

Address by H.E. Huang Mengfu,
Vice Chairman of the 10th and 11th Chinese People's Political
Consultative Conference
At the 22nd PECC General Meeting

Your Excellency, Mr Chen Yuan, Vice Chairman of Chinese
People's Political Consultative Conference.
Distinguished Guests,
Ladies and gentlemen,

Good Morning.

At the golden season of early autumn in Beijing, and at a time when China is hosting APEC meetings this year, I believe, it is the opportune time for us to gather together here to discuss freely our current missions for Asia Pacific economic cooperation and its future direction. Please allow me to express my warm welcome to everybody, and offer my heartfelt congratulations on the opening of the general meeting.

Pacific Economic Cooperation Council is a tripartite international organization, composed of people from the government business and academia. As a representative from China's industrial and business sector, I'd like to share with you some of our expectations on the economic cooperation in the Asia-Pacific from China's industrial and business perspective.

The industrial and business sector plays a role of motive force for economic activities. As a Chinese saying goes, ducks are most sensitive to the water warming of a river in early spring. So, the industrial and business sector is most sensitive to economic fluctuations, most positive to regional economic cooperation, and the keenest on regional economic integration. Economic cooperation in the Asia-Pacific region was initiated and promoted by the business and academic sectors. With the establishment of the Pacific Basin Economic Council (PBEC)

and the Pacific Trade and Development Conference (PAFTAD) successively in late 1960s, the business and academic sectors have been persistently fostering the concept of Asia-Pacific economic cooperation. Finally, 1980 witnessed the establishment of PECC, which promoted later the birth of APEC. Before long, APEC Business Advisory Council was set up to gather ideas and recommendations from the business circle on Asia-Pacific regional economic cooperation. We can see that the industrial and business sector is always in the forefront to drive forward Asia-Pacific economic cooperation.

While contributing to the regional economic development and prosperity, the industrial and business sector has also benefited from its engagement in regional economic cooperation. The process of Asia-Pacific trade and investment liberalization and facilitation has been further deepened after 30 years of sustainable efforts. As a result, nearly 70% of APEC's total trade is carried out among APEC member economies. In this course, the Asia Pacific business has enjoyed the benefits of lowered tariffs and reduced transaction costs, and been facilitated by APEC Business Travel Cards. The SMEs and woman entrepreneurs in the region have also enhanced their capacity to engage in and benefit from the regional economic cooperation.

However, ladies and gentlemen, the Asia Pacific industrial and business sector will certainly not rest content with what they have achieved through the regional economic cooperation. We have new expectations for regional economic cooperation as Asia-Pacific region has entered a period of post-crisis readjustment.

First of all, we wish to further promote regional economic integration. Great progress has been made today in the Asia Pacific regional economic integration with a series of free trade arrangements having emerged. While the business sector is pleased to witness the overall improvement in trade and investment liberalization on the one hand, they are quite

concerned by the “Spaghetti bowl” effect arising from various FTAs. They are even frustrated by trade protectionism in various forms. 10 years ago, it was the business sector that first proposed to build an FTAAP. It is our hope that various FTAs can complement each other, promote each other and reinforce each other in a merging process.

Second, we hope that regional connectivity programs be carried out in earnest in our Asia Pacific region. The hardware connectivity will not only bring about new economic growth points, but also promote closer economic exchanges among APEC member economies. Soft connectivity will provide a more desirable business environment and a fairer stage for competition. People-to-people connectivity will promote an even closer economic cooperation by facilitating people’s cross-border mobility. However, there is a long way to go to achieve regional connectivity. Greater efforts should be made to accelerate infrastructure building, policy coordination, road connection, trade facilitation, monetary circulation, and mutual understanding between peoples.

Third, we hope to actively implement a program of reform for innovation and structural transformation. The Asia Pacific economies are encouraged to make good use of geographical advantage and further promote the integration of production chains and value chains, so that we can build a complementary industrial network and economic system. The business sector is the driving force for innovative growth. We are committed to working together with the government to explore new economic drivers and maintain our leadership in the recovery and growth of the real economy.

Ladies and gentlemen, the Chinese industrial and business sector has always been an advocator, a promoter and a participant vis-à-vis the Asia-Pacific economic cooperation. We have set up extensive connections with our counterparts in other economies, and accumulated rich experience in our engagement

with the outside world. I hope my fellow Chinese entrepreneurs will make good use of the unique advantage in China in terms of technology, capital and social connections to expand and strengthen their cooperation with the Asia Pacific colleagues, and build a better future for Asia-Pacific economic cooperation together.

I sincerely wish that this meeting will provide valuable input and recommendations on key issues relating to the long-term economic development of the region. I wish you a successful and fruitful meeting!

Thank you all!