

Update for APEC Senior Officials' Meeting 2
Big Sky, Montana, USA
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On behalf of the members of the Pacific Economic Cooperation Council (PECC) we would like to express our appreciation to APEC for inviting us to update you on our work. At the last senior officials meeting we reported that our new projects for the year are: trade and investment in services; the protection and management of marine resources, and unemployment. These are in addition to the ongoing projects from previous years on social resilience as well as our annual *State of the Region* report.

PECC General Meeting 2011

The economic outlook for the region remains uncertain with concerns over the sustainability of the recovery rising as governments tackle unemployment, inflation and fiscal deficits in a number of regional economies. However, there are signs that the region is beginning to make structural adjustments in response to the systemic changes wrought by the economic crisis.

Against this backdrop, we will be holding our 20th General Meeting in Washington DC on the 29th of September with the overarching theme of “State of the Region.” We plan to discuss the various aspects of Asia Pacific regional outlook, the risks to the outlook, and the role our region in playing in the global economy. This session will be followed by specialist sessions on services; green growth; inclusive growth and social resilience; and the Trans-Pacific Partnership agreement. The second plenary session will look at more structural issues confronting the region: transpacific imbalances; the state of play in regional trade agreements and the energy equation in the Asia-Pacific. We will conclude with a summary session trying to draw out specific issues of relevance for the series of summits that will take place over the weeks following our meeting: the APEC Leaders' Meeting as well as the G20 and East Asia Summits. One angle we will focus on is how regional and global processes can better support each other.

Our General Meeting will be held immediately after SOM 3 so we hope some of you will be able to make the trip across the United States to revisit Washington DC.

Services Trade: New Approaches for the 21st Century

One area where we firmly believe economic potential can be unleashed and new jobs created is in the services sector. Service sector reform will be critical to help rebalance and contribute to promoting new growth engines in the region. The PECC-ADB conference on services will take place in Hong Kong, China on 1-3 June. The event will bring together the world's top academic, business and government experts on the services economy and representatives from: APEC, ASEAN, ADB, OECD, the World Trade Organization, and the World Bank. . We hope to be able to share our findings at an appropriate opportunity during APEC SOM3.

Unemployment and Social Resilience

Led by our Chinese Taipei PECC committee, we are studying the social and economic circumstances leading to structural unemployment and we aim to provide feasible policy options for mitigating the adverse effects of mid to long-term structural unemployment. The relevant seminar is scheduled to take place in Taipei on 13-14 October.

Throughout this year, we are also continuing our work on social protection led by our Japan PECC committee. The research project studies pension, health care, and unemployment insurance systems in the region as well as cross-cutting issues across various forms of social safety nets.

Management of Marine Resources

Related to APEC's work on green growth and fisheries, during the next two years, one of our new projects will focus on the protection and management of marine resources. We will be studying the different risks associated with marine life and resources, assess our usage of the sea as a means of communication and transport, and also evaluate how we can further make use of the sea as a source of renewable energy.

APEC Initiative on Innovation and Trade in Technology

We note with interest the APEC Initiative on Innovation and Trade in Technology and look forward to the details of this work. We welcome the proposed element on developing an educated, skilled, creative, and adaptive workforce. One third of our membership is drawn from the academic sector and therefore welcome the emphasis on the building of human capacity. In 2009 we established a task force with the Association of Pacific Rim Universities (APRU) to look at how globalization was affecting tertiary education in our region.

One element of this work looked at how universities and their research departments are collaborating across the region as well as the challenges they face. As you prepare for the high level meeting in September on this issue, we hope you will find this work of relevance to you and draw upon this existing material.

Building Constituencies

Beyond the collaborative research projects outlined above, PECC's member committees organize a number of events with the objective of broadening the level of understanding about Asia-Pacific cooperation within their own economies. Immediately after these meetings in Montana our US committee will be holding its annual Washington Conference, just a week after these meetings our China Committee is holding the bi-annual PECC trade and investment fair in Tianjin and at the end of June our Singapore Committee also be holding a conference on the challenges facing APEC economies.

We hope that APEC officials will take these opportunities to work with their respective PECC committees to strengthen the base of support for Asia Pacific cooperation.

Thank you for your attention.