

Keynote Address by  
His Excellency Dr. Thaksin Shinawatra  
Prime Minister of Thailand  
“APEC as a Force for Unity in a World of Differences”  
at the 15<sup>th</sup> General Meeting of  
the Pacific Economic Cooperation Council  
Brunei Darussalam, 3 September 2003

---

Dr. Kim Kihwan, PECC Chairman  
Distinguished Delegates,  
Ladies and Gentlemen,

Thank you for your kind introduction.

It is a great pleasure for me to be back in Brunei Darussalam and to address such a distinguished gathering of leaders from business, academia and government represented in the PECC.

The organizers have asked me to address you on APEC as a force for unity. But I am sure you know better than most that the PECC is itself an important force for unity in the region.

APEC and PECC have much in common. They both have memberships that span both sides of the Pacific Ocean, share similar goals of promoting sustainable and balanced economic growth in the Asia-Pacific region, and thrive on partnership in various sectors of the economy.

With its broad network and tripartite partnership of business and industry, government, and academia, PECC is in a better position to provide relevant, pragmatic, well-balanced and forward-looking insights on the region's most pressing issues and challenges, including trade, investment, finance, community-building and human resources development. I congratulate all of you for PECC's contributions to the region over the years and your efforts to chart a course for the next decade through the Brunei Declaration, which has just been adopted today.

Distinguished Delegates,  
Ladies and Gentlemen,

As we proceed closer to October when the Eleventh APEC Economic Leaders' Meeting will be held in Bangkok, let me take this opportunity to tell you what has been on my mind over the past months.

When I proposed “A World of Differences: Partnership for the Future,” as the overriding theme for APEC 2003, I had in mind APEC as a cooperative framework in which the diversified strengths and potentials of all members are harnessed to enhance prosperity and dynamism in the Asia-Pacific region.

Accounting for a combined GDP of 19 trillion US dollars, 47 percent of the world trade and half of the world population, APEC is a community with diverse economic systems, resource endowments and development potentials. Yet it is joined by a

common vision of an Asia-Pacific community where free and open trade and investment bring benefits to all. Learning to understand each others's diverse potential, cooperating in areas of commonalities, and setting aside possible disagreement will enable APEC to become a unifying force. The means to achieve that vision will lie in forging a strong sense of partnership and bridging a gap in those important areas.

As the APEC Summit in October draws closer, I would like to tell you how Thailand, as this year's Chair, has been working with our partners to strengthen the partnership for the future as a force for unity in our APEC's world of differences.

In preparing for APEC 2003, I hope to see the APEC in Thailand make a big difference to the world of differences. I hope to see the difference that includes both economic and non-economic agenda. I hope to see the difference that improves the livelihood of our people. I hope to see the difference that is tangible and deliverable. I hope to see the difference that creates unity through partnership. And through partnership, I hope that in our world of differences, APEC can turn our diversity into strength that bridges the gap that keeps us apart and brings in the prosperity that keeps us unified.

The strengthening of that partnership will be achieved through our cooperation in 5 major sub-themes of this year's APEC: creating of Knowledge Based Economies or KBE; promotion of human security; sound international financial infrastructure; reinforcing SMEs, and act on development pledges and dedication to long-term economic development.

We must highlight the importance of creating a Knowledge-Based Economies or KBE because economic value in today's world comes less and less from physical capital, but increasingly from intellectual capital. The workers who toil away at mechanical, routine jobs – the sort of jobs that drove growth in countless economies since the days of the industrial revolution – are becoming an endangered species. They are increasingly being replaced by machines and computers.

What humans can still do better than any machine or computer is use their brains. That is why APEC needs to step up its efforts to built knowledge-based economies, by harnessing information and communications technology and promoting human resource development. And if we don't jump on it quick enough now, time will not wait and the future is catching up. Soon, biotechnology and nanotechnology could take over some of the human functions, and we even have to prepare for the day when our computer could behave more like a living system.

Thanks to the leadership of His Majesty the Sultan of Brunei Darussalam, the APEC Leaders' Meeting in 2000 in Bandar Seri Begawan called for the used of information and communications technology (ICT) to bridge the digital divide. A target was set for universal, community-based Internet access by the year 2010.

While this is a worthy goal, the quickening pace of technological progress suggests that it will be possible for us to achieve universal access much sooner than 2010, perhaps by 2008, if we are truly committed to this vision. Achieving the Brunei goals more quickly will bring us closer to a world where even the most underprivileged individuals will enjoy the same opportunity as the wealthiest members of society to learn, to interact and to enrich their lives and their communities.

Equipped with ICT and the knowledge and skills to make the most of such technologies, developing economies will become better trade and investment partners with greater purchasing power and investment potential.

For our part, Thailand is embarking on a number of ICT projects with applications for a wide range of issues. My government has been using ICT to help reduce poverty, facilitate the management of agricultural and natural resources, increase accessibility and dissemination of knowledge, empower our citizens and communities, and increase economic and social opportunities for disadvantaged groups. Thailand has been expanding community-based and school-based Internet facilities in rural areas, so that every sub-district in the country now has access to the Internet.

**Distinguished Delegates,  
Ladies and Gentlemen,**

To add value on technology, Thailand welcomes the APEC Life Sciences Innovation Forum, which was established and held its first meeting in August. The meeting discussed and identified key areas to promote innovation in research, development, manufacturing and marketing, and health services. The Forum is expected to come up with a Strategic Plan for Promoting Life Science Innovation. At the same time, the Second APEC High Level Biotechnology Dialogue was held in Thailand recognizing the benefits of biotechnology in improving productivity, increasing nutrition and enhancing the environment.

As for the second sub-theme, human security, I am more than convinced that human security is a basic foundation of economic stability and dynamism. Human security is so closely linked with economic prosperity. Both freedom from fear and freedom from want, to free our people from war, violence and intimidation and to free our people from hunger and poverty are part and parcel of economic prosperity. My government has placed its priority on human security and the ability for the grass roots to have the four basic necessities in life: clothing, medical care, food and housing. That was why Thailand was proud of being one of the first countries to establish a ministry exclusively charged with human security. Our Ministry of Social Development and Human Security was set up in October last year. I also support Thailand's active role as the only country from ASEAN in the 13 member Human Security Network. In two weeks time, Thailand will also host the 5<sup>th</sup> States Party to the Ottawa Convention Conference on Landmines, the first to be held in Asia.

Ever since the APEC Meeting in Los Cabos, the SARS outbreak and the escalation of the threat of terrorism have illustrated that challenges to human security can come from many sources, with devastating implications for all economies. I had no hesitation at all when Prime Minister Goh Chok Tong of Singapore discussed with me the possibility of Thailand hosting the ASEAN and "ASEAN plus China" Summits on SARS. Realizing its pressing nature, Thailand put up the historic SARS Summit of the 11 leaders last April with just ten days' of preparation. More importantly, the threat and fear of SARS to APEC economies led to the APEC Plan of Action on SARS and the first ever APEC Health Ministers' Meeting in Bangkok in June. While being APEC pandemic, SARS has been a blessing in disguise in helping APEC fortify our efforts under human security cooperation to cope with similar future challenges.

On freedom from fear, APEC is working to empower governments, businesses and people against the threat of terrorism. The Counter-Terrorism Task Force and its associated Action Plan were set up to achieve the dual goals of achieving security and facilitation of trade at the same time.

The Energy Security Initiative, Countering Financing of Terrorism, and the APEC Cyber-Security Strategy are among major APEC initiatives that buttress confidence in living and doing business in the Asia-Pacific region. In addition, APEC is working to secure the flow of people in transit, including the development of standards for Advance Passenger Information and immigration service cooperation to improve the security of travel documentation and issuing systems.

The Secure Trade in the Asia-Pacific Region, or STAR Initiative, stresses the importance of information and communication technology and capacity building to assist member economies in achieving security goals, in close consultation with the private sector. Implementation of the STAR initiative will be highlighted this year with a demonstration of the project on Bangkok/Laem Chabang Efficient and Secure Trade or B-E-S-T: The BEST project. To be showcased at the APEC CEO Summit in October, the demonstration will show how secure trade can be put into practice between the ports of Bangkok and Seattle. I hope that this BEST project will set a security standard to expedite trade in the APEC region.

Both SARS and the threat of terrorism testify human security as a basic foundation for economic stability and prosperity.

While APEC rightly focuses on business, we are also keeping our eye on groups that form the backbone and future of our societies, as part of our concern for human security. This year, the Women Leaders' Network Meeting and the International Youth Camp were also held in Thailand to encourage wider participation in the APEC process.

**Distinguished Delegates,  
Ladies and Gentlemen,**

APEC has done substantial work to reduce economic and financial vulnerabilities, and to enhance investment and trade by promoting a sound international financial infrastructure. APEC encourages the implementation of best practices of financial regulations and corporate governance that apply to all economies regardless of the level of economic development.

Tomorrow, I will open the APEC Finance Ministers' Meeting in Phuket. The ministers are expected to continue their good work from last year on regional bond market development, especially on the supply side, the securitization. I have no doubt that the Asian Bond Market will be the new financial architecture for the world of differences, the prosperity of Asia and the Asia-Pacific. The Asian Bond Fund, which was launched in June by the central banks of 11 APEC economies with the starting capital of 1 billion US dollars, will be the beginning of a new chapter of APEC financial cooperation. The Asian Bond could be an instrument that links financial cooperation between APEC on the one hand and the Asia Cooperation Dialogue, or ACD, on the other. At the 2<sup>nd</sup> ACD Ministerial Meeting in Chiang Mai, also in June this year, the 18 ACD member countries

declared their political support to the Asian Bond market. At the same time, India has pledged another 1 billion US dollars either toward the existing Fund or to start up the Asian Bond Fund Number 2. When the Asian Bond Market gets underway, Asia and APEC should consider setting up a credit rating agency of our own for the Asian Bond Market to function for the best interests of Asia. I have confidence that, in due course, the Asian Bond will not be beneficial just to Asia and the Pacific but, together with the US and the Euro Bond markets, will be able to support a more balanced and stable financial market of the world.

Strong financial cooperation and a sound financial system, as well as a financial architecture that is responsive to the needs of the APEC region, are imperative to our regional development efforts.

**Distinguished Delegates,  
Ladies and Gentlemen,**

APEC is active in the promotion of new growth enterprises, in particular small and medium enterprises (SMEs) and micro-businesses. There is an abundance of untapped entrepreneurial capacity in the APEC region. Less complicated and less costly cross-border trade for small and medium businesses will strengthen local economies and create jobs. Strong micro-businesses in both developed and developing economies can form the foundation for a broader distribution of income, enhanced economic stability and greater community development. As a major source of job creation, and accounting for more than 90 percent of private business in most APEC economies, I see the future of APEC lies in the hands of our SMEs.

The APEC SMEs Ministerial Meeting in the City of Chiang Mai, my hometown in the north of Thailand earlier last month, has been a success. The delegates had a chance to learn also of the various SME incentive programs of the Thai Government including the one-village, one-product, or what we call the OTOP, scheme. The OTOP champion product exhibition, which was successfully held during the APEC SMEs Ministerial Meeting, will be organized again in Bangkok during our October meeting. I invite you to visit the exhibition and I will be very pleased if the success of Thailand's SME and one-village, one-product schemes can be of benefit to other APEC economies.

The APEC guidelines for micro-enterprise development under the Action Plan to promote Micro-Enterprises will also help to improve income distribution and increase the effectiveness of social safety nets. The removal of impediments to business start-ups and the unleashing of the people's entrepreneurial potential are the means to empower and integrate people and their communities from the grassroots level into the mainstream economy.

**Distinguished Delegates,**

While pledges have been made, their implementation must be ensured. Commitments must be translated into concrete actions with deliverable and tangible result.

The future prosperity of the APEC region depends on the dedication of APEC economies to long-term economic development. In this respect, we believe that APEC

members must continue to facilitate one another's development through partnership – in trade, investment and economic and technical cooperation – rather than through donor-recipient relationships. In so doing, APEC will integrate peoples and communities into the mainstream of regional economic activities and turn them into better trade and investment partners. Since the APEC Summit will be held after the WTO Ministerial Meeting in Cancun, I look forward to working with my colleagues during our post-Cancun assessment to inject political impetus to the Doha Development Round.

With the growing convergence of issues, partnership in APEC will increasingly encompass not only trade and economic issues, but also other issues that affect trade and investment in the region. Building partnership in APEC will need to involve not only governments but also international organizations, business communities, academia and other stakeholders. APEC also highly values the input of the business sector as represented by the APEC Business Advisory Council, in such areas as securing and facilitating trade, intellectual property rights, the implementation of the APEC Transparency Standards and capacity building. APEC also interacts with the academic and research sector through the Consortium of the APEC Study Centres. I look forward to interactively engaging with them next month in Bangkok. The APEC Business Travel Card scheme was also launched this year. The ABTC allows businessmen from the 17 participating economies to travel to other APEC economies without a visa. It is my hope that all APEC economies will join the scheme at the earliest opportunity.

#### **Distinguished Delegates,**

Within the APEC community, we have the two traditional engines of world economic growth – the United States and Japan – with China, some say, just joining this status. We are fully aware that these two traditional growth engines have taken so much of the burden in pushing the world economy forward for so long. Presently, they are going through changes which will take some time. In such circumstances, the simple logic and question would be “Should China take up the present slack in world, or specifically Asian, growth from the other two engines?” I think the answer cannot be that simple.

Rather the creation of sustainable growth in the other parts of the APEC region should be the answer. The growth model to be used cannot be that simple either because we have used this simple model in the past. The model was “foreign investment and exports”. This was formerly the model for the developing economies of APEC.

With the changing times and circumstances, we must help each other to structure a more flexible model that can be adapted to apply to each member of APEC. The common objective for all of us should be to achieve internal quality growth in connection with diversified supply to new effective demands in the APEC region and the world. We must spread the growth, for without doing so, the two engines, which are currently going through overhaul, cannot be responsible to the whole APEC area. And it would be unfair to expect them to be. I hope that this meeting and the upcoming APEC Economic Leaders' Meeting will enable us to help one another to find a workable solution to this important question.

#### **Distinguished Delegates, Ladies and Gentlemen,**

In preparing for APEC 2003, Thailand is doing our utmost to make sure that APEC will be a meeting that benefits both those who attend – be they the government or business sectors – and the people of APEC at large. Both the Leaders Meeting and the APEC CEO Summit are to be modified in response to most members' requests for more effective results. I have written to every APEC leader for their advice and recommendations on how to make this APEC meeting more effective and interactive. I am grateful for all the feedback suggestions kindly submitted to me by the leaders and ABAC. You will find many new ideas implemented, both during the Leaders' Meeting and the ABAC Meeting.

On substance, the theme and the sub-themes are designed to build capacity and create empowerment for the APEC economies, developed and developing alike. To create unity out of a world of differences, the 5 sub-themes are meant to help bridge the gap of the differences between the economies. Partnership in trade, expansion of markets, and investment will create employment, production and income. Partnership in creating knowledge based economy, human security, financial infrastructure, SMEs and long-term economic cooperation will be an important impetus to stabilise the strong economy while creating potential for a weak economy to be stronger. APEC must build partnership, based on differences and diversity, to create unity for the future.

On the organisation of the meeting, we want to make sure that the brief few days of the meeting will be days of optimum productiveness. We want to make sure that for those brief few days, participants will reap the best of their opportunities. We want to be sure that for those brief few days, your time will be the most worthwhile in accomplishing your objectives. We want to make sure that for those brief few days, tangible results are achieved. We want to be sure that those brief few days will return you with a lot more to pursue and a lot more to achieve. With the high-touch rather than the high-tech of our "Thai-ness", we want to make sure that those brief few days will return you with the best memory of Thailand and the APEC 2003. Last but not least, we want to make sure that the new era of APEC starts in Thailand.

Thank you very much.

-----