

# PECC Conference Gauges Outlook for Asia Pacific Economic Recovery



Above: Indonesian Trade Minister Mari Pangestu

Left: Panelists discuss challenges facing the Obama Administration in U.S.-Asia relations featuring (L – R): Charles E. Morrison, PECC Co-Chair and East-West Center President; Hon. Cheng Siwei, former Vice Chairman, Standing Committee of the National People's Congress, China; Jusuf Wanandi, PECC Co-Chair; Amb. Yoshiji Nogami, President, Japan Institute for International Affairs; and Prof. Joseph Nye, Harvard University.

As the Asia Pacific region begins to see the effects of various stimulus packages, experts at the 18th General Meeting of the Pacific Economic Cooperation Council (PECC) discussed the global challenges still looming on the long path to recovery. Business leaders, government officials, policymakers, and other Asia Pacific experts gathered in Washington D.C. at the PECC meeting hosted by the East-West Center in May to identify regional responses for Asia Pacific economies to the global economic crises.

“We need to use this existing crisis as an opportunity to forge new kinds of partnership and cooperation, just as we learned from the Asian financial crises in the 1990s,” stated Deputy Secretary of State James Steinberg in his address at the meeting. “...Now more than ever, guaranteeing our individual economic prosperity depends on promoting the common prosperity.”

A survey of more than 400 regional opinion leaders released during the two-day PECC conference revealed that, while a substantial number of respondents expected much weaker economic growth in 2010, the degree of pessimism had declined compared to a survey conducted in October 2008. “While it is too early to declare that a turnaround is underway, the PECC survey nevertheless suggests that opinion leaders are less pessimistic about the U.S. economy today than they were six months ago,” said EWC President Charles E. Morrison, who is also International Chair of the Pacific Economic Cooperation Council. “Forty-five percent of survey respondents expect much weaker growth in the U.S. economy compared to 80 percent in the previous survey.”



Charles E. Morrison, PECC Co-Chair and President, East-West Center, presents Peter Geithner a special PECC award acknowledging his efforts to foster Asia Pacific dialogue and institution-building.



Deputy Secretary of State James B. Steinberg

The survey of opinion leaders from 25 Asia Pacific economies was conducted in April 2009 and is part of PECC’s State of the Region Report. Respondents overwhelmingly agreed that slower growth in Western industrialized countries for the foreseeable future would encourage a shift to domestic demand growth in Asian economies.

“Opinion leaders in the region believe that a structural shift in the Asia Pacific economy is underway as a result of the crisis,” said Yuen Pau Woo, coordinator of PECC’s State of the Region project and president and CEO of the Asia Pacific Foundation of Canada. “Fifty percent of respondents agree that the Chinese economy has begun a transition away from export-led growth to domestic demand-driven growth.”

The economists were pleased with the way Asia Pacific policy makers tackled the crisis. “Generally, policymakers responded aggressively,” said Takatoshi Kato, the IMF’s Deputy Managing Director. Respondents gave overwhelming approval of China’s stimulus package with a satisfaction rating of more than 60%. “China’s stimulus package prevented a free fall of their economy,” stated Amb. Yung Chul Park, former Korean Ambassador for International Economy and Trade and past chairman of the Korea Exchange Bank. “South Korea also seems to be on the right track toward recovery.”

The United States membership in PECC is administered through the U.S. Asia Pacific Council (USAPC), a program of the East-West Center. For more about the conference and remarks expressed at the event, visit the meeting website at: <http://www.pecc18.org> ♦