



## **SARS - An Opportunity for APEC** by Brad Glosserman

The rapid spread of severe acute respiratory syndrome (SARS) is a compelling demonstration of the need for a truly global health network to fight future epidemics. The particulars of this outbreak also highlight the role that the Asia-Pacific will have to play in this effort. The region's population density, its income and development disparities, and its economic dynamism create an environment that breeds and facilitates the spread of these diseases. The problem has existed for some time; SARS has underscored the need for a more creative response to such outbreaks. One avenue, relatively unexplored, is the Asia-Pacific Economic Cooperation (APEC) forum. SARS is an opportunity to invigorate this sometimes moribund institution.

The SARS casualty count continues to grow. As I write, the World Health Organization has reported more than 3,400 cases in at least 25 countries, resulting in 165 deaths. Although the disease has a fatality rate of only about 4 percent - about the same as the flu - SARS is spreading exponentially. The economic toll is mounting in parallel with the human one.

SARS is the most serious incident to hit Southeast Asia since the 1997 financial crisis. It has had a far worse impact than the war against Iraq. Morgan Stanley has cut its forecast for growth in Asia excluding Japan from 5 percent to 4.6 percent, and this could prove optimistic if the disease continues to spread. The figures for individual countries are pretty striking: Singapore's growth will be cut from 2.9 percent to 2.1, 4.1 percent to 3 in Malaysia, 4 percent to 3.5 in Thailand, 3.2 percent to 3 in Indonesia, and 3.4 percent to 3.1 in the Philippines. Several countries will be pushed into recession as a result of SARS.

SARS is the ugly side of globalization. Its transmission has been facilitated by the international mobility that most of us take for granted. The interconnectedness of the global economy ensures that its economic effects will be transmitted with similar ease. Tourism and tourist-related industries have been hardest hit - airlines are being pushed over the brink - but no sector is immune in the globalized economy. Business travel is being suspended and conferences and conventions shuttered or postponed. Deal aren't being made, companies are being shut temporarily or forced to work in shifts. Fear of transmission has kept consumers home. Retail sales in Hong Kong fell 50 percent last month, hurting both store owners and their landlords. Restaurants are empty. Home owners don't show houses that are for sale. Schools have been closed.

China continues to be the great unknown. It is generally believed that the disease originated in Guangdong Province late last year, and spread from there. The Beijing government's response to the outbreak has badly damaged its credibility. There are still no reliable Chinese statistics and cooperation with international health authorities has been begrudging at

best. Forecasters believe that SARS could cut China's growth from 0.2 percent to 1 percent, but those estimates have a wide range of uncertainty and don't take into account the potential drop in foreign investment that would follow if businesses continue to fear the disease in China. Keep an eye on the China Export Commodity Fair, which is scheduled to begin this week in Guangzhou. Last year, more than 120,000 people attended, closing deals worth nearly \$17 billion. The results this year shouldn't be anything like those numbers and will serve as a bellwether on the impact of SARS.

Given the global impact of the disease, the WHO (working closely with the U.S. Centers for Disease Control and Prevention) has been leading the response to SARS. A network of laboratories has been working to isolate and identify the cause of the disease. After that task is complete, scientists will be able to devise a test for it, and, hopefully a cure or a vaccine.

But while the WHO leads, Asia-Pacific institutions can and should make important contributions. After all, SARS originated here and this region has been hardest hit. Similar outbreaks have occurred in the past. And most important, there is a channel - APEC - through which governments can work. SARS is an Asia Pacific phenomenon, with an Economic impact, and can only be combated through Cooperation. Never was there a better fit.

Infectious diseases were on the agenda at the first Science and Technology Ministerial Meeting in 1995, and became the focus of APEC's first health initiative. Prevention and control of infectious diseases was explicitly identified as a key concern in the APEC Industrial Science and Technology Working Group Medium Term Work plan. APEC has established an emerging infectious diseases network, APEC EINet, which provides internet-based information sharing throughout the region. At the 2001 summit, APEC leaders endorsed a strategy to combat infectious diseases and senior officials have been monitoring progress ever since.

The APEC action framework on emerging infectious diseases covers systems development, disease surveillance, outbreak response, prevention and control, and research. It stresses self-action and cooperation, primarily through sharing guidelines, assessing capabilities, and collaborating to maximize resources.

The framework is comprehensive, but the SARS outbreak shows it isn't enough. More aggressive action is required. APEC leaders should convene a health summit to show that SARS is a priority issue. Ideally, China would call the meeting: It would give the new leadership in Beijing a chance to demonstrate their commitment to finding a solution and ending the bureaucratic practices that obscure more than they reveal. Premier Wen Jiabao's acknowledgement last weekend that the SARS outbreak was "grave" suggests that they might

be ready to take the initiative. The call for a summit would also show Beijing's readiness to take a leading role in regional affairs. If a leaders' summit is too ambitious, a senior health officials meeting is not. They need to take charge and reassure publics - their own and others - that checking the spread of SARS is a top priority. There must be a high level of confidence in other countries' efforts to contain and control the disease.

An APEC summit would help invigorate an institution that is often derided for being ineffectual and a mere talk shop. APEC should work with the WHO to set standards that ensure that disease outbreaks trigger reporting under the Global Outbreak Alert and Response Network. APEC could help develop guidelines for monitoring and quarantine procedures for travelers during disease outbreaks. Additional issues might include aircraft decontamination and safety standards.

APEC has one other important advantage when it comes to fighting SARS and other infectious diseases: it includes Taiwan. The island has thus far recorded 23 cases of the disease, but collaboration with the WHO is restricted because Taiwan isn't a member or an observer of the organization. SARS underscores the importance of including everyone in the fight against these epidemics. A single sanctuary is one too many.

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