ASIA-PACIFIC ECONOMIC COOPERATION (APEC) NINTH MINISTERIAL MEETING JOINT STATEMENT Nov. 1997

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ASIA-PACIFIC ECONOMIC COOPERATION (APEC) NINTH MINISTERIAL MEETING JOINT STATEMENT

1. Ministers from Australia; Brunei Darussalam; Canada; Chile; the People's Republic of China; Hong Kong, China; 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 Ninth Asia-Pacific Economic Cooperation (APEC) Ministerial Meeting convened in Vancouver, Canada on 21-22 November 1997. Members of the APEC Secretariat were also present. The Association of Southeast Asian Nations (ASEAN) Secretariat, the Pacific Economic Cooperation Council (PECC), and the South Pacific Forum attended as observers. The meeting was co-chaired by the Honourable Lloyd Axworthy, Minister of Foreign Affairs of Canada and the Honourable Sergio Marchi, Minister for International Trade for Canada. Ministers welcomed the first "APEC Results Report" which highlights the achievements of all APEC fora in 1997.

2. In reviewing these results and achievements, Ministers underscored the value of cooperation in strengthening economic growth and prospects for the region. They reaffirmed their commitment to pursue trade and investment liberalization, facilitation initiatives, and economic and technical cooperation. They agreed that the recent financial turbulence in the region reinforced the importance for APEC economies to lay the foundation to realize their longer-term growth potential which remains exceptionally strong. To this end, Ministers strongly endorsed a forward-looking approach to ensure that the benefits of open economies are fully realized.

TRADE AND INVESTMENT LIBERALIZATION AND FACILITATION

3. Ministers welcomed progress made in continuing the liberalization momentum through a mix of individual and collective actions as well as through identification of sectors for early voluntary liberalization.

Individual Action Plans (IAPs): Ministers reaffirmed that Individual Action Plans (IAPs) are key to the implementation of APEC's trade agenda for free and open trade and investment in the Asia-Pacific region by the year 2010 for developed economies and 2020 for developing economies.

Ministers endorsed the individual and collective initiatives completed by member economies in 1997, the first year of implementation of the Manila Action Plan for APEC;

Ministers welcomed the improvements in 1997 shown in members' IAPs, and reaffirmed their commitment to progressive and continuous improvements to their IAPs with due consideration to the views of the broad business community in order to reach the Bogor goals.

Ministers welcomed and encouraged the ongoing process of bilateral consultations to exchange views on areas of interest and possible improvements in IAPs. Ministers also commended and encouraged the continuation of voluntary peer reviews in 1997 as an additional opportunity for members to demonstrate their commitment to advancing their IAPs.

Ministers commended the Committee on Trade and Investment (CTI) for improving the format of the IAPs which will contribute to greater transparency, facilitate review and assessment, and enhance their usefulness to the business community. Ministers agreed to adhere to the improved format guidelines in preparing economies' revised IAPs.

Ministers welcomed the recommendations of the APEC Business Advisory Council (ABAC) on how future plans could more effectively meet the needs of business in terms of value-added to commitments made elsewhere, transparency, specificity, and commitment to action. Ministers agreed to take account of the recommendations in revising their IAPs and Collective Action Plans (CAPs) in 1998 and future years, and directed officials to report to them in this regard by the June 1998 Meeting of Ministers responsible for trade.

4. Early Voluntary Sectoral Liberalization: Ministers recalled the instructions of the Leaders in Subic to identify sectors for early voluntary liberalization, and welcomed progress made by Ministers responsible for trade in May 1997 to accelerate this process. Ministers agreed to pursue initiatives for early voluntary sectoral liberalization in accordance with the attached statement, and welcomed the fact that many of the proposals include measures that will promote facilitation as well as economic and technical cooperation, illustrating again the integrated nature of APEC's work. Ministers also agreed that other actions should be taken so that the process remains consistent with, and promotes, further broad-based multilateral liberalization. Ministers underscored the importance of progressing toward the Bogor goals, and in demonstrating APEC's leadership in liberalizing global trade.

5. Trade and Investment Facilitation: Ministers welcomed the achievements under the Collective Action Plans (CAPs), which will significantly lower costs and reduce barriers to the movement of goods and services, capital, and business people. Ministers endorsed work in these areas, including:

* development of the Blueprint for Customs Modernization and other initiatives on customs cooperation;

* establishment of APEC Internet sites for business information and assistance;

* progress on alignment with international standards;

* increased transparency for acquiring and using intellectual property rights;

* development of a menu of options to enhance the environment for investment that members can voluntarily choose to include in their IAPs;

* the development of model mutual recognition arrangements;

* principles to guide work on dispute mediation;

* improved mobility for business people including through expanded participation in the APEC Business Travel Card;

* non-binding elements of transparency in government procurement;

* work to make the Asia-Pacific information society a reality;

* completion of APEC guidelines for the preparation, adoption and review of technical regulations;

* providing public accessibility through the Internet to the applied tariffs of APEC member economies;

* action plans to create integrated and intelligent transportation systems;

* market and trade information for fishing industries;

* development of guidelines for streamlining and making more transparent the tendering, approval, and regulatory processes for independent power producers;

* initiatives in the Trade Promotion and Trade and Investment Data Review Working Groups.

Ministers welcomed the annual report of the Committee on Trade and Investment (CTI), and commended APEC fora both for their implementation and improvement of CAPs, and for the comprehensive range of short-term deliverables contained in the report. They called for renewed efforts on trade facilitation in the CTI and relevant Working Groups through 1998, having particular regard to the priorities of the business sector. Ministers called for intensified work on simplification and harmonization of customs procedures; standardized approaches to reduce and simplify documentary requirements (both print and electronic) for businesses, particularly small and medium-sized enterprises; and encouraged participation by additional members in the Asia-Pacific Laboratory Accreditation Conference Mutual Recognition Arrangement recently signed among accreditation bodies in five APEC economies. Ministers also called for implementation by member economies of the mutual recognition arrangement developed by the Telecommunications Working Group for certification of telecommunications equipment.

6. Contribution to World Trade Organization (WTO) Process: Ministers discussed the continuing contribution of APEC to supporting the multilateral trading system, and noted in particular the dynamic and catalytic role that APEC plays by virtue of its broad membership, embracing both developed and developing economies, and its continuing commitment to liberalization. Ministers agreed to work to ensure that regional and multilateral trade and investment initiatives complement and support each other. Ministers reaffirmed the primacy of an open, rules-based multilateral trading system under the World Trade Organization (WTO), and reiterated their support for the prompt accession to the WTO of applicants in accordance with WTO rules and based on effective market access commitments with a view to achieving universality of WTO membership.

Ministers reiterated the importance of implementing fully all existing WTO commitments as a foundation for further multilateral trade liberalization, particularly through fulfilment of the built-in agenda of the WTO according to agreed timetables. Ministers accordingly welcomed the successful conclusion of the WTO Agreement on Basic Telecommunications. Ministers of economies committed to participating in the Information Technology Agreement (ITA) agreed to work together to achieve broader participation and expanded product coverage in the next phase of the ITA negotiations. Ministers agreed that the second WTO Ministerial Conference, to be held in May 1998, provides a timely opportunity to take stock of progress in the implementation of existing commitments and on the built-in agenda and to provide instructions to WTO bodies on the work necessary to prepare a substantive agenda for the WTO Ministerial Conference to be held in late 1999, with a view to pursuing further broad-based multilateral market access and other liberalization.

Ministers endorsed the efforts of negotiators from many APEC economies to reach a successful conclusion to the negotiations on financial services underway in the World Trade Organization by the deadline of December 12, 1997. As agreed by Finance and Trade Ministers, a successful conclusion would encompass an MFN agreement based on significantly improved commitments. Such an outcome would enhance competition within financial systems, foster development of regional capital markets, promote financial integration, improve the regional capacity to intermediate savings and strengthen the global trading system.

To maintain and strengthen APEC's leadership in multilateral trade liberalization and facilitation, Ministers reaffirmed their intention to continue to pursue APEC initiatives that support work in the WTO, including with respect to competition policy, trade facilitation, transparency in government procurement and dispute mediation. They agreed that the 50th anniversary of the multilateral trading system in May 1998 provides a unique opportunity to highlight the benefits that the system

has provided during its first half-century. Building on this record, Ministers agreed to continue to work together to identify and pursue all areas where APEC can complement and support the multilateral trading system.

7. Impact of Trade Liberalization: Ministers reaffirmed their strong belief that continued trade and investment liberalization and facilitation is essential to economic growth and equitable development in the region. They noted that studies undertaken within APEC's Economic Committee confirm that timely implementation of commitments made by member economies under the Manila Action Plan for APEC will significantly increase trade and output in the APEC region and in the world more generally. Ministers acknowledged the need to expand the assessment of the impact of liberalization and facilitation, in order to promote a broad-based and balanced understanding of this issue within domestic communities. Ministers requested that further work be undertaken, and asked for a report on progress at the meeting of APEC Ministers responsible for trade in June 1998.

ECONOMIC AND TECHNICAL COOPERATION

8. Ministers committed to further strengthen economic and technical cooperation by fully implementing the Framework for Strengthening Economic Cooperation and Development which was agreed to in 1996. Ministers also reaffirmed the importance of economic and technical cooperation activities to strengthen economic fundamentals and welcomed the efforts made this year in this regard. Ministers endorsed the establishment of a SOM Subcommittee on Economic and Technical Cooperation.

Ministers emphasized that progress on all six priority areas (developing human resources; developing sound, safe and efficient capital markets; strengthening economic infrastructure; harnessing technologies for the future; safeguarding the quality of life through environmentally sound growth; and strengthening the dynamism of small and medium enterprises) is essential to reduce economic disparity among APEC economies, to improve the economic and social well-being of people, and to achieve sustainable growth and equitable development in the Asia-Pacific region.

They welcomed the particular emphasis given through 1997 on two priority areas: strengthening economic infrastructure and promoting environmentally sustainable growth, which served to accelerate progress on meeting the challenges in these two areas.

Ministers commended APEC fora for engaging the private sector and other experts in the implementation of the Framework for Strengthening Economic Cooperation and Development, including through the convening of public/private dialogue sessions, business workshops and expositions in 1997, and the Symposium on the impact of expanding population and economic growth on food, energy, and the environment (FEEEP) which brought together government, academic, non-government and business experts.

The following summarizes progress in 1997 on the six priorities of the Framework:

i) Economic Infrastructure: Improved infrastructure is a pressing need in the region. Ministers noted that public funds alone cannot meet the enormous infrastructure needs of the region, and reaffirmed

the need for greater private/business sector involvement to meet the infrastructure requirements in the region. Ministers endorsed the development of the Vancouver Framework for Enhanced Public-Private Partnerships in Infrastructure Development and recommended it to Leaders for their consideration. Ministers commended the work of APEC Working Groups, the Economic Committee's Infrastructure Workshop, and its associated public/private dialogue process, in contributing to the implementation of the Framework. Ministers also recognized that infrastructure is a cross-cutting issue and acknowledged the contribution to the implementation of the Framework by several sectoral Ministerial processes. Ministers supported the proposal for a feasibility study on an APEC network of infrastructure facilitation centres as a focal point for infrastructure development. Ministers welcomed the mutual cooperation protocol signed by participating Export Credit Agencies and Export Financing Institutions to enhance, on a project by project basis, the attractiveness of infrastructure investment for private sector participants. Ministers called on all APEC fora to continue to participate actively in addressing the infrastructure development needs in the region including:

Creating an Asia-Pacific Information Society: Ministers recognized that telecommunications and information technology is transforming societies and economies, and that the Asia-Pacific Information Infrastructure (APII) is an essential foundation to ensure the competitiveness of the Asia-Pacific region for the new era. Ministers called on APEC economies, as well as the Telecommunications Working Group to implement actions necessary to make the Asia-Pacific information society a reality. Ministers welcomed Singapore's offer to host a Telecommunications and Information Industry Ministerial Meeting in 1998.

Creating an Integrated Asia-Pacific Transportation System: An efficient, safe, and integrated regional transportation system is critical to support growth. Ministers welcomed the results from the APEC Transportation Ministerial Meeting held in Victoria, June 1997, including the Declaration of Principles affirming commitment to harmonization of Civil Aviation Safety Rules. Ministers encouraged the implementation of these principles in support of civil aviation safety and efficiency. Ministers welcomed the completion of the transport congestion points study and the establishment of an Intermodal Task Force to develop an integrated transport system in the region.

Energy Infrastructure: Ministers noted that energy infrastructure is key to the region's development needs and acknowledged that planned future work will create an institutional and regulatory framework conducive to business and investment, and promote environmentally responsible practices. Ministers noted the results from the APEC Energy Ministerial Meeting held in Edmonton, August 1997, and congratulated their colleagues on producing a "Manual of Best Practice Principles for Independent Power Producers" which focuses on promoting a predictable, transparent framework for tendering, bidding, evaluation and approval processes. Ministers welcomed initiatives to promote environmentally sound regulatory practices, the development of natural gas infrastructure, and the multilateral recognition of energy efficiency testing facilities, methods, and results. Ministers welcomed Japan's offer to host the next Energy Ministerial in Okinawa, October 1998, which will discuss wide ranging energy challenges and policies.

Infrastructure for Sustainable Cities: Ministers welcomed progress made in 1997 in developing a greater understanding of the role that infrastructure plays in the development of cities that are economically viable, environmentally sustainable, and socially healthy. In particular, Ministers noted the Public/Private Dialogue in Los Cabos, June 1997, the Seminar on Environment and Economic Policies towards Sustainable Cities in Beijing, September 1997, and the upcoming workshop on the

use of Economic Instruments towards Sustainable Cities in Taipei, December 1997.

Infrastructure for rural diversification and integration: Ministers noted that improving infrastructure in rural communities, including roads, telecommunications, power generation, and capacity building, is critical to the region's development and cannot be overlooked. Ministers directed APEC fora to work with the private sector and include in their efforts infrastructure initiatives for promoting integration and diversification of rural communities.

ii) Environmentally Sustainable Growth: Ministers recalled the decision to address sustainable development across all of APEC work programs and applauded the APEC Cleaner Production Strategy, the Strategy for the Sustainability of the Marine Environment, and the Sustainable Cities Program of Action as examples of coordinated approaches to integrate economic, social, and environmental considerations into work programs. Ministers noted that specific action items were identified for implementation during the APEC Environment Ministerial Meeting on Sustainable Development in Toronto, June 1997, and instructed all APEC fora to rapidly implement these initiatives. Ministers also recognized the challenge to sustainable growth posed by emerging infectious diseases, and concurred on the need for further collaboration.

Ministers endorsed the pledge by Environment Ministers that APEC economies must do their part to implement global commitments, with full consideration of domestic priorities and conditions. In this context, Ministers recognized the importance of effective action to deal with global emissions of greenhouse gases, and emphasized their strong support for constructive dialogue and successful results at the Third Conference of the Parties (COP 3) to the United Nations Framework Convention on Climate Change (UN-FCCC) as an important step towards meeting the objectives of the Convention. Ministers also shared the recognition of Energy Ministers that enhancing energy efficiency is key to addressing climate change.

FEEEP: Ministers commended the work of the Economic Committee and its Task Force on Food, in collaboration with the Energy Working Group, Senior Environment/Economic Officials, and other APEC fora in addressing sustainability through examining the impact of fast-expanding population and rapid economic growth on food, energy, and the environment ("FEEEP"). Ministers welcomed the results of the FEEEP Symposium held in September 1997, Saskatoon, Canada which analyzed linkages among the elements of sustainability and cross-cutting themes. Ministers welcomed the Interim FEEEP Report to Leaders and agreed that the ability to adapt to changing technological conditions and economic constraints along with building partnerships and capacity building are key factors for success in the new millennium. Ministers called for further work in 1998 to lay the foundation for discussion by Leaders of possible joint actions.

Managing resources: In their 1993 Statement, APEC Leaders envisioned a community which could provide for a more secure future by protecting the quality of air, water and green spaces. Ministers commended the Tourism, Fisheries, Marine Resource Conservation, Human Resources Development, Industrial Science and Technology, Transportation, and Energy Working Groups in fostering technical cooperation, and promoting sustainable practices which facilitate investment and promote environmental protection. Ministers welcomed the establishment of the APEC Environmental Protection Centre in China. Ministers also noted the coordination of work in respect of the marine environment by a group of networks, including the Ocean Research Network for the Pacific, the Sustainable Development Training and Information Network, the Ocean Model and Information

System for the APEC Region, the APEC Virtual Centre for Environmental Technology Exchange, and the Education-Network (Edu-Net) under the APEC Study Centres Consortium. Ministers applauded this coordination and called on other APEC fora to adopt similar inclusive approaches.

Emergency preparedness for disasters: Ministers noted that APEC should define its value-added role in formulating emergency preparedness and disaster recovery measures. Ministers called for strengthening cooperative efforts to ensure an effective and integrated approach to deal with this key issue. Ministers tasked Senior Officials to explore measures for joint action, taking into account the programs of other regional and international bodies, and to provide an inter-sessional report by June 1, 1998.

iii) Small and Medium Sized Enterprises (SMEs): Ministers welcomed the results of the APEC Small and Medium Sized Enterprises (SMEs) Ministerial Meeting in Ottawa, September 1997, and applauded the commitment of SME Ministers to make changes at the domestic and APEC level to create business environments that will address the special needs of SMEs and encourage the creation of enterprises. Ministers also welcomed the Framework and Guide for APEC SME Activities which will help ensure that APEC is attuned to SME needs and will keep SMEs abreast of measures and activities undertaken across APEC fora to improve access to markets, technology, human resources, financing, and information. Ministers asked that all APEC fora integrate the Framework for APEC SME Activities into their programs. Ministers welcomed Malaysia's offer to host the next SME Ministerial Meeting in 1998.

iv) Developing Human Resources: Ministers welcomed the results of the Human Resources Development Ministerial Meeting in Seoul, September 1997, which emphasized that life-long learning and school-to-work transition are essential to creating an adaptable workforce as well as providing individuals with relevant skills; that skills development is one of the most important instruments for adjusting to the changes in the labour market and economic environment; and that the roles and contributions of labour and management in attaining APEC's objectives of promoting sustainable growth and the overall well-being of the people in the region are important. Ministers noted the United States proposal to host the next HRD Ministerial Meeting by the year 2000. Ministers invited officials to place special emphasis on human resource development in 1998.

v) Harnessing Technologies for the Future: Ministers noted the many initiatives to promote technological modernization of APEC member economies. In particular they welcomed:

* the inaugural meeting for an APEC Science and Technology Parks Network held in the People's Republic of China, in September 1997;

* the APEC Symposium on Technology Foresight held in Thailand, June 1997;

* the work of the Industrial Science and Technology Working Group to increase mobility of researchers, and improved flows of technological information and technology as well as the Cleaner Production Strategy sector-based projects in the electronics and computer sector, textiles dying and finishing sector, and food industry sector; and

* the initiatives of the Transportation, Energy, and Telecommunications Working Groups to ensure that APEC continues to adopt new technologies into the new millennium.

Ministers agreed that electronic commerce is an important technological breakthrough. Recognizing the opportunities it presents as a tool for economic and social growth, Ministers called for a workplan to study a wide range of issues on electronic commerce, with a view to developing a predictable and consistent environment that enables all APEC economies to reap the benefits and foster growth of electronic commerce. Ministers recognized that the private sector should take the lead role as innovators and developers of this important medium. The workplan should be reviewed at the June 1998 Meeting of Ministers responsible for trade to consider further steps.

Recognizing the vital contribution that biotechnology can make toward expanding agricultural and food production, Ministers encouraged the Agricultural Technical Cooperation Experts Group to intensify science-based approaches to the introduction and use of bio-technology products.

Ministers welcomed Mexico's offer to host the third Science and Technology Ministerial in October 1998. Ministers directed officials to place special emphasis on this theme in 1998.

vi) Developing Capital Markets: Ministers acknowledged the continuing work of the APEC Finance Ministers on the critical importance of sound macroeconomic policies for financial market stability and sustained growth. Ministers welcomed the Finance Ministers' work to develop voluntary principles to guide financial and capital market development and their collaborative initiatives to deepen and broaden domestic financial and capital markets.

Recognizing the impact that recent currency and financial market instability has had on the economies of the region, the Ministers welcomed the results of the 18-19 November 1997 meeting in Manila of Finance and Central Bank Deputies from several APEC member economies that discussed a New Framework for Enhanced Asian Regional Cooperation to Promote Financial Stability. They welcomed the collective efforts to address the problems caused by the region's currency turbulence. The Ministers noted that similar meetings, involving ASEAN, several Asian economies, and G-15 member countries will be convened in Kuala Lumpur in early December.

In view of the prevailing currency volatility, the Ministers agreed to recommend to Leaders that they consider the timing of the next meeting of APEC Finance Ministers in order to adopt mechanisms for the enhancement of financial stability in the region.

DEEPENING THE SPIRIT OF COMMUNITY

9. Ministers recalled that deepening the spirit of community in accordance with the APEC approach is critical in exercising a positive influence in the region and in the world. This vision of community requires that all sectors of society develop a stake in the success of APEC.

APEC Business Advisory Council (ABAC) Report: Ministers discussed the importance of public/private dialogue and increased interaction of ABAC in the overall process, including sectoral Ministerial Meetings. Ministers welcomed the evidence on how APEC is responding to the

recommendations made in ABAC's 1996 report. Ministers directed that all APEC fora continue efforts to work in refining recommendations, defining priorities, and implementing the necessary actions.

10. Input from the business/private sector: Understanding concerns of businesses operating in the region is central to APEC's work. In this regard, Ministers noted that sectoral Ministerial Meetings in 1997 on Finance, Trade, Sustainable Development, Transportation, Energy, and Small-Medium Sized Enterprises all included dialogue sessions with business. Ministers also recognized that initiatives by APEC fora, such as the business symposia on customs and investment organized by subgroups of the Committee on Trade and Investment, the Economic Committee's Infrastructure Workshop Public/Private Dialogue and the FEEEP Symposium, the Energy Working Group's Ad Hoc Business Forum, and the APEC-PECC dialogue involving the Telecommunications Working Group, were innovative ways to obtain input from the private sector. To ensure APEC activities benefit business in a practical way, Ministers commended the involvement of the private sector to date in Working Group activities and encouraged APEC fora to continue to broaden engagement of the private sector, including young entrepreneurs and women leaders.

11. Youth: Ministers applauded the involvement of youth in APEC activities throughout 1997 and noted that sectoral Ministerial Meetings on Trade, Sustainable Development, Transportation, Energy, and SMEs had provided forums for meaningful dialogue with youth. Ministers welcomed the initiatives recognized by the HRD Ministerial Meeting which commended youth delegations for creating an Electronic Sourcebook on work, study and exchange opportunities in the APEC region, and the proposal to inaugurate an APEC Youth Skills Camp. Ministers encouraged member economies to support these initiatives.

12. Women: Ministers noted the attention paid to gender issues in APEC fora, including in the Industrial Science and Technology, Human Resources Development, Tourism, and Transportation Working Groups, as well as the Policy Level Group on SMEs and Senior Environment Officials. Ministers welcomed the offer of the Philippines to host a Ministerial Meeting on Women in 1998 in Manila, focusing on women and economic development and integrating women into the mainstream of APEC activities.

13. People-to-People linkages: Ministers noted that involving all sectors of society, particularly those in education and business is important in policy-making to promote sustainable growth and equitable development. In this regard, they welcomed the accomplishments in 1997 including the participation of such stakeholders at a number of APEC fora meetings, the opening of the APEC Education Foundation's Grants and Program Secretariat in Seoul, Korea and its administrative office in Monterey, USA. Ministers also noted the 1997 contributions of the APEC Study Centers to APEC's work program, including the Consortium Meeting which helped focus analysis more closely on issues important to APEC.

Ministers discussed the question of APEC's engagement with broader sectors of society that are affected by impacts of economic growth and liberalization. Ministers agreed in general that economic adjustment and growth can be most effectively addressed when governments and concerned sectors of society work together in harmony. Ministers noted related activities underway in the Human Resource Development (HRD) Working Group as endorsed by the recent HRD Ministerial Meeting, and called on the Working Group to continue its work in addressing these

issues.

ORGANIZATIONAL AND BUDGET ISSUES

14. Ministers endorsed:

i) the 1997 annual report of the Committee on Trade and Investment and agreed with its recommendations. Ministers commended the Committee and its sub-groups for their comprehensive work in advancing the trade and investment liberalization and facilitation agenda;

ii) the 1997 annual report of the Economic Committee and commended the work of the Committee and its sub-groups on the Economic Outlook, the Trade and Investment Liberalization and Facilitation related studies, and progress on examining the impact of expanding population and economic growth on food, energy, and environment and the contributions to the infrastructure initiative;

iii) the 1997 annual report of the Budget and Administrative Committee and commended the committee for its work during the year in evaluating project proposals, streamlining procedures, and enhancing operation and administrative efficiency and effectiveness, including the de-classification of APEC documents for public access.

Ministers also noted the results of 1997 work from the ten APEC Working Groups and other APEC fora, namely the Energy, Fisheries, Human Resources Development, Industrial Science and Technology, Marine Resource Conservation, Telecommunications, Tourism, Trade and Investment Data Review, Trade Promotion, and Transportation Working Groups; as well as the Policy Level Group of Small-Medium Enterprises, Agricultural Technical Cooperation Experts Group, and Senior Environment/ Economic Officials, and directed these fora to continue the implementation of the Framework for Strengthening Economic Cooperation and Development through coordinated initiatives.

15. Ministers endorsed the SOM Chair's Report on Organizational Issues and instructed officials to implement the recommendations contained in the report and supporting documents. Ministers approved the 1998 budget of $7,551,139. Ministers also approved the 1998 contribution of member economies of $US 3,864,000.

16. Report of the APEC Secretariat: Ministers expressed appreciation for the work done by the Executive Director, Ambassador Jack Whittleton, and staff of the APEC Secretariat in supporting the various APEC Committees and Working Group and the APEC process as a whole.

MEMBERSHIP AND PARTICIPATION ISSUES

17. Membership: Ministers endorsed the Guidelines on APEC Membership and undertook to consider them in future deliberations on this matter. A variety of views were expressed on the number of new members to be included and the timing. However, the final decision on this matter

was left to Leaders.

18. Non-member participation in APEC fora: Ministers noted the increased non-member participation in Working Group activities following the adoption of the Consolidated Guidelines on Non-member Participation in Working Group Activities last November. Ministers further endorsed the SOM decisions on application of the Consolidated Guidelines.

Other Matters

19. Future Meetings: Ministers thanked Malaysia for the valuable briefing on the preparations for the Tenth APEC Ministerial Meeting, and look forward to their next meeting in Kuala Lumpur in 1998. Ministers also thanked New Zealand and Brunei Darussalam for their updates on plans for the Eleventh and Twelfth Annual Meetings, which will be held in their respective economies. Ministers welcomed the announcement that the People's Republic of China will host the Thirteenth Meeting in the year 2001.

EARLY VOLUNTARY SECTORAL LIBERALIZATION ANNEX TO THE MINISTERS' JOINT STATEMENT

In Montreal, the APEC Ministers Responsible for Trade affirmed that APEC should continue to act as a catalyst for promoting trade and investment liberalization globally. Recalling the leadership role that APEC played in ensuring the successful conclusion of the Information Technology Agreement, they also reaffirmed their determination to continue APEC's leadership and credibility in trade liberalization in accordance with the general principles set out in the Osaka Action Agenda.

They therefore agreed to identify in 1997 potential sectors for early voluntary liberalization, responding to the challenge presented by APEC Economic Leaders in Subic "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 recommendations to us on how this can be achieved".

They directed officials to examine the merits of pursuing liberalization in sectors, including those that support enhanced infrastructure and sustainable development, having regard to:

* encompassing, to the extent possible, tariff and non-tariff dimensions and elements of facilitation and economic and technical cooperation; the fullest possible private sector input, consultation and support, including through the APEC Business Advisory Council (ABAC); and critical mass, by developing initiatives supported by significant groups of APEC members, taking into account the different levels of economic development and diverse circumstances of APEC member economies and, where appropriate, for incorporation to the WTO.

This initiative complements the Individual Action Plan (IAP) process, which they agreed in Montreal is key to the implementation of APEC's trade and investment agenda. The launch of this process signals APEC members' clear commitment to promote economic growth based on a substantial programme of trade liberalization in the region. Ministers agreed that other actions should be taken

so that the process remains consistent with, and promotes, further broad-based multilateral liberalization.

In response to the instructions of Ministers Responsible for Trade, 41 sectors were proposed for our review and consideration. The breadth of participation by APEC members and the diverse range of sectors nominated is indicative of the high level of support in the region for further trade liberalization. We have closely examined the merits of these proposals and have given full consideration to the levels of support for, the economic significance of, and the internal balance that has been developed within, specific proposals. Fifteen proposals have been identified as enjoying the most support among member economies.

These are:

* environmental goods and services
* energy sector
* fish and fish products food sector
* toys
* natural and synthetic rubber
* forest products
* fertilizers
* gems and jewelry
* automotive
* oilseeds and oilseed products
* medical equipment and instruments
* chemicals
* civil aircraft
* telecommunications
* mutual recognition arrangement (MRA)

We agree to pursue an ongoing programme of voluntary liberalization with respect to these sectors. We affirm our commitment to continue developing liberalization initiatives among APEC members, and to build on APEC's early voluntary liberalization in these sectors as a basis for extending participation beyond our region and, where appropriate, for incorporation into the WTO.

Recognizing the need for a balanced and mutually beneficial package, and recalling that the process of early liberalization is conducted on the basis of the APEC principle of voluntarism, whereby each economy remains free to determine the sectoral initiatives in which it will participate, we therefore call for the development of appropriate agreements or arrangements for market-opening and facilitation and economic and technical cooperation measures, based on existing proposals in the following sectors:

* environmental goods and services
* energy sector
* fish and fish products
* toys
* forest products
* gems and jewelry

* medical equipment and instruments
* chemicals telecommunications
* mutual recognition arrangement (MRA)

We recommend that Leaders endorse members beginning immediately to complete the work on these proposals through finalizing the scope of coverage, flexible phasing, measures covered and implementation schedule, including choice of measures and instruments for implementation based on the existing proposals, for each of these sectors. We would like this work to be concluded in the first half of 1998 with a view to commencing implementation wherever possible in 1999. We will maintain under review our progress, and will use all appropriate opportunities to do so throughout the first half of 1998, including at the meeting of Ministers Responsible for Trade in Kuching, Malaysia, in June, 1998.

We note that there is broad interest among APEC members in the remaining 6 sectors. Liberalization initiatives in these sectors would also produce economic benefits for member economies, and contribute to a balanced and mutually beneficial outcome, but they require further preparatory work. We therefore direct Senior Officials to further develop proposals from these remaining candidates for our assessment and review next June, and possible recommendation to Leaders next November. We also remain open to considering other sectors for early voluntary liberalization as opportunities arise.

We welcome the initiatives of some members to substantially reduce all tariffs or to eliminate "nuisance tariffs" (of less than two per cent). We recommend to Leaders that members be encouraged to commit in their IAP to review options for undertaking such initiatives.

We also note the significant support and interest of a number of member economies in advancing work relating to a number of horizontal or cross-cutting issues, such as competition policy, government procurement, intellectual property rights and investment. We therefore direct Senior Officials to entrust the appropriate existing APEC fora to discuss these proposals for possible inclusion in their work programmes.

APEC MINISTERIAL STATEMENT ON MEMBERSHIP November 1997

Asia-Pacific Economic Cooperation (APEC) is an Asia-Pacific regional forum. It is an open forum in terms of its membership and guest participation.

Since its formation in 1989 APEC has:

* expanded its original membership of 12 by 50% to 18;
* undertaken to admit a limited number of new members not later than 1999;
* approved an arrangement by which non-members can be granted guest status in APEC Working Groups;
* approved over 30 applications for guest status by non-members.

In addition, under its information policies, APEC publishes, or makes publicly available, all key

documents, decisions and statements.

While APEC has not set a permanent ceiling on the number of members, it will remain limited in size both on account of its Asia-Pacific regional character and because of the need for the group to remain manageable and effective.

Within the overriding considerations of open regionalism and of remaining manageable and effective in size, APEC has adopted the following guidelines to assist in considering the admission of additional members:

* an applicant economy should be located in the Asia-Pacific region; an applicant economy should have substantial and broad-based economic linkages with the existing APEC members;

* in particular, the value of the applicant's trade with APEC members, as a percentage of its international trade, should be relatively high;

* an applicant economy should be pursuing externally oriented, market-driven economic policies;

* an applicant economy will need to accept the basic objectives and principles set out in the various APEC declarations, especially those from the Economic Leaders' meetings;

* a successful applicant will be required to produce an Individual Action Plan (IAP) for implementation and to commence participation in the Collective Action Plans across the APEC work programme from the time of its joining APEC.

Decisions on the admission of additional members to APEC require a consensus of all existing members.

View this online at: https://nautilus.org/aprenet/asia-pacific-economic-cooperation-apec--inth-ministerial-meeting-joint-statement-nov-1997/

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