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## Apec means business

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FROM Nov 14-16, over 1,000 business leaders, corporate managers and industry experts gathered at the Putra World Trade Centre in Kuala Lumpur for the Apec Business Summit. Held in conjunction with the Apec leaders summit, the business meeting was jointly organised by the Apec Business Advisory Council, the Ministry of International Trade & Industry, the Malaysian National Committee for Pacific Economic Cooperation, the Asian Strategy & Leadership Institute, and the Pacific Basin Economic Council. More than 100 speakers addressed the conference. Topics included 'Apec and the Current Economic Crisis,' 'Business Opportunities in Malaysia,' 'E-Commerce,' 'Reform of the International Monetary System,' 'Foreign Direct Investments,' 'Where the New Opportunities Lie,' and 'Restoring Vitality to the Asia-Pacific Economies.' There was also a CEO roundtable on 'Business for What? Before Profit, Beyond Profit.'

Prime Minister Datuk Seri Dr Mahathir Mohamad set the tone for the Business Summit in his opening keynote address in which he called for a better economic and financial regime. He also spoke about globalisation and currency speculation, and explained Malaysia's currency exchange rate controls.

'Apec is a segment of the global community,' said Dr Mahathir. 'It can provide a model for the regeneration of the global village. We are passing through difficult times and we need the lessons of experience. The East Asian members of Apec can provide the experience and we all can help devise the right formula to restore confidence, regenerate growth and manage globalisation better.'

Among the other Apec leaders who addressed the Business Summit were President Alberto Fujimori of Peru, President Kim Dae Jung of Korea, Prime Minister John Howard of Australia, Prime Minister Jenny Shipley of New Zealand and Vice-President Al Gore of the United States. Taiwan's finance minister, Chile's Minister of Economy, Japan's Miti minister, and US Trade Representative Charlene Barshefsky were among the government ministers who addressed the conference. The Malaysian speakers included Tun Daim Zainuddin, Datuk Mustapa Mohamad and Datuk Leo Moggie.

The Business Summit saw the participation of some of the world's leading CEOs. They included Jack Smith, chairman/CEO of General Motors; Gary Burkhead, vice-chairman of Fidelity Corporation; Michael Stephens, chairman of Aetna International Inc; William Hudson, president & CEO of Am Corporation; Sir Gordon Wu, chairman & managing director of Hopewell Holdings; Dr Victor Fung, chairman of the Hong Kong Trade Development Corporation; and Dr Jeffrey Koo, chairman of the China Trust Commercial Bank, Taipei.

Malaysian CEOs who addressed the summit included Tan Sri Datuk Dr Othman Yeop Abdullah, chairman of Multimedia Development Corporation; Tan Sri Hassan Merican, president of Petronas; Tan Sri Basir Ismail, chairman of Malaysia Airports Berhad; Tan Sri Dr Noordin Sopiee, chairman/CEO of Isis Malaysia; and Datuk Mohd Said Mohd Ali, CEO of Telekom Malaysia.

But the single most memorable, if not controversial, aspect of the Business Summit was the closing keynote address by US Vice-President Al Gore in which he misread the positive and constructive mood of the conference in forging strategic alliances and smart partnerships, and interfered in domestic Malaysian politics by his outright support of 'Reformasi'. The fact that many American business leaders disassociated

themselves from their vice-president's outburst clearly indicates that Gore's intrusion into domestic politics was totally unacceptable as Apec is an economic forum and he was speaking at a business summit which has no place for politics.

In fact, he was straying from the topic of his talk, which was entitled 'My Vision of the Pacific Community.' It is my contention that had Al Gore intended to lend support to the Reformasi movement, he has caused the opposite effect - a backlash from the silent majority of Malaysians who could have been quietly sympathetic to the Reformasi cause.

As a member of the Organising Committee of the Business Summit, I was appalled that Vice-President Gore has not only insulted Malaysia and our Prime Minister, but also other Apec leaders who were attending the Summit Gala Dinner when he refused to stay for dinner after delivering his closing keynote address. Gore refused to join the other leaders - President Fujimori, President Estrada, Prime Minister Shipley, Prime Minister Pham Van Khai and Taiwan's Representative P K Chieng - in the VIP holding room as the White House insisted on a separate holding room for the vice-president. So whilst the other leaders met informally in a common VVIP holding room, the vice-president was in a separate holding room by himself.

Despite the fracas caused by Vice-President Gore's ungracious behaviour, the Business Summit did get down to business and discuss issues of concern to the business community of Apec nations. The current economic crisis was discussed in depth. Capital controls, currency speculation and reform of the international financial architecture were also seriously debated. Issues pertaining to small and medium enterprises (SMEs) were also not left out. Strategies to promote close business collaboration among Apec's SMEs were discussed.

Corporate social responsibility and corporate philanthropy were highlighted. While many leading CEOs felt that the bottomline counted, they placed equal importance on their company's contribution to society. The Business Summit also dealt with the proposal for a comprehensive Asian Recovery Plan and discussed the need for greater efforts to restore investor confidence in Asia. While Apec seeks trade liberalisation and trade facilitation, economic and technical cooperation should also be emphasised. Issues regarding better corporate governance, improved financial sector regulation and banking reforms were brought up. It was the general consensus that the affected Asian economies needed a concerted stimulus package. Restoring stability to financial markets in Asia was recognised as a key priority. Above all, political will was seen as essential to move forward.

In discussions on reforming the international financial system, it was generally felt that Apec needed to take into account views of developing countries. Transparency in the operations of hedge funds and some form of controls on leverage of hedge funds were stressed. Reform of the international financial system should also address the need to cope with the present acute problems, the need to strengthen financial markets and the need to access capital. At the end of the day, Apec must address real needs and concerns of the business community for it to continue to stay relevant as an economic forum.

It has to continue to address:

- \* the need for capital and direct foreign investments;
- \* the need for markets in times of global deflation;
- \* the need for global consensus and political commitments on a concerted plan of action;
- \* the need for capacity building; and
- \* the need for productivity improvement, human resource development and

economic and technical cooperation.

As Apec is an on-going process, the dialogue among business leaders and CEOs should not end with the Kuala Lumpur Business Summit. Hopefully at the next Business Summit in Auckland, New Zealand, in September next year, the CEOs would press ahead with the Apec agenda. Prime Minister Shipley, who made her Apec debut at Kuala Lumpur, should be able to provide the balanced leadership to take Apec forward into the new millennium as the first Woman Chair of Apec.