

EXECUTIVE OFFICE OF THE PRESIDENT  
**OFFICE OF THE UNITED STATES  
TRADE REPRESENTATIVE**

OFFICE OF PUBLIC & MEDIA AFFAIRS  
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OCT. 31, 1993

OFFICE OF THE UNITED STATES  
TRADE REPRESENTATIVE  
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WASHINGTON  
20506

JAPAN CONSTRUCTION

The Government of Japan today announced an action plan to reform its public sector construction market. This plan will be further developed over the coming months and finalized in early January. We expect implementation to follow as expeditiously as Japanese Government procedures allow.

The action plan represents a significant change in the Japanese Government's attitude toward this sector. Under the plan, the Japanese Government has decided to: (1) adopt an open and competitive bidding system to replace the closed designated bidder system; (2) apply the reforms to all government and quasi-government construction projects above a specified threshold; (3) evaluate the corporate structure and global technical capabilities of foreign firms; (4) take steps to prevent dango or bribery, including banning firms from bidding on public works contracts; (5) strictly apply its Anti-Monopoly Law and; (6) establish objective, transparent and published standards for bidding and contracting procedures.

Early in this Administration, we made it clear to the Government of Japan that on-going discrimination in the construction sector was unacceptable. We notified Congress of our intent to identify Japan under Title VII on April 30 of this year and then made the formal identification on June 30. At that time, we postponed the imposition of sanctions on the grounds that the Japanese Government had agreed to negotiate with us on the basis of our proposal.

Today's announcement indicates for the first time that the Government of Japan is determined to bring about important reforms in its public sector construction market, including improved access for foreign firms. We welcome these reforms, which have been urged upon Japan by the U.S. Government for years. The action plan reflects Prime Minister Hosokawa's call for change throughout the Japanese economy and society.

We intend to consult closely with the Government of Japan as the details of the action plan are developed over the remainder of this year. We expect that these details will include, among other things: an impartial complaint mechanism covering all public works procurements; elimination of requirements to form joint ventures; open, transparent, competitive and non-discriminatory tendering and contract procedures; and

establishment of a system to monitor foreign access to Japan's public works market.

In light of these developments, I intend to recommend to the President that the implementation of sanctions, scheduled to take effect on November 1, be postponed until January 20, 1994. We expect Japan to announce a detailed plan of reforms which addresses our well-known concerns prior to that time, making the imposition of sanctions unnecessary.

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FOR IMMEDIATE RELEASE  
FRIDAY, OCTOBER 29, 1993

93-67  
CONTACT: ANNE LUZZATTO  
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**STATEMENT FROM USTR**

A story in the Business Section of the Washington Post today concerning the NAFTA Side Agreements erroneously misrepresents the position of USTR and this Administration.

To clarify:

1. The Administration has repeatedly stated it will not proceed with the NAFTA without the Side Agreements.
2. The Administration has supported House and Senate language which links the Side Agreements to the NAFTA in the "entry into force" clause. That language will be included in the bill.

This Administration is totally committed to the implementation of the Side Agreements as part of the NAFTA.

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FOR IMMEDIATE RELEASE  
THURSDAY, OCTOBER 28, 1993

93-66  
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**UNITED STATES AND ECUADOR SIGN INTELLECTUAL PROPERTY AGREEMENT**

The United States and Ecuador signed a bilateral Intellectual Property Agreement on October 15, the first with a Latin American Country since President Clinton's Trade Policy Agenda was announced this Spring. Deputy United States Trade Representative Charlene Barshefsky and Ecuadoran Ambassador to the United States Edgar Teran signed the Agreement in Washington.

The IPR Agreement, which was negotiated in conjunction with the recently signed Bilateral Investment Treaty, ensures comprehensive protection for intellectual property rights at a very high level. Together with the BIT, the IPR agreement should assure potential investors that their rights and interests will be fully protected in Ecuador. The two agreements together provide a firm legal basis, transparent and predictable guidelines for U.S. business to operate in Ecuador.

The signing of this Agreement on the protection of Intellectual Property Rights further strengthens the trade and investment relationship that has been enhanced since President Clinton and President Duran-Ballen took office. This Agreement, and the Bilateral Investment Treaty signed on August 27th, are essential elements of an open investment climate.

This is the first such IPR Agreement signed by the United States since the conclusion of the North American Free Trade Agreement. Ecuador is the first country in the Western Hemisphere with which the United States has concluded both a comprehensive Intellectual Property Rights Agreement and a Bilateral Investment Treaty. As a result of this IPR Agreement, Ambassador Kantor has removed Ecuador from the Special 301 "Watch List."

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FOR IMMEDIATE RELEASE  
THURSDAY, OCTOBER 21, 1993

93-65  
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NEW U.S. PROPOSAL IN GATT GOVERNMENT PROCUREMENT NEGOTIATIONS

The United States submitted a new proposal today in negotiations on the GATT Government Procurement Code. This proposal is a substantial step forward because it clarifies for the first time that the United States envisions a new Code including procuring entities from all 50 states based on the voluntary commitments of the states. The Administration is seeking to obtain commitments from all 50 states by the scheduled conclusion for the negotiations, December 15. With the tabling of the new U.S. proposal, Ambassador Mickey Kantor stated: "We believe that this offer on state government procurement will move negotiations forward to a successful conclusion in tandem with the conclusion of the Uruguay Round. I hope that other participants will come forward with similar bold proposals."

The Administration has been working closely with the states for some time on Code coverage and recently accelerated this process with personal contacts by Ambassador Kantor to all state governors. The initiative on the states is closely tied to efforts to get other countries to open procurements by their government-owned utilities and other state-owned enterprises.

Negotiations on the GATT Procurement Code are on a separate but parallel track with Uruguay Round negotiations. Negotiations have been focused on improving disciplines, such as the establishment of national bid challenge systems, and expanding coverage to new levels of government, such as subcentral authorities and state-owned enterprises, and to services and construction. Negotiators established October 15 as the deadline to submit revised offers in the final phase of renegotiation of the Government Procurement Code. The United States is among the first countries to table revised offers. Participation is limited to Code signatories (the United States, EC, Japan, Canada, Sweden, Norway, Finland, Switzerland, Austria, Hong Kong, Israel, and Singapore) and the Republic of Korea, which is currently acceding to the Code.

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FOR IMMEDIATE RELEASE  
MONDAY, OCTOBER 18, 1993

93-64  
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**Statement by United States Trade Representative Mickey Kantor**

The Cairns Group of major agricultural exporting nations today issued a communique from Geneva underscoring the Group's commitment to achieving a successful conclusion of the Uruguay Round by December 15, 1993.

In fact, the Cairns Group indicated its alarm at further efforts to weaken the Draft Final Act disciplines on agriculture -- noting that such efforts seriously jeopardize an overall acceptable outcome on agriculture.

The United States welcomes the Cairns Group communique and supports the positions taken by the Cairns countries.

The Cairns countries have played an extremely valuable role in the negotiations to date, and today's communique evidences the continuing importance of their role as we all strive to complete these negotiations.

As the Cairns communique notes, the Uruguay Round will bring major benefits to the world economy, while failure will entail great costs.

The deadline of December 15 for completing the Uruguay Round negotiations is real; there will not be an extension. We share the sense of urgency expressed by the Cairns Group, and call on all of our trading partners, both large and small, to join us in achieving a large market access package.

The Uruguay Round can succeed only if there is a large commitment on the part of all participants that will lead to a significant increase in trade opportunities in goods, services and agriculture for all participants in the Round.

We will do our part. We hope that others will do theirs.

THE WHITE HOUSE

Office of the Press Secretary

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For Immediate Release

October 14, 1993

GARDNER TO SERVE AS ENVOY TO GATT

The President announced today that he intends to nominate former Washington Governor Booth Gardner to be Deputy United States Trade Representative, with the rank of Ambassador. He will serve in USTR's Geneva, Switzerland office, representing the U.S. before the General Agreement on Tariffs and Trade, the world body on trade policies and practices among nations.

"Booth Gardener was one of the very best governors with whom I served. He has a solid background in business and trade" said the President, "and knows first-hand the importance of free and fair trade to keeping our economy strong and creating jobs for American workers. I think he will do an outstanding job in Geneva."

Gardener served as Governor of Washington from 1985-93, making economic development a top priority of his administration. He had previously served a four year term as Pierce County Executive. From 1972-80, Gardener was the President of the Laird Norton Company, a national building supply firm. He also has experience in academia, having served from 1967-72 as Director of Business and Economics at the University of Puget Sound. He holds his undergraduate degree from the University of Washington and a Masters of Business Administration from Harvard University.

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FOR IMMEDIATE RELEASE  
WEDNESDAY, OCTOBER 13, 1993

93-63  
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USTR ANNOUNCES FTA SECTION 409(B) DETERMINATION

United States Trade Representative Michael Kantor announced today his intention to vigilantly monitor the Government of Canada's actions with regard to possible subsidization of linear alkylbenzene (LAB) production in Canada. This announcement was made in response to the petition filed by Vista Chemical Company on July 15, 1993, requesting USTR identify the U.S. linear alkylbenzene (LAB) industry pursuant to section 409(b) of the U.S. - Canada Free Trade Agreement Implementation Act. LAB is an active chemical ingredient in many household laundry detergents.

In consultation with the Department of Commerce, Ambassador Kantor concluded that a reasonable likelihood exists that the U.S. LAB industry may face increased competition from imports with which it will directly compete from the proposed joint venture in Canada between La Societe de Financement du Quebec (SGF), a Quebec crown corporation, and a Spanish firm, Petresa, as a result of the tariff cuts implemented under the FTA, and deterioration of its competitive position before more effective bilateral rules and disciplines relating to the use of government subsidies have been developed with respect to Canada. However, Ambassador Kantor did not conclude that sufficient evidence of subsidy had been presented to identify the U.S. LAB industry under section 409(b) at this time.

In making the announcement, Ambassador Kantor stated that "I fully share Vista Chemical's concern with regard to the potentially negative effect on the U.S. industry of subsidized imports of LAB from Canada. While there is currently no concrete evidence that the Government of Canada or the Province of Quebec will subsidize the proposed joint venture, I am committed to work with U.S. industry in vigilantly monitoring the development of the Quebec facility until it begins production and act accordingly should evidence of subsidization be uncovered". In addition, Ambassador Kantor noted that, "I have notified Canadian Trade Minister Hockin of my decision in this case and requested that we consult regularly as the Quebec facility comes on line."

Section 409(b) allows an identified industry to request the gathering of information pursuant to other laws and authorizes the subsequent monitoring and review of evidence related to subsidies.

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FOR IMMEDIATE RELEASE  
FRIDAY, OCTOBER 8, 1993

93-62  
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**DEPUTY USTR YERXA SIGNS  
UNITED STATES AND SURINAME TRADE AND INVESTMENT AGREEMENT**

Deputy United States Trade Representative Rufus Yerxa and Suriname's Foreign Minister Subhas Mungra today signed a framework agreement establishing a United States-Suriname Council on Trade and Investment.

"We welcome this agreement, which provides a consultative mechanism for strengthening cooperation between our countries in the areas of trade and investment," Ambassador Yerxa said.

The Council's main objectives are to monitor trade and investment relations, to pursue the goal of open markets between both countries and to negotiate agreements, where appropriate.

Agenda items for the Council's initial work will include cooperation on the Uruguay Round of multilateral trade negotiations in the GATT, developments of the Caribbean Basin Initiative, trade and investment liberalization and opportunities, protection of intellectual property rights and trade-related environmental measures.

"We look forward to working with" the Government of Suriname, "towards removing impediments to trade and investment in the region," Yerxa said. "Today marks a new step in that direction."

The Council will be chaired on the U.S. side by the Office of the United States Trade Representative and on Suriname's side by the Ministry of Trade and Industry.

All Latin American and Caribbean countries, except Cuba and Haiti, are now parties to trade and investment framework agreements with the United States.

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FOR IMMEDIATE RELEASE  
TUESDAY, OCTOBER 5, 1993

93-61  
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**KANTOR ANNOUNCES ACCEPTANCE OF 1993 GSP PETITIONS**

The Administration has made decisions on which petitions it will accept for formal review in the 1993 Generalized System of Preferences (GSP) annual review, U.S. Trade Representative Mickey Kantor announced today. The decision includes the acceptance of seven worker rights petitions, five intellectual property petitions, and 30 petitions to review the GSP eligibility of specific items. The acceptance of these petitions brings the total number of ongoing worker rights reviews to 15 - the largest number of such reviews ever conducted in an annual review, and a significant increase over the 10 reviews conducted in 1992.

The United States GSP program, which grants duty free access to selected items from eligible developing countries, was recently extended until September 30, 1994 as part of the Budget Reconciliation Act signed by President Clinton in August. "The Administration strongly supports the long-term renewal of GSP beyond its September 1994 expiration date," Kantor said. "At this time, however, it is vital that beneficiary countries participate actively to conclude the Uruguay Round, especially in the market access negotiations. We will be looking at the level of participation of developing countries in the Round as we develop the form and coverage of a future GSP program. "

Worker Rights Petitions

Petitions to review the compliance of 7 countries with the worker rights provisions of the GSP law have been accepted for review, it was announced. These countries are: Pakistan, Maldives, Costa Rica, Peru, Paraguay, the Dominican Republic, and Haiti. "As I stressed in June, this Administration is committed to vigorously enforcing the worker rights requirements of the GSP law," Kantor said. "Ensuring that GSP beneficiary countries are making progress in meeting international labor norms is an important priority for the Administration. Initiating a worker rights review enables us

to examine whether countries are taking steps to afford internationally recognized worker rights, as required by the law."

In the case of at least four countries, Costa Rica, Paraguay, Peru, and the Dominican Republic, Kantor noted that actions aimed at improving worker rights appeared to be in process. "In cases where we are satisfied that a country has completed concrete actions to improve worker rights, we reserve the right to successfully terminate our review at any time in the coming year," Kantor noted. "In fact, we would urge countries to take steps to afford these internationally recognized worker rights as quickly as possible."

In the case of Haiti, while the Administration was accepting the petition, it would suspend the active phase of review for the time being, it was announced, because the government of Haiti is not now in a position to respond to the allegations. "Acceptance of this petition is an acknowledgement of the severe worker rights problems that exist in Haiti at the present time. However, given the delicate transition that is now occurring in Haiti, it is simply not realistic for us to be able to actively conduct a review at this time," Kantor said. The Administration has pledged to work with the Aristide government on aid and assistance. "At the same time, we hope and expect that President Aristide will make efforts to improve the rights of workers as he returns to Haiti. Once the political situation has stabilized, we look forward to working closely with President Aristide to improve the labor situation in Haiti."

Finally, in the case of Malaysia, Kantor announced that the Administration was deferring a decision on whether to accept the petition and begin a formal review until January 1994. "Malaysia was the subject of a GSP worker rights review several years ago," Kantor noted. "We need some time to determine if a second review is really warranted, or if worker rights progress has continued over the past several years."

The worker rights petitions of four other countries, Colombia, Morocco, Mexico, and Sri Lanka, were not accepted for formal review, it was announced. "It was our determination that these petitions did not meet the regulatory and statutory standards for acceptance," Kantor said. "We will be publishing detailed reports explaining our reasons for not accepting them."

#### Intellectual Property Petitions

Petitions to review the compliance of five countries with the intellectual property provisions of the GSP statute were being accepted for formal review, it was also announced. These countries are: Cyprus, Egypt, El Salvador, Poland, and Turkey. The review of Cyprus is being conducted on an expedited basis. Kantor noted that each of these countries was also the subject of review under the "Special 301" process. "In each of these five cases, a process of dialogue has already begun," Kantor noted. In light of this, we

reserve the right to consider appropriate GSP action at any time in the coming year, as we make decisions in the ongoing Special 301 process."

In the case of an intellectual property petition on Venezuela, no formal review would be initiated at this time, it was announced. "We have been informed that this petition will be withdrawn as soon as the recently passed copyright bill in Venezuela is signed into law," Kantor noted.

Finally, in the case of El Salvador, Kantor noted that, "while we are encouraged by recent efforts to improve the protection of intellectual property, a number of serious problems need to be addressed. We look forward to working with the Government of El Salvador in the coming months to bring its IPR regime up to international standards."

#### Product Petitions

It was also announced that the Administration was accepting 30 petitions to change or extend the GSP eligibility of various specific products. Those decisions are noted in the attached annex. 89 such GSP product petitions were rejected for review, because they failed to satisfy the program's statutory or regulatory requirements or were already eligible for duty free treatment. Finally, one such product petition was withdrawn.

#### Annual Review Schedule

The acceptance of petitions begins a 9 month review process, which includes public hearings scheduled for November 17, 1993. Details on the annual review process and schedule will appear in a Federal Register notice to appear shortly.

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1993 GSP ANNUAL REVIEW  
PUBLIC HEARINGS AND COMMENT SCHEDULE FOR  
PRODUCT AND COUNTRY PRACTICE PETITIONS<sup>1</sup>

10-5-93

November 3, 1993	Deadline for requests to appear at public hearings and submission of pre-hearing briefs. Deadline for providing the name, address, and organization of witnesses.
November 17, 1993	Public Hearings. Location to be announced at a later date.
December 8, 1993	Deadline for submission of post-hearing briefs.
December 17, 1993	Deadline for submission of rebuttal briefs.
January 1994	10-Month Warning List published in <u>Federal Register</u> .
February 1994	Public comments due on USITC advice to the President.
February 23, 1994	Public comments due on Warning List.
April 1994	Annual Review decisions regarding products announced by the President.
July 1, 1994	Annual Review changes to eligible product list implemented.
July 1994	Annual Review decisions regarding country practices announced by the President; decisions implemented fifteen days after publication in <u>Federal Register</u> .

For further information contact:

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Dates are subject to change. Notification of any changes will be given in the Federal Register.

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<sup>1</sup> Country practice reviews of El Salvador, Guatemala, Honduras, Indonesia, Malawi, Oman, and Thailand will be conducted according to the schedule in 58 FR 50060, September 24, 1993.

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**U.S. GENERALIZED SYSTEM OF PREFERENCES  
COUNTRY PRACTICE PETITIONS DECISIONS  
1993 ANNUAL REVIEW<sup>1</sup>**

October 5, 1993

CASE NUMBER	PETITIONER(S)	COUNTRY	ACTION	DECISION
001-CP-93	AFL-CIO	BAHRAIN	WR	Pended from 92AR
002-CP-93	Int'l Labor Rights Education & Research Fund (ILRERF)	COLOMBIA	WR	REJECT
003-CP-93	AFL-CIO	COSTA RICA	WR	ACCEPT
004-CP-93	AFL-CIO	DOMINICAN REPUBLIC	WR	ACCEPT
006-CP-93	AFL-CIO	FIJI	WR	Pended from 92AR
008-CP-93	AFL-CIO	HAITI	WR	<sup>2</sup> ACCEPT
011-CP-93	AFL-CIO	MALAYSIA	WR	<sup>3</sup> DEFER
012-CP-93	AFL-CIO	MALDIVES	WR	ACCEPT
013-CP-93	Int'l Labor Rights Education & Research Fund (ILRERF)	MEXICO	WR	REJECT
014-CP-93	AFL-CIO	MOROCCO	WR	REJECT
016-CP-93	AFL-CIO; Int'l Human Rights Law Clinic (Washington College of Law); Int'l Labor Rights Education & Research Fund (ILRERF)	PAKISTAN	WR	ACCEPT
017-CP-93	AFL-CIO	PARAGUAY	WR	ACCEPT
018-CP-93	AFL-CIO	PERU	WR	ACCEPT
019-CP-93	Int'l Labor Rights Education & Research Fund (ILRERF)	SRI LANKA	WR	REJECT

<sup>1</sup> Country practice reviews of El Salvador, Guatemala, Honduras, Indonesia, Malawi, Oman, and Thailand will be conducted according to the schedule in 58 FR 50060, September 24, 1993.

<sup>2</sup> Haiti: Active portion of review suspended at this time. Hearings schedule does not apply.

<sup>3</sup> Malaysia: Decision on whether to accept the petition has been deferred until 1-94. Hearings schedule does not

CASE NUMBER	PETITIONER(S)	COUNTRY	ACTION	DECISION
022-CP-93	Int'l Intellectual Property Alliance	CYPRUS	IPR	<sup>4</sup> ACCEPT
023-CP-93	Motion Picture Export Assoc. of America	DOMINICAN REPUBLIC	IPR	Pended from 92AR
024-CP-93	Int'l Intellectual Property Alliance	EGYPT	IPR	ACCEPT
025-CP-93	Int'l Intellectual Property Alliance	EL SALVADOR	IPR	ACCEPT
026-CP-93	Motion Picture Export Assoc. of America	GUATEMALA	IPR	Pended from 92AR
028-CP-93	Int'l Intellectual Property Alliance	POLAND	IPR	ACCEPT
029-CP-93	Int'l Intellectual Property Alliance	TURKEY	IPR	ACCEPT
030-CP-93	Int'l Intellectual Property Alliance	VENEZUELA	IPR	<sup>6</sup> NO REVIEW

R = Worker Rights  
 = Intellectual Property Rights

Cyprus: EXPEDITED -- COMMENTS DUE 10-21-93. Hearings schedule does not apply.

Venezuela: Petition to be withdrawn upon signing of copyright law.

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1993 GSP ANNUAL REVIEW - PRODUCT PETITIONS 10-05-93

**I. PETITIONS TO ADD PRODUCTS TO GSP**

**A. ACCEPTED**

<u>HTS NO.</u>	<u>PRODUCT</u>	<u>PRIMARY BENEFICIARY</u>
0805.30.40	LIMES	VENEZUELA
0806.20.10	RAISINS FROM SEEDLESS GRAPES	CHILE
2309.90.90(PT)	VITAMIN B12 FOR ANIMAL USE	HUNGARY
2902.11.00	CYCLOHEXANE	VENEZUELA
2918.30.20(PT)	BULK KETOPROFEN	CROATIA
2921.49.40(PT)	DEPRENYL HYDROCHLORIDE	HUNGARY
2933.39.37(PT)	ETHIONAMIDE	HUNGARY
2937.92.20(PT)	ESTRADIOL BENZOATE	HUNGARY
2937.92.80(PT)	ESTRADIOL	HUNGARY
2937.99.80(PT)	TRENBOLONE ACETATE	HUNGARY
8529.90.10	TELEVISION TUNERS	INDONESIA
9106.90.80(PT)	TIMERS	THAILAND

**B. REJECTED**

<u>HTS NO.</u>	<u>PRODUCT</u>	<u>PRIMARY BENEFICIARY</u>
0712.90.75	DEHYDRATED TOMATOES	CHILE
0804.40.00	AVOCADOS	CHILE
0811.20.20	RASPBERRIES	CHILE
1302.39.00	CARRAGEENAN	PHILIPPINES
2002.10.00	PREPARED/PRESERVED TOMATOES	CHILE
2002.90.00	OTHER TOMATOES, PREPARED	CHILE
2007.99.35	PEACH JAM	CHILE
2007.99.65	FIG PASTE	TURKEY
2008.70.00	PREPARED/PRESERVED PEACHES	CHILE
2008.92.90	MIXTURES	CHILE
2009.11.00	ORANGE JUICE CONCENTRATE	URUGUAY
2009.60.00	GRAPE JUICE	CHILE
2401.20.80	BURLEY TOBACCO	CHILE
2613.10.00	MOLYBDENUM CONCENTRATES	CHILE
2905.31.00	ETHYLENE GLYCOL	MEXICO
2909.49.50	DIPROPILENGLYCOL	VENEZUELA
5112.11.00	WOVEN FABRICS/WOOL	CHILE
5112.19.00	OTHER WOVEN FABRICS	CHILE
5515.11.00	WOVEN POLYESTER	CHILE
6203.11.00	TROUSERS, ETC. (ANIMAL HAIR)	CHILE
6203.31.00	TROUSERS, ETC. (ANIMAL HAIR)	CHILE
6203.41.00	TROUSERS, ETC. (ANIMAL HAIR)	CHILE
6203.42.10	MEN'S DENIM TROUSERS	CHILE
6204.21.00	WOMEN'S ENSEMBLES	CHILE
6204.31.00	WOMEN'S ENSEMBLES	CHILE
6204.51.00	WOMEN'S ENSEMBLES	CHILE
6204.61.00	WOMEN'S ENSEMBLES	CHILE
6204.62.10	WOMEN'S DENIM TROUS.	CHILE
6406.99.60	LEATHER PARTS OF FOOTWEAR	ARGENTINA
6908.90.00	CERAMIC FLAGS	CHILE
6908.90.00	CERTAIN CERAMIC TILES	BRAZIL
7202.70.00	FERROMOLYBDENUM	CHILE

7202.99.50	FERROBORON	ALL
8112.91.50	RHENIUM METAL	CHILE
9102.11.10	WRIST WATCHES (EL)	PHILIPPINES
9102.11.25	WRIST WATCHES (EL)	PHILIPPINES
9102.11.30	WRIST WATCHES (EL)	PHILIPPINES
9102.11.45	WRIST WATCHES (EL)	PHILIPPINES
9102.19.20	COMBO WRIST WATCHES	PHILIPPINES
9102.19.40	COMBO WRIST WATCHES	PHILIPPINES

## II. PETITIONS TO WAIVE COMPETITIVE NEED LIMITS

### A. ACCEPTED

<u>HTS NO.</u>	<u>PRODUCT</u>	<u>PRIMARY BENEFICIARY</u>
4203.21.40	BASEBALL GLOVES	PHILIPPINES
7113.19.21	GOLD ROPE CHAIN NECKLACES	ISRAEL
8402.20.00	SUPER-HEATED BOILERS	PHILIPPINES
8407.34.2080	PASSENGER CAR ENGINES	BRAZIL
8409.91.91(P.T)	ALUMINUM CYLINDER HEADS	BRAZIL
8471.20.00	NOTEBOOK-TYPE COMPUTERS	INDONESIA
8471.20.00	NOTEBOOK-TYPE COMPUTERS	MALAYSIA
8471.91.00	PERSONAL COMPUTERS	INDONESIA
8471.91.00	PERSONAL COMPUTERS	MALAYSIA
8521.10.60	VIDEO CASSETTE RECORDER	INDONESIA
8525.20.20	RADIOTELEPHONE TRANSCE'RS	PHILIPPINES
8525.20.50	CORDLESS HANDSET TELEPHONES	MALAYSIA
8525.20.50	CORDLESS HANDSET TELEPHONES	PHILIPPINES
8527.31.40	AM/FM CASSETTE PLAYER	MALAYSIA
8527.32.00	CLOCK RADIOS	MALAYSIA
8528.10.30	COMBINATION TV/VCRs	MALAYSIA

### B. REJECTED

<u>HTS NO.</u>	<u>PRODUCT</u>	<u>PRIMARY BENEFICIARY</u>
1901.90.90	CORN FLOUR PRODUCTS	MEXICO
1905.90.90	WHEAT FLOUR TORTILLAS	MEXICO
2824.10.00	LEAD MONOXIDE (LITHARGE)	MEXICO
2914.13.00	METHYL ISOBUTYL KETONE	MEXICO
4104.10.40	BOVINE LINING LEATHER	ARGENTINA
4104.21.00	BOVINE LEATHER	ARGENTINA
4104.22.00	BOVINE LEATHER	ARGENTINA
4104.29.50	UPPER LEATHER	ARGENTINA
4104.29.90	OTHER BOVINE LEATHER	ARGENTINA
4104.31.50	UPPER LEATHER	ARGENTINA
4104.31.60	NOT FANCY BELTING-BOVINE	ARGENTINA
4104.31.80	FANCY BELTING-BOVINE	ARGENTINA
4104.39.50	UPPER LEATHER; SOLE LEATHER	ARGENTINA
4104.39.60	NOT FANCY BELTING-TANNED BOV.	ARGENTINA
4104.39.80	FANCY BELTING-TANNED BOVINE	ARGENTINA
4105.20.60	FANCY SHEEP-SKIN LEATHER	ARGENTINA
4107.29.60	FANCY REPTILIAN LEATHER	ARGENTINA
4107.90.60	FANCY LEATHER - OTHER ANIMALS	ARGENTINA
4109.00.70	PATENT LEATHER	ARGENTINA
7202.19.50	MEDIUM CARBON FERROMANGANESE	MEXICO
7402.00.00	UNREFINED COPPER	CHILE
7403.11.00	COPPER CATHODES	CHILE
7403.19.00	FIRE-REFINED COPPER INGOTS	CHILE
8409.91.91	PISTON RINGS	MEXICO
8409.91.91	ALUMINUM CYLINDER HEADS	MEXICO

8415.82.00	AIR CONDITIONERS	MEXICO
8415.90.00	AIR CONDITIONER PARTS	MEXICO
8507.30.00	NICKEL BATTERIES	MEXICO
8507.30.00	NICKEL CADMIUM BATTERIES	MEXICO
8516.80.80	ELECTRIC HEATING RESISTORS	MEXICO
8523.11.00	MAGNETIC TAPES	MEXICO
8602.10.00	RAILROAD LOCOMOTIVES	MEXICO
8603.10.00	PASSENGER COACH/SUBWAY CARS	MEXICO
8606.10.00	RAILROAD TANK CARS	MEXICO
8606.30.00	RAILROAD HOPPER CARS	MEXICO
8606.91.00	RAILROAD BOX CARS	MEXICO
8606.92.00	RAILROAD GONDOLA CARS	MEXICO
8606.99.00	RAILROAD PLATFORM CARS	MEXICO

**C. WITHDRAWN**

<u>HTS NO.</u>	<u>PRODUCT</u>	<u>PRIMARY BENEFICIARY</u>
2909.19.10	METHYL TERTIARY BUTYL ETHER	VENEZUELA

**III. PETITIONS TO REMOVE PRODUCTS FROM GSP**

**A. ACCEPTED**

<u>HTS NO.</u>	<u>PRODUCT</u>	<u>PRIMARY BENEFICIARY</u>
4007.00.00	EXTRUDED RUBBER THREAD	THAILAND, INDONESIA
7308.90.90(P)	STEEL GRATING	VENEZUELA

**B. REJECTED**

<u>HTS NO.</u>	<u>PRODUCT</u>	<u>PRIMARY BENEFICIARY</u>
2917.35.00	PHTHALIC ANHYDRIDE	VENEZUELA, MEXICO, & BRAZIL
7005.29.25	FLOAT GLASS > 10MM	MEXICO
7007.11.00	TOUGHENED SAFETY GLASS	MEXICO
7007.21.10	LAMINATED SAFETY GLASS	MEXICO
7008.00.00	MULTI-WALLED INSULATING GLASS	MEXICO

OFFICE OF THE UNITED STATES  
TRADE REPRESENTATIVE  
EXECUTIVE OFFICE OF THE PRESIDENT  
WASHINGTON  
20506

FOR IMMEDIATE RELEASE  
MONDAY, NOVEMBER 29, 1993

93-70  
CONTACT: ANNE LUZZATTO  
DIANNE WILDMAN  
DAVID KURAKANE  
(202) 395-3230

USTR Announces Decision on Special 301 Investigation of Brazil

Ambassador Mickey Kantor today announced his decision to extend for up to three months the ongoing Special 301 investigation of Brazil's intellectual property rights practices.

"We welcome the fact that Brazil has indicated it will make progress in a number of important areas we are examining in this investigation, but complicated and major issues remain to be resolved," said Ambassador Kantor. "This Administration will continue to work diligently with the Government of Brazil in this investigation in our effort to achieve adequate and effective protection of U.S. intellectual property rights."

The Government of Brazil has indicated it is committed to reaching a successful conclusion to the Uruguay Round, including the trade related intellectual property rights provisions under discussion in that context. Furthermore, it has outlined important improvements in domestic legislation that are taking place in the copyright and trademark areas as well as the enforcement of intellectual property rights, including border enforcement.

Remaining issues to be resolved include patents, aspects of copyright protection, integrated circuits, trade secrets and improved market access for copyrighted works.

The USTR designated Brazil a Priority Foreign Country under the Special 301 statute on April 30, 1993 and initiated a formal investigation on May 28, 1993. The USTR was required to make a decision on this investigation by November 28, 1993. Under the requirements of the Special 301 statute, the USTR does have the authority to extend the investigation for up to three months, or February 28, 1994, if the issues that remain unresolved are complex or complicated. U.S. law does not allow for an additional extension of this investigation beyond February 28, 1994.

OFFICE OF THE UNITED STATES  
TRADE REPRESENTATIVE  
EXECUTIVE OFFICE OF THE PRESIDENT  
WASHINGTON  
20506

FOR IMMEDIATE RELEASE  
TUESDAY, NOVEMBER 30, 1993

93-71  
CONTACT: ANNE LUZZATTO  
DIANNE WILDMAN  
DAVID KURAKANE  
202-395-3230

**USTR ANNOUNCES ACTION AGAINST CHINA  
UNDER THE "SPECIAL 301" PROVISIONS OF THE 1974 TRADE ACT**

United States Trade Representative Mickey Kantor today announced his decision to move China from the "Watch List" to the "Priority Watch List" under the intellectual property rights (IPR) "special 301" provisions of the 1974 Trade Act for its failure to enforce intellectual property rights laws and regulations.

"We are committed to ensuring adequate and effective protection of intellectual property rights for U.S. interests in China," Kantor said. "We cannot tolerate the pirating or counterfeiting of U.S. products. Protection of U.S. rights is key to this Administration's policy of opening markets and creating trade opportunities for our companies and jobs for our workers."

China has made progress in changing its laws and regulations to conform with the January 1992 Memorandum of Understanding on Intellectual Property Rights, and has joined major international conventions on intellectual property rights. Nevertheless, the Chinese government has not effectively enforced those IPR laws and regulations. The resulting widespread infringement of copyrights, trademarks and patents has led to losses of hundreds of millions of dollars for U.S. industry.

In Ambassador Kantor's meetings with Chinese leaders on November 19 during the APEC conference, he raised the serious concerns of the U.S. Government regarding the need for China to enforce its IPR laws throughout the national territory. To this end, coordination within the central government, and between the central and provincial governments, is necessary. The United States expects the Chinese Government to ensure effective enforcement of intellectual property protection. This includes ending piracy of U.S. copyrighted works -- including books, computer software, audio and video recordings -- and U.S. trademark registered products.

Ambassador Kantor announced that he would dispatch an interagency team lead by USTR to visit China shortly in an effort to reach an agreement on enforcement.

**ASIA-PACIFIC ECONOMIC COOPERATION  
MINISTERIAL MEETING  
NOVEMBER 17-19, 1993  
SEATTLE, WASHINGTON**

**JOINT STATEMENT**

1. Ministers from Australia, Brunei Darussalam, Canada, 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 Fifth Asia-Pacific Economic Cooperation (APEC) Ministerial Meeting convened in Seattle, Washington November 17-19, 1993. The ASEAN Secretariat, the Pacific Economic Cooperation Council (PECC) and the South Pacific Forum (SPF) attended as observers. Members of the APEC Secretariat also were present.
2. The meeting was chaired by the Honorable Warren Christopher, Secretary of State of the United States.
3. In his opening remarks, Secretary Christopher stated trade and investment within Asia and the Pacific are weaving a new web of human and commercial relationships. He indicated APEC can play a crucial role in developing these Asia-Pacific networks. The Secretary also stressed APEC's development depends on its ability to promote more open trade and investment in the region, increase cooperation on issues that require regional solutions, and improve regional infrastructure.
4. The Ministers noted with great anticipation the meeting of APEC leaders to be held in Seattle, November 20, 1993. The Ministers agreed this meeting offers a unique opportunity for leaders to articulate a shared vision for the region into the next century and further develop economic ties in the region.
5. Ministers held discussions on a range of topics, including:
  - o The Report of the Eminent Persons Group
  - o Economic Trends and Issues
  - o Trade and Investment Issues
  - o The APEC Work Program
  - o Participation Issues
  - o Organizational Issues

6. As the former Chairman of APEC and the current Chairman of the ASEAN Standing Committee. H.E. Foreign Minister Prasong Soonsiri of Thailand expressed satisfaction with the progress made since the Bangkok Ministerial meeting. He stated APEC's priority tasks are to push for the successful conclusion of the Uruguay Round by the target date and to further enhance technical cooperation and trade facilitation in APEC. The Foreign Minister stressed the achievement of regional trade liberalization must be made through consultation in a manner consistent with the principles of GATT and open regionalism, with full recognition of members' differences in levels of economic development. APEC must retain its consensual and flexible character, which continues to be its fundamental strength.

### REPORT OF THE EMINENT PERSONS GROUP

7. Ministers expressed their great appreciation for the initial Report of the Eminent Persons Group, which assessed the current position and outlook of the APEC region, developed a long-term vision for open trade in the APEC region and proposed a program of initiatives to implement the vision. The EPG chair, Dr. C. Fred Bergsten, presented the Group's unanimous Report which emphasized that APEC must accelerate and expand cooperation in order to respond to three threats to the continued vitality of the region: erosion of the multilateral global trading system; evolution of inward looking regionalism; and risk of fragmentation within the Asia-Pacific region. The EPG recommended APEC undertake initiatives in four areas: regional and global trade liberalization; trade facilitation programs; technical cooperation; and institutionalizing APEC.

8. Ministers warmly welcomed the Report's broad thrust and direction, pointing out the Report's bold vision of open trade, investment and economic development in the region provides an important foundation and catalyst for future regional cooperation. In a wide-ranging discussion Ministers noted the contribution of the EPG in promoting vigorous debate on the economic challenges facing the Asia-Pacific region, reaffirmed the central value of a strengthened open multilateral trading system to continued growth in APEC economies, urged acceleration and extension of APEC's trade and investment facilitation and technical cooperation, and expressed their desire to enhance APEC's role as a vehicle for regional and global trade and investment liberalization. They also noted the EPG vision reflected the strengthening of economic relationships and a growing sense of cohesion and community in the Asia-Pacific region, reflecting APEC's commitment to consultation and consensus building. Ministers directed the APEC Secretariat to give broad distribution to the Report. They also suggested EPG members might wish to discuss the Report with the business community, academia, and the general public, and APEC members might wish to encourage this process.

9. Ministers discussed several approaches to addressing the EPG recommendations, noting in particular that those recommendations closely linked to ongoing work should be implemented promptly; those recommendations related to the outcome of the Uruguay Round would require additional study and consideration; and those recommendations related to

longer term trade liberalization would require further elaboration by the EPG, on the advice of Senior Officials.

10. In light of the above, Ministers instructed Senior Officials to develop pragmatic programs to implement the EPG recommendations on trade liberalization and facilitation, technical cooperation, and the development of the APEC structure and decision-making process. Ministers further requested Senior Officials prepare a strategy and program to advance regional and global open trade, identify mechanisms to achieve that goal, and report to Ministers at the next ministerial meeting.

11. Ministers asked the Eminent Persons Group, on the advice of Senior Officials, to present further more specific proposals on how the recommended long-term vision might be realized. Ministers wish to consider these proposals at their meeting in Indonesia in 1994.

### ECONOMIC TRENDS AND ISSUES

12. Ministers emphasized the central role which sound economic analysis plays in developing both national policies and regional cooperative initiatives. The growing interdependence within the region is producing shared goals and aspirations and fostering a spirit of common purpose and of community among APEC members. The work of the Ad Hoc Group on Economic Trends and Issues is, therefore, crucial to promoting open trade and investment throughout the region and increasing the economic well-being of all our peoples. Ministers directed the Group to strengthen further its capability to prepare assessments of long-term economic trends and studies of specific sectoral issues. Ministers directed Senior Officials to explore the possibility of transforming the Group into the APEC Economic Committee before the next ministerial meeting.

13. Ministers thanked Thailand for the excellent economic outlook paper prepared for Ministers' review. Ministers discussed the key issues analyzed in the report, including the prospects for continued economic growth in the region and the near-term outlook for inflation. Ministers also considered several emerging economic issues the paper identified, including the growth of infrastructure bottlenecks in some member economies and changes in the labor markets of several member economies.

14. Ministers welcomed the valuable analysis contained in Japan's paper on a vision of the region in the year 2000. They noted the importance of continued analysis of the major topics in the report, including trade and investment liberalization, developing human resources and meeting environmental and energy resource challenges.

15. Ministers endorsed the proposal to initiate regular exchange among APEC members of key economic statistics. Such exchange will facilitate policy formulation and enhance future Ministerial discussion of economic developments in the region.

16. Ministers endorsed the Group's mission statement and instructed Senior Officials to advance work on one or more of the proposals to: assess the study on investment flows throughout the region; examine the interrelation of trade liberalization and privatization; study the means of sustaining economic growth in the context of sound energy and environmental policies; and over the longer term, explore the feasibility of producing in-depth analysis of international industrial linkages. Ministers also directed Senior Officials to prepare short- to medium-term economic outlooks for economies of the region for use at the 1994 ministerial meeting.

## TRADE AND INVESTMENT ISSUES

17. Ministers confirmed trade and investment liberalization as the cornerstone of APEC's identity and activity. Strengthening the multilateral trading system, expanding regional and global trade and improving investment rules and procedures in a GATT-consistent manner are, therefore, central APEC objectives. The Uruguay Round must conclude by December 15. Ministers accordingly resolved to exercise the political will required to achieve this goal. To that end, Ministers agreed to a resolute statement urging an early and successful conclusion to the Uruguay Round and demonstrated their commitment to this goal by expressing their preparedness to take additional specific trade liberalizing measures [Annex 1]. APEC challenges other Uruguay Round participants to enhance their own contributions to the Round's successful conclusion.

18. Ministers expressed strong support to non-GATT members of APEC in their efforts to become GATT contracting parties, thus making additional contributions to the strengthening of the multilateral trading system.

19. Ministers welcomed the Report of the Informal Group on Regional Trade Liberalization (RTL), as agreed by Senior Officials, and endorsed its recommendations on the continuation of a dialogue within APEC on important multilateral and regional trade policy issues and the further development of APEC's action agenda on trade and investment. On the trade policy dialogue, Ministers noted in particular the effective role played by APEC in maintaining the momentum for a satisfactory outcome to the Uruguay Round and in fostering better understanding of subregional trade arrangements and the contribution of such arrangements to APEC's overall goals.

20. Ministers emphasized the imperative that APEC members give effective support to the market-driven dynamism of the region. In this respect, they endorsed the RTL Group's recommendations aimed at improving access to tariff data, reducing administrative barriers to trade, streamlining customs procedures, harmonizing the diverse approaches to standards and conformance issues and encouraging the flow of investment. Ministers welcomed the extensive progress on customs facilitation, publication of an APEC Investment Guidebook and a private sector survey of attitudes toward investment in the region, publication of the APEC Customs Manual and hosting of the APEC Customs Symposium. APEC's important work in

this area will be further developed by the new Committee on Trade and Investment which will replace the RTL Group.

21. Ministers wholeheartedly adopted the "Declaration on an APEC Trade and Investment Framework" and the accompanying initial work program for the newly established Committee on Trade and Investment [Annex 2]. The Declaration significantly advances APEC's role in trade and investment by engaging APEC members in both policy and facilitation matters. The Declaration serves as an important instrument within which to further define APEC's identity, expand economic activity and facilitate the flow of goods, services, capital, investment and technology throughout the region.

22. Ministers called for a meeting of ministers concerned with trade policy to review the results of the Uruguay Round and its implications for the region. Ministers urged this post-Uruguay Round meeting to consider next steps for regional and global trade liberalization.

### WORK PROGRAM ISSUES

23. APEC's role in sustaining regional growth and development derives from growing intraregional economic interdependence. The activities of the ten Working Groups are an essential part of APEC's efforts to contribute to the region's development and prosperity. Recognizing the critical importance of modern telecommunications and information technologies to regional integration and cooperation; the unique role of tourism as the largest industry in the region; and the urgent need to work with other organizations on marine resources conservation to strengthen regional cooperation in response to UNCED, Ministers issued separate declarations on those issues [Annexes 3-5].

24. Ministers commended and approved the vision and policy issues statements and asked the Working Groups to direct their efforts to realizing the objectives in those statements. Ministers approved the Consolidated Report on the APEC Work Program.

25. Ministers welcomed Korea's proposals on the establishment of an "APEC Vocational Training Program" and the creation of an "APEC Technomart" and directed the Senior Officials to explore the possibility of implementing them within the framework of the Human Resource Development and Investment and Industrial Science and Technology Working Groups.

### Trade and Investment Data

26. Ministers welcomed the progress made on developing a near comparable merchandise trade data base for APEC economies and directed that priority attention be devoted to efforts to adjust published merchandise trade data according to agreed principles and standards. The Group should also strengthen efforts to improve the collection and sharing of services trade and investment data.

## Trade Promotion: Programs and Mechanisms for Cooperation

27. Ministers noted the Working Group can play an important role in strengthening interaction with the business/private sector. Ministers anticipate the first Asia-Pacific International Trade Fair to be held in Osaka, Japan in October 1994 will be a significant step to accelerate trade promotion and increase commercial transactions in the region.

## Investment and Industrial Science and Technology

28. Ministers noted the broadening of the mandate for the Investment and Industrial Science and Technology Working Group and endorsed its efforts to develop a work program that increases cooperation in these important fields.

## Human Resources Development

29. The people of the Asia Pacific region are its single most important asset. The dynamism of the region is reflected in changing human resources needs. Ministers expressed satisfaction with the progress achieved in APEC's human resource development activities, but urged that continued priority attention be devoted to this work -- with particular emphasis on the training and adjustment needs necessitated by changing trade patterns, industrial restructuring and other economic changes associated with rapid growth and technological progress.

## Energy Cooperation

30. Ministers noted the vital importance of secure and balanced energy supplies and rational energy use for sustained economic development and protection of the environment. They welcomed technology and policy exchanges on energy efficiency, clean coal technology and renewable energy, and in particular were encouraged by active business/private sector participation in APEC technical energy workshops and seminars.

## Marine Resource Conservation

31. Ministers confirmed the unique contribution APEC can make to marine resources conservation and the importance of APEC cooperation with other marine resources conservation organizations in response to UNCED .

## Telecommunications

32. Modern and compatible telecommunications networks are vital components linking and drawing closer the APEC economies. Ministers praised the completion of the second edition of The State of Telecommunications Infrastructure and Regulatory Environments of APEC Economies. the Working Group's stress on human resources development, and its important contribution to the consideration of coordinating APEC's electronic data interchange activities.

## Fisheries

33. Ministers noted the important role of fisheries to the region's economies and endorsed the Working Group's projects on fisheries management, survey of training needs, health and quality rules for fisheries products, improved marketing information on seafood trade in the region, and the possible role of APEC in respect to aquaculture.

## Transportation

34. Ministers emphasized the importance of efficient transportation systems in promoting regional growth and integration. They expressed appreciation for the Working Group's efforts in developing information on regional transportation and encouraged the Group to accelerate its work on identifying infrastructural needs and facilitating movement of passengers and goods in the region.

## Tourism

35. Ministers welcomed the progress made by the Working Group in addressing the issues of sustainable development of the tourism sector and addressing the relationship between tourism and the environment.

## PARTICIPATION ISSUES

36. Ministers noted the continuing interest expressed by a number of economies and organizations in participating in some capacity in the APEC process. Ministers reaffirmed APEC is an open and evolving process and recalled the view expressed in Bangkok that consolidation and effectiveness should be the primary considerations at this stage of APEC's development. Ministers also recognized, however, that APEC should develop more systematic means of addressing the issue of new members in a manner which is responsive to APEC's needs while promoting constructive interaction with other economies and organizations in the region.

37. Ministers welcomed the admission of Mexico and Papua New Guinea to APEC. They also decided to admit Chile to APEC and looked forward to its membership at the ministerial meeting in 1994. In the interim, Ministers encourage Chile to participate in the Working Group activities. Noting the importance of increasing APEC's effectiveness, Ministers agreed to defer consideration of additional members for three years, during which time Senior Officials would study APEC's membership policies and provide recommendations to Ministers on an ongoing basis.

38. Ministers reaffirmed that participation by non-members from the Asia-Pacific region in APEC work projects can be beneficial to members as well as non-members. In order to facilitate cooperation with non-members and address issues arising from increased economic interdependence, Ministers approved the proposed guidelines for non-member participation in

APEC working group activities which appear as Annex 6, and asked Senior Officials to identify other potential means to promote mutually beneficial interaction. With respect to organizations, Senior Officials should identify considerations to guide APEC in fostering appropriate ties and report their findings to the Sixth Ministerial.

### Private Sector Participation

39. The business/private sector has played a major role in facilitating the dynamic growth of the region. Engagement with the business/private sector, particularly through Working Group activities, ensures APEC's efforts are relevant to real world challenges and opportunities. Ministers commended the progress made this year in increasing business/private sector engagement with APEC and directed each Working Group to enhance its outreach to the business/private sector. Ministers pledged to solicit the advice of the business/private sector on issues relevant to APEC's work, especially through the PECC, and instructed Senior Officials to explore other ways of broadening and deepening cooperation with the business/private sector including the work of the new Committee on Trade and Investment.

### ORGANIZATION ISSUES

#### APEC Secretariat

40. Ministers noted with satisfaction the successful establishment of the APEC Secretariat, and expressed deep appreciation to Singapore for its extraordinary generosity in assisting the Secretariat and to Executive Director Ambassador Bodde and the Secretariat staff for their outstanding efforts during the first year of operation. Ministers highlighted the Secretariat's crucial role in facilitating cooperative links with members and the work program. Ministers stressed the Secretariat should serve as a central coordinating point for disseminating information including informing Working Groups of Senior Officials' decisions, coordinating requests by non-members to participate in APEC activities, and publishing and distributing APEC documents. The Secretariat should continue to place high priority on careful management of the APEC budget, disbursement of central funds, and maintenance of effective financial controls to ensure accountability of APEC funds.

#### Budget

41. Ministers endorsed efforts by Senior Officials, assisted by Working Group Shepherds and the APEC Secretariat, to develop and implement a series of measures related to financial operations and administration. Ministers approved an APEC 1994 Central Fund of \$2 million and stipulated that unspent 1993 funds may be carried over to 1994 for expenditures approved by Senior Officials. Ministers asked the Budget and Administrative Committee to address the issue of contributions from new members.

## APEC Structure

42. Ministers praised work by Korea and Canada in developing a comprehensive Vision Statement containing proposals designed to ensure efficient management of APEC's scarce resources. Similarly, Ministers directed that a Budget and Administrative Committee be established to advise Senior Officials on operational and administrative budget issues, financial management, and project management of the APEC work program. For the first year, committee membership will be open to all APEC members. The Working Groups will continue to report directly to Senior Officials. Ministers directed Senior Officials to use the Vision Statement as a basis for developing proposals related to APEC's structure and to provide recommendations at the 1994 ministerial meeting on restructuring APEC to improve its effectiveness and decision-making process.

## VENUES FOR FUTURE APEC MINISTERIAL MEETINGS

43. As decided at the Fourth Ministerial Meeting in Bangkok, the Sixth Ministerial Meeting will be held in Indonesia in 1994, the Seventh Ministerial Meeting will be held in Japan in 1995. Philippines and Canada will host the Eighth and Ninth Ministerial Meetings in 1996 and 1997 respectively.

## OTHER MATTERS

44. Ministers also welcomed Canada's offer to host a meeting of APEC ministers concerned with the environment in Vancouver on March 25-26, 1994 in connection with the Globe '94 conference and environmental exhibition.

45. Ministers and their delegations expressed their deep appreciation to the United States for the warm and generous hospitality extended to them and the excellent facilities and arrangements made available for the Meeting.

Annex 1

Declaration of APEC Ministers on the Uruguay Round

Declaration of APEC Ministers  
on the Uruguay Round

APEC Ministers call for urgent action to complete successfully the Uruguay Round by December 15 because of its vital contribution to global growth and prosperity. APEC members believe that a strengthened multilateral trading system will serve as the foundation for trade expansion initiatives within APEC.

The time for pledges and commitments is long past. Concrete steps are required to assure a substantial result in market access in industrial and agricultural goods, and in services, and a strengthened system of rules and disciplines resulting from a completed draft "Final Act." APEC members are ready to do their part to meet this challenge in the remaining few days. The nature of our contributions should reflect specific economic interests and our varied levels of development.

As the most economically powerful and dynamic region in the world representing nearly 40% of the world's population and 40% of world trade, we collectively are determined to assure that the Round succeeds by helping to forge the necessary consensus in Geneva. Accordingly,

1. We challenge Uruguay Round participants to improve their market access offers in Geneva. Subject to comparable commitments from our trading partners, and in the context of a global and balanced result in all areas, members engaged in the negotiations are prepared to participate to the maximum extent possible by:

- a. offering to eliminate, reduce or harmonize tariffs and non-tariff barriers in sectors previously agreed by the Quad;
- b. offering to eliminate, reduce, or harmonize tariff and non-tariff barriers in additional sectors of particular importance to APEC economies; and
- c. accelerating the work in our respective bilateral negotiations to expand and secure market access opportunities in goods and services of particular interest to APEC economies.

2. We confirm that agriculture remains an essential element of a global and balanced result. The Blair House Agreement already dilutes the draft "Final Act" agriculture text and any further efforts to weaken that outcome would jeopardize the ability to secure an overall acceptable result on agriculture. A successful result will also require the strongest possible package of agricultural trade liberalization, including for processed products.

3. We agree to review and improve our respective services offers in key sectors to the maximum extent possible, keeping MFN derogations to a minimum in order to begin the process of progressive liberalization that will accompany the strong framework of rules already negotiated.

4. We agree that the draft "Final Act" must provide the basis for the final agreement with any agreed changes kept to a minimum. This should result in a strengthening of the multilateral framework of rules and disciplines and an effective mechanism for resolving disputes.

Annex 2

Declaration on an Asia-Pacific Cooperation Trade and  
Investment Framework and Accompanying 1994 Work Program

## DECLARATION ON AN ASIA PACIFIC ECONOMIC COOPERATION TRADE AND INVESTMENT FRAMEWORK

Ministers of Australia, Brunei Darussalam, Canada, the People's Republic of China, Hong Kong, Indonesia, Japan, the Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, Chinese Taipei, Thailand and the United States of America, meeting in Seattle from November 17-19, 1993, (collectively the "Members"):

1. Determined to work through APEC toward the further development of open regionalism and market-driven economic interdependence in the Asia Pacific region;
2. Challenged by their desire to capitalize upon the strong and dynamic growth in regional trade and investment through increased cooperation and facilitation;
3. Recognizing that GATT principles are the cornerstone of the multilateral, international trading system and the basis for economic cooperation in APEC, and remaining committed to those principles;
4. Mutually determined to develop APEC's global role as a forum operating through consultation and by consensus, distinguished by open regionalism and committed to the strengthening of the multilateral trading system embodied by GATT;
5. Demonstrating to the global trade and investment community APEC's vision of dynamic interdependence and APEC's ability to represent the mutual interests of the Asia Pacific region with an active, common voice on trade and investment issues of global importance;
6. Recognizing the differences in the stages of development and in the socio-political systems, and giving due consideration to the needs of developing economies;
7. Recognizing the linkage between trade and investment and the flow of technology;
8. Committed to open dialogue and consensus-building with respect to the views of all participants;
9. Determined to pursue the objectives of the Seoul APEC Declaration November 14, 1991, confirmed at Bangkok on September 11, 1992 to:

sustain the growth and development of the region for the common good of its peoples and, in this way, to contribute to the growth and development of the world economy;

enhance the positive gains, both for the region and the world economy, resulting from increasing economic interdependence, including by encouraging the flow of goods, services, capital and technology;

develop and strengthen the open multilateral trading system; and

reduce barriers to trade in goods and services and investment among participants in a manner consistent with GATT principles and without detriment to other economies;

10. Acknowledging the essential role played by the APEC business sector in furthering growth, creating jobs, expanding trade and investment, improving technology and enhancing economic development and cognizant that protectionism, certain investment measures as well as other discriminatory and restrictive practices that distort trade would deprive APEC economies of such benefits;

11. Desiring to consult on and seek solutions to trade and investment problems in the region as amicably and expeditiously as possible without prejudice to the rights and interests of members under the GATT and consistent with GATT principles;

12. Convinced that it would be in the interest of APEC economies to establish an APEC mechanism to stimulate the liberalization of trade and investment and advance a trade agenda in support of these objectives within the region.

To this end, Ministers jointly resolve as follows:

**PARAGRAPH ONE**                      **Establishment of the APEC Committee on Trade and Investment**

Under the authority of APEC Ministers, the APEC Committee on Trade and Investment (the "Committee") is established. The Committee will report to Ministers through Senior Officials (the SOM).

**PARAGRAPH TWO**                      **Objectives**

The objectives of the Committee are to:

1. Create a coherent APEC perspective and voice on global trade and investment issues and increase cooperation among Members on key issues.
2. Pursue opportunities to liberalize and expand trade, facilitate a more open environment for investment and develop initiatives to improve the flow of goods, services, capital and technology within the region; consult on issues of importance in that context and develop consensus to expand and strengthen these flows within the region and globally, and to reduce and remove distortions which impede these flows in a manner consistent with applicable GATT principles.

**PARAGRAPH THREE**                      **Scope of Activity**

1. Ministers will review progress on trade and investment issues and determine the Committee's work program at their annual meeting.

2. The Work Program will address a range of such issues encompassing:
  - a) policy issues related to the evolving interrelationship of the APEC economies within the global economic environment;
  - b) impediments and distortions which affect the movement of goods, services, investment, and technology in the APEC region;
  - c) reduction of transaction costs which affect the flow of trade and investment in the region;
  - d) trade and investment policy issues evolving from the work of individual APEC Working Groups and activities;
  - e) ways to enhance the contribution of the APEC business sector in evolution of trade policies, identification of barriers to trade within the region and possible solutions of mutual benefit to the region.
  
3. At this Ministerial meeting in Seattle, Ministers enjoined the Committee to undertake the initial work program for 1994.

**PARAGRAPH FOUR**

**Structure of the Committee**

1. The Committee shall be composed of Members' policy-level officials responsible for trade and economic affairs.
2. The Committee shall select a Chair and Vice Chair to serve a term to be decided by the Committee.
3. The Committee will meet at such times as agreed jointly by representatives.
4. The Committee may establish either temporary or permanent sub-committees, with clearly defined terms of reference and duration, that may meet concurrently or separately in order to facilitate its work.

## 1994 APEC Trade and Investment Work Program

- Trade Policy Dialogue Continue a trade policy dialogue addressing developments in the multilateral trading system, regional trade initiatives, globalization and other relevant issues.
- Customs Pursue efforts to simplify and harmonize customs procedures to facilitate trade transactions among APEC economies.
- Investment Examine the APEC investment environment and possible means to enhance the flow of investment to and within the region.
- Tariff Database and Manual Assist the business community and APEC member decision-making by undertaking a pilot study for a regional electronic database of member tariffs and transparency of regimes.
- Administrative Aspects of Market Access Examine administrative measures affecting trade in the region, the impact of Uruguay Round disciplines on these measures and possible means to address outstanding issues within the region.
- Standards and Conformance Define APEC's possible role in standards, mutual recognition of conformance and certification arrangements and harmonization based upon international standards.
- Small-Medium Enterprises Examine the APEC environment for small and medium enterprises and possible means to enhance their trade and investment activity in the region.
- Uruguay Round Review the results of the Uruguay Round and implications for the region and provide assistance within APEC on implementation of Uruguay Round results.
- Eminent Persons Group (EPG) Topics Based upon guidance from Ministers, address selected topics recommended by the Eminent Persons Group.
- Examination Process for Additional Issues Examine proposals by members for consideration of additional issues.

Annex 3

APEC Working Group on Marine Resource Conservation  
Ministerial Statement

## **APEC Working Group on Marine Resource Conservation**

### **Ministerial Statement**

The APEC Ministers:

Accepting the charge of the United Nations Conference on Environment and Development to find new approaches to marine and coastal area management and development at the regional level,

Convinced of the importance of marine resource conservation in achieving the Seoul Declaration objective to sustain the growth and development of the region for the common good of its peoples,

Having endorsed the concept of an integrated, multilateral approach to marine environmental protection and an improved understanding of the marine environment,

Noting the recommendations of the APEC Working Group on Marine Resource Conservation to promote and cooperate in activities addressing coastal zone management including land based sources of pollution and problems of red tides and toxic algae,

Taking into account similar activities of other regional organizations as well as organizations active in the region, such as the North Pacific Marine Sciences Organization (PICES), South Pacific Regional Environmental Program (SPREP), the Intergovernmental Oceanographic Commission's (IOC) WESTPAC, UNEP Regional Seas Program and the South Pacific Applied Geosciences Commission (SOPAC) and other international organizations,

Resolve to fully support APEC cooperation with these organizations with a view to seeking improved understanding, utilization and protection of the marine environment and its resources.

Annex 4

APEC Working Group on Telecommunications  
Ministerial Statement

# APEC Working Group on Telecommunications

## Ministerial Statement

To promote APEC objectives as set forth in the Seoul APEC Declaration November 14, 1991 and confirmed at Bangkok on September 11, 1992 and recognizing that modern telecommunications and information technologies are vital prerequisites for fostering regional collaborative initiatives and increased economic cooperation,

APEC Ministers recommend that:

- A. the flow of information, technology, and expertise should be encouraged in order to provide the means to facilitate the balanced growth of telecommunications necessary for economic development in APEC Economies;
- B. the harmonization of networks and services based on common global standards should be encouraged as a means of promoting interconnectivity and interoperability of telecommunications networks, the flow of information in the region, and the introduction of new services, such as Electronic Data Interchange (EDI);
- C. the development and expansion of modern and compatible telecommunications infrastructure should be given a high priority in economic planning, in order to promote cooperation among APEC Economies and to accelerate the progress of societies and economies in the APEC region.
- D. APEC Member Economies should strive to provide efficient and cost-effective telecommunications services generally available to all citizens and businesses within APEC Economies;
- E. human resource development, being critical for the operation and growth of modern telecommunications systems, should be given primary focus in the formulation of telecommunications policies and programs.

APEC Ministers encourage the Working Group on Telecommunications to undertake appropriate actions, including the development of procedures for regional harmonization of equipment certification and guidelines for the provision of International Value-Added Network Services:

- (i) As the smooth flow of trade in telecommunications equipment promotes the deployment and expansion of telecommunications-based services, the Working Group should aim to ensure that technical standards and procedures for attachment of terminal equipment to the network facilitate trade and investment flows. Therefore, consistent with their national policies, APEC Economies should develop and adopt compatible procedures for the certification of telecommunications terminal equipment and recognition of technical test data, in order that equipment may be provided at lower prices for end-users, and at the same time, to improve market access for suppliers to APEC Economies.
- (ii) To promote the flow of information necessary to economic development, the Working group should adopt principles which will facilitate trade in telecommunications-based services. The Working Group should lay the groundwork, consistent with APEC Economies' national policies, for promoting regional guidelines on the provision of International Value-Added Network Services (IVANS).

# APEC Working Group on Tourism

## Ministerial Statement

To promote APEC objectives as set forth in the Seoul APEC Declaration of November 14, 1991, and confirmed at Bangkok, September 11, 1992, and recognizing the important role of tourism in fostering regional economic development and cooperation,

APEC Ministers recommend that:

- the sustainable growth of tourism in the APEC region should be encouraged as a means of generating economic benefits for all member economies;
- efforts should be made to reduce barriers to the flow of visitors;
- the promotion of tourism development should be undertaken in a sensitive and sustainable manner in respect of the natural, cultural, and social environment of the region;
- each member economy should be called upon to ensure the safety of visitors and the quality of tourism;
- human resource development should be promoted to ensure high quality in the provision of tourism services;
- awareness of tourism's contribution to the APEC region should be heightened through the standardization and the expeditious exchange of tourism statistics and information, and
- infrastructure development, consistent with sustainable growth, should be encouraged.

The APEC Ministers encourage the Working Group on Tourism to undertake as priorities the following projects:

### **Tourism and the Environment**

To investigate best management practices for sensitive ecosystems by:

- identifying major ecosystems of importance to tourism, such as tropical rain forest, coral reefs, and forecasting the size and nature of tourism impact on them;
- identifying and assessing successful funding and management strategies and techniques, such as industry self-regulation and user pays.

### **Human Resource Development**

To develop training programs for public sector personnel in order to encourage the understanding of the implications of policy decisions on tourism by:

- examining possible application of distance learning techniques;
- developing and testing a pilot project.

### **Tourism Database**

To facilitate the exchange of information and statistics by:

- implementing a means of sharing existing information;
- identifying regional information requirements;
- investigating the application of the APEC Communications and Database System to the development of a tourism database.

**Annex 6**

**Guidelines, Rules and Procedures for Non-Member  
Participation in APEC Working Group Activities**

# Guidelines, Rules and Procedures for Non-Member Participation In APEC Working Group Activities

## Introduction

APEC has four possible categories of participants in Working Group activities:

- APEC members
- APEC Secretariat
- APEC observers (currently the Association of South East Asian Nations, the South Pacific Forum and the Pacific Economic Cooperation Council)
- APEC guests

Within the category of "guests" there are three sub-groups:

- non-member economies
- other relevant regional/international organisations
- business/private sector representatives not included as part of member economy delegations (a number of member economies include business/private sector representatives as part of their own delegations and these representatives have the full rights of all participants of member economy delegations, at the discretion of their heads of delegation)

In general, non-member economies or organizations and business/private sector representatives may be invited to the meetings of APEC upon such terms and conditions as may be determined by all existing participants (Seoul Declaration, 14 November 1991).

This paper consolidates the guidelines and criteria agreed by APEC Senior Officials in Seattle in June 1993 for participation by non members or "guests" in APEC Working Group activities, and in Honolulu in September 1993 on the rules and procedures for such participation.

## **Guidelines and Criteria For Non-Member Participation In APEC Working Group Activities**

The general criteria and procedures relating to non-member participation which follow serve to determine the eligibility of non-members in attending APEC Working Group meetings.

### **A. Criteria relating to the effectiveness of non-member participation in Working Group activities**

1. The participation of non members in Working Group activities, including the proposed non-members to be invited, should be explicitly outlined in proposals for the projects submitted for endorsement by the Working Group;
2. It is understood that the Working Group activities will include a majority of APEC members;
3. Non-member economies or organizations whose participation in Working Group activities is being considered should have strong links with the Asia-Pacific region;
4. Both APEC members and non-members should benefit from such participation;
5. Priority should be given to the importance of promoting liaison with other regional organizations.

### **B. Procedures to facilitate non-member participation in Working Group activities**

1. Decisions on participation by relevant international organizations, non-governmental associations, and the business sector should be made by the Working Group concerned on the basis of consensus, and shepherds should consult with other Working Group members;
2. With respect to participation by non-member officials, the request should be referred to the shepherd(s) of the concerned Working Group(s). The concerned Working Group should in turn inform the Secretariat once consensus has been reached. The Secretariat will in turn seek the approval of Senior Officials;
3. All such participants should be designated as "guest";
4. The APEC Secretariat in Singapore should act as the point of contact for non-members who wish to participate in APEC Working Group activities;
5. The Secretariat will keep a record of non-member interest and participation in APEC activities.

DECLARATION ON AN ASIA PACIFIC ECONOMIC COOPERATION  
TRADE AND INVESTMENT FRAMEWORK

Ministers of Australia, Brunei Darussalam, Canada, the People's Republic of China, Hong Kong, Indonesia, Japan, the Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, Chinese Taipei, Thailand and the United States of America, meeting in Seattle from November 17-19, 1993, (collectively the "Members"):

1. Determined to work through APEC toward the further development of open regionalism and market-driven economic interdependence in the Asia Pacific region;
2. Challenged by their desire to capitalize upon the strong and dynamic growth in regional trade and investment through increased cooperation and facilitation;
3. Recognizing that GATT principles are the cornerstone of the multilateral, international trading system and the basis for economic cooperation in APEC, and remaining committed to those principles;
4. Mutually determined to develop APEC's global role as a forum operating through consultation and by consensus, distinguished by open regionalism and committed to the strengthening of the multilateral trading system embodied by GATT;
5. Demonstrating to the global trade and investment community APEC's vision of dynamic interdependence and APEC's ability to represent the mutual interests of the Asia Pacific region with an active, common voice on trade and investment issues of global importance;
6. Recognizing the differences in the stages of development and in the socio-political systems, and giving due consideration to the needs of developing economies;
7. Recognizing the linkage between trade and investment and the flow of technology;
8. Committed to open dialogue and consensus-building with respect to the views of all participants;
9. Determined to pursue the objectives of the Seoul APEC Declaration November 14, 1991, confirmed at Bangkok on September 11, 1992 to:
  - sustain the growth and development of the region for the common good of its peoples and, in this way, to contribute to the growth and development of the world economy;
  - enhance the positive gains, both for the region and the world economy, resulting from increasing economic interdependence, including by encouraging the flow of goods, services, capital and technology;
  - develop and strengthen the open multilateral trading system; and

reduce barriers to trade in goods and services and investment among participants in a manner consistent with GATT principles and without detriment to other economies;

- 10. Acknowledging the essential role played by the APEC business sector in furthering growth, creating jobs, expanding trade and investment, improving technology and enhancing economic development and cognizant that protectionism, certain investment measures as well as other discriminatory and restrictive practices that distort trade would deprive APEC economies of such benefits;
- 11. Desiring to consult on and seek solutions to trade and investment problems in the region as amicably and expeditiously as possible without prejudice to the rights and interests of members under the GATT and consistent with GATT principles;
- 12. Convinced that it would be in the interest of APEC economies to establish an APEC mechanism to stimulate the liberalization of trade and investment and advance a trade agenda in support of these objectives within the region.

To this end, Ministers jointly resolve as follows:

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  - d) trade and investment policy issues evolving from the work of individual APEC Working Groups and activities;
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3. At this Ministerial meeting in Seattle, Ministers enjoined the Committee to undertake the initial work program for 1994.

#### PARAGRAPH FOUR

#### Structure of the Committee

1. The Committee shall be composed of Members' policy-level officials responsible for trade and economic affairs.
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1994 APEC Trade and Investment Work Program

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- Eminent Persons Group (EPG) Topics Based upon guidance from Ministers, address selected topics recommended by the Eminent Persons Group.
- Examination Process for Additional Issues Examine proposals by members for consideration of additional issues.

## Rules of Procedure on Participation by Non-Members In APEC Working Groups

The following rules spell out the rights of participation by non-members in APEC Working Group meetings, and the supporting role of the chair in controlling non-member participation in such meetings and ensuring that it conforms with all APEC procedures and requirements.

1. Guests may be invited by the chair to address a working group meeting on an agreed topic where this is relevant to the item under consideration
2. Guests may be invited by the chair to respond to questions that arise in a Working Group meeting
3. Guests, with the agreement of the chair, may be permitted to circulate documents on relevant subjects inside APEC Working Group meetings
4. The chair may convene closed sessions of Working Group meetings excluding guests and observers

It is further recommended that when non-members will be taking part in Working Group meetings, the chair convene preparatory discussions, excluding guests, to arrive at a consensus among members present as to possible topics which the non-member participants may be invited by the chair to address during the open session, and the type of information or documentation to be made available to participating non-members.

It is agreed that non-member participants are "guests" and not permanent observers.

**NOTE:** Nothing in these rules changes the status of official observers - ASEAN Secretariat, Pacific Economic Cooperation Council and the South Pacific Forum. Should these organizations send representatives to a Working Group or other APEC meeting, they have the same full access to documents and the information that they have at Senior Officials Meetings and Ministerial Meetings.

## APEC Working Group on Telecommunications

### Ministerial Statement

To promote APEC objectives as set forth in the Seoul APEC Declaration November 14, 1991 and confirmed at Bangkok on September 11, 1992 and recognizing that modern telecommunications and information technologies are vital prerequisites for fostering regional collaborative initiatives and increased economic cooperation,

APEC Ministers recommend that:

- A. the flow of information, technology, and expertise should be encouraged in order to provide the means to facilitate the balanced growth of telecommunications necessary for economic development in APEC Economies;
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- D. APEC Member Economies should strive to provide efficient and cost-effective telecommunications services generally available to all citizens and businesses within APEC Economies;
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## APEC Working Group on Tourism

### Ministerial Statement

To promote APEC objectives as set forth in the Seoul APEC Declaration of November 14, 1991, and confirmed at Bangkok, September 11, 1992, and recognizing the important role of tourism in fostering regional economic development and cooperation,

APEC Ministers recommend that:

- the sustainable growth of tourism in the APEC region should be encouraged as a means of generating economic benefits for all member economies;
- efforts should be made to reduce barriers to the flow of visitors;
- the promotion of tourism development should be undertaken in a sensitive and sustainable manner in respect of the natural, cultural, and social environment of the region;
- each member economy should be called upon to ensure the safety of visitors and the quality of tourism;
- human resource development should be promoted to ensure high quality in the provision of tourism services;
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## APEC Working Group on Marine Resource Conservation

### Ministerial Statement

The APEC Ministers:

Accepting the charge of the United Nations Conference on Environment and Development to find new approaches to marine and coastal area management and development at the regional level,

Convinced of the importance of marine resource conservation in achieving the Seoul Declaration objective to sustain the growth and development of the region for the common good of its peoples,

Having endorsed the concept of an integrated, multilateral approach to marine environmental protection and an improved understanding of the marine environment,

Noting the recommendations of the APEC Working Group on Marine Resource Conservation to promote and cooperate in activities addressing coastal zone management including land based sources of pollution and problems of red tides and toxic algae,

Taking into account similar activities of other regional organizations as well as organizations active in the region, such as the North Pacific Marine Sciences Organization (PICES), South Pacific Regional Environmental Program (SPREP), the Intergovernmental Oceanographic Commission's (IOC) WESTPAC, UNEP Regional Seas Program and the South Pacific Applied Geosciences Commission (SOPAC) and other international organizations,

Resolve to fully support APEC cooperation with these organizations with a view to seeking improved understanding, utilization and protection of the marine environment and its resources.

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### Introduction

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