



6 *Opening doors to Asia Pacific*

Asia-Pacific Economic Co-operation

Since its inception in 1989, the Asia-Pacific Economic Co-operation (APEC) forum's agenda has evolved 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 latest APEC Economic Leaders' Meeting held in Shanghai, China in October 2001, Leaders expressed a strong message on the collective resolve of the Asia-Pacific community to counter terrorism. They also expressed their determination to reverse the emerging economic downturn and maintain public confidence at a time of uncertainty by fighting protectionism and committing to the launch of a new round of multilateral trade liberalization in the WTO. Leaders also adopted a "Shanghai Accord,"

which will reinvigorate APEC's trade agenda and help provide momentum to achieving APEC's goal of reaching free and open trade and investment in the region by 2010 for developed economies and 2020 for developing economies.

The Shanghai Accord, which Canada strongly supports, inaugurated the "pathfinder approach" that will allow sub-groupings of APEC economies to accelerate economic liberalization in some new areas. Other results of the Shanghai Accord include a new focus on the need to work on the development of trade policies for the New Economy, a recognition of the importance of ensuring greater transparency, and a new emphasis on trade facilitation, which resulted in Leaders committing themselves to reduce transaction costs for business in the region by 5% over the next five years. The introduction of clear performance targets, such as this, will give new impetus to APEC's work on trade facilitation. Trade facilitation holds great promise, as underscored in a 1999 study that concluded that APEC trade facilitation commitments in areas such as customs, standards, and business mobility could expand the region's GDP by up to US\$46 billion.

In order to build confidence in the multilateral trading system, APEC has launched a WTO capacity building initiative, aimed at helping developing APEC economies to participate more effectively in the WTO process. Canada has played a leadership role in this initiative, and Prime Minister Chrétien announced in October 2001 that the Canadian International Development Agency (CIDA) will commit \$9 million to an APEC economic integration program in support of WTO-related capacity building within APEC.

While rule-making and liberalization in future WTO negotiations will be the key means by which APEC member economies will progress toward the goal of free and open trade and investment, APEC Leaders are supportive of the pursuit of WTO-consistent bilateral or regional free trade agreements as an additional way to reach this goal.

Throughout 2001, Canada also continued to support APEC's work on e-commerce and the new economy, and was involved in a number of projects aimed at providing a better analytical framework for policies in support of the new economy. Canada also co-organized with China a Young Entrepreneurs Forum on the