

## **SIXTH APEC MINISTERIAL MEETING**

**JAKARTA, INDONESIA**

**11-12 NOVEMBER 1994**

### **JOINT STATEMENT**

1. Ministers from Australia, Brunei Darussalam, Canada, Chile, 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 Sixth Asia-Pacific Economic Cooperation (APEC) Ministerial Meeting convened in Jakarta, Indonesia, November 11-12, 1994. Members of the APEC Secretariat were also present. The ASEAN Secretariat, the Pacific Economic Cooperation Council (PECC), and the South Pacific Forum (SPF) attended as observers.

2. The President of the Republic of Indonesia, His Excellency, Mr. Soeharto, opened the Meeting by extending the warmest welcome to all delegates attending the Sixth APEC Ministerial Meeting. He stated that the world situation now provides opportunities to all nations to work together in developing a new world order that is more equitable, stable, secure, and peaceful, in order to enhance the prosperity and welfare of the peoples. In this regard, the Asia Pacific region has achieved remarkable progress due to appropriate economic policies.

3. In his remarks, he expressed the view that APEC cooperation should be further developed in the future. He stated that the Asia Pacific region should continue to promote and facilitate the flow of investment and trade, as well as strengthen consultation in the field of macro economic policies, enhance the quality of economic infrastructure, human resources development, quality and quantity of small and medium enterprises, and the acquisition and development of appropriate technology.

4. The meeting was chaired by H.E. Mr. Hartarto, Coordinating Minister for Industry and Trade of the Republic of Indonesia. In his speech, Mr. Hartarto underlined that the Sixth APEC Ministerial Meeting in Indonesia was geared towards the promotion of greater trade and investment. He further stated that the Meeting was to support economic cooperation on development of human resources, improvement of small and medium enterprises, improvement of infrastructure, involvement of private/business sector, so that cooperation in APEC will eventually bring about prosperity to the people of the Asia Pacific Region. U.S. Secretary of State Warren Christopher, speaking as chairman of the Fifth APEC Ministerial Meeting, expressed his deep appreciation for Indonesia's chairmanship of APEC in 1994 and for hosting the Sixth Ministerial Meeting. He congratulated President Soeharto, Minister Alatas, Minister Hartarto, and their colleagues for their leadership in sustaining the momentum achieved in APEC and for giving APEC a vitality that reflects and reinforces the dynamic qualities of the Asia-Pacific region.

5. Ministers looked forward to the meeting of APEC Economic Leaders to be held in Bogor, Indonesia, on November 15, 1994. The Meeting offered a unique opportunity for leaders to give substance to the vision enunciated at the Blake Island meeting in order to achieve the objective of sustainable growth and common prosperity of the region.

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

- Economic Trends and Issues
- Trade and Investment Issues
- The Second Report of the Eminent Persons Group
- The Report of the Pacific Business Forum
- Human Resources Development
- Cooperation in Improving Public and Commercial Infrastructure

- Small and Medium Enterprises
- Implementation of Leaders' Vision and Initiatives
- The APEC Work Program
- Organizational Issues
- Other Matters

## **ECONOMIC TRENDS AND ISSUES**

7. Ministers welcomed the Report of the Ad Hoc Group on Economic Trends and Issues (ETI) and appreciated its useful work during the past four years. They reaffirmed the Group's important role in promoting economic dialogue throughout the region and encouraging economic growth and increasing the economic well-being of all peoples. Ministers emphasized the necessity for the strengthening of APEC's capability in the analysis of long-term macro-economic trends and studies of micro-economic issues. Ministers agreed to transform the group into an Economic Committee and endorsed the Terms of Reference of the new Committee.

8. Ministers thanked Chinese Taipei for its valuable work on the economic outlook prepared for the Ministers' review. They agreed that in-depth analyses of the current situation of the three areas - trade, investment and technology transfer - provide a good basis to contribute to further APEC discussions on each of the three areas.

9. Ministers discussed the 1995 work plan for the Economic Committee which, from the outset, will be based on the following ongoing activities:

- preparation of the 1995 APEC Economic Outlook
- circulation of key economic information
- analysis of the 3Es project - Economic Growth, Energy and the Environment
- examination of the linkages between privatization and trade liberalization
- analysis of industrial and technological linkages in the region.
- study of the effect of excessive exchange rate movement on trade and investment in the region

10. Ministers welcomed Japan's presentation on "Partners for Progress" on the promotion of further economic cooperation and development in the Asia Pacific region by reinforcing all the members' ability to effectively mobilize their human and other resources. Minister's recognised that cooperation to sustain the growth and development of the region for the common good of its peoples is one of the primary objectives in the APEC activities, and noted that the proposal will be further elaborated for consideration by Senior Officials.

## **SECOND REPORT OF THE EMINENT PERSONS GROUP**

11. Ministers expressed their deep appreciation to the Eminent Persons Group (EPG) for its second report and commended the successful fulfilment of its mandate to recommend proposals on how to realize a long term vision for APEC. Ministers welcomed that report of the EPG which sets out a number of fundamental and important principles for APEC in three important directions: trade and investment facilitation, trade liberalisation, and technical cooperation. Ministers noted that the EPG Report would serve as a valuable reference document for future deliberations including at the APEC Economic Leaders Meeting in Bogor.

## **REPORT OF THE PACIFIC BUSINESS FORUM**

12. Ministers welcomed the report presented by the co-chairs of the Pacific Business Forum (PBF), and commended PBF members for their valuable input of business/private sector views. Ministers

expressed their appreciation for the many concrete proposals put forward in the PBF report, and noted that these would serve as valuable reference points for future deliberations. Ministers further noted that the PBF Report would be considered by APEC Economic Leaders at their Bogor Meeting.

13. Ministers reaffirmed the critical role of the private sector in APEC. They endorsed the US proposal to create of an ongoing business/private sector advisory body as recommended unanimously by the PBF.

#### **TRADE AND INVESTMENT ISSUES**

14. Ministers welcomed the substantial progress achieved by the CTI in the works related to trade and investment throughout the year. They reconfirmed trade and investment liberalization as a cornerstone of APEC's identity and activity. Ministers agreed to adopt the CTI Annual Report to Ministers, and approved its recommendations for the work program for 1995.

15. Ministers endorsed the establishment of the two sub-committees under CTI, namely the Sub-Committee on Standards and Conformance and the Sub-Committee on Customs Procedures.

16. Ministers recognised the need to support trade and investment programs with appropriate technical assistance to maximise the effectiveness of APEC activities.

#### **THE MEETING OF MINISTERS IN CHARGE OF TRADE**

17. Ministers welcomed the outcomes of the Meeting of APEC Ministers in Charge of Trade which was held in Jakarta on October 6, 1994. As mandated by the Fifth Ministerial Meeting in Seattle last year, the main purpose of this Meeting was to review the results of the Uruguay Round and its implications for the region and consider next steps for regional and global trade liberalization.

18. Ministers reaffirmed their determination to achieve full implementation of the results of the Uruguay Round and to demonstrate leadership by making maximum efforts in each of their economies to ensure the early ratification of the agreement establishing the World Trade Organization so that it is operational as of January 1, 1995. In this regard, Ministers expressed their strong support to non-GATT members of APEC to complete the negotiations as soon as possible to enable them to become original members of the WTO. Ministers affirmed that these negotiations should be based on substantive and commercially meaningful commitments.

19. Ministers further welcomed other initiatives reached by the Meeting, inter alia in developing a series of APEC seminars or workshop designed to exchange views on and explore scope for common regional approaches on the implementation of the results of the Uruguay Round; and in conducting programs that will be particularly valuable in helping to implement Uruguay Round results in the area of among others, anti dumping, services, intellectual property rights, customs and rules of origin. In this respect, Ministers took note the recognition of the Meeting to the importance of APEC's contribution to global trade, investment and economic growth and the emphasized the importance of maintaining momentum of trade liberalization. Ministers appreciated the support of the Meeting to the efforts in facilitating trade and investment liberalization in the Asia Pacific region.

25. Ministers affirmed the importance of both public and private sector training in small and medium enterprises, in industrial and infrastructural technology, and a sustainable development which can mitigate and prevent negative impacts on current growth on future prosperity.

26. Ministers welcomed the US proposal for establishing a private sector funded APEC Education Foundation. Such a Foundation could track all APEC human resources development/educational activities, and could provide back-up and serve as a resource to the Human Resources Development Working Group, the associated Partnership for Education and Education Forum, and the APEC Leaders Education Initiatives. The US offered to develop a detailed concept paper on this proposal for the consideration of Senior Officials and other relevant APEC bodies.

#### **COOPERATION IN IMPROVING PUBLIC AND COMMERCIAL INFRASTRUCTURE**

27. Ministers noted the importance of the infrastructure issue for APEC and its bearing on future economic development. They commended Indonesia for raising important issues in its useful paper on Cooperation in the Improvement of Commercial and Public Infrastructure. They took note with

interest of the outcome of the World Infrastructure Forum held in Jakarta in October 1994, particularly in encouraging business sector involvement in infrastructure development.

28. Ministers endorsed the recommendations contained in the paper submitted by Indonesia which constitute a basis for further work in this area, especially in the area of bilateral projects with region-wide impact.

29. Recognizing the importance of an adequate, efficient and safe transportation system and the need for accelerated development of transportation infrastructure, as well as for better use of existing facilities, Ministers welcomed a proposal by the United States to host a meeting of APEC Ministers in-charge of Transportation in mid-1995. Ministers agreed to ask the Working Group on Transportation to assist Ministers in elaborating this proposal.

30. Information and communication will play a major role in economic growth and development in APEC economies. The development of international and domestic information infrastructure is a priority for all APEC economies. Ministers noted the interest of the Working Group on Telecommunications in the development of an APEC information infrastructure. Ministers further noted the Global Information Infrastructure concept introduced at the ITU World Telecommunications Development Conference. Ministers encouraged the Working Group on Telecommunications and other relevant APEC fora to study the GII concept in their future work.

### **THE APEC WORK PROGRAM**

31. Recognizing the importance of the ten APEC Working Groups to the process of APEC, Ministers stressed that activities undertaken by the ten Working Groups were an integral part of APEC's efforts to contribute to the region's development and prosperity in specific fields. Ministers noted that in 1994 the Working Groups had made greater efforts to realizing the objectives contained in the vision and policy issues statements approved last year. Ministers approved the consolidated report of the APEC Working Groups.

### **Trade and Investment Data**

32. Ministers welcomed a substantial progress made toward obtaining a near comparable merchandise trade database for APEC economies. Ministers also noted the steady efforts of the Working Group to make consistent the published data of service trade and foreign direct investment flows and directed the Group to speed up those efforts.

### **Trade Promotion**

33. Ministers noted with satisfaction that the Working Group has been active in engaging the business/private sector in their activities: the Working Group held successfully the 4th Seminar/3rd Training Course on trade promotion and the first APEC Trade Fair with the full-scale participation of business people; the Group assisted in the formation of the Asia-Pacific Business Network (APB-Net); and the Group has been engaged in collecting information and data to be used by the business sector.

### **Industrial Science and Technology**

34. Ministers noted the initiative of the Group to focus more on the issue of industrial science and technology, having the name changed to the "Working Group on Industrial Science and Technology". Ministers were also encouraged by a variety of work projects such as APEC Technomart, to facilitate technology transfer and to promote information flows of industrial science and technology among members.

### **Human Resources Development**

35. Ministers, noting the impressive number of projects completed by the Working Group in 1994, and 20 new activities - eight of them entirely self-funded - planned for 1995, expressed satisfaction that an increasing number of these projects directly addressed topics of their concern. They also expressed their confidence that the new planning mechanism for HRD expressed in their Ministerial Declaration would provide additional impetus in the design and implementation of such projects.

### **Energy Cooperation**

36. Ministers noted that the Energy Working Group has been active in implementing programs to encourage the more efficient delivery and consumption of energy, and to mitigate the environmental consequences of energy use. They welcomed the initiatives of the Group in underpinning technical programs by policy discussion conducive to a freer flow of information, investment and trade, noting that the Group has endorsed fourteen non-binding principles to guide its work.

#### **Marine Resources Conservation**

37. Ministers noted that the Working Group had initiated consultations with other international organizations involved in implementation of the Oceans Chapter of UNCED Agenda 21, with the objective of enhancing coordination of these activities in the Asia Pacific region. They also welcomed the effort of the Working Group on red tide, and integrated coastal zone management to monitor and control land-based sources of pollution.

#### **Telecommunications**

38. Ministers welcomed and endorsed the Guidelines for Regional Harmonization of Equipment Certification and for Trade in International Value-Added Network Services as developed and agreed by the Working Group following the Ministerial recommendation on the subject in Seattle in November 1993. Ministers also appreciated the Working Group's emphasis on an active human resources development program and its continuing work in the field of electronic data interchange.

#### **Fisheries**

39. Ministers noted the importance of fisheries to the region, in particular to many developing member economies and recognized the benefit of work that is being undertaken by the Working Group in the areas of cooperation in fish harvesting and post-harvest technologies, seafood trade, health and quality control for fisheries products, and aquaculture training and development.

#### **Transportation**

40. Ministers noted the importance of efficient transportation systems as an integral part of regional infrastructure in promoting growth and development. They welcomed the completion of the survey of regional transport systems and services as a stepping stone to further improvements in the transportation sector, and praised the Working Group's ongoing project addressing regional transportation congestion points. Ministers expressed their appreciation for the Working Group's report to Ministers on the effects of deregulation on small and medium enterprises in the transportation sector.

#### **Tourism**

41. Ministers noted the statement submitted to them by the Working Group on Tourism highlighting the significant role of the tourism sector in the development of the APEC region, and priority areas of future work. Ministers encouraged the Working Group to continue and develop further its activities in these areas.

### **IMPLEMENTATION OF LEADERS VISION AND INITIATIVES**

#### **APEC Leaders Economic Vision Statement, 1993: Progress on Themes**

42. Ministers expressed appreciation for the presentation by Canada of the paper "APEC 1994 Work Program: Progress on Leaders Priorities and Issues". Ministers noted that the paper presented a useful survey of the breadth and scope of APEC's range of activities, relating them to the Seattle Leaders' initiatives. Ministers endorsed the release of this report as a contribution to public understanding of APEC activities.

#### **Remarks on the progress of the implementation of the Leaders Initiatives on Blake Island**

##### **1. The Establishment of the Pacific Business Forum**

43. Ministers welcomed the work that has been concluded by the PBF. (A complete Ministers' comment on the PBF is stated at the item of "The Report of Pacific Business Forum".)

## **2. Finance Ministers' Meeting**

44. Ministers noted that APEC Finance Ministers had met in Honolulu, Hawaii on 18-19 March 1994 and had agreed to further a dialogue in areas of mutual interest, such as recent economic developments, capital flows and financial markets issues, with a focus on private financing of infrastructure. They welcomed the decision of the APEC Finance Ministers to hold a second Meeting in Indonesia on 15-16 April 1995.

## **3. APEC Education Program**

45. Ministers welcomed progress towards the realization of the program through the participation of many APEC member economies, noting the importance of educational links in strengthening ties among member economies, especially the progress on APEC Study Centers in member economies.

46. Ministers welcomed the launching of the APEC Next Generations' Program which was held in Cheju Island, Korea on 11-16 September 1994, under the theme "Toward a Prosperous Pacific Age". The US has offered to host the second ANGP Workshops in Seattle in 1995.

## **4. APEC Business Volunteer Program**

47. Ministers commended Thailand on organizing a seminar which had reached consensus on how to advance the goals of the program, notably through the establishment of focal points in member economies to identify needs for and expertise in each such economy, to network with other focal points, and to serve as a dissemination point for information on the program.

## **5. Non-Binding Investment Principles**

48. Ministers endorsed the set of Non-Binding Investment Principles prepared in response to the initiative of APEC Economic Leaders at their informal meeting in Seattle. These principles represent an important aspect of work by APEC on investment. Ministers welcomed these principles and directed the CTI to continue work on investment issues, with the active involvement of the business community, to enhance investment among member economies.

## **6. Energy, Environment and Economic Growth**

49. Ministers commended Japan for its report to the Ministers on the 3Es. They discussed the increasing demand for energy and the growing significance of environmental issues in the region, and noted the importance of 3Es and the simultaneous achievement of the 3Es. Ministers noted the Japanese paper will prove helpful to the Energy Working Group in defining its future efforts.

50. Ministers also examined the future issue, as pointed out in the report, of improving the regional structure of energy demand-supply, and discussed APEC's vital role in information exchange, fostering common understanding and policy discussion.

## **7. APEC Center for Technology Exchange and Training for Small and Medium Sized Enterprises**

51. Ministers welcomed the progress in elaboration and realization of the project to make small and medium enterprises more globally competitive through the two-pronged strategy of technology exchange and training for such enterprises.

## **8. Small and Medium Enterprises Ministers Meeting**

52. Ministers thanked Japan for hosting the Osaka Small and Medium Enterprises Ministerial Meeting and concurred with the SMEs Ministers' Joint Statement that SMEs were increasingly important in terms of heightening economic complementarities and development in the region. They also agreed that market-oriented SMEs policy on Human Resources Development, information access, technology and technology sharing, the availability of finance and market access should be enhanced.

53. Ministers noted that a sound base had been established for APEC SME policy dialogue and noted the joint meeting between the business/private sector and the Ministers in that it had obviously enhanced the practical value of the discussions in the SME Ministerial Meeting.

54. Ministers endorsed the SME Ministers' recommendation to upgrade the SME Experts Meeting into an Ad-Hoc SME Policy-Level Group, and also the terms of reference for this group, as well as the further recommendation that APEC commission an industrial outlook study. They welcomed the decision to hold a second SME Ministerial Meeting in Australia in 1995.

55. Ministers welcomed Japan's voluntary contribution to the fostering of APEC SMEs, such as the establishment of training and support programmes.

## **ORGANIZATIONAL ISSUES**

### **APEC Secretariat**

56. Ministers noted with appreciation the work of Ambassador Rusli Noor and his staff at the Secretariat during the second year of the Secretariat's operation. Ministers stressed the importance of the Secretariat in facilitating and coordinating APEC's work programs and in promoting information exchanges among member economies as well as among various Committees and Working Groups.

57. Ministers took note that the initial arrangement of the APEC Secretariat is approaching its end. In this regard, Ministers asked the SOM to review the arrangement and the function of the Secretariat to ensure that the Secretariat is meeting APEC's evolving needs, and submit recommendations for new arrangements to the next Ministerial Meeting. Ministers also endorsed the establishment of a Task Force for this purpose, the Terms of Reference of which are contained in the SOM report.

58. Ministers noted that the Secretariat will have to meet its recurrent expenditure including salaries and allowances of locally-recruited staff, utility charges, and charges for the maintenance of buildings and office equipment, which are currently being borne by the Singapore Government, effective on 1 January 1996. Ministers agreed on the need for the current arrangements for staffing and funding the Secretariat to be reviewed. Ministers endorsed Senior Officials' recommendations to form a task force to examine this matter and report to the next Ministerial Meeting.

### **Participation Issues**

59. Ministers welcomed the membership of Chile in APEC beginning with this Ministerial meeting.

60. Ministers discussed the issue of participation by non-member economies and organizations in APEC Working Groups. Ministers decided that the matter be referred back to the Senior Officials for them to work out criteria and principles to be submitted to the 1995 APEC Ministerial Meeting.

61. Ministers noted the progress made to formulate policies that can promote business activities in the region.

62. Ministers particularly noted the contributions of the Pacific Business Forum and the Eminent Persons Group and the increased participation of the business/private sector in APEC at all levels, notably in Working Group activities.

63. Ministers welcomed the establishment of the Asia Pacific Business Network (APB-Net). Ministers commended the work of APB-Net as a concrete implementation of business/private sector engagement in the APEC process and Ministers also expected that this new forum could be a vital and effective channel for promoting business-to-business networking.

### **Budget Issues**

64. Ministers welcomed the establishment of the Budget and Administrative Committee and noted with satisfaction its successful operation during 1994. Ministers approved a 1995 budget of US\$ 2,227,732 as drawn up by the Committee and recommended by Senior Officials. Ministers also endorsed the contribution levels recommended by Senior Officials for 1995, but noted that the overall approach for assessing members' contributions would be reviewed next year by the BAC.

65. Ministers asked that the Budget and Administrative Committee should continue its useful work in examining and making recommendations to Senior Officials on budgetary issues and on how to improve operational and administrative efficiency.

## **OTHER MATTERS**

### **ACDS**

66. Ministers welcomed the report on the completion of the first stage of the APEC Communications and Database System (ACDS) project and noted that the ACDS promises to be the communications hub and information repository of APEC.

67. Ministers urged full use of ACDS to increase APEC's efficiency and greatly improve communications among the member economies, Working Groups and Committees and the Secretariat.

### **Environment Ministers Meeting**

68. Ministers noted the Philippines presentation of the concept of Debt-for-Nature Swap in relation to sustainable development

69. Ministers welcomed the result of the Meeting of the APEC Ministers concerned with the Environment which was held in Vancouver, Canada on 23-25 March 1994. Ministers also welcomed the suggestions for implementation developed by the Environmental Experts Meeting in Hua Lien, Chinese Taipei, on 25-27 August 1994. They directed the SOM and the Working Groups to study these suggestions and directed the SOM to report to the Seventh Ministerial Meeting on its progress in integrating environmental issues into ongoing APEC activities.

### **PREPARATION FOR THE SEVENTH MINISTERIAL MEETING**

70. Ministers thanked Japan for the valuable briefing on the preparations of the Seventh APEC Ministerial Meeting in Osaka, Japan, in 1995.

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

71. As decided at the Fourth Ministerial Meeting in Bangkok, the Seventh Ministerial Meeting will be held in Japan in 1995. The Eighth and Ninth Ministerial Meetings will be held in 1996 and 1997, hosted respectively by the Republic of the Philippines and Canada. Malaysia will host the Tenth Ministerial Meeting in 1998.

72. Ministers and their delegations expressed their deep and wholehearted appreciation to the Republic of Indonesia for its warm and generous hospitality towards all the participants and the excellent facilities and arrangements made available for the Meeting.