

**Fourth Ministerial Meeting**  
**(Bangkok, Sept 10-11, 1992)**

**JOINT STATEMENT**

1. The Fourth Asia-Pacific Economic Cooperation (APEC) Ministerial Meeting was convened in Bangkok on 10-11 September 1992. Ministers from Australia, Brunei Darussalam, Canada, the People's Republic of China, Hong Kong, Indonesia, Japan, the Republic of Korea, Malaysia, New Zealand, the Philippines, Singapore, Chinese Taipei, Thailand, and the United States participated in the Meeting to continue their discussion on the process of APEC. The ASEAN Secretariat, the Pacific Economic Cooperation Council (PECC) and the South Pacific Forum (SPF) were present as observers. A complete list of Ministers and observers appears as Annex 1.

2. The Meeting was co-chaired by H.E.Mr. Arsa Sarasin, Minister of Foreign Affairs, and H.E.Mr. Amaret Sila-on, Minister of Commerce, of Thailand.

3. Ministers expressed their appreciation to H.E. Mr. Anand Panyarachun, Prime Minister of Thailand, for his keynote address in which he emphasized that:

- APEC is poised to play a central role in promoting regional growth and prosperity while forming a strong defence against growing protectionism, notwithstanding the climate of rapid change and uncertainty in world events;

- APEC encourages the achievement of balanced results from the Uruguay Round, upon which APEC may then build;

- APEC, as a uniquely diverse and open consultative forum, holds vast untapped potential for cooperation in a broad range of areas, economic and otherwise;

- APEC's prospects as a possible "bridge" between the major subregional free trade areas in the Asia-Pacific region should be carefully explored; and

- APEC, as part of an interlocking net work of complementary sub-regional economic organizations, is an open, evolving process that can further not only regional economic integration, but also balanced development in individual member economies.

4. Ministers held discussions on a range of topics, including:

A. Regional Economic Trends and Issues

B. Uruguay Round and Trade Liberalization In the Region

C. APEC Work Programme

D. Future Steps of APEC

E. Future Participation

**REGIONAL ECONOMIC TRENDS AND ISSUES**

5. Ministers considered the report of the meeting of the Ad Hoc Group on Economic Trends and Issues, co-chaired by Canada, Japan and the Republic of Korea in Tokyo on 10-11 August 1992, which discussed a Japanese survey on economic linkages in the region entitled "Vision for the Economy of the Asia-Pacific Region in the Year 2000 and Tasks Ahead", and a Korean report on the economic outlook and trends in the region entitled "APEC Economies: Recent Developments and Outlook".

6. Ministers noted that these studies provided APEC with original, ground-breaking research that helps quantify key economic flows and indicates the deepening interdependence within the Asia-Pacific region, in particular trans-Pacific interdependence. The interdependence is evident in the areas of commodity trade, services trade, direct investment and human exchange. Important factors promoting interdependence and structural change in the region are the linkages between open

economic policies and sound economic management, the process of globalization and the role of multinational enterprises (MNEs).

7. Ministers were of the view that the outlook for the APEC region is for continued, dynamic economic growth, and noted the importance of strengthening the multilateral trading system and promoting the expansion of trans-Pacific trade in maintaining the economic dynamism of the region.

8. Ministers welcomed an Australian proposal that arrangements be considered for the regular circulation among APEC members of key economic statistics, and instructed Senior Officials to explore this proposal further.

9. Ministers noted that a dialogue on economic trends and issues is a core element of APEC's work. Ministers thanked Japan and the Republic of Korea for their contributions to the success of the Second Meeting of the Ad Hoc Group, and instructed Senior Officials to consider the next steps for the Ad Hoc Group, in particular ways in which a dialogue on economic trends and issues could contribute to future Ministerial dialogue and provide a broader context for APEC Work Projects and other activities.

10. To this end, Ministers directed Senior Officials to ensure the preparation of a review of short to medium term economic outlooks for the economies of the region for use at the 1993 Ministerial Meeting, as well as an examination of a priority issue area to be determined by Senior Officials at their next meeting. In considering possible issues, Senior Officials may draw on the range of issues identified in the report of the Tokyo Ad Hoc Group meeting; including the implications of open economic policies and trade, investment and technology flows for growth and development, structural change, human resource development, the reduction of income disparities within the region and development of regional integration.

#### **URUGUAY ROUND**

11. Recognizing the critical importance of achieving a successful outcome of the Uruguay Round, Ministers issued a separate APEC Statement on the Uruguay Round which appears as Annex 2.

#### **TRADE LIBERALIZATION IN THE REGION**

12. Ministers considered and endorsed the report of the Informal Group on Trade Liberalization in the Region, agreed by Senior Officials. They noted the importance of trade policy dialogue in APEC as a means of building consensus and sharing information in relation to trade policy issues relevant to the region, including the process of globalization and subregional trade arrangements such as the North American Free Trade Agreement and the ASEAN Free Trade Area. Ministers endorsed the view of the Informal Group that APEC economies should encourage investment linkages, regional and sub-regional trade arrangements to be outward-looking, GATT-consistent, and support the processes of broader trade liberalization, and that an active dialogue on such issues should continue. Ministers reaffirmed their intention to convene a meeting of Ministers concerned with trade policy when the outcome of the Uruguay Round becomes clearer.

13. Ministers discussed the practical measures identified by the Informal Group to carry forward the mandate from the Seoul Ministerial Meeting to "identify options and make recommendations for approaches to trade liberalization in the region". Ministers asked the Informal Group to look ahead to emerging trade issues and endorsed the view that both longer term measures and a shorter term action programme should be pursued.

14. To advance regional trade liberalization over the next decade, Ministers agreed that a small Eminent Persons Group should be established to enunciate a vision for trade in the Asia Pacific region to the year 2000, identify constraints and issues which should be considered by APEC, and report initially to the next Ministerial Meeting in the United States in 1993. Ministers endorsed the proposed structure and indicative terms of reference for the EPG, set out in the report.

15. In the more immediate period, Ministers agreed that the implementation of four proposals recommended by the Informal Group would provide significant benefits for business.

Ministers directed Senior Officials to implement the four proposals to:

- (1) establish, subject to a feasibility study, an electronic tariff data base for APEC members to facilitate regional trade through better information flows;
- (2) survey current regional activity designed to harmonize and facilitate customs procedures and practices and recommend additional steps that could be taken within APEC to enhance or complement that work, taking into account regional CCC activities;
- (3) identify and discuss the administrative aspects of market access and submit to the Fifth APEC Ministerial Meeting a report with recommendations for reducing the impediments and costs of these measures, and a process for reviewing them on an ongoing basis; and
- (4) survey APEC members and prepare a detailed guidebook on investment regulatory procedures which should be submitted to Ministers desirably in 1993, with the possibility for future ongoing maintenance and updating of the guidebook electronically.

16. Ministers agreed that implementation of these measures would provide a sound basis for further work on regional trade liberalization, and that trade liberalization and trade policy issues should form a central focus of the Fifth APEC Ministerial Meeting in the United States in the coming year.

### **APEC WORK PROGRAMME**

17. Ministers reviewed the Consolidated Report on APEC Work Programme and noted with satisfaction that many Working Groups are producing substantial progress and providing tangible benefits to the region.

18. Ministers agreed that officials concerned should intensify their coordinated efforts to further develop the Work Projects to attain the full potential and noted the following:

#### **a. Review of Trade and Investment Data**

Inventories for services trade data and investment flows data continue to be developed. Also, efforts to obtain near comparable merchandise trade data among APEC economies will be undertaken.

#### **b. Trade Promotion: Programmes and Mechanisms for Cooperation**

The APEC Electronic Information Network which connects the computer system of each member and provides for the exchange of trade, industrial and business information is operating. Preparations are underway to hold the First Asia-Pacific International Trade Fair in Japan in 1994.

#### **c. Expansion of Investment and Technology Transfer in the Asia-Pacific Region**

Various options in the establishment of an Asia-Pacific Investment and Technology Information Network are going to be discussed by an experts' group meeting. Japan will compile an "Industrial Parks Development Handbook" in cooperation with all APEC members.

#### **d. Asia-Pacific Multilateral Human Resources Development Initiative (HRD)**

Many useful activities of HRD networks on economic development management, business management, and industrial technology have been implemented. Other activities relating to education and training have also been carried out, such as US-APEC partnership, Japan-ApEC partnership, HRD outlook by PECC, and University Mobility in Asia-Pacific by Australia. The APEC Education Ministerial Meeting was held in August 1992 in Washington, D.C., and the proposal to establish an APEC Education Forum to discuss education-related issues was endorsed.

#### **e. Regional Energy Cooperation**

A format has been developed for APEC energy database and information from the database which will facilitate further discussion of energy policy issues, will be available in March 1993. Recommendations on the use of clean coal technologies have been developed and will be circulated to all APEC members before November 1992. A compendium on energy efficiency practices in APEC members will be circulated before October 1992. A handbook on regional energy technology co-operation, a network to share information on natural gas vehicle fuel technologies, a programme of

exchange to share information on photovoltaic and other solar energy technologies, and a compendium of regional renewable energy programmes are being developed.

#### **f. Marine Resources Conservation: Problem of Marine Pollution in the APEC Region**

Recommendations were developed for practical action on the red tide/toxic algae issue. It was proposed that task teams be formed to develop detailed programme proposals and cost estimates for projects related to (1) information exchange, (2) human resource development, and (3) technical exchange. Reports are to be completed before the next Working Group meeting, expected around the middle of 1993, at which time the proposals will be evaluated and programme operations initiated. Participants were asked to submit proposals for additional topics to be addressed, particularly those related to land-based pollution.

#### **g. Telecommunications**

A supplementary edition containing telecommunications environment data of Hong Kong and Chinese Taipei, a training manual presenting guidelines on "How to Approach Training within a Telecommunications Organization" and a report on "Issues to be Resolved in Realizing Teleports" were published. Several Electronic Data Interchange (EDI) pilot projects are being implemented in order to broaden public awareness of EDI's utility in the region and to facilitate trade among APEC economies.

#### **h. Fisheries**

Work programmes underway are a survey of species requiring international cooperation in management arrangements; an overview paper combining information of fish stocks, existing management arrangements and scientific supporting arrangements; an inventory of existing facilities and opportunities for the technical transfer of harvesting and post-harvesting technologies between APEC participants; and a periodic compilation of trends and projections in global and domestic markets for seafood products originating in the APEC region.

#### **i. Transportation**

Short-term activities have been undertaken, namely surveys of transportation bottlenecks, of existing data, of transportation systems and services, and of related work in other international bodies. An outline of a document outlining a medium-term vision for transportation in the region is also being prepared.

#### **j. Tourism**

Specific work plans are being developed, including the examinations on the interrelation of tourism and aviation and on the relation of the Working Group to other international organizations, the study on tourism environment, the improvement of data collection and statistical reporting, the identification of barriers to tourism, the improvement of tourism training and the compilation of an inventory on current tourism projects.

19. Ministers welcomed the active contributions the three new members, namely the People's Republic of China, Hong Kong and Chinese Taipei, made to the APEC work programme. Ministers noted in particular that the PRC has offered to host a Seminar on Promoting the Expansion of Export of Medium and Small Enterprises in Shenzhen in May 1993, an Asia Pacific Trade Promotion Seminar in 1994 and an APEC Trade Promotion Training Course, that Hong Kong has made financial contribution to publish the addendum of the study on "The State of Telecommunications Infrastructure and Regulatory Environment of APEC Economies," and that the Chinese Taipei's Project Proposal on Promoting Development of Medium and Small Enterprises through Cooperation was incorporated into the Work Project on Trade Promotion and was considered by the Working Groups on Telecommunications and Fisheries.

20. Ministers took note of the general problems of the APEC work programme and agreed with the policy recommendations contained in the Consolidated Report. In order to enhance further progress of the ten Work Projects, Ministers instructed Senior Officials to provide guidance to the Working Groups on how to coordinate Working Group activities, avoid duplication and identify complementarities.

21. Ministers directed Senior Officials to play an active role in overall coordination and management of the Working Groups, with a view to Improving their focus in terms of objectives of APEC as set forth In the Seoul Declaration.

22. Ministers reaffirmed that APEC is an open process. Participation by non-members from the Asia-Pacific region In APEC Work Projects, including seminars, symposia and workshops, can be beneficial to members as well as non-members.

### **FUTURE STEPS OF APEC**

23. Ministers expressed their appreciation to Senior Officials for carrying out, as specified In the Ministerial Joint Statement in Seoul, an In-depth study on the subject based on the Thai Secretariat's Working Paper entitled Future Steps of APEC. Ministers recognized that APEC has reached that stage in its evolution where Institutionalization could further strengthen APEC's role and enhance its efficiency in promoting regional economic cooperation. After thorough consideration, Ministers agreed to the recommendations of Senior Officials that it is timely and appropriate for APEC to set up a Secretariat as an effective support mechanism and an APEC Fund to finance the implementation of APEC activities. In this connection, they endorsed the Consolidated Report on the Future Steps of APEC and adopted the Bangkok Declaration on APEC Institutional Arrangements which appears as Annex 3.

24. Ministers agreed that the APEC Secretariat will have its seat in Singapore.

25. Ministers agreed that to cover APEC administrative and operational costs, APEC members shall make annual contributions to the APEC Fund on a proportional basis. Ministers were of the view that consensus was necessary on the utilization of the APEC Fund for each activity and mandated Senior Officials to work out details of the guidelines for allocation of the Fund as soon as possible. Ministers instructed the shepherds of Work Projects and Chairmen of other groups to meet and develop detailed budget requests in advance of the next SOM. The SOM should prepare a detailed budget proposal for the fiscal year 1993 within the upper limit of US\$ 2 million for Ministers' approval.

26. Ministers discussed the issue of private sector participation in the APEC process. They reaffirmed the importance of the private sector's role in enhancing the relevance of the work programme and expressed appreciation for the positive contribution in such Work Projects as Trade Promotion and Telecommunications. Ministers stressed the need to further encourage direct private sector involvement so that the Work Projects would benefit from their technical expertise and funding. Ministers entrusted Senior Officials to identify ways to engage the private sector more fully in APEC Work Projects and report back to the Fifth Ministerial Meeting in 1993.

### **FUTURE PARTICIPATION**

27. Ministers took note of the continuing interest expressed by a number of countries and organizations in participating in some capacity in the APEC process. Ministers reaffirmed that APEC~ is an open and evolving process and recalled the criteria for participation set forth in the Seoul APEC Declaration; namely, that decisions regarding participation be made on the basis of a consensus of all existing participants, and that participation in APEC be open, in principle, to those economies in the Asia-Pacific region which:

(A) have strong economic linkages in the Asia-Pacific region; and

(B) accept the objectives and principles of APEC as embodied in the Seoul APEC Declaration.

28. Ministers also expressed the view that APEC was entering a phase when consolidation and effectiveness should be the primary considerations, and that decisions on further participation required careful consideration In regard to the mutual benefits to both APEC and prospective participants.

29. Taking note of the emerging reality of an integrated North American economy and the growing economic linkages between that North American economy and the rest of the AsiaPacific region, Ministers requested Senior Officials to examine the case for Mexico's membership in APEC and report their findings to the Fifth Ministerial Meeting in the United States. Ministers also requested Senior Officials to review the broader question of the participation of others in APEC.

## **VENUES FOR FUTURE APEC MINISTERIAL MEETINGS**

30. The Fifth Ministerial Meeting will be held in the United States in 1993, the Sixth Ministerial Meeting will be held in Indonesia in 1994; and Ministers welcomed the offers from Japan, the Philippines and Canada to host the Seventh, Eighth and Ninth Ministerial Meetings in 1995, 1996 and 1997 respectively.

## **OTHER MATTERS**

31. Ministers and their delegations expressed their deep appreciation to the Government and people of the Kingdom of Thailand for the warm and generous hospitality extended to them, and the excellent facilities and arrangements made available for the Meeting.

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## **APEC STATEMENT ON THE URUGUAY ROUND**

1. Ministers from Australia, Brunei Darussalam, Canada, the People's Republic of China, Hong Kong, Indonesia, Japan, the Republic of Korea, Malaysia, New Zealand, the Philippines, Singapore, Chinese Taipei, Thailand and the United States met in Bangkok on 10-11 September 1992, and issued the following statement on the Uruguay Round of Multilateral Trade Negotiations.

2. Ministers renewed APEC's unwavering commitment to achieving the strengthened international trading system that will result from the successful conclusion of the Uruguay Round of Multilateral Trade Negotiations. Ministers noted that the benefits from the Round would be in serious jeopardy if the Round continues to languish. Accordingly, they called for leadership by all the major trading countries as well as immediate and decisive action by all participants to conclude the negotiations by year end. In the meantime, participants reaffirmed commitments undertaken at Punta Del Este regarding modification during the course of the Uruguay Round of trade policies and practices which have an effect on the negotiations.

3. APEC Ministers reaffirmed their belief that a major and significant outcome to the Round is necessary to underpin the growth of world trade, to forestall protectionist pressure, to instil confidence in markets and to facilitate the continuation of economic reform in the region and elsewhere.

4. APEC economies supported a rapid conclusion of the negotiations and recalled the expectation of G-7 leaders meeting in Munich that final agreement can be achieved before the end of the year. In light of the extensive work remaining, substantive progress in all areas could not be delayed.

5. APEC Ministers expressed their profound regret that despite the expressions of political will for an early and successful conclusion of the negotiations, these commitments have yet to be translated into action at the negotiating table. Ministers voiced their concern over the delays in agriculture, where agreement on multilateral agricultural reform remains a necessary element in achieving the comprehensive result that is required. Delays in market access and services negotiations are also of concern to APEC Ministers.

6. Accordingly, the APEC Ministers reaffirmed their commitment to push the negotiations forward and overcome the last remaining hurdles to bring the Uruguay Round to an early and successful conclusion. Ministers urged all participants in the Uruguay Round to return to Geneva ready to complete these far-reaching negotiations. They recognized that for all governments, this would require difficult decisions. APEC Ministers intend to devote all the resources necessary, in capitals and in Geneva, to realize the agreement before the end of the year.

7. Ministers called on GATT Director General Dunkel, as Chairman of the Trade Negotiations Committee (INC), to continue his effective leadership over the negotiating process in all areas. In this regard, Ministers recalled the draft "Final Act" tabled in December 1991 and reaffirmed its importance as the key document in reaching a comprehensive agreement on the Uruguay Round. They agreed that a balanced, comprehensive and substantive agreement also required the successful completion of negotiations to liberalize market access in goods and services.

8. APEC Ministers reaffirmed their strong support for Mr. Dunkel's leadership over the negotiating process in Geneva and pledged to make the additional efforts needed in all areas to translate their

political determination into actions to achieve an early, successful conclusion to the Round. APEC support will be visible in Geneva, by the active participation of negotiators and in APEC capitals.

9. APEC economies look forward to a rapid conclusion of the negotiations in order to implement the results of the Round as soon as possible. This should strengthen the initiatives underway in APEC aimed at trade liberalization within the region.

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## **BANGKOK DECLARATION**

### **ON ASIA-PACIFIC ECONOMIC COOPERATION (APEC)**

#### **INSTITUTIONAL ARRANGEMENTS**

The Representatives of Australia, Brunei Darussalam, Canada, the People's Republic of China, Hong Kong, Indonesia, Japan, the Republic of Korea, Malaysia, New Zealand, the Philippines, Singapore, Chinese Taipei, Thailand and the United States of America, meeting in Bangkok on 10-11 September 1992 at Ministerial level,

**REAFFIRMING** the basic principles adopted by Ministers in Canberra on 6-7 November 1989, in Singapore on 30-31 July 1990 and in Seoul on 12-14 November 1991;

**DETERMINED TO PURSUE** the objectives of APEC as stated in the Seoul APEC Declaration to

(a) sustain the growth and development of the region for the common good of its peoples and, in this way, to contribute to the growth and development of the world economy;

(b) enhance the positive gains, both for the region and the world economy, resulting from increasing economic interdependence, including by encouraging the flow of goods, services, capital and technology;

(c) develop and strengthen the open multilateral trading system;

(d) reduce barriers to trade in goods and services and investment among participants in a manner consistent with GATT principles, where applicable, and without detriment to other economies; and

**RECOGNIZING THAT** the rapidly growing activities of APEC since its inception have increased the need for an effective support mechanism to facilitate and coordinate APEC activities in order to strengthen APEC's role and enhance its efficiency in promoting regional economic cooperation, hence the need to establish an APEC Secretariat and an APEC Fund;

**DO HEREBY DECLARE** as follows:

#### **A. SECRETARIAT**

##### **1. ESTABLISHMENT OF THE APEC SECRETARIAT**

a. An APEC Secretariat is established as a support mechanism to facilitate and coordinate APEC activities, provide logistical and technical services as well as administer APEC financial affairs under the direction of the APEC Senior Officials' Meeting (APEC SOM).

b. The APEC Secretariat will be empowered to act on behalf of APEC Members under the direction of Ministers as communicated through the APEC SOM.

##### **2. STRUCTURE OF THE APEC SECRETARIAT**

The APEC Secretariat will report directly to the APEC SOM. It will be composed of three elements: an Executive Director, Professional Staff, and Support Staff.

##### **3. LINKAGES BETWEEN THE APEC SECRETARIAT AND APEC MEMBERS**

For better coordination, direct and regular communications will be established between the APEC Secretariat and APEC Members, Shepherd of Work Projects and Heads of other APEC **committees and groups**.

##### **4. LOCATION/LEGAL CAPACITY**

The APEC Secretariat will have its seat in Singapore and will be constituted as a legal entity enjoying such legal capacity as is necessary for the exercise of its functions.

## **B. BUDGETARY ARRANGEMENTS**

### **5. ESTABLISHMENT OF THE APEC FUND**

a. The APEC Secretariat will, under the direction of the APEC SOM establish and administer a fund to cover APEC administrative and operational costs.

b. Ministers will consider and approve the budget at each annual APEC Ministerial Meeting.

### **6. SOURCES AND ALLOCATIONS OF APEC FUND**

To cover APEC administrative and operational costs, APEC Members will make contributions to the APEC Fund on a proportional basis in accordance with a scale determined by Ministers. Additional contributions from the public or private sectors of any APEC Member(s) and other sources may also be made directly to APEC activities on a voluntary basis.

### **7. FINANCIAL MONITORING AND AUDITING**

a. The APEC SOM will oversee financial administration, monitor contributions and expenditures, and make recommendations on financial operations.

b. An auditor approved by the APEC SOM will audit on an annual basis the APEC Secretariat accounts.

c. The annual accounts together with the report of the auditor will be submitted to each annual APEC Ministerial Meeting through the APEC SOM.

*Bangkok, 10 September 1992.*