, "Experience suggests that economies with the lowest tariffs on information technology – for example Japan and the United States – have the most competitive and dynamic technology sectors. High tariffs place a real burden on information technology end-users, which tends to stifle IT equipment use and, as a result, stifles economic growth overall. Not only will our business in the Philippines benefit from the ITA, but I believe businesses throughout the world will benefit as well."

The World Trade Organization will consider adopting the ITA this month at the WTO Ministerial Conference in Singapore. Most WTO members have supported

See Resolutions cont'd on pg. 9

The Voice of Business in the Pacific

PBEC Develops Communication Plan

30th Anniversary IGM Gains Steam



At PBEC's Mid-term Steering Committee Meeting in Kauai, Secretary General Robert Lees presented a Communication Plan that focuses on improving both internal and external communication, and on increasing PBEC's image and profile in the region.

In the short-term, the plan focuses on projects to strengthen internal communication between and among member committees and between member committees and the International Secretariat. In the long-term, the plan focuses on building relationships with government entities and within the regional and international media, thus raising PBEC's profile and influence. PBEC will also focus on developing closer relationships with other regional and international organizations.

A major part of the plan is the development of a consistent, identifiable, and professional "look" for external publications. PBEC has incorporated the new "look" into press packets, the PBEC International newsletter, external publications, and marketing brochures.

Mr. Lees also presented two new external publications designed to raise PBEC's profile among PBEC-relevant entities. The *Special Bulletin* will act as a vehicle to distribute important messages, such as speeches, regarding issues relevant to PBEC members. The *Special Report* will act as a vehicle to disseminate important PBEC-generated

papers, such as the recently commissioned food paper.

PBEC also hired an additional staff person to develop and assist in implementing the Communication Plan. This person will be responsible for coordinating internal communication between the International Secretariat and member committees, developing internal and external publications, assisting the development of media relations, and assisting the International Secretariat and member committees with Internet web page development and maintenance.

The primary impetus for developing a Communication Plan was PBEC's five-year plan, *PBEC 2000*, which called for better communications both internally and externally. As stated in *PBEC 2000*, "It is essential for PBEC to strengthen its international image and clout..." and "by improving upon its internal capabilities, PBEC will be better able to influence trade and investment practices and policies."

The measurement of Communication Plan's success will be determined by how PBEC's constituencies perceive PBEC "as the voice of business in the Pacific region". When governments, international and regional organizations/institutions, and the media actively seek PBEC's viewpoints and recommendations, then PBEC will deem the Communication Plan a success. ■

With valuable cooperation and assistance from member committees and the International Secretariat, the PBEC Philippines IGM Host Committee continued to make progress in planning for the 30th PBEC International General Meeting (IGM) in Manila, to be held on May 16-21, 1997 at the Shangri-La Hotel – and secured the speaker confirmations of Philippine President Fidel Ramos, Hong Kong Chief Secretary Anson Chan, and World Trade Organization Director General Renato Ruggiero.

The theme of the meeting is "Pacific in Transition: Adapting to a Changing Business Environment," and features an engaging agenda in which all of the sessions are related to the general conference theme. There is also an evident focus on interaction among delegates and speakers, which will make participation in this year's IGM even more valuable for delegates. In addition, the Host Committee finalized the social and spouse programs, plans for the launch of the PBEC History Book, and other 30th anniversary festivities – and the entire program will include the warm hospitality and culture for which the Philippines is known.

The Host Committee confirmed that President Ramos will speak during the opening plenary session on "Pacific in Transition: The



Member Committee Highlights



PBEC Mexico Member Committee Chairman Javier Prieto

PBEC Mexico Overview:

- Founded in 1989
- 31 Members (and growing rapidly)
- Acting Chairman: Javier Prieto

Strengthening local activities is an integral part of PBEC's five year development plan. The PBEC Mexico Member Committee has shown the type of initiative that needs to be

made in order for PBEC, as a whole, to make significant progress in the future.

Under Chairman emeritus Alfonso Pandal Graf a critical process was started to strengthen PBEC Mexico and its momentum has increased under newly elected Chairman Javier Prieto, Vice President of International Trade and Development for CEMEX.

In August, with Javier Prieto's leadership, the PBEC Mexico Member Committee went through a successful reorganization which has since led the committee to substantially increase its activity level.

In his inaugural speech at PBEC Mexico's annual meeting, Mr. Prieto called for increasing the committee's membership, strengthening ties of Mexican companies with those of other economies in the region, and advising

Mexico's public sector on trade opportunities afforded by the region. Towards this end, PBEC Mexico has strengthened communication with business organizations, with backers of free trade and investment, and with the public sector. It has also turned to academic research institutions in order to explore strategies for Mexican business penetration in the region.

In order to reach other regions of its economy, PBEC Mexico has established an additional secretariat in Monterrey and is considering another in Guadalajara. And in order to create better communications, the committee has bought new computer equipment for e-mail capabilities and development of a PBEC Mexico homepage.

On November 4th, the Mexico Committee held a

Members Meeting to review the PBEC Mexico Working Plan. The members also made amendments to the Mexico Committee's By-laws. Among all the approved amendments, members unanimously agreed to create regional chapters throughout Mexico in order to position PBEC Mexico closer to different groups of Mexican entrepreneurs.

After the Members Meeting ended, the Mexico Committee had the opportunity to interact with important business and government people involved in international issues.

It is clear that PBEC Mexico has started down the right path as revitalizes its committees through its reorganization, active leadership, and heightened profile within the domestic and regional business communities. ■

PBEC Welcomes New Leaders

Since the Washington International General Meeting, there have been several changes in PBEC's leadership. Through their Annual Meetings, PBEC Canada, PBEC Fiji, PBEC Mexico, and PBEC Chinese Taipei elected new leaders as their previous leaders fulfilled their two-year terms. The new leaders include Paul O'Donoghue from Canada, Gerald Barrack from Fiji, Javier Prieto and Francisco Gutierrez from Mexico, and Dr. Shin-Yuan Lai from Chinese Taipei.

Paul O'Donoghue,

chairman of the Advisory Board at Marsh & McLennan, succeeded Ken Matchett, CEO of XCAN Grain Pool, Ltd., as PBEC Canada's chairman last month. Mr. Matchett, however, will continue as chairman of the PBEC Working Committee on Food Products. Mr. O'Donoghue is an elected official and/or a member of many business organizations in Canada and is the recipient of the Canada 125 Medal.

As PBEC Mexico's new chairman, Javier Prieto, Vice President of International

Trade and Development for Cementos Mexicanos S.A. de C.V. (CEMEX), has taken a strong leadership position to better service its members by reorganizing the member committee and raising its activity level. He succeeded Alfonso Pandal. Mr. Prieto has been President and/or Vice-president for a number of different professional organizations such as the Federacion Interamericana del Cemento, Consejo Nacional de Comercio Exterior, and the Asociacion de Productores de Cemento del Caribe.

As the new Director General of PBEC Mexico, Francisco Gutierrez, Administrative Manager of CEMEX, will help to implement the changes being made by PBEC Mexico. Mr. Gutierrez succeeded Patricia Fierro.

PBEC Chinese Taipei has also welcomed its new Director General, Dr. Shin-Yuan Lai. She succeeded Dr. Mignon Chan.

PBEC Fiji welcomed its new chairman, Mr. Gerald William Sydney Barrack, Chairman of Air Pacific Limited. He succeeded Senator C. Donald Aidney. ■

The Voice of Business in the Pacific

Letter from the Chairman *Gary L. Tooker*



*Pacific Basin Economic Council
Chairman, Gary L. Tooker*

As Chairman of the Pacific Basin Economic Council, I want to thank each member who took the time to attend this year's Mid-term Steering Committee Meeting in Kauai and to provide valuable input to our discussions. I am proud of the progress that PBEC continues to make and believe that, as an organization, we are truly strengthening and positioning ourselves

as the voice of business in the Pacific region.

Throughout the Kauai meeting, I continually heard important and relevant input and discussion about how PBEC can best position itself in the region. But while I heard many different perspectives from many different people, the message that was reiterated by almost everyone was the importance of PBEC strengthening itself by developing well-founded positions on issues significant to continued development of the Pacific Basin economies, and a continued organization-wide sense of team work and cooperation.

From the Directors General to the Strategy Committee to the Special Session I chaired prior to the Steering Committee Meeting, there was consensus that a strong PBEC would not need to look to governments or other organizations for a "place at the table." Rather, a strong PBEC and its business sec-

tor viewpoint would be sought after and respected for its quality opinions and consistent representation of the region's business community.

With the continued implementation of our five year plan, proactive working committees with substantive work programs, members who are active and "carry the PBEC flag", and a Communication Plan that will assist us in getting our message out consistently and professionally to the region's decision-makers, the influence of our organization and the value of PBEC membership will only increase.

As the 30th anniversary of the first PBEC IGM approaches, it is appropriate for us to consider the important role PBEC has played in the development of the Pacific Economic Community and the economic growth of the region. PBEC's role is no less important today.

Finally, as our organization continues to grow, broaden its scope of activities, and

strengthen itself, the importance of a strong financial base to finance special projects and events will increase. Very few business organizations enjoy the luxury of a "Special Fund", particularly one that consists entirely of business sector funds. The Kauai meeting reaffirmed the importance of supporting and building the PBEC Special Fund so that our organization and our members can reap the benefits of a strong financial base.

The process of strengthening ourselves is one to which every PBEC member and leader must commit if we are to succeed in sufficiently representing the region's business sector. I have no doubt, after the active participation and input from members in Kauai, that we are up to the task of strengthening PBEC and moving forward into the 21st century together – as the voice of business in the Pacific region.

PBEC's Traveling Leadership

With recently completed trips to Australia, Canada, Fiji, and New Zealand, and visits to Canada, Malaysia, Indonesia, Chinese Taipei, and Thailand this month, PBEC's leadership completes a year in which it visited nineteen of PBEC's twenty member and applicant committees during the past twelve months. Such visits by the PBEC leadership signify a notable increase in the exposure of

the organization to government leaders and business communities in the region.

The increase in member committee visits not only is helping to improve the contact between PBEC and the decision-makers in the region, but also is assisting many of the committees in providing more useful and effective services and programs for their memberships. Member Committees and their members are

increasingly able to share ideas with the PBEC International leadership, thus improving the substance of dialogue among PBEC members and strengthening the ties between member committees and the leadership.

In response to the ever-increasing visits by Chairman Gary Tooker, Vice Chairman Helmut Sohmen, and Secretary General Robert Lees, the member

committees have intimate gatherings of PBEC leaders and in some cases provided programs with large audiences of PBEC members eager to interact and provide input to PBEC's leadership, including breakfast and lunch meetings with scores of senior executives in attendance. The leadership also met with many government ***See Traveling Leaders cont'd on pg. 7***



1996 APEC UPDATE

The following information was compiled from an analysis of the Manila Action Plan for APEC and from major regional newspapers.

Though their views differed on some points, APEC leaders "reaffirmed their commitment to the full and effective implementation of the Osaka Action Agenda" in a declaration issued at the close of this year's APEC Summit in Manila.

The APEC leaders declared the Manila Summit as the phase that moved "from vision to action". The leaders adopted the primary vehicle for action, the Manila Action Plan for APEC (MAPA), which included individual action plans (IAPs), collective action plans, and agreements on economic and technical cooperation. The joint statement by the APEC ministers recognized the individual action plans submitted by each APEC member as "a credible beginning to the process of liberalization."

Outside opinions, however, have been mixed. The IAPs were supposed to act as blueprints for each economy's efforts to draw down tariff rates as prescribed in the Bogor Declaration. While some people feel the IAPs have succeeded by accelerating reductions on tariffs beyond WTO commitments, others feel that they only give a snap-shot of the economies' current tariff regimes.

The business sector called on APEC leaders to show concrete results for realizing the time-specific goals of the Bogor Declaration with such vehicles as the APEC Business Visa and an endorsement of the Information Technology Agreement (ITA). The leaders' response, however, was lukewarm at best. The APEC Visa was not adopted because several of the economies felt it politically impossible to do so; and the endorsement of the ITA was watered-down to the point that there was little for the business sector to get excited about.

The endorsement of the ITA, however, was an important step for APEC as a regional forum supporting the WTO process of global liberalization of trade and investment. Because of the APEC endorsement, the WTO has more pressure to adopt the ITA, which in turn, will benefit the business sector much sooner than the Bogor Declaration intended.

On WTO membership for the economies of China and Chinese Taipei, the APEC leaders also back tracked somewhat. An early draft of the declaration committed the leaders to "strongly support the accession to the WTO of two APEC members which are currently applying for membership"; China and Chinese Taipei are the only two APEC members who are not yet WTO members. But the final version of the declara-

tion more vaguely states "We encourage the acceleration of substantive negotiations on protocol issues and market access with a view to achieving universality of WTO membership."

The Manila meeting also affirmed the "full partnership" of the business sector. President Ramos, the host of this year's meeting, called upon APEC to aggressively involve the business sector in the process, because it "should play a big role in complementing the government action plans." Specifically, the leaders referred to the APEC Business Advisory Council (ABAC), which put forward a set of trade- and

investment-freeing proposals to APEC in its inaugural report *APEC Means Business: Building Prosperity for our Community*.

Although the leaders specifically mentioned the ABAC as a source of business sector input, many journalists voiced the need for a business sector reference not directly affiliated with the APEC leaders. Barry Wain, an editor for the *Asian Wall Street Journal*, said in an article entitled *APEC's Alphabet Soup*, "APEC could simply have used the services of the Honolulu-based Pacific Basin Economic Council."

Summary of the Manila Declaration

APEC leaders agreed to:

- include the business sector as a full partner in the APEC process;
- implement the Manila Action Plan for APEC (MAPA), from January 1, 1997;
- promote economic and technological cooperation for sustainable development, equitable development, and narrowing economic disparities.
- support universality of the World Trade Organization membership;
- endorse the substantial elimination of tariffs for computers, semiconductors and telecommunications products by the year 2000 – the Information Technology Agreement;
- adopt the Manila declaration on an APEC framework for strengthening economic cooperation and development;
- adopt the Seoul declaration on science and technology cooperation.
- establish the APEC Center for Technology Exchange and Training of Small and Medium Enterprises; and
- establish the Asia-Pacific Energy Research Center.

The Voice of Business in the Pacific

Key Points of the Individual Action Plans

Australia will reduce applied tariffs beyond its Uruguay Round obligations and abolish export controls on certain mineral products; further liberalize the business services, communications, transport, financial services, and energy sectors; fully align to standards in APEC's priority sectors; and continue to enhance the mobility of business people through the Australian Business Access Card and the APEC Business Travel Card systems.

Brunei Darussalam will accelerate full implementation of its Uruguay Round agreements, binding 82 percent of its tariff lines beyond its commitment; fully implement the WTO Customs Valuation Agreement and computerize customs procedures by 1999; and enact legislation for the protection and enforcement of intellectual property rights.

Canada will bind the end to its three remaining telecommunications monopolies; provide contact information for each of Canada's regulatory bodies, where advance rulings on imports may be obtained; and allow participation in Canada's services markets in areas such as financial, tourism, telecommunications, and transportation services.

Chile will reduce tariffs to zero percent on most products and ensure that most NTMs are eliminated by 2010; continue negotiating both Investment Promotion and Protection Agreements (IPPAs) and Mutual Recognition Agreements

(MRAs) with other APEC economies; and fully implement the WTO Customs Valuation Agreement by January 1, 1997.

China will further cut the level of simple average tariffs from 23 percent to 15 percent; carry out its reform in service areas such as banking, insurance, security, commercial retailing, transportation, energy, telecommunications, and tourism; open more sectors for foreign direct investment; draft and publish relevant laws to perfect China's legislative system in the area of intellectual property rights; develop a common understanding on government procurement policies; and consider new measures to facilitate the entry/exit of business people.

Hong Kong will bind tariffs at zero percent for all items by 2010 and relax NTMs on rice and meats; open by 1998 the telecommunications and other services markets; establish MRAs with other APEC economies; improve customs procedures with the use of an Electronic Data Interchange System; fully meet its TRIPS Agreement obligations by the end of 1996; and align its Rules of Origin with the WTO.

Indonesia will reduce current tariffs to a level of 0-10 percent by 2003 and eliminate 98 NTMs by 2004; implement the GATT Valuation Code; and continue to make MRAs with other APEC economies.

Japan will facilitate cross-border flows of people, goods, and services by aligning JIS and JAS

more closely with international standards and by reviewing its requirements for multi-entry visas; further promote foreign investment flow by taking various measures to lift requirements on foreign investment in mining; and accelerate its Uruguay Round tariff reduction commitment on 697 items by approximately two years.

Korea will meet and exceed its tariff and non-tariff Uruguay Round commitments by 2001; align to 80 percent of international standards by 2005; accelerate the implementation of TRIPs Agreement obligations; increase government procurement transparency by establishing an internet service; and continue to make bilateral or multilateral MRAs with other APEC economies.

Malaysia will continue tariff reduction and accelerate custom harmonization in line with its WTO commitments; take additional measures to enhance transparency in investment; and implement the TRIPS Agreement by 1998.

Mexico will reduce tariffs for computers, computer parts, and semiconductors as part of the ITA; eliminate the 49 percent FDI limit in certain sectors by 1999; and comply fully with the TRIPs Agreement by 1998.

New Zealand will decrease tariffs to a simple average of approximately three percent and continue regulatory reform.

Philippines will meet and exceed tariff and non-tariff Uruguay Round

commitments by 2004; align to international standards; accelerate implementation of WTO Customs Valuation and TRIPs Agreements; enact competition laws and harmonize rules of origin with international standards; and facilitate business travel through improved visa regulations.

Singapore will bind 100 percent of its tariff lines at zero percent by 2010; liberalize certain services sectors; accelerate implementation of Uruguay Round commitments; and comply with WTO Customs Valuation by January 1, 1998.

Chinese Taipei will reduce the nominal average tariff rate to six percent by 2010; gradually eliminate WTO inconsistent non-tariff measures and import bans; and conform procurement practices to GPA requirements.

Thailand will increase quotas on selected commodities; align customs procedures to international standards while automating; implement an Electronic Data Interchange system; establish an Intellectual Property and International Trade Court; and revise immigration laws by 2000 to facilitate business travel within the region.

United States proposed an APEC endorsement for the International Technology Agreement, which would lower tariffs to zero by the year 2000; and proposed other sectoral initiatives in chemical harmonization and zero tariffs for such sectors as wood products, oil seeds, and oil seed products.



Thoughts on the Manila APEC Meetings



Pacific Basin Economic Council
Secretary General, Robert G. Lees

Having just returned from Manila, the site of this year's APEC Summit, I am pleased to report on the great job of the Republic of the Philippines, under the leadership of President Ramos, in putting together a first class event. Many people in the region believed APEC's momentum slipped at the Osaka meeting and were afraid that if it continued in Manila, APEC could possibly lose its most important constituency, the business sector. But with his determination for APEC to stay focused on the goals of 2010/

2020 outlined in the Bogor Declaration, and his personal call for individual action plans of substance, President Ramos was able to keep APEC moving forward.

President Ramos should be congratulated for his desire to include the business sector input in the APEC process. By using this meeting's theme *APEC Means Business*, he focused on activities that helped to heighten the profile of the business sector in both the meetings and the media.

However, when looking for bottom-line, tangible results, APEC is still coming up short. An exception, however, was the endorsement of the Information Technology Agreement (ITA). The endorsement set a precedent that illustrated that APEC can act to promote the interests of the business community. However, APEC fell short of the business sector's expectations because the ITA did not include specific tariff reductions – only a mention of “sub-

stantial” reductions by the year 2000.

After observing the meetings in Manila, I believe that the formal APEC process must include important organizations – like the World Bank, PBEC, and others – which are equipped to provide valuable input into the process. As an independent voice of business, PBEC is able to give candid input with such vehicles as its policy paper, which was used by the ABAC to develop their inaugural report. PBEC's unique perspective can also be used to bolster APEC initiatives such as the ITA.

Although there are imperfections in the APEC process, it is clear that APEC will continue to be an important part of our lives. The value of the member economies' leaders meeting face-to-face should not be underrated. A perfect example is the meeting between President Clinton and President Ziang Zemin which took place at the leaders' gathering. And although

APEC has yet to meet the business sector's expectations, the ITA illustrates that, APEC has the ability to create a short term, positive impact on the business environment.

PBEC has a special role to play in advising governments and supporting APEC. PBEC's policy statements on the environment and foreign direct investment, its policy paper on free trade and investment, and recent resolutions supporting the ITA and the ABAC report are good steps. With its thirty years of experience and unmatched membership, PBEC needs to continue encouraging APEC to generate practical initiatives that benefit businesses right away. But it is also in APEC's best interests to look toward PBEC for advice and input on how to improve the business climate, so that business people can continue to make investments and create jobs, ensuring continued growth and prosperity in the region.

Traveling Leaders

cont'd from pg. 4

ministers and leaders, including audiences with Mexico President Zedillo and Philippine President Ramos.

Mr. Tooker took time out of his busy Motorola schedule to represent PBEC in Chile, China, Japan, Korea, Mexico, Peru, the Philippines, Chinese Taipei, and Thailand. Mr. Sohmen of World-Wide Shipping in Hong Kong made visits Australia, Canada, New

Zealand, and the United States. Mr. Lees made visits – often accompanying Tooker and Sohmen – to almost every committee on both sides of the Pacific.

As PBEC's five year plan calls for the facilitation of more discussions among PBEC's International Officers and key regional and government leaders,

the increased visits by PBEC leaders is a trend that will continue. In addition to the facilitation of meetings with government leaders, many of the committees have found the visits to be valuable to their members – as well as useful in attracting new members.

Secretary General Lees said that “Gary and Helmut

should be commended for the efforts they are making on behalf of the organization to strengthen PBEC family ties and to increase awareness in the region. These two have taken valuable time out of their busy corporate schedules to ensure that they visit PBEC members in the economies they visit.” ■

The Voice of Business in the Pacific



Delegates Voice Support for PBEC's Direction



PBEC Leaders enjoy luncheon with guest speaker Admiral Prueher: (clockwise) Helmut Sohmen, Chote Sophonpanich, Ken Matchett, Peter Jollie, Howard Stephenson, Russell Fynmore, Oscar Hilado, Haroen Al- Rasjid, and Gary Tooker

"We must earn respect by doing things, and then communicating them to governments and the media." Gary L. Tooker, PBEC Chairman



PBEC Chairman Gary Tooker and Committee Chairman Yohei Yamamoto discuss upcoming activities of the Working Committee on the Environment.

During the Mid-term Steering Committee Meeting in Kauai, PBEC delegates voiced strong support for the current direction of the organization in a special session chaired by Chairman Gary Tooker. The session, which featured an open and candid discussion of areas in which PBEC can improve upon and strengthen itself, also included as lead discussants PBEC Vice Chairman Helmut Sohmen, PBEC Chile Chairman Mario Andrade, and PBEC Philippines Chairman Oscar Hilado.

Delegates at the Special Session positively reaffirmed that PBEC is moving in the right direction, with respect to the five year plan's mission and goals – especially the focus on internal strengthening. PBEC members also voiced strong support for PBEC's Communication Plan, which includes a more focused dissemination of PBEC policy to the relevant policy-makers in the region and an emphasis on the importance of the working committees leading the policy formulation process of the organization. The session also addressed what other mechanisms, in addition to the APEC Business Advisory Council (ABAC), PBEC can use to get its message and voice out to the decision-makers in the region.

Chairman Tooker stressed the importance of PBEC's internal strengthening and noted that "we cannot create any visibility or press that is better than

we really are. We must earn respect by doing things, and then communicating them to governments and the media. He asked delegates to address how PBEC can make itself – as an organization – stronger.

Mr. Andrade, who was the only PBEC member in attendance who is also a member of the ABAC, stressed that the strongest asset of PBEC is the "decision-power" of the executives who participate in PBEC. He emphasized that PBEC leaders must make efforts to make regular, personal contact with government authorities and show that PBEC is proactive in promoting liberalization and the reduction of barriers in the region.

It was noted during the session that more than one-third of the members of ABAC are also members of PBEC. Mr. Hilado, who has worked close to the APEC process with the Philippines in the chair this year, added that PBEC should use its strong influence and presence in the ABAC to protect and promote its interests. He also noted that PBEC can utilize the annual IGM to better express PBEC's views to governments and institutions in the region – with the Manila IGM next May being a key opportunity to do so.

Dr. Sohmen, who is also chairman of PBEC's strategy committee, argued that PBEC leaders need to work to develop stronger personal relationships with members of the media. He also said

that PBEC's image can improve in the region by focusing on its members, and stressed that regular visits by PBEC leaders to member committees are valuable to the membership and will increase (see article on Traveling Leadership).

Long-time PBEC member Yoshitami "Tom" Arai, Chairman of Systems International, Inc. (Japan), pointed out that the founders of PBEC were visionaries and referred to PBEC as the "father of APEC." He noted that PBEC's two customers are "the region in general, and specifically our members", but in order for PBEC to achieve "customer satisfaction" the organization should work to provide concrete projects.

Many other suggestions were discussed during the session, from Dr. C.S. Lee stating that PBEC needs to take more positions and make them known, to Terrence Heng's suggestion that PBEC needs to set milestones as an organization and measure its performance toward its goals.

Chairman Tooker summed-up the session by noting the great interest of PBEC's leaders to challenge themselves to measure progress. All of the participants were very supportive of the direction of PBEC's internal strengthening and expressed tremendous support for initiatives such as the Communication Plan, which will increase PBEC's effectiveness in delivering its message in the region. ■



CINCPAC

cont'd from pg. 1

the political, military, and economic elements of national and international power; the framework of "Cooperative Engagement"; and the relationship between China and the United States.

Admiral Prueher called security a prerequisite to economic growth and prosperity, likening it to oxygen as the fuel for the region's economic engine.

Recognizing that the Asia Pacific also faces security challenges that could corrode the economic development presently enjoyed by the region's economies, Admiral Prueher described the United States' framework of a "Cooperative Engagement" policy that incorporates preventive measures as well as military responsibilities. The tools used to execute "Cooperative Engagement" are a presence of forces in the region, strong bilateral relationships with friends and allies, and credible forces. Because there is no present multilateral security structure in the region, such as the NATO, he explained that the United States relies on bilateral relationships including defense treaties with Japan, Australia, South Korea, Thailand, and the Philippines.

The last issue touched upon was the China - U.S. relationship, which the Admiral deemed the most important relationship in the next century. He said "It has been referred to as the relationship between the biggest developed country

and the biggest developing country in the world."

Having just returned from the first US meeting with People's Liberation Army leaders since 1989, Admiral Prueher reemphasized the importance of China's role in the coming century and said that it would be difficult to imagine any major regional decision that does not consider the backdrop of China's influence and its potential in the region. The leaders of the PLA, however, also reinforced some serious questions that China faces today and in the future. One is how to manage development within the context of 1.25 billion people and 17 million new citizens every year.

Several PBEC delegates raised interesting questions for the Admiral to answer. One such question dealt with China's efforts to maintain peace through a military diplomatic process. Admiral Prueher noted that both China and United States believe that there can be military to military dialogue, but it will only be in the context of the overall relationships between the two nations.

Admiral Prueher leads the largest of the unified commands and directs Army, Navy, Marine Corps, and Air Force operations across more than 100 million square miles. He is responsible to the President and the Secretary of Defense through the Chairman of the Joint Chiefs of Staff. ■

Resolutions

cont'd from pg. 1

the ITA in most regards and some have said it is the primary piece of legislation that will be adopted at the Singapore meeting.

PBEC also adopted a resolution encouraging the WTO to match or exceed APEC's goals of liberalizing trade and investment by 2010/2020 as outlined in APEC's 1994 Bogor Declaration. The resolution stated that PBEC supports the efforts made by the WTO, as it has a great responsibility of encouraging free trade throughout the world, but notes that the business sector needs practical solutions now.

PBEC Secretary General Robert G. Lees said, "The WTO has great responsibility of encouraging free trade in the world and its efforts are to be commended. There are other organizations however, such as APEC, that have set aggressive goals, and the WTO should follow their example by challenging itself to set a goal to liberalize trade and investment by or before 2010/2020. The WTO Ministerial in Singapore is a perfect opportunity for the WTO to take up this challenge."

In Kauai, PBEC also endorsed the first report of the ABAC, which was presented to the APEC leaders at this year's APEC Summit in Manila. The report incorporated many of the recommendations found in PBEC's policy paper *Implementing Free Trade*

and Investment in the Pacific Region. In a press release expressing PBEC's support for ABAC's report, Secretary General Lees said, "The ABAC report is an important addition to the growing movement towards more business sector input to the APEC process. The report not only reaffirms its commitment to seeing free trade in the region, but also encourages the instigation of practical projects, such as the implementation of an APEC Business Visa." ■

The Working Committee Update

In order to keep our members apprised of working committee activities, a new quarterly publication was developed exclusively for working committees. In the next few weeks look for the upcoming Working Committee Update, detailing the Working Committees' Activities and Mid-term Steering Committee discussions. It will also feature the newly established Working Committee on Services.

The Voice of Business in the Pacific



30th IGM

cont'd from pg. 2

Changing Dynamics of the Business-Government Partnership." Ms. Chan will address "The Future of Hong Kong – Beyond 1997," which will be especially timely as the IGM is being held one month prior to the official Hong Kong transition back to Chinese sovereignty. Mr. Ruggiero will speak on "The Progress of the WTO". The Host Committee and the International Secretariat also received many speaker inputs and confirmations from member committees during the Mid-term Steering Committee Meeting in Kauai in October.

The PBEC Philippines IGM Host Committee also developed an interesting social program for the meeting, including an evening of Filipino-style home dinners, and spouse tours of historical sites such as Malacanang Presidential Palace, Intramuros, and

Corregidor Island. The Host Committee is also planning other festivities that highlight PBEC's thirty-year history and is inviting all of PBEC's past International Presidents/Chairmen to participate in this historic meeting.

A highlight of the Manila IGM will be the official launch of the PBEC History Book, a project that has been two years in development and will take place during the opening plenary session immediately following President Ramos' remarks. The History Book, co-written by former PBEC New Zealand Director General Esme Marris and PBEC Australia's Director General Malcolm Overland, will trace PBEC's roots from its beginnings in 1967 to its present-day role in the region.

Registration materials for the 30th PBEC IGM in Manila will be available in December. ■

PBEC Establishes New Working Committee on Services

At the Mid-term Steering Committee, PBEC established a Working Committee on Services with a mission of accelerating the pace of services liberalization while recognizing the considerable differences in individual economies.

The committee will be chaired by Dean O'Hare, Chairman, President, & CEO of The Chubb Corporation, (USA) and vice-chaired by John Prasetyo, Managing Partner, Prasetyo, Utomo & Co. (Indonesia).

One of the committee's prime objectives is to utilize

the worldwide services network of the Coalition of Service Industries and PBEC's international business membership in an effort to help realize goals for market liberalization set by APEC.

In forming the committee, PBEC saw a need to address this industry sector as countries and economies in the Pacific Basin show great potential for service providers, but there are still many restrictions and regulations that impede the delivery of services to countries and economies in the region. ■

Calendar of Events

December 1996

PBEC Chile year-end lunch meeting

PBEC Chinese Taipei 12th Pacific Economic Community Seminar in conjunction with CTPECC

PBEC Korea's second Asia Pacific Economic Research Forum during the second week of December

PBEC Working Committee Update

January 1997

PBEC Korea's interim meeting to review the Foreign Direct Investment Working Committee's work plan during the fourth week of January

February 1997

NAFTA Meeting in Mexico City, with PBEC member committees from Canada, Mexico and USA participating. This meeting is in the planning stages at this time and is to be confirmed.

March 1997

Spring Newsletter

May 1997

16-21 30th International General Meeting Shangri-La Hotel, Manila Philippines

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