

**Opening Speech of H.E.Mr Truong Dinh Tuyen, Minister of Trade
At the 4th Conference on Secure Trade in APEC Region (STAR 4)**

9.00 a.m of 24th February 2006

Horizon Hotel, Ha Noi, Viet Nam

Distinguished guests, dear delegates

Ladies and gentlemen

On behalf of the Government of the Socialist Republic of Vietnam, I would like to warmly welcome you, honorable guests and distinguished delegates of APEC member economies as well as international organizations, to the 4th Conference on Secure Trade in APEC region (STAR 4) and the 1st APEC Senior Officials' related meetings in Hanoi. I do expect that this pleasant atmosphere of spring all around here together with Hanoian's hospitality will bring you a cozy feeling during your stay in our economy.

Ladies and gentlemen,

Our Conference just marks the 4th year since the launch of STAR initiative in APEC process. I would like to convey our sincere thanks to APEC economies—Thailand, Chile and Korea—which have taken the leading roles in STAR initiatives and successfully organized three STAR conferences that form the basis for Viet Nam's host of STAR 4.

May I save your time by skipping the history and developments of STAR initiative as these contents will soon be covered in speeches made by Ambassador Benjamin Defensor, Chair of APEC's Counter Terrorism Task Force and Ambassador Trần Trọng Toàn, Executive Director of APEC Secretariat. Our APEC 2006 SOM Chair, Vice Foreign Minister Le Cong Phung will surely mention the STAR initiative in SOM 2006's process. May I, therefore, pass on three following messages:

First, we are now living in an inter-dependent world. APEC, in its experience of 17 years of existence and development. APEC has proved its role as a forum whereas dialogue mechanism and cooperation activities, in a wide range of global and regional issues, have long been existed. As residents and citizens in Asia Pacific Rim, we have the responsibility to cooperate so as to build and to strengthen a secure and favorable environment across the region, ensuring human security as well as trade and investment facilitation. It, in turn, will help us to achieve the objective of a sustainable development and prosperity for Asia Pacific Community.

Second, APEC is a region with stimulating business activities and, together with it, is challenging uncertainties in terms of security and due to terrorism threats. With 21 members, APEC accounts for approximately 45.8% of the world's trade, 21 of the world's 30 top container seaports, and 23 of the world's 30 busiest airports. Furthermore, an intensive network of productions and labour division have been well footing in the APEC region. With that feature, we have seen diverse and intertwined security and trade measures in the region, ranging from maritime security, container security, total supply chain security, advance passenger information, control of Man-portable Air Defense Systems (MANPADS), the implementation of the Framework of Standards to Secure and Facilitate Global Trade of the World Customs Organization, control of radioactive sources, controls on the imports-exports of dual-use biological materials and equipments, etc.

Yet, there are still differences in understanding and enforcement of security measures among different member economies, organizations and authorities. These, needless to say, have created difficulties for business community and other beneficiaries. What is more, security measures within the region are implemented inconsistently. All of these facts require *a coordinate mechanism of trade-related security measures* across the region without influencing on regional trade and investment and, of course, without increasing business costs. APEC has long been referred as an active hub, attracting huge amounts of trade and investment flows with intense competitiveness. This is our duty to maintain this advantage.

Third, our policies do only take effect if they are supported and shared by our people and stakeholders. Trade-related security measures are not out of this rule. We, thus, should set out conditions in which businesses and other stakeholders can contribute to the process of proposing, implementing and assessing the effectiveness of STAR initiatives and other security initiatives in the region. *In addition, it's essential to improve capacities of relevant stakeholders in this process.* That is why you may notice that we have chosen the main theme of STAR 4 Conference as: "Enhancing the Public-Private Partnership (PPP) in the implementation of secure trade measures". The STAR 4 also covers the four sub-themes, as follows: (i) Trade and Security in the APEC Region: Perspective for the enhancement of PPP; (ii) Maritime Security; (iii) Air Security and (iv) Capacity building programs for secure trade activities.

Different from previous conferences, STAR 4 emphasizes on the the participation of private sector so as to collect ideas from various sources, aspects and channels, especially from sectors that mostly and directly affected by trade-related security measures, with efforts to minimize trade distortion impacts.

We truly expect to a harmonious coordination between Governments and business community, with consideration that this is a key to bring successes for our efforts in securing and facilitating trade activities and improving competitiveness within the region and contribute to achieve the objective of APEC 2006, "Towards a dynamic community for a sustainable development and prosperity."

Ladies and gentlemen,

I hope you will take into notice the above-mentioned messages during your discussion. I am a firm believer that with two ebullient working days, with highly knowledgeable and experienced speakers and to be sure, with your active participation, we can come up with the best possible solutions to balance trade facilitation and the enforcement of security measures. Thanks to these results, we may propose practical recommendations to the APEC's Counter Terrorism Task Force and 1st Senior Officials' Meetings, then, producing immediate and appropriate response in terms of policies.

Last but not least, I would like to thank you for your enthusiasm and wish you all healthy and enjoy your time in Ha Noi.

I would like to declare the open the 4th STAR Conference and wish it a great success.

Thank you!

Welcome Remarks of H.E.Mr Le Cong Phung, Vice Minister of Foreign Affairs, 2006 SOM Chair

At the 4th Conference on Secure Trade in APEC Region (STAR 4)

*His Excellency Mr. Truong Dinh Tuyen, Minister for Trade,
Mr. Chair,
Distinguished delegates,
Ladies and Gentlemen,*

It is my pleasure to address this 4th Conference on Secure Trade in the APEC region (STAR) – one of the most prominent events in the early APEC 2006 in Viet Nam. On behalf of the APEC Senior Officials, I would like to welcome you all to the Conference. Your large participation highlights the importance of the Conference to the implementation of the STAR initiative and the APEC process as a whole.

As you may recall, at the 10th APEC Summit in 2002 in Mexico, the APEC Leaders adopted the STAR initiative with an aim to secure and enhance the flow of goods and people in the region. By adopting the initiative, the APEC members have affirmed their determination to fight against various security threats to the region's economic growth. As one of the greatest threats to global economies, terrorism has now turned to be an issue of great concern to all the governments as well as the business community. As a result, protecting people, shipping lanes, international aviation and cargo from terrorist attacks are among key issues in the STAR Conference agenda. Since its launching in 2002, there have been three consecutive STAR conferences in Thailand, Chile and South Korea. Though just at the early stage, the STAR process has reached encouraging outcomes by working out specific measures to enhance shipping, aviation security, supply chain security... in the region. For example, APEC members have agreed to conduct one MANPADS assessment of a major international airport, implement Advance Passenger Information (API) and Advance Passenger Procedure (APP), and begin to realize the Total Supply Chain Security initiative... Such efforts are critical to establish a robust but safer and securer business environment in the region. Through cooperative projects under the STAR framework, APEC member economies could assist each other in enhancing capacity in this area. In addition, improved security environment is increasing flows of people across borders which helps enhance mutual understanding, knowledge and friendliness among members.

However, the STAR process has also produced an undesired outcome, that is the APEC business sector's concern over increasing costs incurred by additional security measures. At the 2004 meeting in Chile, the APEC Ministers noted such concerns by underscoring the need to secure trade while removing obstacles to trade and minimizing costs on businesses. Thus, a big question to the implementation of the

STAR initiative is how to secure people and cargo in movement while not undermining efforts for trade facilitation. In other words, that is how to enable investors to travel and circulate easily their legitimate money across borders while having capacity to hamper terrorists and flow of terrorist finances. We, therefore, have to ensure that government's security measures work well with business needs.

We believe the right answer to that question should be a closer involvement of business community in the STAR process. In that sense, at the 2005 Meeting in Korea, the APEC Ministers stressed the need to strengthen public – private partnerships in taking measures to secure trade. That is also the reason why we are gathering here to address the Conference under the theme “*Enhancing the Public-Private partnerships in the implementation of secure trade measures*”. Our priority will be given to promoting participation of private sector in the implementation of the STAR initiatives to make sure that both government and business community are the beneficiaries of the process. On the agenda, we are also focusing on a wide range of topics from measures to ensure air, maritime transport security, to efforts aimed at building capacity of member economies. Such topics will be presented in different aspects by a wide range of distinguished government officials, academic researchers, and business representatives.

I am convinced that the 4th Conference will serve as a good exchange forum for government policy-makers and business executives to share their views, experiences and proposals to define both obstacles and solutions to APEC's twin goals of ensuring security and promoting trade facilitation. For the business community, the Conference provides a good opportunity to raise their voices as well as inputs to the government policies that have impact on their business.

Ladies and Gentlemen,

As you know, the APEC Viet Nam 2006 takes place under the theme “*Towards a Dynamic Community for Sustainable Development and Prosperity*”, with one of its priorities is to improve secure and favorable business environment. Thus, I do hope you will provide new ideas and thoughts that reflect the 4th STAR Conference agenda as well as the mentioned theme and priority. It is sure that the Conference's conclusions will be taken into careful consideration at the Senior Official Meetings. There is no doubt that the STAR Conference's priorities have now become an integral part of APEC's agenda towards achievement of the Bogor's Goals. Accordingly, your valuable inputs will contribute to the success of not only the Conference, but the APEC Viet Nam 2006 and the APEC process as a whole.

I wish the Conference great success,

Thank you for your attention!



Asia-Pacific
Economic Cooperation

2006/SOM1/STAR/003
1st Joint Plenary Session

**Remarks by Ambassador Tran Trong Toan,
Executive Director of the APEC Secretariat
at the Fourth Secure Trade in the APEC Region
(STAR) Conference**

Submitted by: APEC Secretariat



STAR IV
Ha Noi, Viet Nam
24-25 February 2006

**Remarks by Ambassador Tran Trong Toan,
Executive Director of the APEC Secretariat
at the Fourth Secure Trade in the APEC Region (STAR) Conference
(Hanoi, 24-25 February 2006)**

*Excellency Mr. Truong Dinh Tuyen, Minister of Trade of Viet Nam,
Mr. Le Cong Phung, Deputy Minister of Foreign Affairs of Viet Nam and APEC 2006
SOM Chair,
Ambassador Benjamin Defensor, Chair of the CTTF,
Madam Tran Thu Hang, Viet Nam's Senior Official to APEC,
Distinguished delegates, Ladies and gentlemen,*

It is my great honour to be invited to speak, on behalf of the APEC Secretariat, at this opening session of the Fourth Secure Trade in the APEC Region Conference.

As requested, my presentation will touch upon the main achievements of the STAR initiative since it was launched in 2002 and highlight the future work of APEC to ensure secure trade in the APEC region.

Why STAR?

The mankind will never forget the horrible terrorist attack on the World Trade Centre in the United State on the 11th September 2001. Needless to repeat how serious and far-reaching the consequences and implications of terrorism are for human security, for trade and investment, as well as for our economic and social life. Over the past few years, a host of terrorist incidents across the world have confirmed this stark truth.

As a regional institution, APEC was among the first that has responded in the most decisive and comprehensive way to the bloody attack inflicted upon one of its members. Immediately after the September 11 incident, at their meeting in Shanghai, China, APEC's Leaders condemned international terror in the strongest terms and resolved to strengthen our cooperation in combating terrorism as "a direct challenge to APEC's goals of free, open and prosperous economies and an affront to the fundamental values that APEC members share."

Based on the Leaders' instructions, APEC members took immediate actions to launch a series of new counter terrorism initiatives, which were endorsed at the highest level in Los Cabos, Mexico, in 2002. In this regard, the launching of the Initiative for Secure Trade in the APEC Region (STAR Initiative) and the establishment of the Counter Terrorism Task Force (CTTF) were the most important landmarks in our common endeavour to protect our people, business and economic development.

With 21 member economies, spanning the four continents and being home to 2.6 billion consumers, APEC accounts for 57% of world GDP (US\$20.7 trillion) and 45.8% of world trade (US\$7.0 trillion). Trade is the most important source of economic growth and development but it heavily depends on the seamless networks of seaports and airports. As many as 30 of the world's top container seaports and 23 of the busiest airports are located in the APEC region. The sea lanes of communication in Southeast Asia are among the world's busiest shipping lanes. That is why to ensure secure trade is so vital for all APEC member economies. And the STAR Initiative is a timely response to securing and enhancing the flows of goods and people with various measures aimed at protecting cargo, ships, international aviation and people in transit.

Achievements

Three STAR Conferences have taken place since 2002 with focus on policies and procedures to enhance security and efficiency in the APEC region's seaports, airports and other access points.

The First STAR Conference (Bangkok, Thailand, 2003) involved participation of all 21 APEC member economies, senior executives from major private sector companies, and representatives from international organizations such as the IMO, IATA, WCO and the World Bank. The Conference discussed how to advance trade efficiency and trade security in Asia-Pacific and set important directions of the future STAR activities in addressing maritime security, aviation security, passenger information processing technology, capacity building, project planning and financing as well as supply chain security. It was agreed by member economies that the successful implementation of STAR measures requires strong partnership between government and business. The meeting also recognized that all economies have different levels of resources and skills to implement these measures and that well-planned capacity building measures would be thus useful for certain economies.

The Second STAR Conference (Viña del Mar, Chile, 2004) had four panels: (i) Maritime security, which discussed the implementation of the ISPS Code; (ii) Air transportation security, which included the emerging threat of Man-Portable Air Defense Systems to civil aviation; (iii) The mobility of people including sessions on Regional Movement Alert System (RMAS); and (iv) The gradual establishment of Financial Intelligence Units (FIUs) in APEC member economies. An interactive session on public-private collaboration for secure trade building capacity also addressed the issue of increasing costs generated by security-related measures and its impact on trade facilitation. The Conference initiated a series of actions that were then endorsed by APEC Leaders. These included:

- Steps to advance compliance with the International Maritime Organization's new Ship and Port Security Standards through cooperative efforts;
- Financial contributions made to the Asian Development Bank's Regional Trade and Financial Security Initiative;

- Progress in implementing business mobility initiatives, including the Advance Passenger Information systems;
- The development of a Regional Movement Alert List System; and
- Cooperation for the issuance of machine readable travel documents by 2008.

The Third STAR Conference (Incheon, Korea, 2005) further focused on development of trade while enhancing security as well as cooperation and capacity building through public- private partnership. The conference addressed the issues of aviation and maritime security, and encouraged the active participation by the business sector. The conference also recommended future programs that are intended to encourage greater private sector participation in trade and security issues. In 2005, APEC Member Economies continued their work to advance compliance with the International Maritime Organization's International Ship and Port Facility Security. Intensive efforts have been made to develop projects to strengthen anti-money laundering regimes in Indonesia, Thailand and the Philippines through the Asian Development Bank's Regional Trade and Financial Security Initiative. Member Economies have also made progress in implementing the STAR goal of ensuring 100 percent baggages screening for air passengers.

In order to implement the STAR Initiative, APEC has undertaken a number of projects, which help substantially strengthen our region's security and economic environment. They include:

- A "Training Course on Anti-Money Laundering/Anti-Terrorist Financing Policy Development";
- A five day conference on "Cybercrime Legislation and Enforcement Capacity Building Project" and the "Computer Emergency Response Team (CERTs) Awareness Raising and Capacity Building";
- A project on "Enhancing Secure Trade and Efficiency in the APEC Region with Intelligent Transport Systems and Electronic Commerce Technologies" that explored ways to apply technology to container security applications and demonstrate end-to-end use of tracking and tracing technologies;
- A "Best Practices and Ideas in Safety and Security for APEC Economies to Combat Terrorism in Tourism" established an integrated safety and security system in APEC economies to boost growth in the tourism sector;
- The "Regional Immigration Alert System - Phase One" developed an operational framework for a Regional Alert Listing that can assist APEC in safeguarding its borders from unlawful activities related to terrorism as well as illegal commercial activities;
- A project on Support for Aviation Security Audits Phase I: Preparation for ICAO Universal Security Audit Program (USAP) Audits helped APEC economies prepare for mandatory security audits.

Tasks ahead

In order to ensure secure trade in the APEC region, based on the Leaders' and Ministers' instructions in November 2005 and building on the achievements on this front, APEC will strive to achieve the following in 2006 and beyond:

- To review progress of and continue with implementation of commitments to counter-terrorism, secure trade and safe travel, including efforts to dismantle trans-boundary terrorist groups, eliminate the threat of weapons of mass destruction and their means of delivery, and to take appropriate individual and joint actions to further these important goals;

- To strive to achieve the objectives of human security, trade and investment liberalization and facilitation, and enhance the activities being undertaken in the areas of counter-terrorism, non-proliferation, infectious diseases, emergency preparedness and energy security;

- To continue develop new initiatives and implement existing commitments to eliminate the danger of terrorism and secure trade unilaterally, bilaterally, multilaterally and in APEC, building on the comparative strengths of APEC;

- To share the results of the APEC CTAP Cross-Analysis with relevant donor bodies.

- To enhance public-private partnerships in combating terrorism and build business confidence by working closely with private sectors and publicizing information on measures taken to ensure secure trade. In this connection, to support Singapore's initiative to host a symposium on Total supply Chain security in 2006.

- To encourage more APEC economies to aim at implementing the [International Atomic Energy Agency Code of Conduct on the Safety and Security of Radioactive Sources](#) as well as the Guidance on the Import and Export of Radioactive Sources by the end of 2006.

- To encourage all APEC economies to undertake a MANPADS Vulnerability Assessment at international airports by the end of 2006.

- To promote progress in developing a Multilateral Legal Framework for those economies choosing to join RMAL and in examining legal issues associated with accessing lost and stolen passport data in 2006.

- To encourage voluntary start of providing information on lost and stolen travel documents to the existing database of the International Criminal and Police Organization - Interpol (ICPO-Interpol) on a best endeavours basis by the end of 2006.

- To strengthen further cooperation to ensure that all APEC member economies issue machine-readable travel documents, if possible, with biometric information by the end of 2008.

- To advance an APEC initiative on capacity building for machine readable travel documents and biometrics technology to enhance regional security, and to encourage the development of capacity building initiatives for developing economies to achieve this goal.

- While implementing counter-terrorism commitments, to minimise costs associated with cross-border business transactions. To advance on trade facilitation and apply improved technology and procedures;

- To continue building capacities and identify appropriate capacity building activities and best practices to help developing economies implement the improved technology, procedures and security measures.

- To ensure that any measures taken to combat terrorism comply with all relevant obligations under international law, in particular international human rights, refugee law and humanitarian law.

The tasking statement shows that the work for ensuring secure trade in the APEC region for this year is quite heavy. Its implementation needs clear guidance from the Senior Officials and close cooperation among working groups/fora and all member economies.

As economic interdependence has been strengthened and become an important feature in the Asia-Pacific region given our achievements in trade and investment liberalization and facilitation, it is increasingly in all APEC member economies' stake to step up their efforts in working together to ensure secure trade in this region. The Fourth STAR Conference that we are opening today is another opportunity for business and government representatives to work together as genuine partners, striving for secure trade and development in our region. It is highly meaningful that this year, as the title of the Fourth STAR Conference suggests, Viet Nam continues to attach great importance to enhancing public – private partnership as an effective way in ensuring secure trade, human security and reducing any adverse impacts of anti-terrorism activities on the trade and investment development in the APEC region.

Together with free trade and investment, security has become an essential component of APEC's core goals. However, this does not imply a diversion from the APEC's main tasks of trade and investment liberalization and facilitation as well as economic and technical cooperation. Rather, it is an indication of APEC's determination to create a safe and secure business environment, which is essential for economic development and prosperity in the APEC region. In this sense, I wish the Fourth STAR Conference a great success.

Thank you.

“Challenges for Counter-Terrorism at APEC”

Keynote Address by Ambassador Benjamin Defensor Jr
Chairman, APEC Counter-Terrorism Task Force (CTTF)
Fourth Secure Trade in the Asia-Pacific Region (STAR IV) Conference
24 February 2006
Horison Hotel, Hanoi

Amenities...

Last year, a day prior to addressing the STAR III Conference in Incheon Korea, my throat got ‘terrorized.’ I lost my voice completely. Despite my misfortune, Mr Bui Hong Duong stayed with his invitation for me to address today this important event. My thanks and compliments, therefore, go to him and to the organizers of this Fourth Secure Trade in the Asia-Pacific Region (STAR IV) Conference for this privilege and honor.

I am particularly pleased that Vietnam, this year’s host, chose to schedule this STAR IV Conference before, *not after*, our CTTF meeting. The STAR Initiative not only forms part of the CTTF process; it is, in fact, a key opening event whose outcomes go into our Work Plan for the year.

I am equally grateful that the STAR IV organizers agreed to have my topic refocused from “Global and Regional Challenges to Human Security Nowadays” to “Challenges for Counter-Terrorism at APEC.” Human security, as we all know, spans a broad spectrum, and I was not sure I would be able to cover the ground before you felt the urge to leave your seats for coffee or tea.

Counter-Terrorism at APEC is a subject I am always happy to engage in. It is one article I have consistently carried forward in many international conferences and will continue to advance in other fora.

In the last APEC Leaders’ and Ministers’ Conference in Busan, the performance of CTTF under my chairmanship was commended openly by the Ministers and Leaders. But the honor’s not mine alone. I would like to take this opportunity to thank the members of the Task Force who are here today for their support and cooperation. Without their active participation and commitment, we could not have achieved what we did last year.

Duty to Entrench

As the Chair of the APEC CTTF, it is my duty to further entrench the counter-terrorism and security agenda at APEC. The reason is: security is an “insecure” subject at APEC. It is a work-in-progress and remains challenged to this day.

We all know the rationale. Terrorism directly impacts human security. Terrorism compels counter-terrorism responses from governments that impact the exercise of freedoms.

But more significantly, terrorism zeroes in on economic targeting, on disrupting business and travel, on undermining investments and destroying symbols and infrastructures.

Since the release in 2003 of the study commissioned by Australia, entitled “The Costs of Terrorism and the Benefits of Cooperating to Combat Terrorism,” we have known the costs to international trade, to tourism and, in particular, to our supply chains.

We have known the risks and disruptions to the major revenue earners – the airline and travel companies, insurance firms, postal industries, and information technology sectors.

And we have come to accept that failure to plan, failure to prepare, failure to act and failure to cooperate with other agencies, economies and international organizations do result in dire consequences.

As long as the threat of terrorism exists, we cannot get rid of the uncertainty that goes with it, which becomes the parent of other problems.

This is why the APEC CTTF was born three years ago.

Filling a Niche

Formed mainly to implement the annual statements of Leaders and Ministers, beginning with the seminal 2002 Statement on Fighting Terrorism and Promoting Growth, the CTTF has remarkably filled a niche at APEC, addressing a wide spectrum of concerns.

The most important of these concerns is the STAR Initiative, which covers a number of measures aimed to protect trade and travel in the region through strengthened ship, port and cargo security, improved airline passenger and crew

safety and strengthened border controls. With STAR, the CTTF's purpose at APEC has become imperative.

But counter-terrorism at APEC *transcends* secure trade arrangements. It upholds commitments made by Leaders to help prosecute the global war on terror. It encourages respect for relevant obligations under international law. It seeks to protect and enhance human security, including protecting communities from the outbreak of disease. And it pursues strategies not only to lessen state vulnerabilities but also to reduce conditions that breed poverty and radicalism.

Remarkably notwithstanding early difficulties, the CTTF has helped advance APEC's agenda of securing freer trade. Building on the first STAR initiatives, APEC members moved to set up the key mechanisms that would strengthen maritime structures, secure international aviation, protect shipping and cargo, prevent trade disruptions, contain deadly disease, counter direct threats to security, protect critical infrastructure, and stem the proliferation of weapons of mass destruction.

In 2004, additional initiatives further firmed up the footing and role of the CTTF as *capacity-building coordinator* at APEC. These included projects that provide advance information on travelers, detect fraudulent documents, track shipments of secure containers, raise the standards of immigration service, protect energy markets, and build counter-terrorism capacities.

In 2005, under my chairmanship, the CTAPs cross-analysis project – a key basis for prioritized CT capacity building and technical assistance projects, was completed. Civil aviation stood to benefit from reduced missile threat with the adoption of the MANPADS vulnerability assessments. Public health glowed on safer grounds following the adoption of the radioactive sources initiative. Trade transactions looked more secure in the face of plans to adopt a Total Supply Chain Security system for the region.

In a short span of three years, the CTTF's rise has been remarkable, and the ground it has covered, truly extensive. My sense of pride is magnified by having been a part of it.

Operational Challenges

The grounds, however, continue to expand, move and shift and herein lies one challenge for counter-terrorism at APEC: *finding the operational focus*.

Since the Bali bombings in 2002, the rationale for establishing a Task Force to implement the Leaders' instructions has become clear. So has the imperative for every economy to come up with a Counter-Terrorism Action Plan or CTAP that would directly articulate anti-terrorism measures – among them track down terrorist financing and prevent proliferation.

Two years later, after all these individual CTAPs had been cross-analyzed to determine the common themes and needs of the region, the preferred priorities of the APEC members turned out to gravitate around 1) protection of cargo 2) protection of ships and 3) protection of the health of communities.

In the meantime, the trajectory of CT efforts has been largely towards the protection of international aviation as agreed to by the members.

Finding the focus of CT in the Asia-Pacific region is made more difficult by the *need to build capacity based on agreed priorities and available funding*. Since the First STAR Conference, the list of CB needs and activities from cargo protection to promoting cybersecurity has lengthened. APEC's limited resources, however, can only fund small scale undertakings, pilot projects or feasibility studies. The need for the international financial institutions, donor organizations and other enablers is real in view of competing priorities.

Another challenge is *adjusting to human security demands while shoring up CT capabilities*. This year, based on the 2005 Leaders' instructions, the emphasis under Human Security has shifted toward joint measures against bird flu, terrorism, corruption and natural disasters in that order.

The Busan directive is well-informed. For we lose more people to unexpected disease outbreaks than to terrorism. We also lose far greater numbers to natural calamities than to deliberate extremist acts. The Bali bombings claimed over 200 innocent lives. In contrast, the Indian Ocean tsunami killed an estimated 126,473 in Indonesia alone. Last year, we saw the same lessons in New Orleans.

As increasingly it appears that the Asia-Pacific region would be suffering more from natural calamities than terror attacks, there is a *need for CT activities to be directed to the area of disaster response and mitigation* as the Virtual Task Force on Emergency Preparedness had done last year.

Last week, a day after a whole mountain, softened by continuous rains, disintegrated and covered an entire village, burying close to 1500 people in Southern Leyte, Philippines, the international community was quick to respond.

Australia pledged immediate aid through the Red Cross. Japan pledged relief items, including tents, generators and water purification units. China offered emergency relief. A Chinese Taipei Search and Rescue Team arrived with their dedicated and special rescue equipment. Malaysia flew in a contingent of medical workers. Vietnam and Indonesia provided assistance. And US soldiers who were about to hold training operations with our Filipino soldiers in Southern Philippines shifted gears, slung their rifles, brought out their shovels and special drills and flew to the site.

Suddenly filled up with massive aid and assistance units from all over the world, including from France, Germany, Switzerland, the World Health Organization, the United Nations and other relief and rescue agencies, the site has become an international station of cooperation.

While hopes of finding the school children, reported to have been trapped under 30 meters of mud, have diminished, I assure you, Filipino hearts have been warmed by such response from the international community.

The major part of this kind of response came from APEC economies. And I wish to send the sincerest thanks and appreciation of the Philippine government to all of you.

What the mudslide tragedy showed was that along with other dedicated agencies, our CTTF and other Special Task Groups and Committees could make a difference.

We could prepare to be first responders, to mitigate the first impact of any human security incident, and to help rehabilitate stricken communities.

We could add more emergency response training programs and conferences on exchanging best practices in these types of situations. Or the training could happen right there in the scene of tragedy – which, by the way, instantaneously forms lasting bonds between and among relief workers and agencies.

All it takes is to stay in touch and to coordinate efforts closely with the other units, which brings me to another key challenge – *coordination within and outside the APEC structure*.

Last year this is something we tried to tighten. We were rewarded with reports from the Informal Experts Group on Business Mobility and the Energy Working Group, whose own security initiatives promise to issue dividends in terms of strengthened borders, secure travel, and assured energy distribution.

In our work, international cooperation has become a buzzword. But cooperation implies interdependence among economies and we have to realize we are a part of a complex system characterized by trade and security. The cooperation that we seek with international organizations is not fully realized. Our Task Force needs a vibrant linkage to bodies like G8 CTAG, EU and the United Nations. Without these linkages, CT initiatives and assistance programs such as the ones contemplated by EU for Southeast Asian economies will have to rely mainly on bilateral routes.

The APEC process works in such a way that everything done normally leads up to the Leaders' Summit. Along the way, the Heads of the various Working Groups, Special Task Groups, the Chairmen of Committees, and the Senior Officials actually encounter opportunities to render their voice in the name of APEC. As Chair of the CTTF, I do feel would add greater value if I could so much as convey the sympathies of the members to the victims of attacks or survivors of disaster at the time of need.

In this age of heightened uncertainties and converging interests, it shouldn't only be the APEC process that must be observed; the kind of APEC response at any one time to a highly dynamic but perilous world must be defined, rehearsed, and applied.

CTTF 2006 Deliverables

APEC's counter-terrorism deliverables for this year 2006 are not difficult to achieve. We have worked them out last year, step by step, until they earned the approbation of the Leaders.

They include:

- enhancing public-private partnerships to strengthen cooperation against terrorism while improving efficiency in trade and investment;

- disseminating information on measures taken to secure trade based on the STAR IV outcomes and recommendations;
- supporting Singapore's initiative to host an APEC Symposium on Total Supply Chain Security;
- implementing the International Atomic Energy Agency Code of Conduct on the Safety and Security of Radioactive Sources by the end of 2006;
- adhering to the Guidance on the Import and Export of Radioactive Sources by the end of 2006; and
- undertaking MANPADS vulnerability assessments of international airports by the end of 2006.

Let me emphasize that as one who has been directly involved in putting terrorists out of business, these deliverables reflect only a part of the courses of actions we intend to take. Actions define our Task Force. For ideas and statements alone do not constitute force. It is the actions that we take that develop that force. And I am pleased to inform you that at CTTF, as we had done last year, we not only respond to the Leaders' Statements, we report on what we have done about them.

Strategic Challenges

Beyond these deliverables, however, lie the more complex strategic challenges.

The first is *catching up with APEC's economic expansion*. The November 2005 report by the Pacific Economic Cooperation Council paints a robust picture of "state of the region." Overall the region continues to experience stronger-than-expected GDP growth with some mild inflationary trends. The region is also increasingly merging with South Asia which promises more trade activities and exposure to risks at the same time.

Given the enlarged scope for cooperation on securing trade as well as containing threats to human security, APEC's counter-terrorism efforts are bound to be overwhelmed by overlapping security demands.

At the same time the growing trans-Pacific economic imbalances, which could impact CB assistance from generous economies, will most likely leave developing economies with less effective CT capacities.

The second is *grasping the cultural dynamics of the region*, particularly the way members nurture and defend their lifestyles and faiths. One strength we share is unity in diversity. But even that strength proved wanting when cartoons, drawn way back in September 2004, underestimated the present sensitivities of our brother Muslims and produced a higher price tag for some economies.

Unless our CT efforts include a genuine consideration for the things that are held sacred by members, we will be blindsided by unprecedented events, and no level of disaster response or impact mitigation will suffice.

Last year our Work Plan included interfaith dialogue and cooperation, but the responsibility was moved to another Group. Even at APEC, we cannot ignore the strategic value of respecting cultures and traditions without losing some ground in the deeper, longer-term effort to address the causes of terrorism.

The third is *identifying the possible hotspots, the weak links and flash points for conflict*. At the APEC region, the relatively weaker areas, based on economic resilience, are in Southeast Asia. This is not to say the other regions, such as Northeast Asia, pose lesser threats.

But the fact is: as the region prospers more with the vibrant progress of China and Japan, Korea, Australia and the United States, the economic divide widens for those in the southern fringes – with the exception of some economies. Any informed strategy – whether political, economic or military – should therefore do well to consider the higher probabilities of the threats emanating from the less progressive economies on account of the pressures of globalization and resulting social conditions that tend to impoverish, rather empower, individuals and communities.

Addressing these three strategic challenges requires no less than a whole-of-region approach that incorporates everything that would conceivably work for our common goals. This includes the all-important private-public sector partnership. This is important because some key private sectors, who have immense resources, actually still feel that security should be the prime responsibility of governments, whose resources, in contrast, are limited. As long as there is unwillingness by any sector to take this threat by the horns, we will be

afflicted with blind spots as we address a central issue of our time, and this could be fatal.

The fourth and last “strategic” challenge to me lies in transforming the character of the APEC CTTF – from a Task Force to a Security Working Group, run by a team of skilled practitioners in the diplomatic front and experts in security.

The reasons are compelling. For the past three years, the CTTF has been delivering on the Leaders’ instructions. For the past three years, the CTTF has expanded its menu of CT and human security measures. But for the next many many years, terrorism, on account of its highly adaptive character, will continue to trump our cards, shift policy and destroy projections.

Like unstudied wars before, it will remain a disruptive economic phenomenon, a radical political threat, and an insidious social affliction – unless a long term focused security group is established to continuously coordinate, evaluate and inform CT decisions and efforts undertaken in the region with the end in view of making the overall trade environment safer, stronger and better for all.

Conclusion

The point in all this is that in the end APEC’s economic development and the creation of a trans-Pacific community founded and sustained on mutual understanding of various cultures and visions will be dependent on the establishment and spread of peace and stability in the region. *Without peace and stability, it will be difficult to secure a reasonable sense of predictability for converging strategies that will ultimately assure successful achievement of our common goals.*

Many do not realize this but the whole world is watching our Task Force and what it can do. The story of the CTTF could very well be the opportunity of the APEC to show the best of what it has in the community of nations. We carry on our shoulders the burden of doing well not only for the Asia-Pacific region but the burden of doing well for the sake of mankind.

When I spoke at the STAR Conference last year, I assured you that the Task Force on terrorism would be the light of the STAR and be a model for the world. Today I am happy to say that this model has shone and will continue to shine. Thank you.