

APEC ECONOMIC LEADERS DECLARATION: FROM VISION TO ACTION

**Subic, The Philippines
November 25, 1996**

1. We, the Economic Leaders of the Asia-Pacific Economic Cooperation forum, met today in Subic, the Philippines, for our fourth annual meeting. Our collective achievements of sustained economic growth, increased employment, and regional stability are the result of our shared commitment to growth-oriented policies, the broadest participation in the regional and global economy, and an environment of stability and security. We came to Subic to strengthen this commitment and to reaffirm that the ultimate objective of our individual and collective endeavors is to enrich the lives and to improve the standards of living of all our citizens on a substantial basis.
2. At Blake Island three years ago, we committed ourselves to "deepening our spirit of community based on our shared vision of achieving stability, security and prosperity for our peoples". In Bogor a year after, we began the process of realizing this vision by committing ourselves to the goals of free and open trade and investment in the region. Last year in Osaka, we agreed on the framework of our future work to reach our common goals built through trade and investment liberalization, trade and investment facilitation, and economic and technical cooperation.
3. Today in Subic, we have deepened the spirit of community in the Asia-Pacific region and have affirmed our commitment to sustainable growth and equitable development.
4. We have:
 - launched the implementation phase of our free and open trade and investment agenda,
 - delivered business facilitation measures,
 - agreed to advance common goals in the World Trade Organization,
 - developed ways to strengthen economic and technical cooperation, and
 - engaged the business sector as a full partner in the APEC process.

Manila Action Plan for APEC

5. We have brought to Subic our individual and collective initiatives in fulfillment of our voluntary commitment to implement the Osaka Action Agenda. We shall implement these initiatives, presented as the Manila Action Plan for APEC (MAPA), beginning 1 January 1997.
6. MAPA contains the first steps of an evolutionary process of progressive and comprehensive trade and investment liberalization toward achieving our Bogor goals by 2010/2020, in accordance with the Osaka Agenda. We are determined to sustain the dynamism of our plans through a continuous process of review and consultations. We are committed to build on MAPA, and to improve our individual action plans, including their comparability and comprehensiveness.
7. To this end, we welcome the decision of ministers to meet in 1997 to review the individual action plans, taking into account the views of the private sector. We ask that they report the results to us when we meet next year.
8. We further instruct our ministers to identify sectors where early voluntary liberalization would have a positive impact on trade, investment, and economic growth in the individual APEC economies as well as in the region, and submit to us their recommendations on how this can be achieved.
9. We also commend to our citizens the results of APEC's work on collective actions which are the first harvest of seeds sown at Bogor and Osaka and which will facilitate the conduct of business in and between APEC economies, increasing competitiveness and reducing transaction costs. This year, we have made our tariff regimes more transparent. WE have agreed to harmonize our tariff nomenclature by the end of this year and our customs clearance procedures by 1998. WE have agreed to align our national standards with international standards and to recognize each other's national standards.

10. We direct our ministers to intensify work in 1997 on simplification of customs clearance procedures, effective implementation of intellectual property rights commitments, harmonization of customs valuation, facilitation of comprehensive trade in services, and enhancing the environment for investments.

Multilateral Trading System

11. We reaffirm the primacy of an open, multilateral trading system based on the WTO. We consider it essential that regional and multilateral trade and investment should support and reinforce each other. We applaud the efforts of APEC members which extend to all economies the benefits derived from sub-regional arrangements. We are determined that the far reaching liberalization measures to which we have voluntarily committed ourselves in APEC, and the significant opening already underway in all our economies, will serve as a catalyst for further liberalization of the multilateral trading system. We call on WTO members to build on the process of progressive liberalization and enhanced transparency which we have initiated in APEC.

12. We affirm our determination to ensure that the first WTO Ministerial Conference, which is being held in an APEC member economy, generates the dynamism and purpose necessary for strengthening the multilateral rules-based Uruguay Round commitments by each WTO member. We urge all members to make determined efforts to complete outstanding negotiations in the telecommunications and financial services sectors, and to establish a substantive and balanced program of further work that will move WTO forward.

13. We endorse initiatives for freer and non-discriminatory trade in goods and services. Recognizing the importance of information technology in the 21st century, APEC Leaders call for the conclusion of an information technology agreement by the WTO Ministerial Conference that would substantially eliminate tariffs by the year 2000, recognizing need for flexibility as negotiations in Geneva proceed.

14. We encourage the acceleration of substantive negotiations on protocol issues and market access with a view to achieving universality of WTO membership.

Economic and Technical Cooperation

15. We recognize that our vision of community can be strengthened only if our efforts benefit all citizens. As an essential complement to our trade and investment liberalization agenda, economic and technical cooperation helps APEC members to participate more fully in and benefit from an open global trading environment, thus ensuring that liberalized trade contributes to sustainable growth and equitable development and to a reduction in economic disparities.

16. This year, we have advanced our work on economic and technical cooperation significantly. To give it further impetus, we endorse the declaration of a framework of principles for economic cooperation and development in APEC adopted by ministers. We instruct our ministers to apply these principles to the activities of relevant APEC fora, giving a human face to development and thereby assigning high priority to the following themes: developing human capital; fostering safe, efficient capital markets; strengthening economic infrastructure; harnessing technologies of the future; promoting environmentally sustainable growth; and encouraging the growth of small and medium enterprises.

17. The implementation of our economic cooperation agenda is based on a genuine partnership to which all APEC economies contribute. We direct our ministers, working in partnership with the private sector, to identify ways to encourage such participation by all APEC economies. In addition, we ask that they put special emphasis on the full participation of women and the youth.

18. Promoting rapid economic growth that ensures a healthy environment and improves the quality of life of our citizens is a fundamental challenge. In this regard, we welcome the work undertaken in various APEC fora, including the Meeting of Ministers in charge of Human Resources Development, Small and Medium Enterprises, Industrial Science and Technology, Telecommunications, Energy, and Sustainable Development.

19. We direct ministers, in coordination with the private sector, to develop specific initiatives to implement an initial work program for sustainable development in APEC that includes the themes of the sustainability of the marine environment, clean technology and clean production, and sustainable

cities. We call on ministers to intensify work on sustainable growth and to report on their progress at our meeting in Vancouver in 1997. We note the work already underway on the interrelated issues of food, energy, environment, economic growth, and population. We agree to push for further progress on these important issues, in light of the various international fora being convened next year to address these issues.

20. We endorse the findings of our finance ministers, reaffirming the importance of sound macroeconomic policies in maintaining stable capital flows and exchange rates, accelerating the development of domestic financial and capital markets in the region, and stimulating private sector participation in infrastructure development. We call on them to pursue concrete and practical measures to achieve these objectives.

21. Lack of infrastructure severely contains sustained growth. Since public finance cannot fully meet the enormous requirements of the region, private sector investment must be mobilized. Providing the appropriate financial, economic, commercial and regulatory environment is the key to stimulating such investments. We direct the relevant ministers to work together with private sector representatives and with national/international financial institutions, including export credit agencies, and develop a framework for this purpose.

Role of the Business Sector

22. We affirm the central role of the business sector in the APEC process. This year, the APEC Business Advisory Council (ABAC) was organized and convened at our request. We thank ABAC for its valuable work and ask our ministers to work closely with the business sector next year to examine ways of implementing ABAC recommendations.

23. We ask in particular that they consider ABAC's call to facilitate the movement of business people, enhance investment flows, strengthen investment protection in terms of transparency, predictability, arbitration and enforcement of contracts, align professional standards in the region, involve the private sector in infrastructure planning, develop policies supportive of small and medium enterprises, and encourage greater business sector participation in economic and technical cooperation.

24. We welcome the opportunity to dialogue with the business sector and note with appreciation the Philippine initiative to convene the APEC Business Forum.

A Shared Vision

25. We recognize that the strength of APEC is derived from its diversity and that we are bound by a shared vision of community. Thus, deepening the spirit of community in accordance with the APEC approach is critical in exerting a positive influence on the region and on the world. This vision of community requires that all sectors of society develop a stake in the success of APEC. We therefore commit ourselves to foster greater public-private sector partnership in APEC. We also place great value on promoting more people-to-people linkages, particularly those in education and business.

26. Finally, we express full confidence that the APEC process will produce substantial, concrete, measurable and sustainable results which will tangibly improve the lives of all our citizens by the turn of the century.