

### 3. Regional Institutions and Integration Schemes

In recent years, the Asian economies have looked to regional organizations as a focal point for furthering common economic interests. A wide spectrum of organizations and proposals are now aimed at forging closer political and/or economic ties in the Asia Pacific region. These range from the evolving APEC forum for intergovernmental dialogue to the ASEAN group to the East Asian Economic Caucus.<sup>28</sup>

The APEC appears to be evolving into the primary forum for promoting economic cooperation in Asia and the main multilateral medium for North American economies to engage the Pacific Rim economies as a group. The members generally recognize the need for a venue that can support, strengthen and push forward the multilateral trading and investment system, to assess and promote intra- and inter-regional trade, and to identify common regional trade and economic interests. Thus far, APEC has proved useful as a gathering point for Asia Pacific economies wishing to discuss regional economic issues. Indeed, APEC can go much farther as an institution, helping to address Asia Pacific economic issues under the framework of "open regionalism". The concept of "open regionalism" is still evolving, but generally implies the lowering of trade and investment barriers on a regional basis without erecting any new ones to economies outside the region, and in a manner that is consistent with the GATT/WTO. Some see a much larger role for APEC in the future, including the possibility of shaping it into an Asia Pacific version of the OECD (i.e., a key vehicle for information exchange and policy coordination in the region), or of transforming it into a free trade area over the longer term.<sup>29</sup> Others believe, however, that APEC's main role is to serve as a counter-weight to more exclusionary

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<sup>28</sup> The East Asian Economic Caucus (EAEC) evolved from the East Asian Economic Group (EAEG) at the October 1991 meeting of the ASEAN economic ministers. Malaysian Prime Minister Mahathir originally envisaged the EAEG as a forum for East Asian economies to discuss and develop common positions on economic and trade issues, and to provide more leverage for the region in international negotiations. The name change was invoked to address concerns that a closed regional trading bloc was being proposed. It was later decided that the Caucus would work within the APEC context.

<sup>29</sup> The November 1994 Leaders' Communiqué adopted at the Summit held in Bogor, Indonesia sets the goal of establishing a trans Pacific free trade area, with a target of 2010 for the developed economies and 2020 for the developing economies.