

Clearly the seven-year marathon of negotiations has yielded much of benefit to Asia-Pacific economies, and has the potential to achieve still more.

The point is, we can not afford to lose momentum. We will either go forward or backward, but we will not stand still. How do we proceed?

We already have two excellent sources of outside advice. Both the APEC Eminent Persons Group and the Pacific Business Forum have contributed valuable ideas on trade and investment liberalization in the region, building on the Uruguay Round outcome. Both are looking to the early adoption of a legally enforceable and binding Asia-Pacific investment agreement — and perhaps an APEC dispute avoidance or mediation mechanism — and further work within APEC to improve trade and investment facilitation, albeit with different timetables.

In Jakarta just three weeks ago, APEC trade ministers declared that we are ready to challenge both ourselves and others around the world to move quickly to further liberalize trade and investment.

At that meeting, I suggested, and had considerable support for, several concrete actions that we could take in response to that challenge, by moving in the following directions.

First, APEC countries should consider accelerating the implementation of the tariff cuts agreed to in the Uruguay Round and explore further tariff cuts in other sectors. There might be possibilities of further sectoral tariff harmonization or of new zero-for-zero initiatives in a range of products. At the same time, we should work together to build on the General Agreement on Trade in Services outcome to maximize liberalization in financial services.

Second, consider pursuing, in the short term, the elimination of export subsidies on agricultural trade in APEC, and in the longer term, a prohibition of all export subsidies in agricultural trade. Significant progress was made in this regard in the Uruguay Round. For the first time, export subsidies in agricultural trade are defined, and governments are committed to reductions in both their volume and value.

Third, consider how we in APEC can remain at the forefront of investment liberalization, moving from a declaration of non-binding principles to an agreed set of rules with appropriate dispute settlement provisions. More effort is needed to facilitate international private investment — a major source of growth in this region — and to reduce uncertainties and transaction costs of investment and investment-related trade.