



**New PBEC  
Chairman  
S. R. Cho.**

**Page 4**



**PBEC's 4th  
Environmental  
Award.**

**Page 3**



**An Invitation to  
PBEC's Seoul  
Gathering.**

**Page 9**



# Pacific Journal

THE NEWSLETTER OF THE PACIFIC BASIN ECONOMIC COUNCIL

**Volume 8, No. 1**

**www.pbec.org**

**Summer 2002**

## PBEC Convenes in Kuala Lumpur for 35th IGM

**M**ore than 400 corporate executives and regional business leaders— along with over 200 international journalists — came together in Kuala Lumpur for the 35th International General Meeting of the Pacific Basin Economic Council from May 3-7, 2002.

Hailed by many as one of the most successful IGMs in recent history, the Kuala Lumpur meeting featured keynote addresses by Malaysian Prime Minister Dr. Mahathir bin Mohamad, Philippine President Gloria Macapagal Arroyo, and Chen Jinhua, Vice-Chairman of the Chinese People's Political Consultative Conference. In addition, 16 international ministers were in attendance, 12 of whom participated in the formal program and shared their insights on the most pressing business and trade issues in the region.

The PBEC Board of Directors also passed a number of important policy statements at the IGM, focusing on



*Philippine President Gloria Macapagal Arroyo, a luncheon keynote speaker during the IGM.*



*Malaysian Prime Minister Dato' Seri Dr. Mahathir bin Mohamad, joined by Malaysian International Trade & Industry Minister Dato' Seri Rafidah Aziz (right) and Mr. Kosaku Inaba (left), former PBEC Chairman, during the question-and-answer session at the IGM Opening Plenary.*

areas such as trade and security, transparency, and APEC and the World Food Summit, further solidifying PBEC's role as the voice of business in the Pacific (see story, page 2). The 4th annual PBEC Environmental Award was also presented, with Hyundai Motor Company of Korea receiving top honors for its comprehensive environmental program (see story, page 3).

On the lighter side, the IGM also did not disappoint. The International Officers Dinner was held at the National Art Gallery, where delegates were given private tours of exhibitions featuring works by Malaysia's most celebrated and talented artists. An intimate afternoon tea with the Queen of Malaysia —

Her Majesty Tuanku Fauziah Tengku Abdul Rashid topped off the traditional accompanying person's program, which also featured tours of Kuala Lumpur's many treasured historical and cultural sites. And the formal IGM program closed with incredible energy and style, as hundreds of performers from both Malaysian and Korean national dance troupes dazzled delegates with music and spectacular choreography.

PBEC's new leadership was also cemented in Kuala Lumpur, with S.R. Cho — Chairman of Hyosung Group — elected as PBEC Chairman and John S. Wadsworth, Jr., Advisory Director of Morgan Stanley, re-elected to the position of PBEC Treasurer.

# IGM Policy Statements Address Terrorism, Transparency, Open Food Systems

**A**t the Kuala Lumpur IGM, PBEC addressed recent economic developments in the Pacific Basin as well as other on-going areas of interest and concern to the business community.

Specifically, the PBEC Board of Directors adopted policy statements on balancing security and trade interests, implementing transparency principles in APEC, and realizing the goals of the 1996 World Food Summit.

Here is a brief summary of the statements.

## **‘Pacific Basin Business Responds to Emerging Trade and Security Issues’:**

*In response to the tragic events in the United States last fall and the ongoing campaign against terrorism, PBEC applauds the strong and positive response of regional governments to balance security and trade, but urges economies and institutions to keep related issues - from the physical movement of goods and persons to the requirements of modern inventory and management systems - at the forefront of their agendas. Both the public and private sectors have an interest in safety, and both can educate and learn from the other. Indeed, to remain economically competitive, countries and companies will need to improve and promote their security more than ever before.*

## **‘PBEC Statement on 2002 World Food Summit and APEC Food System’:**

*PBEC also revisited the goals of the 1996 World Food Summit, at which 185 nations and the European Community vowed to eradicate hunger, aiming to reduce the number of*

*victims worldwide by half by 2015. That meant 22 million people a year would need new access to a nutritious, safe, and sustainable food supply. To date, current data show the number of those on the world’s hunger rolls has been reduced by only 6*

*million a year. We call on world leaders to focus on the measures needed to achieve the Summit’s goals, and consider increasing resources for agricultural and rural development. All economies should recognize that trade policies have a substantial effect on the flow of food, and PBEC urges the WTO to be aware of the*

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*To remain economically competitive, countries and companies will need to improve and promote their security more than ever before.*

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*needs of the hungry and malnourished in its negotiations.*

## **‘Implementing Transparency Principles in APEC’:**

*Finally, our Board of Directors urges APEC economies to prioritize the implementation of transparency principles. Referencing the Shanghai Accord adopted by APEC leaders in October of last year, as well as its own Charter on Stan-*



*The PBEC Steering Committee Meeting at the Kuala Lumpur IGM.*

*dards for Transactions Between Business and Government adopted in 1998, PBEC specifically calls for the implementation of transparency principles in four key areas: trade facilitation, investment, government procurement, and trade in services. While across-the-board implementation should remain a long-term goal, focusing on these four areas would drive growth and economic recovery and stimulate regional capital flows in the short term.*

*The statements were distributed to the APEC Ministers Responsible for Trade in advance of their most recent meeting in May in Puerto Vallarta, Mexico, as well as ministers of PBEC member economies and international organizations such as the WTO, ADB, and World Bank.*

*The complete text of all policy statements from this and previous PBEC meetings can be found on our website at [www.pbec.org](http://www.pbec.org).*

# 4th Environmental Award Presented

The Pacific Basin Economic Council announced the recipients of the 4th PBEC Environmental Award at the Opening Gala Dinner of the 35th International General Meeting in Kuala Lumpur.

The award recognizes PBEC member companies who combine outstanding environmental protection with positive business results. The cited projects demonstrate sustainability and bottom-line advantages of environmentally-friendly practices.

An international panel of judges who are considered experts in fields such as eco-labeling, sustainable development through technology, global change science, and environmentally conscious design evaluated the nominations. The award selection was based upon pre-established criteria in four key areas: conservation benefits, business benefits, beneficial uses of technology, and managerial innovation.

"As Chairman of the Environmental Working Committee," said Tadahiko Ohashi, Chief Executive Economist for Tokyo Gas Co., Ltd., "I sincerely hope that the Award will continue to make further significant contributions to enhance the sound environmental practices of PBEC member companies, and to raise public awareness of these vital issues at local, regional, and global



Chun Hwan Lee, Director, POSCO (Bronze); Makoto Kinzuka, Executive Vice President, Oji Paper Company (Silver); and Byung-Jae Park, Hyundai Motor Company (Gold) accept the 4th PBEC Environmental Awards on behalf of their companies.

Here is a brief look at the corporate commitment of the three PBEC Environmental Award recipient companies.

## Hyundai Motor Company (Korea) - Gold Award Recipient

Hyundai Motor Company's project was selected as the most outstanding of this year's nominations for their development of an advanced environmental program, which includes environmentally-friendly production techniques, improving vehicle fuel efficiency and reducing air and water pollutants. The program also focuses on the development of alternative fuels and encourages reusing materials to prevent the depletion of natural resources.

Hyundai Motor Company earns US\$2 billion each year from its environmental management practices. Project benefits include not only environmental protection, but more than 25,000 tons of waste that have been recycled and reused. The environmental program also includes the development of a real-time measuring system that assures optimum oper-

ating conditions and regulatory compliance.

## Oji Paper Company, Ltd. (Japan) - Silver Level

Oji Paper has multiple initiatives on the promotion of forests and paper recycling. The program, which was selected as the Silver Level Environmental Award winner includes the development of overseas tree-planting projects, the reduction of carbon dioxide emissions and the use of recycled materials. The project also promotes environmental technology transfer from overseas and implements public relations, social, and educational activities that have successfully promoted environmental awareness.

The Oji Paper project also demonstrates substantial reductions in carbon dioxide emissions and waste sent to landfills, as well as the sequestration of domestic and overseas forests. The project has not only environmental benefits but has also generated over 2,300 million yen in savings for the company.

Continues on page 11

## Environmental Award Finalists

Hyundai Motor Company (Korea); Oji Paper Company, Ltd. (Japan); POSCO (Korea); CLP Power Hong Kong, Ltd. (Hong Kong, China); Ebara Corporation (Japan); Fonterra Co-operative Group, Ltd. (New Zealand); MTR Corporation (Hong Kong, China); NEC Corporation (Japan) and United Plantations Berhad (Malaysia)



## CHAIRMAN'S LETTER

**A**s the new Chairman of PBEC, I am inheriting the fruits of invaluable efforts made by my illustrious predecessors. The 35<sup>th</sup> IGM at Kuala Lumpur was a very successful conference in terms of its program contents with attractive speakers and substantive contents. This was undoubtedly owing to the extra-ordinary effort made by our colleagues of the PBEC Malaysia Committee with the assistance of the IS staff, and we are indeed grateful to them. But it also shows the recognition PBEC receives for its contribution throughout its thirty-five year history. In spite of the success of the IGM, however, there are serious challenges ahead that PBEC must face.

PBEC is the oldest of any organization promoting Pan-Pacific economic cooperation and is the only purely private of such organizations. As the future course of the world is increasingly driven by private business initiatives, the role of PBEC as "the independent voice of business in the Pacific" is assuming ever-greater importance. But this very force of private business initiatives is also placing such competitive pressure on business for survival and immediate returns that many companies and businessmen find themselves hard pressed to invest their time and resources to participate in PBEC. Furthermore, there is an increasing number of organizations with similar objectives and offerings as PBEC and thus compete for the resources of the businesses.

The Board of Directors at the 35<sup>th</sup> IGM, in recognizing this challenge, launched the most serious action pro-



### Suck-Rai Cho

PBEC Chairman

Chairman  
Hyosung Group

gram to date to strengthen the organization. A working committee was formed to propose the plan for the Board to act on at the Los Cabos Mid-term Meeting in October of this year. Broadly speaking, the objectives of the action program are to enhance the standing of PBEC as the effective voice of business in the Pacific Basin with stronger participation of business leaders and bolstered finances. This, of course, will require attractive values in programs and services offered to our members. In short, we need to re-examine every aspect of PBEC. While we are only beginning this task and do not yet know its full scope, it is fair to assume that the task will require hard work. But it should not be too surprising in this rapidly changing environment. After all, how many of our more than one thousand member firms and institutions remain unchanged in the past thirty-five years? I am firmly convinced however that all of our members firmly believe in the cause and mission of PBEC. With the dedication and support of all our members, I am certain that we will bring PBEC to the new height and grandeur that its mission deserves.

### Executive Profile

S.R. Cho was born in 1935 and has spent most of his years in the petrochemical, synthetic fibers and heavy electrical industries. As one of the most influential businessmen in Korea, he currently serves as the Chairman of Hyosung Group, one of the premiere corporations in the country. He was appointed President of Tongyang Nylon Company in 1970, and over the next few years became President of Tongyang Polyester Co., Hyosung Heavy Industries, and Hyosung Corporation. Since 1981, Cho has been Chairman of the Hyosung Group. In 1998, all major corporate entities of the group were consolidated into Hyosung Corp., over which he presides as Chairman and CEO.

Cho served as Vice Chairman of PBEC from 1999 to 2002, and Chairman of the PBEC Korea Member Committee from 1994 until 1999. Cho also serves as Vice Chairman of the Federation of Korea Industries, Chairman of the Korea Economic Research Institute (KERI), Chairman of the Korea-US Business Council, and Vice Chairman of Korea-Japan Economic Council. He is on the Board of Trustees of the Illinois Institute of Technology.

Cho was conferred the President's Award for his contribution to trade promotion and the Gold Tower Order for his contribution to the development of technology.

## PRESIDENT'S LETTER

**T**hanks to the efforts of Tan Sri Azman, Rohana Mahmood, and the tremendous support of the Malaysian Government, our recent IGM in Kuala Lumpur was without question one of our best ever. This is all the more remarkable given the incredible challenges of organizing the meeting on an abbreviated schedule. Especially for those of you who were unable to attend, please take a close look at the articles in this newsletter for all the details on the meeting. Our thanks and congratulations once again go out to our friends in Malaysia.

The Kuala Lumpur IGM gave PBEC an opportunity to consider and discuss a variety of pressing issues which hold significant implications for our organization and its future.

The world has changed immeasurably since PBEC came into being 35 years ago. From a technological point of view, IT advances have created a level of access to market intelligence and analysis that would have been unthinkable even just 15 years ago. Communication breakthroughs allow executives to conduct business with colleagues around the world just as easily as around the corner. Transportation improvements permit PBEC members to criss-cross the region on 747 jumbo-jets with a degree of speed and ease that would have seemed unimaginable to our founders in 1967.

From a geo-strategic point of view, the dominant feature of the global landscape 35 years ago was the Cold War. And the concept of a Pacific Basin community was only a fledgling glimmer in the eyes of PBEC's founders. Today, Russia is a member of the NATO alliance, and governments have followed PBEC's lead and created a forum – APEC – which institutionalizes our goal of an Asia Pacific community where trade, services, and capital flow ever more freely. The chief security threat fac-

ing the world today is no longer super-power conflict, but rather amorphous and shadowy terrorist cells operating irrespective of national boundaries.

This is the dramatically changed world in which PBEC exists today. Reflecting on the breathtaking scope of change our region – and indeed our world – has experienced during PBEC's life-span leads us inevitably to consider the question, "What do these changes mean for PBEC?"

Let's be honest: some of these changes have presented PBEC with new and formidable challenges. The increasingly competitive business environment we operate in has put even greater pressures on the time of our executives and on the financial resources of our member companies. At the same time, a growing myriad of organizations and meetings are competing for the attention and resources of our members.

Acknowledging this dramatically changed world, our Board of Directors endorsed at the Kuala Lumpur IGM an initiative to fundamentally review PBEC's structure and function. An Implementation Committee has been mandated to produce a detailed plan to put into effect potentially far-reaching changes in the way PBEC is structured and operated. All of PBEC's 20 member committees are invited and encouraged to provide their input and advice into this process. We aim to have a document ready for formal Board of Directors approval at our Mid-term Meeting this fall.



### **Stephen J. Olson**

*PBEC Acting President*

Now more than ever, we need to be open-minded and creative. We need to objectively and rationally consider a wide range of new ideas. We can't be afraid to possibly gore some sacred cows. We need to have a frank and candid dialogue and exchange of ideas. And this is exactly what we will do. Our openness to rethink PBEC is the strongest possible indication of the dynamism and health of the organization.

Our goal is simple: a strong, vibrant, and effective PBEC, contributing to the ongoing development of a stable, peaceful, and prosperous Pacific Basin community. Although PBEC can reflect with pride on how far we have come since 1967 in fulfilling so many of these objectives, our work and our mission are far from finished.

PBEC was founded by bold visionaries over 35 years ago. Those of us who have been fortunate enough to inherit the fruits of their vision are now charged to exercise the same foresight in forging a new PBEC that rises to the unique challenges of the early 21<sup>st</sup> century. As PBEC engages in this critical undertaking, I am deeply optimistic that we will succeed.

Thank you once again for your support of PBEC. Please don't hesitate to share with me your thoughts, suggestions or advice, by e-mail ([steve@pbec.org](mailto:steve@pbec.org)) or phone (808-521-9044).

# Malaysian Prime Minister Mahathir addresses PBEC at Kuala Lumpur International General Meeting

The following is an excerpt from remarks presented at PBEC's 35th International General Meeting, held May 3-7 in Kuala Lumpur. For a full transcript, please visit the PBEC website at [www.pbec.org](http://www.pbec.org).

**Dato' Seri Dr. Mahathir bin Mohamad**  
Prime Minister  
Malaysia



**I**, for one, do not envy being a business person in this environment of uncertainty that has inevitably led to a loss of investor and customer confidence. We all wish for things to return to normal; to the days when business was simply business and external factors did little to influence the course of business. Alas, we have to come to terms with the fact that business and politics and terror, and the rights and wrongs of human society worldwide, are inextricably mixed.

The challenge for businesses the world over then is to rebuild investor and customer confidence. The 35th IGM of PBEC thus becomes an important forum for business leaders and key Government policy-makers to share views and formulate policies that will impact positively on trade and investment, not only in the Pacific Basin's economies but also the global economy.

This IGM's theme "Striving for Growth in a Challenging Environment," is timely and one that I believe will help strengthen the resolve of businesses and Governments to meet the many challenges ahead of us.

As you prepare to tackle the seemingly insurmountable tasks before you, allow me to offer my perspective. How do we go about rebuilding investor and customer confidence?

Firstly, we need to recognize that business unusual is the order of the day, and that extraordinary circumstances call for out-of-the-ordinary

measures.

For example, Malaysia's stance during the 1997 Asian financial crisis. When the Malaysian currency was manipulated and devalued, we correctly attributed it to the failings of the international financial system and manipulation by rogue currency traders. Malaysia lost US\$300 billion, so that the unscrupulous currency traders could make at the most US\$5 billion profit. Destroying US\$300 billion to make US\$5 billion is not busi-

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*Organizations like PBEC with their diverse economies, business environments and cultures, are in a unique position to help facilitate the education of the global villagers.*

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ness, it is a crime. More would have been lost, had we not acted quickly. We rejected the orthodox formula and devised our own solution to the problem. We went against the IMF's advice and imposed currency controls, reduced interest rates, and increased liquidity. We were condemned by almost everyone who said that our economy would spiral downhill. The fact that it worked did not endear us to many.

Today, only those who are blind refuse to acknowledge that we have recovered better and faster than those who applied the recommended formula. Of course, we have not been

immune from the performance of the world's economy, insulated though we try to be. But our choosing to implement out-of-the-ordinary measures has helped us recover a lot quicker than most others.

The road to economic recovery has not been an easy one. The path we have chosen to tread has not always been the most popular nor deemed by many to be the wisest choice. Yet, we have managed to counter the critics and prove them wrong.

The secret to 'our success', if I may call it that, has been our ability to look beyond the existing measures, mechanisms, systems, practices and rules, and to embrace the out-of-the-ordinary. We have not been afraid to throw away the old measures and embrace the new, untried and radical though it may be.

People know that there are many ways to skin a cat. We have chosen the unorthodox way and the cat has been neatly skinned. The method does not count. The result counts. As Deng Xiao Peng said, "It does not matter if the cat is white or black as long as it catches the mouse."

Today, the Malaysian economy is one of those economies that is on the path to recovery. We anticipate that our economic recovery this year will be modest and gradual. Our economy slowed to 0.4 percent last year, but we expect it to accelerate to 3.5 percent this year. I must admit though that applying unorthodox methods alone won't work. A good crisis management team and sound fundamentals from prudent management also help.

With the advent of the internet and unlimited real-time communications, our vast world of many disparate villages is fast becoming a

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# Agri-Business & World Markets Working Committee: New Name, Expanded Focus

*Pacific Journal recently spoke to Ray Cesca, Chairman of the Agri-Business & World Markets Working Committee and President & CEO of GAEA International, about his Working Committee.*

**Q** The Food Products Working Committee has been renamed the Agri-Business & World Markets Working Committee. What does this signify in terms of the work and focus of the committee?

**A** The mission and focus for the Committee has expanded to appeal to the needs of the entire industry, from the farmer to the consumer. The current food system is based on an old arms length model that is no longer efficient and valid in today's global environment. The proof of this is in the inability to get food to the economies that need it. The distribution systems are ancient. Farming practices are archaic. Developing economies are being left behind in the global trading arena. The PBEC Agri-Business and World Markets Working Committee needs to address this for its member economies. Therefore, creating and supporting an open and efficient food system in the Pacific Basin means that we have to look at the entire agricultural value chain and look at the inefficiencies in the way

the system operates today. We have to make significant changes to make a difference. Agri-Business entails the whole value chain and World Markets is the arena we compete in.

**Q** What do you feel are the priority areas in the short term for the Working Committee?

**A** The priority areas for the Committee are:

a. *Technologies:* The leading advancements in this area should be available to all economies. It will lead to a whole new agriculture system if we allow it to develop. This ranges from farming methodologies to genetics.

b. *Food Safety:* This is probably the biggest issue facing the Committee. Everything from BSE, Hoof and Mouth Disease, Listeria, E-Coli, and a myriad of pathogens that can affect human health and even death. As the world gets smaller in terms of trade, this issue looms larger.

c. *Logistics/Distribution:* The systems are inefficient and very costly today. For an emerging market to compete they need to have low cost transportation to get it to the markets inexpensively.

d. *Trade:* Most of the countries in the world are not players in the global economy and if they are then it is commodity driven. This has to

change more to value-added production and processing. Also, subsidies and support systems make an uneven playing field and disrupt the free flow of goods and services.

**Q** What would you say are some of the key benefits that companies have experienced as a result of participating in the Working Committee?

**A** The key benefits for companies who participate are:

- a. Getting their voices heard in the Pacific Basin economies relative to the issues mentioned above.
- b. Participating in and learning from major agricultural studies conducted by the Committee, such as the poultry best practices seminar.
- c. Being kept up to date on the latest technologies affecting the food industry that affects their businesses – farming practices, processing best practices, food handling systems, etc.
- d. Meeting with like-minded companies where business transactions can take place.
- e. Having a forum for the Latin American members where they can feel like they are part of a greater initiative.
- f. Gaining exposure to the APEC leadership and to other organizations that affect their own.
- g. Feeling like they are making a contribution to the Pacific Basin economy.
- h. Learning from the sharing of what is happening in each of the economies.

For more information on the Agri-Business & World Markets Working Committee visit the PBEC website at [www.pbec.org](http://www.pbec.org).



*Mr. Ray Cesca, Agri-Business & World Markets Working Committee Chairman*

# PBEC: the voice of business for the ADB/OECD Anti-Corruption Initiative

Implementing anti-money laundering laws, starting integrity training programs for civil servants, and setting up systems to protect those who report corruption are only a few of the concrete actions taken by governments in the Asia Pacific region in the last six months.

These efforts, as well as future strategies, were discussed during the second Steering Group Meeting for the ADB/OECD Anti-Corruption Action Plan for Asia and the Pacific, held in Manila, May 27-28 at ADB headquarters. The Action Plan – endorsed by 17 countries last November – is based on the countries' common goal to engage in a coordinated, systematic, and enforceable approach to combating corruption. "The strength of the initiative is the dialogue it generates among countries," said Lloyd McKay, World Bank Philippines Country Office.

PBEC, the recognized private-sector leader in anti-corruption activities, was the only business organization asked to participate in the meeting.

The opportunity to represent the voice of business within this initiative reflects PBEC's active and effective work in the transparency and anti-corruption arena. PBEC's Working Committee on Transparency, chaired by Michael Davies, Vice President and General Counsel of GE Canada, has produced a widely-referenced Transparency Charter, as well as a number of transparency policy statements (see story, page 2). PBEC's work has been publicly acknowledged by leading officials in the region, including the US Secretary of State during the Clinton Administration.

PBEC has been participating in the ADB-OECD Anti-Corruption Initiative for the Asia-Pacific since its inception in 1999. The Initiative brings together all social partners involved in the fight against corruption in the Asia Pacific and the international community.



John S. Wadsworth, Jr., PBEC Treasurer and Advisory Director of Morgan Stanley, leads a discussion on lessons learned from Enron at the Kuala Lumpur meeting of the Transparency Working Committee.

Peter Rooke of Transparency International, another partner involved in the Initiative, said: "Transparency International values the Action Plan's commitment to involving business and civil society in the fight against corruption at regional and national levels. Most projects proposed by endorsing governments reflect this commitment."

Other recent anti-corruption actions taken in the region include: Korea is planning to protect witnesses in corruption cases and a program to support NGOs working against corruption; Malaysia is conducting a public opinion survey to assess views of corruption and assist policy makers in formulating an effective prevention strategy; Indonesia has begun a project to curtail misconduct in tax, customs and budgeting agencies; and the Philippines and Malaysia are implementing new anti-money laundering laws.

The next Steering Group Meeting will be in March of 2003, with a major conference/Steering Group meeting tentatively scheduled for late 2003.

## Enron: Lessons Learned

John S. Wadsworth, Jr., PBEC Treasurer and Advisory Director of Morgan Stanley, shared his thoughts on the downfall of Enron with the Transparency Working Committee at the recent IGM.

"America has proven its system is not invulnerable or flawless," Wadsworth stated. He also reminded the committee there have historically been problems with the American financial market, "however, the lessons of history are so often forgotten."

One of the first observations Wadsworth made was that unlike almost any other financial market in the world, the US capital market made Enron a three month affair. In other markets the punishment would not have been as severe or as swift for instance in Japan, Enron might have lasted many years.

Questioning the emphasis on shareholder value, Wadsworth felt that although it is one of the most important ingredients in management motivation, it cannot be the only driver. When the emphasis becomes too extreme and the greed factor too high, shareholder value can cause people to compromise principles.

He also discussed his feeling that if there is one single explanation for the downfall of Enron, it is the failure of leadership. "The most important thing a leader of an organization can do is to instill in the minds and in the hearts and in the spirit of every individual of that company the difference between right and wrong," especially when there are so many opportunities each day to do so.

The question then becomes, how can ethical standards, values, and principles be imposed in a shareholder value-driven system that will mitigate behavior focusing excessively on shareholder value? Wadsworth noted, however, that legislation does not work in a value system.

"You can't legislate ethics, you can't legislate values," he said. "The disciplines of a market are much more important than any legislation will ever be."



# Seoul to host 36th International General Meeting



*Drummers from the Korean national dance troupe entertain and give a preview of the cultural delights in store for delegates at the 2003 IGM during the Closing Gala Dinner of the Kuala Lumpur IGM.*

**P**BEC Korea officially announced at the closing ceremony of the Kuala Lumpur International General Meeting that the 36th IGM will be held in Seoul May 10-14, 2003.

*“As the Chairman of PBEC’s Seoul IGM Organizing Committee, I sincerely invite all of you to Seoul, Korea’s capital city. Seoul has been*

*mendous business opportunity but also a wide variety of fascinating cultural experience as well.”*

*“Priorities for Sustainable Development” will be the theme for the 36th IGM. An agenda for the meeting is already being developed that will cover a wide range of global and regional, as well as managerial and regulatory, issues. Topics will include such timely issues as preserving the affirmative impact of e-business while minimizing its negative side-effects as well as strategies to cope with a volatile management environment. Key issues such as corporate governance, the future of the Doha Development Agenda, improving the financial system and finding an acceptable balance between environmental preservation and business operations will also be featured on the agenda.*

## Priorities for Sustainable Growth

*the national center of politics, economics, and culture for over six centuries,” said Mr. Young-Ju Park, Chairman of the PBEC Korea Member Committee and 2003 IGM Conference Chairman. “The Seoul IGM will provide you with not only a tre-*

*Check the PBEC website at [www.pbec.org](http://www.pbec.org) for updates and more information.*

### Executive Profile



*Young-Ju Park, Chairman of the PBEC Korea Member Committee, will also serve as the Conference Chairman for upcoming 36th International General Meeting.*

*Park is Chairman & CEO of Eagon Industrial Co., Ltd., a position he has held since February 1993. He concurrently serves as president of Eagon Window & Door Systems Co., Ltd., and previously served as President of Eagon Industrial Co., Ltd., and Kwang Myung Lumber Co., Ltd.*

*Established in 1972, Eagon Industrial Co., Ltd. is one of the major integrated wood product manufacturers in Korea.*

*Park is the Vice President of the Korean Council on Latin-America & the Caribbean, and was also a Korean delegate to the Pacific Business Forum (an APEC advisory body). He is also Deputy Chairman of the Federation of Korean Industries.*

*He has received a number of citations and awards, including the Bernardo O’Higgins Medal from the Chilean government, the Order of Industrial Service Merit (Gold Tower) from the Korean government, and the Silver Star Medal from the government of the Solomon Islands.*

# APEC CEO Summit: Los Cabos, Mexico

The APEC CEO Summit will be held in Los Cabos, Mexico from October 24-25, 2002. The summit is expected to draw several hundred of the world's leading CEO's, government leaders, and a wide variety of experts.

The theme of the Los Cabos Summit is "Challenges for Development in an Era of Uncertainty". The Summit will include the participation of Lorenzo Zambrano, Chairman of the Board and CEO of CEMEX; Wang Jun, Chairman of CITIC; Carleton Fiorina, Chairman and CEO of HP and David Eldon, Chairman of HongKong Shanghai Banking Corp.

Fifteen APEC leaders are also expected to participate in the Sum-



mit in various events ranging from intimate conversation style sessions to a "Breakfast with Tigers" session. The agenda covers a broad range of issues currently facing the region including poverty and globalization, energy, technology, economic recovery, and challenges for developing countries. Concurrent sessions will focus on such topics as the new WTO round, security and stability, and regional outlooks.

The Mexican organizing team has adopted a conference format that will foster a comprehensive dialogue among the regions top leaders. The format emphasizes discussion and interaction among panelists and audience members alike, rather than formal presentations.

## APEC Leaders Expected to Speak at CEO Summit

**Vicente Fox**, President of Mexico; **Ricardo Lagos Escobar**, President of Chile; **Alejandro Toledo**, President of Peru; **Kim Dae-jung**, President of Korea; **Tung Chee-hwa**, Chief Executive of Hong Kong; **Goh Chok Tong**, Prime Minister of Singapore; **Mahathir bin Mohamad**, Prime Minister of Malaysia; **John Howard**, Prime Minister of Australia; **Vladimir Putin**, President of Russia; **Megawati Sukarnoputri**, President of Indonesia; **Gloria Macapagal Arroyo**, President of the Philippines; **Helen Clark**, Prime Minister of New Zealand; **George W. Bush**, President of the United States; **Junichiro Koizumi**, Prime Minister of Japan; **Jean Chretien**, Prime Minister of Canada; and **Jiang Zemin**, President of China

Listed in order of appearance on agenda.

## PBEC BRIEFS

### New International Counsellors

Five new International Counsellors were elected by the Board of Directors at the recent IGM. They include:

**Dr. Jeffrey Koo** - Chairman & CEO, Chinatrust Commercial Bank, PBEC Chinese Taipei

**Dr. Guillermo Fernandez de Soto** - Minister of Foreign Affairs, Colombia, PBEC Colombia

**Tan Sri Dato' Haji Basir Ismail** - Chairman, Malaysia Airports Berhad, PBEC Malaysia

**Ambassador Jose Juan de Olloqui** - PBEC Mexico

**Mr. Kenneth Matchett** - Former PBEC Treasurer, PBEC International

### Brunei Darussalam & PBEC

A delegation from Brunei Darussalam attended the 35th IGM in Kuala Lumpur and intends on submitting an application to become PBEC's newest Member Committee.

The delegation was led by His Royal Highness Prince Abdul Qawi, Executive Deputy Chairman & CEO of QAF Brunei Sdn. Berhad, and Mr. Timothy Ong, Executive Chairman of Asia Inc.

PBEC looks forward to receiving the Brunei Member Committee application.

### Accompanying Persons Program

This year's accompanying person's program was another glowing success. The highlight of the program was an intimate afternoon tea with the Queen of Malaysia — Her Majesty **Tuan Ku Fauziah Tengku Abdul Rashid**. The program also included a lunch at the top



Tea with Her Majesty, the Queen of Malaysia.

of the Petronas Towers, a tour of the Kuala Lumpur Craft Complex, and a sight-seeing trip which included stops at the National Mosque, Parliament House and the Islamic Arts Museum.

Continued from page 6

global village. With borders coming down everywhere, there is a need for the inhabitants of the many different villages to learn to interact fast for the common good. All must admit that times have changed and that we cannot be isolated or insulated against events happening elsewhere. We need to understand and respect the differences between us and the way we do things. In the global village, much will be standardized but some essential character and cultural differences will remain. Failure to appreciate this will result in unneces-

sary turmoil and strain which will affect our overall well-being.

Organizations like PBEC with their diverse economies, business environments and cultures are in a unique position to help facilitate the education of the global villagers. They have a rich source of expertise and experience of dealing with each other, which will lessen the impacts of change and uncertainties. Always we must be prepared for adventure, trial, and experiment. We have to be judicious and prudent, of course.



## 35th IGM Executive Summary

The Executive Summary, which includes speeches and photos from the Kuala Lumpur IGM, is now available. Please contact your Member Committee Secretariat for a copy.

## ENVIRONMENTAL AWARD

Continued from page 3

### POSCO (Korea) - Bronze Award Recipient

POSCO was judged the Bronze Level winner for its efforts in recycling slag into high value-added resources. Despite steel industry efforts, more than half of the solid raw material used to generate slag becomes waste that is sent to landfills. However, POSCO has increased the recycling rate of steel-making slag by 62 percent since 1997, and the recycled materials are manufactured into high value-added resources.

Equally impressive are the business benefits of POSCO's project, anticipating profit from recycling slag to increase from US\$42.3 million in 2001 to US\$56.9 million in 2002. Other than the minimization of waste sent to landfills, environmental benefits also include saving limestone resources and preventing carbon dioxide emissions.

More information about finalists, judges and judging criteria for the 4th Environmental Award can be found on the web at [www.pbec.org](http://www.pbec.org).

## PBEC Mid-term Meeting

The PBEC Midterm Meeting will be held October 21-23 in Los Cabos, Mexico, immediately before the APEC CEO Summit, which will begin on October 24. The Primary venues for the MTM will be the Melia Cabo Real and the Hilton Los Cabos. Due to unusually tight space limitations and heightened security concerns, the logistics for this year's MTM will be a bit more complex than in past years. PBEC MTM delegates who will also attend the CEO Summit will stay at the Hilton, while MTM delegates who will not attend the CEO Summit will stay at Melia. These hotels are extremely close together; walking time between them is less than 5 minutes.

We are still finalizing some details with the organizers in Mexico—for security purposes during APEC, all venue space and equipment in Los Cabos is under the control of the Mexico Government. As soon as the details are finalized, we will send out hotel and MTM registration forms, along with additional details.

## Proud Award Recipient



Hyundai Motor Company (Korea) featured their Gold PBEC Environmental Award in an advertisement that appeared in the Dong-A Ilbo, the Seoul Economy Daily, and the Korean NGO Weekly Citizen Times.





Pacific Journal is produced for PBEC members worldwide by the Pacific Basin Economic Council International Secretariat. For more information, please contact:

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To request a complimentary subscription 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) 521-8530 or e-mail it to [info@pbec.org](mailto:info@pbec.org).

## Calendar of Events

Aug. 6-8	4th meeting of the 33rd ASEAN Economic Senior Officials (Philippines)
Aug. 7-10	3rd ABAC 2002 Meeting (Hong Kong, China)
Aug. 9	PBEC Board of Directors Meeting (Hong Kong, China)
Aug. 11-14	East-West Center Conference on "Building an Integrated Transport Market for China, Japan, and Korea: Elimination of Barriers" (Honolulu, Hawaii)
Aug. 13-21	APEC Senior Officials Meeting III (Acapulco, Mexico)
Aug. 26-Sept. 4	OECD Johannesburg World Summit 2002 on Sustainable Development (Johannesburg, South Africa)
Sept. TBD	ASEAN Finance Ministers Meeting (Yangon, Myanmar)
Sept. 7-8	APEC Finance Ministers Meeting (Los Cabos, Mexico)
Sept. 20	Annual CTPBEC General Meeting (Chinese Taipei)
Oct. 1-2	IMF and World Bank Annual Meeting (Washington, D.C.)
Oct. 6-8	World Economic Forum East Asia Economic Summit 2002 (Kuala Lumpur, Malaysia)
Oct. 14-20	1st ASEAN Trade Fair (Bangkok, Thailand)
Oct. 15-17	PECC Human Resource Development Task Force Symposium on "The Impact of Globalization and Human Capacity Building" (Chinese Taipei)
<b>Oct. 21-23</b>	<b>PBEC Mid-term Meeting (Los Cabos, Mexico)</b>
Oct. 22-26	4th ABAC 2002 Meeting (Los Cabos, Mexico)
Oct. 23-24	APEC 14th Ministerial Meeting (Los Cabos, Mexico)
Oct. 24-26	APEC CEO Summit (Los Cabos, Mexico)
Oct. 26-27	APEC 10th Economic Leaders' Meeting (Los Cabos, Mexico)
Nov. 3-5	ADB 4th Asia Development Forum (Seoul, Korea)
Nov. 4-5	8th ASEAN Summit (Cambodia)
Nov. 24-26	World Economic Forum Latin American Business Summit 2002 (Rio de Janeiro, Brazil)



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