

MALAYSIA TO HOST 2002 IGM

Striving for Growth in a Challenging Environment is the theme for the 2002 International General Meeting (IGM), which will be held in Kuala Lumpur, Malaysia from May 3-7. Mark your calendars now for the region's premiere business conference, proudly hosted by PBEC Malaysia in one of the fastest-growing gateways to Asia.

As the "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 has been a hallmark of the IGM experience, and will continue to distinguish PBEC as the



Petronas Towers, 1483 feet (452m) tall
Kuala Lumpur, Malaysia

region's premier networking forum.

PBEC's 35th IGM will provide a platform for robust dialogue on a wide range of issues that will help PBEC Members achieve prosperity in a challenging business environment.

The IGM will also include a number of special programs that promise to make the Kuala Lumpur IGM a truly valuable event.

Malaysia's Prime Minister Mahathir has confirmed his participation and will share his vision for the Pacific Basin in a keynote address.

Along with P.M. Mahathir, the 2002 IGM will include the participation of other key regional leaders and trade and finance ministers, all of whom look to PBEC for regional business views.

Issues for discussion include:

- The challenges of economic growth: the security dimension
- Trade & Investment liberalization: playing by the new rules
- Facilitating growth in the Pacific
- Regional outlooks: China, ASEAN, the Americas
- Partnering China for growth
- Industry Outlooks: Financial markets, energy, biotechnology
- Fostering FDI in the Pacific Basin
- Rebuilding Confidence: the challenge for business.

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Success in Shanghai

PBEC held its annual Midterm Meeting (MTM) in Shanghai, October 16-18, 2001. Along with substantive policy meetings, PBEC approved its international reorganization plan and hosted several events including a luncheon with Ambassador Jon Huntsman, a dinner keynote address by U.S. corporate leader James C. Morgan, President and CEO of Applied Materials, and an e-Business Ministerial Roundtable featuring the Vu Khoan, Trade Minister of Vietnam, U.S. Deputy Secretary of Commerce Samuel Bodman, and Derek Williams, Oracle's Executive Vice President for the Asia Pacific.

PBEC US members, John F. Smith, Jr., Chairman, **General Motors** Corp., Carly Fiorina, Chairman and CEO, **Hewlett-Packard** Co., Derek Williams, Executive Vice President, Asia Pacific **Oracle** Corporation, and Dean O'Hare, Chairman, **The Chubb** Corporation, were among the distinguished executives to speak at the APEC CEO Summit following the MTM in Shanghai. View their speeches at: www.pbecus.org.

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Chairman's View

At last October's Asia Pacific Economic Cooperation (APEC) meetings in Shanghai, the leaders of the APEC economies broke new ground. They focused their attention on what is usually considered a political issue, rather than an economic issue: global terrorism. This represents a step forward in the maturation of an organization that was in danger of losing its sense of purpose and its sense of institutional confidence.

The leaders' Shanghai statement highlighted the economic dimensions of the campaign against terrorism. Although several commentators have remarked that this development marks a change in the U.S. approach to the Asia Pacific region, the linkage between economic prosperity and national security goes back to the earliest days of the republic. In fact, a recent history of U.S. diplomacy, *Special Providence*, argues that this linkage is a key distinction between the American and European approach to world affairs, and accounts in no small measure to U.S. success.

That success has been quite remarkable. From its roots as a loose collection of settlements, the United States managed to drive the more powerful French, Spanish and British armies from North America; defeat aggression in 20th century transcontinental wars and emerge relatively unscathed; and demonstrate that the flexibility of open markets offers a method of organization vastly superior to Soviet central planning.

While the great architects of traditional European diplomacy incorporated commercial considerations into their diplomatic strategy. For more than two centuries, in America's dealings with Europe, East Asia, and Latin America, trade was viewed as a crucial component of external affairs. Trade agreements were as important as security treaties or military alliances. The same is true today.

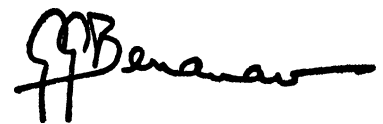
Moreover, the domestic implications of foreign trade were felt just as deeply, and debated just as vigorously, in the 19th century as, for example, the North American Free Trade Agreement (NAFTA) was less than a decade ago.

PBEC-US will explore in greater depth the relationship between economic stability and national security in the Asia Pacific region at its Annual Policy Conference in Washington on February 14, 2002. The conference will focus on the implications of the current security environment for economic growth in the Asia Pacific region, examine the implications for U.S. business, and discuss ways to foster cooperation between business and government in ensuring the security of critical services. I encourage all who have an interest in the Asia Pacific region to consider attending this important event.

The economic component of the anti-terrorism campaign received a significant boost in

November in Doha, Qatar. Ministers of the World Trade Organization (WTO) agreed to launch a new round of multilateral negotiations aimed at liberalizing trade and investment. APEC leaders in Shanghai issued a strong call for such a round in order to reverse the current softening of the international economy and to maintain public confidence at a time of uncertainty by fighting protectionism.

At the same ministerial meeting in Doha, China and Taiwan were approved for admittance into the WTO. These two events – a new round and major new WTO members – will have a profound effect on long-term economic growth in the Asia Pacific region. PBEC provides U.S. companies with a vehicle for participating in such important developments in order to shape and manage the process of globalization. Nurturing growth and managing globalization are the key economic tasks required to ensure regional security and stability.



Gary Benanav
Chairman, PBEC US Member Committee

ABOUT THE CHAIRMAN



Gary G. Benanav is the Chairman and CEO of New York Life International. Benanav has over 25 years of experience in the insurance industry, most recently as the Executive Vice President of a major insurance and financial services company. He has also served on the Governor of New York's Executive Advisory Commission on Insurance Industry Regulatory Reform.

Pacific Center Reception

Over 60 friends of PBEC and the Pacific Economic Cooperation Council (PECC) toasted the opening of the Pacific Center on November 14. Prior to the reception, PBEC's Management Committee and PECC's Executive Board participated in a briefing by Amb. Larry Greenwood, U.S. Senior Official to APEC.



Stuart Allan and Sandy Kristoff talking with U.S. Trade Representative, Larry Greenwood



A Look at APEC

Summing Up Shanghai

President Bush and the other APEC Leaders stood united to action in three key areas: pledging cooperation on counter terrorism, responding to the global economic slowdown by reinvigorating trade, and building capacity to support sustained growth. APEC Leaders responded to the events of September 11, with a statement condemning in the strongest terms the terrorist attacks in the United States.

President Bush and the other APEC Leaders also pledged to strongly support the launch of a new round of global trade negotiations and adopted the Shanghai Accord, urging for APEC to focus on implementing its vision of free trade and investment.

The U.S., China, and Australia led APEC leaders in issuing the e-APEC Strategy, which identifies concrete actions in three key areas for ensuring the growth of the New Economy: sound macroeconomic and structural policies, legal and regulatory regimes to spur innovation and investment, and education and training.

APEC Leaders also agreed to endorse a U.S.-proposed high-level policy dialogue on biotechnology, acknowledging that biotechnology can help developed and developing countries achieve their respective goals.

PBEC ensured general business representation in Shanghai through both its MTM and at the CEO Summit. PBEC US organized on behalf of the US APEC Business Coalition a breakfast briefing for U.S. executives by Deputy USTR Jon Huntsman on October 19.

Mexico 2002: Pragmatism and Credibility

Mexico is off to a quick start as APEC's Chair for 2002. Seeking early input and support, Mexico sponsored a "Perspectives on APEC" Symposium involving regional government officials, economic analysts, and business representatives December 3-4, 2001 in Mexico City. Mexico's Chairman of the APEC Senior Official's group (SOM), Dr. Gerardo Traslosheros, set out Mexican policy and institutional priorities for the year at the symposium and during a subsequent visit to Washington, DC to meet with U.S. Government and industry representatives.

Mexico seeks to enhance the credibility of APEC by implementing existing commitments rather than through a major new trade initiative or expansion of the existing institutional structure. Building on the results of the Shanghai APEC Summit, Mexico will focus on:

- implementing growth policies for the new economy as the basis for re-igniting sustainable economic growth in the region;
- strengthening micro enterprise and SME programs and policies;
- making APEC more relevant to the general public especially youth and women.

At the symposium, PBEC US Director General Stuart Allan proposed two specific goals for APEC: an agreement on transparency in government procurement based on extensive work in 1997, and pressing for an early harvest of tariff cuts in the WTO based on APEC's sectoral liberalization package of 1998. Bringing these existing efforts in APEC to successful fruition would be significant accomplishment for APEC and Mexico.

(Malaysia ..., cont'd from page 1)

- Bridging the digital divide
- Opportunities for Growth in the Pacific Basin

These issues will be approached through a variety of informal and formal events structured especially for the needs of the senior business representatives who will attend, including:

Breakfast Chats with Global Personalities: Delegates will have an opportunity to start their day with an intellectually stimulating breakfast chat with some of the leading personalities from the world of arts, media, and entertainment.

Each day, before the formal program of sessions on business and economic issues, these informal chats will allow IGM delegates to engage interesting global personalities over breakfast, in a relaxed, informal environment.

- *Ministerial Roundtables:* Special, off-the-record roundtable discussions with key regional Ministers. These small, intimate gatherings will allow IGM delegates to exchange views and gain insights from pivotal governmental decision-makers in the region.

For more information, please view our website: www.pbec.org/us

PBEC To Host Groundbreaking Biotech Conference in Mexico

Answering APEC Leaders call for a biotechnology policy dialogue within APEC, Mexico will host a meeting of regional policymakers in February 2002. To ensure that business views are represented at this dialogue,

PBEC will host a biotechnology conference in February 2002 in Mexico City prior to the APEC Policy Dialogue.

PBEC hosted a biotechnology conference in Hawaii in 2000 and has a long standing leadership role on this issue in the Pacific Basin.

Drawing from its policy statement and background document, PBEC has continued to work closely with governments in the region and at key international forums, such as the WTO, to ensure that products of biotechnology are subject to rules based on sound science.

Speakers invited include regional representatives from government, academia and industry. A group has been formed in Washington, DC to help support the development of this conference, and for biotechnology policy in general.

If you would like to participate, please contact Suzanne Foti at (202) 293-1093

“My goal is to see one hundred percent PBEC US member company participation in our next IGM. I hope that you will make it a priority to join us in Malaysia, as PBEC continues to lead the region to a more promising, prosperous and peaceful future.”

– Gary Benanav

A Publication of the
**Pacific Basin Economic Council
United States Member Committee**

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The Pacific Basin Economic Council is an association of senior business leaders from throughout the Pacific Rim dedicated to expanding trade and investment through fostering open markets.

PBEC member committees are located in Australia, Canada, Chile, China, Columbia, Ecuador, Hong Kong, Indonesia, Japan, Korea, Malaysia, Mexico, New Zealand, Peru, Philippines, Russia, Chinese Taipei, Thailand, Singapore, and the United States.



6TH ANNUAL POLICY CONFERENCE

Getting Back to Business: Pacific Rim Growth and Security

The Annual Policy Conference (APC) comes amidst national and regional economic contraction and global political instability. Responding to the 9/11 attacks, APEC Leaders stressed the need to restore economic confidence, increase economic growth, and ensure a stable environment for trade, investment, travel and tourism in Shanghai. Secretary Powell challenged the business community to, "Get Back to Business".

PBEC picks up this challenge at its sixth annual policy conference by focusing on how companies in the Pacific Basin have tackled the challenge of getting back to business in economically and politically difficult times. Participants will have the opportunity to discuss with experts the emerging best practices that companies and governments have adopted to move forward from 9/11 and will highlight the positive experiences companies have had in the Asia Pacific context. Specifically, this conference will address:

- Strategies to assure continued growth after 9/11/01
- The impact of new security imperatives on global business; and
- Ways to foster business/government cooperation in assuring security of critical services.

A G E N D A

8:00 am - 9:00 am

Breakfast Keynote: "Economic Growth and National Security: Linkages and Tradeoffs"

9:00am - 10:30am

Panel I: Challenges Facing Economic Growth in the Asia-Pacific Region

10:45am – 12:15pm

Panel II: "Striking a New Balance: Trade and Security"

12:30pm -2:00pm

Lunch Keynote: "Regional and Global Cooperation: Enhancing Security/Restoring Growth"

Confirmed Speakers include:

Hideaki Tanaka, Senior Representative

Keizai Koho Center

Richard Larrabee, Director

Port Authority of New York and New Jersey

Invited Speakers include:

Secretary of State Colin Powell

Representative Robert Matsui, D-CA

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ADB-OECD Conference on Combating Corruption in the Asia-Pacific Region

Seventeen Asian and Pacific governments endorsed a regional action plan to fight corruption at the third ADB-OECD Conference on Combating Corruption in the Asia-Pacific Region, held November 28-30, 2001 in Tokyo, Japan. PBEC was a partner organization for this conference, representing regional business

More than 150 people participated in the meeting hosted by the Government of Japan and organized by the Asian Development Bank (ADB) and Organization for Economic Co-operation and Development (OECD), including representatives of governments, businesses, media, international agencies and nongovernmental organizations (NGOs).

“Corruption is a cancer which affects all elements of society, especially the poor, and significantly hampers business activity and economic development,” said Robert G. Lees, Secretary General, Pacific Basin Economic Council. *“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.”* SG Lees participated actively in Tokyo, Japan

PBEC US is forming a group to consider US business inputs into this important process. Please contact Suzanne Foti at sfoti@pbecus.org.

January 15 **Corporate Governance Committee**
PBEC US Office

February 14 **PBEC US Annual Policy Conference**
J.W. Marriott Hotel

May 3-7 **PBEC International General Meeting**
Kuala Lumpur, Malaysia

To participate in upcoming events, or to suggest a topic, please contact PBEC US at info@pbecus.org



UPCOMING EVENTS

PACIFIC CURRENT

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