
United States Policy Goals for Asia Pacific Economic Cooperation 2005

By

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Last year, we got good work done in APEC; this year, we plan to build on that progress. We have distributed the text of a speech I gave in December 2004 [see full text of December 2004 speech at: <http://www.state.gov/p/eap/rls/rm/2004/39297.htm>.] at the Asia Society that summarized what we accomplished last year. One thing that speech does not capture is the work we have done to strengthen APEC as an institution and encourage implementation of APEC commitments and initiatives. We will continue to work on that this year.

As we gear up for the first APEC meetings of the year, including the first Senior Officials Meeting, it is particularly important that we get your views and suggestions about how APEC and the business community and can work together to enhance the prosperity and security of the region. In 2005, the U.S. priority objectives for APEC are:

- To increase the prosperity of the region through strong support for trade liberalization and facilitation, especially through support to advance the World Trade Organization's (WTO) Doha Development Agenda;
- To strengthen the security of the region by continuing to implement the Bangkok Commitments on Security and improving the security of trade and travel in the APEC region;
- To deepen the work APEC has done to increase transparency and fight corruption in the region; and
- To enhance the protection and enforcement of intellectual property rights.

Complementing these priorities are, of course, other objectives, including digital, health and tsunami-related initiatives. Our U.S. goals for APEC mesh well with the goals Korea has articulated as APEC host. We are looking forward to working together very closely with our Korean hosts and with the U.S. business community to advance these goals and make APEC an even more effective institution. As always, a key element of our work in each of these areas will be cooperation with Asia-Pacific Economic Cooperation Business Advisory Council (ABAC) and with the broader business sector. Let me start by suggesting five areas for cooperation.

- First, are there major initiatives on which we can cooperate? For instance, last year's APEC Anti-Corruption Initiative was a wonderful example of the public and private sectors working on an issue to produce a package much more valuable than the sum of its parts. Leaders made a political commitment to fight corruption. They agreed on a course of action to implement that political commitment. Seven APEC economies pledged a total of more than \$10 million to fund implementation of the course of action. And ABAC members made a parallel commitment to conduct their business according to the highest ethical standards. Wow! What a package! How can we extend that this year? Together, can we think of other packages that will have the same big punch?

- Second, some of you have heard about the 2001 "Shanghai Model Port Project" or the 2003 "Bangkok Efficient and Secure Trade Project." We hope to launch one or more such public-private demonstration projects in 2005. What ideas do you have?

- Third, are there specific tsunami reconstruction projects in which we can cooperate in APEC?

- Fourth, my colleagues and I want to hear your views on how APEC can help improve the business climate in the region and the bottom line for your business. How can we work with you in APEC working groups and dialogues to make that happen?

- Fifth, and to answer in part my own question, the U.S. government welcomes private sector participation in official APEC meetings, as appropriate. Take the case of APEC's work on trade facilitation last year. The private sector contribution to that dialogue was excellent. We hope to replicate this type of cooperation this year.

Trade liberalization and facilitation remain top U.S. goals in APEC in 2005. The most important goal for the United States this year in APEC will be to have APEC do everything it can to advance the Doha Development Agenda. The June APEC Trade Ministers Meeting will come at a critical time in preparations for the WTO Ministerial in Hong Kong. The APEC Leaders and Ministers Meetings in November will come just weeks before the WTO Ministerial Meeting in Hong Kong. APEC Trade Ministers, whose economies account for almost half of world trade, can lay groundwork at their June meeting for the Hong Kong WTO Ministerial. APEC Ministers and Leaders meeting in November can help pave the path to success in Hong Kong.

The U.S. government has some specific ideas on how APEC can support progress in the Doha Development Agenda. Other ideas will emerge over the course of the year as we see how negotiations progress.

The Geneva APEC Caucus can help transfer APEC's contributions to Geneva. Last year, Chile invigorated the Caucus; this year, Ambassador Kim, this year's Chair of the APEC Senior Officials' Meeting, has already met once with the Geneva APEC Caucus. As the United States works through APEC to advance the Doha Development Agenda and liberalize trade, we will also strive to facilitate trade, eliminating, where possible, the unnecessary red tape that bogs businesses down.

We will continue to push for the negotiation and conclusion of high-standard free trade agreements and regional trade arrangements in the region, building on the FTA Best Practices APEC agreed on last year. As Wendy and the rest of the interagency team and I work on our trade initiatives in 2005, we are delighted to know that Mike Ducker of FedEx will chair the Asia Pacific Economic Cooperation Business Advisory Council (ABAC) Working Group on Trade and Investment Liberalization and Facilitation. We look forward to working with all of you on the very high priority of trade liberalization and facilitation.

Security

Strengthening the security of the region remains another top goal of the United States for APEC 2005. In 2005, we plan to:

- First, focus on implementing the security commitments APEC has already undertaken. We will also help to build the capacity of APEC economies to implement those commitments. For example, last year, APEC agreed on export control guidelines. This year, the United States will sponsor an expert-level workshop on export controls.

- Second, propose that APEC develop guidelines on secure handling of radioactive sources. We can facilitate the use of radioactive materials in medicine and industry if we can help ensure that radioactive materials can be used safely, without harm to the public or danger of falling into the wrong hands.

- Third, continue to promote secure trade and travel. For example, the United States supports work in the APEC Sub-Committee on Customs Procedures to develop a framework to secure containers and ensure the security and integrity of supply chains.

Transparency and Anti-Corruption

The third major U.S. goal for APEC in 2005 is to increase transparency and fight corruption. In 2004, APEC Leaders made an historic commitment to ensure transparency and fight corruption. They outlined a course of action to:

- Deny safe haven to officials and individuals guilty of corruption, those who corrupt them, and their assets;
- Implement anti-corruption policies and practices consistent with the United Nations (U.N.) Convention Against Corruption;
- Implement the APEC Transparency Standards;
- Encourage collaboration to fight corruption and ensure transparency; and
- Develop innovative training and technical assistance programs to fight corruption and ensure transparency.

Members of the ABAC made a parallel commitment to conduct their own business affairs in accordance with the highest ethical standards. In 2005, the United States will work in APEC to get an APEC Anti-Corruption and Transparency Task Force up and running so we can start implementing this course of action. In addition, as part of a Korean symposium on fighting corruption, the United States will sponsor an expert-level workshop on the denial of safe haven and asset recovery issues. The fight against corruption is an area ripe for active cooperation with business. Moving forward, I encourage all of you to think about specific ways to incorporate the issue of corporate governance into the APEC anti-corruption agenda.

Intellectual Property Rights

Business executives routinely list piracy of intellectual property as one of the greatest challenges their companies face in the Asia-Pacific region. In response to this concern, the United States has made intellectual property rights (IPR) its fourth major goal in APEC for 2005. To reduce trade in counterfeit and pirated goods, the United States will work in APEC to develop:

- Guidelines for inspection, seizure and destruction of goods and equipment used in cases of import, export and trans-shipment of counterfeit and pirated goods;
- Guidelines to ensure that supply chains are free of counterfeit and pirated goods; and
- Model cross-border enforcement mechanisms.

We will work to ensure that the Internet and e-commerce are not used to facilitate trade in infringing and counterfeit goods. We will support APEC work that encourages economies to put in place appropriate legal regimes and enforcement systems to curtail trade in infringing and counterfeit goods. We will also seek to encourage the cooperation and build the capacity to improve protection of intellectual property rights. Like anti-corruption, IPR protection and enforcement is a natural area for close, concrete cooperation with the private sector. We look forward to getting your ideas and proposals.

Other United States Goals in 2005

Because I am trying to keep my remarks brief, of necessity, I have talked only of our top goals. As you know, however, the U.S. continues to work a host of issues in APEC that result in real, positive changes and improvements to your bottom line: harmonization of standards; data privacy standards, and many others.

Digital issues are a prime example. Given the degree to which Korea is wired, the United States plans to continue to work in APEC to promote liberalization of broadband principles, technology choice, and regulatory frameworks for convergence. The e-security agenda could include the development of:

- Comprehensive legal frameworks to combat cybercrime;
- Greater wireless security;
- Electronic evidence laws;
- Electronic evidence best practices; and
- Public and private partnership to provide training in anti-cybercrime techniques.

I can not overstate how much we welcome the business sector's input regarding these and other initiatives.

APEC's Response to the Indian Ocean Tsunamis

As we talk of public-private partnerships, I would like to say a few words about APEC's response to the disastrous Indian Ocean earthquake and tsunamis. I certainly do not have to explain to this group the enormity of the disaster. Many of the companies represented in this room today contributed generously to relief and reconstruction. Indeed, the U.S. private sector has led the world in its response to the tragedy. The National Center for APEC website features an overview the response to the tsunamis from the private sector and non-government organizations. The Chronicle of Philanthropy reported that private U.S. contributions, both cash and in-kind, have surpassed \$800 million.

The U.S. government has also responded generously. President Bush pledged an initial \$350 million, and has now asked Congress to provide a total of \$950 million to help fund tsunami relief and reconstruction. APEC, too, wants to help. We want to do so in a way that leverages APEC's unique strengths, adds real value, and avoids duplication of effort with the many other public and private organizations involved in post-tsunami reconstruction and rehabilitation. Let me share with you some preliminary ideas that the United States will discuss with our APEC partners and we will accomplish the following:

- Update and expand the existing APEC Emergency Preparedness website.
- Consider how one could inventory relief supplies like lift capacity and heavy equipment that could be available from the private sector in an emergency and what legal frameworks would need to be in place to use them.
- Develop best practice guidelines for how small and medium-sized enterprises can prepare for and recover from emergencies, including how to develop a financing strategy and business recovery plan.
- Deliver workshops in risk and crisis management with special emphasis on the tourism sector.

Other APEC economies will also have ideas, but, in any case, post-tsunami reconstruction will have a prominent place on the APEC 2005 agenda. I ask for your ideas and input as to how to maximize APEC's impact and avoid duplication of the already considerable international effort in this area, and, in particular, your suggestions on how APEC and ABAC can cooperate on post-tsunami reconstruction and rehabilitation.

Conclusion

In conclusion, the United States has set ambitious goals for APEC 2005, we will work hard to:

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- Increase the region's prosperity through trade liberalization;
 - Strengthen its security;
 - Fight corruption; and
 - Enhance the protection and enforcement of intellectual property.

And we will continue to work in other areas of importance to the business community, as well, to improve the business climate in the region and boost your bottom lines. We look forward to working closely and productively with the business community on all these fronts and to ensuring that the "Year of the Rooster" is an auspicious one for the APEC economies and their peoples.