

## PRESS RELEASE

### **Rising protectionism, the top risk to growth: PECC survey**

**7 November 2017 (Da Nang, Viet Nam)** – Increasing protectionism was seen as the top risk to growth of the Asia-Pacific region according to the PECC annual survey of opinion leaders released today as 21 economies gather in Da Nang this week for the APEC summit. Lack of political leadership and slowdown in the Chinese economy were second and third risks to growth.

“Against the backdrop of concerns over rising protectionism, arguments for regional economic integration efforts and emphasis on pathways to achieving the Free Trade Area of the Asia-Pacific (FTAAP) and support for the multilateral trading system become even more pertinent. They provide stability, certainty, and a sense of forward momentum,” said PECC Co-chair Don Campbell.

Despite the United States pulling out of the Trans-Pacific Partnership (TPP), according to the economic modeling studies mentioned in the Report, the implementation of the TPP-11 (TPP without the US) could boost the GDP of the 11 remaining economies by 3.0 percent. In comparison, estimates suggest that the Regional Comprehensive Economic Partnership (RCEP) could raise the real average GDP of the participating economies by 1.9 percent should all import tariffs be eliminated. However, particularly for the smaller economies in the region, the real gains will happen less through the improved access to external markets and more significantly by reducing the non-tariff measures (NTMs) and by addressing domestic regulation reforms, according to the Report.

About 65 percent of the Asia-Pacific policy community surveyed thought that RCEP would likely be completed in 2-5 years. About 49 percent thought that TPP-11 would be completed in 2-5 years while 21 percent said it would never materialize and another 21 percent remained uncertain. On the likelihood of the US rejoining the TPP, 20 percent said yes while 26 percent said not likely. Over 51 percent of North American respondents thought that the US would rejoin the TPP under a different name.

“FTAAP (Free Trade Area of the Asia-Pacific) is a strategic choice for long-term prosperity of the Asia-Pacific region. It will provide institutional guarantee for our region’s open economy. There are several pathways and initiatives underway that can effectively complement each other toward eventual realization of an FTAAP,” said Ambassador Tang Guoqiang, Co-chair of PECC. “In addition to the TPP and RCEP, the Belt and Road Initiative (BRI), which links the two ends of the vast Eurasian continent, will contribute to keeping up the momentum on globalization. These regional economic integration efforts will help each economy maximize their own growth potentials while the entire Asia-Pacific region would essentially benefit,” he added.

The *State of the Region 2017-2018* report of PECC was released today on the sidelines of APEC senior official and ministerial meetings ahead of the summit. This report includes the results of a survey of over 700 regional policy experts on key developments and challenges that the Asia-Pacific as a region is facing. The survey panelists were selected based on their expertise and direct involvement or influence on regional policy-making, coming from government, business and civil society.

According to the PECC survey, the top 5 priorities that the APEC Leaders' should address in Da Nang are:

- Promoting sustainable, innovative and inclusive growth through the APEC Growth Strategy
- The emergence of anti-globalization & anti-trade sentiments
- Progress towards the Bogor Goals and the Free Trade Area of the Asia-Pacific (FTAAP)
- Improving economic financial and social inclusion in the region
- Climate change cooperation

APEC can address the emergence of doubts about the benefits of globalization by complementing its work on trade with an equally robust work on social policies such as education, social safety nets and labor market policies. "As the Bogor Goals expire in 2020, APEC is expected to continue taking on broader range of agenda in addition to the traditional trade-focused approach. Going forward, it is crucial that APEC priorities be more people-focused and stay well aligned to the global Sustainable Development Goals (SDGs)," added Eduardo Pedrosa, Secretary General of PECC and Coordinator of the Report.

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### **About *State of the Region***

The *State of the Region* report ([www.pecc.org/research/state-of-the-region](http://www.pecc.org/research/state-of-the-region)) is an annual statement of PECC's views on the major developments affecting Asia-Pacific regional cooperation. The report contains a macroeconomic overview of the current state of the region and related issues. It contains results from its annual survey of opinion-leaders of perceptions on key developments in the region and priorities for APEC. It is useful for gauging converging as much as diverging perceptions of stakeholders from business, government, and the research/ media/ civil society. This year, the survey was conducted from 10 August to 14 September and responses were received from 722 opinion leaders.

**Respondents** to the PECC survey are high-profile senior individuals from the academia, business, government, civil society, and the media. They are selected by PECC member committees on the basis of their level of knowledge of the Asia-Pacific region. The criteria given for the selection of panelists are as follows:

#### *Government*

Panelists should be either decision-makers or senior advisors to decision-makers. The past government respondents included former and current ministers, deputy and vice-ministers, central bank governors and their advisors for Asia-Pacific issues, current APEC senior officials, and former APEC senior officials.

#### *Business*

Panelists should be from companies who have operations in several Asia-Pacific economies or conduct business with partners from the region; this might include each economy's current ABAC members as well as past ABAC members. They may be CEOs, vice presidents for Asia-Pacific operations, and directors of chambers of commerce.

#### *Research Community/Civil Society/Media*

Panelists should be well versed in Asia-Pacific affairs, being the type of people governments, businesses, and the media would tap into for input on issues related to Asia-Pacific cooperation. These include heads of institutes concerned with Asia-Pacific issues, heads of departments, senior professors, and correspondents covering international affairs.

## **PRESENTER/ PANELIST**

### ***Eduardo Pedrosa, Secretary General, PECC***

Eduardo Pedrosa is the coordinator of *State of the Region* report. Mr. Pedrosa first joined PECC as its Director (Policy Program) in 2000 where his responsibilities included the management and coordination of the Council's research program. He has also worked for the Economist Intelligence Unit, the Konrad-Adenauer-Stiftung, and the Philippine government. He is a graduate of the London School of Economics and Political Science.

### ***Don Campbell, Co-chair, PECC***

Ambassador Campbell, a Distinguished Fellow of the Asia Pacific Foundation of Canada and Senior Strategy Advisor for DLA Piper, is Co-Chair of PECC since April 2012. He is also the Chair of Canadian committee for PECC (CANCPEC). Amb. Campbell's former appointments with the Canadian government include Deputy Foreign Minister (1997-2000), Deputy Minister for International Trade (1989-1993), Ambassador to Japan (1993-1997), and Ambassador to Korea (1984-1985). From 2000 to 2007, he was Group President of CAE Inc.

### ***Tang Guoqiang, Co-chair, PECC***

Ambassador Tang served in the Ministry of Foreign Affairs of the People's Republic of China for 38 years. He has served as Ambassador to Norway, and to the Czech Republic, and has been China's Permanent Representative to the United Nations and other international organizations in Vienna, the United Nations Industrial Development Organization (UNIDO), as well as the International Atomic Energy Agency (IAEA) (2006-2009). He also served as the Deputy Commissioner of the Commissioner's Office of the Ministry of Foreign Affairs in Hong Kong (1998-2002), Deputy Director-General of the Information Department and Spokesman of the Ministry of Foreign Affairs (1996-1998), and as Counselor at the Chinese Embassy in the United Kingdom.

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### **About the Pacific Economic Cooperation Council**

The Pacific Economic Cooperation Council (PECC) is a non-profit international organization committed to the promotion of cooperation and dialogue in the Asia Pacific. Founded in 1980, PECC is a tripartite network of 26 member committees comprising individuals and institutions dedicated to this shared mission. Of the 26 member committees, 23 represent the economies of Australia, Brunei Darussalam, Canada, Chile, China, Colombia, Ecuador, Hong Kong (China), Indonesia, Japan, Korea, Malaysia, Mexico, Mongolia, New Zealand, the Pacific Islands Forum, Peru, the Philippines, Singapore, Chinese Taipei, Thailand, the United States of America, and Vietnam. The PECC also has one associate member, France (Pacific Territories), and two institutional members, the Pacific Trade and Development Conference and the Pacific Basin Economic Council. As the only non-governmental official observer of APEC (Asia-Pacific Economic Cooperation), PECC provides independent business and research input for the regional policy-making process. [www.pecc.org](http://www.pecc.org)