
A Reflection on PECC's Twenty Five Years: a Story with an Evolving Future

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Chairman Kim, Distinguished Participants, Ladies and Gentlemen:

It is a singular honor for me to be invited to this 16th General Meeting of PECC to address such a distinguished audience this evening on PECC's 25th anniversary. I have been asked to reflect on my PECC experiences in the earlier years.

I joined PECC in 1982 as a member of the Standing Committee on behalf of Korea right after it was decided that PECC would be formally launched. I then began to work with other eminent colleagues such as Dr. Saburo Okita, Sir John Crawford, Dr. Thanat Khoman, Mr. Eric Trigg, and Mr. Brian Talboys, to name just a few, to establish PECC as a formal institution dedicated to the promotion of economic cooperation in Asia-Pacific region.

During these years, we worked closely with younger colleagues with brilliant minds, inexhaustible energy, and dedication to the cause of PECC, who would undertake the substantive work of PECC through the task forces. I am so pleased to see many of them again here tonight.

One of those colleagues was Dr. Kim Kihwan, the current International Chair of PECC. I handed over my PECC portfolio to Dr. Kim and retired from PECC in 1993.

In retrospect, we were all quite excited about working together like college freshmen organizing a fraternity. We met at various cities around the Pacific. And we really felt at home wherever we went. It was a great honor and pleasure for me to be part of this group.

I will not try to recall PECC's specific experiences in the 1980s for you. I think you all have the commemorative book with you. I understand that this book recalls various aspects of PECC's 25 years' history in detail. And I believe that, from the book, we will see what PECC achieved through the first decade of its work. In this regard, I want to call your attention to two highly significant contributions made by PECC by the turn of the 1980s.

One was to catalyze the launching of APEC in 1989 that was further followed by the launching of the Economic Leaders' Meeting process in 1993. Let me remind you that, right after the first APEC Ministerial Meeting was held, Secretary Gareth Evans, its Australian Chairman, wrote to the Chairman of the PECC Standing Committee, acknowledging that APEC could not have been born without the preceding decade of effort by PECC.

In a nutshell, PECC had been sponsoring 'tripartite' dialogue activities on the need and feasibility of Pacific economic cooperation. The dialogue involved academic experts, businessmen and governmental officials, in studies and discussion of regional economic problems. Through this process, PECC had nurtured a new regional consciousness as well as confidence that there was a wide scope for regional cooperation which would benefit all Pacific economies.

In this way, PECC had created the political will among the regional governments to launch APEC. I think that it was an achievement for which PECC may congratulate itself today on its 25th anniversary.

PECC's another highly significant achievement during the 1980s was the formulation and advocacy of the so-called "open regionalism" which has served thus far as the guiding principle of the APEC. Thus, for example, the general understanding of APEC's Bogor Goals is based on this principle. If I remember correctly, the expression, "open regionalism", began to be formally used by PECC at the Ninth PECC held in San Francisco in September 1992. In fact, the theme of that conference was "Open Regionalism: A Pacific Model for Global Economic Cooperation".

Well before then, the goal of freer trade, consistent with the non-discriminatory ideal of the GATT framework, was effectively advocated on the basis of open regionalism by the report of the first trade task force which was released in 1983.

This principle has never been abandoned by PECC, providing a working guideline to APEC leaders who helped to bring about the successful conclusion of the Uruguay Round of multilateral trade negotiations.

I have tried my best to stay in touch with what PECC has done since the early 1990s, when I passed the Chairmanship of KOPEC to the next generation.

My understanding is that PECC has tried to do its best to be the mentor of APEC, with a focus on trade policy issues. Not just on the old issues of tariffs, but also on the many other, often less transparent, impediments to mutually beneficial economic integration in the Pacific, and globally.

I also understand that, as a result, PECC has made quite a few important contributions to APEC along these lines.

I know that, over the years, there have been several fundamental changes in the Pacific environment. And I have been often curious about how the PECC would respond to at least three changes or challenges.

The first challenge facing PECC is related to the creation of APEC which it helped come into being in the early days.

The two organizations share the same purpose and are engaged in the same kind of work. So far PECC has been playing a complementary, or supporting, role for APEC, but such role seems to be on the wane.

Moreover PECC is confronted with other competitive institutions such as APEC Study Center and ABAC. These parties which make up PECC's tripartite structure all now have their own work programs with very similar purposes. All them compete with one another for financial resources while total amount of resources available are limited. How should PECC adjust to this new reality ?

The second challenge is the recent enthusiasm for so-called free trade agreements (FTAs) among pairs, or small groups, of economies. The proliferation of bilateral free trade agreements (FTAs) seem to contradict PECC's open regionalism. Now, the business community in the region is debating whether to promote a region-wide FTA under the name of the Free Trade Agreement of the Asia-Pacific (FTAAP). Should PECC oppose this proposal on the basis of open regionalism? Or should it abandon this principle altogether and embrace the FTAAP? - obviously this may be a controversial issue within PECC today.

The third challenge to PECC is the weakening of what is now often called the trans-Pacific linkage. The rise of China as a new economic power is causing a rather rapid reconfiguration of economic and political relations among the Pacific economies, especially, between the United States and the East Asian economies.

In recent years, there has been the deepening of economic relations within East Asia around China as the centripetal pole. This has been concomitant with the rise of East Asian regionalism as well illustrated in the so-called ASEAN Plus 3. The economic relationship between countries across the Pacific are currently undergoing significant changes which seem to be calling PECC to figure out the new vista for the economic cooperation among countries the Asia-Pacific regions. It may appear that it is becoming increasingly difficult for PECC to achieve its goal of promoting a Pacific Community.

I have listed three major challenges facing PECC for consideration by its leaders and participants. Obviously there are no easy answers to your problems.

But, I trust that the challenges you are facing are at the same time valuable opportunities for renewals and new direction of development. I trust that you will be able to find a new vista of economic cooperation in the changing conditions in the Asia Pacific and redefine the mission of the PECC in response to the need for greater economic integration in the region in the context of globalization.

I am very pleased to hear that, on the occasion of its 25th anniversary, PECC has already initiated such effort. I would like to congratulate PECC for both its anniversary and the most timely decision. And I would like to wish PECC every success in its endeavor.

Thank you very much for your attention.