

## Financing of projects focal point for APEC

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By Zheng Yangpeng(China Daily USA)

Global economic recovery still beset by downside risk, top official says

Infrastructure financing became the focus of Wednesday's Asia-Pacific Economic

Cooperation Finance Ministers' Meeting in Beijing, with several concrete results achieved.

In a joint statement following the meeting - which brought together the finance ministers of 21 APEC economies, leaders of international organizations and high-level representatives from the private sector - ministers identified infrastructure investment as "crucial" to boosting demand and lifting growth.

They acknowledged, however, that a huge gap still exists between potential demand and available funds, and underlined the importance of attracting long-term private funding.

"Infrastructure financing stimulated the most-heated discussion and took up almost half of today's proceedings," said Lou Jiwei, China's finance minister and chairman of the closed-door meeting.



**Lou Jiwei**, minister of finance

Public-private partnerships have become the buzzword for the meeting so far and APEC members were asked to prepare examples of PPP case studies that might be used to develop a potential blueprint or "roadmap" for future PPP-funded infrastructure projects across the region.

An Implementation Roadmap and the case studies will be submitted to APEC leaders during the summit on Nov 10 and 11 and are expected to be key items on the agenda during finance ministers' discussion sessions, according to the joint statement.

The roadmap and the case study compilations have also been sent to local governments in China to guide their PPP practices, Lou said.

The statement revealed that an APEC Training Program has been launched to guide member economies' officials in charge of infrastructure development.

Finance ministers also encouraged member economies to establish their own PPP centers that can assess infrastructure projects and handle appropriate financing in the delivery of projects.

China has already taken the lead in setting up its own PPP center under the Ministry of Finance.

To help strengthen the capacity building of member economies, China has also upgraded the former Asia-Pacific Finance and Development

Center to an institute status, meaning it can offer academic positions to foreigner experts and students.

Besides infrastructure financing, three other key areas of discussion were highlighted during the day: The regional economic situation and outlook; fiscal and taxation policies and economic restructuring reform; and improving financial services for the regional real economy.

APEC finance ministers said they recognized that the global economy still faces persistent weakness in demand.

The statement said that they considered growth to be "uneven" and it remained below the pace necessary to generate jobs.

Echoing that sentiment, in a speech formally starting the meeting, Vice-Premier Zhang Gaoli told the finance ministers that the global economic recovery remains difficult, with "downside risks" still existing.

However, the joint statement underlined that "the APEC region, as the engine of the world economy, should lead the global recovery toward strong, sustainable and balanced growth".

The finance ministers vowed to strengthen policy coordination between APEC economies and other multilateral cooperation mechanisms such as the G20.

**Xu Hongcai, a researcher at the China Center for International Economic Exchanges, a think tank, said that after rapid economic development in the past decade the Asia-Pacific region represented the "gravity center" of the global economy.**

**"However, a major problem with the region is a lack of sound policy coordination among economies."**

**Xu used the example of the various free trade negotiations taking place, notably the Trans-Pacific Partnership and the Regional Comprehensive Economic Partnership, which Xu suggested both coexist and compete with one another.**

**"Regional economic integration still faces many challenges and trade protectionism is on the rise," Xu said.**

**This is the second time China has hosted the APEC Finance Ministers' Meeting. The first time was the 2001 meeting in Suzhou, Jiangsu province.**

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