

**ASIA-PACIFIC ECONOMIC COOPERATION  
MINISTERIAL MEETING**

**Singapore, 29-31 July 1990**

**JOINT STATEMENT**

1. Ministers from Australia, Brunei Darussalam, Canada, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Republic of Korea, Singapore, Thailand and the United States met in Singapore on 29-31 July 90 to continue their discussions on the process of Asia Pacific Economic Cooperation (APEC). The ASEAN Secretariat, the Pacific Economic Cooperation Conference (PECC) and the South Pacific Forum (SPF) were present as observers. A full list of Ministers and Observers attending the Meeting is attached. (Annex A).

2. The Meeting was co-chaired by Mr. Wong Kan Seng, Minister for Foreign Affairs and Minister for Community Development and BG (Res) Lee Hsien Loong, Minister for Trade and Industry and Second Minister for Defence (Services).

3. Ministers recalled Prime Minister Lee Kuan Yew's keynote address in which he set forth the tone for the next two days' meetings:

"All countries present today have grown faster because of the GATT-IMF multilateral free trade regime. It is in all our interests to keep open the system of free and fair trade.

Indeed APEC countries should set themselves up as examples of good GATT abiding citizens of the world and oppose the formation of trading blocs. In that way we will contribute to world economic growth."

4. Ministers also noted that without strong economic performance, democratic institutions cannot flourish, nor can social justice be promoted. Strong economic growth therefore promotes security in the region.

5. Ministers discussed a range of topics including:

- a. World and Regional Economic Developments/Regional Economic Outlook
- b. Global Trade Liberalisation  $\frac{3}{4}$  GATT Uruguay Round
- c. APEC Work Projects
- d. Future Participation.

6. Ministers reiterated their appreciation for the important contribution that ASEAN and its dialogue relationships have continued to play in the development of APEC and stressed that the enhancement of Asia Pacific Economic Cooperation would complement and strengthen the constructive role played by ASEAN. Ministers reaffirmed that APEC was outward-looking and did not aim to form a trading bloc, thereby contributing to further development of the world economy.

**WORLD AND REGIONAL ECONOMIC DEVELOPMENTS**

7. Ministers exchanged views on world and regional economic developments and noted that those economies following market-oriented policies have been among the most successful in providing their citizens with improving standards of living.

8. Ministers noted that the world economy and international trade would continue to expand in 1990 and 1991, albeit at a slower rate. Ministers also welcomed the concerted efforts made by all trading nations in conducting structural adjustments in their respective countries, for example the Structural Impediments Initiative Talks and the external effects that these would also have on third countries; the increasing awareness of the importance of sound domestic market-oriented policies; and the decrease in the external imbalances among major trading countries. They noted that these

positive developments would help to reduce protectionist pressures and help bring about a more vibrant world economy to the benefit of all. Ministers agreed that increased international cooperation would help to ensure further progress in these areas.

9. Ministers examined the newly emerging patterns of trade, investment and specialisation in the Asia Pacific region, and the challenges and opportunities posed by these changes. There were discussions on continuing inflationary pressures in the light of robust economic growth in the region. Ministers noted that there had been some reduction in such pressures.

10. Ministers agreed that increased domestic capital formation and foreign investments in the Asia Pacific region should be encouraged. Ministers also agreed that increasing financial resource flows were an important requirement for sustained economic growth, as well as a means to address debt-related problems. They also agreed that the transfer of technology was an essential element of economic development and recognised that efforts were needed to improve the access of economies in the Asia Pacific region to productive technologies.

11. Mindful of the need for cooperation in the attainment of the overall objective of accelerating region-wide development, Ministers recognised the urgency of bridging the economic disparities in the Asia Pacific region.

12. Ministers expressed their support for, and looked forward to, the opening of the Central and East European economies to the world. Ministers also discussed the effects of the transition from centrally planned to market economies in these countries, and their implications for the Asia Pacific region. The changes in Europe could lead to increased flows of goods, technology, capital and investment to that region and could provide new export markets for APEC economies.

13. Ministers noted that the increase in global demand for savings could push up world interest rates unless careful macro-economic management was followed. Ministers cautioned that higher interest rates could have negative effects on debtor countries and implications for the world payments mechanism. The developing economies in the Asia Pacific will need to compete actively for scarce resources by following more market-oriented policies.

14. Ministers noted that the West European countries would be increasingly preoccupied with developments in Central and Eastern Europe, as well as the advent of the Single European Market. Ministers expressed the hope that the creation of a Single European Market would lead to the emergence of an outward-looking dynamic economy and not a more restrictive trading bloc.

15. Ministers agreed that consultation among policy makers in the region was valuable in their common efforts to sustain growth, promote adjustment, and reduce economic disparities.

## **GATT**

16. Ministers agreed that the primary objective of APEC this year was to ensure a successful conclusion of the Uruguay Round. This was essential to preserve and enhance the open multilateral trading system on which their economies all depended.

17. Ministers reviewed the outcome of the July TNC meeting in Geneva and expressed grave concern that differences remained in key areas of the negotiations. They called for urgent efforts to overcome them and committed themselves to advancing the negotiations in accordance with the deadlines set forth in the TNC. In the light of such commitments, each Minister agreed to conduct an urgent review of all negotiating positions with a view towards finding increased flexibility and thereby facilitating a breakthrough in the negotiations which would resume on 27 August 1990. Ministers urged all non-APEC participants in the Uruguay Round to conduct similar reviews.

18. Ministers issued the Singapore APEC Declaration on the Uruguay Round (Annex B) and directed that consultations on the Round between APEC representatives should be intensified. They welcomed Canada's decision to convene a meeting of APEC Ministers concerned with trade policy in Vancouver from 11-12 September 1990. They intended that it should lead to a further consolidation of Asia Pacific views.

## **TRADE LIBERALISATION IN THE REGION**

19. Ministers agreed that a continuing central theme of APEC, following the completion of the Uruguay Round, would be the promotion of a more open trading system. They agreed in this respect that it was desirable to reduce barriers to trade in goods and services among participants, so long as any such liberalisation was consistent with GATT principles and was not to the detriment of other parties. They agreed that senior officials should explore possibilities towards this end and that this matter should be further discussed at the Seoul Meeting.

## **WORK PROJECTS**

20. At the Canberra Meeting, Ministers agreed that if Asia Pacific Economic Cooperation was to lead to tangible benefits, there was a need to progress beyond agreement on general principles. The Ministers had identified broad areas of cooperation, including economic studies; trade liberalisation; investment, technology transfer and human resources development; and sectoral cooperation as the basis for the development of a work programme.

21. Ministers expressed satisfaction that their senior officials, at the meetings in Singapore in March and May 1990, had advanced the work programme considerably. Seven potential work projects had been identified, and work had already begun. A number of shepherds' meetings and working group meetings on the work projects have been convened in the various APEC countries. The seven work projects are:

### **a. Review of Trade and Investment Data**

To develop reliable and comparable data on trade and investment flows among the 12 APEC economies. The initial emphasis is on improving the comparability of merchandise trade data but preliminary work is also being undertaken on data on trade in services and investment flows.

### **b. Trade Promotion: Programmes and Mechanisms For Cooperation**

To facilitate and promote expansion of trade amongst the APEC economies as well as with those outside the region so that the potential accruing from international specialisation and comparative advantage could be fully exploited, five programmes have been proposed at the first meeting. These programmes include exchanging trade and industrial information; trade and economic missions; facilitating promotion seminars, trade fairs and training courses. One coordinating country has been designated to each programme. It was also agreed that the active involvement of the region's private sector was essential to expanding regional trade and that private sector representatives should be closely involved in each work programme.

### **c. Expansion of Investment and Technology Transfer in the Asia Pacific Region**

To promote economic growth through expansion of investment and technology transfer in the Asia Pacific region. Towards this end, two projects will be initially undertaken, namely the establishment of an investment and technology information network for the Asia Pacific region taking into account established sources, and dissemination of experiences in the establishment and management of technoparks which are a potentially effective vehicle for investment expansion and technology transfer. These two projects would include cooperation in the field of research and development.

### **d. Asia Pacific Multilateral Human Resource Development Initiative**

To foster human resource development activities in APEC economies in such areas as development management and planning, business management, and industrial technology and training, particularly taking into account the serious shortage in ASEAN countries of planners and coordinators for national development policy as well as managers and engineers in private sector. In this regard, Ministers took positive note of the US initiative for an APEC partnership for education.

**e. Regional Energy Cooperation**

To provide the means for exchanges amongst high-level policy decision-makers on the issues and developments affecting the energy sector in the Asia Pacific region. Six specific themes will be developed: information exchanges on energy trends; supply and demand outlook; energy conservation and efficiency; research and development; environmental factors and energy technology transfer.

A coordinating country for each theme is being determined and a working meeting of energy experts will be held later this year or early next year.

**f. Marine Resource Conservation: Problem of Marine Pollution in the APEC Region**

The objective is to establish a dialogue on the Pacific marine environment which recognizes the economic benefits of sustainable development. The initial focus of this dialogue would be the marine transport of hazardous substances, the discharge of marine pollutants, and the problem of marine debris. An experts workshop will be convened in Vancouver in November 1990 for the purpose of developing recommendations for Ministers.

**g. Telecommunications**

To study a specific prototype project taking into consideration the following areas to be prioritised, namely human resource development, technology transfer and regional cooperation, opportunities for on-site visits/observerships/fellowships and telecommunications standardisation (involving the compatibility of equipment).

22. Ministers reviewed and endorsed the seven work projects as concrete areas for closer cooperation among the APEC economies. Ministers encouraged the senior officials to advance these work projects so as to achieve optimum results. Ministers reconfirmed that wherever possible, the APEC process should make use of existing cooperation mechanisms to avoid duplication of efforts. Ministers recognised the necessity of close collaboration with the private sector throughout the APEC work programme and noted in particular the valuable work done by PECC and the Pacific Basin Economic Council.

23. Ministers noted the Report by the PECC Task Force on the Management of Fisheries Resources and referred it to their senior officials. Ministers also asked their officials to report on the potential benefits of additional work projects in the areas of transportation, tourism and fisheries.

**VENUE FOR FUTURE APEC MEETINGS**

24. Ministers welcomed the Republic of Korea's offer to convene the Third Ministerial-level Meeting in Seoul in mid-October 1991. They asked their respective senior officials together with representation from the ASEAN Secretariat, PECC and SPF, to meet later this year to begin preparations for their next Meeting.

25. Ministers also welcomed Thailand's offer to host the Fourth Ministerial-level Meeting in 1992 and the United States' offer to host the Fifth Ministerial-level Meeting in 1993.

**FUTURE PARTICIPATION IN APEC**

26. Recognising that APEC is a non-formal forum for consultations among high-level representatives of economies with strong or increasing economic linkages in the Asia Pacific region, Ministers agreed to keep under review in subsequent meetings the question of additional participation.

27. Ministers acknowledged the particularly significant role in the Asia Pacific region of the three economies of the PRC, Taiwan and Hong Kong, both in terms of present economic activity and their importance for the region's future prosperity. They reaffirmed their view, expressed in Canberra in 1989, that it was desirable for these three economies to participate in future APEC consultative meetings.

28. Ministers agreed that consultations should proceed with the three economies, with a view to reaching arrangements agreeable to those three and to the current members of APEC for all three to participate in APEC at the same time, either at the Seoul meeting or as soon as possible thereafter. The results of these consultations will be conveyed to Ministers.

#### **OTHER MATTERS**

29. At the conclusion of this Second Meeting, Ministers expressed satisfaction with the discussions which reaffirmed the value of closer regional consultation and economic cooperation on matters of mutual interest.

30. Ministers and their delegations expressed their appreciation to the Government and people of the Republic of Singapore for organising the meeting, for the excellent arrangements made for it as well as for the warm hospitality extended to them.