

APEC Leaders Meet in Osaka — *Continued from page 1*

Australia, Chile and Papua, New Guinea.

Since 1993, the addition of an annual meeting of Leaders from the region has significantly increased APEC's momentum and credibility. The Bogor Declaration of 1994 marked a watershed, setting out the objective of achieving free and open trade in the region by 2010 for industrialized economies (such as the U.S., Japan, Canada and Australia) and 2020 for developing ones.

Canada, an active proponent of regional and multilateral initiatives to help improve competitiveness, supports the call for trade and investment liberalization among APEC members and believes it is central to Canadian interests in the Asia Pacific region.

Osaka APEC Economic Leaders' Meeting

APEC leaders, at their November 1995 meeting in Osaka, Japan, adopted an Action Agenda through which APEC members aim to remove trade barriers and to achieve free and open trade and investment in the region.

The Agenda sets out a number of principles (e.g. comprehensiveness, non-discrimination) to guide the liberalization process and various

concrete actions, including in the area of trade and investment facilitation (e.g., customs harmonization and streamlining), to advance the initiative.

the APEC Ministerial next year in the Philippines. Based on this, APEC economies will begin their implementation as of January 1, 1997, during Canada's year as APEC chair.

At Osaka, APEC Leaders also welcomed a package of members "Initial Actions" in tariff reduction and deregulation already commenced by APEC economies since the meeting in Bogor. Of particular interest was the Chinese announcement of a 30 per cent cut on a broad range of tariff lines. This package provides a useful snapshot of liberalization underway in the region and a compelling argument as to why Canada needs to be present.

Canada's own initial Action package for Osaka included, beyond its Uruguay Round commitments: reductions of MFN rates on 1,500 tariff line items; reduction of 3,016 existing GPT (General Preferential Tariff) rates; and the extension of GPT treatment to 219 tariff lines not previously covered.

Business Involvement

APEC is fundamentally about business

in the region. To this end, Canada values and encourages the input

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Significance of APEC and the Asia Pacific Region to Canada

APEC is important to Canada as the preeminent forum for economic and trade cooperation in the Asia Pacific which is the fastest growing and most dynamic region in the world today. APEC provides an institutional window on developments in this area, and an unparalleled opportunity to develop relationships with the governments in this region — where government still plays a very significant role in business decisions — and a seat at the table as the regional framework for economic cooperation and trade is developed.

The Asia Pacific region — which comprises the booming economies of East Asia, ASEAN and Australasia — now has a population approaching 2 billion, produces an aggregate GDP more than twice that of the European Union, and accounts for 27 per cent of world trade.

In 1994, the Asia Pacific region included four of Canada's top ten export markets and 11 of the top 25 markets. Canada's two-way trade with this region grew by 16 per cent in 1994 to reach Cdn\$52 billion.

The Asia Pacific region is also increasingly important as a potential source of foreign direct investment for Canada. Altogether, the region had Cdn\$11 billion invested in Canada in 1994 (with Japan's total of almost C \$6 billion, making it the third-largest foreign investor in Canada). Moreover, the emerging industrial giants in other economies in the region are undertaking ambitious international diversification plans.

Similarly, the Asia Pacific region has become an important destination for Canadian investment abroad with the stock of Canadian investment in the region growing from Cdn\$5.6 billion in 1987 to Cdn\$12.9 billion in 1994.

Individual member economies will develop initial liberalization Action Plans and deliver these to