

FIFTH APEC MINISTERIAL MEETING

SEATTLE, WASHINGTON, USA

17-19 NOVEMBER 1993

JOINT STATEMENT

1. Ministers from Australia, Brunei Darussalam, Canada, the People's Republic of China, Hong Kong, Indonesia, Japan, the Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, the Republic of the Philippines, Singapore, Chinese Taipei, Thailand, and the United States of America participated in the Fifth Asia-Pacific Economic Cooperation (APEC) Ministerial Meeting convened in Seattle, Washington November 17-19, 1993. The ASEAN Secretariat, the Pacific Economic Cooperation Council (PECC) and the South Pacific Forum (SPF) attended as observers. Members of the APEC Secretariat also were present.

2. The meeting was chaired by the Honorable Warren Christopher, Secretary of State of the United States.

3. In his opening remarks, Secretary Christopher stated trade and investment within Asia and the Pacific are weaving a new web of human and commercial relationships. He indicated APEC can play a crucial role in developing these Asia-Pacific networks. The Secretary also stressed APEC's development depends on its ability to promote more open trade and investment in the region, increase cooperation on issues that require regional solutions, and improve regional infrastructure.

4. The Ministers noted with great anticipation the meeting of APEC leaders to be held in Seattle, November 20, 1993. The Ministers agreed this meeting offers a unique opportunity for leaders to articulate a shared vision for the region into the next century and further develop economic ties in the region.

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

- The Report of the Eminent Persons Group
- Economic Trends and Issues
- Trade and Investment Issues
- The APEC Work Program
- Participation Issues
- Organizational Issues

6. As the former Chairman of APEC and the current Chairman of the ASEAN Standing Committee, H.E. Foreign Minister Prasong Soonsiri of Thailand expressed satisfaction with the progress made since the Bangkok Ministerial meeting. He stated APEC's priority tasks are to push for the successful conclusion of the Uruguay Round by the target date and to further enhance technical cooperation and trade facilitation in APEC. The Foreign Minister stressed the achievement of regional trade liberalization must be made through consultation in a manner consistent with the principles of GATT and open regionalism, with full recognition of members' differences in levels of economic development. APEC must retain its consensual and flexible character, which continues to be its fundamental strength.

REPORT OF THE EMINENT PERSONS GROUP

7. Ministers expressed their great appreciation for the initial Report of the Eminent Persons Group, which assessed the current position and outlook of the APEC region, developed a long term vision for open trade in the APEC region and proposed a program of initiatives to implement the vision. The EPG chair, Dr. C. Fred Bergsten, presented the Group's unanimous Report which emphasized that APEC must accelerate and expand cooperation in order to respond to three threats to the continued vitality of the region: erosion of the multilateral global trading system; evolution of inward looking

regionalism; and risk of fragmentation within the Asia Pacific region. The EPG recommended APEC undertake initiatives in four areas: regional and global trade liberalization; trade facilitation programs; technical cooperation; and institutionalizing APEC.

8. Ministers warmly welcomed the Report's broad thrust and direction, pointing out the Report's bold vision of open trade, investment and economic development in the region provides an important foundation and catalyst for future regional cooperation. In a wide-ranging discussion Ministers noted the contribution of the EPG in promoting vigorous debate on the economic challenges facing the Asia-Pacific region, reaffirmed the central value of a strengthened open multilateral trading system to continued growth in APEC economies, urged acceleration and extension of APEC's trade and investment facilitation and technical cooperation, and expressed their desire to enhance APEC's role as a vehicle for regional and global trade and investment liberalization. They also noted the EPG vision reflected the strengthening of economic relationships and a growing sense of cohesion and community in the Asia-Pacific region, reflecting APEC's commitment to consultation and consensus building. Ministers directed the APEC Secretariat to give broad distribution to the Report. They also suggested EPG members might wish to discuss the Report with the business community, academia, and the general public, and APEC members might wish to encourage this process.

9. Ministers discussed several approaches to addressing the EPG recommendations, noting in particular that those recommendations closely linked to ongoing work should be implemented promptly; those recommendations related to the outcome of the Uruguay Round would require additional study and consideration; and those recommendations related to longer term trade liberalization would require further elaboration by the EPG, on the advice of Senior Officials.

10. In light of the above, Ministers instructed Senior Officials to develop pragmatic programs to implement the EPG recommendations on trade liberalization and facilitation, technical cooperation, and the development of the APEC structure and decision-making process. Ministers further requested Senior Officials prepare a strategy and program to advance regional and global open trade, identify mechanisms to achieve that goal, and report to Ministers at the next ministerial meeting.

11. Ministers asked the Eminent Persons Group, on the advice of Senior Officials, to present further more specific proposals on how the recommended long-term vision might be realized. Ministers wish to consider these proposals at their meeting in Indonesia in 1994.

ECONOMIC TRENDS AND ISSUES

12. Ministers emphasized the central role which sound economic analysis plays in developing both national policies and regional cooperative initiatives. The growing interdependence within the region is producing shared goals and aspirations and fostering a spirit of common purpose and of community among APEC members. The work of the Ad Hoc Group on Economic Trends and Issues is, therefore, crucial to promoting open trade and investment throughout the region and increasing the economic well-being of all our peoples. Ministers directed the Group to strengthen further its capability to prepare assessments of long-term economic trends and studies of specific sectoral issues. Ministers directed Senior Officials to explore the possibility of transforming the Group into the APEC Economic Committee before the next ministerial meeting.

13. Ministers thanked Thailand for the excellent economic outlook paper prepared for Ministers' review. Ministers discussed the key issues analyzed in the report, including the prospects for continued economic growth in the region and the near-term outlook for inflation. Ministers also considered several emerging economic issues the paper identified, including the growth of infrastructure bottlenecks in some member economies and changes in the labor markets of several member economies.

14. Ministers welcomed the valuable analysis contained in Japan's paper on a vision of the region in the year 2000. They noted the importance of continued analysis of the major topics in the report, including trade and investment liberalization, developing human resources and meeting environmental and energy resource challenges.

15. Ministers endorsed the proposal to initiate regular exchange among APEC members of key economic statistics. Such exchange will facilitate policy formulation and enhance future Ministerial discussion of economic developments in the region.

16. Ministers endorsed the Group's mission statement and instructed Senior Officials to advance work on one or more of the proposals to: assess the study on investment flows throughout the region; examine the interrelation of trade liberalization and privatization; study the means of sustaining economic growth in the context of sound energy and environmental policies; and over the longer term, explore the feasibility of producing in-depth analysis of international industrial linkages. Ministers also directed Senior Officials to prepare short- to medium-term economic outlooks for economies of the region for use at the 1994 ministerial meeting.

TRADE AND INVESTMENT ISSUES

17. Ministers confirmed trade and investment liberalization as the cornerstone of APEC's identity and activity. Strengthening the multilateral trading system, expanding regional and global trade and improving investment rules and procedures in a GATT-consistent manner are, therefore, central APEC objectives. The Uruguay Round must conclude by December 15. Ministers accordingly resolved to exercise the political will required to achieve this goal. To that end, Ministers agreed to a resolute statement urging an early and successful conclusion to the Uruguay Round and demonstrated their commitment to this goal by expressing their preparedness to take additional specific trade liberalizing measures [Annex 1]. APEC challenges other Uruguay Round participants to enhance their own contributions to the Round's successful conclusion.

18. Ministers expressed strong support to non-GATT members of APEC in their efforts to become GATT contracting parties, thus making additional contributions to the strengthening of the multilateral trading system.

19. Ministers welcomed the Report of the Informal Group on Regional Trade Liberalization (RTL), as agreed by Senior Officials, and endorsed its recommendations on the continuation of a dialogue within APEC on important multilateral and regional trade policy issues and the further development of APEC's action agenda on trade and investment. On the trade policy dialogue, Ministers noted in particular the effective role played by APEC in maintaining the momentum for a satisfactory outcome to the Uruguay Round and in fostering better understanding of subregional trade arrangements and the contribution of such arrangements to APEC's overall goals.

20. Ministers emphasized the imperative that APEC members give effective support to the market-driven dynamism of the region. In this respect, they endorsed the RTL Group's recommendations aimed at improving access to tariff data, reducing administrative barriers to trade, streamlining customs procedures, harmonizing the diverse approaches to standards and conformance issues and encouraging the flow of investment. Ministers welcomed the extensive progress on customs facilitation, publication of an APEC Investment Guidebook and a private sector survey of attitudes toward investment in the region, publication of the APEC Customs Manual and hosting of the APEC Customs Symposium. APEC's important work in this area will be further developed by the new Committee on Trade and Investment which will replace the RTL Group.

21. Ministers wholeheartedly adopted the "Declaration on an APEC Trade and Investment Framework" and the accompanying initial work program for the newly established Committee on Trade and Investment [Annex 2]. The Declaration significantly advances APEC's role in trade and investment by engaging APEC members in both policy and facilitation matters. The Declaration serves as an important instrument within which to further define APEC's identity, expand economic activity and facilitate the flow of goods, services, capital, investment and technology throughout the region.

22. Ministers called for a meeting of ministers concerned with trade policy to review the results of the Uruguay Round and its implications for the region. Ministers urged this post Uruguay Round meeting to consider next steps for regional and global trade liberalization.

WORK PROGRAM ISSUES

23. APEC's role in sustaining regional growth and development derives from growing intraregional economic interdependence. The activities of the ten Working Groups are an essential part of APEC's efforts to contribute to the region's development and prosperity. Recognizing the critical importance of modern telecommunications and information technologies to regional integration and cooperation; the unique role of tourism as the largest industry in the region; and the urgent need to work with other

organizations on marine resources conservation to strengthen regional cooperation in response to UNCED, Ministers issued separate declarations on those issues [Annexes 3-5].

24. Ministers commended and approved the vision and policy issues statements and asked the Working Groups to direct their efforts to realizing the objectives in those statements. Ministers approved the Consolidated Report on the APEC Work Program.

25. Ministers welcomed Korea's proposals on the establishment of an "APEC Vocational Training Program" and the creation of an "APEC Technomart" and directed the Senior Officials to explore the possibility of implementing them within the framework of the Human Resource Development and Investment and Industrial Science and Technology Working Groups.

Trade and Investment Data

26. Ministers welcomed the progress made on developing a near comparable merchandise trade data base for APEC economies and directed that priority attention be devoted to efforts to adjust published merchandise trade data according to agreed principles and standards. The Group should also strengthen efforts to improve the collection and sharing of services trade and investment data.

Trade Promotion: Programs and Mechanisms for Cooperation

27. Ministers noted the Working Group can play an important role in strengthening interaction with the business/private sector. Ministers anticipate the first Asia-Pacific International Trade Fair to be held in Osaka, Japan in October 1994 will be a significant step to accelerate trade promotion and increase commercial transactions in the region.

Investment and Industrial Science and Technology

28. Ministers noted the broadening of the mandate for the Investment and Industrial Science and Technology Working Group and endorsed its efforts to develop a work program that increases cooperation in these important fields.

Human Resources Development

29. The people of the Asia Pacific region are its single most important asset. The dynamism of the region is reflected in changing human resources needs. Ministers expressed satisfaction with the progress achieved in APEC's human resource development activities, but urged that continued priority attention be devoted to this work -- with particular emphasis on the training and adjustment needs necessitated by changing trade patterns, industrial restructuring and other economic changes associated with rapid growth and technological progress.

Energy Cooperation

30. Ministers noted the vital importance of secure and balanced energy supplies and rational energy use for sustained economic development and protection of the environment. They welcomed technology and policy exchanges on energy efficiency, clean coal technology and renewable energy, and in particular were encouraged by active business/private sector participation in APEC technical energy workshops and seminars.

Marine Resource Conservation

31. Ministers Confirmed the unique contribution APEC can make to marine resources conservation and the importance of APEC cooperation with other marine resources conservation organizations in response to UNCED .

Telecommunications

32. Modern and compatible telecommunications networks are vital components linking and drawing closer the APEC economies. Ministers praised the completion of the second edition of The State of Telecommunications Infrastructure and Regulatory Environments of APEC Economies, the Working Group's stress on human resources development, and its important contribution to the consideration of coordinating APEC's electronic data interchange activities.

Fisheries

33. Ministers noted the important role of fisheries to the region's economies and endorsed the Working Group's projects on fisheries management, survey of training needs, health and quality rules for fisheries products, improved marketing information on seafood trade in the region, and the possible role of APEC in respect to aquaculture.

Transportation

34. Ministers emphasized the importance of efficient transportation systems in promoting regional growth and integration. They expressed appreciation for the Working Group's efforts in developing information on regional transportation and encouraged the Group to accelerate its work on identifying infrastructural needs and facilitating movement of passengers and goods in the region.

Tourism

35. Ministers welcomed the progress made by the Working Group in addressing the issues of sustainable development of the tourism sector and addressing the relationship between tourism and the environment.

PARTICIPATION ISSUES

36. Ministers noted the continuing interest expressed by a number of economies and organizations in participating in some capacity in the APEC process. Ministers reaffirmed APEC is an open and evolving process and recalled the view expressed in Bangkok that consolidation and effectiveness should be the primary considerations at this stage of APEC's development. Ministers also recognized, however, that APEC should develop more systematic means of addressing the issue of new members in a manner which is responsive to APEC's needs while promoting constructive interaction with other economies and organizations in the region.

37. Ministers welcomed the admission of Mexico and Papua New Guinea to APEC. They also decided to admit Chile to APEC and looked forward to its membership at the ministerial meeting in 1994. In the interim, Ministers encourage Chile to participate in the Working Group activities. Noting the importance of increasing APEC's effectiveness, Ministers agreed to defer consideration of additional members for three years, during which time Senior Officials would study APEC's membership policies and provide recommendations to Ministers on an ongoing basis.

38. Ministers reaffirmed that participation by non-members from the Asia-Pacific region in APEC work projects can be beneficial to members as well as non-members. In order to facilitate cooperation with non-members and address issues arising from increased economic interdependence, Ministers approved the proposed guidelines for non-member participation in APEC working group activities which appear as Annex 6, and asked Senior Officials to identify other potential means to promote mutually beneficial interaction. With respect to organizations, Senior Officials should identify considerations to guide APEC in fostering appropriate ties and report their findings to the Sixth Ministerial.

Private Sector Participation

39. The business/private sector has played a major role in facilitating the dynamic growth of the region. Engagement with the business/private sector, particularly through Working Group activities, ensures APEC's efforts are relevant to real world challenges and opportunities. Ministers commended the progress made this year in increasing business/private sector engagement with APEC and directed each Working Group to enhance its outreach to the business/private sector. Ministers pledged to solicit the advice of the business/private sector on issues relevant to APEC's work, especially through the PECC, and instructed Senior Officials to explore other ways of broadening and deepening cooperation with the business/private sector including the work of the new Committee on Trade and Investment.

ORGANIZATION ISSUES

APEC Secretariat

40. Ministers noted with satisfaction the successful establishment of the APEC Secretariat, and expressed deep appreciation to Singapore for its extraordinary generosity in assisting the Secretariat and to Executive Director Ambassador Bodde and the Secretariat staff for their outstanding efforts during the first year of operation. Ministers highlighted the Secretariat's crucial role in facilitating cooperative links with members and the work program. Ministers stressed the Secretariat should serve as a central coordinating point for disseminating information including informing Working Groups of Senior Officials' decisions, coordinating requests by non-members to participate in APEC activities, and publishing and distributing APEC documents. The Secretariat should continue to place high priority on careful management of the APEC budget, disbursement of central funds, and maintenance of effective financial controls to ensure accountability of APEC funds.

Budget

41. Ministers endorsed efforts by Senior Officials, assisted by Working Group Shepherds and the APEC Secretariat, to develop and implement a series of measures related to financial operations and administration. Ministers approved an APEC 1994 Central Fund of \$2 million and stipulated that unspent 1993 funds may be carried over to 1994 for expenditures approved by Senior Officials. Ministers asked the Budget and Administrative Committee to address the issue of contributions from new members.

APEC Structure

42. Ministers praised work by Korea and Canada in developing a comprehensive Vision Statement containing proposals designed to ensure efficient management of APEC's scarce resources. Similarly, Ministers directed that a Budget and Administrative Committee be established to advise Senior Officials on operational and administrative budget issues, financial management, and project management of the APEC work program. For the first year, committee membership will be open to all APEC members. The Working Groups will continue to report directly to Senior Officials. Ministers directed Senior Officials to use the Vision Statement as a basis for developing proposals related to APEC's structure and to provide recommendations at the 1994 ministerial meeting on restructuring APEC to improve its effectiveness and decision making process.

VENUES FOR FUTURE APEC MINISTERIAL MEETINGS

43. As decided at the Fourth Ministerial Meeting in Bangkok, the Sixth Ministerial Meeting will be held in Indonesia in 1994, the Seventh Ministerial Meeting will be held in Japan in 1995, Philippines and Canada will host the Eighth and Ninth Ministerial Meetings in 1996 and 1997 respectively.

OTHER MATTERS

44. Ministers also welcomed Canada's offer to host a meeting of APEC ministers concerned with the environment in Vancouver on March 25-26, 1994 in connection with the Globe '94 conference and environmental exhibition.

45. Ministers and their delegations expressed their deep appreciation to the United States for the warm and generous hospitality extended to them and the excellent facilities and arrangements made available for the Meeting.

Declaration of APEC Ministers

on the Uruguay Round

APEC Ministers call for urgent action to complete successfully the Uruguay Round by December 15 because of its vital contribution to global growth and prosperity. APEC members believe that a strengthened multilateral trading system will serve as the foundation for trade expansion initiatives within APEC.

The time for pledges and commitments is long past. Concrete steps are required to assure a substantial result in market access in industrial and agricultural goods, and in services, and a strengthened system of rules and disciplines resulting from a completed draft "Final Act." APEC

members are ready to do their part to meet this challenge in the remaining few days. The nature of our contributions should reflect specific economic interests and our varied levels of development.

As the most economically powerful and dynamic region in the world representing nearly 40% of the world's population and 40% of world trade, we collectively are determined to assure that the Round succeeds by helping to forge the necessary consensus in Geneva. Accordingly,

1. We challenge Uruguay Round participants to improve their market access offers in Geneva. Subject to comparable commitments from our trading partners, and in the context of a global and balanced result in all areas, members engaged in the negotiations are prepared to participate to the maximum extent possible by:
 - a. offering to eliminate, reduce or harmonize tariffs and non-tariff barriers in sectors previously agreed by the Quad;
 - b. offering to eliminate, reduce, or harmonize tariff and non-tariff barriers in additional sectors of particular importance to APEC economies; and
 - c. accelerating the work in our respective bilateral negotiations to expand and secure market access opportunities in goods and services of particular interest to APEC economies.
2. We confirm that agriculture remains an essential element of a global and balanced result. The Blair House Agreement already dilutes the draft "Final Act" agriculture text and any further efforts to weaken that outcome would jeopardize the ability to secure an overall acceptable result on agriculture. A successful result will also require the strongest possible package of agricultural trade liberalization, including for processed products.
3. We agree to review and improve our respective services offers in key sectors to the maximum extent possible, keeping MFN derogations to a minimum in order to begin the process of progressive liberalization that will accompany the strong framework of rules already negotiated.
4. We agree that the draft "Final Act" must provide the basis for the final agreement with any agreed changes kept to a minimum. This should result in a strengthening of the multilateral framework of rules and disciplines and an effective mechanism for resolving disputes.