



February 7, 1994

QUARTERLY REPORT
For the period ending December 31, 1993
Grant No. AEP-0000-G-00-2037-00

Objectives and Accomplishments for this period:

Objectives for this period are itemized according to the budget categories in the grant. The objectives and outcomes during the period (for grant areas in which activities were conducted) are as follows:

1. Grant Budget Category 1(a) and 1(b). Support of the PECC Fund and Standing Committee and Coordinating Group.

Objective: To follow up the results of the Ninth General Meeting and to finalize some budgetary items in the PECC Fund for the coming year.

Outcome: The Standing Committee and Coordinating Group met in Kuala Lumpur, November 30-31. The meeting followed up July discussions on ways to restructure PECC to work more appropriately with APEC. Also, further plans were made for the development of projects and programs that would follow up recommendations on "Open Regionalism" in PECC IX.

2. Grant Budget Category 3. Science & Technology Meetings

Objective: A) To examine, with businesses and governments in the region, those policy issues and current informational needs that affect technology transfer and technology growth.

Outcome: A) The Task Force held a workshop on technology transfer November 17-18 in Hong Kong in which there was broad industry as well as academic and government participation.

3. Grant Budget Category 4. Telecommunications in Development: Symposia

Objective: To support and extend the work of the APEC Telecommunications Working Group on Telecommunications through a PECC private sector group.

Outcome: US-PECC organized U.S. telecommunications private sector participation to the APEC Customs and Trade Symposium activities in Seattle, November 15-16, concerning the role of telecommunications in customs processes.

4. Category 5. International Air Transport and Economic Development Roundtables

Objective: To support APEC activities in areas related to transportation and to contribute independent data and analysis from PECC for this purpose.

Outcome: US-PECC organized U.S. transportation private sector participation to the APEC Customs and Trade Symposium activities in Seattle, November 15-16, concerning the role of transportation in customs processes.

5. Category 6. Direct Foreign Investment Working Group and Symposium

Objective: To prepare ideas and present them to APEC concerning an agreement on direct foreign investment in the Asia-Pacific.

Outcome: US-PECC organized a special seminar in San Francisco, November 3-4, for U.S. businesses and researchers on the topic of a foreign direct investment treaty and provided the draft agreement to APEC.

6. Grant Budget Category 7. Pacific Economic Outlook

Objective: To participate in the development of a regional forecast for the Pacific Basin economies, 1993-94, and provide an analyses of changing patterns of trade and investment in the region as part of the Pacific Economic Outlook program.

Outcome: US-PECC led the updating of its current forecast for the Asia-Pacific region and presented it to the APEC Senior Officials in Seattle. Subsequently, it held the initial meeting of the forecasters in San Francisco, December 13-14, for purposes of starting the 1994-1995 forecast cycle.

Grant Budget Category 9. Other Temporary Costs

Objective: To generally support PECC liaison with APEC and, more generally, liaison by the private sector throughout the U.S. with APEC.

Outcome: US-PECC officers and staff participated in the Fifth APEC Ministerial Meeting in Seattle, November 17-19, 1993 as well as part of the regional Leaders Meeting (opening dinner). In so doing, PECC provided background information, made presentations, and assisted in many aspects of logistics for the APEC Customs and Trade Symposium.

Expenditures:

Expenditures for this period have been within the timeframe and general guidelines set forth by the grant. The expenditures are summarized in the attached financial reports.

Trip Reports:

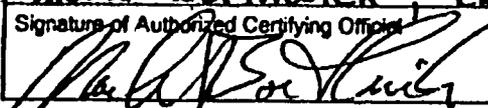
The trip reports for the period of this report are attached. They are:

1. S&T Workshop on Technology Transfer Issues
November 15-16, 1993
Hong Kong
2. Coordinating Group & Standing Committee Meeting
November 29-30, 1993
Kuala Lumpur, Malaysia

FINANCIAL STATUS REPORT

(Short Form)

(Follow instructions on the back)

1. Federal Agency and Organizational Element to Which Report is Submitted Agency for International Development EA/EM/A/NPA+PA		2. Federal Grant or Other Identifying Number Assigned By Federal Agency AEP-0000-6-00-2037-00		OMB Approval No. 0348-0039	Page 1	of 1 pages	
3. Recipient Organization (Name and complete address, including ZIP code) US National Committee for Pacific Economic Cooperation 1755 Massachusetts Avenue, NW, Suite 412 Washington, DC 20036-2102							
4. Employer Identification Number 52-1365614		5. Recipient Account Number or Identifying Number 499-0013-3-2672507		6. Final Report <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		7. Basis <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual	
8. Funding/Grant Period (See instructions) From: (Month, Day, Year) May 1, 1992			To: (Month, Day, Year) April 30, 1994		9. Period Covered by this Report From: (Month, Day, Year) October 1, 1993		To: (Month, Day, Year) December 31, 1993
10. Transactions:				I Previously Reported	II This Period	III Cumulative	
a. Total outlays				536,295.56	78,531.03	614,826.59	
b. Recipient share of outlays				ϕ	ϕ	ϕ	
c. Federal share of outlays				536,295.56	78,531.03	614,826.59	
d. Total unliquidated obligations						ϕ	
e. Recipient share of unliquidated obligations						ϕ	
f. Federal share of unliquidated obligations						ϕ	
g. Total Federal share (Sum of lines c and f)						614,826.59	
h. Total Federal funds authorized for this funding period						654,000. ⁰⁰	
i. Unobligated balance of Federal funds (Line h minus line g)						39,173.41	
11. Indirect Expense							
a. Type of Rate (Place "X" in appropriate box) NONE <input type="checkbox"/> Provisional <input type="checkbox"/> Predetermined <input type="checkbox"/> Final <input type="checkbox"/> Fixed							
b. Rate		c. Base		d. Total Amount		e. Federal Share	
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.							
13. Certification: I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purposes set forth in the award documents.							
Typed or Printed Name and Title Mark Borthwick, Executive Director				Telephone (Area code, number and extension) (202) 745-7444			
Signature of Authorized Certifying Official 				Date Report Submitted 31 January 1994			

FEDERAL CASH TRANSACTIONS REPORT

(See instructions on the back. If report is for more than one grant or assistance agreement, attach completed Standard Form 272-A.)

Approved by Office of Management and Budget, No. 80-RO182

1. Federal sponsoring agency and organizational element to which this report is submitted

Agency for International Development FA/PD/A/NPA+PI

2. RECIPIENT ORGANIZATION

US National Committee for Pacific

Name : Economic Cooperation

Number and Street : 1755 Massachusetts Avenue, NW, #412

City, State and ZIP Code: Washington, DC 20036-2102

4. Federal grant or other identification number
AID-0000-6-00-2037-00

5. Recipient's account number or identifying number
499-0013-3-2672507

6. Letter of credit number
72001590

7. Last payment voucher number
028

Give total number for this period

8. Payment Vouchers credited to your account
3

9. Treasury checks received (whether or not deposited)
NONE

10. PERIOD COVERED BY THIS REPORT

FROM (month, day, year)
October 1, 1993

TO (month, day year)
December 31, 1993

3. FEDERAL EMPLOYER IDENTIFICATION NO. 52-1365614

11. STATUS OF FEDERAL CASH

(See specific instructions on the back)

a. Cash on hand beginning of reporting period.	\$ 13,704.44
b. Letter of credit withdrawals	104,000. ⁰⁰
c. Treasury check payments	0
d. Total receipts (Sum of lines b and c)	104,000. ⁰⁰
e. Total cash available (Sum of lines a and d)	117,704.44
f. Gross disbursements	78,531.03
g. Federal share of program income	0
h. Net disbursements (Line f minus line g)	78,531.03
i. Adjustments of prior periods	0
j. Cash on hand end of period	\$ 39,173.41

12. THE AMOUNT SHOWN ON LINE 11J, ABOVE, REPRESENTS CASH REQUIREMENTS FOR THE ENSUING

Days

13. OTHER INFORMATION

a. Interest income	\$ 121.40
b. Advances to subgrantees or subcontractors	\$

14. REMARKS (Attach additional sheets of plain paper, if more space is required)

15.

CERTIFICATION

I certify to the best of my knowledge and belief that this report is true in all respects and that all disbursements have been made for the purpose and conditions of the grant or agreement

AUTHORIZED
CERTIFYING
OFFICIAL

SIGNATURE

TYPED OR PRINTED NAME AND TITLE

Mark Borthwick
Executive Director

DATE REPORT SUBMITTED

31 January 1994

TELEPHONE (Area Code, Number, Extension)

(202) 745-7444

THIS SPACE FOR AGENCY USE

TRIP REPORT

Meeting Dates: 15-16 November 1993

Meeting Venue: Hong Kong

Participants: Dr. Denis Fred Simon
Director, Center for Science & Technology Policy
Fletcher School of Law and Diplomacy
Tufts University

Other U.S. Participants:

Alan Bickell, Vice President, Hewlett-Packard Co.
Norman Neureiter, Vice President, Texas Instruments, Inc.
Mahal Mahan, Director, Technology Infrastructure, AT&T

Purpose: PECC Science & Technology Workshop
on Technology Transfer Issues

REPORT:

The purpose of this meeting was to foster a tripartite (business, government, academic) examination of issues in technology transfer, particularly as they relate to the "software" dimensions. Denis Simon served as program chair. Business participants were all session presenters or leaders.

See the attached preliminary report. A publication of some of the discussion and presentations is planned.

Report Prepared By: Mark Borthwick

Date Prepared: December 1, 1993



Pacific Economic Cooperation Council

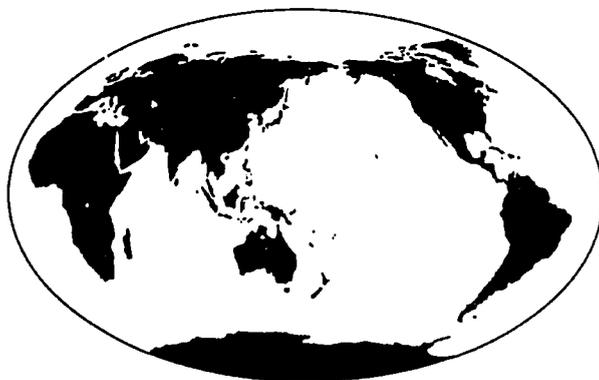
Science and Technology Task Force

Workshop for

Technology Transfer

*A Tripartite Approach to International Technology Transfer
An Examination of the "Software" Dimension*

15 - 16 November 1993
New World Harbour View
HONG KONG



Organized By:

PECC Science and Technology (S&T) Task Force
Hong Kong Committee for Pacific Economic Cooperation (HKCPEC)
United States National Committee for Pacific Economic Cooperation (USNCPEC)
Hong Kong Industry Department
Hong Kong Industrial Technology Centre Corporation

Sponsors:



China Venturetechno International Co., Ltd



Hayes Microcomputer Products, Inc



Hewlett-Packard Company



Lam Soon Hong Kong Group



Motorola Semiconductors Hong Kong Ltd

NEC NEC Technologies Hong Kong Limited



The British Council

Objectives of Technology Transfer Workshop

During the past two decades, the role of science and technology has gained greater importance in the process of economic development and national competitiveness. This has resulted in increased attention to technology transfer.

Technology transfer raises many trends and issues which must be addressed:

- (1) Globalization of the international technology market
- (2) Moving technologies across borders at a much earlier point in the product life cycle
- (3) Proliferations of international technology transfer mechanisms; accelerating "techno-nationalism"
- (4) "Software" as an increasing focus of negotiation in technology transfer
- (5) The widening gap between the technology "haves" and "have nots"

This Workshop will re-examine many of the common assumptions regarding cross-border technology transfer in view of these five major highlighted trends; and highlight the tripartite roles of business, government, and universities.

The Workshop will demonstrate the importance of upgrading technology industries for the Asia Pacific Rim. The focal point of the workshop will be on the "software" dimension of international technology transfer -- the intangible information that provides the commands for the hardware.

The products of the Workshop will include (a) a conference report with a set of recommendations to the PECC Secretariat for improving technology transfer among the PECC members and (b) an edited volume containing the best papers from the conference.

Co-Chair:

Dr. Winston W. Liang
Hong Kong Industrial Technology Centre Corporation

Professor Denis Fred Simon
Tufts University, USA

Members of the Organising Committee:

Mr. Raymond Young
Hong Kong Government Industry Department

Mr. Stephen So
Rayovac Far East Limited

Mr. Michael Denny
City Polytechnic Hong Kong

Mr. Ronald Cheung
Hong Kong Productivity Council

Mr. Vincent Wong
Hong Kong Industrial Technology Centre Corporation

Secretariat:

Ms Kathleen Ng

DAY ONE
Monday, 15 November, 1993

8:00 a.m. - 8:30 a.m.
Registration

8:30 a.m. - 9:00 a.m.
Introduction

Welcome Address

9:00 a.m. - 11:00 a.m.

Overview of the Technology Transfer Issue

Session One

1. Government Perspectives on the Transborder Flow of Technology
2. Corporate Perspectives on the Evolving Structure of International Technology Markets
3. Universities and Their Roles in International Technology Access
4. Discussion

11:00 a.m. - 11:30 a.m.
Break

11:30 a.m. - 1:30 p.m.

Key Players in the International Technology Transfer Game

Co-Chair:

Hong Kong
Dr. Winston W. Liang
Chief Executive Officer, Hong Kong Industrial Technology Centre Corporation

China
Professor Wu Yikang
Vice Chairman, China Association for International Science & Technology Cooperation
Co-Chair, PECC Science & Technology Task Force

Speaker:

Hong Kong
Dr. The Hon. Raymond Ch'ien
Group Managing Director, Lam Soon Hong Kong Group
Chairman, Industry and Technology Development Council

Chair:

New Zealand
Dr. Alan Frampton
Chairman, New Zealand Pastoral Agricultural Research Institute

Speaker:

USA
Dr. Mahal Mohan
Technology and Infrastructure Director, AT & T

Chinese Taipei
Mr. Chin-Lung Yeh
Vice President, Chinese Petroleum Corporation

Hong Kong
Professor Charles K. Kao, CBE
Vice Chancellor, Chinese University of Hong Kong

Discussant:

Canada
Dr. Karen Minden
Associate Professor/Director, Policy Studies,
Centre for Higher Education Research and Development,
The University of Manitoba

Hong Kong
The Hon. Professor Edward Chen
Director, Centre of Asian Studies,
University of Hong Kong

Chair:

Chinese Taipei
Dr. Ling Yuan Chen
Vice President/General Director of Energy & Resource
Laboratory, Industrial Technology Research Institute,
Hsinchu

Session Two

- 1. The Multinational Firm as a Purveyor of Technology in an Age of Globalization
- 2. Buyer-Supplier Relationships in International Technology Transfer
- 3. Brokering Technology for Global Markets: The Role of Technology Transfer Intermediaries
- 4. Discussion

Speaker:

Singapore
Mr. Kai-Thye Goh
Manager, Technology Transfer, Institute of Systems Science, National University of Singapore

Japan
Mr. Yasukuni Kotaka
Vice President, NEC

Hong Kong
Mr. Michael Denny
Senior Lecturer, Department of Computer Science, City Polytechnic of Hong Kong

Discussant:

Korea
Dr. Andrew Chanho Sonu
Attorney at Law & Patent Attorney, Shin & Shin Law Offices

Hong Kong
Mr. Andy Ng
General Manager - Asia Pacific, Hayes Microcomputer Products, Inc

1:30p.m. - 2:30p.m.

Lunch

2:30 p.m. - 4:30 p.m.

**Sourcing Technology:
The Dialectic Between Liberalization
& Techno-Nationalism**

Chair:

Japan
Professor Eiji O'Shima
Professor Emeritus, Tokyo Institute of Technology

Session Three

- 1. Leveraging Technology for Strategic Advantage in Global Market
- 2. The Impact of "Techno-Nationalism" on Access to Technology
- 3. Alternative Methods of Sourcing Technology: An Analysis of the Costs and Benefits
- 4. Discussion

Speaker:

Korea
Dr. Yoo Soo Hong
Research Fellow, Korea Institute for International Economic Policy

USA
Professor Denis Fred Simon
Associate Professor of International Business, Fletcher School of Law and Diplomacy, Tufts University

Japan
Dr. Shujiro Urata
Professor of Economics in School of Social Science, Waseda University

Discussant:

Malaysia
Dr. Hamzah Kassim
Director of Science and Technology, Ministry of Science, Technology & Environment

Hong Kong
Professor Gareth Thomas
Director, Technology Transfer Centre, The Hong Kong University of Science & Technology

6:00 p.m.

Boat Trip to Aberdeen Marina Club

7:00 p.m.

Dinner Programme

Chair:

Hong Kong
Miss Denise Yue, JP
Director-General, Industry Department

China Venturetechno International Co., Ltd
Hayes Microcomputer Products, Inc
Hewlett-Packard Company

8:30 a.m. -
**Acquisition
the Acquis**

Session

- 1. The Gr
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4. Strategi
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5. Discussi

10:30 a.m. -
Break

11:00 a.m. -
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Session Five

- 1. Critical l
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- 2. The Role
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- 3. Human I
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Sponsors' Night

10

Systems

8:30 a.m. - 10:30 a.m.

Acquisition: Critical Issues Regarding the Acquisition of Technology

Chair:

China

Professor Wu Yikang
Vice Chairman, China Association for International Science & Technology Cooperation
Co-Chair, PECC Science & Technology Task Force

Speaker:

United Kingdom

Mr. Hugh Cameron
Senior Research Fellow, Centre of Policy Research in Engineering, Science & Technology,
University of Manchester

Mexico

Mr. Jorge Amigo
Director-General for Technology Department,
Ministry of Trade and Industry

China

Ms. Qiu Xiaoling
Deputy Director, Software Division, Torch High Technology Industry Development Centre,
State Science & Technology Commission of China

Korea

Dr. Andrew Chanho Sonu
Attorney at Law & Patent Attorney,
Shin & Shin Law Offices

Discussant:

Indonesia

Dr. Amru Hydari Nazif
Assistant to the Vice Chairman, Indonesian Institute of Sciences

Korea

Dr. Yoo Soo Hong
Research Fellow, Korea Institute for International Economic Policy

Science,

Session Four

1. The Growing Role of Intellectual Property Rights in Technology Transfer
2. Evolving Regulatory Frameworks for Acquisition of Foreign Technology: A Comparative Perspective
3. The Meaning of Technological Self-Reliance in an Increasingly Interdependent World Economy
4. Strategic and Legal Perspectives on International Technology Licensing
5. Discussion

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ss,
University

10:30 a.m. - 11:00 a.m.

Break

11:00 a.m. - 1:00 p.m.

The Adaptation and Diffusion of Technology

Chair:

USA

Mr. Alan Bickell
Senior Vice President, Managing Director, Worldwide Geographic Operations, Hewlett-Packard Company

Speaker:

China

Mr. Yin Zhihe
Vice-Chairman, Beijing Association for Software Industry

Australia

Mr. Bob McCluskey
Managing Director, Quality Assurance Services
(Subsidiary of Standard Australia)

Canada

Professor Rosalie Tung
Faculty of Business Administration,
Simon Fraser University

Session Five

1. Critical Requisites for Effective Digestion of Imported Technology
2. The Role of Industrial Standards in Technology Transfer
3. Human Resources Issues and the Assimilation of Foreign Know-How

ry of Science,

Science,

chnology

4. Discussion

1:00 p.m. - 3:00 p.m.

Lunch (With Keynote Speech)

**Building Trans-border Alliances for Technology
Collaboration across the Pacific Rim**

3:00 p.m. - 3:30 p.m.

**Special Topic:
Potential Technology Cooperation within
"Greater China"**

3:30 p.m. - 4:15 p.m.

Wrap-up Discussion

4:15 p.m. - 5:00 p.m.

Conclusion & Recommendations

5:00 p.m. - 5:10 p.m.

Closing

Discussant:

Philippines

Dr. Ceferino Follosco

*Chairman, Agro-Industrial Management and
Consultation*

Chinese Taipei

Professor Chi Schive

*Director, Department of Economics,
National Taiwan University*

Chair:

Singapore

Dr. Wong Poh Kam

*Director, Centre for Management of Technology,
National University of Singapore*

Speaker:

USA

Dr. Norman P. Neureiter

Vice President, Texas Instruments Asia Ltd

Speaker:

Hong Kong

Professor Poon Chung Kwong, OBE, JP

Director, Hong Kong Polytechnic

Co-Chair:

New Zealand

Mr. Mike A. Collins

*Executive Director, New Zealand Association of Crown
Research Institutes (Inc.)*

Co-Chair, PECC Science & Technology Task Force

Hong Kong

Mr. Raymond Young

Assistant Director-General of Industry,

Technology Development, Industry Department

Germany

Dr. Delff Rehn

Taipei Correspondent, Foreign Trade News Cologne

Co-Chair:

Hong Kong

Dr. Winston W. Liang

*Chief Executive Officer, Hong Kong Industrial
Technology Centre Corporation*

USA

Professor Denis Fred Simon

Associate Professor of International Business,

Fletcher School of Law and Diplomacy, Tufts University

Chair:

New Zealand

Mr. Mike A. Collins

*Executive Director, New Zealand Association of Crown
Research Institutes (Inc.)*

Co-Chair, PECC Science & Technology Task Force

PECC SCIENCE AND TECHNOLOGY TASK FORCE

REPORT TO COORDINATING GROUP

KUALA LUMPUR, NOVEMBER 1993

SUMMARY OF CURRENT ACTIVITIES

CONCLUSIONS AND RECOMMENDATIONS OF LAST MEETINGS

Since the last Coordinating Group (CG) meeting in January 1993 the Science and Technology Task Force (STTF) has held the following meetings and Workshops:

- 1 An Advisory Group meeting in Hong Kong, 25/26 February 1993
- 2 An Advisory Group meeting in Sapporo, Japan, 9 July 1993.
- 3 A Workshop on Technology Transfer, Hong Kong, 15/16 November 1993.
- 4 A full Task Force meeting, Hong Kong, 17 November 1993.

Advisory Group Meetings, Hong Kong and Sapporo

The main conclusions and recommendations of these meetings were followed up at the recent Task Force meeting held in Hong Kong. Consequently, the items discussed in these meetings will be covered in the report of the recent full Task Force meeting.

S&T Task Force Meeting, Hong Kong, 17 November 1993

Technology Transfer Workshop in Hong Kong

The Science and Technology Task Force held a successful Workshop in Technology Transfer in Hong Kong between 15/16 November 1993. The Workshop was entitled "A Tripartite Approach to International Technology Transfer - An Examination of the 'Software' Dimension". One hundred and forty delegates (including 74 from overseas) attended the Workshop. These delegates included 78 (56%) representing the private/business sector.

The themes of the Workshop were:

- the overview of the technology transfer issue
- key players in the international technology transfer game
- acquisition: critical issues regarding the acquisition of technology
- building transborder alliances for technology collaboration across the Pacific Rim
- potential technology cooperation within "greater China".

The main recommendations to come out of the Workshop were:

- 1 The importance of human resource development as it applies to and affects the transfer of technology within the Asia/Pacific region.
2. The need for governments to take a more flexible approach as regards to regulations involving the transfer of technology within the Asia/Pacific region.

One of the successes of the Workshop was that it was totally funded by sponsorship from the private sector. The Workshop provided a very good example of how the S&T Task Force can bring together the three sectors of PECC in a subject area which is of importance to them all. The excellent representation by the private sector, from both Hong Kong and other economies was also extremely encouraging and showed that the Task Force can play an important future role for the private sector, as PECC looks to build a closer relationship with APEC.

Workshop on International Cooperation in Science and Technology: the Human Resource Development Dimension

Planning continued for the above Workshop which will be held in the Philippines between 10/12 November 1994. The final themes for the Workshop were refined at the meeting and it will concentrate on: high level mobility of trained manpower within the region, movement of people from large and medium sized companies, training and education in science and technology, including the role of the private sector, brainwave transmission and the basic research dimension. Sponsorship for the Workshop has already been confirmed, including San Miguel Corporation. A representative of this company attended the Task Force meeting to ensure that preparations were proceeding to plan. The Workshop will be co-chaired by the Philippines and Chinese Taipei with assistance from Hong Kong, Japan and Canada S&T Sub-committees.

A full Task Force meeting will be held following this Workshop.

International Cooperation in Environmental or Clean Technologies

The Task Force has started initial planning for a Workshop on "International Cooperation in Environmental or Clean Technologies" to be held in Canada in mid 1995. Although the main topic areas have yet to be agreed, all 13 member economies represented at the Task Force meeting supported the Workshop and recommended it should proceed. The Task Force will be presenting a proposal to PECC in the near future.

International Research Cooperation: Guidelines to Establish a Mentor System for Monitoring Atmospheric Greenhouse Gases

A paper recommending the publication of guidelines to establish a mentor scheme for monitoring atmospheric greenhouse gases was tabled for discussion. It was agreed at the meeting that members should take the paper back to their sub-committees for discussion. The recommendations would be further considered at the next Task Force meeting at PECC X.

TRIP REPORT

Meeting Dates: 29-30 November 1993

Meeting Venue: Kuala Lumpur, Malaysia

Participants: Adlai Stevenson, President
Mark Borthwick, Executive Director
Janet Pearce, Deputy Director

Purpose: PECC Coordinating Group & Standing Committee Meetings

REPORT:

Borthwick chaired the meeting of the Coordinating Group, Pearce reported on telecommunications and S&T activities in that meeting.

The meetings reviewed further progress on a restructuring plan for PECC by the Standing Committee as well as general planning and financial matters related to the administration of PECC. A final agenda for PECC X was agreed upon.

Subsequent to the meetings, Borthwick stopped in Singapore to work with the Secretariat on plans for PECC X as well as the Food & Agriculture Forum.

See attached meeting minutes.

The three participants also held meetings in Singapore with government officials associated with APEC and PECC as well as at the PECC Secretariat in Singapore.

Report Prepared By: Mark Borthwick

Date Prepared: December 15, 1993

Draft

Report of the Coordinating Group November 29, 1993

The Coordinating Group held its initial meeting through the morning of Monday, November 29, with a concluding meeting on Tuesday, November 30. This schedule enabled the coordinators to focus their initial discussion on the work of the Committee on the Future of the Pacific, followed by discussion of the PEDR, Task Force activities, and preparations for PECC X.

Task Forces and PECC Reorganization

The Chair suggested that there are at least three key factors causing change in PECC: 1) limits to overall financial resources in PECC, 2) new pressures to involve the private sector more fully, and 3) the gravitation of governmental resources toward APEC. The challenge this presents to the Task Forces is reflected in the initial drafts from the Committee on the Future of the Pacific, particularly following the July meeting of the Committee in Bali.

The APEC process has been a critical factor in this regard, both in terms of the increased government resources it has required and the growing emphasis it has placed on private sector inputs. The Coordinating Group supports the principle of ongoing change and adaptation in PECC, particularly with reference to this new environment, but suggests that care be taken to preserve those elements of PECC that have been critical to its success so far; namely, the human networks that undergird the Task Forces and Fora as well as the financial structures that have emerged to support them.

Business Participation

Some Task Forces now have achieved a very strong business component while others are steadily improving the proportion of business representation. Coordinators suggest that the Secretariat make a summary tabulation of the rate of business participation, based on current reports and records of the Task Forces and Fora. This summary also should take note of projects currently being undertaken or sponsored by businesses within Task Forces.

Regarding the nature and purpose of business participation in PECC, it was noted that most businesses are looking not only for access to the APEC network, but for opportunities to discuss "real" issues in a forum that involves research experts and key government agencies. For this reason, it is important for PECC meetings to specifically note the views of the private sector in their reports as was done recently in the Trade Policy Forum. APEC representatives observed further that, as far as APEC interests are concerned, the fundamental contribution of PECC will be judged most of all by the usefulness of its final "product" to APEC.

Lastly, it was noted that there are some areas of PECC activity in which the research community should be predominant, such as the Pacific Economic Outlook, but even these required a follow-up interaction with the private sector at some point.

As regards resource availability, it was agreed that the self-financing of projects would help soften the overall problem of resource limitations, but there remain basic limits to how many projects can be supported in PECC and that these will require some further prioritization. One encouraging note was the observation by the Korea Member Committee that as a result of its work in coordinating research in support of APEC activities, its resource allocation from the government had actually increased. Discussion suggested that the demand on APEC-related government funding in PECC is relatively minor when set against the overall base of other support that has been developed by the PECC Task Forces.

Operations of Task Forces

As noted above, the suggestion from the Committee on the Future of the Pacific that PECC activities be more "project" driven than "Task Force" driven raised concern among some coordinators. They felt that these changes should not undermine the effective participation in and funding of currently successful activities in PECC. Thus, a further clarification might be useful which notes that the planning and development of a "project" can be initiated by a Task Force or, in cases where the topic area lies outside current Task Force constructs, from an ad hoc team. In either case, a project should be rigorously designed and approved within the guidelines set forth by the Pacific Future Committee. It was recognized that the Standing Committee would need to reassert its role in this regard.

Pacific Economic Development Report (PEDR)

The Chairman noted the receipt of many last minute submissions from Task Forces to the manuscript of the PEDR. It was agreed that earlier reminders and guidelines would alleviate this problem in the future. In the meantime, the editing of the Task Force submissions will take place as rapidly as possible, with consultations via fax and e-mail. The PEDR will allocate a section to these Task Force submissions to the extent that they effectively crystallize a key trend or issue effectively. Other parts of the PEDR will be devoted, as previously agreed, to articles contributed on infrastructure development in ASEAN, current trends in Indochina, coastal China, and the Russian Far East.

PECC X Concurrent Sessions

A discussion of the PECC X concurrent sessions focused on conclusions arrived at on Sunday, November 28 by a committee of the coordinators for PECC X. Some modifications of the agendas for sessions were suggested and it was agreed that each session should develop not only a summary paragraph of the issues it plans to address, but also the target audience of participants that would appropriately be represented in each PECC delegation.

Possible New Initiatives

In addressing suggestions for new initiatives in PECC, the coordinators discussed project proposals in the areas of 1) small and medium enterprises (SME), 2) capital markets and financial services, 3) developing economy airlines and the international air transport system, and 4) a co-venture with the Economist Intelligence Unit (EIU) on an HRD publication.

The proposal on SMEs was submitted by Dr. Chris Hall, an independent consultant to the OECD, which would build upon his already extensive work in this area. It was noted that there is an upsurge of activity and interest in this area in APEC, signaling its timeliness but also the need to ensure that APEC and PECC activities do not duplicate one another. It was agreed that AUSPEC at its next national meeting (in two weeks) would review the proposal with a view toward further action either in terms of an AUSPEC sponsorship or other possible options for PECC in this area.

The proposal for an initiative on capital markets and financial services, suggested by USNCPEC, would pursue a strategy similar to that used in developing the draft Pacific investment agreement; i.e., beginning with a core team of participants to develop ideas for development. The concurrent session at PECC X on this topic could usefully serve as an initial meeting for such a group, serving as a springboard for further activity if agreed at PECC X.

Similarly, the concurrent session in PECC X on regional air transportation could serve as the initial stimulus for a succeeding meeting in 1994 on the concerns of developing economy airlines. Substantial interest having already been expressed by some carriers in the region, it is anticipated that a natural impetus is building behind this concurrent session.

The opportunity for a cooperative venture with the EIU to publish a survey and atlas of human resources in the region was discussed. Inasmuch as the proposal from EIU includes some but not all PECC economies, and includes some non-PECC economies, it was agreed that PECC representatives would have to negotiate a wider coverage. To make this produce more marketable and digestible, it was agreed that PECC should recommend a series of publications be developed around the HRD of subregions (ASEAN, Latin American, Northeast Asia, etc.) rather than a within the scope of a single, comprehensive, publication. Specific profit sharing arrangements remain to be negotiated, pending final approval by the Finance Committee.

PECC SCIENCE AND TECHNOLOGY TASK FORCE

REPORT TO COORDINATING GROUP

KUALA LUMPUR, NOVEMBER 1993

SUMMARY OF CURRENT ACTIVITIES

CONCLUSIONS AND RECOMMENDATIONS OF LAST MEETINGS

Since the last Coordinating Group (CG) meeting in January 1993 the Science and Technology Task Force (STTF) has held the following meetings and Workshops:

- 1 An Advisory Group meeting in Hong Kong, 25/26 February 1993
- 2 An Advisory Group meeting in Sapporo, Japan, 9 July 1993.
- 3 A Workshop on Technology Transfer, Hong Kong, 15/16 November 1993
- 4 A full Task Force meeting, Hong Kong, 17 November 1993.

Advisory Group Meetings, Hong Kong and Sapporo

The main conclusions and recommendations of these meetings were followed up at the recent Task Force meeting held in Hong Kong. Consequently, the items discussed in these meetings will be covered in the report of the recent full Task Force meeting.

S&T Task Force Meeting, Hong Kong, 17 November 1993

Technology Transfer Workshop in Hong Kong

The Science and Technology Task Force held a successful Workshop in Technology Transfer in Hong Kong between 15/16 November 1993. The Workshop was entitled "A Tripartite Approach to International Technology Transfer - An Examination of the 'Software' Dimension". One hundred and forty delegates (including 74 from overseas) attended the Workshop. These delegates included 78 (56%) representing the private/business sector.

The themes of the Workshop were:

- the overview of the technology transfer issue
- key players in the international technology transfer game
- acquisition: critical issues regarding the acquisition of technology
- building transborder alliances for technology collaboration across the Pacific Rim
- potential technology cooperation within "greater China".

The main recommendations to come out of the Workshop were:

1. The importance of human resource development as it applies to and affects the transfer of technology within the Asia/Pacific region.
2. The need for governments to take a more flexible approach as regards to regulations involving the transfer of technology within the Asia/Pacific region

One of the successes of the Workshop was that it was totally funded by sponsorship from the private sector. The Workshop provided a very good example of how the S&T Task Force can bring together the three sectors of PECC in a subject area which is of importance to them all. The excellent representation by the private sector, from both Hong Kong and other economies was also extremely encouraging and showed that the Task Force can play an important future role for the private sector, as PECC looks to build a closer relationship with APEC.

**Workshop on International Cooperation in Science and Technology:
the Human Resource Development Dimension**

Planning continued for the above Workshop which will be held in the Philippines between 10/12 November 1994. The final themes for the Workshop were refined at the meeting and it will concentrate on: high level mobility of trained manpower within the region, movement of people from large and medium sized companies, training and education in science and technology, including the role of the private sector, brainwave transmission and the basic research dimension. Sponsorship for the Workshop has already been confirmed, including San Miguel Corporation. A representative of this company attended the Task Force meeting to ensure that preparations were proceeding to plan. The Workshop will be co-chaired by the Philippines and Chinese Taipei with assistance from Hong Kong, Japan and Canada S&T Sub-committees.

A full Task Force meeting will be held following this Workshop

International Cooperation in Environmental or Clean Technologies

The Task Force has started initial planning for a Workshop on "International Cooperation in Environmental or Clean Technologies" to be held in Canada in mid 1995. Although the main topic areas have yet to be agreed, all 13 member economies represented at the Task Force meeting supported the Workshop and recommended it should proceed. The Task Force will be presenting a proposal to PECC in the near future.

International Research Cooperation: Guidelines to Establish a Mentor System for Monitoring Atmospheric Greenhouse Gases

A paper recommending the publication of guidelines to establish a mentor scheme for monitoring atmospheric greenhouse gases was tabled for discussion. It was agreed at the meeting that members should take the paper back to their sub-committees for discussion. The recommendations would be further considered at the next Task Force meeting at PECC X.

This project is Stage 2 of the joint project between the Science and Technology Task Force and the Minerals and Energy Forum. Copies of the proposal have also been sent to the Secretariat of MEF for its consideration

PECC X

Although the Science and Technology Task Force at this stage does not have any official involvement in the concurrent sessions at PECC X it will hold a full Task Force meeting in Kuala Lumpur during that time.

Cooperation with APEC

Both at the Sapporo meeting and the recent Task Force meeting in Hong Kong the importance of future cooperation and communication with APEC was discussed. Also, the Task Force discussed the Work Plan drafted at the first APEC Special Meeting on Industrial Science and Technology (SMIST) held recently in Japan. Further comment on the PECC/APEC relationship is contained in the report on "Relationship with APEC Working Groups"

PECC S&T Profile

The Editorial Board for the PECC Science and Technology Profile reported that final S&T statistics and drafts of copy on S&T policies are being obtained from PECC member economies. The next issue of the PECC S&T Profile will be published in time for PECC X.

The APEC SMIST indicated in their draft workplan that it was interested in S&T indicators and policies with APEC member economies and therefore the PECC S&T profile will be able to contribute to this activity.

Developing and Utilisation of International Techno Markets

The Korean PECC S&T Sub-committee indicated that they would like to hold a Workshop on the development and utilisation of international techno markets in July/August 1994 or early 1995. The Task Force said that they needed to receive a proposal on this Workshop. As the future programme for the Task Force was already fairly committed, if the proposal was approved, the workshop could use the Task Force name but it would not be an official Task Force activity. The Korean PECC S&T Sub-committee has confirmed that funding will be available for the Workshop.

Marketing Plan

The Task Force approved the establishment of a marketing sub-committee to consider the need for the preparation of a marketing plan to promote the Task Force, its activities and future programme.

Review of PECC

The Task Force noted the current review of PECC and agreed that it was important that the projects of PECC Task Forces needed to meet the objectives of the organisation, and that the Coordinating Group needed to be aware of, and consider programmes arising from the Task Forces. It was also equally important that PECC tries to identify and preserve the advantages and assets that have been generated by the present Task Force system, as it is at the Task Force level that most of the outputs of PECC occur, these mostly being produced on a voluntary basis. It was therefore agreed that any recommendations or decisions made at the November Coordinating Group and Standing Committee meetings, should avoid putting this system at risk.

Role of the Secretariat

There was some concern expressed by members of the actual role of the Secretariat and exactly how it relates to assisting the Task Forces.

PECC Research Institute

The proposal for a PECC Research Institute was raised at the Task Force meeting, and apart from Chinese Taipei who abstained, it was unanimously opposed on a number of grounds by the other 12 economies represented.

Conclusion

The Science and Technology Task Force continues to be active with good participation by the majority of member economies. The past meetings and workshops have been successful and well attended and the future programme has a well developed and strategic look about it, with the objective of maintaining the cooperation within the region between the three sectors of PECC and towards developing a closer association with APEC. The future outlook for the Task Force looks extremely positive.

PUBLICATIONS OF SCIENCE AND TECHNOLOGY TASK FORCE IN THE LAST 18 MONTHS

1. The PECC Science and Technology Profile was published in September 1992, and distributed to all PECC member economies and other interested organisations
2. The proceedings for the PECC S&T Task Force Workshop held in Jakarta in May 1992 entitled "Integrating Technology in Management: A Tripartite Approach" was completed in early 1993 and sent to the PECC Secretariat for distribution. Information to date indicates that the Secretariat has yet to distribute this report.
3. The S&T Task Force publication "Science and Technology Parks, Successful Experience in the Asia/Pacific Area" will be published in time for PECC X.
4. The proceedings of the Workshop on Technology Transfer "A Tripartite Approach to International Technology Transfer - an Examination of the 'Software' Dimension" held in Hong Kong, November 1993, is at present being assembled and will be available in early-mid 1994. This publication may be followed up with a book which will include edited versions of the key papers from the Workshop.
5. The next version of the PECC Science and Technology Profile will be published in time for PECC X.
6. The joint paper between the Science and Technology Task Force and the Minerals and Energy Task Force entitled "A Pacific Perspective on Greenhouse Gas Effect and Policy Responses" was published in the Minerals and Energy Forum proceedings held in Sydney, 13/15 May 1992.

STATE OF THE BUSINESS SECTOR INVOLVEMENT

The state of the business sector involvement in the Science and Technology Task Force activities and Task Force meetings is very encouraging if not impressive. As mentioned above the business sector made up 58% of representatives at the Task Force Workshop held in Hong Kong. Also of the 20 attendees at the full Task Force meeting held in Hong Kong 7 were representatives from the business sector.

This involvement by the business and private sector in Task Force activities is also reflected in the various Science and Technology Sub-committees of member economies, all of which have reasonable private sector representation.

PARTICIPATION OF MEMBER COMMITTEES

Of the known 17 member economies who have S&T Sub-committees, 13 were represented at the recent full Science and Technology Task Force meeting in Hong Kong. In addition, apologies were received from Australia and the United States. Malaysia and Chile were the only economies not to attend or table apologies.

Report of the HRD Task Force

- 1 The HRD Task Force published the HRD Outlook, 1993 - 1994 under a commercial publisher, Times Academic Press of Singapore in October 1993. This would help the marketing and dissemination of the Outlook.
- 2 The Third HRD Task Force Meeting was held in Singapore, 28 - 29 October 1993. The theme was on "The Relationship between Direct Foreign Investment and High Level Manpower Policies". Twelve national committees participated and a total of 15 papers were presented including one by the APEC Secretariat. The list of papers are appended below.
- 3 A press conference was also held during the HRD Task Force Meeting on 29 October 1993 to launch the HRD Outlook, 1993 - 1994.
- 4 The HRD IAG held a meeting on 29 October 1993, following the HRD Task Force Meeting in Singapore. Besides the 12 PECC national committees attending the HRD Task Force Meeting, Mr David Parsons (PECC Secretariat) and Mr Peter Richards (APEC Secretariat) gave insights on PECC and APEC activities. The meeting discussed how to complete the next HRD Outlook, 1994 - 1995, to be published in time for release at the PECC X Meeting in Kuala Lumpur in March 1994. In view of possible changes in the structure of PECC task forces, the HRD Task Force decided to firm up future work activities at a later date. However, the consensus of the HRD IAG was to continue to explore further the theme "The Relationship between Direct Foreign Investment and High Level Manpower Policies".

Papers presented at the PECC HRD Task Force Meeting in Singapore, 28 - 29 October 1993.

Australia (AUSPECC)

"Foreign Direct Investment, Technology and Skill Transfers: The Case of Australia", by Charles Stahl (University of Newcastle), Pamela Gutman (Research Institute for Asia & the Pacific) and Glen Maguire (University of Newcastle).

Canada (CANPECC)

"Direct Foreign Investment: The Impact on Human Resource Development in Canada", by David Shepherdson (The Conference Board of Canada).

China (CNCPECC)

"Foreign Investment and Human Resource Development in China", by Zhang Ren Liang (Comprehensive Planning Division of Shanghai Municipal Bureau of Personnel).

Chinese Taipei (CTPECC)

"Impacts of Foreign Direct Investment in the Employment Structure", by Chiang Shui Ping (Taiwan Institute of Economic Research).

Chile (CHILPEC)

"Foreign Direct Investment and Manpower in Chile", by Carmen Luz Latorre (Interdisciplinary Program for Educational Research) and Werner Gesswein (National Service of Training and Employment).

Indonesia (INCPEC)

"The Relationship between Direct Foreign Investment and High Level Manpower Policies", by Onny S Prijono (Centre for Strategic and International Studies).

Japan (JANPEC)

"Foreign Direct Investment and Human Resource Development: The Case of Japan", by Yoichi Suzuki (Japan International Cooperation Agency).

"High Skilled Workers in the Pacific Region: A Link between Technology Transfer and Human Resource Development in Transnational Corporations", by Dennis S Tachiki (Sakura Institute of Research).

"Foreign Direct Investment and Human Resource Development in Manufacturing Industries: The Case of Japan," (Data and References), JANPEC.

Korea (KOPEC)

"Industrial Relations and Human Resource Development: Policies in Foreign Direct Investment Firms", by Chonghoon Rhee (Korea Development Institute).

Malaysia (MANPEC)

"Malaysia: Relationship between Direct Foreign Investment and High Level Manpower Policies", by Patrick Pillai (Institute of Strategic and International Studies).

Singapore (SINPEC)

"Relationship between Direct Foreign Investment and High Level Manpower Policies: Singapore Case Study", by Linda Low and Toh Mun Heng (National University of Singapore).

Thailand (TNCPEC)

"Relationship between Direct Foreign Investment and High Level Manpower Policies: Thailand's Case Study", by Chira Hongladarom (Thammasart University).

US (USNPEC)

"Selected Data on High Level Manpower in Affiliates of Multinational Firms Operating in the PECC Region", by Eric D Ramstetter (Kansei University).

APEC Secretariat

"Activities of the APEC HRD Working Group", by Peter Richards, (APEC Secretariat).

Submitted by
Linda Low, Coordinator
HRD Task Force, November 1993