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MINISTER WILSON TO PARTICIPATE IN ASIA PACIFIC ECONOMIC CO-OPERATION MEETING IN BANGKOK

The Honourable Michael Wilson, Minister of Industry, Science and Technology and Minister for International Trade, will lead the Canadian delegation at the fourth Asia Pacific Economic Co-operation (APEC) Ministerial Meeting, in Bangkok, Thailand, September 10-11.

The meeting is expected to see APEC emerge from a relatively unstructured forum for transpacific dialogue into a permanent regional institution. Mr. Wilson stressed the historic nature of the meeting and said that "it will enhance economic co-operation and dialogue in the region and will greatly help to boost Canada's trade and economic linkages with Asia Pacific nations." The Asia Pacific region is the fastest growing market for Canadian goods and services.

Trade and other economic issues will remain central to the work of APEC. APEC ministers will review the status of the Uruguay Round of Multilateral Trade Negotiations and consider regional trade developments and initiatives. Mr. Wilson stated that the completion of the Uruguay Round over the coming months remains Canada's highest trade policy priority. "Better global trade rules and more open international markets will stimulate economic growth throughout the world. This is one of the key elements for Canada's longer term prosperity," he added.

Among the regional trade initiatives to be discussed will be the recent agreement among Canada, the United States and Mexico to create a North American Free Trade Agreement (NAFTA). "I welcome the opportunity to discuss NAFTA with our APEC partners," Mr. Wilson said. "The NAFTA will engender economic growth and will create new opportunities for our Asia Pacific trading partners."

Minister Wilson said that he would use the occasion of this meeting to outline the key elements of the NAFTA, how it complements the multilateral objectives of the General Agreement

on Tariffs and Trade (GATT) and how it fits with the interests of the Asia Pacific community. He emphasized that "this important agreement among two developed countries and a major developing nation represents a significant step forward in regional trade liberalization and should reinforce our efforts to conclude the Uruguay Round."

He noted the precedent-setting nature of the NAFTA in such areas as the environment, investment and a wide range of services. "The coverage of these areas in the NAFTA could help prepare the groundwork for future trade agreements," he said.

Ministers also will discuss the prospects for economic growth in the dynamic Asia Pacific region as well as issues pertinent to the region, such as human resource development, marine resource conservation, tourism, telecommunications and technology transfer. Mr. Wilson said that he would be urging his counterparts to explore ways to strengthen private sector involvement in the sectoral activities of APEC.

Minister Wilson also will hold a number of bilateral consultations with APEC partners in Bangkok. Issues he will discuss include trade liberalization measures and Canada's trade with Japan; financial services and agricultural issues, including beef, with Taiwan; and problems in pork and beef trade with Australia.

The APEC meeting will be attended by ministers from Canada, the United States, Australia, New Zealand, Japan, Korea, China, Hong Kong, Chinese Taipei (Taiwan), Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

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BACKGROUND

ASIA PACIFIC ECONOMIC CO-OPERATION (APEC)

ISSUE

Asia Pacific Economic Co-operation (APEC), initiated in Canberra in 1989, is a vehicle for ministerial dialogue on economic co-operation involving 15 Asia Pacific countries including Canada. There have now been three APEC ministerial meetings on global and regional economic issues and one meeting on the Uruguay Round of Multilateral Trade Negotiations (MTN). The next meeting takes place in Bangkok, September 10-11, 1992. The focus will be on the question of institutionalization and the location of the permanent support mechanism.

BACKGROUND

At the most recent ministerial meeting in Seoul (November 12-14, 1991), ministers agreed to the admission of China, Hong Kong and Taiwan as members and adopted the "Seoul APEC Declaration," setting out the forum's objectives, role and operating procedures. As well, ministers agreed to continue work on economic issues (a Canadian initiative) and trade liberalization, and issued a separate joint statement on the Uruguay Round, using language drafted by Canada, which declared that a successful conclusion of the Uruguay Round is the most critical economic issue facing the international community. Ministers also instructed senior officials to study the need for an institutional mechanism for APEC.

At their June 1992 meeting, APEC's senior officials agreed on the need for a centrally funded APEC secretariat (support mechanism) to help co-ordinate the work program, assist with logistical arrangements and provide professional research and analytical support to APEC activities. Pending approval of ministers in Bangkok, an APEC secretariat could be up and running by the end of the year.

Although the main elements of an institutional arrangement for APEC have been agreed to, a funding formula and location have yet to be decided. There appears to be informal agreement that the secretariat should be located in an ASEAN capital if the ASEAN countries can reach a consensus on this question.

There is considerable support among APEC members for making dialogue on economic trends and issues and on regional trade liberalization matters the core of APEC's activities.

CANADIAN INTERESTS

Canada has from the beginning worked to develop APEC's activities in a way that would contribute to our global objectives, such as increasing prosperity, pursuing economic adjustment and liberalizing trade. We have also sought to utilize APEC as a means of collaboration in specific sectors, such as telecommunications, marine conservation and tourism, where a regional approach seemed feasible. In principle, we have tried to steer APEC's work as much as possible toward a dialogue on policy issues and away from operationally oriented and Official Development Assistance-style activities.

We have placed greatest emphasis on the discussion within APEC of economic and trade issues, which we view as APEC's core. Indeed, since its inception, APEC's highest priority objective has been the successful conclusion of the Uruguay Round of the MTN, and Canada has been active in using the APEC forum to that end. Canada hosted a meeting of APEC trade ministers in Vancouver in September 1990, devoted solely to the Uruguay Round. We have also participated in the Informal Group on Trade Liberalization, and have supported Australia's proposal to establish an Eminent Persons' Group to develop a trade policy "vision" for the region.

APEC's ad hoc group on economic trends and issues, a Canadian initiative designed to enhance mutual awareness of economic developments and trends in the region, remains a high priority. The key objective for Canada at the Bangkok ministerial meeting will be to keep the momentum behind this initiative and build on the results of the August 10-11 meeting in Tokyo of the ad hoc group.

Canada has also been active in APEC's sectorally focused activities, which now includes 10 working groups. Of particular interest to Canada are Marine Resource Conservation (oceanic pollution), for which Canada is project leader, Human Resources Development, Telecommunications, Transportation and Energy.

Canada strongly supports the creation of an institutional mechanism for APEC that reinforces our view of what APEC is about -- namely, a group of economies with profound linkages and shared interests. In Seoul, Canada outlined a number of ideas for a possible approach to APEC's institutional development. The aim was to ensure that whatever mechanism was agreed on, it would play an active role in stimulating dialogue among APEC members and in providing APEC's work with a solid base of analytical support.

With the three Chinas effectively integrated into APEC and the issue of institutionalization resolved in principle, Canada has supported the widely shared view that APEC requires a period of consolidation before it undergoes another rapid expansion. However, we have also been a leading proponent that Mexico should be admitted to APEC soon, in light of the increased level of economic integration with North America that will result from the NAFTA. We are working with the U.S.A. to obtain agreement on language for the Bangkok Ministerial Statement that will support early Mexican membership in APEC.