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PBEC Gathers in Chile At 31st Annual IGM

President Frei Praises PBEC and Announces Accelerated Trade Liberalization

More than 550 senior business and government leaders from twenty-five economies throughout Asia,



"PBEC is a key institution in the Asia-Pacific region...your deliberations at this meeting and the agreements that you reach here are of fundamental importance." – His Excellency Eduardo Frei Ruiz-Tagle, President of Chile

the Pacific and the Americas gathered in late May for 5 intensive days of meetings in Santiago, Chile, at PBEC's 31st International General Meeting (IGM). Gathering for the first time since the seriousness of the financial turmoil in Asia has become fully realized, participants addressed the IGM theme, "Pacific Prosperity: Sustaining Momentum into the 21st Century".

PBEC expressed its long term confidence in Asia and called for a continued regional commitment to open trade and investment regimes. Dr. Helmut Sohmen, Chairman of World-Wide Shipping Agency, Ltd. in Hong Kong,

and incoming Chairman of PBEC, said "in a few years' time, we will probably be able to look back at the crisis and see what it was: a necessary adjustment process that will help the affected economies get stronger, more competitive, and more capable to

operate in the global economic environment." Chilean President Eduardo Frei Ruiz-Tagle gave the opening keynote address, emphasizing PBEC's role as one of the key institutions in the region and indicating that Chile

would meet its commitment to the Asia-Pacific Economic Cooperation forum's goal of free trade and investment by the early 2010 mark, rather than wait until 2020, the later deadline set for APEC's developing economies.

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His Excellency Eduardo Frei Ruiz-Tagle and new PBEC Chairman Helmut Sohmen make their way to the opening key note address.

PBEC Announces New Leadership

Helmut Sohmen, Chairman, World-Wide Shipping Agency Ltd., was elected Chairman of PBEC during its 31st International General Meeting in Santiago, Chile.



PBEC's Officers and Directors together in Santiago, Chile at the IGM.

At the same meeting, Kosaku Inaba, Chairman & CEO, Ishikawajima-Harima Heavy Industries Co., Ltd. and Chairman, PBEC Japan Member Committee, was elected as PBEC's Vice Chairman, and will join Sohmen in a leadership team focused on carrying PBEC and its objectives well into the 21st century. In his acceptance remarks, Sohmen said that despite the challenging circumstances Asia currently faces "We must keep PBEC strong...I will continue to work hard to ensure that our unique organization remains strong and effective, and that our collective voice, the voice of business, is heard where it counts around the Pacific Rim, and the rest of the world."

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The Voice of Business in the Pacific

U.S. Secretary of State Albright Praises PBEC's Stand Against Corruption



U.S. Secretary of State Madeleine K. Albright praises PBEC.

Speaking at the ASEAN Post-Ministerial Conference in Manila on July 28th, U.S. Secretary of State Madeleine Albright praised PBEC's stand against corruption. Stating that transparency is perhaps the most important ingredient in restoring investor confidence, Secretary Albright said, "The Pacific Basin Economic Council has issued an anti-corruption charter that proposes standards all of us should embrace." The Secretary of State's remarks clearly reflect the leading role PBEC has taken in fighting

corruption, and that our efforts to promote PBEC and our views are bearing fruit.

At the International General Meeting this past May in Santiago, Chile, PBEC reaffirmed its support for transparency in business and government transactions within the Pacific Rim, and its belief that both governments and private entities have roles to play in the elimination of bribery and corruption.

By upgrading its previously adopted statement on standards for transactions between business and

government to the status of charter – a status reserved only for enduring issues of greatest importance to the organization — PBEC reiterated what the organization believes is the strong linkage between good governance and economic growth, and the need for prompt and effective action to deal with the issue.

The Ad Hoc Committee on Transparency, now under the very capable chairmanship of Michael Davies of G.E. Canada, is continuing its productive work on this important issue. ♦

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PBEC and The World Bank to Co-Sponsor Symposium

Important Policy Actions Taken

This year's International General Meeting provided an opportunity to discuss and approve a number of important policy actions, which helped to further strengthen PBEC's role as the voice of business in the Pacific. The board of directors adopted policy resolutions and statements on a variety of issues, including corruption, electronic commerce, APEC Early Voluntary Sectoral Liberalization, foreign direct investment, financial services liberalization, information technology product regulation and telecommunications market liberalization.

In the *Charter on Standards for Transactions Between Business and Government*, PBEC calls upon governments to intensify their efforts to

ensure complete integrity, transparency, and accountability in all business-government transactions. It also calls on companies to develop clear codes of conduct consistent with the Charter and applicable laws in their own economies. By elevating this document – previously adopted as a statement – to the status of Charter, PBEC is making a strong signal about its determination to lead the battle against corruption.

Next Steps for Combating Bribery of Foreign Public Officials includes recommendations for both business and government. In this statement, PBEC congratulates the OECD for this groundbreaking agreement which, once implemented, will strengthen good governance, promote economic efficiency, and

development and provide direct benefits to consumers through lower prices for goods and services. Recognizing also the importance of regional activity to enhance transparency in government, PBEC also applauded the efforts of the APEC Government Procurement Experts Group and urged APEC to move forward to develop a regional agreement on transparency in government procurement.

On the issue of information technology, the board passed the *Statement on Information Technology Product Regulation and Mutual Recognition Agreement* in APEC. PBEC encouraged each APEC economy to sign the MRA.

PBEC voiced its strong support for *APEC Early*



Sony Co-Founder Akio Morita Honored By PBEC

One of the highlights of the IGM was the presentation of the first PBEC Award for International Business Excellence to Akio Morita, co-founder and former chairman of Sony Corporation, for his business vision and leadership, exemplifying the spirit, values, and aspirations embraced by PBEC over the past three decades. Morita was given the award in a ceremony during the opening gala dinner of the conference in the elegant Palacio Cousiño, a stately 19th-Century mansion in the Chilean capital.

PBEC Chairman Gary L. Tooker presented a Steuben

crystal globe to Tatsuo Okada, Morita's son-in-law. Morita, 77, who lives in Hawaii, was unable to attend for health reasons. Tooker praised the Japanese business legend for his "unwavering commitment to the highest standards of management and entrepreneurship and a solid belief in the benefits of commercial openness and international cooperation." Secretary General Robert G.



Mr. Tatsuo Okada receives the first PBEC Award for International Business Excellence on behalf of Mr. Akio Morita, from Gary L. Tooker, Chairman Emeritus, PBEC.

Lees personally presented the award to Mr. Morita at his home in Honolulu, Hawaii.

Son of a sake-maker, Morita built Sony from nothing into an internationally respected global corporation. In

his years at Sony, Morita helped many foreign corporations learn to work effectively within the Japanese business environment. He was renowned for his internationalist view, helping to

enhance U.S.-Japan relations. In 1992, Britain's Queen Elizabeth awarded him an honorary knighthood.

Established in 1946, Sony is a leader in the development of consumer electronics, such as videocassette recorders, the ubiquitous Walkman, and the Trinitron television system, which was the first product ever to receive an Emmy award. In 1961, Sony became the first Japanese company to list on Wall Street. In the late 1980s, Sony acquired CBS Records and Columbia Pictures Entertainment to become a major force in the entertainment industry. ♦

PBEC Korea Director General Receives Appointment

Ie-Dong Bae, Director General, PBEC Korea, and Executive Director, Federation of Korean

Industries (FKI), was appointed by the government of Korea as an advisor on APEC-related matters.

The eight members of this prestigious advisory board consist of representatives from the business community, research institutes, and academic institutions. PBEC congratulates Mr. Bae on this most important appointment. ♦



PBEC Korea Director General I.D. Bae

PBEC Mexico Hosts Pre-IGM Program

The PBEC Mexico Member Committee held a pre-IGM program that included a luncheon featuring Chancellor Rosario Green, Mexican Secretary of Foreign Affairs.

Chancellor Green shared her thoughts with the PBEC membership on a variety of important issues that included the recent developments in the Asia Pacific region, and its influence on the rest of the world. Ambassadors and representatives from 14 countries and economies were also present at this important event. ♦



Mexican Secretary of Foreign Affairs, Chancellor Rosario Green

1998 Mid-term Meeting to be Held in Los Angeles

The 1998 PBEC Mid-term Meeting will be held from October 16-18, 1998 in Los Angeles, California at the Westin Century Plaza Hotel and Tower.

The Mid-term Meeting is an opportunity for PBEC members to "roll up their sleeves" and focus on the internal work of the organization. This year's venue is ideally located in the Century City/Beverly Hills area, which is less than twenty minutes from the Los Angeles International Airport and downtown Los Angeles. Located nearby are over 100 specialty shops and restaurants at Century City Shopping Center and Marketplace, the Getty Museum, the ABC Entertainment Center, the Schubert Theatre, and Rodeo Drive.

The Port of Los Angeles/ Long Beach and the Mayor of Los Angeles are pleased that we have chosen their city as our meeting venue, and have offered their support toward ensuring for a successful meeting.

Additional information about the Mid-term Meeting will be forthcoming. Please forward all inquiries to the International Secretariat in Honolulu. ♦

The Voice of Business in the Pacific



*Pacific Basin Economic Council
Chairman, Helmut Sohmen*

I have the suspicion that this is probably not the most auspicious of times to take over as chairman. Many of our members in Asia are facing a crisis at home: in their individual businesses, and in the macro-economic situation. We have discussed the problems and some possible solutions during the past few days. We are all aware that the crisis will not end quickly, and that a lot of pain and struggle still lies ahead. The crisis will gradually also affect business interests in other areas: we have heard that a number of countries in South America have also already noticed a considerable slowdown of exports to the Far East. As a direct consequence of the difficulties, many of our PBEC friends could not come to this International General Meeting. We have missed them, but I am sure I speak on all your behalf here today in saying that your thoughts and good wishes are with them.

However serious the

Letter from the Chairman, *Helmut Sohmen*

Following is an excerpt from Dr. Helmut Sohmen's acceptance remarks delivered at the Santiago, IGM

situation may look in individual Asian countries, whatever further problems may arise, and however long it may take to overcome them, one thing is certain: the current difficulties will eventually be mastered. In a few years' time we will probably be able to look back at the crisis and see what it was — a necessary adjustment process, a necessary systemic correction which will help the affected economies to get stronger, more competitive, and more capable to operate in the global economic environment. The Asian economies will bounce back in due course and resume their spectacular economic growth, having learned some sound lessons in the meantime, and having established some solid new foundations.

The fundamentals continue to argue for those economies: hard-working populations, high savings rates, improved education and training, greater flexibility and mobility. The huge infrastructure development needs will not go away in the Far East, although some are being temporarily deferred. The aspiration of the political and business leadership in these economies will continue to consist of efforts

to improve the well being of the populations.

In PBEC we must join this effort: our members should carefully assess the possibilities that the present situation offers, and make their strategic and tactical investment decisions on the basis that East Asia in the medium- to longer-term remains an attractive place to do business, indeed it is likely going to become an even more attractive area in which to be engaged. Let us not wallow in despondency, nor engage in unfair criticism or misplaced glee; in this globalising world we must be conscious of the fact that we're increasingly dependent on each other, and that the maintenance of business confidence and a forward-looking approach will be to the benefit of us all.

We also must keep PBEC strong and I am looking forward to your support and encouragement in undertaking whatever actions may become necessary during my term of office in order to achieve this. Like every new chairman, I have a number of ideas:

- We must be a bit more spontaneous in speaking out about ongoing developments — PBEC must not only "be" the voice, but to

"have" a voice on issues of concern, and not wait until events have passed. We should also never be afraid to address even controversial issues.

- We must try and establish closer links between our Member Committees, also during the periods in between the big meetings, and try and foster the informal dialogue between the committees and senior officials; we should review the possibility of establishing the Committee of Directors as provided in our By-laws, so that those directors with a bit more time can assist the Chairman and Vice Chairman in pursuing our common goals.
- We will review the Secretariat operations to ensure that we keep bureaucracy to a minimum, enhance our public relations and publicity efforts, and streamline the organizational side of the planning process for International General Meetings.
- We need to be ever more conscious of the balance we need to strike between providing networking



opportunities at the most senior levels of our membership, and in producing an official PBEC position of substantive issues on which we wish to give advise to our respective governments.

- We must make sure that the Member Committees live up to their commitments. An organization is only as strong as its weakest link, and where a link fails altogether, the chain will break.
- We must find ways to improve the financial position of PBEC: our operations are still run on a shoestring, not at all reflective of the importance and reputation of our large membership, apart from limiting our general ability to project outwards.
- In speaking up on issues, we should be conscious of the fact that while our members are based in the Pacific Rim, many of our respective businesses are operating on a global scale, and that most of the topics we wish to address have not just regional but international ramifications; we may at times need to act or need to be seen beyond the confines of the Pacific Basin.

During my term of office, I am hoping to be able to

visit as many PBEC committees as the time allows. I look to you to make suggestions when this may be convenient to you, and then also expect you to let me know how best to project the PBEC image in your local environments. But you should not leave everything to the Chairman or the Secretary General to do, to "sell" PBEC we must all work a little harder. We need road shows like any commercial enterprise which wants to keep its shareholders informed and happy!

PBEC will, of course, continue to work with other organizations with similar objectives or concerns in the region, and will cooperate where this seems sensible and can be productive. At the same time we will try and avoid duplicating the work of others; particularly as businessmen, we must be conscious of the old saying that time is money and in particular should not try to copy the work of governments.

A lot needs to be done, as always. I will start right away. However, before closing, I must still make a few important statements. They are very necessary expressions of appreciation and thanks.

The first go to Gary Tooker, our Chairman for the past two years. Gary has done a number of great things for PBEC; he has strengthened the U.S.

Committee while he was Chairman there. He has introduced a more professional style to the office of Chairman. He has been instrumental in helping us to focus on the objectives of PBEC and in reorganizing the work of the organization. He has provided great leadership, good counsel, and material help throughout his time in office, and I am very pleased that he will remain on the board as Chairman Emeritus.

Secondly, I would like to thank Mario Andrade, Chairman of the PBEC Chile Committee, for hosting this International General Meeting, and for making it so comfortable for us in Santiago. Mario and his team, in particular, Mr. Roberto Izquierdo, as the President of the IGM Organizing Committee, and the conference organizers and all their staff, as well as the PBEC International Secretariat personnel, all have done a wonderful job in difficult circumstances, and deserve our honest admiration. Well done, Mario, and "muchas gracias" from all of us!

Let me also thank all the speakers and moderators at the IGM for their active participation. They have all given of their time and effort to contribute to the debate and make these last three days worthwhile. Equal thanks to the chairmen and members of the various

PBEC Working Committees for their ongoing research of several important topics. Thank you very much.

Last but not least, let me also thank the registered delegates, many of whom have not shied the long way to Santiago to be in attendance, and to help make this 31st International General Meeting another success and a memorable event in PBEC's history. It is your interest, your presence, and your contribution that makes PBEC what it is. Please maintain that interest and support the Hong Kong, China Committee as well next year when it hosts the 32nd IGM. I will be very pleased to welcome you to Hong Kong in May 1999. I am sure you will not be disappointed by what you find there.

Finally, let me congratulate Mr. Kosaku Inaba, Chairman and CEO of Ishikawajima-Harima Heavy Industries in Japan, for having been elected the new Vice Chairman of PBEC. It will be a pleasure working alongside Inaba-san during the next year, and I am grateful for his promised support. Congratulations also to my other colleagues on the board of directors, on their election or re-election. I am very privileged to be a member of this highly distinguished group. My best wishes for success and good health in the coming year.

The Voice of Business in the Pacific

Annual IGM

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President Frei went on to say that Chile regarded PBEC as one of the key institutions in the Pacific region. "Fifteen years ago, when PBEC held its last meeting in Chile, there was a certain skepticism about the idea that a country from Latin America could benefit from participation in an organization like this," Frei remarked. "Many said Chile should focus on its traditional allies in Europe and the United States. Today, experience has clearly demonstrated just how wrong that point of view was." Frei also stressed that it would be very disappointing if APEC were to cede to pressures for protectionism amid the economic crisis in East Asia. He emphasized that market-opening policies and increased integration into the world economy were the best recipes for Asia's economic woes.

The President also reviewed the factors that have helped keep Chile's growth steady and unem-



His Excellency Pedro Roberto Aguayo Cubillo, Vice President of Ecuador during the special keynote address.



Argentina's Vice President Carlos Federico Ruckauf speaking on "Latin America: Meeting the Challenges of the Global Economy."



The Honorable William S. Cohen, U.S. Secretary of Defense, during the special keynote address "Peace and Stability: The Cornerstone of Prosperity."



Peru's First Vice President, Ricardo Marquez spoke on "Latin America and Asia: Partners in Pacific Prosperity."

ployment low (currently at 5%). Among them: a solid banking sector with clear rules, fair and stable conditions for foreign investors, a balanced national budget, and a readiness to continue reforms. He also announced that Chile's goal of investing US\$3.5 billion in infrastructure projects, all privately financed, has already been achieved. By the time his presidency ends in 2000, Frei reckoned, infrastructure investment would total US\$5 billion. Finally, he called for businesspeople to be more conscious of their responsibilities to their community: "A good entrepreneur is aware of the fact that fulfilling the

company's social obligations will also contribute to general welfare and to the company's own well-being. An entrepreneur who neglects this is sowing the seeds of his own destruction."

The IGM also included addresses by the Vice Presidents of Ecuador, Peru, and Argentina. U.S. Defense Secretary Cohen, in his address to PBEC, stressed the strong linkage between freedom and free markets. Secretary Cohen said that U.S. policy is based on three key elements: an ability to shape, respond, and prepare for a wide variety of challenges, and that "security structures, no less than financial structures, must be

built on sound foundations to help us endure the gale force winds of change in the region".

Another highlight of the meeting was the presentation of the first PBEC Award for International Business Excellence to Akio Morita, co-founder and former chairman of Sony Corporation, for his business vision and leadership, exemplifying the spirit, values, and aspirations embraced by PBEC over the past three decades. (see article page 3).

At the meeting, PBEC also adopted a number of important policy resolutions and statements, on a variety of issues (see article page 2). ♦

Policy Actions

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Voluntary Sectoral Liberalization, based on the belief that it will facilitate the expansion of trade and investment in the region, and that it will serve as a catalyst for action in the WTO to further liberalize trade in key sectors.

The board also approved a report on recommendations on *Financial Services*

Liberalization and Regulatory Reform in the Asia Pacific. The specific recommendations include developing the public sector/private sector dialogue, building a predictable, responsible, and transparent regulatory regime, and implementing tools for promoting financial sector development.

In the *Statement on Telecommunications Market Liberalization and the GATS Agreement on Basic*

Telecommunications Services, PBEC urges all economies in the region to open their markets fully. PBEC also urges reform in the international telecommunications settlement process, the method by which telecom operators around the world settle accounts with each other.

The board also approved the *Foreign Direct Investment Index* produced by the FDI Working Committee, and approved its statement in

support of the Multilateral Agreement on Investment (MAI).

In the statement on *Electronic Commerce*, PBEC applauded the decision of the APEC leaders to develop a work program on electronic commerce that recognizes the leading role of the private sector. PBEC also called for broad educational measures to support its continued growth. ♦



Secretary General Visits Peru and Colombia

PBEC Secretary General Robert G. Lees made a post-Chile IGM visit to Peru and Colombia to gain additional insight into the region's current economic situation, and to promote PBEC and its positions to senior government leaders and the media. While in Peru, the Secretary General met with Prime Minister Alberto Pandolfi Arbulu and a number of key senior level ministers, including H.E. Eduardo Ferrero Costa, Ministry of Foreign Affairs, and H.E. Gustavo Cailleaux, Ministry of Industry, Commerce, Tourism, and Integration.

While in Peru, the Secretary General also joined delegates from the PBEC post-IGM program to Peru, an exclusive program arranged by the PBEC Peru Member Committee. The program included a city tour of Lima and excursions to famed Cuzco and Machu Picchu.

The Secretary General completed the last leg of his post IGM tour in Bogota, Colombia, where he met with a number of senior government ministers, and Mr. Enrique Penalosa, Mayor of the city of Bogota. In addition to meeting with some of

Colombia's most senior business leaders, the Secretary General was featured in a 20 minute segment broadcast on national television in Colombia, in which he discussed PBEC's assessment of the current political and economic situation in the Asia Pacific region.

Earlier in the year, the Secretary General made visits to the following PBEC member economies: China; Hong Kong, China; Japan; Korea; Indonesia; Thailand; Malaysia; and Canada. ♦



Mr. German Jaramillo Rojas, Chairman, PBEC Colombia and Secretary General Robert Lees together with a portrait of "The Great Liberator," Simon Bolivar.



Mr. Wang Jun, Chairman, China International Trust and Investment Corporation (CTIC), during an afternoon chat with Secretary General Robert Lees.



Mr. Yu Xiaosong, PBEC China Chairman (center, right) and Director General, Mr. Wang Jinzhen, (far left) and members of PBEC China at a dinner hosted for Secretary General Robert Lees in Beijing.

New Leadership

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Sohmen assumed the leadership of PBEC from Gary L. Tooker, Chairman, Motorola, Inc. and former Chairman, PBEC United States Member Committee. Tooker will remain an important, active member of the PBEC family as Chairman Emeritus.

The election also included the re-election of Robert G. Lees as Secretary General of PBEC, and H. Howard Stephenson, Chairman of the

Executive Committee, Pacific Century Financial Corporation, as PBEC Treasurer and Chairman of its Finance Committee. On PBEC's important management committees, S.R. Cho, Chairman, Hyosung Group, was appointed Chairman of the Strategy Committee, and Nelson An-Ping Chang, was re-appointed as Chairman of the Special Fund Investment Advisory Committee.

Also elected was the PBEC Board of Directors, which consists of each member committee chairman. PBEC would like to congratulate those chairmen who were re-elected and welcome the following new chairmen to the PBEC family: Ian K. Payne, Chairman, Export and Finance Insurance Corporation, as Chairman, PBEC Australia; Yu Xiaosong, Chairman,

China Council for the Promotion of International Trade (CCPIT), China Chamber of International Commerce, as Chairman, PBEC China; John Strickland, Chairman, The Hong Kong and Shanghai Banking Corporation Limited, as Chairman, PBEC Hong Kong, China; and Rizalino S. Navarro, Chairman, House of Investments, Inc., as Chairman, PBEC Philippines. ♦

The Voice of Business in the Pacific



Pacific Basin Economic Council Secretary General, Robert G. Lees

Thanks once again to all of you who worked so hard to make this year's IGM such a success. This year's IGM was especially memorable for a number of reasons. The warm hospitality of our Chilean hosts, and the spice and flavor of the Latin culture provided all of us with some wonderful and long-lasting memories. But to be entirely honest, this year's IGM was also memorable for the challenges which had to be surmounted in order to make it a success, and the pride which the entire organization should rightfully feel in having done so.

When Santiago was first selected to host the 31st IGM, no one could have imagined the financial turmoil which would soon be afflicting much of Asia. This ongoing turmoil would create a number of obstacles as we planned the IGM. The financial situation would make it difficult for many potential participants from Asia to make the long journey to Santiago, and presented

Letter from the Secretary General, *Robert G. Lees*

both our member committees and the IS with a great challenge in securing speakers and delegates. The financial situation also necessitated a major restructuring of the program agenda. A few short months before the IGM, with the encouragement of the most affected member economies, the IS developed a number of new IGM sessions to ensure that PBEC would be addressing all the most critical and late-breaking issues.

We also faced challenges from a scheduling point of view. The Summit of the Americas, which was held in Santiago just before the IGM, included the participation of many government and business leaders who would have been likely to attend the IGM. However, many were unable to return to Santiago so soon after the Summit of the Americas. The scheduling of elections in the region around the time of the IGM would also make it difficult for some prominent individuals to join us in Santiago.

In the face of all this adversity, I think this organization did an outstanding job of pulling together as a team and putting on an extremely successful IGM. Our member committees deserve a tremendous amount of credit. Under extremely difficult circumstances – especially for

our Asia members – our member committees did an outstanding job in confirming high-level speakers, and in producing very strong delegations – both in terms of numbers and in terms of corporate level. I'd like to acknowledge these efforts and offer my sincere and heartfelt thanks. The results of the meeting, I think, speak for themselves.

Over 550 delegates, one president, 3 vice presidents, several cabinet ministers, and over 100 speakers and moderators, joined us in Santiago. Chilean President Eduardo Frei Ruiz-Tagle gave the opening keynote address and emphasized PBEC's role as one of the key institutions in the region and indicated Chile's intention to meet APEC's goals for trade liberalization by the early 2010 deadline, rather than waiting until 2020. U.S. Defense Secretary Cohen, in his address, stressed the strong linkage between freedom and free markets.

Another highlight of the meeting was the presentation of the first PBEC Award for International Business Excellence to Akio Morita, co-founder and former chairman of Sony Corporation, for his business vision and leadership, exemplifying the spirit, values, and aspirations embraced by PBEC over the past three decades.

The Board of Directors adopted a number of important policy resolutions and statements, on a variety of issues, including corruption, electronic commerce, APEC Early Voluntary Sectoral Liberalization, foreign direct investment, financial services liberalization, information technology product regulation, and telecommunications market liberalization. The International Secretariat has circulated these documents to all the key international organizations, including APEC, ABAC, WTO, ICC, and the Asian Development Bank, to name a few. We have already received some very positive feedback, and we will be following up to further promote our policy initiatives. Our working committees continue to produce excellent results, and three ad hoc committees – business development, electronic commerce, and transparency – held meetings in Chile.

Dr. Helmut Sohmen, Chairman of World-Wide Shipping Agency, Ltd. in Hong Kong, was, of course, elected Chairman of PBEC, and Kosaku Inaba, Chairman of Ishikawajima-Harima Heavy Industries (Japan), was elected Vice Chairman of the organization. S.R. Cho will assume the chair of our important Strategy Committee.



Of course, no recap of the IGM would be complete without a special word of thanks to the Chile Organizing Committee, especially Mario Andrade and Roberto Izquierdo. I've had the pleasure of working closely with both these gentlemen, and their excellent conference company, Captiva, over the past year, and I can tell you that without their personal commitment, dedication, and tireless work, this year's IGM could never have been the tremendous success it was.

The International Secretariat is continuing to work closely with the World Bank on the upcoming joint roundtable on the environment this September in Hong Kong. We are also working with PBEC Malaysia on the

agenda, speakers, and invitees for the Kuala Lumpur Business Summit this November. You'll find articles on both these events in this newsletter. We are also following up with the working committees on their work program. You'll soon be seeing some impressive things from the Electronic Commerce Working Committee on the PBEC web site.

Although it seems that we have barely returned from the IGM, the International Secretariat is already well underway with preparations for our Mid-term Meeting in Los Angeles this October. It is important that we keep the positive momentum going from Santiago, and the Mid-term Meeting always provides us with a good

opportunity to really "roll up our sleeves" and focus on the internal business of PBEC. We have selected an excellent hotel which will provide us with outstanding facilities and accommodations. I understand from some old friends in the Mayor's office that the Mayor of Los Angeles is extremely pleased and honored to be hosting PBEC. I think we can all look forward to a warm official reception from the entire city, and some very memorable special events, which I'll be able to provide details on as we approach the meeting.

Looking even further ahead, we have already begun to work closely with PBEC Hong Kong on the 32nd annual IGM to be held next May in Hong Kong. I am pleased to

report that Tung Chee Hwa, Chief Executive of Hong Kong, has already confirmed that he will be delivering the opening keynote address on the IGM theme, "The Challenges of the Next Century for the Pacific Basin". We are taking a fresh look at how we approach the planning and execution of the IGM on a "year in, year out" basis, always looking for ways to put on the highest quality event in the most efficient and cost effective way.

Once again, let me offer my thanks and gratitude to all of you for your hard work and commitment to PBEC. I look forward to seeing you, and continuing the important work of PBEC at our upcoming Mid-term Meeting in Los Angeles.

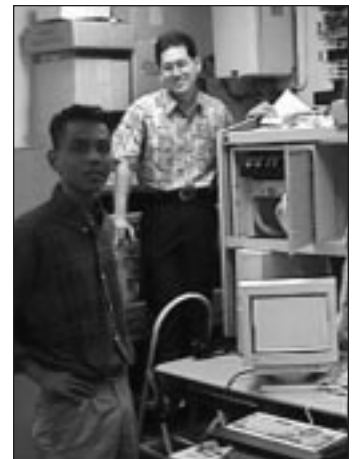
Motorola Launches International Secretariat Into Cyberspace

In the final stages of wrapping up the communications network upgrade at the International Secretariat, Mr. Jim Miwa, Telecom Analyst, Motorola (Australia) and Mr. Stephen Raj, Data Communications Analyst, Motorola, (Singapore) made a site visit to the International Secretariat to put the final touches on the new PBEC communications network. Motorola has been working closely with the International Secretariat for a number of

months now under the instruction of Mr. Gary L. Tooker, Chairman, Motorola Inc. and Chairman Emeritus, PBEC.

The communications network upgrade project is being implemented to increase efficiency and overall communication within PBEC, as well as its image in the region and around the world. The core hardware and software infrastructure for the new communications network is

expected to be in place by the end of this summer. New capabilities such as online registration for PBEC events, electronic message boards, chat rooms, and password secured areas, all via PBEC's web site, are anticipated to be available later this fall and the spring of next year. The entire PBEC family is extremely grateful to both Mr. Tooker and Motorola for this most generous contribution to our organization. ♦



Stephen Raj (left), Data Communications Analyst, Motorola, Singapore and Jim Miwa (right), Telecom Analyst, Motorola, Australia make some final adjustments to the new PBEC Network.

The Voice of Business in the Pacific

PBEC Business Development Working Committee Holds Managerial Forum

The PBEC Business Development Working Committee held a Managerial Forum entitled "Peru in the Pacific Basin - Opportunities for Business" in Lima, Peru. The event was hosted by the PBEC Peru Committee together with the Confederation of Private Enterprises, CONFIEP. Dr. Gonzalo Garland, Chairman of the PBEC Peru Member Committee and Chairman of the PBEC Business Development Working Committee, gave the opening remarks. Among the topics discussed were the promotion of businesses in the Pacific Basin region, and the variety of business opportunities available in Peru. Minister of Industries, Commerce, Tourism and

Integration, Mr. Gustavo Caillaux, gave the closing remarks. After lunch, the participants had two audiences, one with the Peruvian Chancellor Dr. Eduardo Ferrero Costa, and the second with the Prime Minister, Mr. Alberto Pandolfi Arbulú. Both leaders expressed their great appreciation for private sector's active role in the integration of Peru into the Pacific Basin. That evening the participants attended a gala reception at the Palace of Torre Tagle, which houses the Peruvian Ministry of Foreign Affairs, and flew to Cuzco and Machu Picchu over the weekend before returning home. ♦

PBEC Indonesia Hosts Lively Business Luncheon

The PBEC Indonesia Member Committee held a business luncheon earlier this year that was well attended by 45 PBEC members and non-members, all of whom are senior business leaders, representing a variety of corporations from different industries. After the opening address by PBEC Indonesia Chairman Haroen Al Rasjid



PBEC Indonesia Chairman, Haroen Al Rasjid delivers the opening remarks for the PBEC Indonesia Business Luncheon.

and Director General Willy Wiguna, gave the audience an overview of PBEC, as well as its goals and objectives.

Chile's Ambassador to Indonesia, H.E. Hernan Tassara, delivered the keynote address. Ambassador Tassara gave a brief presentation about Chile, its

political organization, geography, economic and social data, trade and financial markets, and investment opportunities. The Ambassador also went on to highlight the ongoing bilateral trade between Chile and Indonesia.

The second speaker was Francis Shea, Executive Vice President of P.T. Bank Danamon. Shea spoke on "The Future of Indonesia's

Financial Markets" and presented the audience with an insightful overview of the financial markets, and measures of markets and its customers. An animated discussion followed that would have continued well into the afternoon had it not been for time constraints. ♦

1998 APEC Business Summit

The 1998 APEC Business Summit, entitled "A New APEC for the New Millennium," will be held from November 14-16 at the Putra World Trade Centre in Kuala Lumpur, Malaysia. The Summit is jointly organized by PBEC, the APEC Business Advisory Council (ABAC), the Pacific Economic Cooperation Council (PECC), and the Asian Strategy and Leadership Institute (ASLI).

The Summit will provide

an opportunity for strengthening a collaborative relationship between government and the private sectors from the region. Objectives of the Summit include enhancing business and economic cooperation among APEC member economies, promoting business and strategic alliances between entrepreneurs of APEC member economies, and identifying new business, investment and technology transfer opportunities. ♦

Mark Your Calendar: PBEC Financial Crisis Symposium

As this newsletter goes to press, the PBEC International Secretariat is involved in discussions with the World Bank and the IMF on participation in a one day PBEC symposium on the financial crisis in Asia. The symposium is to be held in Los Angeles, on October 19th, the day after

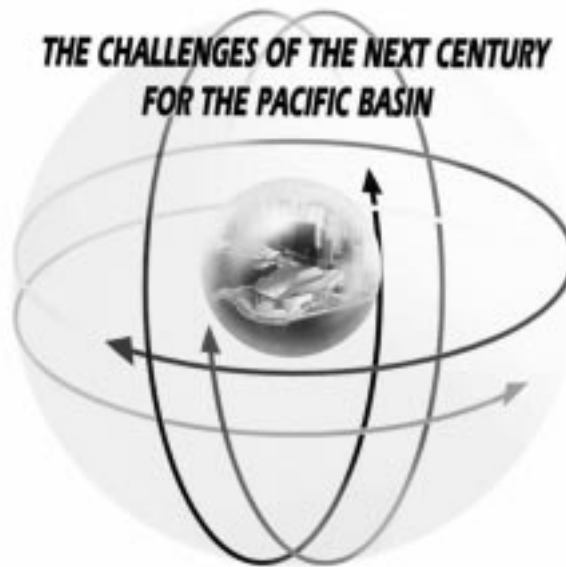
PBEC's Mid-term Meeting concludes in Los Angeles.

Details on speakers, the agenda, and format are being developed, and will be provided shortly. Please mark your calendar, and adjust your travel schedules accordingly so that you will be able to participate in this "can't miss" event. ♦

Hong Kong, China to Host PBEC's 32nd IGM

The 32nd PBEC International General Meeting (IGM), entitled "The Challenges of the Next Century for the Pacific Basin," will be held from May 17-19, 1999 in Hong Kong, China. The Honorable Tung Chee Hwa, Chief Executive of the Hong Kong Special Administrative Region, will deliver the opening keynote address of the meeting, at which more than 600 of the region's most dynamic business and government leaders are expected to participate.

The 32nd IGM will include five plenary sessions in which experts from around the region will present a wide range of perspectives for audience discussion. The discussion topics include the role of government and economic development, information and imagination, environment and growth, technology vs. labor, and emerging markets in the global economy. Each plenary session will be



followed by three interactive concurrent sessions, which will examine the issues in more depth.

The PBEC Hong Kong, China Member Committee and the International Secretariat have been working closely together to develop an agenda, that will address the issues important to PBEC, and a program that will provide for an enjoyable and memorable Hong Kong experience.

Hong Kong, the gateway to the world's fastest growing economy and most exciting new market-China, is one of the world's most modern and successful cities. Located at the heart of Asia, Hong Kong is highly accessible, and has gained newfound capabilities with the recent opening of

the new airport at Chek Lap Kok. Additional information regarding the 1999 Hong Kong IGM is available at the International Secretariat in Honolulu. ♦

Update on PBEC Working Committees

As indicated by the article on policy actions taken at the Santiago IGM, our working committees have been extremely busy developing important policy initiatives. For most of our working committees, Santiago marked the end of the initial two-year term, resulting in a number of changes to the chair and vice chair positions. In addition, new working committees were formed in Santiago. The changes and additions are outlined below:

In the Administrative Barriers to Trade Working Committee, Rick Christie (New Zealand) succeeded Martin Barrow (Hong Kong, China) as chair. In the Environment Working Committee, Ichiro Kagiya (Japan) succeeded Yohei Yamamoto (Japan) as chair. In the Food Products Working Committee, Ray Cesca (US) succeeded Ken Matchett (Canada) as chair. In the Foreign Direct

Investment Working Committee, Octavio Espiritu (Philippines) succeeded C.S. Lee (Korea) as chair, and Errol Clark (New Zealand) succeeded Octavio Espiritu as vice chair. In the Ad Hoc Committee on Transparency, Michael Davies (Canada) succeeded James Cooney (Canada) as chair, and Karim Raslan (Malaysia) became vice chair.

Two new working committees were also formed in Santiago: Gonzalo Garland (Peru) became the chair of the Business Development Working Committee. Peter Jollie (Australia) became chair of Electronic Commerce Working Committee, Tom Ehergood (US) became vice chair, and Rohana Mahmood (Director General, Malaysia) will act as co-vice chair until a member of PBEC Malaysia can be identified to fill that role. ♦

Calendar of Events

August 1998

- 5 *PBEC Mexico - Board of Directors Luncheon, Mexico, D.F.*
tbd *PBEC Chinese Taipei - Semi-annual Board of Directors Meeting.*
tbd *PBEC Chinese Taipei - Annual General Meeting.*

September 1998

- 2 *PBEC Mexico - General Members' Meeting, Mexico, D.F.*
13-15 *PBEC/World Bank Roundtable on the Environment*
"Expanding Public-Private Partnerships: Economic Competitiveness and Environmental Concerns in the Asia-Pacific Region" Island Shangri-la Hotel, Hong Kong
28-30 *PBEC Korea - 20th Joint Conference of the Korea-Australia Business Council Seoul, Korea*

October 1998

- 4 *PBEC Mexico - General Members' Meeting, Mexico, D.F.*
Guest Speakers: PBEC Chairman Helmut Sohmen and Minister of Trade and Industrial Development Mexico, Herminio Blanco (TBC)
16-18 *PBEC Mid-term Meeting, Westin Century Plaza Hotel, Los Angeles*
19 *PBEC "Financial Crisis" Symposium, Los Angeles*
tbd *PBEC Korea - 14th Korea-Japan Business Summit, Tokyo, Japan*
tbd *PBEC Australia - Annual General Meeting and Luncheon*
tbd *APEC Finance Deputies Meeting, Washington D.C.*

November 1998

- 14-15 *10th APEC Ministerial Meeting, Kuala Lumpur, Malaysia*
14-16 *1998 APEC Business Summit "A New APEC for the New Millennium"*
Putra World Trade Centre, Kuala Lumpur, Malaysia
17 *4th 1998 Meeting of ABAC, Kuala Lumpur, Malaysia*
17-18 *6th APEC Economic Leaders' Meeting, Kuala Lumpur, Malaysia*
tbd *PBEC Thailand - Board of Directors Meeting*

December 1998

- tbd *PBEC Chinese Taipei - "The 14th Seminar on Pacific Economic Community"*
tbd *PBEC Mexico - General Members' Meeting and Christmas Cocktail, Mexico, D.F.*

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PBEC/World Bank Environmental Symposium

PBEC and the World Bank will co-sponsor an environmental symposium, entitled "Expanding Public-Private Partnerships – Economic Competitiveness and Environmental Concerns in the Asia-Pacific Region," to be held from September 13-15, 1998 at the Island Shangri-La Hotel in Hong Kong, China.



Attendance will be limited to approximately fifty senior-level delegates from the business and government sector and the sessions will be "closed-door" round-table workshop format, moderated with the goal of action item identification. Discussion topics will be introduced with issues papers and case studies. ♦

PBEC Environmental Award

The first ever PBEC Environmental Award will be presented at next year's International General Meeting in Hong Kong. The award will honor companies which make substantial contributions to the enhancement of global environmental protection. By presenting this award, PBEC hopes to bring international recognition to environmentally responsible

companies, to serve as a model for others to follow, and to raise PBEC's international profile and prestige. The PBEC Environmental Award will be open to all PBEC member companies who have conducted their international business activities in a way which contributes significantly to the protection and/or improvement of the environment. ♦