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NEWSLETTER OF THE PACIFIC BASIN ECONOMIC COUNCIL



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PBEC Concludes Mid-term Meeting in Singapore

PBEC held its 2000 Mid-term meeting in Singapore from November 8-10 at the Grand Hyatt hotel. The gathering preceded the 2000 APEC CEO Summit, held in Brunei Darussalam (see related article, page 3), and was a prime venue to consider urgent economic and trade policy issues.

In the international hub of Singapore—home of PBEC's newest applicant Member Committee—PBEC members discussed a number of vital business concerns, passed policy statements advocating greater trade liberalization, and conducted the vital, internal administrative business of the organization.

PBEC approved five resolutions during the Mid-term. It advocated the implementation of international accounting standards, greater pro-competitive APEC measures in the air services industry, and pushed APEC to strengthen efforts in trade and investment liberalization. PBEC also applauded the Regional Integration for Sustainable Economies (RISE) initiative, a joint endeavor by APEC and PECC, and broadly supported the development of compatible legal and regulatory environments throughout the region to foster the "E-Transformation."

All of PBEC's working committees met as well, reporting on recent activities and planning future steps to advance their respective programs. The Singapore gather-

ing marked the inaugural meeting of the E-Business Working Committee, formed via the merging of PBEC's technology and e-commerce committees.

This year's Mid-term continued a growing tradition of excellent presentations by some of the region's most respected business and trade experts. On hand in Singapore were U.S. Trade Representative Charlene Barshefsky and leading economist Kenneth Courtis of Goldman Sachs Asia.

Ambassador Barshefsky reviewed the vision and substantial accomplishments of the last eight years of the Clinton Administration in U.S.-Asia relations. And Courtis expressed concerns over a recent slowdown

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Leading Singapore businessman Y.Y. Wong speaks on entrepreneurship and the "New Economy."



Economist Kenneth Courtis warns of another economic slowdown.



Mark Your Calendars!

The 34th International General Meeting (Regional Vitality in the 21st Century) will be held **April 6-10, 2001 in Tokyo, Japan. Register today!**

www.tokyo-cci.or.jp/pbec2001



Clyde Prestowitz, president of the Economic Strategy Institute.



Prominent Singaporeans Simon Tay, Yong Ying-I, and Dr. Y. Y. Wong.

in Japan's debt-ridden national economy, and its likely affects on the rest of the region.

Delegates also heard from Economic Strategy Institute president Clyde Prestowitz, and absorbed the many insights of a special panel on Singapore featuring Dr. Y.Y. Wong, founder and chairman of Singapore's Wywy Group., Pte. and chairman of the PBEC Singapore Applicant Committee, Simon S.C. Tay, chairman of the Singapore Institute of International Affairs, and Yong Ying-I, Chief Executive Officer of the Infocomm Authority of Singapore.

The text of many of these presentations can be found on our website at www.pbec.org.

PBEC Leaders Call for Trade Liberalization

At the recent Singapore Midterm Meeting held November 10–12, 2000, PBEC International endorsed a number of policy recommendations concerning recent economic developments in the Asia Pacific, the Asia Pacific Economic Cooperation (APEC) forum, as well as other ongoing areas of interest and concern to the business community.

Specifically, the PBEC Board of Directors adopted policy statements on international accounting standards, e-Transformation, liberalization of air services, support of the Regional Integration for Sustainable Economies (RISE), and on APEC. Here is a brief summary of these statements, the full text of which are available at the PBEC website at www.pbec.org.

AIR SERVICES: PBEC recognizes that a fast, coordinated, and efficient transportation system in the Pacific region is critical to stimulating economic growth and enhancing the global competitiveness of the region. PBEC supports work underway in the APEC forum to promote more competitive air services based on the eight options including: facilitating airline cooperative arrangements, including multiple carriers in bilateral agreements, reducing discriminatory "doing business" issues, liberalizing air freight, addressing air carrier ownership and control, reducing tariffs, addressing charter services and increasing market access.

INTERNATIONAL ACCOUNTING STANDARDS: In international accounting services, PBEC recognizes that in order to attract more stable capital flows including Foreign Direct Investment (FDI), portfolio investment and development of long-term bond markets, capital providers need to have confidence in financial information provided by those seeking capital. Effective implementation of high quality international accounting standards would help to build this essential confidence.

RISE: PBEC also recognizes that in order to foster economic growth to benefit all populations, non-urban areas in emerging market economies must be integrated into the mainstream global economy. PBEC therefore applauds the joint APEC-PECC initiative, Regional Integration for Sustainable Economies (RISE), which recognizes the critical importance of improved rural and non-urban infrastructure development, not only for more efficient and competitive production in those communities, but to extend the essential linkages of these areas to the broader regional, national and global economies.

APEC: PBEC calls on APEC to embolden its efforts to liberalize trade and investment in the Asia-Pacific and to serve as the regional catalyst in launching a new multilateral round of trade negotiations this year.

E-TRANSFORMATION: PBEC recognizes that a true e-Transformation hinges on the application of technology to business rather than business to technology, PBEC supports the development of compatible legal and regulatory environments within the region. PBEC therefore calls on governments in the Asia-Pacific to develop a region-wide environment to ensure the ability of companies to apply technology to their businesses and to realize greater productivity by minimizing inefficiencies and costs in other areas, such as payments, delivery, and cross-border transacted business.

PBEC's Mid-term Meeting brings together the organization's inner circle, to discuss and issue policy recommendations, to participate in working committee meetings on areas ranging from electronic commerce to transparency, and to chart the future direction of PBEC. The MTM also provides ample networking opportunities to forge close business and personal relationships.

Brunei Hosts APEC CEO Summit

The 3rd APEC CEO Summit, co-sponsored by PBEC, was held in Brunei Darussalam from November 13-15, 2000. The event attracted 250 senior business leaders and was held at the new Empire Hotel & Country Club (formerly Jerudong Park Hotel), a facility that was completed especially for APEC. The CEO Summit was the first major international event to be conducted in this prestigious facility.

The CEO Summit, which came on the heels of PBEC's Midterm Meeting in Singapore, immediately preceded the APEC Leaders' Meeting. The PBEC International Secretariat delivered a signed letter from Chairman Inaba to the APEC leadership formally transmitting PBEC's policy statements and recommendations.

The Summit focused on **"Getting Back to Basics—Revitalising and Refocusing APEC's Business Agenda,"** with the objective of getting the organization back on track with its

original goals of market liberalization and capacity building. Opening the Summit, APEC leaders tackled the twin issues of globalization and trade liberalization and reached general agreement on the benefits for APEC economies of further trade liberalization. Leaders included Vladimir Putin, President of Russia; Ricardo Lagos, President of Chile; Jiang Zemin, President of the People's Repub-



APEC leaders converged on the island nation of Brunei Darussalam in November for a successful summit.

lic of China; and William Clinton, President of the United States.

The Summit provides business leaders an opportunity to exchange viewpoints with their government counterparts on the region's most pressing economic and business issues.

Key issues raised at the Brunei CEO Summit included: Is APEC Relevant to Business? An Action Item for Improving

Corporate Governance in APEC; The Backlash to Globalization; and The Digital Divide in APEC.

PBEC members featured as speakers at the event were (in order of their speeches): Systems International Incorporated Chairman Tom Arai; PBEC Chairman Emeritus Helmut Sohmen; and Morgan Stanley Asia Ltd. Chairman, Jack Wadsworth.

Strategies to Combat Corruption Outlined

The Pacific Basin Economic Council has joined the Asian Development Bank (ADB) and the Organization for Economic Cooperation and Development (OECD) in discussing a number of key strategies and best practices in governmental anticorruption policies as well as businesses' voluntary practice of business ethics.

At the conclusion of the ADB-OECD sponsored Conference on Combating Corruption in the Asia-Pacific Region held in Seoul, the region's leading actors in the fight against corruption highlighted ways that business as well as government can and should prevent corruption.

PBEC Secretary General Robert Lees stated, "Corruption severely hinders the efficiency and growth of every economy, and was undeniably one of the root causes of the

recent financial crisis in the region. We can't expect miracles overnight, but by working together as partners to enhance transparency in all their dealings, business executives and government officials can help minimize the scourge of corruption. It takes two hands to clap. No country has a perfect record on this issue, so we must all move forward together."

In his opening remarks, OECD Deputy Secretary General Seiichi Kondo also noted that PBEC was a major player in corruption prevention and as having provided invaluable assistance in engaging private sector participation.

The conference, in which PBEC is a partner organization and which is cosponsored by the ADB and OECD, featured Michael Davies, Chairman of PBEC's Working Committee on Transparency; Dr. Zusun Rhee of PBEC Korea

and Research Fellow at the Korea Economic Research Institute; and Judge Anand Satyanand of the New Zealand Office of the Ombudsman invited by PBEC New Zealand.

In his presentation on the importance of company codes of conduct, Michael Davies who is also Vice President, General Counsel & Secretary, General Electric Canada, Inc., stressed the need for a compliance program, a universal commitment to policy, education and training, procedures for monitoring relationships with sales representatives, and advance warnings of potential illegal activities. Mr. Davies outlined a roadmap of how to deal with concerns, and how to maintain and track ongoing periodic monitoring activities.

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CHAIRMAN'S LETTER



KOSAKU INABA
PBEC CHAIRMAN

It is a great pleasure for me to present my remarks to all the readers of the first newsletter of the 21st century.

At the first light of the new century, the Asia-Pacific Region is expected take on a greater role as the focal point of economic growth. And its influence in the global arena will undoubtedly increase as countries have been actively promoting multilateral economic cooperation within the region, having faced various changes and challenges after severe economic difficulties as a result of the Asian economic crisis which took place at the end of the 20th century.

In tandem with the bold measures that are being taken by the Asian economies, the Pacific Basic Economic Council (PBEC) is determined to undertake a dynamic role in promoting regional economic cooperation in the 21st century.

Since the founding of PBEC in 1967, its mission has always been to achieve a business environment in the region that ensures free trade and investment and encourages competitiveness based on the capabilities of individual enterprises. In addition, PBEC's mission has been to address the economic well-being of citizens in the Asia-Pacific region. Thus, PBEC has been professing its support for the cause of "private sector-led society" for more than thirty years.

During the intervening years, Asia Pacific Economic Cooperation (APEC) was created and World Trade Organization (WTO) was established. PBEC has been closely associated with such organizations as well as Asian Development Bank (ADB) and Organization of Economic Cooperation and Development (OECD). I believe that PBEC can stand very proudly today as the unique association of senior business leaders from the Asia-Pacific region, and we are ready to play a leadership role in the new century as well.

PBEC's membership consists of more than 1,000 companies, which cover the full range of companies from small and medium-sized businesses to major corporations. PBEC can take full advantage of the composition of its membership, identified as a purely private organization of business leaders, to bring more influence on not only governments and international organizations but also the various business communities in the other regions.

One way it does this is through the outcome of the International General Meeting (IGM), held every year, in which a number of experts, speakers and business leaders from the world gather and discuss various issues related to the future of global economy and society.

Definitely all participants at these discussions feel very strongly that, as individual and corporate members of the global society, they have an extremely important role to play in finding better solutions in promoting the sustainable development of the economy and society—not only in the Asia-Pacific region, but worldwide. It must be remembered that the outcomes of the international general meetings of PBEC do not only belong to PBEC itself but are the shared assets of international business societies.

I look forward to developing a sense of transnational private-sector solidarity and integration among all business societies in the world, and taking effective measures to contribute to them.

With this resolve in mind, we are going to hold the 34th International General Meeting of PBEC in Tokyo this April under the great leadership of Mr. Minoru Murofushi, Chairman of Organizing Committee PBEC 2001 IGM. It is our firm belief that the upcoming meeting will have a significant impact on the global economy by addressing the theme "Regional Vitality in the 21st Century."

We are pleased to invite you to Japan and heartily welcome your participation in the 34th International General Meeting of PBEC to find out the road map for the future together. We are very much looking forward to seeing you in Tokyo in April, the best time to view the beautiful cherry blossoms.

SECRETARY GENERAL'S LETTER



ROBERT G. LEES
PBEC SECRETARY
GENERAL

Thank you once again to all of you who were able to join us in Singapore for our successful Mid-term Meeting (MTM). I think this year's MTM was one of our most successful in recent memory, thanks to *your* hard work and commitment to PBEC.

As we begin this new year, PBEC's 35th we can be proud of our accomplishments achieved this past year even in the face of the financial crisis that still lingers over the region.

Successful and Strategic Midterm Meeting

As always, we are especially grateful to our sponsors of the MTM. As a result of the support of The Chubb Corporation, KPMG Global Solution K.K., Ishikawajima-Harima Heavy Industries Co., Ltd., and PBEC Singapore Member Committee, we were able to bring you an impressive slate of guest speakers, including US Trade Representative Charlene Barshefsky, Simon Tay, Dr. Y. Y. Wong, Ms. Ying-I Yong, Ken Curtis, and Clyde Prestowitz (please see accompanying article for full descriptions). Although our Mid-term Meeting is primarily an internal working and policy development meeting, we were extremely fortunate to be joined by these impressive guest speakers as well.

Much of the internal discussion at the MTM was on strengthening PBEC, and adapting PBEC to meet the many challenges we face today. I can think of no issue that is more important for all of us in PBEC. A presentation by the well-respected Wirthlin Corporation outlined preliminary results of your Strategy Committee's member survey. It was intended to give us all a sense of PBEC's major strengths, weaknesses, opportunities, and threats in general. Your member

committees now have the full results. We are not satisfied with our current position, nor should we be. We have got to do more to increase the satisfaction of our members and to grow our membership, we have got to increase Member Committee activities supported by the International Secretariat, and to focus on a few strategic wins. We must take this time collectively to take stock of what this sample of our members told us in the survey.

Good News, Bad News

The numbers tell the story—far too many members surveyed do not feel that PBEC is headed in the right direction, cannot say that they are satisfied with their membership, and unfortunately would not recommend PBEC to colleagues. The reality is that we have much to address.

On the positive side, our members had good, concrete recommendations on ways to increase PBEC's value. Among the recommendations, they want PBEC to:

- To increase PBEC's visibility as *the* voice of business in the region, and to increase awareness of PBEC as a unique and dynamic business force in the process.
- Increase local Member Committee activities, meetings, and networking opportunities supported by the IS that profile PBEC in individual member economies including frequent sub-regional meetings, and use of the web to transfer data, reports, and documents translated in local languages.
- Refocus our membership and recruitment activities, building on a highly differentiated image and role from those of other organizations.

The good news is that those PBEC members who attend our IGMs are extremely satisfied with the quality, value, and relevance of the entire IGM experience, making the IGM one of the most important assets of PBEC for members. By having a large turnout of delegates to the Tokyo IGM, we can strengthen our members' commitment to the organization and can build the member base in a meaningful way.

In summary, in this changing global environment, we need to change the way that we do business. Global issues and structures are changing, and PBEC must adapt in order to be relevant in this new world. To be completely candid, it is clear from our experience and now with this survey that we have not done a good enough job in evolving and growing as an organization. Given the dedication and caliber of PBEC members, committee chairs, and officers, I know that we will be able to meet these challenges.

In closing, let me once again thank all of you for all that you do for PBEC, and for your support of your Strategy Committee's Member Survey.

Although the challenges ahead of PBEC are significant, I feel very confident in our ability to reposition PBEC for the new millennium.

Institutional Safeguards for Good Governance

The following is an excerpt from an address given by Judge Anand Satyanand, Ombudsman, New Zealand, at an anti-corruption conference held in Seoul, Korea. This segment highlights the attributes of one of New Zealand's most successful anti-corruption measures: the establishment of the Office of the Ombudsman, which investigates and recommends prosecution of fraud and corruption. For the full transcript, please visit our PBEC homepage at www.pbec.org

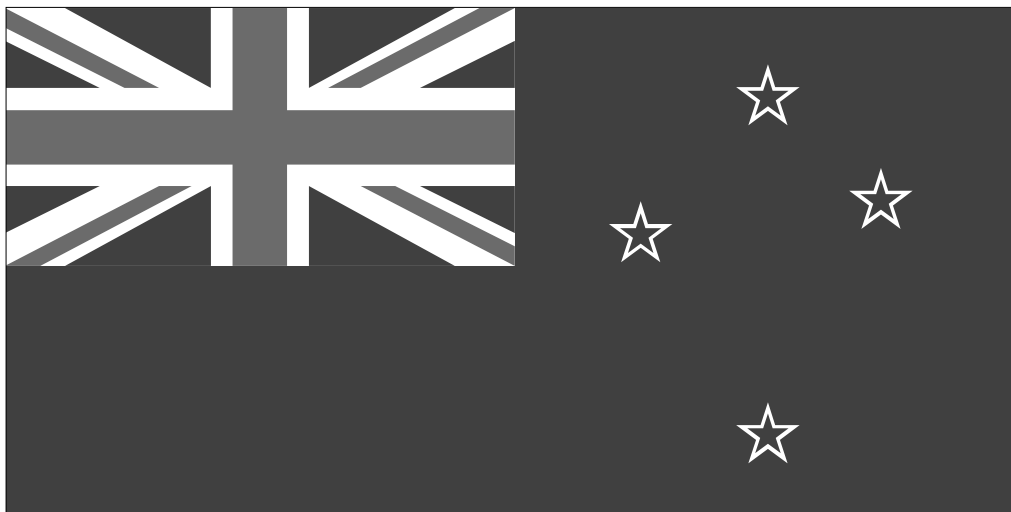
Although small and far away, New Zealand has many linkages with Asia and energetically pursues links of trade and commerce and cultural contact, bilaterally with many countries, like Korea, and multilaterally by means of membership of Asian based organizations such as APEC and ASEAN. Its Polynesian connections make notions such as sharing well known and it is accordingly natural to share ideas and to accept insights from others.

New Zealand has adopted modern means of public sector management with a number of mechanisms available for redress of wrongs – yet New Zealand is not a country free from corruption. It can thus be stated that corruption is something that needs attention, even where in New Zealand for example, the number of cases may be small.

For specific matters of fraud of a more serious complex and multiple kind, there was established in New Zealand in 1990 a specific Serious Fraud Office, which was set up to facilitate the detection, investigation and expeditious prosecution of serious and/or fraud offenders. New Zealand was the first English-speaking country in 1962 to adopt by legislation the previously Scandinavian notion of Ombudsman methodology. This envisages the independent investigation of citizens' complaints about an act of maladministration by a Government department or agency.

The Ombudsman is furnished with sufficient powers to inquire and obtain such information as may be necessary to form a view of the matter under complaint and to make a recommendation for redress, where that is appropriate. The ready availability of a complaint mechanism is thus something to which New Zealand citizens have relatively easy recourse.

The work of the New Zealand Ombudsmen, though conducted according to an individual New Zealand statute, broadly accords with the internationally accepted definition of Ombudsman. That being "An office provided for by the Constitution or by action of the



Legislature or Parliament and headed by an independent, high-level public official, who is responsible to the Legislature or Parliament, who receives complaints from aggrieved persons against Government agencies, officials and employees, or who acts on [his] own motion, and who has the power to investigate, recommend corrective action, and issue reports."

When an Ombudsman believes a complaint can be sustained, this opinion is reported to the Government department or organization concerned along with any recommendation for action. A copy of this report may also be made available to the responsible Minister. At the local government level, over which, in New Zealand, the same Ombudsmen have jurisdiction, the Ombudsman reports the finding to the organization and may provide a copy of that to the Mayor. Ombudsmen have no authority to investigate complaints against private companies and individuals or decisions of Judges.

At the beginning of the 1980s, following a thoroughgoing study by a Government appointed Committee comprising senior civil servants, New Zealand passed an Official Information Act in 1982 and became a "freedom of information" country. This is based on the principle that information shall be made available unless there be a good reason for withholding it.

The purposes of the Act are to increase the availability of official information to the people and provide for proper access by bodies corporate to official information relating to themselves, but – at the same time, where it is in the public interest – to protect official information from disclosure and to preserve such things as individual privacy.

The Official Information Act, by and large, covers all Government departments, statutory bodies and State Owned Enterprises, with the exception of the Courts. Ombudsmen can review a decision by a Government organization to refuse supply of information, and the formal recommendation of an Ombudsman, after such review, is binding unless overridden in very limited circumstances. The Official Information legislation also contains provisions enabling citizens to be advised of reasons for decisions.

In short, the Ombudsmen, whether acting in their jurisdiction on complaints about maladministration, or in their jurisdiction to make available, where appropriate, official information, play a role in ensuring the transparency and accountability of Government. It follows that the Ombudsmen can in the course of this work become aware of evidence of corruption and can be in a position to recommend action regarding it.

Statutory measures against corruption continue to be added to the law in New Zealand. The New Zealand Parliament in April 2000 passed legislation that will come into effect on 1 January 2001. This legislation, called the Protected Disclosures Act, enables employees who observe serious wrongdoing in or by an organization to disclose that to what are called "appropriate authorities" such as the Ombudsmen, the State Services Commissioner, the Commissioner of Police, the Auditor-General, the Director of the Serious Fraud Office and others.

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34th International General Meeting

Tokyo Gathering to Analyze Regional Vitality

We are now gearing up for the 34th International General Meeting (IGM) scheduled from April 6-10, 2001. The meeting, with the theme "Regional Vitality in the 21st Century," will be an event that everyone will enjoy. Informative sessions, networking opportunities, and a taste of the wonderful Japanese culture – this IGM has it all!

Among the very interesting and timely topics that will be discussed are electronic commerce; transparency; environmentalism; corporate responsibility; strategic reorganization of global industries; financial reform; biotechnology; venture capitalism; information technology; and cultural exchange. In addition, we will have the Asia Pacific Leaders Summit which will feature heads of state who will reflect on the developments of the 20th century and discuss the strategies to meet the new challenges brought on by the 21st century.

IGM participants will also be able to enjoy social events including the customary golf tournament, and post conference tours allowing them to experience Japan's great natural beauty and rich cultural heritage.

An exciting program is also in store for the spouses as they experience Japan – its history and modern culture.

The Tokyo IGM will truly be an exciting event so make sure to register today! To obtain further information regarding this meeting, please visit our website at www.pbec.org, or contact the International Secretariat via e-mail at info@pbec.org to request a printed brochure. We look forward to seeing you in Tokyo!

An Invitation to Tokyo



MINORU MUROFUSHI

CHAIRMAN, ITOCHU CORPORATION

CONFERENCE CHAIRMAN, PBEC 2001 TOKYO IGM

As we welcome the dawn of the 21st Century, the Asia Pacific region is facing a myriad of exciting new opportunities and challenges. The spread of globalization and ongoing advancements in information technology are helping to drive economic growth and open up countless new possibilities beyond our previous imagination. At the same time, however, the Asia Pacific region faces a whole range of new risks and challenges being brought about by the onslaught of globalization and the IT Revolution.

For this reason, it is now more important than ever for the business sector to take a leading role in promoting the frank discussion of the new issues and challenges that have been created by these changes, and help facilitate the international collaboration and cooperation necessary to meet the needs of the new era.

PBEC's forthcoming International General Meeting in Tokyo, to be held with the theme "Regional Vitality in the 21st Century", will offer a wonderful opportunity for the business community to begin to construct a new framework to deal with the daunting opportunities and challenges of the new century. As the hosts of the PBEC 2001 IGM, we believe that we have developed a conference format that will ensure the success of the meeting and help facilitate regional vitality and prepare a foundation for continued prosperity in the 21st Century.

The conference format that the Japan Member Committee has been eagerly developing together with the International Secretariat, which we refer to as a "3e (Triple-e)-conference", will be environmentally friendly and fittingly efficient for a meeting of international business people and apply IT technology to the greatest extent possible. Indeed, this "3e-conference" concept will be based on the theme of "3-e," namely "electronics," "environment" and "efficiency."

We are confident that this conference format will help create an extremely efficient, environmentally friendly conference in which participants will find it much easier to network with other participants and keep up their discussions and build upon their contacts even after the meeting is over. This type of format will also better enable participants to foster even closer ties among regional economies, ties which will be needed as we all try to find how to best respond to the changes being brought about by globalization and the IT revolution.

The IGM will take place in the scenic Tokyo Bay Area, which is renowned for its beautiful location and all new facilities, and has recently become one of the most popular meeting spots in Tokyo. Tokyo is a fascinating city with something to offer every visitor, as it combines the bustle and excitement of one of the most technological advanced cities in the world with 400 years of history and culture. We will have a wide range of tours and activities set up so that all of you can take advantage of this opportunity to experience Japan's fascinating traditions, as well as to witness firsthand Japan's resurgence in the 21st Century.

I very much look forward to welcoming all of you to Tokyo in April, which is the very best time of the year for visiting our wonderful city. I will do my best to ensure that the cherry blossoms will be in full bloom for our conference, which will give all PBEC members a chance to enjoy Tokyo in its full beauty.

PBEC's 3rd Environmental Award Finalists Named

The Pacific Basin Economic Council has received eight outstanding nominations that have qualified as finalists for its newly expanded Environmental Award. All nominations are models of project-specific improvements in business operations that protect the environment while creating value for the companies and their communities.

The Award will be conferred upon three recipients, designated at gold, silver, and bronze levels at the 34th International General Meeting (IGM) in Tokyo.

PBEC believes the 21st century will honor those who contribute to a stronger and more sustainable global economy through efforts to preserve and enhance our greatest shared resource—planet Earth. Evidence is already mounting of a strong correlation between corporate environmental management and the ability to outperform the broader market consistently. PBEC wishes to honor member companies who demonstrate that environmental management supports bottom line financial results.

PBEC's presentation of the award reflects growing public, corporate, and media interest in new methods to balance conservation with economic development. The Asia-Pacific region raises particular interest and concern. As the world's most populous and fastest growing area, the region places tremendous demands on its unique and productive ecosystems. According to leading environmental experts, this region is home to some of the world's last great marine and terrestrial frontiers where there is still hope to conserve significant wetlands, coastal areas, and mountain environments in near pristine condition.

The objective of the PBEC Environmental Award is to honor member companies for innovative programs that lead to the enhancement of global environmental protection while supporting bottom line financial results.

Four major areas will be used to evaluate nominated projects. These categories reflect the objective of PBEC to give recognition to outstanding projects by PBEC member companies who contribute to the enhancement of environmental protection while demonstrating business benefits. The PBEC Environmental Award criteria are unique in recognizing projects that balance environmental protection with long-term corporate profitability.

CONSERVATION BENEFITS

Project's impact on fostering environmental stewardship and conservation through the conservation of ecosystems, reduction in waste products, reuse of waste products, protection of wildlife and physical sites, and /or development of long -range land use practices and implementation of sustainable development techniques that reduces environmental stress and loss of assets.

BUSINESS BENEFITS

Project's positive impact on profitability, competitive advantages, and increased core competencies of PBEC member company.

BENEFICIAL USES OF TECHNOLOGY

Project's use of, or development of, technology that supports conservation, hazards management, bio-diversity management, and /or advances scientific knowledge beneficial to the environment. This includes, but is not limited to, technology that abates contaminants or mitigates hazards which impact human populations and ecosystems.

MANAGERIAL INNOVATIONS

Project's development or use of new environmental management techniques or methods. This includes, but is not limited to: innovative land use and land-use planning; managerial techniques for sustainable development; and/or new financing that encourage conservation, compatible development, and sustainable communities.

Finalists

Ford Motor Company and their development in China working with lead China government agencies to develop a low-cost, efficient, and durable catalyst, resulting in the development of the rare-earth oxide (REO) catalyst for improved air quality on new or in-use vehicles.

General Motors China and a GM China program featuring Alternative Fuel & Electric Vehicle Development; Environmental Management & Facility initiatives; a Clean Fuel Campaign; an Air Quality Campaign; a Vehicles Emissions Control program; support for The Nature Conservancy in China and the Yunnan Great Rivers Project.

Hansol Paper Company, Ltd. and its Environmental Charter of the company that includes Innovative Recycling Technologies, Local Reforestation of Over 42 Million Trees, Research and New-Waste Reuse Technologies; Reintroduction of Traditional Papermaking techniques which are pollution-free, and Lifelong Environmental Education and Training in the Community and Schools.

Honda Motor Company for their development of a highly efficient personal hybrid car designed to achieve world class fuel economy, a remarkably aerodynamic lightweight vehicle body incorporating new recycling of aluminum polypropylene for parts and emissions-reduction technologies, and a Green Factory that promotes environmental preservation activities.

New Zealand Dairy Board for their recycling program that has eliminated the waste disposal of whey into rivers, oceans, and open farm land where it would deplete oxygen levels and cause sewage fungus, and has redirected it, supported by major technology and management investments, into new products including texturizers for meat, yogurt, and fresh cheeses, proteins for sports and medical products and hypoallergenic proteins for infant formula.

Osaka Gas Company, Ltd. for their far-reaching environmental platform of activities including: Promoting the Use of Natural Gas and Utilization of Cryogenic Energy of LNG; Development and Facilitation of High-Efficiency Gas Applications and Systems; Establishing Environmental Goals and Implementation; Improving Environmental Accountability; and Implementing Environmental Activities in the community, in research and development, and in developing countries.

Placer Dome, Inc. for their innovative development and leadership in new technologies in wet and dry cover designs for tailing and wasterock, respectively, for controlling acid rock drainage. In addition, the company developed new advanced modeling technologies and predictive techniques for existing and new mining sites. The results include significant improvement in managing mine materials and preventing water pollution associated with acid drainage.

Samsung Electronics Co., Ltd. for its Green Management Project including full ISO 14001 certification throughout the organization, development of life cycle assessment software and design-for-environment standards for their products, complete discontinuation of use of CFCs and other ozone-depleting compounds, organization-wide use of clean-burning Liquefied Natural Gas and other standards, and development of many community projects including eco-ponds and constructed wetlands, and environmental standards required of all subcontractors.

Strategies to Combat Corruption Outlined *continued from page 3*

Dr. Rhee provided an in-depth outline of the efforts of Korea's private sector and government agencies in promoting and implementing anticorruption policies. He highlighted the effectiveness of voluntary codes of conduct developed by individual companies and the role of business associations in encouraging member companies to adopt their own ethics practices supplemented with guidelines for business conduct in implementing these practices. He also discussed the Federation of Korean Industries Manual for Business Ethics Practice as a model comprehensive reference for businesses that are establishing their own business ethics management systems, and the important seminars and conferences on anticorruption and business ethics provided by the government along with public sector reform.

Judge Anand Satyanand, Ombudsman of New Zealand, introduced key concepts that have helped to build New Zealand's excellent record in anticorruption and those that have been implemented to address the recent limited public-sector corruption cases (see page 6). Foremost in the New Zealand model is the emphasis on preventive measures and particularly the legislative adoption and private-sector adoption of Ombudsman methodology. This approach ensures transparency and accountability of government with supporting "whistleblower" legislation, a Public Sector Code of Conduct, and voluntary private-sector ombudsman activities. He also featured the utility of Transparency International's Corruption Percentage Index as an assessment tool to measure the perception of corruption by employees of multinational organizations as impacting on the commercial and social life in that country.

PBEC's leadership in anticorruption activities include its Charter on Transparency passed in 1998, its consistent calls on the WTO to conclude an agreement on transparency in government procurement, and its recent call on APEC last month to adopt international accounting standards in order to attract more stable capital flows including Foreign Direct Investment (FDI), portfolio investment and development of long-term bond markets. PBEC has noted that capital providers need to have confidence in financial information provided by those seeking capital, and that effective implementation of high-quality international accounting standards would help to build this essential confidence.

For more information on the Seoul conference proceedings and on the PBEC Working Committee on Transparency, visit the Working Committee webpage at www.pbec.org.

Institutional Safeguards *continued from page 6*

In circumstances where that is done, the notifying person will be protected from civil, criminal or disciplinary proceedings, or retaliatory action which might be taken by an erstwhile employer. New Zealand thus joined during this year those countries that have what is termed "whistleblower" legislation.

One of the functions of the State Service Commission, which superintends the Public Service and its staff, is to promote appropriate values and standards of behavior for the Public Service. That organization publishes a specific Public Service Code of Conduct, which comprises three principles, these being first that "employees should fulfill their lawful obligations to Government with professionalism and integrity", secondly that "employees should perform their official duties honestly, faithfully and efficiently, respecting the rights of the public and their colleagues", and thirdly "employees should not bring their employer into disrepute through their private activities"

One can therefore see the mirroring or modeling in the private sector of something that has proven to be successful in the public sector. Parliamentary Ombudsman methodology has proved successful for New Zealand citizens and for the public sector. The shift to the private sector and the adoption of many of the methods employed by the Parliamentary Ombudsman – inquisitorial approach, informal resolution, use of alternative dispute resolution means – assist this in being successful.

It is to be noted that there is a distinction with industry Ombudsmen having the power

to make binding orders in certain circumstances, whereas Parliamentary Ombudsmen are restricted to recommendations which goes back to the original Scandinavian conception of Ombudsman.

The foregoing has been a brief survey of measures available to combat corruption from the standpoint of a small country in the Asia-Pacific region. It is from the standpoint of a country that has registered a high placing in the well-known Transparency International Corruption Percentage Index for a number of years. That assessment, conducted each year, is not an assessment of the corruption level in any country but an assessment of the level at which corruption is perceived by people working for multi-national firms and institutions as impacting on the commercial and social life in that country.

It can be said that New Zealand is fortunate in having very low levels of corruption and that, with the measures described above, such is likely to continue in the future.

Judge Anand Satyanand is one of New Zealand's two Parliamentary Ombudsmen, having in 2000 been appointed by Parliament to a second five-year term in that office. He has pursued a number of interests alongside formal work as a Judge or Ombudsman, in legal education, law reform and prison parole work. He has written a number of articles in journals about legal, judicial and Ombudsman matters and has presented lectures and papers to a variety of audiences.

Bidding Farewell to Two Business Leaders

PBEC and the New Zealand business community lost two leaders in recent months.

New Zealand businessman Sid Moses, one of the founding members of PBEC, passed away in October at the age of 97. And in December, former New Zealand Member Committee chairman Mike Robson died suddenly at the age of 61.

Moses was a prominent figure in PBEC's history, from its birth in 1967 through the early 90s, helping in the formation of Member Committees and serving as the chairman of the New Zealand Member Committee from 1974 to 1976.

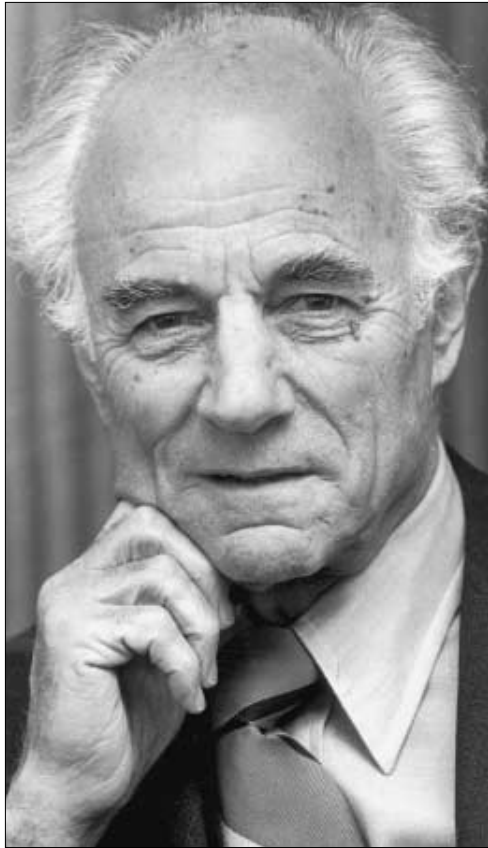
Additionally, he was international chairman of PBEC's Standing Committee on Tourism in the early 70s. The committee successfully influenced the modification of existing travel restrictions to allow for the freer movement of tourists and businessmen in the region, and helped governments recognize tourism as an industry capable of making a significant contribution to Pacific economies.

Moses did not miss a PBEC meeting — IGM nor Mid-term — for 25 years. At the 25th IGM held in Canada in 1992, he was presented with a special plaque in recognition of his invaluable contribution to PBEC.

Even in his retirement he remained active as a proponent of international trade, serving on numerous corporate boards. Moses was even tapped by the government to lead New Zealand's conversion to the decimal system, which was so successful he later assisted the British government in making the same transition.

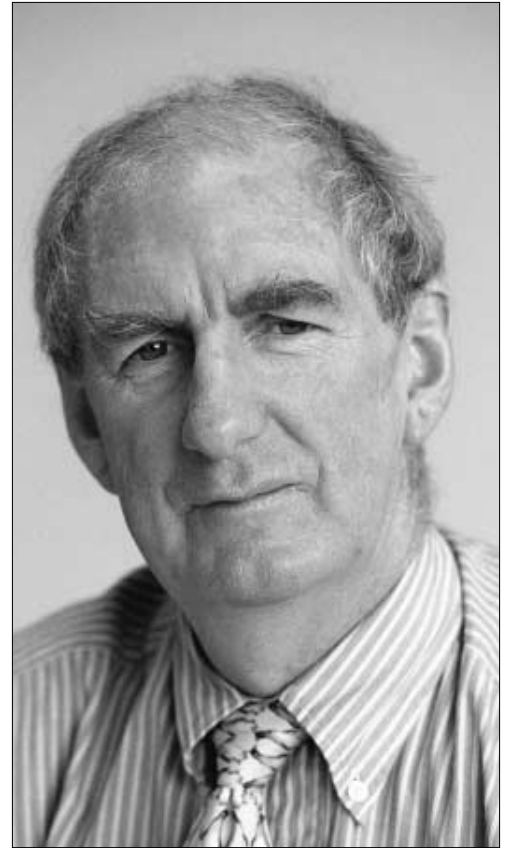
He was married for more than 60 years to wife Dorothy, who passed away in 1997. He died Oct. 17 at their Kaori home.

Robson headed the New Zealand committee from 1991 through 1993, but remained active with PBEC for years, and was an especially valuable contributor to the Auckland IGM in 1995.



Sid Moses, New Zealand chairman from 1974 to 1976, was one of PBEC's founding members.

He was a lifelong journalist, starting off as a sports reporter at the New Zealand Herald in 1956, and – in the course of his career – working his way to the top of the industry. He became editor of The Evening Post in 1975, where he worked until joining Independent Newspapers, Ltd. in 1981. Robson became CEO of INL in 1984, and helped build the company into the largest media group in the country.



Mike Robson headed New Zealand's Independent Newspapers, Ltd.

In addition to INL, Robson has headed other organizations, including Sky Television, National Bank, Rangatira, and the New Zealand Press Association.

He died of a heart attack in his home on Dec. 13, shortly after returning from his regular evening run. He is survived by Marjorie, his wife of 36 years, two sons and a daughter.

Information and photos courtesy The Evening Post.

PBEC Online Update:

pbec.org Continues to Expand, Inform

With more frequent updates and recently added features and resources, the PBEC website at www.pbec.org is the best place to go for current information on PBEC events and activities, as well as economic data and international business news and analysis links.

Many changes and additions have been made to the site in the last year, in response to feedback from members and PBEC leaders as well as long-term usage trends. As it's been two years since our last report, we'd like to take this opportunity to reacquaint you with our central web presence.

The PBEC website has been up for more than four years. Hosted in-house at the PBEC International Secretariat in Honolulu, its establishment was made possible through the PBEC Special Fund and extensive contributions from Motorola, an active PBEC member company.

In 1998 it was completely restructured, and since then more than 1,000 individual pages of information – ranging from speeches and op-ed articles to conference write-ups and photos – have been put online. Daily visitors to the site, coming from all over the Pacific Rim, have numbered around 3,000 daily. Thanks to extensive indexing of the site by major search engines, as many as 10,000 individual pages are accessed every day.

The latest additions and enhancements to the site include a dedicated search engine, an upgraded ability to host discussion forums and chats (although use has been minimal), ability to handle online registration for PBEC events, and an entirely new section devoted to region-specific information – including major economic indicators (GDP, exports, etc.), and links to local news sources and credible economic analysis and commentary.

As always, however, the site also remains a primary reference for information on PBEC activities, both upcoming and past. You can find details on recent events like the Singapore Mid-term meeting, including policy passed, speeches delivered, and photos.

The site has an extensive archive of PBEC policy actions, speeches delivered at PBEC events or by PBEC leaders, independent articles and op-ed pieces about PBEC or issues of particular interest to members. The Pacific Journal newsletter can be downloaded in its entirety in PDF format, and information on the many other PBEC publications is available as well.



There are pages for each Member Committee (including member lists) as well as for each Working Committee. We are presently updating each of the Working Committee sections to more thoroughly represent each committee's activities and provide links to relevant resources, and the most recent updates are already available for the food, transparency, and environment groups.

Finally, the International Secretariat has begun offering web hosting and basic website design for individual member committees that require a web presence but may lack the resources to maintain one. In addition to serving up the central PBEC website, the Honolulu office now also houses sites for the United States, Singapore, and Colombia member committees.

As with most sites on the web, we continue to expand and improve our offerings, and seek feedback from our members on what can help make the PBEC site more useful. In the near term, we also hope to upgrade our hardware and internet connectivity, as increasing traffic is maximizing the once ample consumer-grade DSL connection we secured only a year ago.

Please visit the site at www.pbec.org soon, check out our new offerings, and don't hesitate to give us feedback.



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To submit items for the Pacific Journal Calendar of Events or for listing on the PBEC website, fax all pertinent information to (808) 521-8530 or e-mail it to info@pbec.org.

2001 Calendar of Events

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|----------------|--|
| January 4 | PBEC Canada Annual General Meeting & Dinner (Toronto, Ontario) |
| January 15 | PBEC Hong Kong, China Luncheon with Mr. Brian Chau Tak Hay |
| January 16-19 | East-West Center Asia Pacific Executive Forum (Honolulu, Hawaii) |
| January 31 | PBEC U.S. Annual Policy Conference (Washington, D.C.) |
| February 15-17 | 1st Meeting of ABAC 2001 (Scottsdale, Arizona) |
| February 22 | PBEC Hong Kong, China Breakfast Meeting |
| March 16 | PBEC New Zealand Roundtable Discussion with The Hon. Phil Goff (Auckland, New Zealand) |
| April 6-10 | 34th PBEC International General Meeting (Tokyo, Japan) |
| April 12-14 | 33rd Korea-Japan Business Conference (Seoul, Korea) |
| May 9-11 | 34th Annual ADB Board of Governors Meeting (Honolulu, Hawaii) |
| May 16-18 | 2nd Meeting of ABAC 2001 (Moscow, Russia) |
| June 6-7 | APEC Trade Ministers Meeting (Shanghai, China) |
| July | 6th Asian Neighbors Forum (Seoul, Korea) |
| July 23-24 | 34th ASEAN Ministerial Meeting (Na Noi, Vietnam) |
| August 27-29 | 3rd Meeting of ABAC 2001 (Singapore) |
| September 6-9 | APEC Finance Ministers Meeting (Suzhou, China) |
| October 7-11 | 10th International Anti-Corruption Conference (Prague, Czech Republic) |
| October 17-18 | APEC Ministerial Meeting (Shanghai, China) |
| October 18-20 | APEC CEO Summit 2001 (Shanghai, China) |
| October 18-21 | Year-End Meeting of ABAC 2001 (Shanghai, China) |
| November 5-6 | 7th ASEAN Summit (Bandar Seri Begawan, Brunei) |
| November 28-30 | 14th PECC General Meeting (Hong Kong, China) |



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