

Trade and Investment Liberalization

Trade liberalization in APEC is centred around the Individual Action Plans (IAPs) of member economies. These documents are publicly available on the Internet and set out schedules of liberalization on tariff and non-tariff barriers, services trade, investment, and implementation of Uruguay Round commitments under the GATT/WTO. The IAPs are dynamic documents which are updated regularly to reflect new, voluntary commitments made by economies towards the goal of free and open trade and investment in the APEC region by 2010 or 2020 (for developing economies). At the Vancouver meeting of Trade and Foreign Ministers and APEC Leaders, members will discuss improvements in their action plans. APEC Trade Ministers are meeting on May 9-10, in Montreal, to take stock of progress and agree on the next steps to be forwarded to Vancouver.

Member economies of APEC are also pursuing a number of collective actions towards trade liberalization. Some of the main actions follow:

1. Tariff reduction

In 1996, APEC played a key role in securing support for an Information Technology Agreement which was subsequently pursued at the World Trade Organization Conference in Singapore. This development was a demonstration of APEC's willingness and ability to reinforce and advance the wider multilateral trade agenda. APEC is exploring the possibility of other sectoral initiatives.

2. Non-tariff barrier (NTB) reduction

In 1998, APEC will draw up a list of non-tariff measures in use among member economies, covering issues such as import licensing, import or export levies, export subsidies, minimum import prices, and the products affected by them. The aim is to ensure consistency with WTO obligations and to provide greater clarity and openness of information, with lower costs for business.

3. Improved environment for investment

APEC's investment liberalization plans are designed to promote openness and clarity about the investment rules which apply in each economy, and to ensure that investors from different economies are treated alike, whether they are at home or operating in other APEC economies. A set of non-binding investment principles was adopted by all APEC economies in 1994, providing a common set of guidelines in this area.