

G20, APEC Summits Will Turn World Focus to Asia This Month

Steve Herman | Seoul 02 November 2010



Photo: AP

Women walk by a screen showing a G20 Seoul Summit sign at the venue for the upcoming summit meeting, scheduled November 11-12 in Seoul, South Korea, 02 Nov 2010

The U.S. and Chinese presidents will be among the leaders at two high-profile economic summits in Asia in November. South Korea hosts the Group of 20 forum for the world's largest economies, which will aim to avoid a trade war that could send the global economy into reverse. Immediately following the G20, many of the leaders head to Japan for the Asia-Pacific Economic Cooperation summit, to discuss increasing trade in the world's most dynamic economic region.

The G20 leaders will be expected to affirm agreements drafted less than a month ago by their finance chiefs. They promised to avoid a damaging round of competitive currency depreciations. China accuses the United States, however, of already violating the spirit of the pledge by printing excess dollars, which Beijing says contributes to Chinese inflation. Washington accuses Beijing of keeping its currency artificially weak.

The G20 also will consider setting specific targets for trade balances - something the U.S. and South Korea advocate - but of which China, Japan and Germany are skeptical.

Sohn Jie-Ae, the spokeswoman for the G20 summit, acknowledges concerns about the group's relevance if it cannot maintain cohesion. "So the question becomes: can it continue to deliver even when the global economy is not in a crisis mode? So there is that pressure on this G20 leaders' summit."

Even if significant agreements are reached, though, it is not clear they will hold. Regardless, Sohn points up that the group was not designed to be an enforcer, noting such leaders' meetings rarely are.

"When 20 leaders sit around the table you do not put anything in a communiqué that all 20 leaders have not agreed on - every syllable, every spelling is agreed upon by 20 countries," said Sohn. "So while there is no enforcer that will go around and make sure you abide by the rules, it was something that was agreed on together." And that, Sohn said, leads to peer pressure to keep the pledges.

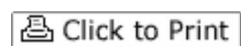
U.S. Secretary of State Hillary Clinton, as she began her latest tour of Asia, noted the value of such meetings to advance free trade. "So, we are working through APEC, the G-20, and our bilateral relationships to advocate for more open markets, fewer restrictions on exports, more transparency, and an overall commitment to fairness."

Others have low expectations for the summits. Dan Ikenson is the associate director of the Center for Trade Policy Studies at the pro-trade Cato Institute in Washington. He said, "Very rarely does anything concrete come out of them. So, it's just an opportunity for trade policy wonks, security policy wonks, and media to get together and ... blow out of proportion what these meetings are all about."

Economists and political analysts say the G20 likely will be deemed a success if it manages to contain the currency spat and affirms a declaration on reducing trade imbalances. Those experts say the APEC summit is unlikely to accomplish anything more than small steps toward its goal of regional economic integration.

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