

**Update from the Pacific Economic Cooperation Council  
APEC SOM 2  
Port Moresby**

We thank you for this opportunity to update you on our work. We recently held our 25<sup>th</sup> General Meeting in Jakarta; hosted by the Centre for Strategic and International Studies (CSIS) and the Indonesian National Committee for Pacific Economic Cooperation. We would like to take this opportunity to express our appreciation to H.E. Retno Marsudi, Minister of Foreign Affairs, H. E. Sri Mulyani Indrawati Minister of Finance, and H.E. Airlangga Hartarto, Minister of Industry from the Republic of Indonesia as well as Dato' Paduka Lim Jock Hoi, ASEAN Secretary General and APEC's Executive Director Dr Alan Bollard for taking the time out of their busy schedules to share with us their views on recent developments in the region.

**PECC General Meeting**

Our meetings took place against the backdrop of rising concerns over global and regional governance given rising protectionist rhetoric and actions as well as the challenge for international policy coordination and coherence posed by climate change and rapid technological change.

Our discussions were organized into 4 plenary sessions:

- Plenary Session 1: The Need for a New Global Order?
- Plenary Session 2: New Business Models
- Plenary Session 3: The Mega-Regional Trade and Development Initiatives
- Plenary Session 4: Regional Institutions and Architecture

These sessions allowed for broad based frank interaction on often difficult and contentious issues. However, participants valued the opportunity to have an open discussion at the second track level and emphasized the value of exchanges to help identify areas of common concern and approaches to solving them. In addition to plenary discussions, we also had 4 concurrent sessions to allow experts to have an in-depth discussion on the following specific issues:

- Environmental Issues and Climate Change
- Policy Coordination in the Digital Economic Era
- Towards More Inclusive Economic Development
- The Future of Work

One common thread that ran through all of these discussions was that these challenges require collective solutions. This poses a particular difficulty at a time when seeming multilateral frameworks are challenged by domestic political considerations. However, we emphasized the need to see these multilateral solutions in our own ultimate best interests and to continue forward momentum on economic reforms that promote greater inclusion, prosperity and job creation.

In addition to our conference, we also held the annual meeting of the PECC Standing Committee which sets our own priorities and approves future work.

**PECC Work Program**

***APEC Beyond 2020***

As you know we have established a task force to develop our inputs into your work to develop a post-2020 vision for APEC led by our Malaysian and New Zealand committees. As part of our work we conducted an in-depth stakeholder survey from July 2017 to February 2018. We thank those who took the

time to share their views with us including those from APEC Study Centres and APEC Business Advisory Council (ABAC).

We will produce two reports, the first report, tentatively titled “Towards a PECC Vision for APEC’s Future”, to be completed by 2018 and a final report by 2020. The results of the survey provide useful feedback on some of the key issues that the APEC Vision Group and Senior Officials will be grappling with over the coming months. The results include both quantitative and qualitative assessments on APEC’s current and post-2020 goals, assessments of APEC’s roles and policy dialogues, as well as APEC’s institutional elements and its external engagements. We stand ready to share these with you at an appropriate occasion.

### ***Benefits of Trade***

We are working with ABAC on a project to understand the impact of trade at the level of the firm. While numerous studies exist of the large macroeconomic benefits of trade, we believe there is value in better understanding the benefits of being involved in the world economy at the level of the firm. We will look specifically the role of trade in promoting innovation, impact on wages and other benefits will a strong emphasis on impact at the local level. We are working with ABAC to gather focus groups to work through these questions and look forward to sharing the results with you.

### ***Connectivity Index***

We continue our work to try to measure progress on improving connectivity in the Asia-Pacific region. We have been gathering data from existing sources to provide a baseline measurement of physical, institutional and people-to-people connectivity. The initial results are promising and are currently undergoing review and validation. We recall the reasons why we embarked on this challenging work noting that in spite of the focus on connectivity in recent years we lacked indicators to measures overall progress. We look forward to sharing the results of this work with you at an appropriate occasion in the near future.

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

We will once again take a thematic focus in our annual report on the state of the region. This year’s focus will be on the future of work. We welcomed the opportunity in Jakarta to have a discussion among leading thinkers, businesses focused on human resources and planning strategies as well as the coordinator of the APEC Human Resources Development Working Group’s Education Network on this topic. It was clear that there are widely diverging views on how jobs and work will change in the coming years as a result of technological change. It is therefore imperative that a multi-stakeholder approach be taken in the thinking through these challenges.

### ***New Roads for Trade***

At our Jakarta meetings, the PECC Standing Committee also approved a new project on “New roads for trade: is multilateralism in danger? How to alleviate the cost of doing business in the Asia Pacific Region”. This is led by former WTO Director General Mr Pascal Lamy with the support of the Canadian, New Zealand and US committees. It will consist of three seminars; The State of the International Trading System; Asia-Pacific Strategies for the Global Trading System; and Cross-Cutting Issues and Governance Challenges in International Trade.

### ***Global EPAs Research Consortium***

The Global Economic Partnership Agreements Research Consortium was endorsed by the PECC Standing Committee in June 2013 and since then has facilitated trade policy decision making by assembling high quality information and quantitative studies on the potential impacts of EPAs. The Consortium has focused on improving the estimation of changes in economic welfare, production, trade,

investment and job creation at both the macro and sector levels. Several specific issues are of special interest, those include estimating tariff concessions, estimating non-tariff barriers and improving computable general equilibrium (CGE) models.

### **Social Resilience**

The Social Resilience Research Project (SR Project) was initiated in 2009. Its objective is to shed light on the importance of social safety nets and to closely examine the mechanisms of their roles in the domestic economy. The work has had a four-fold focus: pension, health insurance, unemployment insurance, and macro-analysis. Following that initial research, it has examined current social security systems and the challenges for future development and reforms. The studies also include those aspects of social security systems that help realize inclusive growth and create resilient societies.

In addition to these international projects, our members also undertake a variety of other activities that bring together stakeholders to hear their views on specific topics as well to explain the importance of Asia-Pacific economic cooperation. We hope that you will have the opportunity to further engage with your respective PECC committees.