

Annual Report

2004 - 2005

APEC Study Center

Columbia University



Letter from the Co-Directors

Columbia University's APEC Study Center is continually expanding its array of activities, and 2004-2005 was a good example of this momentum. The Center has organized or co-sponsored thirteen conferences or workshops, thirteen brown bag lunches, and seven discussion papers. In addition, the Co-Directors or senior faculty have participated in a wide range of other meetings of direct relevance to the Center, and individual Center core faculty have also traveled to the Asia Pacific region to participate in numerous other conferences and seminars. The Center has also continued to support instruction on selected courses of relevance to the Asia Pacific region.

The Center has an ongoing commitment to increasing understanding of the economies of the Asia Pacific region in both global and regional contexts. The Center's research program, conferences, coursework and training on a number of individual countries in the region (including Indonesia, South Korea, Japan, Thailand, and China, among others) as well as regional economic arrangements and initiatives have all expanded and deepened. Many of the activities described herein have been undertaken in collaboration with Columbia Business School's Center on Japanese Economy and Business and Columbia's School of International and Public Affairs' Program in International Economic Policy.

The upcoming year will be perhaps our most ambitious to date, as we will play the lead role in organizing an April 2006 final conference of a series celebrating the 10th year of the World Trade Organization and its Appellate Body, of which Professor Janow is a member. Distinguished participants will include senior representatives of both the private and public sectors from many APEC Member Economies including China, Japan, Korea, Hong Kong, Indonesia, and Australia as well as the U.S., Canada, Europe and Mexico. We look forward to this exciting undertaking.

The Center's accomplishments and activities are made possible by the commitment and energy of the faculty and staff directly involved, and the financial support provided by Japanese, Korean and American corporations, foundations, and individuals. The Corporate Sponsorship Program of annual contributions has been vital in ensuring the Center's ongoing momentum. In particular, we wish to thank the Lotte Group of Korea for its ongoing support.

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Co-Director, APEC Study Center
Professor in the Practice of International
Economic Law & International Affairs
Director, Masters Program in
International Affairs

Hugh T. Patrick
Co-Director, APEC Study Center
R.D. Calkins Professor of
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I. Introduction

A. APEC at Columbia

Columbia University established the APEC Study Center (ASC) in 1994 at the request of the U.S. Department of State in response to the APEC Leaders' Education Initiative. This Initiative was introduced by President Clinton and endorsed by the leaders of the other APEC member nations at their historic meetings on Blake Island and in Seattle in November 1993. It calls on institutions of higher education in the United States and throughout the Asia Pacific to collaborate on Asia Pacific policy research, and to help establish, through exchanges, joint research, conferences and other contacts, an emerging region-wide network of personal and institutional relationships for all member economies.

Columbia University has long been a leading center for the study of China and Japan, with one of the oldest and most highly regarded programs of study in these areas, including one of the nation's largest concentrations of specialists in East Asian affairs. Over the years, the University has built upon its global reputation for academic excellence and policy relevance in these areas, adding the study of Korea, Southeast Asia, and U.S. relations with the countries of East Asia to its core expertise in Chinese and Japanese studies.

The faculty across most of Columbia's professional schools as well as the School of Arts and Sciences are engaged in the study of business, economics, development, health, political science, security, law, and other matters that impact the Asia Pacific region. Reflecting its broad mandate, the ASC is jointly administered under the School of International and Public Affairs and the Graduate School of Business. The ASC supports such activities where appropriate and requested, but many activities are highly decentralized. For example, Nobel Prize winner Professor Joseph Stiglitz, who is an ASC faculty member, has made major contributions to macroeconomics and monetary theory, to development economics and trade theory, to public and corporate finance, and to the theories of industrial organization and rural organization. He travels extensively and is actively involved in the Asia-Pacific region.

The ASC enhances the University's rich tradition of research, conferences, lecture programs, and teaching on the Asia Pacific region by serving as the focal point of study on issues of economic importance for the region. The focus of the Center's activities are twofold: the institutional arrangements and public policy issues related to the APEC forum itself; and second, consideration of the economic, trade, legal and political dimensions of the APEC members and their efforts at increased regional integration and cooperation. In this way, the Center is focused on policy matters affecting the region as a whole and in a multidisciplinary fashion.

The ASC also benefits greatly from its Visiting Fellows program, in which a limited number of international scholars spend a period in residence at Columbia University. The Center also benefits from Visiting Scholars programs at the Center on Japanese Economy and Business, the Weatherhead East Asian Institute and the Jerome A. Chazen Institute of International Business at the Columbia Business School. Each year, up to four scholars engage in a wide variety of activities during their stay, including course work at the University and pursuit of individual research projects in cooperation with Columbia faculty members. They serve as important resources for faculty and students.

For more information, please see our webpage at www2.gsb.columbia.edu/apec.

B. Institutional Cooperation

APEC Study Centers in the U.S. are currently active at six other universities as well. They are: Brandeis University; University of California at Berkeley; University of California at San Diego; University of Hawaii / East-West Center; University of Washington; and Washington State University.

In order to improve interaction among U.S. APEC Consortium members and other individuals and groups concerned with APEC issues, Columbia's ASC collaborates in the development of a range of activities, including the organization of substantive conferences in connection with regular meetings of Consortium members; extending invitations to interested scholars at other APEC Study Centers to attend conferences; compiling information on academic classes on APEC-related subjects; and supporting faculty and student exchanges at universities and institutions that are Consortium members. None of the American ASCs receive direct funding from the U.S. government; their activities are thus constrained by budget limitations.

Internationally, most of the APEC members have established their own ASCs, typically funded by their governments and located at government-selected universities or research institutes. As in the United States, their broad purposes are to establish further economic cooperation and provide information to that country's officials, academics, business people, and the public. Columbia's ASC is a member of the international consortium of ASCs.

C. APEC: A Background

APEC was established in 1989 to further enhance economic growth and prosperity for the region and to strengthen the Asia-Pacific community.

APEC is the only government institution whose membership includes virtually all the economies bordering on the Pacific Ocean, namely in Asia, the South Pacific and the Western hemisphere. APEC's 21 Member Economies are: Australia; Brunei Darussalam; Canada; Chile; People's Republic of China; Hong Kong, China; Indonesia; Japan; Republic of Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; The Republic of the Philippines; The Russian Federation; Singapore; Chinese Taipei; Thailand; United States of America; and Viet Nam.

APEC is the only inter-governmental grouping in the world operating on the basis of non-binding commitments, open dialogue and equal respect for the views of all participants. Unlike the WTO or other multilateral trade bodies, APEC has no treaty obligations required of its participants. Decisions made within APEC are reached by consensus and commitments are undertaken on a voluntary basis.

Since its inception, APEC has worked to reduce tariffs and other trade barriers across the Asia-Pacific region, creating efficient domestic economies and dramatically increasing exports. Key to achieving APEC's vision are the "Bogor Goals", adopted by leaders at their 1994 meeting in Bogor, Indonesia, which advocate free and open trade and investment in the Asia-Pacific by 2010 for industrialized economies and 2020 for developing economies.

APEC's 21 members account for more than a third of the world's population (2.6 billion people), approximately 60% of world GDP (\$19,254 billion) and about 47% of world trade. It also represents the most economically dynamic region in the world, having generated nearly 70% of global economic growth in its first 10 years.

President William Clinton hosted the first Summit meeting of APEC member country leaders immediately following the APEC meeting in Seattle in 1993. This annual Summit Leaders meeting provides an invaluable opportunity for all the leaders to discuss issues of mutual concern, as well as a well-utilized venue for "side-bar" bilateral meetings among major leaders as needed.

Academic support for APEC activities is provided through the APEC Study Center consortium, of which Columbia University is a member; by the tripartite Pacific Economic Cooperation Committee, in which Professors Merit Janow and Hugh Patrick have actively participated as members of the U.S. Committee; and by the policy-oriented academic conferences and networking of PAFTAD (Pacific Trade and Development Program), of which Hugh Patrick was a founding member in 1968 and chair of its International Steering Committee until PAFTAD's 30th annual conference in January 2005. Both are also founding members of the U.S. Asia Pacific Council, which along with the East-West Center is now taking an active role in organizing these various academic, business and governmental activities.

For more information about APEC, please see the APEC Secretariat's website at www.apecsec.org.sg/.

II. Research Program

Regional and Multilateral Trade Liberalization: Considering Next Steps

The APEC Study Center has research underway on the relationship between regional and multilateral trade liberalization. It is also considering the challenges facing the Asia Pacific economy in light of the next round of multilateral trade negotiations. For some years, scholars and policy makers have considered and debated the impact of preferential trade arrangements on multilateral trade liberalization. The number of these arrangements has increased dramatically over the last two decades. For example, the European Union has pursued preferential trade arrangements with a large number of countries in Latin America, the Middle East, North America, and has started exploratory consultations in Asia. The United States has negotiated bilateral FTAs with Australia, Bahrain, Chile, Israel, Morocco, and Singapore; in addition, it has negotiated a unique FTA with Jordan which contains provisions regarding labor rights and environmental standards, and has FTA negotiations under way with Central America (Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua) + Dominican Republic; the Andean countries (Bolivia, Colombia, Ecuador, and Peru); the South African Customs Union (Botswana, Lesotho, Namibia, South Africa and Swaziland); and Panama.

Negotiations for bilateral FTAs are also under way in virtually all of the Asia-Pacific economies. Over the past three years, Japan has started to pursue its own bilateral free trade arrangements in the Asia-Pacific region and beyond: it has ratified bilateral FTAs with Singapore and Mexico, and is now negotiating separate bilateral FTAs with Australia, South Korea, Malaysia, the Philippines, and Thailand. South Korea has completed an agreement with Chile, and has discussions under way with Japan, Mexico, and several other countries. China has negotiated a preliminary agreement with ASEAN, and Japan and Korea have discussions underway with ASEAN. Professors Merit E. Janow and Hugh T. Patrick have initiated a variety of research, outreach and other activities that examine these trends and consider a number of questions such as: is the US-Jordan FTA a useful template for future FTAs? Is the Japanese approach to pursuing bilateral negotiations with these countries different from the U.S. approach? What is the potential impact of FTAs on multilateral trade liberalization and the World Trade Organization?

The WTO Doha Trade Summit in the fall of 2001 resulted in an agreement to launch a new set of multilateral trade talks. Accordingly, the APEC Study Center has an additional set of activities underway that will examine a number of issues on the Doha Agenda, including competition policy, investment, capacity building and technical assistance. This year, we held several related events including a roundtable workshop, "International Competition Policy: Antitrust and Intellectual Property – Duties to License, Parallel Imports, and the Question of Differential Treatment for Developing Countries" (*Appendix A*); "Remaking Global Rules: From 'Torture' to 'Trade'", "The World Bank and Its Enemies: How the Left and the Right Conspire to Undermine Development", "Inside the World Bank: A Discussion with Ko-Yung Tung", "Japan, APEC and East Asian Economic Cooperation", "Inside the World Bank: A Discussion with Carole Brookins" and "The IMF, the US, and Financial Crises in Emerging Economies", described herein.

III. Core Faculty

The APEC Study Center draws upon a strong core faculty of Asia and discipline specialists within Columbia University: the Graduate School of Business, the School of International and Public Affairs, the School of Law, Barnard College, and the Graduate School of Arts and Sciences.

Co-Directors of the APEC Study Center:

Merit E. Janow, Professor in the Practice of International Economic Law & International Affairs; Director, Masters Program in International Affairs, School of International and Public Affairs (SIPA); Core Faculty, Weatherhead East Asian Institute (WEAI)

Hugh T. Patrick, R.D. Calkins Professor of International Business Emeritus, Director, Center on Japanese Economy and Business, Columbia Business School (CBS); Core Faculty, WEAI

(Professors Janow and Patrick are also members of the program committee of the U.S. Consortium of APEC Study Centers).

Other APEC Study Center faculty members at Columbia University:

Charles Armstrong, Associate Professor of History, Director, Center for Korean Studies, SIPA; Core Faculty, WEAI

Schon Beechler, Associate Professor, Department of Management, CBS; Core Faculty, WEAI

David Beim, Professor of Professional Practice, Department of Finance and Economics, CBS

Jagdish Bhagwati, University Professor of Political Science & Economics

Lee Branstetter, Associate Professor of Finance and Economics, CBS; Core Faculty, WEAI

John Bresnan, Senior Research Scholar, SIPA; Executive Director, Pacific Basin Studies Program, WEAI

Gerald Curtis, Burgess Professor of Political Science, Department of Political Science, Columbia University; Director, Toyota Research Program, WEAI

Carol Gluck, George Sansom Professor of Japanese History, SIPA; Director, Expanding East Asian Studies Program; Director, Asia Perspectives Series, WEAI

R. Glenn Hubbard, Dean and Russell L. Carson Professor of Finance and Economics, CBS

Robert Immerman, Senior Research Scholar, WEAI

Xiaobo Lu, Director, WEAI; Associate Professor of Political Science, Barnard College

Curtis Milhaupt, Fuyo Professor of Japanese Law and Legal Institutions, Director, Center for Japanese Legal Studies, School of Law; Core Faculty, WEAI

Frederic Mishkin, Alfred Lerner Professor of Banking and Financial Institutions, CBS

Ann Marie Murphy, Adjunct Research Scholar, WEAI

Andrew Nathan, Class of 1919 Professor of Political Science and Chair of the Political Science Department, SIPA; Core Faculty, WEAI

Joseph Stiglitz, University Professor of Economics and Finance, CBS, Graduate School of Arts and Sciences, and SIPA; Co-Founder and Executive Director, Initiative for Policy Dialogue

David Weinstein, Carl S. Shoup Professor of the Japanese Economy, Department of Economics, Columbia University; Core Faculty, WEAI

Madeleine Zelin, Professor, Departments of History and East Asian Languages and Cultures, WEAI; Director, Columbia East Asian National Resource Center

IV. International Programs and Activities

The APEC Study Center organized and sponsored the following conferences, workshops, and lectures in the 2004-2005 period. Reports are available for most of these events at <www2.gsb.columbia.edu/apec>.

A. Conferences and Workshops

1. *Asia-Related Research Topics & Career Paths In Research On Wall Street*, held on October 5, 2004 at Columbia Business School. Ms. Alicia Ogawa, Managing Director, Lehman Brothers gave an insightful presentation on the merits and difficulties of financial research, particularly in Asia, drawing on her experience working as Associate Director of Global Equity Research for Lehman Brothers, Director of Research for Nikko Salomon Smith Barney in Tokyo, and with the Japanese Ministry of International Trade and Industry. This event was co-sponsored with the Asian Business Association.
2. *International Competition Policy: Antitrust and Intellectual Property – Duties to License, Parallel Imports, and the Question of Differential Treatment for Developing Countries*, a roundtable conference held at and co-sponsored with the NYU School of Law on October 9, 2004. This conference included leading representatives of both the public and private sectors from not only North America, but also Europe, the Middle East, Africa and Asia. The discussion addressed the issues of antitrust, intellectual property and development which are arising with increasing frequency; courts, commissions, enforcers, and legislators are being called upon to consider the proper role of antitrust in compelling access to essential intellectual property and in making essential medicines available to developing countries, and the role of parallel imports in the availability of existing pharmaceuticals and development of new pharmaceuticals. The first session, chaired by Eleanor M. Fox, Walter J. Derenberg Professor of Trade Regulations at NYU School of Law, focused on the interface of intellectual property and antitrust, refusals to deal, and exclusionary strategies. The second session, moderated by Merit E. Janow, Professor in the Practice of International Economic Law & International Affairs at Columbia University's School of International and Public Affairs and Co-Director of Columbia University's APEC Study Center, focused on licensing and access issues in developing countries, particularly the South African HIV/AIDS problem. The closing session, moderated by Professor Fox, addressed issues surrounding restraints on parallel imports of low-priced drugs and the responses of developed countries. (See *Appendix A*).
3. *Career Paths in the Pharmaceutical/Healthcare Industry*, held on October 12, 2004 at Columbia Business School. Mr. Derek Kosti, Senior Financial Director – Asia, Pfizer Pharmaceuticals, gave an overview of the challenges and opportunities in the health care field in Asia. He focused on different factors involved in increasing Pfizer's market share in China relative to other Asian and Western countries, particularly brand name development and crisis management following negative reports of drug effects. This event was co-sponsored with the student-run Asian Business Association and the Health Care Industry Association of the Columbia Business School.

4. *Remaking Global Rules: From Torture to Trade*, held on October 28, 2004 at Columbia Law School. Mr. Philippe Sands, Professor of Laws at University College in London and Director of the PICT Centre on International Courts and Tribunals, gave a far-reaching presentation on the history of 20th century international law, focusing on the evolution of the role of the United States from the creation of the United Nations to its present-day resistance to the concept of international law, including its non-participation in the International Criminal Court and many UN treaties, its creation of legal black holes such as those that exist for detainees at Guantanamo Bay, Cuba, and the subsequent lack of legal recourse for human rights abuses in these locations. He argued that this withdrawal from the international framework is perilous at a time when all nations, including the U.S., are so economically interdependent because of the growth of global trade. Mr. Sands was introduced by José Alvarez, Professor of Law and Director, Center on Global Legal Problems, and the discussion was moderated by Merit E. Janow, Professor in the Practice of International Economic Law and International Affairs and Co-Director, APEC Study Center. The event was co-sponsored with the Program in International Policy, SIPA and the Center on Global Legal Problems, Columbia Law School.
5. *Investment in Asia*, held on November 15, 2004 at Columbia Business School. Mr. John Trammell, CEO and member of the Board of Directors of Investor Select Advisors, provided a comprehensive outline of his work with co-mingled funds, managed accounts, structured products, and private label arrangements. He described Asia, particularly China and Japan, as a place with great investment opportunities for hedge funds and private equity. This event was co-sponsored with the Greater China Society, Asian Business Association, Japan Business Association, and Columbia Investment Management Association.
6. *The World Bank and Its Enemies: How the Left and the Right Conspire to Undermine Development*, held at Columbia University's School of International and Public Affairs on January 27, 2005 as part of a World Bank Lecture Series co-sponsored with the Program in International Economic Policy. Sebastian Mallaby, columnist for the Washington Post, has been intricately involved with the subject of globalization, including spending many hours with World Bank President James Wolfensohn in 2003 writing *The World's Banker*, a history of the institution under Mr. Wolfensohn. Mr. Mallaby described how political elements on both the left and the right undermine the agenda of global economic development through trade; the left by attacking the framework as incompatible with labor and environmental laws, and the right by decrying the lack of national autonomy.
7. *Inside the World Bank: A Discussion with Ko-Yung Tung*, held at Columbia University's School of International and Public Affairs on January 28, 2005 as part of the World Bank Lecture Series co-sponsored with the Program in International Economic Policy. Mr. Tung, Former General Counsel and Vice President of the World Bank, gave an extensive presentation about his experience with the World Bank and the decision-making processes involved, particularly with the awarding of loans for large projects. He focused particularly on certain large scale projects in China, showing a film describing the reasons for the WB loan approval, as well as a reversal of this approval after intense pressure from Tibetan rights and environmental groups. He noted that this outcome was tragically ironic, since the Chinese government was bound to carry out the project anyway, in which

case it would be exempt from the myriad environmental, cultural and other good governance regulations adhered to by the World Bank.

8. *Japan, APEC and East Asian Economic Cooperation*, held on February 14, 2005 as the annual Mitsui USA Symposium, co-sponsored with the Center on Japanese Economy and Business and the Mitsui USA Foundation. Professor Hugh Patrick, Director, Center on Japanese Economy and Business and Co-Director, APEC Study Center, Columbia University introduced the speakers: Professor Peter Drysdale, Emeritus Professor of Economics, Visiting Fellow in Policy and Governance in the Asia Pacific School of Economics and Government, The Australian National University; and Takatoshi Ito, Professor, Graduate School of Economics and Research Center for Advanced Science and Technology, The University of Tokyo. Discussants were David Weinstein, Carl S. Shoup Professor of the Japanese Economy, Columbia University; Merit Janow, Professor in the Practice of International Economic Law and International Affairs, SIPA, and Co-Director, APEC Study Center, Columbia University; and Professor Patrick. The five experts made presentations and answered questions about the complex economic interrelationships among countries in East Asia as well as with the European Union, the United States and other areas of the world, focusing particularly on APEC, the Association of South East Asian Nations (ASEAN) and the numerous regional free trade agreements (FTAs) developed over the past few years.
9. *Inside the World Bank: A Discussion with Carole Brookins*, held at Columbia University's School of International and Public Affairs on February 18, 2005 as part of the World Bank Lecture Series co-sponsored with the Program in International Economic Policy. Ms. Brookins, former U.S. Executive Director of the World Bank, described her experience at the Bank. She described in detail the workings of the Executive Board, which has 24 Directors: five countries each appoint a Director (United States, Japan, Germany, France, and the United Kingdom), and the remaining 19 Directors are elected by regional groups; each Director has a specified number of membership votes (the same number for all members) and additional votes based on the number of shares of the stock held.
10. *Korea's Financial Evolution: A Banker's Perspective*, held on February 28, 2005 at Columbia Business School. Lee Branstetter, Daniel W. Stanton Associate Professor of Business at Columbia Business School, introduced Robert Fallon, Chairman of Korean Exchange Bank (KEB), who made his first public appearance since taking over as CEO and Chairman of KEB (although he had resigned as CEO in January 2005 while maintaining his position as Chairman). Mr. Fallon gave a fascinating account of his tenure at KEB as the first foreigner to chair a publicly traded corporation in the history of South Korea; despite much institutional and cultural inertia, he managed to transform KEB's balance sheet from a loss of \$209 million in 2003 to a profit of \$509 million in 2004 through a vigorous restructuring process. The talk was moderated by Dr. Mark Mason, Director of the Program on Alternative Investments (PAI) of CJEB; the PAI was a co-sponsor of the event, along with the Korean Business Association and Asian Business Association.
11. *Rebuilding the Trust Between America and the World*, held at Columbia University's School of International and Public Affairs on March 1, 2005 as part of the Weatherhead Policy Forum co-sponsored with the Weatherhead East Asian Institute. Kishore Mahbubani, Dean of the Lee Kuan Yew School of Public Policy, Singapore and former Ambassador of the Republic of Singapore to the United Nations, provided a stimulating talk exploring the

evolving historical role of the United States in the world. He noted particularly post-World War II when the United States decided to pursue a benign path despite its vast power, contrasted with its position today, which is regarded as unilateral, hostile to international law, and is generally mistrusted, feared, and even hated. Ambassador Mahbubani posited that the U.S. must take concrete actions to counter these negative perceptions abroad in a shrinking and increasingly interdependent world.

12. *Caged Tiger on the Korean Peninsula*, held at Columbia University's School of International and Public Affairs on March 10, 2005 and co-sponsored with the Korean Economic Institute (KEI), Center for Korean Research (CKR), and the Weatherhead East Asian Institute (WEAI). The first panel was on the subject of North Korea's nuclear program, and was chaired by Professor Hugh Patrick, Co-Director, APEC Study Center. John Merrill, Bureau of Intelligence & Research, Department of State and Leon V. Sigal, Northeast Cooperative Security Project, Social Science Research Council were the speakers, and Professor Jeong Ho Roh, Columbia Law School served as the discussant. The second panel was on the impact of North Korea's nuclear program on North Korea's political economy, and was chaired by Professor Samuel Kim, CKR/WEAI. Scott Snyder, Senior Associate, Asia Foundation, and Scott Rembrandt, Director of Research and Academic Affairs, KEI, were the speakers, and Professor Charles Armstrong, CKR/WEAI, served as the discussant. The speakers gave dynamic and engaging presentations about the myriad complex political and economic factors at play regarding the self-proclaimed nuclear state of North Korea.
13. *The IMF, the US, and Financial Crises in Emerging Economies*, held at Columbia University's School of International and Public Affairs on March 24, 2005 as part of the World Bank Lecture Series co-sponsored with the Program in International Economic Policy. Brad Setser, Research Associate, Global Economic Governance Programme, University College, Oxford, explored different types of financial crises in developing economies and options for dealing with them, including bailouts and "bail-ins" (i.e. support programs).

B. Brown Bag Lunch Lecture Series

The APEC Study Center has co-sponsored and actively promoted “Brown Bag” luncheon seminars, which are organized with the Weatherhead East Asian Institute (WEAI) and held at the School of International and Public Affairs. These highly informative and informal gatherings usually run from 12-1:30 pm, including a question-and-answer session. During 2004-2005, the APEC Study Center co-sponsored the following lectures:

1. *Is the Korean Economy Really in Trouble?*, April 13, 2004
Jong-Hwan Ko, Professor of Economics, Faculty of International and Area Studies, Pukyong National University, Korea
2. *China's Porous Protectionism: The Changing Political Economy of Trade Policy*, September 16, 2004
Professor Scott Kennedy, Department of East Asian Languages and Cultures, Indiana University
3. *Update on US-ROK Relations*, September 28, 2004
Mark Minton, Deputy Chief of Mission, U.S. Embassy, Seoul, Korea
4. *U.S.-Japan Alliances In East Asia*, October 6, 2004
Professor Thomas Berger, Department Of Political Science, Boston University
5. *The Korean Problem: An Australian Perspective*, October 11, 2004
Ambassador Richard Broinowski, former Australian Ambassador to the Republic of Korea
6. *How Do We Look Now? East Asian Views of Australia*, October 12, 2004
Professor Alison Broinowski, Visiting Fellow, WEAI
7. *Remapping East Asia: The Construction of a Region*, October 13, 2004
Professor T.J. Pempel, Department of East Asian Studies, University of California at Berkeley
8. *Interregional Transfers and Fiscal Decentralization in China*, March 2, 2005
Tochkov, Kiril, Professor of Economics, SUNY-Binghamton
9. *China Engages Asia: Reshaping the Regional Order*, March 3, 2005
David Shambaugh, Professor of Political Science and International Affairs, The Elliot School of International Affairs, George Washington University and Director, China Policy Program
10. *Korea: What's Happening Beneath the Surface of the Six-Party Talks?*, March 10, 2005
Sang-Hyoung John Park, Postdoctoral Fellow, Belfer Center for Science and International Affairs, Harvard University
11. *Recent Constitutional Developments in Hong Kong and the Impact of the NPC Interpretation*, March 23, 2005
Margaret Ng, Member, Legislative Council, HKSAR and Practicing Barrister
12. *Conflict and Politics in the Current Indonesian Administration*, April 5, 2005
Sidney Jones, Southeast Asia Project Director, International Crisis Group, Singapore
13. *The Evolving Role of Foreign R&D in China*, April 12, 2005
Denis Simon, Provost and Vice-President for Academic Affairs, Levin Graduate Institute of International Relations and Commerce-SUNY in NYC
14. *Making Sense of the Korean-Japanese Clash Over Tokto/Takeshima*, April 19, 2005
Samuel Kim (Chair), Adjunct Professor of Political Science, WEAI/Political Science
Jeong-Ho Roh, Director, Center for Korean Legal Studies, Columbia Law School
Robert Immerman, Senior Research Associate, WEAI
Nobutaka Miyahara, Professional Fellow, WEAI

C. Other Programs and Meetings

The APEC Study Center faculty members participate in a wide range of Asia Pacific intellectual activities, including meetings and conferences, which are too numerous to list in detail. Some of those events that involved the APEC Study Center specifically and/or its Co-Directors or Core Faculty are listed below.

1. *Solutions for the Japanese Economy*, New York and Tokyo, 2002-04. Professors Hugh Patrick, David Weinstein, and Frederic Mishkin were principal participants in this two year-long research project, jointly administered by Columbia University and the University of Tokyo. Involving 15 paper writers from Japan and the U.S., this project brought together top academics and practitioners with expertise in the areas of Japanese monetary and fiscal policy, its financial system, capital markets, labor markets, business investment, corporate restructuring, and international trade policy. The project's objective is to have a substantial impact on the ongoing economic policy debate in Japan by analyzing Japan's persistent economic malaise, and generating optimal viable economic policy proposals for Japan. The project also seeks to address the (largely negative) lessons for U.S. macroeconomic policy and evaluate the implications for the U.S.-Japan economic relationship and the global economy. The results were presented at conferences in June 2004 in Tokyo and November 2004 in New York (#6 below), and will be published as a book Reviving Japan's Economy: Problems and Prescriptions during the summer of 2005 by MIT Press and Nikkei, both in English and in Japanese.
2. *Association for Asian Studies Finance Committee Meeting*, New York, September 10, 2004. As Chair of the Finance Committee, Professor Hugh Patrick provided a review of the investment strategy and its implementation applied by Scudder Private Investment Counsel.
3. *Korea Economic Institute Advisory Council Meeting*, Washington, DC, September 27, 2004. As a member of the Korea Economic Institute Advisory Committee, Professor Hugh Patrick made a presentation on his impressions of the state of Korean social, economic and political affairs after attending a series of high-level meetings in Seoul in May-June 2004.
4. *U.S.-Asia Pacific Council Meeting*, Washington, D.C., November 9-10, 2004. Participation by Professors Hugh Patrick and Merit E. Janow.
5. *University Seminar on Southeast Asia in World Affairs*, New York, 2004-2005. Professors Hugh Patrick and Ann Marie Murphy chaired the seminar, together with Professor David Denoon of New York University. One paper was presented at each of six meetings throughout the academic year, as follows: "Democratization and Good Governance: The Case of Indonesia", Donald Weatherbee, Professor Emeritus, University of South Carolina, October 2004; "Malaysia and Abdullah Badawi: Swimming or Treading Water", Bridget Welsh, Assistant Professor of Southeast Asian Studies, SAIS, Johns Hopkins University, November 2004; "Burma: Dilemma for ASEAN and the United States, Possible Opportunity for China", David L. Steinberg, Distinguished Professor and Director of Asian Studies, Georgetown University, School of Foreign Service, December 2004; "The State of Jema'ah Islamiya", Zachary Abuza, Professor of Political Science, Simmons College, February 2004; "The Role of Congress in U.S. Foreign Policy Toward Southeast Asia", Larry Niksch, Policy Analyst for Asian Affairs, Foreign Affairs, Defense and Trade Division, Congressional Research Service, March 2005; and "An Update on

Vietnamese Politics and Foreign Policy”, Carl Thayer, C.V. Starr Distinguished Visiting Professor of Southeast Asian Studies, SAIS, Johns Hopkins University, April 2004. Seminar members include academics and professional specialists in business, law, the media, and the non-profit world.

6. *Solutions for Japan’s Economic Problems: Implications for U.S.-Japan Relations*, New York, November 19, 2004. This program, co-sponsored by the Japan Society and the Center on Japanese Economy and Business, Columbia Business School, served as an opportunity to present to an American audience a follow-up to the June 21, 2004 conference held in Tokyo regarding the "Solutions for the Japanese Economy" research project (see #1 above). Professor David Weinstein, Carl S. Shoup Professor of International Business, and Professor Hugh Patrick made presentations.
7. *Outcomes of the APEC 2004 Economic Leaders Meeting in Santiago, Chile, November 20-21*, Asia Society, New York, December 2, 2004. Presentation by Professor Merit E. Janow.
8. *Keizai Kobo Center Program and Symposium*, Tokyo, January 17-21, 2005. The pre-symposium program included a 4-day series of meetings at various universities, corporations, and government offices in the Tokyo area, with presentations at each centered around the theme “Corporate Management: Securing a Competitive Edge in the Global Economy”. On January 21, the Keizai Kobo Center convened a symposium, at which Professor Hugh Patrick made a keynote speech on “Corporate Competitiveness and Innovation” in a symposium exploring the theme of “Securing a Competitive Edge in the Global Economy”. He argued that, since the competitive environment in Japan had changed drastically since the collapse of the asset-inflated bubble in the 1990s, companies had to adapt and innovate if they weren’t going to lose out. He also urged the government to increase its funding for basic research in order to remain competitive. The talk was featured prominently in the Japan Times.
9. *PAFTAD 30 Conference, “Does Trade Deliver What It Promises? Assessing the Critique of Globalization”*, Honolulu, Hawaii, February 19-21, 2005. As Chairman of the PAFTAD International Steering Committee, Professor Hugh Patrick chaired the February 19 Keynote Address by The Honorable Dr. Supachai Panitchpakdi, Director-General, World Trade Organization, “The Challenge of Policy in the Era of Globalization”, and spoke on the February 21 panel, “Academic Perspectives on the Globalization Critique”. He also provided a review of the meeting at its conclusion (*see Appendix B*). Paperwriters for the conference included Chad Bown and Rachel McCulloch of Brandeis University, USA; Bruce Gosper, Department of Foreign Affairs and Trade, Australia; Douglas Irwin, Dartmouth College, United States; Sumner La Croix and Denise Konan, University of Hawaii, USA; Justin Lin, Peking University, China and Ying Yi Tsai, National University of Kaohsiang, Taiwan; Erlinda Medalla, Philippine Institute of Development Studies; Yumiko Okamoto, Doshisha University, Japan; Yung Chul Park, Korea University, Korea; Shujiro Urata, Waseda University, Japan and Inkyo Cheong, Inha University, Korea; and Rong-I Wu, Taiwan Institute of Economic Research, Taiwan; Chyuan-Jeng Shiau, National Taiwan University, Taiwan; and Chi-Chen Chiang, Soochow University, Taiwan. Following the conference, Professor Patrick retired as Chair of the International Steering Committee, a position he had held for 20 years.
10. *International Bar Association*, Tokyo, April 2005. Professor Merit E. Janow participated in a three day conference held by the Federation of Bar Associations and the International

Bar Association on developments in global competition law. Professor Janow chaired a discussion on competition law in the Asia Pacific region.

11. *High level meetings*, Seoul, May 2005. From May 8-21, 2005, Professor Hugh Patrick was in Korea on behalf of the APEC Study Center, joined for part of the time by Professor Gerald Curtis. They met with senior government officials and political leaders as well as academics focusing on Korean political and economic relations with the United States, Japan, China, and North Korea. In addition, Professor Patrick gave lectures at the Korea Development Institute, the Korea Institute of International Economic Policy, and chaired a session on “Compensation” at *The Fourth Asian Corporate Governance Conference*, hosted by Korea University. He also participated in Harvard University’s conference in Seoul, *Asia Vision 21: Beyond State-Led Development*. This was the fourth in a series of annual visits that Professors Curtis and Patrick have made to Korea in order to exchange views on a range of economic, political and security issues.
12. *High level meetings*, Tokyo, May-June 2005. From May 23 – June 13, Professor Hugh Patrick had a series of meetings with a wide range of government and central bank officials, business leaders and academics. He also participated in the international *Roundtable Japan 2010*, including serving as a panelist in sessions titled “What kind of new developments and shocks should Japan prepare for between now and 2010?” and “Japan’s future role in Asia.”

V. Discussion Papers

The APEC Study Center added eight Discussion Papers to its series during the past year:

31. *U.S. Economic Performance, Japanese Economic Performance, and Implications for Korea* by Hugh Patrick, R.D. Calkins Professor of International Business Emeritus; Co-Director, APEC Study Center, Columbia University, September 2004.
32. *The U.S. Election, U.S.-Japan Relations, and Implications for Korea* by Gerald Curtis, Burgess Professor of Political Science, Columbia University, September 2004.
33. *Institutional Change and Political Reform: Back to Basics* by Gerald Curtis, Burgess Professor of Political Science, Columbia University, September 2004.
34. *Japanese Political Parties: Ideals and Reality* by Gerald Curtis, Burgess Professor of Political Science, Columbia University, October 2004.
35. *New Proposals to Regulate Hedge Funds: SEC Rule 203(b)(3)-2* by Franklin Edwards, Arthur F. Burns Professor of Free and Competitive Enterprise, Columbia University, December 2004.
36. *The Reshaping of Japan's Official Development Assistance (ODA) Charter*, Kazuo Sunaga, Minister, Permanent Mission of Japan to the United Nations, January 2005.
37. *The Productivity Effects of Profit Sharing, Employee Ownership, Stock Option and Team Incentive Plans: Evidence from Korean Panel Data* by Takao Kato, Professor of Economics, Colgate University and Research Associate, Center on Japanese Economy and Business; Ju Ho Lee, Professor of Economics & Management and Director of the Center for Education Policy Research and Initiatives (CEPRI) at KDI School of Public Policy; and Jang-Soo Ryu, Professor, Pukyong National University, March 2005.

VI. Academic Courses

There are a substantial number of courses taught at Columbia University's School of International and Public Affairs, School of Business, and School of Law that are relevant to the APEC Study Center because of the combinations of their substantive and country specific or regional focus. The following graduate level courses were of particular relevance to the APEC Study Center in the 2004-2005 academic year:

Major Issues in U.S. Foreign Economic and Trade Policy

This course, offered at the School of International and Public Affairs (SIPA), is taught by Merit E. Janow, Professor in the Practice of International Economic Law & International Affairs. It has been offered for a number of years and is a large lecture course. The course provides students with a general introduction to a broad range of major international trade issues, including: economic and political perspectives on international trade; instruments of U.S. foreign economic and trade policy; major areas of coverage under multilateral and regional trade initiatives such as the Uruguay Round of Multilateral Trade Negotiations, NAFTA and APEC; and emerging issues in international economic and trade policy such as investment, trade and competition policy and the environment. As part of this course, students undertake a mock APEC negotiation on investment rules.

Business and Financial Markets in East Asia

This second-year elective course has been offered at Columbia Business School by Lee G. Branstetter, Daniel W. Stanton Associate Professor of Business during the spring semester since 2002, and will continue in 2006. This course is designed to provide future managers with the essential knowledge necessary to evaluate opportunities and risks in East Asia. The course uses analytical tools drawn from several fields of economics and finance, business cases, and guest lectures by expert practitioners to focus on the key strengths that sustained economic growth in East Asia for decades, the weaknesses that undermined that growth in the late 1990s, and what lies ahead. Considerable attention is paid to recent developments in the Chinese economy and the prospects for continued growth in China over the next decade.

China in the Global Economy

This course is also offered at Columbia Business School by Professor Lee Branstetter during the spring semester. It is designed to provide future business leaders with the essential knowledge necessary to evaluate opportunities and risks in the People's Republic of China. The course will use analytical tools drawn from several fields of economics as well as business cases to focus on the key strengths that have sustained economic growth for two decades as well as the weaknesses that could undermine that growth in the post-WTO era. The course will also draw upon the expertise of Columbia University experts on Chinese politics and Chinese law and other guest speakers.

China's New Market Place

This seminar has been offered at SIPA in the fall semesters of 2001-2004, and will continue in the fall of 2005. It is taught by Daniel Rosen, who is an adjunct assistant professor at SIPA and a former senior official in the National Economic Council of the White House. Students examine a variety of economic and policy issues affecting businesses operating in China today.

Weatherhead Post-Doctoral Fellowship in Modern Southeast Asian Studies

In addition to the courses above, the Weatherhead East Asian Institute initiated a Fellowship in Modern Southeast Asian Studies in 2002. The recipient for 2004-2005 was Sarah Womack, who finished her Ph.D. at University of Michigan's Department of History in 2003. In the fall, she taught "**Introduction to Modern Southeast Asian History**", with an emphasis on critical and complex aspects of colonialism and postcolonialism. In the spring, she taught "**Ideal States: Nationalism in 20th Century Southeast Asia**", which explored some of the most critical and complex aspects of "the national question", considering the sources of national feeling in Vietnam, the use of the past in national mythologies in Burma, the "look" of Indonesia, the literature of "nation" in the Philippines, and the complications of nationalism across the region.

VII. About the Directors

Merit E. Janow is Professor in the Practice of International Economic Law and International Affairs at Columbia University's School of International and Public Affairs (SIPA). She is also Director of the International Economic Policy concentration at SIPA and Co-Director of Columbia's APEC Study Center. Professor Janow teaches graduate courses in international economic and trade policy at SIPA and international trade law and comparative and international antitrust at Columbia Law School. She serves on the faculty of Columbia's Weatherhead East Asian Institute and the Center on Japanese Economy and Business at Columbia Business School. In December 2003, Professor Janow was elected to the WTO Appellate Body for a four-year term. Previously, for two years ending in March 2000, Professor Janow served as Executive Director of a new *International Competition Policy Advisory Committee* to the Attorney General and Assistant Attorney General for Antitrust at the Department of Justice, Washington D.C. This was the first such committee established by the Department of Justice to consider international antitrust matters. Before joining Columbia University from 1989 -1993, Professor Janow served as a Deputy Assistant U.S. Trade Representative for Japan and China at the Office of the U.S. Trade Representative, Executive Office of the President in Washington D.C. Prior to her tenure in government, she was an Associate at Skadden, Arps, Slate, Meagher & Flom, specializing in corporate mergers and acquisitions. She is the author of numerous articles on international trade and business issues and is a frequent speaker on international trade, antitrust and economic issues. Professor Janow received a B.A. in Asian Studies from the University of Michigan and a J.D. from Columbia Law School.

Hugh T. Patrick is Director of the Center on Japanese Economy and Business at Columbia Business School, Co-Director of Columbia's APEC Study Center, and R.D. Calkins Professor of International Business Emeritus at Columbia University. He joined the Columbia faculty in 1984 after some years as Professor of Economics and Director of the Economic Growth Center at Yale University. He completed his B.A. at Yale University in 1951, earned M.A. degrees in Japanese Studies (1955) and Economics (1957) and the Ph.D. in Economics at the University of Michigan in 1960. Professor Patrick has been awarded Guggenheim and Fulbright fellowships and the Ohira Prize. His professional publications include fifteen books and some sixty articles and essays. His major fields of published research on Japan include macroeconomic performance and policy, banking and financial markets, government-business relations, and Japan-United States economic relations. Representative publications include: Reviving Japan's Economy: Problems and Prescriptions (with Takatoshi Ito and David Weinstein); Crisis and Change in the Japanese Financial System (with Takeo Hoshi); The Japanese Main Bank System (with Masahiko Aoki); The Financial Development of Japan, Korea and Taiwan (with Yung Chul Park); and Pacific Basin Industries in Distress: Structural Adjustment and Trade Policy in Nine Industrialized Economies. Patrick is actively involved in professional and public service. He served as one of the four American members of the binational Japan-United States Economic Relations Group appointed by President Carter and Prime Minister Ohira, 1979-1981. He has testified before Congressional committees on numerous occasions. He is a member of the United States National Committee for Pacific Economic Cooperation and its Board of Directors. He is also a member of the Board of the recently established Asian Pacific Council. He has served on the International Steering Committee for the conference series on Pacific Trade and Development (PAFTAD) since its inauguration in 1968, serving as its chairman from 1985-2005. He was on the Board of the Social Science Research Council, 1982-88, and served as its chairman 1985-88. He served as a member of the Board of Directors of the Japan Society for seven three-year terms. In November 1994 the Government of Japan awarded him the Order of the Sacred Treasure, Gold and Silver Star (Kunitō Zuihōshō). He was awarded an honorary doctorate of Social Sciences by Lingnan University, Hong Kong in 2000.

VIII. Program Support

Resources for the APEC Study Center's basic infrastructure are provided by Columbia University. Corporation and foundation support in the United States and Asia are sought for specific programs and projects. The APEC Study Center thanks The Lotte Group of Korea in particular for their support.

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IX. APPENDICES

Appendix A

NYU School of Law

APEC Study Center, Columbia University

Post-Fordham International Competition Policy Conference

NYU School of Law, 40 Washington Sq. South, Greenberg Lounge, October 9, 2004, 9:00am-1:45pm

INTERNATIONAL COMPETITION POLICY: ANTITRUST AND INTELLECTUAL PROPERTY – DUTIES TO LICENSE, PARALLEL IMPORTS, AND THE QUESTION OF DIFFERENTIAL TREATMENT FOR DEVELOPING COUNTRIES

- 8:45–9:00 Coffee
- 9:00-9:10 Welcome, Merit E. Janow and Eleanor M. Fox
- 9:10-10:30 Session One: Antitrust and Intellectual Property – U.S. and EU
- Interface issues in monopoly/dominance cases: *IMS*, *Microsoft*, implications of *Trinko*. We distinguish two kinds of cases: where the sole challenged act is refusing to license IP, and where the main challenged act is an exclusionary practice that involves IP.
- Is IP ever an essential facility? Is IP entitled to special status, more than other property rights? Is Microsoft's refusal to provide seamless interface information to workgroup server rivals an exclusionary strategy or a simple refusal to deal?
- Moderator* Eleanor Fox
Initial commentators Rachel Brandenburger
 Harry First
- 10:30-10:40 Coffee
- 10:40-1:30 Session Two: International – development issues and parallel imports
- (a) Issues raised by the South African anti-retroviral drug cases: Is there and should there be a duty of pharmaceutical companies to charge, in developing countries, no more than a reasonable price for necessary drugs or to grant a license to generic producers? What differences between a refusal-to-license case and an excessive pricing case: legally, economically, practically? Should we distinguish questions of fairness from questions of efficiency? Would arbitrage undermine special treatment for developing countries, and how could it be prevented?
- Moderator* Merit E. Janow
Initial commentators Norman Manoim
 Tad Lipsky
- (b) Restraints on parallel imports of low-priced drugs and responses by developed countries. Is there or should there be a duty of pharmaceutical companies to allow or even facilitate parallel imports? Consider, e.g., the EU antitrust law against such vertical restraints within the European market, and the proposed U.S. legislation to facilitate imports of low-priced drugs from Canada. What are the implications of the free flow of parallel imports – for consumer welfare, for innovation?
- Moderator* Eleanor Fox
Initial commentators Ian Forrester
 F.M. Scherer
- Noon Pick up lunch for working lunch session
- 1:30-1:45 Concluding remarks: Merit E. Janow, Eleanor Fox

**Antitrust and Intellectual Property: Duties to License, Parallel Imports, and the Question of
Differential Treatment for Developing Countries**

**International Competition Policy Workshop
October 9, 2004**

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Appendix B

PAFTAD 30 Does Trade Deliver What It Promises? Assessing the Critique of Globalization Honolulu, Hawaii February 19 – 21, 2005

The 30th conference in the Pacific Trade and Development (PAFTAD) series was held at the East-West Center on February 19 – 21, 2005 on the theme “Does Trade Deliver What It Promises – Assessing the Critique of Globalization”. The Brandeis University Rosenberg Institute of Global Finance and the East-West Center were the host co-organizers, and the organizing committee was co-chaired by Professors Peter Petri of Brandeis and Sumner La Croix of the University of Hawaii and the East-West Center. Funding was provided through the host organizations, by the PAFTAD Secretariat at the Australian National University, and by several PAFTAD national committees which directly provided travel funds for their participants.

Participants

PAFTAD had always been based on a group of policy-oriented academic specialists, predominantly economists, representing only themselves and not their respective institutions, countries or economies. PAFTAD accordingly provides a forum for frank and critical discourse, and transcends political or ideological differences. The PAFTAD 30 participants, given the conference theme, were predominantly international trade economists; they also included several political scientists, practitioners, government trade officials, who made significant contributions. The 47 paperwriters, assigned discussants, chairs, panelists and keynote luncheon speakers came from 16 countries and economies, and from the WTO and the PECC (Pacific Economic Cooperation Council). The 50 plus participants included scholars from Vietnam and Peru, as well as Mexico. The difficulty in identifying suitable specialists from Russia and North Korea as participants persists.

Paperwriters

The paperwriters were Chad Bown and Rachel McCulloch of Brandeis University, USA; Bruce Gosper, Department of Foreign Affairs and Trade, Australia; Douglas Irwin, Dartmouth College, USA; Sumner La Croix and Denise Konan, University of Hawaii, USA; Justin Lin, Peking University, China and Ying Yi Tsai, National University of Kaohsiang, Taiwan; Erlinda Medalla, Philippine Institute of Development Studies; Yumiko Okamoto, Doshisha University, Japan; Yung Chul Park, Korea University, Korea; Shujiro Urata, Waseda University, Japan, and Inkyo Cheong, Inha University, Korea; and Rong-I Wu, Taiwan Institute of Economic Research, Taiwan; Chyuan-Jeng Shiau, National Taiwan University, Taiwan; and Chi-Chen Chiang, Soochow University, Taiwan.

The Program

As in previous PAFTAD conferences, the program combined keynote speakers, substantive discussion of the 9 conference papers, and an academic-based public policy panel discussion. PAFTAD 30 innovated with two additional panels on the third day of academics, business leaders, and government policy makers.

PAFTAD 30 benefited greatly from three outstanding keynote speeches by distinguished policy leaders. Supachai Panitchpadki, Director-General of the World Trade Organization (WTO), wonderfully opened the conference with an outstanding substantive keynote address on the Doha Round and the WTO in light of current global and regional trends, followed by substantive, constructive discussion. Doug Bereuter, current President of the Asia Foundation, spoke on the politics of globalization, bringing to bear his 26 year experience as a leading Representative in the US Congress, where he served in the House International Relations Committee, and chaired its Asia-Pacific Subcommittee, and long served on

the Subcommittee on Economic Policy and Trade. Our keynote speaker for the second day by video from Indonesia was Mari Pangestu, recently appointed Minister of Trade. A long-time PAFTAD participant, Dr. Pangestu demonstrated an impressive quantum leap in leadership as a policymaker, much to the delight especially of her former mentors and colleagues in the PAFTAD 30 audience. She addressed the political economy of Indonesia's trade policy globally, regionally and domestically.

Given the historical focus of PAFTAD and the predilection of economists, the papers and the discussions focused particularly on major economic issues of globalization, especially trade, but also environment, outsourcing and intellectual property rights. The conference only indirectly addressed other economic, political, and social issues that have been raised by many in the anti-globalization movement. The conclusion to the question posed by the conference title "Does Trade Deliver What It Promises," was a resounding YES, as has been so well exemplified by the successful development of the East Asian economies, with the best economic performance and prospects of any region in the world.

At the same time, participants continued the dialogue of PAFTAD 29 between globalism, the WTO and the Doha Round on the one hand and the continuing development of bilateral and sub regional FTA's, (Free Trade Agreement) and PTA's (Preferential Trade Arrangements) among various APEC members including East Asia, Australia, and New Zealand, and the United States, Mexico, Chile and others in the Western Hemisphere. Most participants were critical in principle of these new discriminatory arrangements as globally economically inefficient; though each agreement has benefits for members, they are at the expense of non-members. This more narrow, bilateral or regional approach to trade policy is likely to persist for some time. It was well recognized that frequently such negotiations have been significantly based on political objectives, both foreign and domestic, by the participatory countries. It remains to be seen how deeply effective (and discriminatory) they will prove to be, and whether they can achieve stated goals of domestic restructuring and liberalization as part of the trade policy process.

International Steering Committee Meeting

The International Steering Committee (ISC) meeting the evening of February 19, 2005 at the time of the conference reviewed ongoing PAFTAD activities, proposed future programs, and discussed matters of committee membership and representation. It expressed deep appreciation to the PAFTAD 30 co-organizers, Professors Peter Petri and Sumner La Croix and to Dr. Charles Morrison and the East-West Center Staff for their effective hosting of PAFTAD 30.

It was agreed that PAFTAD 31 will be organized by a host committee led by Professor Juan Palacios and will be held in Guadalajara, Mexico on June 11-13, 2006. The title of the conference is "Multinational Corporations and the Rise of a Network Economy in the Pacific Rim". The ISC accepted in principle that PAFTAD 32 will be held in Singapore in early 2008 and will be organized by Professor Pang Eng Fong. Representatives from both Vietnam and China expressed interest in hosting PAFTAD 33 or subsequent conferences. Since Vietnam has not yet hosted a PAFTAD conference, it was decided to give them priority in exploring the hosting of PAFTAD 33. It was agreed the PAFTAD Secretariat would work closely with appropriate Vietnamese potential hosts to develop a concrete proposal by the time of the PAFTAD 31 meeting.

The ISC also approved in principle a new PAFTAD fellowship program to bring young scholars from the region to future PAFTAD conferences by having them submit and present papers for a special session one day prior to the regular conference. The PAFTAD Secretariat will continue to develop ways in which to implement this proposed program.

As was agreed in PAFTAD 29, at the end of the meeting, the ISC accepted the resignation of Hugh Patrick as chair, a position he had held for twenty years, and with acclamation elected Dr. Hadi Soesastro of Indonesia as the PAFTAD ISC Chair.

Hugh Patrick
Retiring Chair
PAFTAD International Steering Committee
March 17, 2005