



While the Asian economies are likely to experience slower growth over the next few years, it would appear that if necessary reforms are implemented, the long term growth prospects should be bright and conducive to robust demand for Canadian exports of goods and services in Asia.

## APEC

### Overview

The APEC forum was established in 1989 to foster economic co-operation on the Pacific Rim. It currently has 18 members: Australia; Brunei; Canada; Chile; China; Hong Kong, China; Indonesia; Japan; Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; the Philippines; Singapore; Chinese Taipei (Taiwan); Thailand; and the United States. Peru, the Russian Federation and Vietnam will be admitted in November 1998.

Canada chaired APEC in 1997, and hosted the annual Ministerial and Leaders' meeting in Vancouver in November. One of Canada's priorities throughout the year was to pursue initiatives to enhance access to key markets for traders and investors, particularly the "early voluntary sectoral liberalization" process. APEC addresses market access issues via voluntary, individual and collective liberalization initiatives, and through trade and investment facilitation projects that aim to reduce the cost of doing business in the region.

### Early Voluntary Sectoral Liberalization

In November 1997, APEC Leaders and Ministers announced an unprecedented commitment to pursue trade liberalization in 15 sectors. In 1995, the total value of APEC members' imports of affected products exceeded \$1 trillion. Ministers agreed to develop appropriate agreements or arrangements for nine of these sectors, and called for details to be finalized in the first half of 1998, with a view to implementing trade liberalizing measures in 1999, wherever possible. The nine sectors on this "A+" list are:

- chemicals
- environmental goods and services
- forest products
- medical equipment and instruments
- toys
- energy sector
- fish and fish products
- gems and jewellery
- telecommunications equipment

For the remaining six sectors — automotive, civil aircraft, fertilizers, food, natural and synthetic rubber, oilseeds and oilseed products — APEC Ministers agreed in Vancouver to undertake further preparatory work throughout 1998.

The Government succeeded in including several sectors of major Canadian export interest, e.g. fish, forest products and oilseeds, in the list agreed at Vancouver. Throughout 1998, Canada will work with its APEC partners to develop high-quality agreements or arrangements that benefit Canadian exporters in each of the nine "A+" sectors and advance Canada's export interests in work on the other six.

At Vancouver, APEC Ministers underlined their desire to build on APEC's early voluntary sectoral liberalization as a basis for extending participation beyond the region and, where appropriate, for incorporation into the WTO. Given the size of the APEC market, the strong commitment on the part of APEC members to pursue sectoral liberalization will be a significant catalyst for further multilateral liberalization in the context of the WTO. Canada attaches considerable importance to the leadership role that APEC exerts in this regard. Finally, coming at a time when much of the region was rocked by the financial crisis, the announcement at Vancouver was a strong affirmation of the important benefits to all economies of pursuing freer trade, rather than turning inward.

### Trade Facilitation

APEC endeavours to work with business to identify obstacles to trade and investment, and to co-operate to develop practical means of reducing or removing them. An APEC study completed last year indicates that current commitments by member economies to facilitate intra-APEC trade will have an even larger impact on reducing costs and increasing GDP than will existing liberalization commitments.

In 1997, Canada, as host of the APEC process, focussed on advancing the trade-facilitation agenda. This ongoing work will continue to make regional trade easier and less costly, will improve the predictability of the business environment, and will generate opportunities for networking and partnerships.

Canada was at the forefront of APEC's efforts in 1997 to develop a contribution to the WTO on transparency in government procurement. This contribution should have a positive impact on the