

## High-Level Task Force Calls For Greater Asia-Pacific Regional and Global Economic Collaboration and Avoiding Looming Protectionism and Trade Wars

(Seoul, November 9, 2010) – A newly released Asia Society task force report outlines a series of steps that Asia-Pacific and other countries can take individually and collectively to stem the rising tide of protectionism, currency and capital control, and economic nationalism that threaten to undermine the global economy.

The report asserts that at a time when many Asian economies are growing far faster than the developed world and Asian populations and states are connecting to one another more than ever before, policies must be developed, decisions made, and actions taken by all involved to ensure that Asia's increasing economic integration leads to more balanced global growth rather than a more divided world.

The task force, *Coming Together Beats Falling Apart: Making Asian Economic Integration Work for Asia, the United States and the World*, is chaired by former Citi Senior Vice Chairman **Bill Rhodes**, who played a central role in responding to the 1997 Asian financial crisis, and co-chaired by McGraw Hill Companies CEO **Harold "Terry" McGraw III** and former Japanese Vice-Minister of Finance for International Affairs **Toyoo Gyohten**. Other prominent task force members include former Korean Prime Minister **Han Seung Soo**, MasterCard CEO **Ajay Banga**, and former Governor of the State Bank of Pakistan **Ishrat Husain**. Noted author and Time magazine columnist **Zachary Karabell** served as Project Director and lead drafter of the report text. The report is being released in Seoul immediately prior to the Group of 20 (G-20) Summit and makes a number of specific recommendations for how G-20 states can do more to foster economic growth and counter the rising tide of economic nationalism.

"With global economic tensions on the rise and the specter of 'currency wars' and protectionism growing, it is critical that the world's leading countries find ways of working together for the common good," said Task Force Chair **Bill Rhodes**. "This report, which combines the thinking of experts from across the Asia-Pacific region, provides a common sense strategy for achieving this goal."

"Asia's rise has the potential to usher in a new era of international cooperation and collaboration or, alternately, could lead to a weakening of international norms, greater levels of economic nationalism, and a less secure world. The difference between these two possible outcomes will be determined by a series of decisions to be made by individual countries, regional groups, and multilateral organizations over the coming years" said Asia Society Executive Vice President and Project Coordinator **Jamie Metz**. "Asia Society is deeply committed to doing its part to help bring the countries of the Asia-Pacific region together for common purpose through this task force and other Society projects and initiatives."

The task force's recommendations include:

- Regional economic integration within Asia is positive but must not be at the expense of Asia's overall integration with the global economy, and all nations must work to ensure that bilateral agreements do not proliferate at the expense of comprehensive global agreements.

- More active measures should be taken to maintain and promote open markets based on principles of reciprocity and long-term sustainability.
- The G-20 should:
  - do more to coordinate economic and trade policies across borders and across continents in order to use the regional strength of Asia to catalyze global growth;
  - play a stronger role in enhancing the skills of regulators in a globally interconnected environment, and should develop a regulatory framework for evolving financial markets;
  - begin to develop common approaches to reducing greenhouse gas emissions.
- China and the United States must themselves fight against tendencies in their own countries to raise hidden barriers such as subsidies, inappropriately block foreign investment, or take retaliatory action designed to placate domestic public opinion.
- China's currency policy must evolve over time towards a more flexible, open system.
- The global intellectual property regime must be respected.
- Asian nations and their leaders must recognize that curbing nuclear proliferation, and fostering human rights and gender equality can directly benefit their own growth and security, as well as that of the wider world.
- Significant efforts must be made to strengthen the social safety net in places such as China to enhance quality of life and spur domestic consumption.
- Extremes of excessive deregulation and excessive state control of economic activity will prove equally dangerous in the long term and must be avoided.

Full text of the report will be available on <http://asiasociety.org/global-rebalancing>

Task Force Chair:

**William R. Rhodes**

President and CEO, William R. Rhodes Global Advisors, LLC  
Senior Advisor and Former Senior Vice Chairman, Citigroup, Inc.

Task Force Co-Chairs:

**Harold McGraw III**

Chairman, President and CEO, the McGraw-Hill Companies

**Toyoo Gyohten**

President, the Institute for International Monetary Affairs  
Senior Advisor, the Bank of Tokyo-Mitsubishi UFJ, Ltd.

Project Director:

**Zachary Karabell**

President, River Twice Research and River Twice Capital

Project Coordinator:

**Jamie Metzl**

Executive Vice President, Asia Society

Senior Advisor

**Kathleen Stephansen**

Managing Director and Head of Economic Strategy, AIG Asset Management

Special Advisor

**Hyun Song Shin**

Hughes-Rogers Professor of Economics, Princeton University

Task Force Members:

**Ajay Banga**

President and CEO, MasterCard Worldwide

**Ronnie C. Chan**

Chairman, Hang Lung Group

Vice Chairman, Asia Society

**Howard Chao**

Partner, O'Melveny & Myers LLP's Asia Practice

**Dong-Sung Cho**

Professor of Strategy, Seoul National University

**Han Seung-soo**

Former Prime Minister, the Republic of Korea (2008-09)

Chair, the Global Green Growth Institute

**Ishrat Husain**

Dean and Director, the Institute of Business Administration, Karachi

**Merit E. Janow**

Professor, Columbia University, School of International and Public Affairs (SIPA), Columbia Law School

**Scott MacDonald**

Head of Credit and Economics Research

Senior Managing Director and Principal, Aladdin Capital Holdings, LLC

**Sunil Mehta**

Country Head & CEO, AIG India

**Rakesh Mohan**

Professor in the Practice of International Economics and Finance, the School of Management and Senior Fellow

Jackson Institute for Global Affairs, Yale University

**Jack Wadsworth**

Honorary Chairman, Morgan Stanley Asia

Advisory Director, Morgan Stanley

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