

Opening Remarks

Distinguished guests, Ladies and Gentlemen,

Good morning. First of all, on behalf of Ministry of Commerce of China, I'd like to extend my warm welcome to all of you attending the APEC Seminar on Trade Logistics in Beijing. The purpose of this Seminar is to create an opportunity for APEC economies to probe into the current status of trade logistics in the region and explore the possible ways to enhance APEC cooperation in this area.

Over the past decade, as a result of the significant progress in globalization and regionalization, we have witnessed a high economic growth, together with an increasing trade flow in APEC region. In 2007, the accumulated GDP of APEC economies reached 2.8 trillion USD, accounting for 50% of the world's total, with their trade volume of 1.3 trillion USD, taking share of 47% of world trade. Along with the fast growth of trade, there has been increasing focus on trade facilitation related sectors. In recent years, a lot of studies and facts show trade facilitation has become much more important to business than before, especially with the continuous reduction in the tariff. Among those trade facilitation sectors, trade logistics is one which could have meaningful impact on trade flows.

A nation's logistics industry can be seen as the circulatory system of its economy. The efficient movement of goods between producers, service providers and consumers stimulates economic growth and makes nearly every industry operate at maximum efficiency. UNCTAD analysis shows that the total logistics activities are estimated to make up 15-20 per cent of

the cost of finished products. Effective logistics can greatly reduce the cost of the business and improve its efficiency, which will finally contribute directly to improved international competitiveness and facilitate integration into the world economy. However, while economies can benefit from efficient logistics, certain preconditions must be met in relation to infrastructure, technology, human resources, regulation and security. In the mean time, low trade volumes, especially as that of relatively small-scale economies, could further discourage the development of competitive logistics.

As you have known, this year marks the 30th anniversary of China's reform and opening to outside. With the rapid development of China's economy and the growing demands of Chinese consumers for quality products and services, Chinese government has begun to pay increasing attention to transportation and logistics. There has been significant growth in transportation and logistics infrastructure, with significant emphasis on the construction of roads, railways and port facilities. Besides, laws and regulations on logistics have been published, creating a sound environment for the business. However, considering the imbalance development of China as a whole, we are still facing a lot of problems, such poor infrastructure in western China.

In APEC region, we have both developed economies and developing ones. The concerns have emerged that gaps in logistics development among APEC members have been expanded in the process of globalization. Therefore, how to embrace the challenges for the region as a whole and how to help developing economies fully enjoy the benefits in the

globalization are critical questions for us. With this Seminar, I hope, through your active participation and discussion, we could have a clear picture on the latest development in this area, including the concept, coverage, features and its future trend. In the mean time, there could also be a better understanding on current situations, policies and regulations of APEC economies. The discussions could also focus on the possibility of APEC future cooperation in this area. Considering logistics' coincidence with the current work in APEC on trade facilitation and APEC's nature in economic cooperation and capacity building, I believe this Seminar will be a good chance to explore further value added to APEC's work.

This time, we also invite representatives from business community and academic institutions to attend this Seminar. I am sure their participation will make our discussions more business relevant and enrich the outcomes and views of this Seminar.

Before I conclude, I would like to take this opportunity to thank APEC secretariat, ADB, UNCTAD and APEC economies for the support to this event.

Finally, I wish this seminar a great success and all of you enjoy your stay in Beijing! Thank you.