

ASIA-PACIFIC ECONOMIC COOPERATION (APEC)

APEC's trade agenda has evolved since its inception in response to developments in world trade. APEC ministers and leaders will continue to act as an informal caucus in support of strengthening the multilateral trading system. In the declaration that came out of the APEC Economic Leaders' Meeting (AELM) held in Auckland, New Zealand, in September 1999, leaders called for a new round of WTO negotiations that would include comprehensive market access negotiations, as well as the abolition of agricultural export subsidies and unjustifiable export prohibitions and restrictions. Leaders also underlined the fact that no APEC member has retreated into protectionism as a response to the financial crisis, which is the best demonstration of how deeply their commitment to open economies is entrenched. At Auckland, the ministers recognized the extraordinary potential of e-commerce and declared that the primary role of the public sector is to ensure a favourable regulatory environment for e-commerce, paying particular attention to the needs of consumers and small business.

While rule-making and liberalization in future WTO negotiations will be the key means by which APEC member economies will progress towards the goal of free and open trade and investment by 2010/2020, APEC leaders have not ruled out the pursuit of WTO-consistent bilateral or regional free trade agreements as an additional way to reach this goal.

APEC will focus on strengthening its work in the area of trade facilitation. Individual elements of APEC's trade facilitation work program may not grab headlines; however, a 1997 APEC study concluded that current commitments by member economies to facilitate intra-APEC trade will have a greater impact on reducing costs and increasing GDP than their current commitments to liberalize trade. A recent 1999 study concluded that APEC trade-facilitation measures committed to date would expand the region's GDP by US\$46 billion, whereas liberalization commitments would contribute to GDP expansion by US\$29 billion.



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