

## Leaders' Declaration - Japan

### APEC Economic Leaders' Declaration for Action Osaka, Japan November 19, 1995

1. We have gathered in Osaka to further advance the Asia-Pacific economic dynamism and sense of community. The Asia-Pacific is experiencing the most striking economic growth in the world and ever-increasing interdependence. It is a major contributor to global prosperity and stability.

We believe our economic reforms based on market-oriented mechanisms have unleashed our peoples' creativity and energy and enhanced the prosperity and living standards of our citizens in the region and the world as a whole. In the current climate in our vast and diverse Asia-Pacific region, APEC presents us with a golden opportunity for the 21st century. Through APEC we can harness, coordinate, and channel dynamic economic trends to our collective advantage.

2. At Blake Island we established the vision of a community of Asia-Pacific economies, and at Bogor we set a number of specific goals and objectives, including:

- free and open trade and investment in the Asia-Pacific no later than 2010 in the case of industrialized economies and 2020 in the case of developing economies,
- expansion and acceleration of trade and investment facilitation programs, and
- intensified development cooperation to attain sustainable growth, equitable development, and national stability.

We have, with Osaka, entered the action phase in translating this vision and these goals into reality. Today we adopt the Osaka Action Agenda, the embodiment of our political will, to carry through our commitment at Bogor. We will implement the Action Agenda with unwavering resolve.

3. The Osaka Action Agenda is the template for future APEC work toward our common goals. It represents the three pillars of trade and investment liberalization, their facilitation, and economic and technical cooperation. Achieving sustained economic development throughout the APEC region depends on pursuing actions in each of these areas vigorously.

Reflecting the diverse character of APEC and the broad scope of our activities, we will achieve the long-term goal of free and open trade and investment in several ways. We will:

- encourage and concert the evolving efforts of voluntary liberalization in the region,
- take collective actions to advance our liberalization and facilitation objectives, and
- stimulate and contribute to further momentum for global liberalization.

4. We emphasize our resolute opposition to an inward-looking trading bloc that would divert from the pursuit of global free trade, and we commit ourselves to firmly maintaining open regional cooperation. We reaffirm our determination to see APEC take the lead in strengthening the open multilateral trading system. We trust that enlarged participation by APEC economies in the WTO would facilitate greater regional cooperation. We will explore joint initiatives under the WTO, including preparations for the Ministerial Meeting in Singapore. Ensuring that APEC remains consistent with the WTO Agreement, we will achieve trade and investment liberalization steadily and progressively.

Desiring that trade and economic tensions among APEC economies be resolved in a non-confrontational manner, we are committed to finding ways of ameliorating trade friction. We agree on the desirability of an APEC dispute mediation service, without prejudice to rights and obligations under the WTO Agreement and other international agreements.

5. In the Action Agenda we have agreed to a set of fundamental principles to guide the achievement of our liberalization and facilitation: comprehensiveness; WTO consistency; comparability; non-discrimination; transparency; standstill; simultaneous start, continuous process, and differentiated

time tables; flexibility; and cooperation. We direct our ministers and officials to immediately begin the preparation of concrete and substantive Action Plans to be submitted to the 1996 Ministerial Meeting in the Philippines for assessment. Overall implementation of the Action Plans will begin in January 1997 and will be reviewed annually.

To assist in this process, we instruct our ministers and officials to engage in consultation in a collective effort of a confidence-building nature to facilitate exchanges of information, to ensure transparency, and to contribute toward attaining the comparability of respective Action Plans.

The Action Agenda may be revised and improved as necessary in response to changing circumstances. While we have chosen the unique approach of concerted liberalization grounded in voluntarism and collective initiatives by the member economies as the key means for implementing the Action Agenda, its success hinges upon our own continuing efforts, strong self-discipline, and close consultation.

6. Governed by the Osaka Action Agenda's principles of mutual respect and equality, mutual benefit and assistance, constructive and genuine partnership, and consensus building, we will promote action-oriented economic and technical cooperation in a wide range of areas. With the Action Agenda, APEC has gained renewed momentum and broader perspective for economic and technical cooperation.

Economic and technical cooperation implemented through various means including Partners for Progress serves to promote trade and investment liberalization and facilitation, to narrow the disparities within the region, and to achieve growth and prosperity for the region as a whole. We will thus work through policy dialogue and joint activities to broaden and deepen intra-regional cooperation in all areas of our interest. At the ministerial level, valuable consultations have been held on macroeconomic, financial, exchange rate, and other policies regarding capital flows, capital market development, and infrastructure financing. We also commend the valuable contribution at the ministerial level in such fields as telecommunications and information industry, transportation, small and medium enterprises, and science and technology. We hope that they will continue their good efforts.

7. We are pleased to announce that each of us has brought a package of initial actions demonstrating our firm commitment to achieving liberalization and facilitation. These voluntary actions will spur and inspire APEC liberalization. They also represent the first wide-ranging initiatives to accelerate the implementation of our Uruguay Round commitments and to deepen and broaden the outcome of the Uruguay Round through, for example, acceleration of tariff reductions, early implementation of WTO agreements, and pursuance of deregulation. Together with these measures, our collective actions including harmonizing and enhancing the efficiency of customs procedures and promoting mutual recognition and improving conformity assessment capabilities will yield immediate and tangible benefits for business. We urge non-APEC economies to follow suit and help advance global trade and investment liberalization.

8. The Eminent Persons Group and the Pacific Business Forum have made important contributions to the formulation of the Osaka Action Agenda. Highly appreciative of the dedication and wisdom of the people who took part in the process, we congratulate them on the successful completion of their task.

Recognizing that business is the source of vitality for the Asia-Pacific and the driving force for regional economic development, we will appoint the members of the APEC Business Advisory Council to provide insights and counsel for our APEC activities.

9. Our ambitious attempt to promote wide-ranging regional cooperation and foster the spirit of community in the Asia-Pacific will doubtless encounter numerous new challenges and incur new responsibilities despite, or perhaps because of, our economic growth. The Asia-Pacific region's fast-expanding population and rapid economic growth are forecast to sharply increase the demand for food and energy and the pressures on the environment. We are agreed on the need to put these inter-related, wide-ranging issues on our long-term agenda and consult further on ways to initiate joint action so as to ensure the region's economic prosperity is sustainable.

Through our actions, we affirm the vital importance of expanding and strengthening the shared interests which are the foundation of APEC and of forging relationships of trust among our peoples. We pledge to go forward together to meet the challenges ahead.