

New Zealand PECC Domestic Events and Activities

Food Programme work 2012

As its main priority area of work in 2012, New Zealand Committee of the Pacific Economic Cooperation Council (NZPECC) is focusing on food policy issues, linking to regional concerns with food security and supply chain issues, and domestic concerns with trade issues and market trends. NZPECC aims to facilitate linkages between New Zealand experts and counterparts in the Asia Pacific region to build shared understandings of regional and national imperatives related to the following issues and their significance in the context of food security concerns:

- Supply and Demand – trends and policy impacts
- Sustainability – water; energy and its links to food security
- The Role of National Agricultural Policies
- The Role of Business - Supply Chains, PPP Initiatives, investment and ownership (foreign and domestic) issues in Agriculture
- The Role of Trade and Trade Policy

At the same time the pursuit of Track II engagement within New Zealand has promoted the objectives of NZPECC in (a) widening engagement with business representatives and academics, and (b) contributing to development of business and public policy responses to key issues relating to New Zealand's integration with regional and global food markets, including the market development strategies of New Zealand firms and their positioning in regional and global supply chains, and the potential contribution of New Zealand in adapting to the changing patterns of regional food demand.

NZPECC (in collaboration with the New Zealand Ministry of Foreign Affairs and Trade) has been working on a preliminary assessment of food issues within the region. Research missions to North and South East Asia have been undertaken, both to gather information on latest developments and to exchange information on research agendas with other researchers in the region with a view to identifying potential avenues for collaboration. In 2012 NZPECC continued its efforts to deepen engagement with the region on food issues.

Marine Resources Seminar December 2012

In conjunction with French Pacific Territories PECC (FPTPEC) and the University of Auckland, NZPECC co-hosted the concluding seminar in a series of three entitled: "The Management of Deep Sea Marine Resources and Oceans as a Means of Communication".

The seminar focused on four main issues:

1. Deep sea exploration;
2. The protection of resources;
3. Exclusive economic zones and the implications for resources; and
4. Oceans as a means of communication

The Seminar report drew the following conclusions:

In view of the growing global demand for more minerals, it is inevitable that governments, industries, and scientists look into the possibilities of diversifying the sources of minerals by exploring the deep seas and seabed. In view of growing demands for faster connectivity and wider open access to internet, laying more fiber optical cables on the seabed also becomes inevitable. Human dependence on the sea goes far beyond fishing and maritime leisure activities on the surface of the ocean.

The seminar discussions emphasised that resources from the oceans available in most of the Pacific island territories are potentially ready for commercial exploitation. However; it was felt that more scientific data should be collected and made available with a view to better identify the amount and quality of the resources available as well as the environmental risks that come with this task. Given the growing world demand for new mineral resources from the Oceans all legal aspects related to access, environmental protection and preservation need to be carefully spelt out.

A sustainable exploitation of the natural resources from the Oceans calls for a strong political will to complement the R&D efforts by the private sector. Several obstacles including technical, environmental and socio-cultural are still present. Responsible exploration and exploitation of the sea are taking on new dimensions and considerations. Enhanced regulations and legal frameworks to cover the intricacies and complexities surrounding the protection and sustainable development of marine resources need to be put into place.

Long-term sustainability of the world's marine resources would require:

- 1) Strong political will on the part of governments;
- 2) Regional and international cooperation;
- 3) New technologies and innovation;
- 4) Shared accountability and ownership between the private and public sectors through PPPs; and
- 5) A better surveillance of the oceans through cooperation between the resource owning economies.

The full Seminar report can be found on the NZPECC website on the Meeting Papers page; <http://nzpecc.org.nz/2573/2615.html>

Governance

The Chair and Board of NZPECC would like to formally thank past Board Members Wade Armstrong, Liz Jones and Yvonne Lucas for their service to the Board. Mr. Denis McNamara was reappointed Chair and Ms. Fran O'Sullivan reappointed Deputy Chair.

NZPECC continued working with its two internal committees; the Finance Committee and Nominations Committee. These committees meet separately and report directly to the Board.

NZPECC once again gratefully acknowledges the ongoing financial support of the Ministry of Foreign Affairs and Trade and the Ministry of Business, Innovation and Employment. NZPECC would particularly like to acknowledge the Ministry of Foreign Affairs and Trade's Trade and Economic Programme for its ongoing support of NZPECC's Food Programme Work, enabling deeper links into key Asian economies. NZPECC would also like to acknowledge the many additional contributions we have received from the employers of our Board Members and thanks those organisations that have generously hosted events on NZPECC's behalf.

PECC International Events and Activities

The two major events in the PECC calendar for the year were the PECC Standing Committee Meeting and associated Conference in Singapore, April 2012. PECC International Secretariat also participated as an Official Observer at the APEC Meetings hosted by Russia.

Singapore Conference

The theme for the conference in 2012 was “APEC Economies: A Paradigm Shift?” NZPECC was well represented at the conference. It was attended by almost all PECC economy committees as well as a number of public and private organisations; particularly from around the Southeast Asian region.

Themes and key points

Further Trade Liberalisation

The region is experimenting with various frameworks such as AEC (ASEAN Economic Community), the ASEAN+ FTAs, and the broader initiatives such as the Asia-Pacific-centric TPP (Trans-Pacific Partnership), and the ASEAN-Centred Regional Comprehensive Economic Partnership (RCEP). The RCEP was noted to have made the most progress having completed 15 (now 19) negotiating rounds but, naturally, the issues left are also the most difficult. There is an ongoing debate in the region as to which path will lead to the most effective trade liberalisation for the area as a whole, and if or how the different paths may ultimately converge.

Nurturing Asia Pacific Growth in the aftermath of the fiscal crises in Europe

The Russian Ambassador to Singapore, Leonid Moiseev reiterated that Russia attaches great importance to strengthening its relevance in the Asia-Pacific region and that “Russia’s chairmanship in APEC is aimed at promoting the domestic economy integration into the system of economic ties in the Asia-Pacific for the sake of modernisation and innovation-driven economic development.” While there is no “magic bullet” for social reforms as seen through the experiences of other economies around the world (and particularly Europe), it was essential to launch and activate new drivers of economic growth.

Securing Future Growth through functional Cooperation

There is an increasing realization that the regional agenda is now taking on more complex but much needed human and social issues. To promote inclusive growth, healthcare is a prerequisite not just in terms of the numbers of doctors or hospital beds but also in terms of education, sanitation and income. The region also needs to reconsider the way in which incentives are given. For example; in Singapore doctors get paid based on the number of patients they see and hospitals get paid for the number of patients they admit. People need to be equipped with knowledge to make informed choices and service providers should be incentivized to offer the most appropriate and quality care.

Standing Committee Meeting, Singapore

The SC Meeting dealt quickly with the administrative side of the PECC Committee. Canadian PECC Committee Chair, Donald Campbell, was voted in as the new PECC co-chair and the committee welcomed new Committee Chairs; Prof Stephen Cheung from Hong Kong, Mr Denis McNamara from New Zealand and Mr Khalzkhuu Narankhuu from Mongolia.

The date and venue for the next meeting was agreed as June 2013 in Vancouver to take place in conjunction with the 21st General Meeting of PECC.

State of the Region 2012-2013 Report

The *State of the Region* report was released during the APEC Leaders' Week in Vladivostok, Russia. The *State of the Region* report is based on analysis from the views of over 500 respondents from PECC's 23 member economies plus others.

Below is a brief summary taken from the Report:

"Growth in the Asia-Pacific this year is expected to increase slightly to 3.7 percent from last year's 3.5 percent. Looking ahead to 2013, growth will be much the same at 3.9 percent. However, these forecasts, based on the IMF's World Economic Outlook are based on some assumptions: that financial conditions on the Eurozone will ease; expansionary policies in emerging markets will gain traction; and the United States will find a solution to the fiscal dilemma it faces at the end of the year. In short, the downside risks to the forecast are enormous and uncertainty remains abundant."

To read more on the 2012/13 *State of the Region*, or about any PECC event or publication, go to <http://www.pecc.org/research/state-of-the-region>