



Pacific Economic Cooperation Council

Trade Forum

Outline of 2003-2005 Program

In 2003-2005 the Trade Forum proposes to focus on two sets of issues: RTAs (and other systemic issues), and trade and investment issues

The basic objective of the Forum is to produce high quality analysis that will inform policy debates and discussion at both the regional and individual economy level. Small sub-groups of experts will work on key issues selected for their importance in the development of the global and regional trade frameworks, the priority placed on them by member committees and their relevance to the concerns of business.

The Forum and its task forces will:

- Develop policy positions for consideration by APEC and its members
- Highlight and clarify key trade policy issues for business
- Engage in domestic and regional policy debates, including by providing an authoritative source of media commentary on trade policy issues
- Contribute to the development of the body of research findings underpinning regional and global trade negotiations

The quality of the task force outputs will be assured by peer review at regular task force meetings and by publication in peer-reviewed journals. The result will then be presented in a range of formats pitched at levels appropriate to target audience in government, business and the wider community. Engagement with business and official leaders will be a priority.

Interest in joint work with the Forum has been expressed by PBEC and ABAC, and these offers will be accepted and developed as avenues of engagement with the business community and its policy concerns.

The Forum will continue to work with international institutions that have been involved in its work over the last two years, such as World Bank, OECD, WTO, IDB, ADB, OAS, and ECLAC. The IDB has indicated that sponsorship of sessions at the Trade Forum meetings will again be available in the coming year.

Trade and Investment Issues

This task force will continue with the study group format that has worked well in the current period. It will operate study groups on those critical negotiating issues such as agriculture, services, investment, and trade facilitation where the Forum has the necessary expertise and capacity available within its network.

The study groups will analyze the selected issues at all levels where they are relevant: multilateral (WTO), APEC, regional and national. A key focus will be the APEC mid-term review in 2005 and the need to be in the position to assess accurately APEC's progress across the IAP chapters. The relationship between liberalization at the multilateral and regional level has also become an increasingly important question in some issue areas.

The full agenda for each selected issue will have to be determined after the forthcoming Cancun Ministerial. The outcome of the ministerial, both overall and on a number of key individual negotiating issues currently hangs in the balance. The result will have an important bearing on the way individual issues will be approached by the study groups.

Elements of the agenda will include:

- Agriculture: the study group will work with PBEC to produce quality analysis on the key concerns of business in the agriculture negotiations. The relationship between agricultural liberalization at the regional and multilateral levels, where some aspects can be handled at the regional level while others can only be handled satisfactorily at the multilateral level, will also be a focus of investigation.
- Services: The relationship between liberalization at the regional and multilateral levels has been highlighted as a key area of concern in recent discussions of regional fora and will be one of the key issues to be analyzed by the services study group.

The Forum would like to see existing unfinished business of the competition and trade facilitation study groups completed in the current cycle. If sufficient expertise is available it is also hoped to set up a stud group on anti-dumping. Establishment of further study groups will be considered for issues that are identified as high priorities by member committees and where adequate expertise is available within the Forum's network.

RTAs and Other Systemic Issues

The second task focus will deal with systemic issues related to the spread of RTAs. The need for this work program arises because the current work program has exposed several systemic issues that require further in-depth analysis, because further developments in the region will inevitably occur and demand analysis and investigations, and because much remains to be done to increase the understanding of RTA issues among both the officials and the business community.

New initiatives and developments of existing initiative will be analyzed as they arise, thereby adding to the Forum's store of accumulated knowledge and expertise, and increasing the level of understanding of the implications of RTA development in the region. The role of RTAS in relation to tht e trans-Pacific partnership will be a central focus in this work.

The Forum will continue to contribute to APEC's deliberation on the RTA issue. It will be invited to participate in a high-level symposium on RTAs to be held by APEC in Chile in the first half of 2004.

We will continue to learn from the extensive experiences of RTAs in the Americas. Researchers from Latin American networks are to be invited to the proposed PECC Trade Forum/APEC Study Center in Chile in May 2004, and will provide a further opportunity for cross-fertilization between networks in the two regions.

The task force will participate with the IDB, through its LAEBA offshoot, in a project on the use of RTAs as vehicles for the delivery of regional public goods.

The implications of inconsistent provisions in multiple RTAs for business transaction costs and for the possibility of ultimate convergence of RTAs will be a key set of systemic issues to be considered by the task force. The role of rules of origin is a subject that needs much more investigation, and the task force will work on this in conjunction with a project being implemented by the IDB. The possibility of establishing "best practice" guidelines for at least some provisions typically included in RTAs is also seen as a worthwhile line of investigation.

Preliminary discussions have been held with the Finance Forum on the possibility of joint work on aspects of regional economic integration.

This task force will also take up additional systemic issues in the global and regional trading systems identified as high priorities by member committees, provided adequate expertise can be made available to the task force