

CHAPTER 1

INTRODUCTION

Establishment of the inquiry

1.1 On 26 June 1997, the Senate referred the matter of Australia in relation to Asia Pacific Economic Cooperation (APEC) to the Committee for inquiry and report by 1 July 1998. The Senate subsequently, on several occasions, extended the reporting date to 16 August 2000.

Conduct of the inquiry

1.2 The Committee advertised the inquiry in the national press on 2 July 1997, calling for written submissions to be lodged with the Committee by 14 August 1997. The Committee also wrote to relevant Commonwealth Government Ministers, State Premiers and Territory Chief Ministers, the heads of mission of APEC economies and other interested nations and economic groupings resident in Canberra, and a range of academics, business and other organisations with an interest in APEC, to draw their attention to the inquiry and invite them to make written submissions. A total of 59 submissions was received. A list of submissions is contained in Appendix 1.

1.3 After initial consideration of the submissions, the Committee began conducting public hearings on 29 September 1997 in Canberra and held further hearings in Canberra in 1997 and in Canberra, Sydney, Melbourne and Adelaide in 1998. A final hearing with the Department of Foreign Affairs and Trade was held on 18 February 1999. Details of the hearings and the witnesses who appeared at them are contained in Appendix 2.

1.4 A review of the evidence towards the end of 1997 resulted in an approach to a number of additional organisations and individuals who had not up to that time contributed to the inquiry. Many of these provided written information and gave evidence to the Committee during the 1998 public hearings.

1.5 On 4 February 1998, during the course of the Melbourne public hearings, the Committee visited the Australian APEC Study Centre, a part of Monash University located in the city. A CD-ROM produced by the Centre to inform students and teachers about APEC, which had been launched in late 1997, was demonstrated to the Committee. Members of the Committee also took the opportunity to talk informally to staff at the Centre about their work and APEC.

Scope of the inquiry

1.6 As the focus of APEC has been mainly on trade and investment liberalisation and facilitation and economic and technical cooperation within the Asia Pacific

region, the Committee concentrated on those issues. However, economic and trade issues cannot be quarantined from a range of non-economic issues, especially the environment, which is often affected by economic activity. Although the environment does not have a separate working group to coordinate consideration of environmental matters within APEC, various environmental issues have been considered in a number of working groups. Moreover, environment ministers of member economies have met to discuss environmental issues within the framework of APEC. The Committee therefore considered relevant environmental matters during the course of the inquiry.

1.7 Social issues, such as the social effects of trade liberalisation, occupational health and safety, labour rights and human rights initially received scant attention within APEC, even though NGOs and other organisations sought to have these issues included in the APEC processes. However, the growing concern being expressed around the world about the effects of trade liberalisation and globalisation on people and communities has more recently raised the profile of these matters in APEC. Although these issues had not achieved any prominence in APEC at the start of the inquiry, the Committee, nevertheless, decided that these issues were relevant and should be considered during the course of the inquiry.

1.8 Although some people have advocated the inclusion of security issues within APEC, arguing that security and economic matters are often linked, APEC has firmly rejected all attempts to broaden its mandate to include security issues. Having noted APEC's response to security issues and the existence of a regional body, the ASEAN Regional Forum, which was established specifically to consider regional security matters, the Committee did not address security issues in the inquiry.

Asian economic crisis

1.9 The Asian economic crisis started in 1997 and severely affected the region in the latter part of that year and in 1998. All countries in North East Asia and South East Asia suffered from the crisis in different ways and to varying degrees. Many countries in other parts of the world were not immune from the flow-on effects of the crisis. Despite having sound economic fundamentals and strong financial institutions, Australia, too, succumbed to assaults on its currency, owing in large part to the country's trade exposure to Asian economies.

1.10 By early 2000, many of the countries in East Asia had rebounded from the ravages of the crisis, although the reverberations from it will continue to be felt within the economies of the region for some time. The Committee's terms of reference did not extend to an examination of the causes of the crisis, the way in which it developed or the mechanisms used to try to resolve it. While the crisis was discussed with a number of witnesses during the inquiry, the Committee's main interest lay in the likely effects of the crisis on APEC's progress towards its goals.

Acknowledgements

1.11 The Committee wishes to express its appreciation to everyone who contributed to the inquiry by making submissions, providing other information or appearing before the Committee in public hearings. In particular, the Committee is grateful to the Department of Foreign Affairs and Trade for its cooperation and assistance throughout the inquiry.

