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# Pacific Journal

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## PBEC Meets in Shanghai

**P**BEC's Mid-term Meeting – held in Shanghai in October in advance of the APEC meetings there – was a resounding success. Delegates heard from several distinguished speakers, and PBEC leaders passed a number of timely policy statements as well as implemented a sweeping new strategic plan charting the future for the region's premiere international business organization.

From Oct. 16-18, over 100 PBEC members — joined by dozens of special guests, including members of the Shanghai consular corps and several local and national government officials – met at the new St. Regis Shanghai hotel in Pudong, where they considered economic and trade policy issues, and conducted the internal administrative business of the organization.

PBEC approved three resolutions during the Mid-term (see related story, page 2), all of which were distributed to trade ministers, government leaders and other international organizations throughout the region.

PBEC called on APEC for decisive leadership and aggressive action in the wake of the Sept. 11 terrorist attacks on the United States particularly in the areas of trade and investment liberalization, economic stimulus, and appropriate anti-terrorism measures. It also sought significant improvements in the liberal-



*Minister Shi Guangsheng, China's Minister of Foreign Trade and Economic Cooperation (MOFTEC) and Xu Kuangdi, Mayor of the city of Shanghai.*

ization of GATS commitments affecting the temporary entry of natural persons, noting that personnel mobility affects the most globally competitive companies, especially in knowledge-based service industries. Finally, PBEC addressed anti-dumping and the potential abuse of related trade rules, and urged the WTO to take several specific actions in its new round in Qatar.

All of PBEC's working committees met as well, reporting on recent activities and planning future steps to advance their respective programs. The Mid-term featured two special sectorial events – a Joint Session between the Services and Transparency working committees, and an E-Business Roundtable (see related story, page 11).

This year's Mid-term continued a

*See "Shanghai" on Page 3*

## Malaysia Hosts 35th IGM in May

**T**he 2002 International General Meeting will be held May 3-7 in Kuala Lumpur, one of Asia's fastest-growing business and financial hubs. The conference – focusing on the theme of "Striving for Growth in a Challenging Environment" – will be held primarily at the Mandarin Oriental hotel, adjacent to the world famous Petronas Twin Towers and overlooking the 50-acre City Center Park.

An ambitious agenda is being developed, tackling issues such as: the security dimension of economic growth, new developments in trade and investment liberalization; and industry overviews including biotechnology, energy, and financial markets. Also, breakfast chats with global personalities – ranging from business leaders to media experts to artists – and private, off-the-record Ministerial Roundtables are planned.

Led by the PBEC Malaysia Member Committee, the IGM organizing team has already arranged a number of special events as part of the conference program. Malaysia's Prime Minister Dato Seri Dr. Mahathir Mohamad will deliver a keynote address and share his vision for the Pacific basin. There will be visits to the famous Petronas Twin Towers – the tallest buildings in the world – and to the twin cities of Putrajaya and Cyberjaya. The traditional golf tournament will be held at the Mines Resort City, which hosted

*See "Malaysia" on Page 6*

# Mid-term Policy Actions Address Terrorism, Personnel Mobility, Anti-Dumping

**P**BEC took a number of important policy actions at the Midterm Meeting. Specifically, the PBEC Board of Directors adopted the following policy statements:

**Statement Calling for Decisive APEC Leadership:** In the wake of the Sept. 11 terrorist attacks on the United States, PBEC calls on APEC leaders to exercise leadership and take concrete steps on three fronts: (1) trade and investment; liberalization; (2) economic stimulus; and (3) appropriate anti-terrorism measures. APEC should not only take concrete steps to advance its own liberalization agenda, but also lend a unified voice in support of launching a new round of WTO negotiations at the Ministerial meeting in Doha, Qatar. APEC leaders need to commit their individual economies to stimulating growth and demand via monetary and fiscal actions, and also make a strong declaration condemning terrorism and pledging cooperation in combating it worldwide.

**Statement on Temporary Entry of Natural Persons:** PBEC recommends that governments focus on: transparent and predictable regulations and procedures regarding the issuance of visas; adoption of a GATS permit that allows for persons traveling for short-term periods from the home office or through the employer's foreign officers, and for persons employed by companies without

foreign affiliates that have contracts that must be filled by highly specialized personnel in the host country; and increased kinds of workers covered to include non-management personnel with highly specialized skills. PBEC asserts that this is a trade issue, not an immigration issue, and notes that personnel mobility is a vital element in the growth and success of the most globally competitive companies, particularly those in knowledge-based service industries like insurance, information technology, and professional services. Yet current WTO obligations in this area barely address problems relating to visa application rules and delays.

**Recommendations on Anti-Dumping:** PBEC calls on the private sector and governments to refrain from the misuse of Anti-dumping as a protectionist measure, and to support in the new WTO round in Doha thorough review of the rules of Anti-dumping Agreement. PBEC notes that Anti-dumping cases have significantly

increased while tariffs have decreased, and that unjustified application of Anti-dumping measures – with long and complicated procedures and limited transparency – create substantial burdens and damage the broader interest of the international business community. PBEC calls for greater transparency, mandatory application of the Lesser Duty provision (Article 9 of the ADA), and an expanded review process that incorporates independent, internal national reviews and an expedited mechanism within the WTO.



*The PBEC Steering Committee Meeting at the Shanghai Mid-term, held in the Astor Ballroom of the new St. Regis Shanghai hotel in Pudong.*

# Shanghai: Speakers examine China growth

*Continued from Page 1*

growing tradition of excellent presentations by some of the region's most respected business and trade experts. On hand in Shanghai were Minister Shi Guangsheng, China's Minister of Foreign Trade and Economic Cooperation (MOFTEC), Xu Kuangdi, Mayor of the City of Shanghai, Ambassador Jon Huntsman, Deputy U.S. Trade Representative, and James Morgan, Chairman and CEO of Applied Materials, a leading supplier of products and services to the semiconductor industry.

Minister Shi shared his views on China's WTO accession and China's economic situation. In preparation for joining the WTO, Minister Shi said the Chinese government has amended its laws regarding international joint ventures and wholly foreign-owned enterprises, and that it will crack down on counterfeiting and forgery, protect intellectual property rights, and set up an unified and standardized market system that allows for fair competition. He said China's WTO ascension will lead to greater opportunities for the entire region.

"With its vast territory and numerous people, China ranks seventh in the world in terms of both GDP and import and export, and for 80 years in a row, China has been the largest FDI recipient of all developing countries," Minister Shi said. "And 70 percent of our imports and exports and 70 percent of the FDI China utilizes comes from the Asia-Pacific region."

On a more local level, Mayor Xu gave



**Ambassador Jon M. Huntsman, Jr.,  
Deputy U.S. Trade Representative.**

an overview of the incredible growth of the city of Shanghai in the last ten years, during which time the average GDP growth rate was 12.2 percent, with about US\$12 billion invested in city infrastructure each year. Mayor Xu credited the shift from central government economic planning to competitive marketing – where the municipal government once set the price for each of 1,000 products, it now controls only 16. "It's a free market now," he said, adding that the United States now subsidizes its agriculture industries more than China does. (See page 8 for Mayor Xu's full remarks.)

Despite the devastating terrorist attacks on the United States and the adverse, short-term economic impact, Am-



**James Morgan, Chairman and CEO of  
Applied Materials.**

bassador Huntsman said he was an "eternal optimist," pointing to China's WTO membership, the advancing WTO trade round, and the development of the Trade Promotion Authority, which would allow the USTR to negotiate trade agreements with greater authority. And James Morgan gave an overview of the substantial advancements in telecommunications and technology and how it creates opportunities for global populations.

The full text of the policy statements passed in Shanghai, as well as photos and other materials from the Mid-term Meeting, are available on the PBEC website at <http://www.pbec.org>.

## CHAIRMAN'S LETTER

First and foremost, on behalf of PBEC, I would like to express my heartfelt condolences to the families and friends of those who fell victim to the terrorist attacks in the United States on September 11th.

The attacks using civilian aircraft as weapons represent a serious challenge to the free world and civilized society, and they are an unforgivable outrage. Unfortunately, they occurred at the same time that apprehensions were rising about a worldwide economic downturn. As a multilateral private-sector economic organization, PBEC has a duty to cooperate actively with efforts to curtail as much as possible the impact of these acts of terrorism on the regional and global economy. I am convinced that this cooperation will clearly manifest our determination not to knuckle under to terrorism on the economic front as well.

The 2001 PBEC Mid-term Meeting (MTM) staged in Shanghai featured many distinguished guest speakers like Mr. Shi Guangsheng, China's Minister of Foreign Trade and Economic Cooperation; Xu Kuangdi, Mayor of Shanghai; Ambassador Jon M. Huntsman, Deputy United States Trade Representative; and Mr. James C. Morgan, Chairman & CEO of Applied Materials, Inc. It afforded many valuable insights into the future development of the Chinese economy and the business trends of the Pacific Basin. It also bore many other fruitful results, as exemplified by the adoption of both a new strategic plan concerning the future orientation of PBEC at this critical crossroads and a policy statement for proposal to the Asia-Pacific Economic Cooperation forum.

For me, Shanghai is a place filled with memories, as it is there that I spent my childhood. About 70 years ago, our family came to live in Shanghai when my father was sent there on assignment, and I went to grade school in the city. About ten years ago, I had the opportunity to visit Shanghai again on business. On that occasion, the young member of the city government who came to meet me at the airport asked me if it was my first visit to Shanghai. I replied that I had been there long before he was born, and we both had a good laugh.

Shanghai therefore has great meaning for me personally, and I want to reiterate my gratitude to Mr. Yu Xiaosong, Chairman of the China Council for the Promotion of International Trade (CCPIT) and Chairman of PBEC China Member Committee, who also chaired the APEC CEO Summit, for his generous support and good offices in the staging of the MTM, in spite of his busy schedule.

I returned to Shanghai after a long interval to partici-



### **Kosaku Inaba**

*PBEC Chairman*

*Director & Senior Counselor  
Ishikawajima-Harima Heavy Industries*

pate in the meetings of PBEC MTM and the APEC CEO Summit. At one of the banquets I attended, I had the great honor of meeting H. E. Mr. Jiang Zemin, President of China, and hearing his views on the interplay between the increasingly globalized Chinese economy and other economies inside and outside the Pacific Basin, and his views on the outlook for the future just before China's entry into the World Trade Organization (WTO). I was deeply impressed with the depth of China's enthusiasm and resolve to use its admission into the WTO as a springboard to make a full leap into the global economy. I came away with renewed certainty that China is going to play a very vital role in the global economy of the future. Its economy continues to grow at annual rates on the order of 7 or 8 percent, and China has been rapidly building its international competitiveness in recent years. It is no longer possible to view the outlook for the global economy without considering the Chinese economy. Moreover, the weaving of ties with China could very well become a priority issue of decisive importance for the Asia-Pacific area.

PBEC has been engaged in ongoing discussion - led by Mr. Javier Prieto, Chairman of the Strategy Committee - on the questions of how it should be run in the rapidly changing international situation and what kind of benefits it can deliver to the member firms of the signatory countries. This discussion culminated in the adoption of a new strategic plan and the determination of new policy regarding PBEC activities. From here on in, we must work to reinforce PBEC in line with this plan so that it can survive in the intensifying competition among international organizations.

The 35th International General Meeting (IGM) is slated for Kuala Lumpur over the five-day period from the 3rd to the 7th of May in 2002. Although very little time remains, preparations are steadily moving forward, and Malaysia Prime Minister Dato Seri Dr Mahathir Mohamad will make a keynote address and share his

*See "Chairman's Letter," page 11*



### Reflecting on the past ... Looking to the future.

**A**fter nine and a half years serving as your Secretary General, it is time for me to say farewell. It is hard to believe how quickly time has flown since I arrived in Honolulu in 1992 to take up my post. It seems like only yesterday that I was waiting for the shipment of International Secretariat essentials to arrive from the former San Francisco office – desks, files, an aged fax machine and a couple of computers ... but no marketing materials and not a single PBEC employee to start out with. The organization had voted to move the Secretariat to Hawaii and at the same time had shut down our former working committees, thus forcing renewal with a completely fresh start with a new guy at the helm.

While I had no PBEC staff, I did have terrific, albeit long-distance, support from PBEC's members, directors general, chairmen and a wonderful PBEC pioneer named Dr. Weldon B. "Hoot" Gibson, so I was quickly able to learn the ropes. Since those early days on the job, we have made a great deal of progress together.

Over these past years we have added member committees in China, Colombia, Ecuador, Indonesia, Russia, Singapore and Thailand. We have developed five active working committees that have helped PBEC become a much listened-to voice of business in the Pacific, significantly increased our media exposure, and developed a respected annual environmental award. PBEC's cooperation and input is now much sought after by such groups as APEC, OECD, the Asian Development Bank and the World Trade Organization.

We have made a name for ourselves with our International General Meeting, now acknowledged as the premier business gathering in the Pacific, and through joint programs with important international institutions, most notably the annual APEC CEO Summits, which we co-organize. We have also built an effective International Secretariat, fully capable of supporting PBEC's ambitious, yet essential, goals and objectives. We have also strengthened our foundation by developing charters on the environment, transparency and by updating our charter on Foreign Direct Investment which was first written in 1973.

It has been an honor to be at the helm of PBEC these past years, working alongside such outstanding chairmen as P.H. Koo of the LG Group, BHP's Russ Fynmore, Motorola's Gary Tooker, World Wide Shipping's Helmut Sohmen and IHI's Kosaku Inaba –



**Robert G. Lees**  
*PBEC Secretary General*

as well as the excellent directors, officers, working committee chairs, and directors general and, of course, the greatest members that an organization could ever hope to have.

As I turn a new page in my career, I take leave of PBEC in the full confidence that this organization has a bright future. Through the financial crisis in 1997 and 1998 – and perhaps even more importantly, beyond the September 11 terrorist attacks on the United States – PBEC has a more important role to play than ever. Since it was founded in 1967, PBEC's mission has been to increase understanding, to build a sense of family among its membership, and to increase the standard of living of the people of the Asia-Pacific region through open markets and free trade and investment. Now more than ever, PBEC is needed to help accomplish these vital goals.

At the Mid term Meeting in Shanghai, our board of directors passed a new development plan for PBEC that, when implemented, will deliver more direct benefits to our members, enhance our profile as the region's voice of business, and strengthen our internal structure to position PBEC properly for the future. With able leadership both at the international and the member committee levels, I am certain that PBEC will continue to grow and prosper.

As your Secretary General I would like to ask you one last favor. Please redouble your support for PBEC and the important work of the organization. Become more active in supporting your local member committee, the working committees, the International Secretariat and this year's International General Meeting in Kuala Lumpur. I close this final Secretary General letter with heartfelt thanks to each and every one of you for the incredible support you have given me over these past nine-plus years. It has been a privilege and an honor to work with you and to serve you.

I wish you all the best.

# Malaysia: 35th IGM in Kuala Lumpur

*Continued from Page 1*

the World Cup in 1999. And post-conference tours to Langkawi (Island of Legends) and Penang (Pearl of the Orient) will be offered.

With its mix of towering skyscrapers and classic architecture, the city will make an ideal venue for exploring both traditional and cutting-edge business issues and will offer a bustling, cosmopolitan culture rich with international business opportunities and entrepreneurial activity. And Malaysia already benefits from its strategic location, liberal trade policies, skilled labor force, modern infrastructure, and an investor-friendly regime. The nation is one of the top 20 trading nations of the world and the 17th largest exporter, according to the WTO, making it an increasingly important gateway to the entire ASEAN market.

Kuala Lumpur – which last hosted PBEC in May 1994 – also has an enviable track record that includes APEC Leaders and G-15 summits, the Commonwealth Heads of Government and the XVI Commonwealth Games, as well as the Formula One Grand Prix, the Motor Cycle Grand Prix, and the World Cup of Golf.

As the “Independent Voice of Business in the Pacific” for the past 35 years, PBEC has brought together the leading CEOs from throughout the Asia Pacific, heads of government, government ministers, leaders of international organizations, and other key decision makers. This senior-level interaction is a hallmark



*The Petronas Towers, the tallest buildings in the world, are an icon of Kuala Lumpur, which will host the next IGM in May.*

of the IGM experience, and has allowed PBEC to not only be the region’s premier networking forum, but also to play an important role in influencing the development of business and trade policies throughout the Pacific Rim.

More information will be published on the web as it becomes available at <http://www.pbec2002.com>, as well as on the main PBEC site at <http://www.pbec.org>. Contact the organizing committee with questions or requests for preliminary conference materials via e-mail at [info@pbec2002.com](mailto:info@pbec2002.com), or by fax to +60 (3) 7726-0800.

## Member Updates

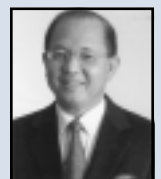
**John S. Wadsworth, Jr.**, Honorary Chairman of Morgan Stanley Asia and an Advisory Director for Morgan Stanley globally, has been elected to the Executive Board of PBEC International as its Treasurer. Wadsworth joined Morgan Stanley & Co. Inc. as a Managing Director in 1978, and built an impressive body of experience in the company’s U.S., Japan and Hong Kong offices. He organized Morgan Stanley’s first Leveraged Buyout Fund and initiated the Firm’s high-tech IPO business with the Apple Computer IPO as its first major transaction.



Wadsworth is also a Trustee of the Asia Society, Vice Chairman of The PBEC United States Member Committee, a Trustee of Williams College, a member of the Board of the Guggenheim Museum of New York, and Chairman of the Board of Directors of Littleford Brothers Inc. in Florence, Kentucky.

He succeeds **Kenneth Matchett**, who had served as PBEC Treasurer for two years. Matchett recently left his post of 13 years as Chief Executive Officer of XCAN Grain Pool, Ltd., the marketing arm subsidiary of Agricore Cooperative Ltd. and is one of Canada’s largest exporters of grains, oilseeds and special crops. Matchett previously served as Chairman of the PBEC Canada Member Committee and had been a member of PBEC since 1989. At the Shanghai Mid-term Meeting, the PBEC Board of Directors passed a resolution thanking Matchett for his years of service and countless contributions.

PBEC Malaysia recently elected **Tan Sri Azman Hashim**, Chairman of the Arab Malaysian Banking Group, as its new Chairman. A member of ABAC and a



*See “Member News” on Page 11*

# CEO Summit Tackles New Century, Economy

The APEC CEO Summit, organized by the China Council for the Promotion of International Trade with the support of PBEC, was held in Shanghai from October 18-20, in conjunction with PBEC's Mid-term Meeting.

The highly successful event attracted the participation of more than 550 business executives from the 21 Asia Pacific economies, as well as a number of leaders, including: Mr. Jiang Zemin, President of China; Rt. Hon. Ms. Helen Clark, Prime Minister of New Zealand; H.E. Mr. Vladimir Putin, President of Russia; H.E. Mr. Vicente Fox, President of Mexico; H.E. Mr. John Howard, Prime Minister of Australia; H.E. Arroyo, President of the Philippines; H.E. Dr. Mahathir Mohamad, Prime Minister of Malaysia; Mr. George W. Bush, President of the USA; and Mr. Tung Chee Hwa, Chief Executive of Hong Kong, China.

In addition, a number of prominent CEOs, ministers and academics also addressed the conference, including Dr. Supachai Panitchpakdi, Director-General-Designate of the World Trade Organization (WTO), and Prof. Robert A. Mundell, Nobel Economic Prize Winner 1999.

PBEC China Chairman Yu Xiaosong acted as chair of the three-day summit. A number of PBEC officers participated in the program, including: S.R. Cho, PBEC Vice Chairman and Chairman of Hyosung Group, John Wadsworth Jr.,

PBEC Treasurer and Honorary Chairman of Morgan Stanley Asia, Dr. Y.Y. Wong, PBEC Singapore Chairman and Chairman of Wywy Group, and Gary Benanav, PBEC US Chairman and Chairman and CEO of New York Life International. And PBEC Secretary General Robert Lees was asked to chair the session on the future of the multilateral trade system and the session on the role of the media.

Other PBEC leaders were also featured, including Dean O'Hare, Chairman and CEO of The Chubb Corporation, Robert Greenhill, President and COO of Bombardier International, Ramon R. del Rosario, Jr., Chairman and CEO of AB Capital & Investment Corporation, Roberto Romulo, Chairman of Equitable CardNetwork, Inc., and Victor Lap-Lik Chu, Chairman of First Eastern Investment Group.

The theme of this Summit was "New Century, New Economy: Developing in the Globalizing World." During the Summit, sessions touched on topical issues such as: opportunities and challenges in the new millennium, the growth industries of the 21st century, management and innovation, competitiveness, corporate responsibility, the balance between efficiency and equity in globalization, the



**Jiang Zemin, President of the People's Republic of China, with PBEC Chairman Kosaku Inaba at the 2001 APEC CEO Summit in Shanghai.**

influence of digital science and life science, and the development of the financial system and trade system. A special session on China was also held.

Summit delegates included the CEOs and chairmen of some of the region's most well respected companies including: FedEx, HSBC, Hewlett-Packard, General Motors, Microsoft, Citigroup, Unocal, Nationwide, Deloitte, AOL Time Warner, Amway, Applied Materials, Goldman Sachs, and Mitsui. The summit also included delegates from over 80 Chinese companies, including the Industrial and Commercial Bank of China, China Construction Bank, and the Bank of China, to name a few.



# A Decade of Shanghai Growth

*Excerpts from remarks by Shanghai Mayor Xu Kuangdi, delivered at the PBEC Mid-term Meeting, held in Shanghai from Oct. 16-18, 2001 at the St. Regis Shanghai hotel in Pudong.*

For many years, PBEC has made good contributions to promote free trade, open markets, expanded investments and economic and technological cooperation in the Asia Pacific region. This Mid-term meeting in Shanghai is the first event of PBEC in China, and the people of Shanghai are honored.

We sincerely hope the participating guests will use this occasion to meet and exchange ideas with the entrepreneurs of Shanghai, and get a better understanding of Shanghai's economic development and market opportunities. In the more than twenty years since China's reform, you can feel that it is the sincere wish of Shanghai's economic and trade circle to seek new development and co-operation. Shanghai is one of the most dynamic economic centers of China, as well as an important window for the opening up and reform of the whole country.

Allow me to brief you on the development of Shanghai. During the last decade Shanghai enjoyed fast economic development with two-digit growth for every year. The average GDP growth rate for the last ten years is 12.2 percent. Every year the investment for the infrastructure for the city new developments is roughly \$12 billion US dollars. And during the last ten years the total economic operating market system changed from a central-planning system to market-based.

For instance, ten years ago when I was director of the planning commission of the local government, more than 80 percent of economic activities was planned by the government. Nowadays it's less than 3 percent. Over 97 percent of economic activities is based on the market economy. So, the government is giving no subsidies to enterprises — even for agriculture. This is better than the United States, which still gives big subsidies to agriculture. In China, the farmers work very hard to reduce the cost, and produce the best products.

Ten years ago, the city government



**Xu Kuangdi, Mayor of the city of Shanghai, spoke at the Welcoming Dinner of the PBEC Mid-term Meeting.**

had to make a decision for every kind of consumer price, from a box of matches to a big vehicle. In total it was about 1,000 different kinds of products. But nowadays the government only controls 16 different type of prices — even though the figure is not very lucky for the Western people. Such as electricity, gas, running water, bus tickets, telephone costs, and taxi costs. So the government only controls the public service price and all the other communities were based on demand and supply.

So, nowadays everything is reached in the store and each store competes with others. So if you go to the shops to do shopping you can bargain with the shop assistant because there is no government order for the price. It's a free market now. It makes the Chinese people very aggressive, to work for themselves, for their organization, and for their enterprises.

This is the secret to why China's economy developed so fast.

The Chinese economy is not only based on foreign trade. Three-fourths of the economic driving force is based on domestic demand. So we still enjoy high development speed, even though

foreign trade speed has slowed down after the second quarter of this year. From January to September, Shanghai's economic growth rate still reached 10.3 percent and maybe next year around 9 to 10 percent.

By the early 21<sup>st</sup> century, the strategic target for Shanghai's urban development is to accelerate the construction of a modernized international metropolis and move Shanghai into an international center for economy, finance, trade, and shipping. And the PBEC member economies are the most important economic and trade partners for Shanghai. For example, 70 percent of the total export volume of Shanghai go to PBEC regions. And about 68 percent of the FDI is from the PBEC regions to Shanghai. I believe the mid-term meeting of PBEC in Shanghai will certainly promote the exchange and cooperation between enterprises of Shanghai and their international counterparts, to realize mutual advantages.

Lastly, I sincerely wish the PBEC Mid-term meeting achieves a complete success and wish all the guests have a good time in Shanghai. Thank you very much.



# Call for Nominations for 4th PBEC Environmental Award

On November 1, 2001, a call for nominations among PBEC member companies for the 4<sup>th</sup> PBEC Environmental Award was announced. The Award process allows nominees 11 weeks to complete the forms, with a deadline for nominations to the International Secretariat no later than 17 January 2002, 5:00 p.m. Hawaii Standard Time.

This year, judges will also be solicited from member committees as a means of strengthening relationships between member committees and their regional leaders in environmental sciences and organizations. Following PBEC standards, all Environmental Award judges provide their services pro bono and are asked to rate nominations using a point system for individual projects that result in: Conservation Benefits;

Business Benefits; Beneficial Uses of Technology; and Managerial Innovations. Judges are provided with criteria guidelines, examples of metrics by which the project may be measured in each category, and tally sheets and examples. Member committees are asked to submit their recommendations to the International Secretariat by Friday, January 4, 2002.

Nominees are scored on the four categories as follows: Conservation Benefits (35 points maximum); Business Benefits (35 points maximum); Beneficial Uses of Technology (15 points maximum); and Managerial Innovations (15 points maximum). Individual judge's scores for each project will be tallied. The highest and lowest scores for each project will not be included in the final aggregate score.

The Annual PBEC Environmental Award is a unique international award that recognizes projects of the region's most dynamic and important companies that balance environmental protection with long-term corporate profitability. The Award is significant as this region is the world's most populous and fastest-growing area, placing tremendous demands on its unique and productive ecosystems. The region is also 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.

For more information on the Award, visit our website at [www.pbec.org](http://www.pbec.org) or contact project manager Bernice Bowers via e-mail at [bernice@pbec.org](mailto:bernice@pbec.org).



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BUSINESS SYSTEMS: STRATEGY IMPLEMENTATION RESULTS



# New Strategic Plan Charts PBEC's Course

Under the leadership of Strategy Committee Chairman Javier Prieto, the PBEC board of directors approved a new strategic plan for PBEC at the Shanghai Mid-term Meeting. The new strategic plan aims to position PBEC to meet the new competitive challenges facing the organization, and to ensure that PBEC serves the needs of its members and functions effectively as the voice of business in the Pacific.

The key elements of the strategic plan are outlined below:

**Preamble:** Sets the context for the strategic plan, and establishes the need for bold action if PBEC is to remain the region's preeminent business organization.

**Mission and Objectives:** Reaffirms PBEC's longstanding mission, including the achievement of open trade and investment to promote the economic well-being of all citizens in the Pacific Basin. PBEC must truly be the effective voice of business in the Pacific.

**Value for Membership:** PBEC will maintain existing membership and attract new members through a sharper focus

on delivering tangible, concrete benefits in three principal areas: business networking and business opportunities, business advocacy, and business information. Specific action items include:

- Methodical and institutionalized networking at IGMs and other events.
- Smaller, regional events to facilitate networking.
- Greater follow-up and advocacy in support of PBEC's policy recommendations.
- Greater emphasis on relationship building with organizations that compliment PBEC's policy objectives (e.g. APEC, ABAC, WTO, ADB, OECD).
- Provided relevant business information directly to members.

**Internal Structure:** Strengthens PBEC by revitalizing member committees and working committees. Specific action items include:

- Member committees will be expected to meet their minimum obligations to the organization.
- Create new categories of PBEC membership.

- Strengthen and streamline the working committee system.
- Establish expert groups.

**International Secretariat:** Develops greater capabilities in PBEC International to successfully implement the tasks and initiatives called for by the strategic plan. Specific action items include:

- Greater emphasis on entrepreneurial activities, especially the IGM.
- PBEC International will have central management authority for the IGM.

**IGM and Other Events:** Restructures IGM to more effectively compete in today's crowded marketplace for conferences.

**Financial Basis:** Addresses PBEC's financial challenges, and ensures sufficient funding and resources exist to implement the strategic plan.

With the formal adoption of the new strategic plan, the emphasis now shifts to implementation. Strategy Committee Chairman Javier Prieto has asked various member committees to take the lead on developing a number of appendices which will spell out the operational details of the plan.

## Governments Adopt Regional Plan to Fight Corruption

Seventeen Asian and Pacific governments endorsed a regional action plan to fight corruption following the Third Annual Conference of the ADB/OECD Anti-Corruption Initiative for Asia-Pacific.

PBEC was a Supporting Organization for the conference, which was hosted by the Japanese government and organized by the Asian Development Bank (ADB) and Organisation for Economic Co-operation and Development (OECD).

Countries endorsing the action plan are Bangladesh, Cook Islands, Fiji, India, Indonesia, Japan, Korea, Kyrgyz Republic, Malaysia, Mongolia, Nepal, Pakistan, Papua New Guinea, Philippines, Samoa, Singapore, Vanuatu.

"We expect other countries to adopt the plan in the months ahead," said

Rainer Geiger, OECD Deputy Director for Financial, Fiscal and Enterprise Affairs. "Corruption is a complicated phenomenon that varies in character from place to place. Countries have to generate the domestic will and move at their own pace to address it effectively."

Experience from the Asia-Pacific region has shown that corruption harms the economy, undermines the rule of law and weakens public trust in government. And studies have shown that corruption can cost up to 17 percent of a country's gross domestic product, robbing the population of resources that can be used to reduce poverty and promote sustainable development.

"Corruption is a cancer which affects all elements of society, especially the poor, and significantly hampers business

activity and economic development," said PBEC Secretary General Robert G. Lees. "The business leaders of the Pacific Basin stand firmly behind this important document, and look forward to supporting the efforts of ADB and OECD in implementing this ground-breaking initiative."

The action plan was drafted by regional experts with the assistance of ADB and OECD, which together launched an initiative in 1999 to address bribery and other unethical behavior in Asia and the Pacific. Together with other international agencies, the private sector and civil society, ADB and OECD will support countries in the implementation of the action plan and will regularly review progress.

## Chairman's Letter: Beyond Shanghai

*Continued from page 4*

vision for the Pacific Basin. The efforts of Tan Sri Dato' Haji Basir Ismail, the former Chairman of PBEC Malaysian Member Committee, Tan Sri Dato' Azman Hashim, the present Committee Chairman and the other Committee members were instrumental in the decision to host the 2002 IGM, and I would like to take this opportunity to offer my sincere thanks to them for their contribution. I call upon PBEC Chairpersons and members of all member economies to provide their physical and moral support and cooperation to the tasks of recruiting noted speakers and numerous delegates and winning the assistance of major sponsors, all of which is necessary if the IGM is to be a resounding success and underscore PBEC's new worth for all parties.

Lastly, I must also mention the names of Mr. Ken Matchett, Treasurer, and Mr. Robert G. Lees, Secretary General, who have decided to step down from their PBEC posts. I am deeply indebted to them for their long years of service, and I offer my best wishes for their further success in their new positions. Mr. Matchett is succeeded as Treasurer by Mr. John Wadsworth, Vice-Chairman of PBEC U.S. Member Committee and Honorary Chairman of Morgan Stanley Dean Witter Asia Limited. I rely on his leadership role in managing PBEC financial affairs.

In my capacity as PBEC Chairman, I would also like to thank the membership as a whole for their endeavors to date. I look forward to working together with all of you under our new setup and pursuing with vigor the mission expected of PBEC in this new century.

## PBEC E-Business Ministerial Roundtable

One of the sessions held during the PBEC Shanghai Midterm Meeting was a unique E-Business Ministerial Roundtable. On October 18, PBEC members had the opportunity to meet with trade ministers, other key e-Business government officials, regional business leaders.

The theme of the roundtable was enabling e-Business and covered in detail the response of governments and of the private sector to this challenge. This was designed to provide Ministers the opportunity to achieve the goals set out by APEC Leaders within the e-APEC framework to achieve the necessary capacity-building, infrastructure development and policy mechanisms that enable e-business. Key issues addressed included:

- The immediate steps that can be taken by the private sector and by governments to accelerate the participation in e-Business by the

region's companies;

- The three main elements necessary to enable e-APEC identified by APEC leaders including actions necessary for both industry and government to meet these objectives in the medium and longer term;
- Identifying resources that are available from governments and the private sector to assist in the enabling of e-Business and how these be most effectively deployed;
- Concrete benefits and gains that companies and governments employing an e-Business model have experienced thusfar.

Featured panelists included Derek Williams of Oracle; His Excellency Vu Khoan, Minister of Trade, Vietnam; The Honorable Samuel W. Bodman, U.S. Deputy Secretary of Commerce, and E-Business Working Committee Chairman Joseph Alhadeff of Oracle.

## Member News

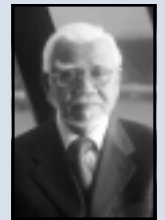
*Continued from Page 7*

board member with numerous Malaysian companies, he simultaneously serves as chairman of five other companies listed on the Kuala Lumpur Stock Exchange — AMMB Holdings Berhad, Arab-Malaysian Finance Berhad, Arab-Malaysian Development Berhad, Rediffusion Berhad and South Peninsular Industries Berhad.

Tan Sri Azman started his career as an Australian-trained chartered accountant, first with Bank Negara Malaysia from 1960-1964, then in private practice. He then joined Malaysian Banking Berhad and rose to the position of Executive Director in 1971, a position he held for nine years.

He was previously the Deputy Chairman of PBEC Malaysia, a position now held by **Tan Sri Zainal Abidin Sulong**, Chairman of the Malaysian Industrial Development Authority (MIDA) and Chairman of Standard Chartered Bank (Malaysia).

Tan Sri Azman succeeds **Tan Sri Dato' Haji Basir Ismail**, Chairman of Malaysia Airports Berhad, who had to resign from his PBEC responsibilities because of growing corporate commitments.



Tan Sri Basir is a true PBEC pioneer, founding the Malaysian member committee and chairing the last IGM held in Kuala Lumpur in 1994. He will remain very involved with PBEC and the upcoming IGM in May 2002.

PBEC lost one of its earliest leaders with the passing of **Sir John Mowbray**, who died November 1 after a short illness. Sir John — who was Chairman of the Development Finance Corporation of New Zealand — was a founding member of the council, and played an important part in PBEC's formative years. He was Chairman of the New Zealand Member Committee from 1972 to 1974, and was a key contributor on financial issues.



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To request a complimentary subscription, to submit an item for the Member Updates section, or to submit an event for the *Pacific Journal* Calendar of Events (and the events section of the PBEC website), fax all pertinent information to (808) 521-9530 or e-mail it to [info@pbec.org](mailto:info@pbec.org).

# Calendar of Events

- Nov. 5-6 7th ASEAN Summit (Bandar Seri Begawan, Brunei Darussalam)
- Nov. 6 PBEC Hong Kong Breakfast Meeting with Dr William Fung, Chair, Pacific Economic Cooperation Council (Hong Kong, China)
- Nov. 9-12 4th WTO Ministerial Conference (Doha, Qatar)
- Nov. 14 PBEC-US hosts Pacific Center Opening Reception (Washington, DC)
- Nov. 14 PBEC-US/US-PECC Joint Management Committee Briefing with Lawrence Greenwood US Senior Official (Washington, DC)
- Nov. 15 PBEC-US Biotechnology Briefing with USDA/State Department (Washington, DC)
- Nov. 28-30 ADB-OECD Conference on Combating Corruption (Tokyo, Japan)
- Nov. 28-30 14th PECC General Meeting (Hong Kong, China)
- Dec. 6 PBEC-US Management Committee Meeting (Washington, DC)
- Jan. 22 PBEC Hong Kong Breakfast Meeting with Mr Peter Woo, ABAC HK Member (Hong Kong, China)
- Jan. 24-26 Transparency International 15th International Anti-Money Laundering Conference (Miami, USA)
- Jan. 30-31 33rd ASEAN Economic Senior Officials Meeting I (Bangkok, Thailand)
- Jan. 31-Feb. 5 OECD World Economic Forum (New York, USA)
- Jan. 31-Feb. 5 World Bank World Social Forum (Porto Alegre, Brazil)
- February 6-9 ABAC 2002 Meeting I (Vancouver, Canada)
- Feb. 13 PBEC-US Board of Directors Meeting (Washington, DC)
- Feb. 14 PBEC-US Sixth Annual Policy Conference, "Getting Back to Business: Pacific Basin Growth and Security in a Time of Conflict" (Washington, DC)
- March 5-7 East-West Center 2nd Asia Pacific Executive Forum (Manila, Philippines)
- March 18-22 United Nations International Conference on Financing for Development (Monterrey, Mexico)
- May 3-7 **PBEC 35th International General Meeting** (Kuala Lumpur, Malaysia)
- May (TBA) PBEC Hong Kong Breakfast Meeting with Mr Javier Prieto, ABAC 2002 Chair (Hong Kong, China)
- May 10-12 ADB 35th Annual Meeting (Shanghai, China)
- May 12-15 ABAC 2002 Meeting II (Sydney, Australia)



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