

**ASIA-PACIFIC ECONOMIC COOPERATION
MINISTERIAL MEETING**

Osaka, November 16-17, 1995

Joint Statement

1. Ministers from Australia, Brunei Darussalam, Canada, Chile, the People's Republic of China, Hong Kong, Indonesia, Japan, the Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, the Republic of the Philippines, Singapore, Chinese Taipei, Thailand and the United States of America participated in the Seventh Asia-Pacific Economic Cooperation (APEC) Ministerial Meeting convened in Osaka, Japan on 16-17 November 1995. Members of the APEC Secretariat were also present. The ASEAN Secretariat, the Pacific Economic Cooperation Council (PECC), and the South Pacific Forum (SPF) attended as observers.
2. The meeting was co-chaired by H.E. Mr. Ryutaro Hashimoto, Deputy Prime Minister and Minister of International Trade and Industry, and H.E. Mr. Yohei Kono, Minister for Foreign Affairs, of Japan.
3. In his opening remarks, Mr. Hashimoto stated that Asia-Pacific cooperation demanded a framework to enable the self-driven initiatives of economies in the region, as well as APEC collective actions, to have maximum impact and achieve tangible results. He further noted that the meeting represented APEC's embarkation upon a new phase of action for the attainment of its vision and goals, and would thus be an important first step that would set the tone for APEC for years to come.
4. Speaking as Chairman of the Sixth APEC Ministerial Meeting, H.E. Mr. Hartarto, Coordinating Minister for Industry and Trade of Indonesia, expressed appreciation for Japan's leadership in facilitating the formulation of detailed proposals as mandated by the Bogor Declaration. In this regard, he was pleased to note that the "Action Agenda" reflects the three major pillars of the APEC process, namely liberalization, facilitation and development cooperation which are equally important and closely interlinked. He also welcomed the proposal of Japan entitled "Partners for Progress" which represents an important step in narrowing economic disparities between APEC economies while supporting trade and investment liberalization. In conclusion, he stated that with the combined strength and potential as well as the reasonably differentiated time frames that have been adopted, in the long run APEC will be able to overcome all the difficulties, including those that seem complex at the present time.

I. THE ACTION AGENDA

5. Ministers recognized that, in response to the decisions made by the Economic Leaders at Bogor last year, APEC activities this year focused on the formulation of the Action Agenda to achieve the Bogor Declaration goals. This new focus required intensive and wide-ranging deliberations in all APEC fora.
6. Ministers discussed the draft Action Agenda prepared by the Senior Officials, incorporating the contributions from relevant APEC fora. They agreed that the draft reflected the voluntary commitment and the political determination of each member economy to achieve the objectives set by the Economic Leaders at Bogor. Ministers further underlined the strategic significance of the Action Agenda in providing a long-term framework to chart the future course of APEC cooperation, which will enhance the prospects of accelerated, balanced and equitable economic growth in the region.
7. Ministers recognized that the Action Agenda would comprise trade and investment liberalization and trade and investment facilitation which together form Part One of the Action Agenda, and economic and technical cooperation which is dealt with in Part Two. They emphasized that these areas form the three pillars of APEC activities, and that the three are complementary and equally significant. Ministers reaffirmed their belief that the economic well-being of the region will be maximized through the focused and integrated implementation of activities under these three pillars. They noted that the Action Agenda may be revised and improved as necessary in accordance with further deliberations during the ongoing process of its implementation.

8. Ministers noted that Part One of the Action Agenda included general principles, framework for liberalization and facilitation, and actions in specific areas. They discussed and reached agreement on the general principles which are: comprehensiveness; WTO-consistency; comparability; non-discrimination; transparency; standstill; simultaneous start, continuous process, and differentiated timetables; flexibility; and cooperation.
9. Ministers underlined the unique approach for APEC liberalization and facilitation of trade and investment that builds on the marked regional trend toward economic reform and liberalization, and will act as a powerful impetus for further liberalization at the multilateral level. This approach comprises a combination of concerted unilateral actions, collective actions and multilateral actions. They confirmed each member economy's determination to submit its respective Action Plan to the 1996 APEC Ministerial Meeting in the Republic of the Philippines. These Action Plans will be formulated in accordance with the general principles and framework of the Action Agenda, so as to realize APEC's long-term goal of free and open trade and investment. Action Plans will comprise steps to be taken toward achievement of the objectives set out in each of the fifteen areas for specific action: tariffs, non-tariff measures, services, investment, standards and conformance, customs procedures, intellectual property rights, competition policy, government procurement, deregulation, rules of origin, dispute mediation, mobility of business people, implementation of the Uruguay Round outcomes, and information gathering and analysis.
10. Ministers stressed the need to further promote economic and technical cooperation in order to achieve sustainable growth and equitable development in the Asia Pacific region. Economic and technical cooperation will reduce economic disparities among APEC economies, improve the economic and social well-being of the peoples of the region, contribute to the process of trade and investment liberalization and facilitation and help to attain sustainable development. They reaffirmed that APEC economic and technical cooperation will be based on the three essential elements of developing common policy concepts, implementing joint activities and engaging in policy dialogue. Economic and technical cooperation activities will be pursued in the specific areas of human resources development, industrial science and technology, small and medium enterprises, economic infrastructure, energy, transportation, telecommunications and information, tourism, trade and investment data, trade promotion, marine resource conservation, fisheries, and agricultural technology. The overall progress of these activities will be subject to annual review.
11. Ministers agreed to introduce and utilize "Partners for Progress" (PFP) as a new mechanism, based on mutual assistance and voluntarism, to promote economic and technical cooperation more efficiently within APEC. They also noted that PFP will address all aspects of economic and technical cooperation with particular focus on cooperation which directly supports the liberalization and facilitation of trade and investment.
12. Recognizing that the various APEC fora have concentrated this year on contributing to the composition of the draft Action Agenda, Ministers valued the inputs provided by the relevant Ministerial Meetings, and expressed satisfaction with the important contributions made by other APEC fora, including the Economic Committee (EC), the Committee on Trade and Investment (CTI), the Working Groups, the Policy Level Group, and the Experts Meetings. Ministers particularly welcomed the detailed plans for trade and investment liberalization and facilitation developed by the Committee on Trade and Investment. It was also noted that the Ministerial Meetings, Working Groups and other relevant fora had prepared Action Programs which form an integral part of the Action Agenda.
13. Ministers welcomed the third report submitted by the Eminent Persons Group as an important reference for elaborating the Action Agenda as well as stepping up APEC cooperation. The report contains recommendations on the implementation of the APEC vision set forth at the Economic Leaders Meetings on Blake Island and in Bogor.
14. Ministers welcomed the second report of the Pacific Business Forum, and noted that its recommendations on the implementation of the Bogor Declaration from the perspective of the business/private sector were of significant value in the process of drawing up the Action Agenda. Ministers also noted with satisfaction that various regional fora with business/private sector representation, such as Pacific Economic Cooperation Council (PECC), Pacific Basin Economic Council (PBEC), and Asia Pacific Business Network (APB-Net), made substantial efforts to contribute to the formulation of the Action Agenda.

15. Ministers agreed to propose the draft Action Agenda to the Economic Leaders for their consideration and adoption.

II. DEVELOPMENT OF APEC ACTIVITIES

Economic Issues and Outlook

16. Ministers welcomed the Report of the EC, which reviews its first full year of work and details its Action Program for 1996. They emphasized the Committee's role in enhancing APEC's capability for analysis of economic trends and studies of specific economic issues, particularly cross-cutting issues, and the importance of this work supporting the policy activities underway in other APEC fora.
17. Ministers thanked Japan for taking the lead in preparing the economic outlook paper entitled *1995 Report on the APEC Regional Economy – Performance, Structure, Outlook, and Challenges*, which focuses on the medium-term issues and the generally favorable outlook for the region. Ministers also commended Canada on its paper entitled *Foreign Direct Investment and APEC Economic Integration* which provides a clear picture of the significant role played by investment in bringing about rapid economic growth in the region. Ministers endorsed the EC's work plan for 1996.

Trade and Investment Issues

18. Ministers welcomed the CTI's Annual Report to Ministers for 1995 and noted with appreciation that the CTI had made a substantive contribution to the process of liberalization and facilitation of trade and investment in the region. Following the Economic Leaders' call in Bogor for action, they also noted that the Sub-Committee on Customs Procedures and the Sub-Committee on Standards and Conformance had made substantial contributions to the work of the CTI, with tangible achievements in their respective areas. In addition, Ministers expressed appreciation for the CTI's reports on regional impediments to trade and investment, deregulation/liberalization initiatives in the region, and a mapping of members' unilateral/sub-regional/multilateral liberalization measures. Ministers valued the enhanced cooperation with the private sector in conjunction with the activities of the CTI and its subgroups, in particular the Customs and International Economy Symposium and the Investment Symposium.
19. Ministers indicated to the CTI the importance of addressing trade and investment related issues in the Action Agenda including those which had not been fully addressed in the 1995 CTI Work Program.

APEC Work Programs and Initiatives

20. Ministers welcomed the progress made by the various Ministerial Meetings launched as Leaders' Initiatives as well as by the ten Working Groups and other APEC fora with their work programs and initiatives in addition to their contributions to the formulation of the Action Agenda. Ministers noted the Progress Reports of the APEC Working Groups. They encouraged the Working Groups and other APEC fora to continue to work closely with the business/private sector at the grassroots level.

a. Human Resources Development (HRD)

21. Ministers noted with satisfaction that the HRD Working Group had developed a number of programs in the seven priority areas set forth in the Human Resources Development Framework and for the liberalization and facilitation of trade and investment. Ministers commended the HRD Working Group for undertaking through its extensive networks a wide range of activities based on key priorities to deal with economic and technical cooperation on issues of a cross-cutting nature. They endorsed the launching of the Business Volunteer Program from 1996 with the establishment of a coordinating office in Bangkok. Ministers also welcomed the decision to hold an HRD Ministerial Meeting in the Republic of the Philippines in 1996. Ministers noted progress on the establishment of APEC Study Centers, as part of the APEC Economic Leaders Education Initiative, and welcomed the establishment of the APEC Education Foundation, which will mobilize additional funding for HRD and education exchange activities.

b. Industrial Science and Technology (IST)

22. Ministers were pleased to note that the IST Working Group had initiated and conducted a number of new projects on IST cooperation based on the following priorities: improved flows of technological information and technology, improved researcher exchanges, facilitation of joint research projects, improved transparency of regulatory frameworks, contribution to sustainable development, and enhanced policy dialogue and review.

23. Ministers thanked the People's Republic of China for hosting the first APEC Ministers Conference on Regional Science and Technology Cooperation in Beijing in October 1995, which endorsed a set of non-binding principles for effective IST collaboration and identified priority areas for further cooperation. They welcomed the decision to hold a second Ministerial Conference in the Republic of Korea in 1996. Ministers also welcomed the holding of the first APEC Technomart in the Republic of Korea in 1995.

c. Small and Medium Enterprises (SMEs)

24. Ministers noted with satisfaction that the ad hoc SME Policy Level Group had successfully conducted policy dialogue and joint activities focusing on five priority areas, namely, human resources development, information access, technology and technology sharing, financing, and market access.

25. Ministers thanked Australia for hosting the second Small and Medium Enterprises Ministerial Meeting in Adelaide in September 1995, which endorsed the Action Program developed by the ad hoc SME Policy Level Group, and welcomed the decision to hold a third Ministerial Meeting in the Republic of the Philippines in 1996.

26. Ministers praised the Republic of the Philippines' efforts to promote the establishment of the APEC Center for Technology Exchange and Training for SMEs (ACTETSME).

d. Infrastructure

27. Ministers emphasized the importance of infrastructure improvement to the continued growth of APEC economies, and reaffirmed the high priority they accorded to infrastructure-related projects. They thanked Indonesia for hosting a productive dialogue in Jakarta in September 1995 between the public and business/private sectors, at which impediments to infrastructure improvement were identified and proposals for overcoming these problems made. They agreed that work in APEC should continue in this important area.

e. Energy

28. Ministers commended the Energy Working Group's efforts to address the simultaneous achievement of the 3Es and its contribution to the development of APEC as a sustainable energy community. They welcomed the decision to establish the Asia-Pacific Energy Research Center. Ministers also welcomed the proposal to hold an APEC Energy Ministerial Meeting in Australia in 1996 to provide support and guidance to the work of APEC in the field of energy.

f. Transportation

29. Ministers were encouraged by the progress made by the Transportation Working Group toward developing and maintaining an integrated, safe, efficient and environmentally sustainable transportation system in the Asia-Pacific region.

30. Ministers thanked the United States of America for hosting the Transportation Ministers Meeting in Washington, D.C., in 1995. They welcomed the formulation by the Transportation Ministers of guiding principles and priorities for cooperation in the transportation sector, which provide a framework for the improvement of the regional transportation system.

g. Telecommunications

31. Ministers appreciated the progress made by the Telecommunications Working Group towards the development of interconnected and interoperable telecommunications and information infrastructure. They applauded the work it has advanced in its identified priority areas, and noted its intention to establish the goal of making telecommunications a model sector for implementing the Bogor Declaration.

32. Ministers thanked the Republic of Korea for hosting the first APEC Ministerial Meeting on Telecommunications and Information Industry in May 1995, which issued the Seoul Declaration setting objectives and principles for enhancing the Asia-Pacific Information Infrastructure (APII). Ministers welcomed the decision to hold the second Ministerial Meeting in Australia in 1996.

h. Tourism

33. Ministers expressed satisfaction that the Tourism Working Group had concentrated its activities in the area of long term environmental and social sustainability of the tourism industry through removing barriers to tourism movements and liberalising trade in services associated with tourism; implementing the concepts of environmental and social sustainability of tourism development; facilitating human resource development; enhancing the role of the private sector in tourism development; developing cooperation in telecommunications, transportation, passenger facilitation, financial and other information-based services related to trade in tourism; and information sharing on the tourism industry.

i. Trade and Investment Data

34. Ministers welcomed progress on the establishment of an APEC near comparable merchandise trade database as part of the Trade and Investment Data Database (TIDDB) and associated system developments. They also commended the Trade and Investment Data Working Group's plan to include databases on international trade in services and international investment within the TIDDB.

j. Trade Promotion

35. Ministers valued the Trade Promotion Working Group's role in providing trade opportunities and trade-related information to the APEC business community. They noted the work undertaken by the Trade Promotion Working Group in the areas of promoting trade-related activities in goods and services, trade financing, trade skills and training, information sharing to foster a trade-friendly environment, and cooperation between the business sector and government agencies, including trade promotion organizations.

k. Marine Resource Conservation

36. Ministers appreciated the work of the Marine Resource Conservation Working Group in contributing to sustainable development, enhancing trade and investment while protecting the marine environment, and ensuring continuing socioeconomic benefits through maintenance of marine environmental quality. They noted in particular its activities in the areas of marine algal toxins (red tides), regional implementation of the Oceans Chapter of UNCED's Agenda 21, and coastal zone planning and management.

l. Fisheries

37. Ministers commended the Fisheries Working Group for advancing work in the management of the production base of the fisheries and aquaculture sector, and promoting further work on trade and investment issues in the fisheries sector, through, *inter alia*, alignment of rules and regulations on product standards concerning fish and fisheries products, including food safety and quality assurance.

m. Agricultural Technology

38. Ministers noted the identification of the following priorities for cooperation in agricultural technology: exchange of plant and animal germplasm; agricultural biotechnology; processing and marketing of agricultural products; plant and animal quarantine and pest management; information sharing in the development of agricultural finance systems; and technology transfer and technical training.
39. They thanked Chinese Taipei for hosting the first Experts Meeting on Agricultural Technical Cooperation, and welcomed the decision to hold a second Experts Meeting in Chile in 1996.

n. Finance

40. Ministers noted that the second APEC Finance Ministers Meeting was held in Indonesia in 1995 and that the meeting had discussed various issues such as capital flows, exchange rate movements and funding for infrastructure development and, amongst other issues, anti-money laundering efforts. Ministers welcomed the decision to hold a third Ministerial Meeting in Japan in 1996.

o. Sustainable Development

41. Ministers noted with satisfaction progress in the integration of environmental issues into the ongoing activities of relevant APEC fora, to help ensure sustainable development. They welcomed the proposal to hold a Ministerial Meeting on sustainable development in the Republic of the Philippines in 1996.

III. ORGANIZATIONAL ISSUES

APEC Secretariat

42. Ministers expressed appreciation for the excellent work done by Executive Director Ambassador Shojiro Imanishi and the Secretariat staff in supporting the various APEC Committees and Working Groups and the APEC process as a whole. Recognizing the necessity to augment the strength of the Secretariat in connection with the implementation of the Action Agenda, Ministers endorsed the recommendations of the Task Force for the Review of the APEC Secretariat, and instructed the Senior Officials to begin implementing these recommendations as soon as possible.
43. Ministers expressed satisfaction with the progress of the APEC Communications and Database System (ACDS) and urged APEC members to utilize the system fully. Ministers noted that the Secretariat had produced a range of publications and had increased its efforts to circulate them to a wider audience.

Participation Issues

44. Ministers discussed the issue of non-member participation in APEC Working Group activities, and adopted the proposal on criteria and principles relating to this matter which was submitted by the Senior Officials, as amended.
45. Ministers instructed the Senior Officials to continue their consideration of APEC's policy on new membership and observer status and to provide recommendations to the 1996 APEC Ministerial Meeting.

Eminent Persons Group (EPG)

46. Ministers recognized with appreciation the valuable contribution the EPG has made during the past three years to furthering the development of APEC activities and commended the successful accomplishment of its mission.
47. Ministers acknowledged the value of receiving advice and recommendations from knowledgeable and independent personalities from time to time on specific matters, and agreed that the EPG mechanism or similar advisory group may be constituted at any time as necessary with new membership for this purpose.

Establishment of the APEC Business Advisory Council (ABAC)

48. Reaffirming that close cooperation between governments and the business/private sector is critical to enhancing the effectiveness of APEC activities, Ministers expressed appreciation for the valuable contributions the Pacific Business Forum has provided during the last two years.
49. Ministers agreed to establish the APEC Business Advisory Council (ABAC) in 1996, recognizing the importance of continued cooperation and active involvement of the business/private sector in all APEC activities. Ministers decided on a set of guidelines on the structure, funding and activities of the ABAC with a view to its early inauguration. They noted that the guidelines would be reviewed the following year.

Budget Issues

50. Ministers commended the Budget and Administrative Committee (BAC) for its work during the year in scrutinizing budget requests, streamlining procedures and improving administrative and operational efficiency. Ministers approved a 1996 budget of US\$3,094,160 as proposed by the BAC and recommended by the Senior Officials. Ministers also endorsed a 1996 contribution totaling US\$2,838,000, and constituent individual contribution levels, as proposed by the BAC and recommended by the Senior Officials.

IV. OTHER MATTERS

Preparation for the Eighth Ministerial Meeting

51. Ministers thanked the Republic of the Philippines for the valuable briefing on the preparations for the Eighth APEC Ministerial Meeting to be held in Manila in 1996.

Venues for future APEC Meetings

52. The Ninth and Tenth Ministerial Meetings will be held respectively in Canada in 1997 and in Malaysia in 1998. Ministers welcomed the offer of New Zealand to host the Eleventh Ministerial Meeting in 1999.
53. Mr. Kono, in his closing statement, observed that APEC was now advancing on to a new stage where the Bogor objectives will be translated, step by step, into reality through the implementation of the Action Agenda. He noted that APEC will accordingly evolve further as an organization, with the active engagement of the business/private sector. He called upon the Ministers to continue to provide political guidance to the APEC process, and to stay in close contact to that end.
54. Ministers and their delegations expressed their heartfelt appreciation to Japan for the warm and generous hospitality extended to them and the excellent facilities and arrangements made available for the Meeting.