

U.S. DEPARTMENT OF THE TREASURY

Treasury Notes

Agenda for Youth Visiting Honolulu? Global Growth

By: **Kara Alaimo** 11/10/2011

Today, at the meeting of Asia-Pacific Economic Cooperation Forum (APEC) Finance Ministers hosted by Secretary Geithner in Honolulu, I met with a group of youth delegates attending the summit through a program organized by APEC Voices of the Future. The organization selected students and recent graduates from all 21 APEC member economies to attend the summit in order to learn about the APEC process and member economies, with the goal of preparing future leaders.

At our meeting, the students from Brown, Cornell, Furman, Harvard, Winthrop, Yale and the University of Tokyo were eager to learn about U.S. goals for the summit. We discussed the U.S. Treasury's agenda of creating jobs and boosting incomes in the United States and throughout the Asia-Pacific region by strengthening the global economic recovery and promoting strong, sustainable and balanced global growth. While G-20 nations signed on to this agenda for global growth at the G-20 Summit in Cannes last week, the APEC summit provided an opportunity to extend this commitment to key non-G-20 economies such as Malaysia, Singapore and Thailand – including many economies with large account surpluses.



In particular, the students and I discussed why U.S. efforts on these issues are critical. Exports are growing at nearly four times the rate of our domestic economy and creating more jobs now than during previous periods of economic recovery. If we can meet the President's goal of doubling U.S. exports, we will support millions of jobs for Americans.

The students asked how the APEC delegates are pursuing these goals, and we discussed the finance ministers' focus on growth, infrastructure investment, and financial empowerment in order to extend the availability of financial services to a wider range of our citizens. Expanding access to financial services is not just a moral and social issue: it also creates more consumers and demand, boosting economic growth. We also discussed how promoting infrastructure investment abroad both creates short-term opportunities for American workers and businesses and opens new markets for U.S. goods and services.

Finally, we discussed the important consensus reflected in the APEC communiqué on the need for shifting the sources of global growth to domestic demand in economies that now have large trade and current account surpluses, and why more flexible exchange rates is a crucial part of this effort. The European sovereign debt crisis has reinforced the need for Asian economies to promote domestic demand and reduce their reliance on exports in order to better insulate themselves from global economic shocks and ensure sustainable long-term growth. Since East Asian economies are part of an integrated manufacturing area in which each is concerned about its competitiveness relative to other economies in the region, it is important for them to embrace more flexible exchange rates together. This is why their collective commitment to do so in today's communiqué is significant.

Alyssa Richardson, a Senior at Furman University in South Carolina majoring in Economics and Political Science, said the opportunity to attend APEC was valuable. "The chance to sit in on these global discussions has been a phenomenal eye-opener to the interconnectivity of the world and the need for international cooperation," she said. "Being surrounded by world leaders and young citizens across the Pacific rim has presented countless opportunities for learning and cultural experiences."

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