

## BACKGROUND

### ASIA PACIFIC ECONOMIC CO-OPERATION (APEC)

#### ISSUE

Asia Pacific Economic Co-operation (APEC), initiated in Canberra in 1989, is a vehicle for ministerial dialogue on economic co-operation involving 15 Asia Pacific countries including Canada. There have now been three APEC ministerial meetings on global and regional economic issues and one meeting on the Uruguay Round of Multilateral Trade Negotiations (MTN). The next meeting takes place in Bangkok, September 10-11, 1992. The focus will be on the question of institutionalization and the location of the permanent support mechanism.

#### BACKGROUND

At the most recent ministerial meeting in Seoul (November 12-14, 1991), ministers agreed to the admission of China, Hong Kong and Taiwan as members and adopted the "Seoul APEC Declaration," setting out the forum's objectives, role and operating procedures. As well, ministers agreed to continue work on economic issues (a Canadian initiative) and trade liberalization, and issued a separate joint statement on the Uruguay Round, using language drafted by Canada, which declared that a successful conclusion of the Uruguay Round is the most critical economic issue facing the international community. Ministers also instructed senior officials to study the need for an institutional mechanism for APEC.

At their June 1992 meeting, APEC's senior officials agreed on the need for a centrally funded APEC secretariat (support mechanism) to help co-ordinate the work program, assist with logistical arrangements and provide professional research and analytical support to APEC activities. Pending approval of ministers in Bangkok, an APEC secretariat could be up and running by the end of the year.

Although the main elements of an institutional arrangement for APEC have been agreed to, a funding formula and location have yet to be decided. There appears to be informal agreement that the secretariat should be located in an ASEAN capital if the ASEAN countries can reach a consensus on this question.

There is considerable support among APEC members for making dialogue on economic trends and issues and on regional trade liberalization matters the core of APEC's activities.