



Statement Calling for Decisive APEC Leadership

As APEC leaders prepare to meet in Shanghai, China, the events of September 11th will impact profoundly the world and the circumstances in which they meet. In addition to the tragic loss of human life wrought by these attacks, the threat of a global recession is greater now than perhaps anytime in APEC's history. APEC must act decisively.

Prior to the terrorist attacks of September 11th, several key economies in the Asia Pacific – including the United States – appeared to be in or near recession, with rising unemployment rates, declining stock markets, and sluggish growth rates spreading throughout the region.

While the full economic impact of recent events cannot yet be completely assessed, it seems evident that these negative trends will be exacerbated, and further compounded by a resulting reduction in consumer demand, curtailed business investment, and dropping equity markets throughout the region, at least in the short term. An almost immediate and severe downturn in key industrial sectors such as commercial air travel, tourism, and financial services has further worsened an already difficult economic horizon. All of these factors taken together place the regional and global economy in a potentially precarious position.

In today's challenging environment, APEC can and must exercise leadership. PBEC calls on APEC to act decisively on 3 fronts: 1) trade and investment liberalization, 2) economic stimulus, and 3) appropriate anti-terrorism measures.

PBEC believes that:

- The free trade and investment agenda is a cornerstone for economic growth. Since its inception in 1967, and in a number of subsequently adopted policy statements, PBEC has steadfastly expressed the view that: "Rising levels of international trade and investment have been a primary engine driving world economic growth, economic development, the creation of better jobs, and rising per capita incomes throughout the world."

Given the threat of a global economic slowdown, trade and investment liberalization is now more important than ever. **PBEC calls on APEC leaders to take concrete steps not only to advance the APEC liberalization agenda, but also to act as a unified voice in support of the successful launch of a new round of World Trade Organization (WTO) negotiations** at the Ministerial meeting to be held next month in Doha, Qatar.

- PBEC encourages all WTO contracting parties, and those who are in the process of accession, to be active participants in this preparatory process in the run up to Doha, in negotiations on the built-in agenda, and on a robust new round, which reflects the views, concerns, and priorities of both the developed and developing economies.

Market opening initiatives must go hand in hand with efforts to ensure that all parties are in a position to participate in, and profit from, trade and investment liberalization. Capacity building must therefore necessarily be part of the agenda.

- **APEC leaders must commit their individual economies to undertake concerted efforts to stimulate domestic growth and demand**, utilizing as appropriate both monetary and fiscal tools. Central banks must consider reducing interest rates to



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encourage both consumers and businesses to spend. Governments should also consider tax reductions and increased spending as a means to spur demand.

- In the spirit of resolutions already passed by international organizations such as the United Nations and ASEAN, **APEC leaders must stand together and make a strong declaration condemning the terrorist attacks, and pledging very strong cooperation in combating terrorism around the world.** APEC must fully use the mechanisms within its means to contribute to international efforts to eradicate terrorism. Existing APEC groups that deal with border security, aviation safety, money laundering and other financial improprieties, all provide useful avenues for APEC to take positive steps to contribute to international efforts to fight terrorism.

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