

# ASIA-PACIFIC PERSPECTIVES

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**Chinese Taipei Pacific Economic Cooperation Committee (CTPECC)**

# Editorial Statement

The Pacific Economic Cooperation Council (PECC) is a unique tripartite partnership of senior figures from business, government and academia who participate in a private capacity to freely discuss current practical and policy issues affecting the Asia-Pacific region.

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As the sole official non-governmental observer of APEC since the latter organization's founding in 1989, PECC has provided information and analytical support to APEC, and has also channeled and facilitated the private sector's participation in APEC projects and processes.

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The Chairman of CTPECC is Dr. Chien-Fu Jeff Lin, and the Secretariat of CTPECC is located at the TIER Department of International Affairs. The Director General of CTPECC is Dr. Darson Chiu.

Asia-Pacific Perspectives is a key publication of CTPECC and an open forum welcoming submissions of analyses, perspectives, and commentaries on the Asia-Pacific region. The newsletter focuses on political, economic and social issues.

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# Editorial Statement

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# Healthy Aging in APEC Region

*Ting Yu Lin*

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In the twentieth century, it can be easily noticed that the life expectancy is increasing globally. While the pursuit of longevity seemed always is human's ultimate goal, yet it results to greater number of age-related issues, such as chronic diseases, dementia and fragility. Therefore, APEC Health Working Group (HWG) conducted two series of meetings focused on immunization and dementia in 2019.

The HWG use its February/March meeting to discuss best practices with immunization experts, challenges and success encountered by member economies, and how to best add APEC's voice on Universal Health Coverage (UHC). Immunization has endured as one of the most effective public health interventions and saves approximately two to three million lives each year. It has contributed to the eradication of smallpox, lowered the global incidence of polio by 99%, and reduced illness, disability, and death due to many other contagious diseases. Investment on immunization can also provide a platform for achieving global health goals such as UHC and global health security (GHS). Immunization is considered a key indicator of progress towards target 3.8 of achieving UHC under Sustainable Development Goal (SDG) 3: Ensure healthy lives and promote well-being for all at all ages. Investing in immunization in the APEC economies presents an important opportunity to improve the regional health landscape.

Taiwan has been promoting various immunization policies and carrying them out through our primary healthcare system and medical institutions. In doing so, most vaccine-preventable diseases have been effectively controlled or even eradicated. Taking the case of influenza vaccine as an example: many key measures were taken in order to attain 25% of the immunization rate, such as increasing vaccine purchasing, expanding vaccination targets, as well as subsidizing local government for conducting campus-centered and community-centered vaccination. However, challenges appear such as funding shortage, increased demand for storage and the insufficient capacity to keep stable and continuous vaccination supply. In responding to that, expanding vaccination and improving quality of vaccination operation are two main strategies to the evolving international trend in immunization. We consider necessity and rationality of subsidies, increasing the distribution from the surcharge of tobacco products, and the possibility of inclusion of vaccination into health insurance.

Following the top on “Healthy Aging”, dementia was especially deliberated in the High Level Meeting in August which took part in Puerto Varas, Chile. The High Level Meeting focused on ‘Healthy Economies in an Aging World’ with a roundtable session mainly on ‘Unlocking Regional Collaboration to Accelerate Progress on Dementia.’ In details, it is to highlight opportunities for regional collaboration to ensure the optimal well-being of aging populations in APEC economies. Dementia is a general term for a decline in cognitive ability severe enough to interfere with daily life. It can also refer to an umbrella term used to describe a set of symptoms affecting brain function that are caused by neurodegenerative and vascular diseases or injuries. Dementia is usually chronic or progressive in nature, in which there is deterioration beyond what is expected from normal aging in memory, thinking, behaviour, and the ability to perform



everyday activities. In 2015, dementia affected 47 million people worldwide or roughly 5% of the world's elderly population. An aging population is the main driver behind a projected increase in the disease worldwide and it is estimated that dementia will affect 75 million people in 2030 and 132 million in 2050. APEC economies are among those with the most rapidly aging populations in the world, the cost of informal care was estimated to be US\$ 92.1 billion in a 2014 analysis by Alzheimer's disease International. Taking coordinated action to prevent dementia and enabling those living with dementia to live well is critical for ensuring health and economic well-being in the APEC region.

The population of those who are suffering from Dementia in Taiwan is about 270,000 by the end of 2017. The implantation of “Dementia Prevention and Treatment Policy Program” was launch since 2014, continued the second phase at 2017. In the first phase of the project, the attention draw on the population education and capacity building on primary health care workers. Details about the disease were explicated through booklet, TV program and musical. Besides, it aimed to develop a cross-sectoral integration for healthcare service, by leveraging local medical resources to train care providers and cooperate with local police and social worker, establish a care network and promote primary prevention. Additionally, the second phase of the program aims at decreasing the prevalence of dementia, delaying dysfunction as well as encouraging research and innovative development. It is to minimize the inequalities caused by social determinants of health to prevent dementia, risk factors such as smoking, obesity, alcohol over partake, physical inactivate and depression. In addition, it is also our goal to leverage resources from the healthcare system and long-term care plan, and provide comprehensive services and training not only for the patients but also care providers as well.

What's more on the care for dementia patients is the implantation of “Patient Autonomy Act” launched in 2019. The Act aims to respect patients’ medical autonomy and guard their hospice rights in their late-stage of dementia. The Act is to safeguard their rights to a good death which means they can choose to pass away peacefully without regrets and pain with an advance decision in their earlier stage of dementia. In this light, their family or caregivers will no longer suffer from the ethical dilemmas either. Moreover, it is noticeable that the incidence of dementia happens on female is always higher than male. This can be estimated by the differences on life expectancy and participation in labour market between two genders. The prevention scheme thus should not only rely on medicines or medical care but on the women’s social participation. As a final point, under the frame of digital society, we also attract related research and innovate projects on dementia from numerous departments. It would also collect dementia related data for reviewing the need on amendments of medical and social policies. We hope to promote social well-being as a whole through these initiatives and dedication.

Noting the importance of adapting not only health systems, but also entire region, the HWG illustrates how economies can invest the needs of their population through a variety of innovative approaches on different issues faced. In recent years, the HWG has similar targeted discussion trend as WHO. It might seem practical that APEC region has alike global trend in which we tackle similar health-related issue, yet APEC does not hold WHO’s resources nor does it work similarly. Chile, and the co-chair from Canada, made a comprehensive plan this year for APEC economies to discuss two main health-related issues in both meeting, immunization and dementia. However, it might in lack of consistency in which both meetings remain vacancy in conclusion and follow-up plans. To conclude healthy aging in 2019 in APEC region, certain actions and coordination was well developed while further strategies are remained to do in the future.



# **Creating Branding Events to Facilitate Sports Tourism: New Taipei City Wan Jin Shi Marathon**

APEC Sports Newsletter editorial group

In recent years, hosting international sports events has become a goal to pursuit for many economies. In addition to raising the level of competitive sports, there are many other benefits, including demonstrating political stability, marketing city special traits, increasing sports participation for citizens, improving infrastructure, and other non-economic benefits. Furthermore, hosting these events also leads to economic benefits such as increasing consumer spending and employment opportunities.

Sports tourism is the current trend on the global stage; combining tourism and sports creates a synergy with added values and brings in a fuller development of the industry as well as the maximization of relevant benefits. It is the becoming in many economies, Chinese Taipei included; by sponsoring numerous sports competitions and events each year, the government is able to provide regulatory guidance and a new option of touring for sports. The Sports Administration organized 100+ sports events each year and achieved outstanding results in terms of number of viewers, sales of sports lottery tickets and the level of competition. In 2018, 130 international sports events were organized. These sports events attracted 800,000 onsite spectators, over 100 million broadcast viewers, 13,000 volunteers and 18,000 foreign athletes, showing the wide appeal of sports competitions.

The New Taipei City Wan Jin Shi Marathon, the only IAAF Silver Label Road Race in Taiwan, was held on March 17, 2019, at Feicui Bay, Wanli, New Taipei City. The Sports Administration has cooperated closely with New Taipei City Government to make this event our own international branding sports event by inviting higher level of international elite runners, increasing the number of medical aid stations and organizing 4 hours of live broadcast, as well as developing peripheral cultural and creative products. The Marathon is not just a sports event; it combines local tourism, art and, cultural and creative industries to bring substantial economic value to Wanli, Jinshan and Shimen districts. This year's event attracted more than 11,000 runners, with almost 350 foreign runners from 29 economies.

New Taipei City Wan Jin Shi Marathon has become a benchmark road race event. In future, the Sports Administration will continue to assist this event to gain higher level IAAF certification; more marketing, tourism and other resources will also be committed to make this international event our own exclusive brand with the aims of driving local sports tourism and marketing our imagery to the world. In addition, the Sports Administration will continue to play the role of provider of home advantage for athletes, and hopes that, through organizing international sports events, our international profile, competitive level and the popularity of sport viewing, could be raised.



# Stablecoin and its DeFi Use - USDQ Provides a Possible Solution

*Jack Huang*

Consultant for the United Nations; Advisor for QDAO; Freelancer

Blockchain innovation has significantly changed the way we thought in traditional financial sector. All of those concepts and business models, such as decentralization, cryptographic tokens, and digital ledger, also brought us more imaginations toward the future forms of money. Although we are still facing the disorder from 2017-2018 ICO chaos and increasing strict regulatory frameworks, the overall trend of cryptolization should be irreversible. The development of financial digitalization and proper use of technologies can empower our economy, even provide great opportunity to overcome those development challenges. The concerns, therefore, can be argued that how we can bring awareness and build trust to consumers, and how to monitor and eliminate those crypto risks for the financial institutes and regulators?

The stablecoin may be a possible solution in a world that fiat is in flux while the innovation has the possibility to transform the landscape of financing and banking. By definition, stablecoin is a cryptocurrency - an internet-based medium of exchange, backed by valuable assets in the real economy. If you take US dollars in between 1945 - 1970 as an example, each USD should be equivalent to 1/35 of an ounce of gold (however President Nixon tore apart the Bretton Woods Agreement in 1971 but that's another story). In crypto world, stablecoin services in

a very similar function, it can be traded as the medium in any transaction because the stablecoin itself pegs its market value to some external reference, for example, USD, other fiat currencies, or commodities such as gold. Indeed, the most common style of stablecoin is backed by fiat currency at the 1:1 ratio, like USTD and Tether - both are backed by USD. Ideally, the stablecoin requires sufficient reserve assets to keep volatility-free valuation of that “coin”, then it can be used in daily exchange - from trading other cryptocurrencies in exchanges to buying food in a physical shop.

Another interesting private project is QDAO - a fully decentralized stablecoin backed by crypto assets, which brings discussion to the next level. While other stablecoins pledge to assets such as US dollar or gold, QDAO chooses to accept Bitcoin (or potentially other crypto assets) as the fundamental collateral (it needs to deposit or lock up certain amount of his crypto asset) and the user can decide if he wants to create any fiat-based stablecoin for further use. For example, the term “USDQ” represents fully USD-backed token while another term “JPYQ” means the token is supported by Japanese Yen or “CNYQ” with Chinese Yen as the target. Of course, according to the basic rule, the reserve assets should always exceed the value in circulation, PLATINUM ENGINEERING (the team initiated this idea) has designed algorithms, deposit & settlement mechanisms and smart contract-driven ecosystem for supporting such stablecoin creations. The way that stablecoin is still pegged to the fiat at a 1:1 ratio but take BTC as the underlying collateral has become more popular and flexible for business cases in recent years. Actually, many decentralized finance (DeFi) projects (include QDAO) already applied this “over-collateralization” principle to develop their lending models. It’s believed that the proper stablecoin mechanism should not only defence against malicious actions/speculations, but also it should provide price stability and security for transaction, payment, and further utilities in financial market.



Besides those brilliant private sectors, government and public sectors also start paying more attention on crypto solution, especially the stablecoin (due to conservative governments may not be in favor of anything “unstable”), and how to optimize our banking and even the monetary policy. The synthetic central bank digital currency (as known as “sCBDC”) has been introduced by the World Bank Group since the beginning of 2019. The framework aims at offering a possible path that trustable private sectors could work with central bank and inject digital money to the market, or we can even call it the fintech public-private partnership for the future economy. If you are a believer in free market, the sCBDC should be an exciting approach that unlock the last economic power from sovereign government - the seigniorage (note that it assumes most of commercial & financial activities have been privatized in the modern democratic nations, but the seigniorage is still solely and completely controlled by the central bank). Indeed, the idea of “decentralization” or “reconstruction of power” is not new, 40 years ago the Anglo-Austrian economist, Friedrich Hayek, already argued something similar in his book “The Denationalization of Money”. But of course, at that moment, the word “digital” was not yet brought to public attention.

Blockchain technology, cryptocurrency and stablecoin should be regarded as the disruption for the financial landscape, and the monetary value can be electronically stored and pegged to a safe and liquid asset also sheds light on new payment and the accessibility to financial services. We have more than 2.5 billion individuals and 200 million SMEs lacking access to basic credit and financial support (World Bank, 2014), thus it’s persuasive that digital finance, or in more specific mean - the stablecoin, should be able to create more opportunities to not only advanced markets, but for people in developing regions. The government and central bank might move slowly in this unfamiliar territory, however, the private sector can actively act as the infrastructure builder and service provider.

As Mr. Jin-Young Cai, the CEO of International Finance Corporation (IFC), pointed out in the CGAP event speech that “the benefits of digital finance extends well beyond conventional financial services; it can also be a powerful tool and an engine for job creation in developing countries”, it’s foreseeable that the role of stablecoin, digital money and DeFi solution will become more important, especially for SME businesses and eventually be adopted by the general public. The following regulatory complexities and impacts on other fields shall be the next essential topics to everyone.