



Statement on the Doha Development Round

The Pacific Basin Economic Council (PBEC) has a long-standing commitment of more than four decades to the principle of free trade based on a rules-based multilateral trading system. From its inception, PBEC has been one of the strongest supporters of multilateral trading rounds, including the Uruguay Round, as well as the creation of the WTO in 1996.

While PBEC views the recent collapse of the Doha Development Round of multilateral trade talks in Geneva following a seven-year effort as a major setback, it is by no means the end of the road for multilateral trade. The most ambitious multilateral trade round yet, negotiations were bound to be contentious in making across-the-board cuts in agricultural tariffs and subsidies by developed countries, and offsetting cuts in imports of industrial goods, as well as greater market access in services by developing countries.

In the current pause, it would be well to explore ways of reducing Doha's complexity by approaching trade on a sector-by-sector basis, for example in a services sector agreement patterned after the WTO's successful Information Technology Agreement (ITA) governing computers and peripherals, where vested interests are weaker and trade-offs more realistic.

In addition, PBEC supports ongoing APEC efforts to study the feasibility of an APEC-wide free trade area of the Asia-Pacific (FTAAP) as first proposed by the APEC Business Advisory Council (ABAC) in Santiago, Chile, in November 2004. Such an effort could complement and potentially augment ASEAN, the fledgling East Asian Economic Community and the China-ASEAN FTA, due to take effect in 2010.

Further an APEC-sponsored FTAAP would constitute an important stepping stone to the achievement of the Bogor goals of free and open trade and investment in Asia-Pacific for developed countries by 2010 and developing countries by 2020.

Finally, efforts to rationalize the plethora of regional and bilateral FTA's and PTA's in the region by aligning them more closely with existing multilateral trade rules should be vigorously pursued.

Adopted by the PBEC Board of Directors on September 1, 2008