

**APEC Shanghai Leaders' Meeting and  
Prospects of APEC  
-Notes taken from a CICIR Roundtable<sup>1</sup>\***

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**PART ONE: Historical Review – Features and  
Achievements**

TAO: The APEC Shanghai Leaders' Meeting will be held soon. Before we discuss the significance and implication of the meeting, I would like to hear from your brief summaries about the features and achievements of APEC.

FANG: APEC is an important official economic cooperation organization in the Asia-Pacific. It has played a role of enhancing multilateral economic ties and interstate exchanges and cooperation. Compared with other major international organizations, APEC has the following characteristics: (1) Vast in scope. APEC members come from four continents in both the North Sphere and the South Sphere. (2) Diversified members. APEC consists of both developing and developed countries, both sovereign states and economic entities. Some APEC members have long history of civilization; some are newly industrialized countries. They have different political/economic systems, historical/cultural backgrounds, religions and customs. (3) Innovative model. APEC model has proven to be suitable for economic cooperation in the Asia-Pacific where social systems,

levels of development and cultural tradition are dissimilar. It is an innovation indeed. Although the agreements reached in APEC do not have any legal effects, commitments given by the chiefs of state in various Declarations have strong moral and political binding forces.

JIANG: As one of the three most important regional economic cooperation organizations (the other two are EU and NAFTA), APEC has gained some notable achievements since it was established in 1989. (1) It promoted and facilitated the trade and investment liberalization in the Asia-Pacific, helped to draw down respective timetables for realizing trade and investment liberalization for both developed and developing members, assisted the conclusion of WTO Uruguay Round negotiation and played an active role in formulating information technology and financial service agreements. (2) It created the unique APEC model: to acknowledge diversity, to allow flexibility, to observe principles of mutual respect, mutual benefit, equality, consensus, independence, voluntariness and seeking common grounds while reserving differences, to promote both unilateral and collective approaches that lead to trade and investment liberalization, to replace negotiation with consultation, to substitute commitments for agreements, to balance the interests and demands of members with uneven development by avoiding institutionalization and mandate. Owing to such a model and practices, APEC has glowed with Big Family fascination and maintained vigorous momentum for years. (3) It pursued an opened regionalism and promoted further openness of the world market. APEC does not implement any internal preferential or protecting measures. As a result, the benefits brought by its regional liberalization are accessible by other countries and regions as well. (4) It attached equal importance to the mutual beneficial economic/technical cooperation and trade/investment liberalization.

CHEN: APEC now has 21 members. Their population stands for nearly half of the world population, their GDP stands for more than 55% of the world total and their trade stands for more that 46% of the world sum. In addition to the four aspects mentioned by Xiaoyan, I

think another important accomplishment of APEC is that its role has extended to the political, diplomatic and social dimensions since the 1993 unofficial leaders' meeting. In other words, APEC nowadays is a diplomatic forum. The leaders of APEC members holding annual meetings and discussing major regional or bilateral issues has become extremely important for the stability and security in the Asia-Pacific. The influence of APEC has already gone beyond economic cooperation.

SU: Among the top three economic zones, only APEC's economic collaboration is driven by the force of the market. In the long run, East Asia will enjoy comprehensive advantages in labor resources, scale of markets, national traditions and social structures compared with the Latin-America, South Asia, East Europe, West Europe and North America. It is generally estimated that future global economic setup will largely depend on East Asia.

TAO: The closely interdependent trade and investment in the Asia-Pacific has formed an irresistible market integrating force. As the principal tool to facilitate trade openness and economic cooperation, APEC is undoubted of great political and economic value in reinforcing members' political wills and stimulating their cooperation potentials. The frequent interactions (more than 150 meetings a year recently) within the framework of APEC in trade and investment related fields have enhanced mutual understanding of each other's policies, decreased frictions and discords among members and boosted economic growth in the region. I think it is the very reason why the membership has increased from 12 in the beginning to 21 at present. By promoting the planned economic liberalization, APEC has not only won itself a good reputation - "the fortress of opened economy", but also greatened outsiders' confidence in the Asia-Pacific market. Generally speaking, APEC plays an active role in advancing regional even global economy. It is true that nowadays we can hear people criticizing APEC by comparing it with EU and NAFATA. If APEC were not there, these people would choose another target to calumniate.

## **PART TWO: Rational Criticism – Problems and Challenges**

CHEN: You are right. In recent years, there have been ceaseless criticisms of APEC. Some even said APEC had no reason to exist any longer. It shows that APEC is faced with serious challenges. I think this is partly owing to the leapfrogging development of trade/investment liberalization of APEC after 1993 Seattle Meeting. In that case, it only took three years for APEC to evolve the Bogor Meeting-set differentiated trade/investment liberalization timetables to the Manila Early Voluntary Sectoral Liberalization (EVSL) initiative. Given the fact that 2/3 members are developing countries, their capability to implement liberalization are limited and their readiness to such rapid market openness – some process would even exceed the WTO framework – are inadequate. Since some projects had obviously abandoned the principles of independence, voluntariness and consensus, the 1998 Kuala Lumpur Meeting failed to initiate the EVSL. APEC members have to seek solutions within the WTO framework. It was a setback suffered by APEC.

TAO: The ideal of WTO is to play a forward-looking guiding role and to implement multilateral trade and investment liberalization prior to other regional organizations. But members have to carry out detailed measures carefully and properly. The difficulty of EVSL demonstrated that liberalization in the sensitive sectors like agriculture, automobile and telecommunication should only be promoted within the WTO framework. It also proved that APEC is not suitable for traditional trade negotiations. If we call the rush for quick results the subjective disadvantage, the sudden attack of the East Asian financial crisis was the objective calamity.

CHEN: That APEC suffered greatly from the East Asian financial crisis has led to suspicions to the future of cooperation process. Both the Kuala Lumpur Meeting and the Vancouver Meeting included the protection of financial crisis into their agendas but neither produced concrete solutions or counter measures. What is more, APEC still mainly focused on trade and investment liberalization after the financial crisis. Hence many members began to question the righteousness of the APEC existence and lost their enthusiasm towards the goals of APEC. The larger international community also suspected the crisis management capability of APEC. In one word, ever since the East Asian financial crisis, confidence and cohesion have become two problems for APEC.

JIANG: The East Asian financial crisis cast great impacts upon countries in this

area. No wonder some began to ask whether or not APEC represented Asia. Some even argued that APEC is indeed a loose regional economic cooperation organization dominated by developed countries like the US, therefore it would not take the interests of developing countries into full consideration and would not represent the general interests of Asia.

FANG: APEC is walking on two legs - economic & technical cooperation, trade & investment liberalization. Improvements gained in the second aspects are more visible. According to an American economist' statistics, the weighted average tariff rate dropped almost half from 1988 to 1998; intra-APEC exports stood for 68.6% in its overall exports in 1990 and 73.1% in 1997. Simplification of commercial operations is expected to add 46 billion dollars worth values to the APEC economy by the year 2010. Although economic and technical cooperation was advocated and specific areas of action were pointed out by the Osaka Action Agenda, the practice of APEC in this regard is far less satisfactory.

CHEN: You are right. In the history of APEC development, economic and technical cooperation has always lagged behind trade and investment liberalization. Since most of its ongoing 300 economic and technical cooperation projects are small-scaled ones, their contribution to APEC and member economies are limited. After the East Asian financial crisis, APEC paid more attention to the economic & technical cooperation, however, what we see are merely empty words rather than substantial measures. The reason is that developed countries and developing countries don't agree on the priority of APEC - the developed ones are more devoted to trade & investment liberalization than economic & technical cooperation.

### **PART THREE: Shanghai Meeting – Chance to Revitalize**

TAO: After a period of rapid development, the inherent limitation of APEC began to emerge to the surface. There are now widespread disappointment and puzzlement towards the future of APEC. In this sense, APEC is at a crossroad. The severity demands members to strengthen their confidence, stop lingering and jointly revitalize

APEC. Many believed, if these come true, APEC would perform better in the first decade of the 21<sup>st</sup> Century. China is holding the Shanghai Meeting against such a background. Dr. SU, would you please give us a more macro analysis?

SU: The Shanghai Meeting will take place at a critical time, as you said. World economy experienced some drastic declining changes including the breaking of the American New Economy bubbles. Such tendency became even clearer after "9.11" Event. IMF first estimated in May that the world GDP growth rate for 2001 would be 3.9%. Later, it modified the figure to 3.2%. In its latest report released on Sept. 26, IMF further reduced the estimation to 2.6% and acknowledged that the world economy has stepped one foot into the quagmire of recession. Because according to the IMF definition, world GDP growth rate less than 2.5% means global economic recession. In fact, most prestigious economic institutions made far lower estimation than IMF. For example, Morgan Stanley anticipated the world economic growth rate for 2001 to be 1.8% on Sept. 24. Three days earlier on Sept. 21, the DRI·WEFA gave a more pessimistic figure of 1.4%. According to their estimation, world economy has already been in full recession. Although it's estimated that the growth rate would go back to 2% by next year, that will still be in recession.

FANG: APEC Shanghai Meeting will be held shortly before the WTO Doha Conference. Therefore how to initiate the delayed new round of multilateral trade negotiation will be an important subject for the Shanghai Meeting. Of course it will be an arduous task.

SU: When the world economy goes downward, anti-globalization movement is enhanced and spreading. The fierce and large-numbered protests launched by anti-globalization forces during the G-8 Genoa Meeting in July were unprecedented. Those activities were called by some Western mass media "global terrorism" which could ruin the globalization. Another round of protests were scheduled for the planned World Bank and IMF annual conferences in Washington D.C. in late September and early October. Since both were cancelled owing to the "9.11" Event, WTO Doha Ministerial Conference will

definitely become the next target of protests. Under such circumstances, I am not optimistic at all that Doha Conference could initiate a new round of trade negotiation.

CHEN: In spite of unfavorable environment, it is still possible for the Shanghai Meeting to help APEC to set clear its focus and direction. (1) Based on some members' suggestions, Shanghai Meeting will put forward the Shanghai Accord aiming at strengthening trade and investment liberalization. Shanghai Meeting will also introduce the Individual Action Plan Peer Review process and update the Osaka Action Agenda so to drive APEC back to the track set by the Osaka Action Agenda and to quicken the pace of trade and investment liberalization. Besides, Shanghai Meeting will also advocate the new round of multilateral trade negotiation within the WTO framework. (2) Shanghai Meeting will formulate the Beijing Initiative, which will be a comprehensive set of principles for human capacity building, as well as Ecotech Action Plans for promoting economic and technical cooperation and trade and investment liberalization simultaneously. (3) Shanghai Meeting will help to boost sci-tech cooperation, enhance capability building, narrow the digital gap and promote the New Economy by drafting an e-APEC Strategy. (4) Shanghai Meeting will try to create a favorable macro environment for the sustainable economic development in the Asia-Pacific by initiating APEC Financial and Development Projects and policy coordination and dialogues. I hope that Shanghai Meeting could become the most successful APEC Meeting ever held.

#### **PART FOUR: China's Role – Injecting Vigor**

TAO: That is our common desire too. Next we should discuss the APEC's significance to China and China's role in the organization. Since these are the research projects of the Division for World Economic Studies, Mme. CHEN, would you please say something first?

CHEN: First, APEC's significance to China. Trade volume between China and other APEC members has been increasing steadily since the establishment of the organization. Chinese trade with other APEC members has

always accounted for more than 70% of its total foreign trade. And foreign direct investment from APEC members to China has always accounted for more than 60% of the total foreign direct investment to China. In 2000, trade between APEC members and China amounted to US\$ 344.55 billion, standing for 72.6% of the total Chinese foreign trade volume. In the same year, contractual investment to China was US\$ 62.38 billion among which US\$ 39.7 billion, or in other words 63.7%, came from APEC members. And actual investment to China was US\$ 40.71 billion among which US\$ 30.05 billion, or 73.8%, came from APEC members.

JIANG: According to the World Bank statistics, among the top 30 economies in the world, only three countries - China, Japan and ROK - are not members of any free trade zone or tariff union. This is one reason why China is actively participating into APEC activities and tries to play an increasingly important role in the organization.

CHEN: Chinese leaders pay great attention to the development of APEC. President JIANG has attended APEC summit meetings eight times in succession and put forward a series of constructive suggestions. For example, in the Bogor Meeting, President Jiang put forward the five principles guiding future economic cooperation in the Asia-Pacific: mutual respect and consensus based on consultation; gradual advancement and steady development; mutual opening and non-exclusiveness; cooperation based on mutual benefit and reciprocity; narrowing the gap and seeking common prosperity. In the Subic Meeting, President Jiang voiced the so-called APEC Method: to recognize diversity; to emphasize flexibility, progressiveness and openness; to abide by principles of mutual respect, equality and mutual benefit, consultation and consensus, independent and voluntarism; and to combine unilateral actions with collective actions.

FANG: China has done quiet a few substantial tasks for trade and investment liberalization as well as economic and technical cooperation and thus won many praises from APEC members.

CHEN: Yes. Chinese government has taken concrete actions to implement its commitments to trade and



investment liberalization. The average tariff for imported commodities has dropped from 40% in 1992 to 15% in 2000. The nontariff barriers has reduced from 1247 in 1992 to 372 in 2001. In the aspect of economic and technical cooperation, China plays a more important role. Chinese leaders have repeatedly stressed on the significance of economic and technical cooperation and illustrated Chinese proposals and principles at the unofficial APEC summit meetings. Many of those proposals and principles have become consensus among APEC members. For instance, President Jiang put forward the 1998 APEC Agenda for Science and Technology Industry Cooperation into the 21<sup>st</sup> Century at the Vancouver Meeting. This Agenda was endorsed by all leaders at the following Kuala Lumpur Meeting. At the Shanghai Meeting, China and other members will put forward their respective agendas in this regard in the hope to further promote economic and technical cooperation.

## **PART FIVE: US' Attitude – Drawing Universal Attention**

TAO: How about the U.S.? Since the U.S. is the biggest economy and a major propeller to APEC, focuses have been given to its role on every APEC meetings. In the past few years, US' attitude to the APEC liberalization progress was somewhat pessimistic owing to the setback in EVSL. However recently we found that US became more positive to the APEC activities, particularly the Shanghai Meeting.

GU: You are right. To be more specific: (1) US attended all APEC meetings this year. President Bush was one of the earliest committed leaders to Shanghai Meeting. Even after "9.11" Event President Bush still kept this schedule unchanged. (2) Besides vigorously promoting the Commercial Partnership Plan, US also initiated a series of new concrete proposals such as the Shanghai Charter. (3) US moderated its unilateralist attitude towards the Individual Action Plan and Capacity Building and agreed to change the proposed Shanghai Charter into a more acceptable Shanghai Accord. By giving up strong words like *Zero Tariff* and *abolish*

nontariff barriers, US finally helped all parties coming to the consensus on updating tariff- and nontariff barrier-related parts of the Osaka Action Agenda. Moreover, US actively coordinated with other APEC members over the issue of cooperation in the New Economy as well as the China-advocated financial and development projects.

TAO: Given the previous US deeds, such positive attitudes must conceal some political, economic and security intentions.

GU: I do see some intentions from US' enthusiasm toward the Shanghai Meeting. (1) To maintain dominance in the Asia-Pacific affairs. US has some vital strategic and economic interests in the region. As stressed by Assistant Secretary James A. Kelly, Bureau of East Asian and Pacific Affairs, US Department of State, Asia-Pacific contains "tremendous economic opportunities" for the US. US trade with East Asia amounted to nearly US\$ 500 billion, second only to that within NAFTA, almost accounting for 1/3 of its total foreign trade. Economic exchanges with East Asia not only provide US with millions of jobs but also immense investment returns. (2) To repair the damaged US-China relationship. Since President Bush took office, China has been described as a strategic competitor. The new Administration's China policy is somewhere between containment and engagement, which results in ups and downs in the bilateral relations. And the EP-3 Collision Incident further deteriorated this fragile relationship. Fortunately, Bush Administration realized at last the complex and significant nature of the US-China relations. It came to the conclusion that to maintain a constructive and cooperation relationship with China is in the fundamental interests of the US because US needs Chinese cooperation in wide-range of issues such as trade, security, arms control, environmental protection, drug trafficking, etc. (3) To expand US economic interests in China. Mr. Michael C. Mullen, Director of the National Center for APEC once said, everyone in the Bush Administration recognized the significance of the US-China economic relations. The fact is that bilateral trade between China and the US reached US\$ 115 billion in 2000. Secretary Powell published an article in *Washington Post*

on June 1, 2000, confirming that US exports to China increased by 24% compared with 1999, amounting to US\$ 16 billion; exports to China created 350,000-400,000 jobs for the US; decent but inexpensive goods from China helped the US to keep the inflation low and improved the quality of American people. At the same time, annual US investment to China increased from less than US\$ 400 million in early 1990s' to US\$ 1.1 billion in late 1990s'. (4) To shape the forthcoming new round of WTO negotiation. The U.S. has expressed on many occasions that how to initiate a new round of WTO negotiations should become one major topic for the APEC Shanghai Meeting; Shanghai Meeting should suggest some concrete measures in this regard so that Doha Conference would execute accordingly. Obviously, the U.S. tries to repeat the tactics used in 1993 Seattle Meeting which imposed some pressures on the Uruguay round WTO negotiation. This time US wants to use Shanghai Meeting to not only emphasize liberalization in traditional economic and trade fields, but also stress on the free trade in the sectors such as agriculture, service, information and telecommunication on which US has the edge. So the U.S. would obtain a favorable position in the new round of WTO negotiation.

CHEN: "9.11" Event has become the global focus. Shanghai Meeting will be the first large-scale international conference after the incident. According to the nature of APEC, only economic issues should be discussed. However, since there is an precedent that during Oakland Meeting participants also discussed fruitfully the East Timor Issue, I do think counter-terrorism will become an important subject for Shanghai Meeting.

GU: I agree with your judgement. After "9.11" Event, seeking international support and cooperation to attack terrorism has become the top priority for the Bush Administration. APEC is apparently an important multilateral organization which could be incorporated and used. The Asia-Pacific not only accommodates most world powers but also embraces different economic models, religious believes and cultural traditions. Since many countries in the region are suffering from terrorist devastation, they share the same desire to counter

terrorism. No wonder why all APEC members have expressed their willingness to strengthen anti-terrorist cooperation with the US. Shanghai Meeting in October 2001 will provide the leaders of APEC members a good chance to discuss the issue of counter-terrorism face to face. The U.S. will not miss this opportunity.

## **PART SIX: APEC's Prospect –Different Anticipation**

TAO: Before we end today's discussion, I would like to ask you to give your respective opinions on the prospect of APEC. First the issue of institutionalization. The non-institutional arrangement is the uniqueness of APEC which provide us with an alternative approach to establish new world economic order in the post-Cold War era. However this very characteristic also invites some disputes and dilemma to APEC.

CHEN: This is a critical issue. Generally speaking, an effective regional organization must apply certain restraining mechanism to its members. Particularly, when a resolution is made, there must be some following powerful measures to be taken. Some people asserted that this "Club of Empty Talks" will sooner or later lose members' support and trust even to disintegrate if APEC could not improve its effectiveness and change its words into deeds. I think time is not mature for negotiations and compromises even in the near future, owing to the widespread economic difficulties, but gradual development towards institutionalization will become a long-term option of APEC. APEC members are facing some practical problems, i.e. trade facilitation, macro policy coordination, e-APEC, capacity building, which need common efforts and concerted actions of all members. Therefore, the urgent matter for APEC is to strengthen its functions.

TAO: The second issue strikes my mind is the hollowing-up issue, namely the relations between APEC and the sub-regional free trade zones as well as bilateral free trade agreements among its subordinates. For example, NAFTA consisting of Canada, Mexico and the US,

the "10+3" in East Asia, ongoing consultations and negotiations on bilateral cooperation involving Singapore, Japan, Mexico, etc. Such sub-regional free trade zones and bilateral cooperation are aiming at benefits that could not be obtained through APEC. Will these internal challenges weaken members' enthusiasm towards APEC?

JIANG: APEC being at a loss as to what to do about the East Asian financial crisis has made members in East Asia convinced of the necessity of sub-regional self-salvation. On the other side, the solid Chinese Yuan and Japanese Miyazawa Scheme convinced Southeast Asian countries of old Chinese saying: a distant relative is not as helpful as a near neighbor. That is why ASEAN invited China, Japan and ROK to jointly discuss financial crisis management and finally formed the "10+3" cooperation mechanism. Given the emergency of stabilizing financial markets in the wake of financial crisis, "10+3" firstly initiated cooperation in the financial field by setting Financial Ministers' Meeting mechanism and Supervisory Working Group On Short-term Capital Flow and consented to establish bilateral currency exchange mechanism as early as possible. These are the crucial moves toward a regional financial security network. On the "10+3" unofficial leaders' meeting held in 2000, ASEAN suggested to establish the EAFTA. At this moment, all parties are still consulting with one other over this big scheme. In one word, "10+3" portraits a beautiful long-range perspective for us.

Nevertheless, we should not ignore APEC only because its setbacks contrast with the smooth development of the "10+3". In the past years, APEC has served as an indispensable tie connecting the Asia-Pacific countries. This very function is the true value of APEC. I think the best-performed and most important role of APEC does not lie in promoting liberalization but in enhancing communications among the Asia-Pacific countries. Because before APEC coming into being, there was not any such regional forum where Asia-Pacific people could exchange their ideas and consult with one another over issues of common concern. Annual meetings sponsored by APEC have provided venues for political figures, entrepreneurs, scholars, etc. to contact and communicate with one another. It has been proven that APEC has played an

unique role - which WTO is not capable of - in promoting liberalization in the Asia-Pacific. At present, the Asia-Pacific economy is faced with sustainable development-related issues like environment, urbanization, population, food, resources, digital gap, etc. The first step to the solution of these problems is to reach on consensus among regional countries. In this regard, much could be accomplished by APEC.

TAO: I agree. APEC should not only urge its members to observe their commitments to the regional openness and the principle of non-discrimination, but also encourage generously other organizations like the IMF or "10+3" to take the leadership instead in solving financial problems in East Asia. Only by doing so could APEC ensure these derivative mechanisms playing a complementary or facilitating role instead of a destructive role to APEC itself. In the coming new round of WTO multilateral trade negotiation, contradictions between the developed and developing countries will become sharper. APEC should use its institutional advantage to listen to the opinions of the developing countries and to build a bridge between the developed and developing countries through which dialogues and coordination will be reinforced.

APEC's effective performance will mainly rely on the active participation and leadership of big powers like the US, Japan, China and regional blocs like ASEAN. Interactions among big powers within APEC framework make it clear that only cooperation-oriented models - which not only be led by big powers but also incorporated with small countries - are acceptable.

GU: Interactions among big powers is an important issue worth of our attention. I would like to only talk about Sino-US cooperation within APEC. In contrast to other APEC members that live in the shadow of economic decline, economic growth rate of China in the first half of this year was still as high as 7.9%. The vast market and abundant high-quality, low-cost labor force have made China the first choice of international investors. This is also one reason why the U.S. adjusted its China policy and shifted its focus from the controversial strategic field to positive economic field. Though APEC is only a regional association, it is the only multilateral

economic organization China participated into for the past ten years. Before China entering into WTO, APEC has served as the only channel for multilateral talks with China. Even after China entering into WTO, the further task of imposing higher standards upon China could only be accomplished within APEC. Therefore the U.S. would not give up this opportunity of incorporating China into world economic rules. Besides, the U.S. also needs China in resisting pressures from protectionism, maintaining the opened regionalism and preventing the hollowing-up of APEC.

TAO: It seems that anti-globalization has become a fashion since the WTO Seattle Conference was aborted. This shows that globalization on the one hand enhanced world economic prosperity by driving worldwide markets, capital, technology and personnel together, on the other caused serious imbalance of interests because of unbalanced resources possession. Are there any profound contradictions behind this phenomenon?

SU: Globalization and anti-globalization have become the most popular ideologies today. Advocates of globalization stand on market orientation. They emphasize liberal market and liberal trade; they believe the world is entering into a era of highly interdependent global economy without political boundaries, and the market will advance prosperity, international cooperation and world peace and hence becomes the most important mechanism to dominate domestic and international affairs; they also think transnational companies will play a leading role in organizing world production and multiplying world wealth in stead of national states - "the mistakes of the times". The natural conclusion of this logic is that American political and economic systems should become universal models; the U.S., which is the only super power, should execute global leadership. On the contrary, upholders of anti-globalization emphasize economic conflicts, trade protectionism and the increasing role of national states in economic affairs. They believe that the future world will be filled with intense economic conflicts domestically as well as internationally; they also hold that a deregulated global market and an opened world economy will definitely lead to serious conflicts among

countries, economic classes and interests groups. There will be more losers than winners in these battles. The failure of Seattle Conference is somehow inevitable because globalization could only move so far in a realistic world with national confrontations and competitions.

TAO: We may talk about this issue for days. Since time is limited, Dr. SU, would you please brief us your opinion with us on the relations between regionalism (particularly in Asia-Pacific) vs. globalism?

SU: How to solve contradictions between economic globalization and regionalization has become the utmost important issue for world economy in the 21<sup>st</sup> Century. Although many claimed in the past that economic globalism would finally defeat regionalism, facts have proven to the opposite. In recent years, globalization has encountered obstructions from all fronts while regional economic integrity has enhanced everywhere. For example, EU introduced the single currency Euro, the U.S. attempts to build an AFTA after NAFTA, and interdependence in East Asia has deepened day by day. These pair of seemingly contradictory trends, in my point of view, are in fact complementary. APEC, which is one of the three most important regional economic organizations, is the symbol of regionalism or regionalization. WTO, which is one of the three most important international economic organizations, is the symbol of globalism or globalization. I think the forthcoming APEC Shanghai Meeting and WTO Doha Conference will help people reach on some new understanding of the relations between regionalism and globalism.

TAO: Let's call it a day. Thank you, everyone.

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<sup>1</sup>\* This article was published in *Xiandai Guoji Guanxi (Contemporary International Relations)* (2001.10), a Chinese Journal of China Institute of Contemporary International Relations.