Research Focus

Symposium on APEC 2002, the year of Mexico

Andrew Elek*

As part of its preparation for assuming the leadership of APEC this year, in December 2001 the Mexican Government hosted an international symposium on ‘Perspectives for APEC: 2002 and Beyond’. The gathering of officials, business people and researchers working on international economic issues in the Asia Pacific followed the precedent set by China, the previous chair.

The symposium underscored the Mexican Government’s strong interest in making APEC relevant to all people, with an emphasis on helping very small enterprises. The idea was to demonstrate that closer economic integration with other economies would not disadvantage the poor. This theme was taken up in all plenary and round-table discussions, and reports from these discussions were then drawn together to provide an input into APEC’s agenda for 2002.

The discussions on the trade and investment liberalisation and facilitation (TILF) agenda reaffirmed that Individual Action Plans (IAPs) and Collective Action Plans (CAPs) continue to be the main means of promoting and recording the progress of APEC governments toward the agreed Bogor targets of free and open trade and investment by 2010 for industrialised members and 2020 for developing countries. These commitments need to be strengthened continuously, especially through independent peer review.

The new Doha Round of WTO negotiations offers additional opportunities for achieving free and open trade and investment. APEC has made worthwhile progress on some relatively new issues, such as competition and investment policies, government procurement, regulatory harmonisation and the mutual recognition of standards. APEC can take a lead in terms of shaping multilateral principles, agreements and disciplines in these areas.

The WTO Round also provides an opportunity to make progress on sensitive issues, such as agriculture, where concerted unilateral liberalisation has proven difficult. Any APEC proposal to the WTO should offer to eliminate all border barriers to trade and investment by no later than the Bogor deadlines. It will not be easy for APEC governments to agree to commit themselves to such a coordinated approach to the new round. However, it is essential to do so if APEC governments are to remain credibly committed to the Bogor goals.

There was extensive discussion at the symposium about the concept of ‘pathfinder initiatives’. The idea that some countries could move ahead of others to achieve the Bogor goals was strongly encouraged by APEC leaders in the Shanghai Accord. Such initiatives could work provided they set positive examples that can be followed by others. APEC leaders need to agree on principles for achieving positive initiatives that take into account the interests of other economies and encourage others to join.

One example of a pathfinder initiative, discussed at the symposium, could be a voluntary decision by some APEC governments to implement agreed principles of transparency and enter into a binding agreement on government procurement procedures or other aspects of governance. Such an initiative could include a capacity-building component to encourage others to follow.

Visitors

A delegation from the Chinese Academy of International Trade and Economic Cooperation, led by Mr Chen Wenjing, visited the ANU early in March to discuss research on China’s approach to regional economic cooperation. Mr Chen also made a presentation at a public seminar on East Asian Trade: ASEAN + China during the visit.

Takashi Fukushima from the Economics Department of Tokyo Metropolitan University has arrived at the Australia–Japan Research Centre (AJRC) for a six week visit. Dr Fukushima will conduct research on the Australian economy, and in particular Canberra’s economy, and the degree of government involvement in the economy.

Hidetaka Yoshimatsu from the Graduate School of East Asian Studies of Yamaguchi University will visit AJRC between 11 March and 22 March to conduct research on the political economy of Japan and East Asia in the face of the rising influence of China.

Peter McCawley, recently retired from his position as Deputy Director-General of the Australian Agency for International Development, has accepted an appointment as Visiting Fellow in APSEM. Dr McCawley will be writing about his experiences in the development field, particularly in Indonesia.

Research

A group of researchers, including Peter Drysdale, Gordon de Brouwer and Suiwah Leung from APSEM and Warwick McKibbin and Prasanna Gai from the Research School of Pacific and Asian Studies, will take part in a conference in Beijing on 24–25 March to discuss future financial arrangements in East Asia. The conference forms part of a major AJRC research program on future...
assist governments to acquire the expertise and institutional structures needed to join the agreement. Many other ideas for facilitating trade and investment are likely come from the new closer economic partnerships in the region, such as the one between Japan and Singapore. To be consistent with the pathfinder concept, these arrangements should also be open to wider participation.

Current APEC principles seek to ensure that cooperative arrangements to facilitate trade and investment are transparent and non-discriminatory. Adding a further principle on wider participation would ensure that such arrangements are open to others who wish to join them.

Preferential trading arrangements (PTAs), which are proliferating in the region, can also help promote the Bogor goals, but only under certain circumstances. APEC leaders have called for PTAs to be not only WTO-consistent but also consistent with APEC’s principles and architecture. At the Mexico symposium, there was a consensus that PTAs involving APEC economies need to meet standards that are higher than the vague minimum requirements of the WTO. To be regarded as APEC-consistent pathfinder initiatives, PTAs should meet such principles as:

• Bogor-consistent timetables for eliminating border barriers;
• open accession;
• no new barriers to other economies;
• well-defined rules on rules of origin; and
• comprehensive coverage of trade.

It was noted that many PTAs exist in the APEC region, but few would meet these criteria, partly because they usually exempt trade in some sensitive sectors. PTAs need to be comprehensive to meet the Bogor goals, but it will not be easy to reach consensus, even on non-binding APEC principles for PTAs.

The discussion at the symposium confirmed that building capacity among APEC members is crucial for facilitating trade and investment, for example by improving members’ ability to introduce paperless trading. It is also becoming clear that capacity building is needed for some members to be able to liberalise trade. APEC’s industry groups are helping to identify ways to achieve more efficient international organisation and industry specialisation. Enhancing the capacity to implement WTO rules and to participate in WTO negotiations is proving another useful aspect of the APEC process. Much capacity building will also be needed to realise the Brunei 2000 vision to extend access to the Internet to all communities in the Asia Pacific. Realising that vision will be a vital component of the emerging strategy to make APEC relevant to the region’s poor. Capacity building can then be used to refer to the many ways of sharing information, experience, expertise and technology to enhance the capacity for progress toward TILF as well as toward APEC’s other objectives. This would make it clear that capacity building is important to both TILF and ECOTECH and would also underline the value of information, experience, expertise and technology to promote all of APEC’s objectives.

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**Research (cont.)**

financial arrangements in East Asia. The China Centre for Economic Research at Peking University is co-hosting the conference.

Jenny Corbett will attend a conference in Tokyo on Structural Impediments to Japan’s Growth. The conference will lead to a book which she will be jointly editing. She will also hold discussions with Japanese researchers involved in the AJRC’s Electronic Finance project during her visit.

Christopher Findlay will speak at the Symposium on Assessment of Trade in Services at the WTO in Geneva on 14–15 March. He will then join PECC’s Pacific Economic Outlook Forecasting Group meeting in Osaka on March 18 and 19.

**Events**

7 March, East Asian Trade: ASEAN + China, public seminar, Chen Wenjing (China Academy of International Trade and Economic Cooperation), Christopher Findlay and Jane Drake-Brockman (ANU).

8 March, China Updates 2002: China and the WTO in a World Recession.

11 March, An Australia–United States Free Trade Agreement: The Economics and Politics, public seminar, Ann Capling (University of Melbourne), Alan Oxley (APEC Studies Centre, Monash University) and Jane Drake-Brockman (ANU).

24-25 March, Deepening Financial Arrangements in East Asia, conference, Beijing.

4 April, Australia-Japan Higher Education Linkages, Round-table, ANU.

10 April, Aviation Industry Policy Issues, public seminar, ANU, Christopher Findlay, Henry Ergas.

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3 May, WTO Accession of Asia Pacific Countries, public seminar, ANU, Malcolm Bosworth and Ron Duncan

**Publications**

**Books**

New from Asia Pacific Press:


A Zone of Asian Monetary Stability, Tetsuji Murase, 320 pp., A$40.00.

Resource Management in Asia Pacific Developing Countries, Ross Garnaut ed., 259 pp., A$32.00.

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