



Trade Facts

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APEC Leaders Express Strong Support for WTO and APEC Trade Liberalization

President Bush and 20 fellow Leaders of the Asia Pacific Economic Cooperation (APEC) economies meeting in Santiago, Chile in November spoke with a clear voice in support of multilateral and regional trade liberalization. Under President Bush's leadership, APEC agreed to take actions to move the WTO's Doha Development Agenda negotiations forward. Leaders welcomed the new momentum in the WTO Doha negotiations since the adoption of the July Package, and agreed to seek substantial results at the next WTO Ministerial Meeting in December 2005.

The APEC Leaders further launched the Santiago Initiative for Expanded Trade in APEC, proposed by the United States. The Santiago Initiative will advance APEC efforts to achieve free and open trade and investment in the Asia Pacific region, as well as enhance APEC's work to reduce transaction costs and red tape for businesses.

The 21 APEC members account for nearly 50% of world trade, and 60% of the global economy. APEC economies include China, Japan, Korea, Russia, Australia, Canada, Chile, Singapore, Thailand, Malaysia, Indonesia, and others. Established in 1989 in response to the growing interdependence among its economies, APEC is now the primary regional vehicle for promoting open trade and practical economic cooperation.

"APEC provides a constructive engine for generating momentum, because the voice of the Pacific Rim, a voice that spans large and small, developed and developing economies, is heard around the world and can reverberate in the halls of the WTO."

*Robert B. Zoellick
U.S. Trade Representative*

Support for the WTO and Leadership in the Doha Negotiations

At President Bush's urging, APEC Leaders in Santiago agreed to take actions to move the WTO Doha negotiations forward, and pledged to provide leadership to continue the momentum resulting from the July Package adopted by the WTO General Council. Specifically, Leaders agreed:

- To work with a sense of urgency to achieve a result that meets high levels of ambition;
- To seek substantial results at the Sixth WTO Ministerial Conference;
- To contribute to WTO negotiations on trade facilitation given APEC's achievements and experience in this area;
- To increase efforts to provide technical assistance and capacity building for the full participation of all WTO Members in the Doha negotiations.

APEC's Contribution to the WTO

During the Doha negotiations, APEC has emerged as a constructive voice for pushing global trade liberalization. At the APEC meeting in Thailand in October 2003, following the breakdown of Cancun, APEC played an important role in promoting trade liberalization by calling on WTO members to return to

the talks and build upon the Cancun draft Ministerial text. Furthermore, in June 2004, APEC Ministers called for trade facilitation negotiations, generating momentum for their launch as part of the WTO negotiating framework reached in Geneva at the end of July.

U.S. Trade Representative Robert Zoellick has led APEC Ministers in their support of the WTO negotiations. Zoellick stated in a January letter to all WTO Ministers that 2004 should not be a lost year for Doha negotiations. The January letter also outlined ways to put the negotiations back on track. In February, he traveled over 32,000 miles around the world and met with over 40 counterparts to hear their views and discuss how best to get the negotiations back on track. Over several months, the U.S. worked actively with APEC economies to achieve the July WTO framework agreement.

Santiago Initiative for Expanded Trade in APEC

To complement the achievement of free and open trade in the region, Leaders also agreed to launch the Santiago Initiative for Expanded Trade in APEC. The Initiative has two key components:

Trade Liberalization

- Taking into account market opening outcomes that have been achieved through domestic trade liberalization, as well as through bilateral, regional, and multilateral efforts, APEC economies will conduct a mid-term stocktake to evaluate progress in achieving the Bogor Goals of free and open trade and investment in the Asia Pacific region.
- With dozens of Free Trade Agreements (FTAs) and Regional Trading Arrangements (RTAs) now being negotiated by APEC members, APEC will build on its Best Practices work to ensure that these FTAs/RTAs are high-quality, transparent, market-opening, and do not distort trade.
- At their next meeting in Korea, Leaders will evaluate the progress made in 2005 and decide on further steps to advance free trade in the region.

Trade Facilitation

Trade facilitation helps cut unnecessary costs and red tape for exporters. APEC will build on its proven successes of reducing costs, embracing automation, and harmonizing standards by:

- Taking a leading role in the WTO trade facilitation negotiations. These could cut transactions costs for exporters by an additional 5-15%, particularly benefiting small businesses;
- Developing best practices for trade facilitation measures in FTAs/RTAs;
- Promoting secure trade in the Asia-Pacific region.

The 21 APEC members are: Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, Korean, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, the Philippines, Russia, Singapore, Taiwan, Thailand, United States and Vietnam.