

**ASIA-PACIFIC ECONOMIC COOPERATION
MINISTERIAL MEETING
Seoul, 12-14 November 1991**

JOINT STATEMENT

1. Ministers from Australia, Brunei Darussalam, Canada, People's Republic of China, Hong Kong, Indonesia, Japan, Republic of Korea, Malaysia, New Zealand, the Philippines, Singapore, Chinese Taipei, Thailand, and the United States met in Seoul from 12-14 November 1991 to continue their discussion 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 complete list of Ministers and observers in attendance at the Meeting is attached (Annex A).

2. The Meeting was co-chaired by Mr. Lee Sang-Ock, Minister of Foreign Affairs, and Dr. Bong-Suh Lee, Minister of Trade and Industry, of the Republic of Korea.

3. Ministers thanked H.E. Roh Tae Woo, President of the Republic of Korea, for his keynote address in which he emphasised that:

APEC, whose fifteen economies are producing one half of the global output, has reached a stage where an institutional base should be established in order to represent the common economic interests of the region and to promote intraregional trade and economic cooperation;

APEC should set an example of open regionalism under the principles of free trade thereby complementing and strengthening the multilateral free trade system; and

APEC, as a region-wide framework for cooperation, should play a central role in promoting a harmonious and balanced development of the trans-Pacific relations by embracing sub-regional economic groups within the Asia-Pacific region.

4. Following the agreement at the Singapore Ministerial Meeting, the Republic of Korea, in its capacity as Chair of APEC, conducted consultations with the People's Republic of China, Hong Kong and Chinese Taipei, and reached an agreement enabling them to participate in APEC at the same time. Ministers approved the recommendation of Senior Officials that the three be invited to participate in the third Ministerial Meeting.

5. Ministers welcomed the participation in APEC of the People's Republic of China, Hong Kong and Chinese Taipei and reaffirmed that the participation of these three important economies would greatly contribute to the process of economic cooperation in the region.

6. Ministers held discussions on a range of topics, including:

- a. Consolidation of APEC's principles and objectives
- b. Regional economic trends and issues
- c. Uruguay Round and trade liberalisation in the region
- d. APEC work program
- e. Future steps for APEC

APEC'S PRINCIPLES AND OBJECTIVES: SEOUL APEC DECLARATION

7. Ministers noted with satisfaction the development of APEC to date as a region-wide framework for cooperation and agreed that the process had reached a stage where a firm foundation for its future development should be established. They adopted the Seoul APEC Declaration (Annex B).

8. Ministers agreed that the Declaration is a significant step forward for the development of the APEC process. The Declaration represents the principles, objectives and understandings of APEC; endows APEC with a clear international personality; and provides a firm foundation on which to base APEC's work in the years to come.

REGIONAL ECONOMIC TRENDS AND ISSUES

9. Ministers exchanged views on regional economic trends and identified a number of issues of ongoing economic concern to the region. Ministers considered the report prepared by the Ad Hoc Group on Economic Trends and Issues chaired by Canada and Thailand. Ministers identified Asia-Pacific as one of the most dynamic economic regions, with growing interdependencies in trade and investment flows, and recognised the important role that a regional economic dialogue can play.

10. Ministers reviewed the trends in growth, inflation and current account balances in the APEC region. Ministers were of the view that the prospects for APEC economies were generally good. Ministers noted that much of regional growth is based on strong and persistent domestic demand in the APEC economies.

11. With respect to inflation, the overall expectation was for improved performance throughout the APEC region in 1991 and 1992, sustained by appropriate economic policies. It was recognised, however, that this issue would require ongoing vigilance. There was discussion of the performance of APEC economies' current accounts over recent years and of the trend to reduction in imbalances. It was also noted that some economies may experience an increase in imbalances in the short term.

12. Ministers discussed a number of issues of ongoing concern including: sustaining non-inflationary growth, labor and capital shortages, regional patterns of trade and investment, the environment and the economy, implications of changes in the Soviet economy, market access and the Uruguay Round outcome, structural adjustment and economic diversification.

13. Ministers welcomed the proposal by Japan to undertake a survey of economic linkages among APEC economies, the results of which will be discussed at the next Ad Hoc Economic Group meeting, along with continuing discussions on the economic outlook and trends.

URUGUAY ROUND

14. Recognising the critical importance of achieving a successful outcome of the Uruguay Round, Ministers issued a separate APEC Declaration on the Uruguay Round (Annex C).

TRADE LIBERALISATION IN THE REGION

15. Ministers considered the report of Senior Officials on the scope for trade liberalisation in the region, mandated at the Singapore Ministerial Meeting. They noted that one of the underlying principles behind APEC has been to exert a strong, positive influence on the future evolution of the global trading system, and that APEC's capacity to do this will be greatly enhanced through setting a positive example. Pursuing trade liberalisation within APEC on a GATT-consistent basis and not to the detriment of others will provide a powerful complement to multilateral trade liberalisation, as well as providing a stronger basis for increasing trade within the region to the mutual benefit of APEC participants.

16. Ministers discussed a number of options for enhancing trade flows within the region and endorsed the report of Senior Officials. Ministers reaffirmed the desirability of convening a meeting of APEC Ministers concerned with trade policy following conclusion of the Uruguay Round to assess the outcome of the Round for the region. Ministers further instructed Senior Officials to continue their work in this important area and, in particular, to identify options and make recommendations for approaches to trade liberalisation in the region.

17. Ministers also considered the option of inviting a Group of Eminent Persons from among the region to consider the likely shape of trade in the Asia-Pacific over the medium-term, and to identify

constraints and issues that would need to be addressed by governments in order to realise the potential for trade in the region. Ministers saw merit in the idea, and considered that it needed to be studied further, particularly in the light of the outcome of the Uruguay Round. Ministers directed Senior Officials to give further consideration to the idea, including whether it would be desirable to be more broad ranging in scope and the possible connections with the study of economic linkages among APEC economies, and report back to Ministers.

18. Ministers noted that there is a broad range of consultations occurring on trade issues within the region. The nature and outcomes of such trade policy consultations have considerable potential for influencing the future of the multilateral trading system. Ministers agreed that any trade policy actions involving APEC participants should be designed to maximise trade creation, should not lead to new barriers to trade or investment, and should be consistent with APEC's overriding objective of an open and free multilateral trading system.

APEC WORK PROGRAM

19. Ministers reviewed the Consolidated Report on the work program prepared by the Chairmen's Group composed of Australia, Singapore, Korea, Thailand and the United States. Ministers expressed satisfaction with the continuing progress made in the activities of the work program, and noted that in several areas substantial benefit to the region had already been derived.

20. Ministers endorsed the recommendation by Senior Officials to adopt three additional work projects, in the areas of fisheries, transportation, and tourism, thereby expanding the work program to ten work projects. Ministers directed officials to pursue vigorously the further development of the work projects and noted the following:

a. Review of Trade and Investment Data

A preliminary inventory on merchandise trade data has been developed and inventories for investment and service flow data are underway.

b. Trade Promotion: Programs and Mechanisms for Cooperation

The APEC Electronic Information Network (APEC ELIN), which connects Singapore's TDB Globalink with the computer system of each APEC member, was established and is ready for the exchange of trade and industrial information.

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

A manual and inventory have been finalised to assist in the creation and management of technoparks. Technopark seminars and site visits were held. An Asia-Pacific Investment and Technology Information Network (APITIN) is in preparation.

d. Asia-Pacific Multilateral Human Resource Development Initiative (HRD)

HRD networks in economic development, business management and industrial technology, were established. Formulation seminars were held in 1991, at which work plans for 1991/1992 were drafted. The APEC partnership for Education has 13 Asia-Pacific university contracts in place.

e. Regional Energy Cooperation

Energy supply and demand data was collected from members for the establishment of a Regional Energy Database. Potential use of clean coal technology will be studied and the merit of establishing an APEC Coal Utilisation Center for the development and introduction of these technologies is under consideration. An expert group will meet to review specific work plans in the field of R&D and discuss technology transfer.

- f. Marine Resource Conservation: Problem of Marine Pollution in the APEC Region
- Land-based pollution was identified as the focus of activity and integrated coastal zone planning was endorsed as a means to address marine environment protection and sustainable development. An experts task force will implement pilot projects in this area.
- g. Telecommunications
- Data on telecommunication environments in this region was published and distributed to the Ministers. This data will be used to develop recommendations for Ministers on measures that participants may take to promote development and efficient use of infrastructures. APEC's electronic data interchange (EDI) project can lead to total electronic exchange of trade documents within the region by the end of the decade. A teleport seminar was held in cooperation with PECC. Guidelines on "How to approach training within a telecommunication organisation" will be completed by next Ministerial Meeting in Bangkok.
- h. Fisheries
- Specific work plans are under development, including identification of fish stocks with management problems requiring international cooperation; arrangements that have been implemented to deal with management issues; cooperation in fish harvesting and post-harvesting technologies; and cooperation in product marketing.
- i. Transportation
- Short term projects identified are surveys of transportation bottlenecks in cooperation with PECC, of existing transportation data, of transportation systems and services, and a review of related transportation work in other international bodies. Medium term projects include a regional transportation system.
- j. Tourism
- Work plans include the improvement of data collection and statistical reporting; identification and reduction of impediments to tourism; tourism training and education, and; compilation of an inventory on current tourism projects and tourism-related events by APEC participants.

21. Ministers reviewed the description and evaluation of the work program activities provided by Senior Officials in the Consolidated Report. Discussions focused on the issues of the interrelationship among individual work projects, the administrative and funding requirements of the projects and the desirability of enhancing active private sector involvement in the work program.

22. Ministers recognised that the issues highlighted in the Consolidated Report need to be resolved in order to advance the work program and provide further benefits to the region. Ministers acknowledged that overall coordination and management of the APEC work program depends upon the efforts of all participants.

FUTURE STEPS FOR APEC

23. With a view to further strengthening APEC's role and enhancing its efficiency in promoting regional economic cooperation, Ministers recognised the need to consider, among others, the possibility of establishing a mechanism on a permanent basis to provide support and coordination for APEC activities at various levels; ways to finance APEC activities, including a procedure for apportionment of expenses; and other organisational matters.

24. Ministers agreed that the complexity of the issues required further in-depth study. They entrusted Senior Officials with the task of completing an extensive review of the issues and providing options and recommendations for decision at the fourth Ministerial Meeting. On this issue, Thailand

will convene a meeting composed of a Chairmen's Group and other interested participants prior to the next SOM.

PARTICIPATION

25. Ministers took note of the interest expressed by a number of countries and organisations in participating in or associating themselves with APEC. Ministers reaffirmed that APEC is an open and evolving process and requested Senior Officials to further consider the issue of additional participation, taking into account the criteria in the Seoul APEC Declaration, and report back to the fourth Ministerial Meeting in Thailand.

VENUES FOR FUTURE APEC MINISTERIAL MEETINGS

26. The fourth Ministerial Meeting will be held in Thailand in 1992; the fifth Ministerial Meeting will be held in the United States in 1993; and Ministers welcomed Indonesia's offer to host the sixth Ministerial Meeting in 1994.

OTHER MATTERS

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

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