

1995: PECC XI, Beijing Statement

Open Regionalism for Global Prosperity

We, the representative of the Pacific Economic Cooperation Council, have assembled in Beijing to address new challenges facing the region.

The future of the region is tied irrevocably to the global economy. Hence our desire to promote mutually beneficial economic integration, by reducing impediments to economic exchanges among Asia Pacific economies without discrimination against any other economy. Accordingly, we affirm our commitment to open regionalism -- regionalism with global objectives -- made in San Francisco in 1992 and Kuala Lumpur in 1994.

THE ACHIEVEMENTS OF PECC

On its fifteenth anniversary, PECC is proud to include twenty-two Asia Pacific members. These are linked by an extensive network of researchers, public officials and business people, who share the objective of realising the development potential of the region through consensus - building and economic cooperation.

The comprehensive character of PECC has enabled it to identify issues of common interest and regional economic significance and to undertake enquiry in arrange of areas with important policy implications. Substantive and objective discussions in PECC have made it possible to place previously sensitive issues, such as the liberalisation and facilitation of trade and investment, firmly on the regional agenda. The endorsement of these priorities at the highest levels has already contributed to the successful outcome of the Uruguay Round.

PECC has made innovative contributions to prospects for mutually beneficial economic and technical cooperation. Since its founding in 1980, its tripartite network has identified, researched, and provided policy options on most of the opportunities for sectoral cooperation which APEC working groups are now beginning to address. These include cooperation in fields such as finance, infrastructure, telecommunications, human resources, technology and environment.

AN ASIA PACIFIC MODEL FOR REGIONAL COOPERATION

Originally pioneering, fifteen years later the PECC approach is increasingly being accepted as appropriate by the region . Out of this distinctive process has emerged an Asia Pacific model for economic cooperation and development.

We can learn much from economic cooperation experiences elsewhere, but those cannot be simply transplanted to the dynamic and diverse Asia Pacific. An Understanding of the realities of this region, characterised by continuous and radical changes in relative economic strengths, indicates the need to respect the guiding principles of openness, equality and evolution.

Openness reflects the principle of open regionalism. This principle should guide decisions to achieve free trade and investment in the Asia Pacific; all these decisions should be transparent and avoid any discrimination.

Equality implies that activities should be of mutual benefit to all participants, combined with respect for diversity within the region.

Evolution reflects a gradual, pragmatic and sustained process of voluntary cooperation. Substantive cooperation will evolve through consensus- building.

A further element of the Asia Pacific model is balance among the objectives of strengthening an open multilateral trading system, regional liberalisation, facilitation and development cooperation.

THE CHALLENGE FOR APEC

PECC welcomes the commitment of APEC leaders to all of these objectives in their Bogor Declaration of Common Resolve. We congratulate them, especially for endorsing the bold vision of free and open trade and investment in the region by 2010 for developed economies and 2020 for developing economies.

We wish APEC governments all success in their current efforts to set specific and operational long-term targets for cooperation backed by ambitious, but realistic, action plans for liberalisation and facilitation. Another urgent priority is to implement practical programs of development cooperation.

The action plans of APEC governments will need to go well beyond the elimination of tariffs and quotas. They should also address obstacles to international trade and investment which arise from differences in domestic policies and regulatory systems or product standards as well as their lack of transparency.

Examples of proposals and targets relevant to realising the Bogor vision of APEC leaders and achievable within agreed parameters have been identified in the June 1995 PECC Statement to APEC on Implementing the APEC Bogor Declaration.

To achieve early and sustained progress towards such objectives, we believe that APEC should continue to follow its flexible, voluntary and concerted approach to Pacific cooperation, tested successfully in cooperative ventures such as ASEAN and PECC, has made possible the remarkably rapid evolution of APEC between Canberra and Bogor. The future success of APEC rests on its wisdom to recognise the importance of consistently building trust and consensus as well as the guiding principles of openness, equality and evolution.

We are confident that APEC governments will make significant progress towards the liberalisation and facilitation of trade and investment in this way, by building on two recent, powerful trends in the Pacific, namely:

- unilateral opening to the outside world through deregulation and the reduction of trade barriers; and

- private sector driven integration of Asia Pacific economies, consistent with market forces and the globalisation of both trade and investment.

REGIONALISM FOR GLOBAL PROSPERITY

Substantial progress towards realising its historic vision will better enable APEC to set the agenda for future multilateral negotiations. By their positive example, Asia Pacific economies will be in a stronger position to take the lead in the global dismantling of obstacles to trade and investment and extending the coverage of the GATT/WTO disciplines to the constantly increasing range of international economic transactions.

Forthcoming meeting of WTO Ministers in Singapore could be a unique opportunity to launch a new round of multilateral negotiations - which could become known as the *Pacific Round* - to reflect the leadership of this region in shaping the global agenda.

To seize this opportunity, it is imperative that all APEC governments commit themselves firmly to bring about the full membership of all PECC and APEC economies in the WTO at the earliest opportunity.

We in PECC commit ourselves to providing leadership, intellectual input and practical proposals to help launch and complete future WTO negotiations. Further strengthening of the non-binding investment principles already adopted by APEC will allow Asia Pacific governments to take the lead in devising multilateral principles to promote international investment.

PECC is continuing its work to formulate an initial set of principles for the progressive harmonisation of trade and competition policy and to develop proposals for multilateral principles relating to environment and trade policy. These proposals will give due consideration to diversity and the need to avoid new barriers against trade or investment. PECC will also expand its work on financial market development and stability.

By building consensus on these issues in its network of business, researchers and policy makers, PECC can make it possible for these matters to be addressed subsequently by governments. Through its innovative model of cooperation, the Asia Pacific will provide powerful, collective leadership to promote global prosperity and shape the global economic system of the 21st Century.

Declared in Beijing on this 29th day September 1995, by the undersigned members of the Standing Committee of the Pacific Economic Cooperation Council