One of the enduring assumptions about the global trading system is that the industrialized West – especially the United States – is the driving force for trade liberalization, while the developing world – including Asia – is protectionist.

That this should be the case is not surprising. Historically support for freer trade has always been strongest among those countries with the greatest economic power. Great Britain's decision to repeal its Corn Laws coincided with the country's ascent to economic pre-eminence in the mid-19th century; the United States supplanted Great Britain as the global champion of free trade only after it had surpassed Great Britain in industrial strength; and Germany's commitment to free trade rose in direct proportion to its economic prowess.

Thus it was largely North America and Europe that took the lead in successive Rounds of the GATT [General Agreement on Tariffs and Trade], including the latest and far-reaching agreement in Marrakesh; and it is largely to North America and Europe that many now look to lead the next wave of liberalization under the World Trade Organization [WTO].

But will this always be the case? The world's economic centre of gravity is shifting rapidly eastward. Growth rates in much of Asia-Pacific are already two to three times the OECD [Organization for Economic Co-operation and Development] average. If current trends continue, the region will hold 60 per cent of the world's population, 50 per cent of global production, and 40 per cent of total consumption by the year 2000. This rapid growth is in turn shaping the structure of many Asian economies. Tariff barriers are falling, with or without formal trade agreements. Investment regimes are also opening, for the simple reason that these economies need huge inflows of foreign capital and technology if growth is to continue.

In short, Asia's rising economic strength is being matched by growing pressure both for domestic liberalization and for access to foreign markets. If history is any guide, the Asia-Pacific region may well emerge as the principal engine of trade and investment liberalization in the next century.

It is this fundamental economic reality – much more than our formal undertakings at APEC [Asia-Pacific Economic Co-operation forum] in Seattle or Bogor or Osaka – that underscores APEC's significance to the global trading system in the decades ahead. This is not to minimize the challenges that we face in the Asia-Pacific region in the immediate future. There is, for example, the failure of certain key advanced markets to liberalize as much as domestic conditions demand and as foreign exporters need. Opaque corporate linkages, restrictive distribution networks, a maze of regulations, distinctive cultural preferences – these and a myriad of other factors continue to make Japan, Korea, and others among the more protected industrialized economies.