



Opening Speech Eduardo Pedrosa

**PECC 22nd General Meeting
Next Generation Program
9-11 September 2014, Beijing**



What PECC Is

- **A network of individuals from academia, business and government (in private capacity) organized into 26 member committees committed to enhanced Asia-Pacific regional cooperation for mutual economic benefit**
- **A forum for non-governmental research and dialogue on critical economic issues facing the region**
- **A vehicle for catalytic policy ideas and informed opinion to reach policymakers and leaders in Asia-Pacific economies**



What do we REALLY do?



***HE David Johnston
Governor General of Canada
Vancouver, June 2013***

“What you practise is something I call the diplomacy of knowledge. It is our willingness and ability to work across borders and disciplines to uncover, share and refine knowledge.”



How we do it

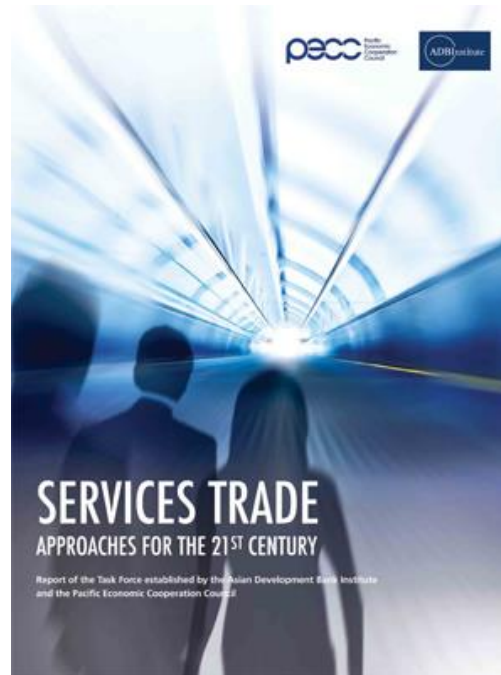
INPUTS



June 2011

Stakeholder conference organized by PECC and ADBI – WTO, ADB, ASEAN, APEC, World Bank, OECD, ERIA, CSI, ESF....

OUTPUTS



January 2012

Report released and circulated to APEC officials

OUTCOMES



April 2013

APEC Senior Officials Dialogue on Services



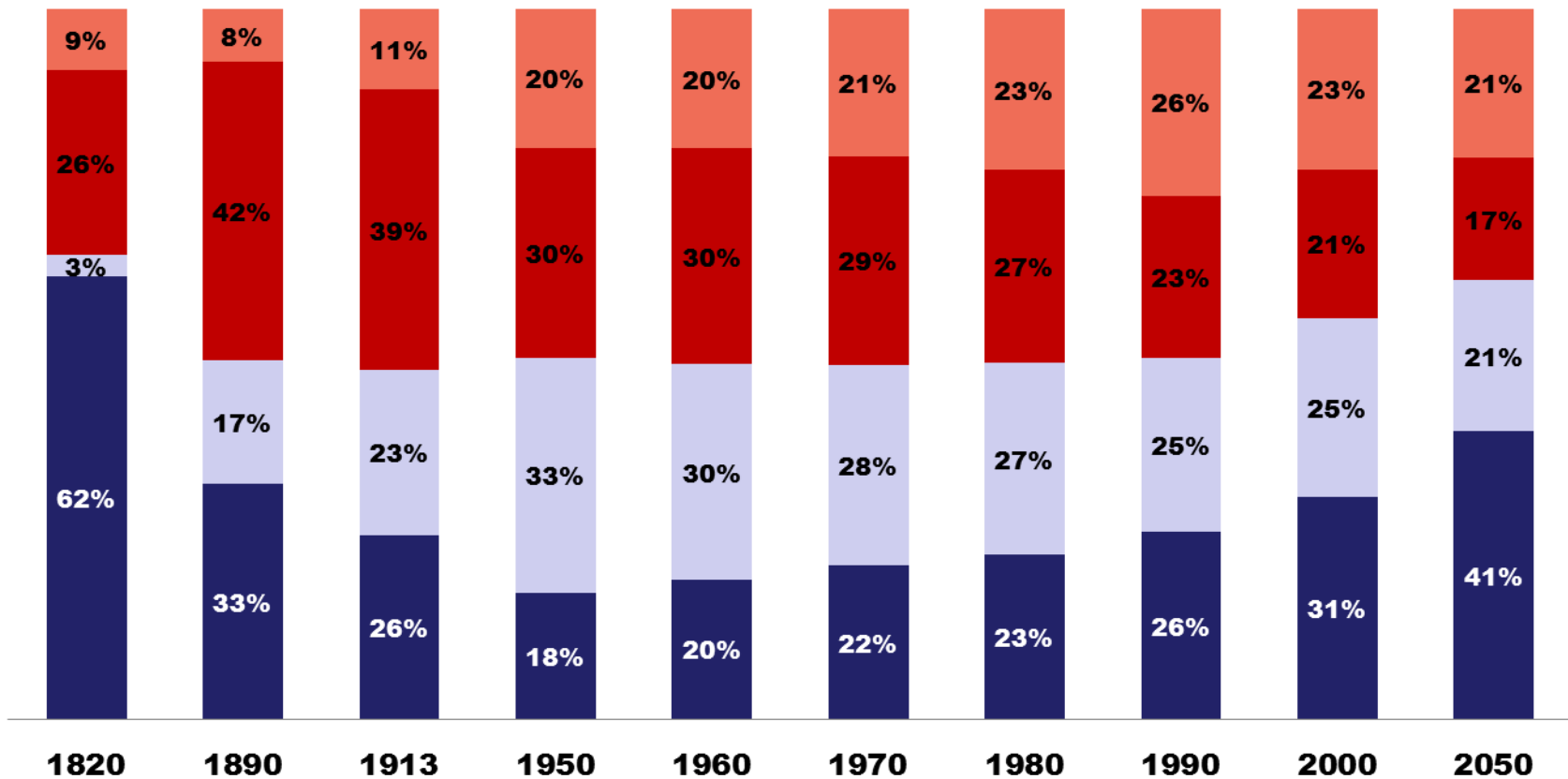
Why is Asia-Pacific cooperation important?





The Asia-Pacific in the World Economy

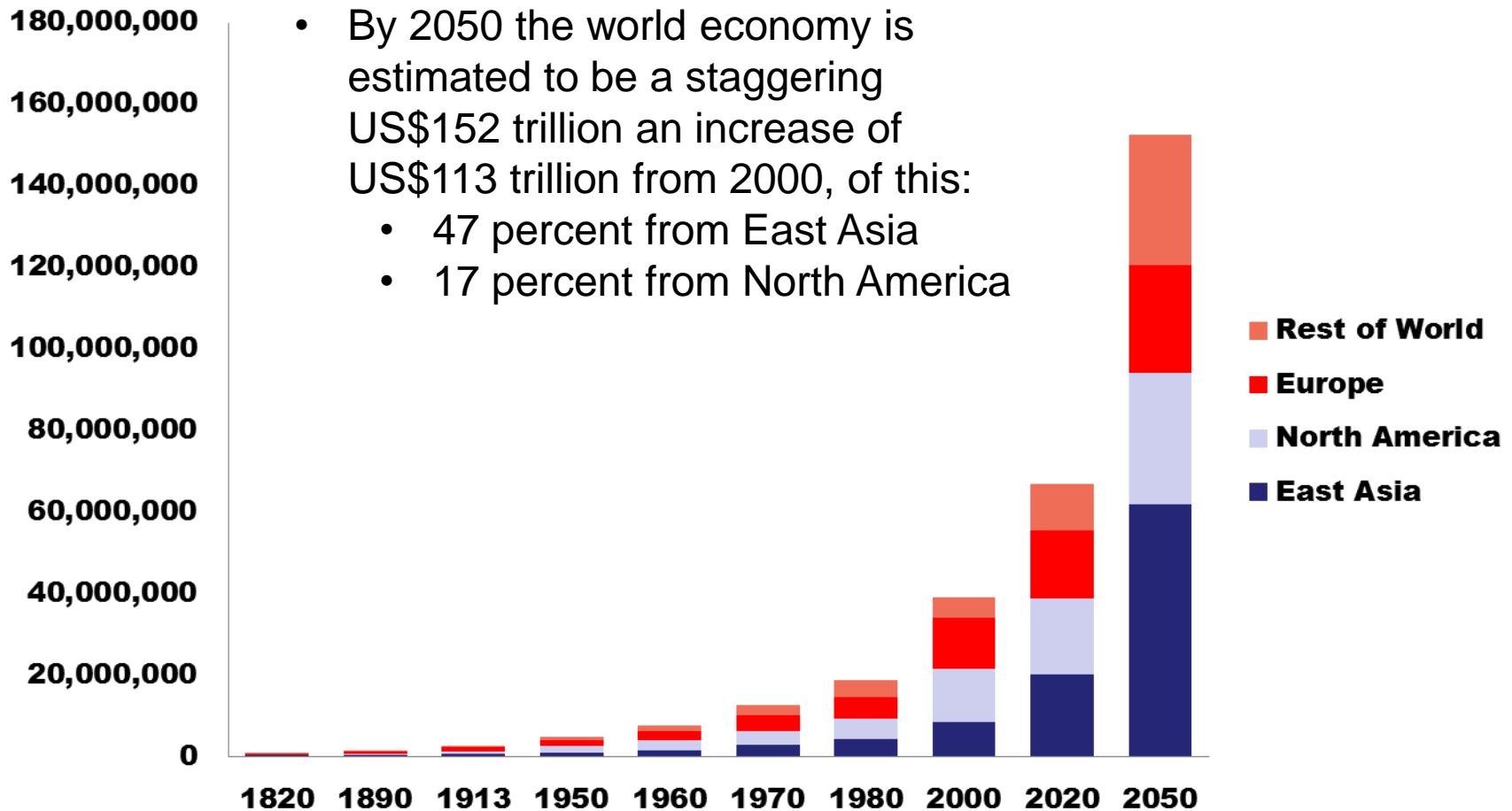
■ East Asia ■ North America ■ Europe ■ Rest of World



Source: 1820-2000 Angus Maddison, 2000-2050, CEPII

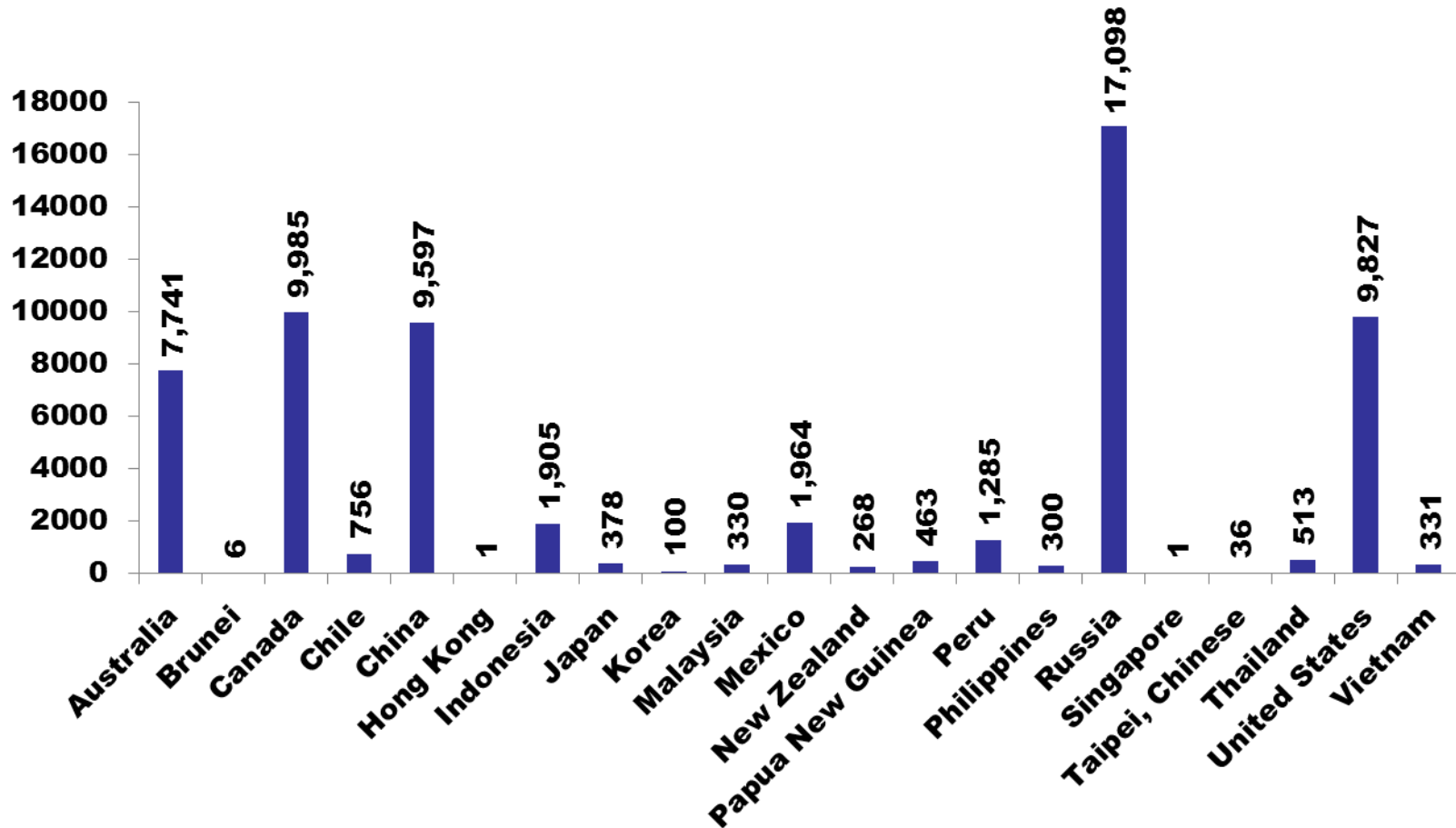


The Size of the World Economy Incremental Growth coming from East Asia



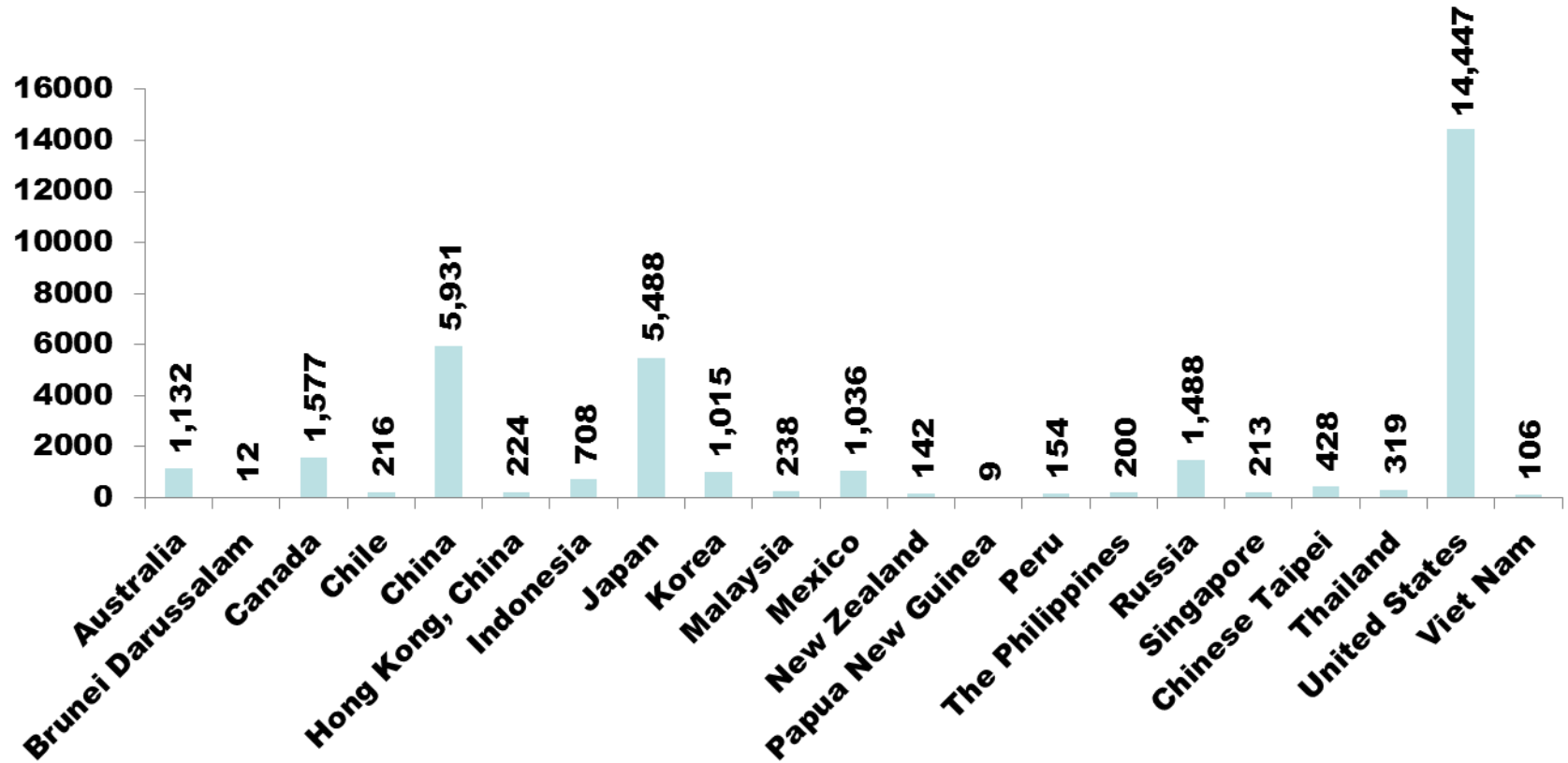


Asia-Pacific Diversity: Land Area KM2 (000s)



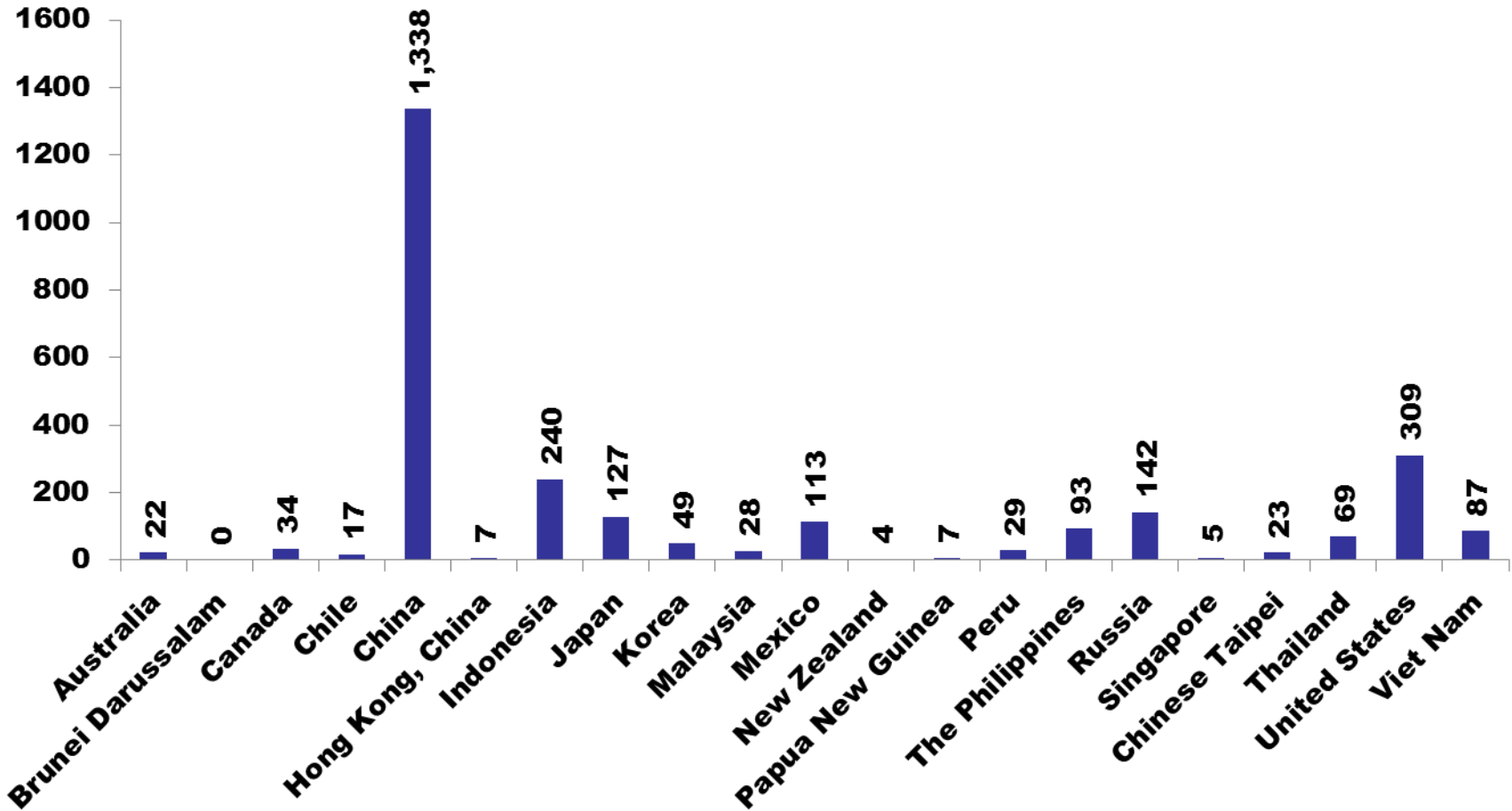


Asia-Pacific Diversity: GDP (US\$ billions)



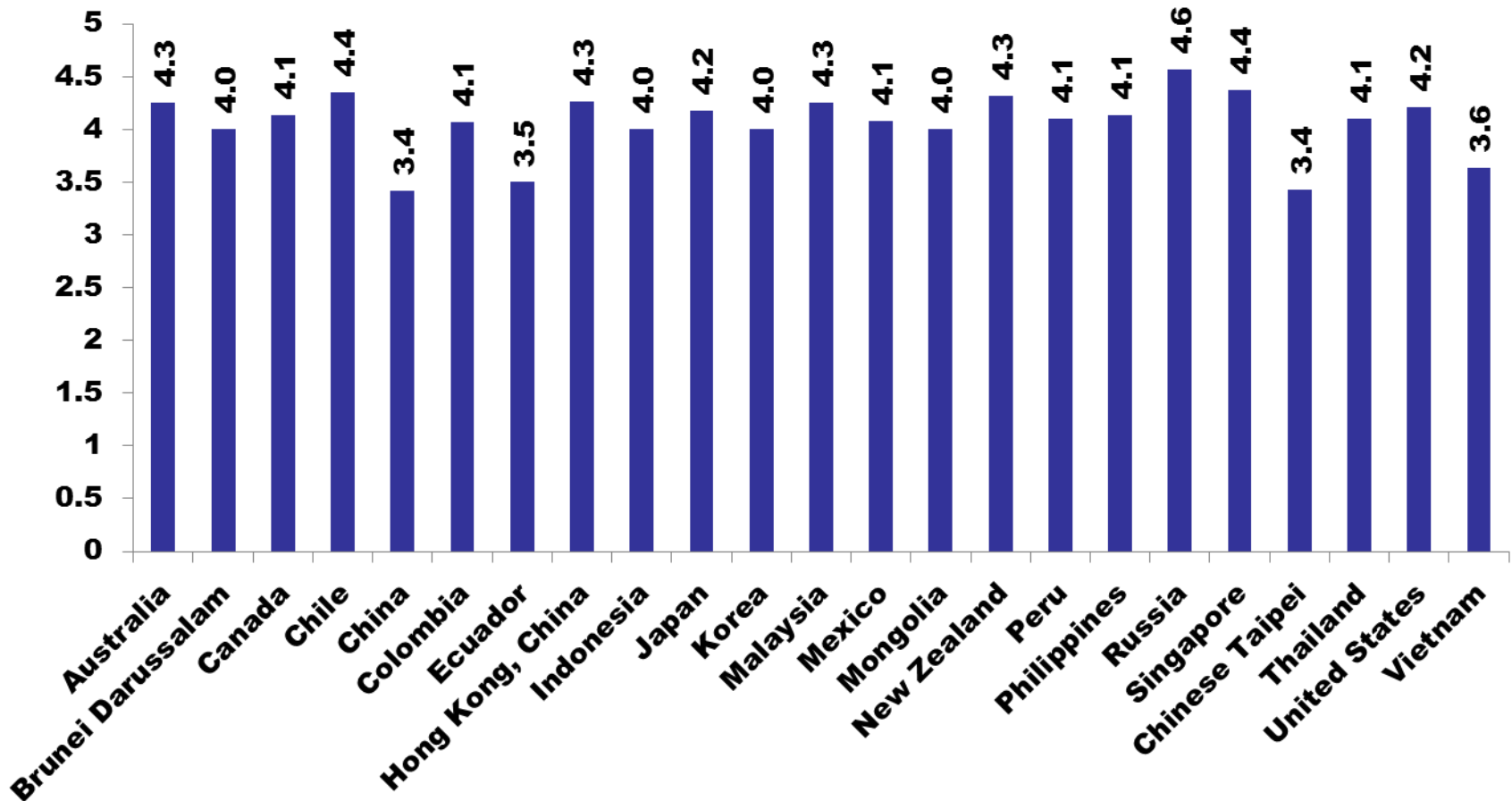


Asia-Pacific Diversity: Population (millions)



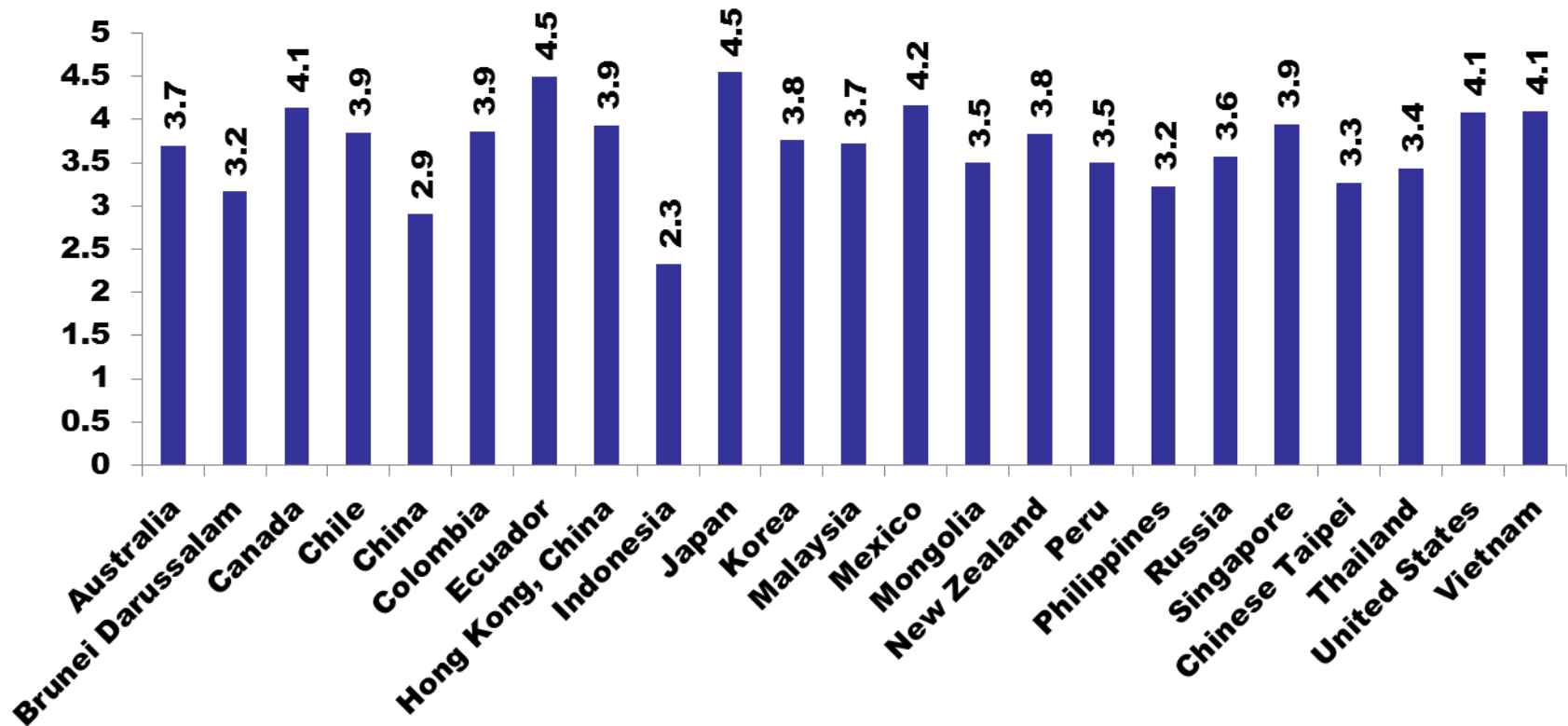


Converging Views? Yes on regulatory transparency





Converging Views? Less on intellectual property





What's being done to bring region together?

- **Region's economies experimenting with different modes of cooperation, eg**
 - **APEC – from 1989 – economic cooperation and integration**
 - **ASEAN Regional Forum – from 1994 – security cooperation**
 - **East Asia Summit –2005 – strategic, political and economic**



Developments in Regional Integration

Asian Track

- **Post Asian-crisis response to weak support from APEC and major partners**
- **to improve the region's capacity to deal with shocks**

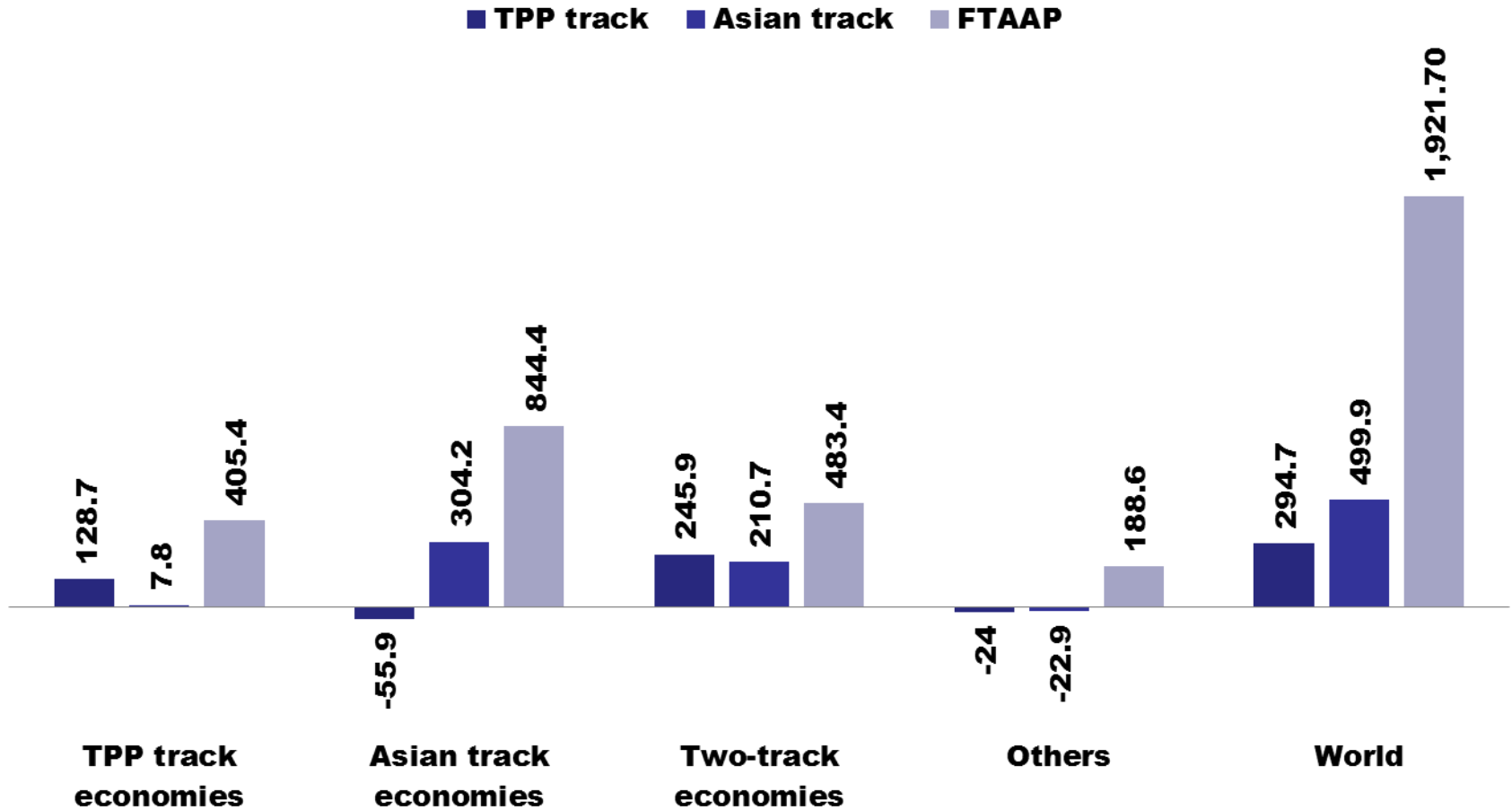
Trans-Pacific

- **Accelerate progress towards APEC's goals of free and open trade and investment.**
- **Sustain US economic engagement in the region.**

- **Challenge is how, the two tracks can provide pathways toward a truly free regional trading system.**

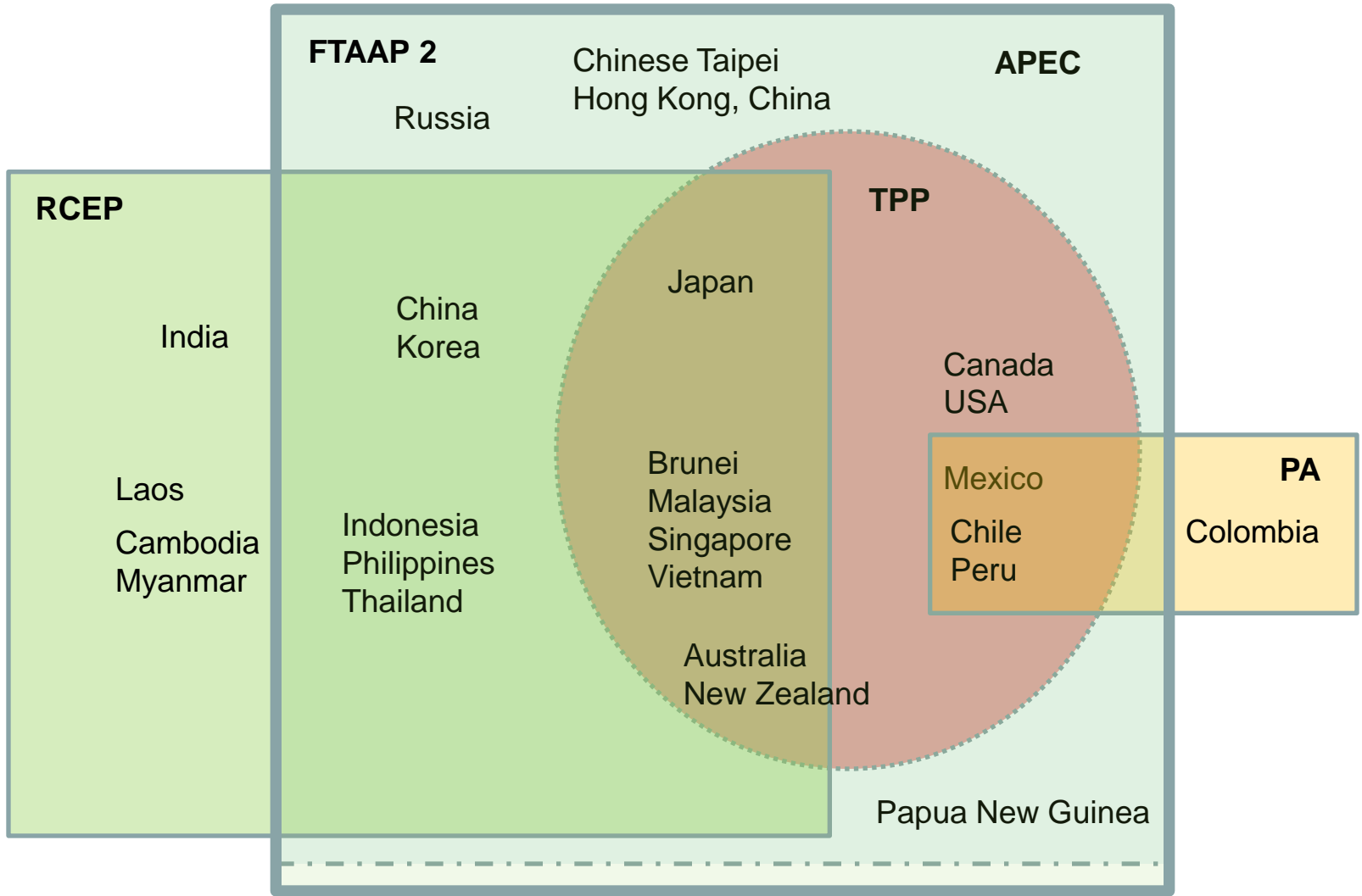


Income Gains from Regional Trade Initiatives



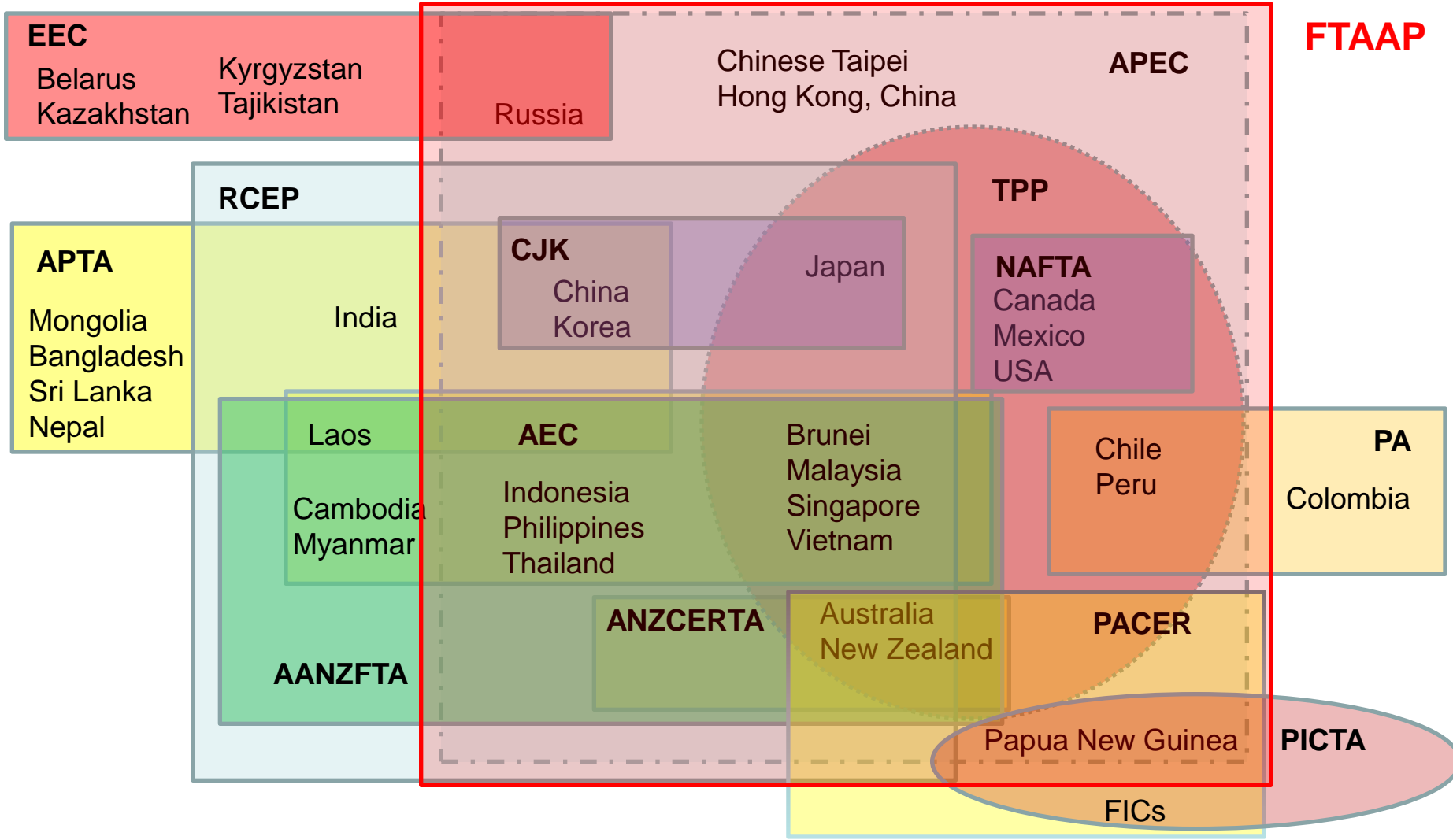


Asia Pacific Trade Initiatives



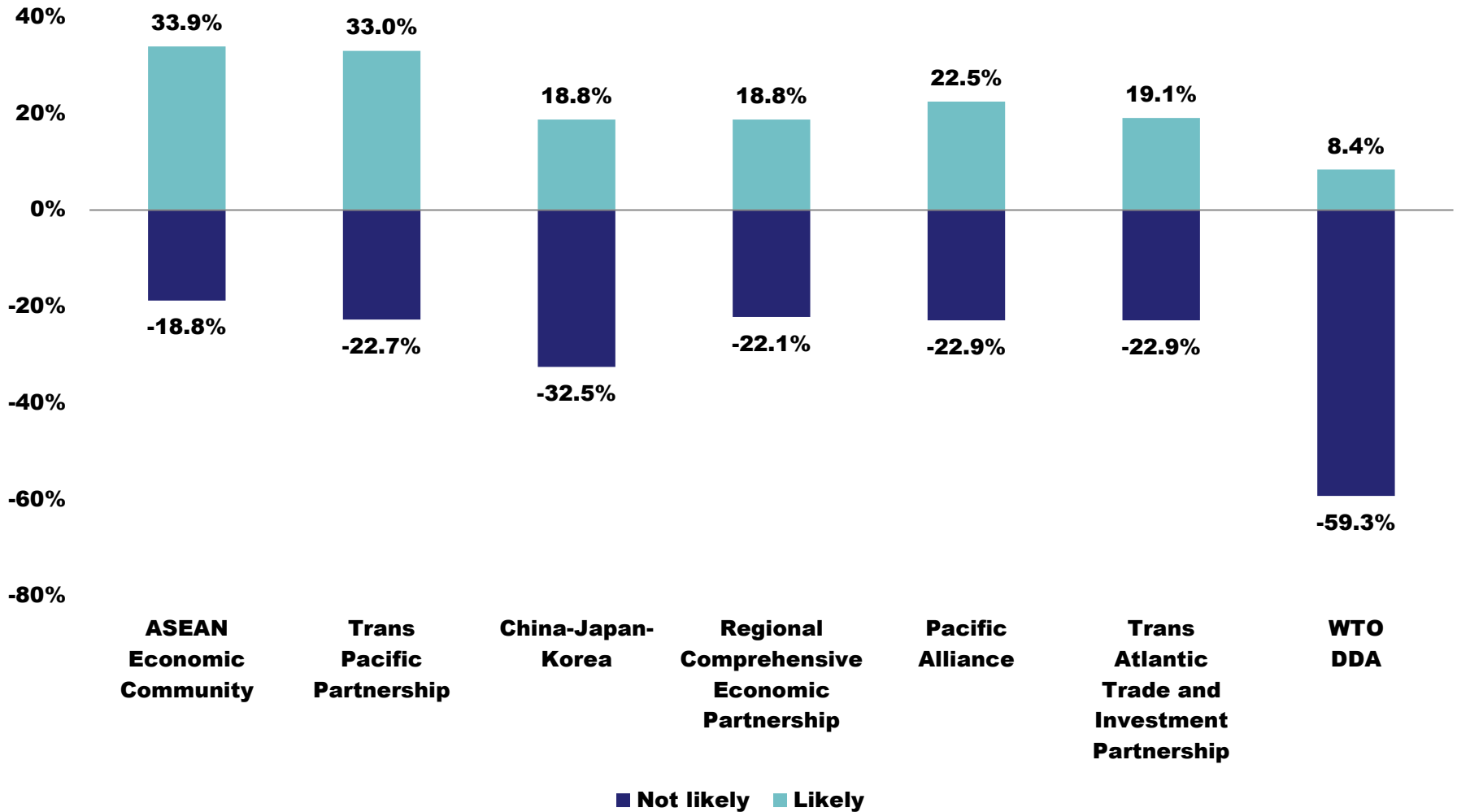


Asia-Pacific Trade Initiatives





What do you think is the likelihood of success in concluding the following proposed agreements over the next 3 years?



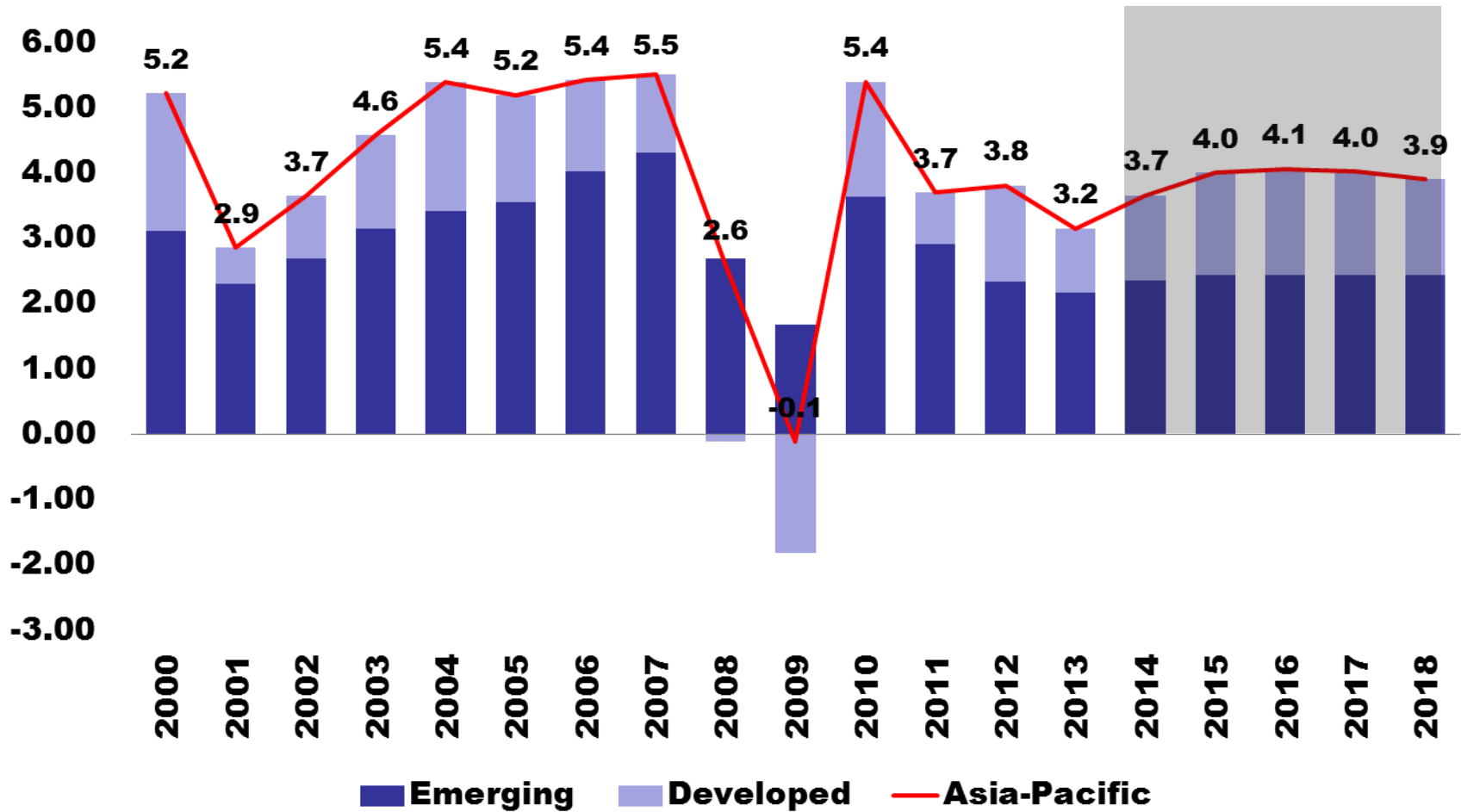


Short-Term Economic Outlook



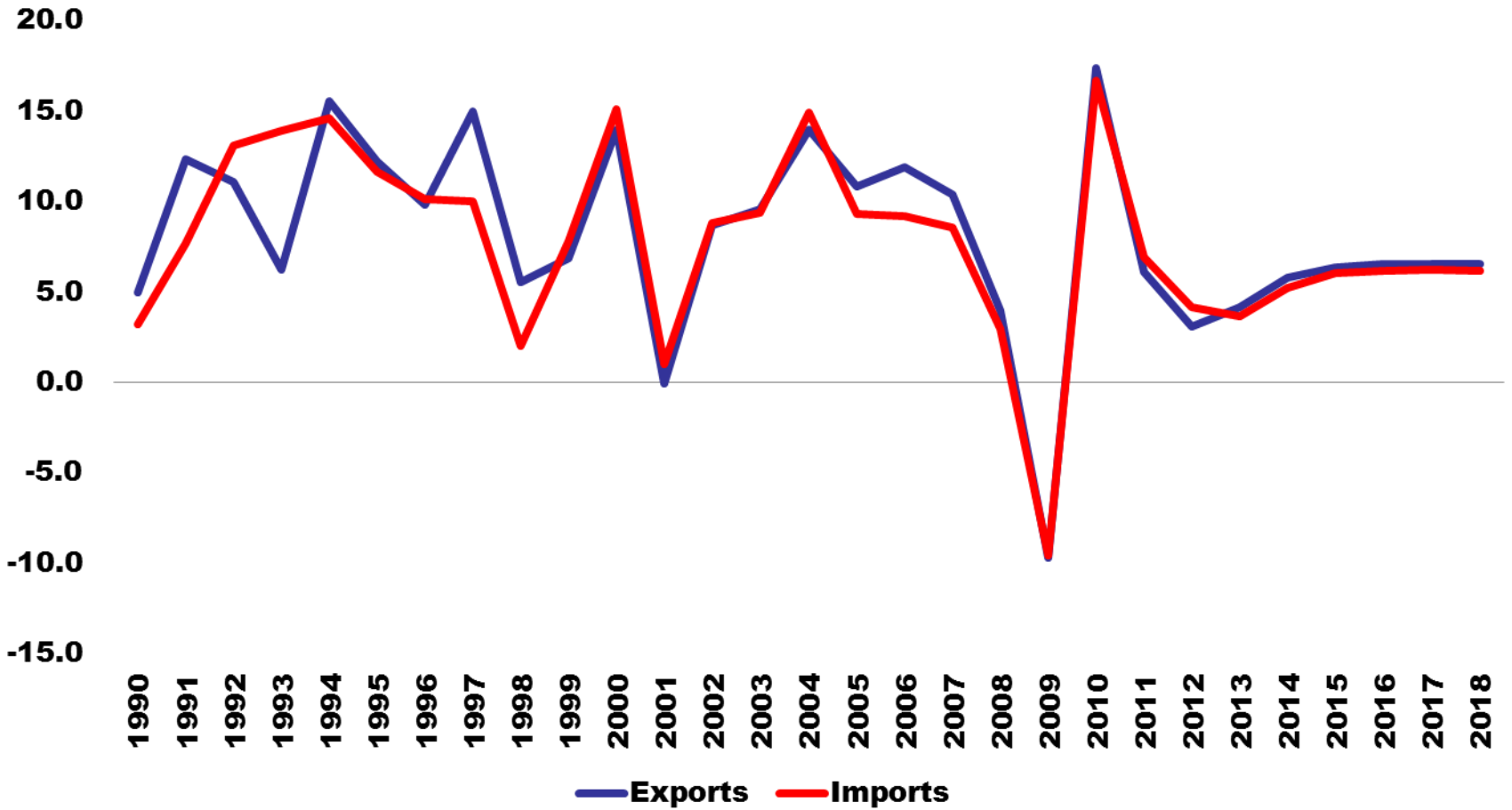


Asia-Pacific Economic Growth





Trade Growth





Conclusions

- **Living through a period of IMMENSE change**
- **Center of global economy shifting to Pacific Rim**
- **Region of great diversity**
 - **Cooperation, understanding critical to future development**
- **Today's economic context challenging**
 - **Slowing growth**
 - **Changing growth**
 - **Policy expectations – but engagement? Solutions?**