

Like a corporate giant, the Pacific Basin Economic Council (PBEC) has just concluded its 35th international general meeting without much fanfare. NICK LEONG writes about the issues facing the region's business community and, indeed, the organisation itself.

Trading ideas in the Pacific

STAR 17 MAY 2002

After the closing press conference of the Pacific Basin Economic Council (PBEC) international general meeting in Kuala Lumpur on Tuesday, a local journalist remarked rather caustically about how blase the forum has become.

He canned the meeting for its lack of tangible results and labelled it as just another "talk shop."

The sentiment was shared by a Philippine journalist who has covered the meeting before. She said the meeting has turned into a vacation of sorts for businessmen, to take a breather from their routine.

"They don't care about the conference. They are here for a break but if they managed to do some business, that's a bonus," she added.

Such views are vehemently rejected by the organisation.

PBEC International acting president Steve Olson said the meeting provided a valuable forum for business executives of the region to come together and meet policy makers at the top level.

"Keep in mind we have 16 ministers from various countries at this meeting. There aren't many places where we can have that level of interaction between the ministers and 400 senior corporate executives," he said.

PBEC Malaysia chairman Tan Sri Azman Hashim made a particularly poignant remark on some of the achievements of the meeting.

He said the success of the meeting could not and indeed should not be measured by the number of agreements concluded here.

There were benefits that were not tangible or initially apparent.

"Besides the sessions, there were many meetings held in the corridors, between countries, between people, and between companies all the time.

"The benefits can be very substantial in the long term. We may not be able to resolve issues but we can discuss them and know more about each other's views," he said.

The conclusions, said the chairman of the Arab Malaysian Banking Group, would be reported to the various governments or appropriate authorities for further action.

Not only that, Olson said statements by PBEC were transmitted to larger forums like the World Trade Organisation (WTO) and the Asia Pacific Economic Conference (APEC).

"We have had good success with governments seriously considering the concrete proposals that come out of the meetings," he said.

At this year's meeting, PBEC came out with three major statements on trade and security, food security and trade, and transparency.

Given the focus of the world on terrorism nowadays and the theme of this year's meeting, "Striving for Growth in a Challenging Environment," it is no surprise that security topped the concerns of the participants.

During his keynote address, Prime Minister Datuk Seri Dr Mahathir Mohamad, in fact, reminded them that the war against terrorism was far from over.

He said there was much more anger and hatred among Muslims now than before the Sept 11 attack on the United States.

Dr Mahathir's view strikes a chord with a participant from Mexico.

There can be no growth, he said, without security.

"Just look at the countries in the region or the world. Nobody will invest where there is chaos," he added.

However, Defence Minister Datuk Seri Najib Tun Razak said the business community could help overcome the threat of terror.

"You must not be intimidated nor succumb to the terrorists. There should be no psychological barriers that would affect your activities, including business travel and investments, for if you do, then you are surrendering to the strength of the terrorists, that of intimidation," he said.

Despite the cautious mood of the participants, almost all participants believed the region is set to regain its shine.

Their confidence was partly induced by greater trade liberalisation among countries in the region and the opening of China to the world.

South Korean Trade Minister Hwang Doo-yun said the people of the Pacific Rim should get ready for a new era of growth and prosperity.

He said South Korea was back on its feet "stronger and in better shape," China had joined the WTO, and Japan was embarking on a series of reforms.

"In East Asia, through the new mechanism of Asean+3, we are stepping up the efforts to build closer ties with each other," he said.

Despite the overall optimism regarding China, there are pockets of concern.

Fur Eastern Economic Review

editor Michael Vatikiotis said Japan was scrambling to maintain its role in the region behind the smiles and the rhetoric.

"Sure, Japan's aid and investment far outweighs anything China brings to the table in the region.

"But the stakes are long term, and in my view, private enterprise, foreign investment and market mechanisms will soon begin to swing the balance of economic power in China's favour helped by an opening market and eventually a convertible currency," he said.

Without referring to any country in particular, Chinese People's Political Consultative Conference (CPPCC) vice-chairman Chen Jinhua said China had a high sense of responsibility in regional co-operation.

During the 1997 Asian financial crisis, he said, China had refrained from devaluing its currency, which could have worsened the situation.

Echoing the statement made by Chinese vice-president Hu Jintao during his visit here in April, Chen said the country's development was mutually beneficial to all Asian countries.

Given the timing, there is little denying that the PBEC meeting has served as an invaluable platform for the business community in the region to air their views and concerns.

As the new chairman of PBEC, S. R. Cho, noted during the press conference, the meeting was not about the bottom line even if most of the participants were businessmen.

It's about bringing them together and giving them a voice.