22/2/94 Ethuado Marcelo, ARCHIVO 01 NR. 2 4 FEB 94 A: Comité Nacional Chileno de Cooperación R.C.A P.A.A. C.B.E. M.L.P Económica en el Pacífico MT.O. EDEC (CHILPEC) Te ad puilo tuta actuali sada personali-dadu rau al PECCX; telavarios au kurde Sumpur y lopre casta a Norten-Andred unute Amo Canton M.Z.C.

PACIFIC ECONOMIC COOPERATION COUNCIL

February 21, 1994

Mr Enrique Silva Cimma 💱

Minister of Foreign Allans Ministerio de Relaciones Exteriores Morande 441 OF. 127 Santiago, Chile

Fax: 56-2-699-4204

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Dear Mr. Enrique Silva Cimma,

With one month to go before PECC X, I am glad to report that PECC X looks set to be the most high-powered PECC Conference in our history.

The Heads of State/Government already confirmed are:

- 1. Prime Minister Dato' Seri Mahathir Mohamad of Malaysia
- President Soeharto of Indonesia
- 3. President Patricio Aylwin Azocar of Chile
- 4. Prime Minister Dr Efrain Goldembarg of Peru

The Deputy Heads of State/Government confirmed are:

- 1. Deputy Prime Minister Supachal Panitchpakdi of Thailand
- 2. Vice President and Minister of Foreign Trade,
- H.E. Dr Juan Manuel Santos of Colombla
- 3. Deputy Prime Minister Dato' Sri Anwar Ibrahim of Malaysia

The Ministers already confirmed are:

- 1. Minister of Commerce, Mr Uthai Pimchaichon of Thailand
- 2. Minister of Trade & Industry, Mr Bob McMullan of Australia
- 3. Foreign Minister, Mrs Noem Sann us Runo of Columna
- 4. Minister of Economic Development, Mr Mauricio Cardenas of Columbia
- 5. Minister of International Trade & Industry, Datuk Seri Rafidah Aziz of Malaysia
- 6. Minister of Trade & Industry, Mr Yeo Cheow Tong of Singapore

In addition, the Secretary General of UNCTAD and Deputy Secretary General of OECD are also confirmed. The President of the US or Vice President Gore are likely to be on satellite link-up.

MALAYSIA NATIONAL COMMITTEE FOR PACIFIC ECONOMIC COOPERATION (MANCPEC) c/o Institute of Strategic and International Studies (1515) Malaysia No. 1, Pesiaran Sultan Salahuddin, PO Box 12424, 50778 Kuala Lumpur, Malaysia. Tel: 03-2939366 Telex: MA 31679 Fax: (503) 2939430. 2938485, 2939375

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All this should nall the perception that governments are no longer interested in PECC. The large number of business leaders (250 from Malaysia alone) and the concurrent sessions should leave people wondering why some have the idea that the business community is not interested. There is perhaps the need to ensure that enough academics attend so that we do not end up with the "perverse" perception that PECC is essentially a movement of political and business leaders, with a missing third "leg".

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I would also like to unge a few committees to enhance their representation at PECC X as it would not be desirable to have lopsided geographical respresentation. Also with this note is a suggested draft of the "Kuala Lumpur Concord on Open Regionalism" that was originally worked out in Ball. Practically no change has been made except for literals, typos and tense changes. I shall be grateful if your suggestions can be communicated to the Director-General of PECC. We will need to formally come to agreement on this matter at the Standing Committee meeting on March 21st.

DR NOORDIN SOPIEE

Chair, PECC and Chairman, PECC X

cc: Mr David Parsons

AISYAJAM ZIZI

DRAFT

OPEN REGIONALISM

History does not travel in a straight line. But over the last few decades, the history of the Pacific has been travelling -- with twists and turns -- towards a single direction: the emergence of a Pacific community and the primacy of the Pacific as the centre of economic gravity of the world.

In 1889, one of the earliest Pacificians said: "The Mediterranean is the ocean of the past, the Atlantic the ocean of the present, and the Pacific, the ocean of the future." It is clear that the future has arrived. The Pacific shift has been more rapid than most could have imagined. The Pacific Age has indeed begun.

The question now is whether it will survive the journey to the end of the 20th century, whether it will flourish well into the 21st; and whether it will be worthy of the aspirations of those who dared to dream the Pacific Dream.

All futures are an obvious compromise between continuity and change. But in the years ahead, will there be more change than continuity? For the Pacific, will there be a forceful continuation of history or its profound deflection?

The PECC was formed when the glimmerings of a Pacific Age could just be seen by those biessed by a clear vision. The dream of our founding fathers was of a diverse and rich pacific that was whole and at one, imbued with a growing sense of community; not only co-existing in but also working actively and together for a common peace and harmony; not only developing vigorously but also working

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actively and together for a common and mutually shared prosperity.

PECC has already played a role in moving the Pacific super-region towards a Pacific Community of Cooperative Peace and Prosperity. We must remain true to the vision of our founding fathers. We must continue to play a role in the strengthening, enriching and maturing of such a Pacific community in the years to come. The future has, of course, to be invented from today.

The danger to a Pacific Community, to the Pacific Age, to our common future, now comes from many directions. The end of the Cold War has clearly contributed to the making of a wider Pacific Community. But new lines of contradiction, new areas of contention have arisen and will be spawned. Will we in future see the rise of new cold and not so cold wars? Will we see in certain areas a deterioration from warm to cold peace? Will there be military and political forces that will divide us or diminish the depth of our Pacific Community? Excessive domestic pre-occupation can put a brake on the Pacific movement. An excessive diversion of commitment to narrow regional interests and pursuits can be a serious detour from a patch to which some might never return.

Obviously all the issues cannot and should not be addressed by a single instrument or approach. The Pacific Age that we wish to see flourish must continue to be made each day by a million hands - by companies and enterprises, and individual men and women, as much as by governments and states.

At this stage in the history of the Pacific super-region, we of the Pacific Economic Cooperation Council believe that the greatest single danger which we must

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forcefully address is the threat of closed protectionist blocs and a general stalling of progress on trade reform.

The work of our movement in other areas of Pacific economic cooperation has to continue. The commitment to longer term and ultimate goals has to proceed. PECC must not be reduced to at single-issue organisation. It has many contributions to make and purposes to fulfil. But as a matter of urgency and priority, we believe that the Pacific Economic Cooperation Council must at this point in time quickly and effectively become a forceful movement for open regionalism.

Such a commitment would constitute, in large part, a return to our roots: When the PECC movement was launched in Canberra in 1980, the concept of an "open region" was not only an inspiration but also a cornerstone of the movement itself. Prime Minister Masayoshi Ohira of Japan said:

"For the first time in history, the vast and broad Pacific Basin region has come to meet the prerequisites for making possible the creation of a regional community."

We must establish, he said, "open regional cooperation befitting the age of the global community".

Such a commitment at this point in time is also a logical step proceeding from the commitments made at the San Francisco meeting of PECC. It is a logical manifestation of the San Francisco Declaration and Open Regionalism. This Declaration states:

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"The Council has agreed ... that its work in support of multilateralism will now be strengthened by a collective commitment to a dynamic vision of open regionalism, and declares that its future efforts will be directed towards supporting those public and private practices which help regional economies to:

- become increasingly open to flows of goods, investment, services, information and technology;
- comply with the disciplines, principles and practices developed by the world community through the General Agreement on Tariffs and Trade;
- benefit from trade creation flowing from sub-regional arrangements that are consistent with GATT principles as a means of maintaining and promoting the overall benefits of the region's increasingly open character;
- develop commerce with economies outside the region that are committed to outward-oriented policies; and
- promote the further strengthening of openness in the region and
 in the global economic system."

At this point in time, the commitment to becoming a forceful movement for open regionalism is necessary and appropriate because the forces which threaten open regionalism are gathering momentum. The ranks of the besieged champions of free and fair trade and open regionalism and trade liberalisation are in many instances under severe erosion. There is a need for reinforcement and reinforcements.

Such a commitment is necessary and appropriate now because PECC does have the largest geographical spread and is the largest and most inclusive Pacific grouping

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involving no fewer than 20 economics from the north, south, east and west Pacific. And, because of its independent and tripartite nature, involving officials, business and academia, PECC is uniquely poised for a distinctive contribution.

Such a commitment is also necessary and appropriate because there is a clear and present danger and because this clear and present danger - from the many points of the compass - will not go away.

The challenge to the Pacific Economic Cooperation Council in the coming and continuing struggle for Open Regionalism lies in many directions.

First, there is a need to review priorities, a process which must ensure adequate attention, commitment and allocations of human and other resources to the mission of championing open regionalism.

Second, there is a need to fully develop the doctrine and legitimacy of open regionalism, two of whose central tenets must be the desire to open and liberalise a region and the actual achievement of regional liberalisation and opening.

Third, PECC has to establish processes and instrumentalities for studying and monitoring the development of protectionism and liberalisation in the Pacific and elsewhere.

Fourth, there will have to be mechanisms for encouraging liberalisation and openness and exerting moral and intellectual suasion against protectionism and the closing of regions or economies.

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Fifth, there is a need to join hands and work together with processes, institutions and movements which are similarly committed to open regionalism and global liberalisation, such as APEC.

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REPUBLICA DE CHILE Ministerio de Relaciones Exteriores

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COMITE NACIONAL CHILENO DE COOPERACION ECONOMICA EN EL PACIFICO CHILEAN NATIONAL COMMITTEE FOR PACIFIC ECONOMIC COOPERATION CHILPEC

SANTIAGO, 11 February 1994

Dato'Dr. Noordin Sopiee Chair, PECC Chairman of PECC X Kuala Lumpur

> THE TENTH I.G.M. OF PECC, 22-24 MARCH, 1994, KUALA LUMPUR.

Dear Noordin,

On behalf of the President of Chilé, H.E. Patricio Aylwin Azócar, I want to thank your letter dated 8 February, 1994.

His Excellency accepts gratefully your invitation to deliver a Special Luncheon Address on 22 March 1994. His subject, as you suggested, will be "The Pacific Latin American Economies and Open Regionalism".

President Aylwin is looking forward to his participation in PECC X in Kuala Lympur.

Yours faithfully,

Errá Ambassador / Executive Director of CHILPEC

