

## PRESS RELEASE (#1)

### Asia-Pacific Opinion Leaders Gloomy on Economic Outlook

29 September 2011 (Washington D.C.) – Eighty percent of Asia-Pacific opinion-leaders believe the US and the European Union are headed for slower growth in the next 12 months. This finding is from an annual survey of senior policy-makers, executives, academics, and media from 22 Asia-Pacific economies conducted by the Pacific Economic Cooperation Council (PECC).

“The economic outlook has soured considerably in the last year and pessimism among opinion-leaders is at its highest since 2008,” said Charles E. Morrison, co-chair of PECC and President of the East West Center.

The outlook for emerging market economies of the region was also negative, albeit less so than for developed countries. Thirty-six percent of respondents expect the Chinese economy to be somewhat weaker in the next 12 months, compared to 33 percent who believe that growth will be about the same, and 31 percent who believe that growth will be stronger.

Yuen Pau Woo, coordinator of the annual *State of the Region* report of PECC, added: “More than any other region, the Asia-Pacific epitomizes a two-speed world, with the United States and Japan still struggling to emerge out of recession and, on the other hand, China, other Asian economies, and parts of South America experiencing relatively robust economic growth.”

There was some adjustment in internal and external balances since the 2008 recession, but progress has been limited, and deeper structural changes will be needed in both surplus and deficit economies to achieve more sustainable growth path for the region. The top three issues listed by opinion-leaders as policy priorities for sustained growth were investment in new technologies and innovation systems, reducing the US fiscal and current account deficits, and rebalancing growth in East Asia.

Opinion-leaders identified behind-the-border issues as the biggest barriers to doing business in the region; the top three issues were corruption, regulatory impediments in overseas markets, and poor intellectual property protection.

When asked to identify the top five issues for APEC leaders to address at their November meeting in Honolulu, opinion-leaders selected the following: A free trade area of the Asia Pacific, a green growth strategy for the region, the WTO Doha Development Round, and an APEC growth strategy. At a time when the world economy is on the precipice, APEC leaders have a special responsibility to respond with bold measures to address the immediate risks in their economies and to promote long-term sustainable growth,” said Jusuf Wanandi, co-chair of PECC.

The *State of the Region* report is the annual flagship publication of the PECC. It consists of a discussion on the regional economic outlook, a survey of opinion leaders, and an

index of Asia-Pacific regional economic integration. This year's survey received 430 responses from government officials, business executives and academic leaders from 24 economies.

The *State of the Region* report can be accessed at [www.pecc.org/research/state-of-the-region](http://www.pecc.org/research/state-of-the-region)

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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)