



TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY

LABOR MARKET INTELLIGENCE REPORT

THE HONOLULU DECLARATION "TOWARD A SEAMLESS REGIONAL ECONOMY"

(This article is taken from the 19th APEC Economic Leaders' Meeting held in Honolulu, Hawaii on November 3, 2011)

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“The Honolulu Declaration – Toward a Seamless Economy”

Asia-Pacific Economic Cooperation (APEC) is a forum for 21-Member Economies countries that seeks to promote free trade and economic cooperation throughout the Asia-Pacific region. In 1993, when the United States of America hosted the first Leaders’ Meeting in Blake Island, APEC Leaders hailed the rise of the Asia-Pacific’s voice in the global economy. The 2011 Economic Leader’s Meeting held in Honolulu, Hawaii, last November 12 and 13 was held at “a time of uncertainty for the global economy. Growth and job creation have weakened in many economies, and significant downside risks remain, including those arising from the financial challenges in Europe and a succession of natural disasters in the region.”

The annual forum concluded with the leaders agreeing to “The Honolulu Declaration – Toward a Seamless Regional Economy” which states "In APEC this year, we have committed to taking concrete steps toward a seamless regional economy, in order to link our economies and markets ever closer together, to the benefit of all." The challenges had only strengthened member economies' commitment to cooperation as the way forward.

APEC leaders recognized that further trade liberalization was essential to achieving a sustainable global recovery in the aftermath of the global recession of 2008-2009. The document reflected the Member Economies’ concern about the standoff confronting the Doha Development Agenda (DDA) and the reality that all elements of the agenda would be unlikely be concluded in the near future. It urged World Trade Organization (WTO) members meeting at the Eight Ministerial Conference in December to build on commitment made at APEC through agreement on an anti-protectionist pledge.

APEC leaders pledged to take concrete steps toward building an integrated regional economy that will generate growth and create jobs in three priority areas: strengthening regional economic integration and expanding trade, promoting green growth, and advancing regulatory convergence and cooperation.



Strengthening Regional Economic Integration and Expanding Trade

The APEC's core business to further the integration of economies and expansion of trade between Member Economies also plays a key role in promoting regional peace and stability. In 2011, APEC advanced a set of policies to promote effective, non-discriminatory and market-driven innovation policy to set a model for innovation in the region as the best path toward fostering innovations that will increase productivity and ensure economic growth. The leaders also committed to enhance the participation of small and medium-sized enterprises (SMEs) in global production chains.

APEC leaders also planned to take steps to further open markets and facilitate regional trade:

- Establish commercially useful de minimis values in our economies that will exempt low-value shipments from customs duties and streamline entry documentation requirements, as a key contribution to our goal of an APEC-wide 10 percent improvement in supply-chain performance by 2015;
- Undertake specific actions to address the top barriers that SMEs face in trading in the region to boost the capacity of these companies to contribute to economic growth and job creation in our economies;
- Play a leadership role in launching negotiations to expand the product coverage and membership of the WTO Information Technology Agreement, in order to build on the contribution this Agreement has made to promoting trade and investment and driving innovation in APEC economies;
- Launch the APEC Travel Facilitation Initiative to explore ways to make travel in the region faster, easier, and more secure;
- Implement our APEC New Strategy for Structural Reform plans by 2015 in order to reduce behind-the-border barriers and promote balanced, inclusive, and sustainable growth;
- Implement the APEC Cross Border Privacy Rules System to reduce barriers to information flows, enhance consumer privacy, and promote interoperability across regional data privacy regimes;
- Implement the Niigata Declaration on Food Security, and reaffirm our commitment to a standstill, first made by APEC Leaders in 2008, as it pertains to export restrictions and other WTO-inconsistent trade measures; and
- Facilitate commerce and promote economic growth by pursuing liberalization of air cargo services.

Promoting Green Growth

The joint declaration stated the leaders' commitment in advancing the green growth objectives. Member Economies can and must address both the economic and environmental challenges towards a global low-carbon economy that enhances energy security and creates new sources of economic growth and employment.

Member Economies also agreed to develop by 2012 a list of environmental goods that contribute to green growth and sustainable objectives, on which economies are resolved

to reduce applied tariff rates to five percent or less by the end of 2015. Non-tariff barriers will also be eliminated, as well as local content requirements that distort environmental goods and services trade. These steps will ease businesses and citizens access to important environmental technologies at lower costs, which in turn will facilitate its utilization and would contribute to the region's sustainable development goals.

Other steps to be undertaken to promote green growth goals:

- Rationalize and phase out inefficient fossil-fuel subsidies that encourage wasteful consumption, while recognizing the importance of providing those in need with essential energy services, and set up a voluntary reporting mechanism on progress, which we will review annually;
- Aspire to reduce APEC's aggregate energy intensity by 45 percent by 2035;
- Promote energy efficiency by taking specific steps related to transport, buildings, power grids, jobs, knowledge sharing, and education in support of energy-smart low-carbon communities;
- Incorporate low-emissions development strategies into our economic growth plans and leverage APEC to push forward this agenda, including through the Low-Carbon Model Town and other projects; and
- Work to implement appropriate measures to prohibit trade in illegally harvested forest products and undertake additional activities in APEC to combat illegal logging and associated trade.

Regulatory Convergence and Cooperation

Leaders expressed the need to reform unjustified and outdated regulations in the region and committed to take specific steps by 2013 in a bid to make business easier and create more jobs. These steps include ensuring internal coordination of regulatory work, assessing regulatory impacts and conducting public consultations.

Other steps to be undertaken to increase convergence and cooperation:

- Pursue common objectives to prevent technical barriers to trade related to emerging green technologies, including smart grid interoperability standards, green buildings, and solar technologies;
- Strengthen food safety systems and facilitate trade, including by supporting the Global Food Safety Fund – an innovative capacity-building partnership with the World Bank; and
- Ensure implementation of our APEC anti-corruption and open government commitments by 2014 through deeper cooperation in APEC.

Looking Forward

The APEC Leaders have also committed on the following:

- a) Take concrete actions in expanding the economic opportunities for women and pledge to monitor the implementation of the San Francisco Declaration on Women and Economy.

- b) To enhance the role of the private sector in APEC through greater input into APEC's working groups and the establishment of new public-private Policy Partnerships. APEC recognize that private enterprise is the engine of trade, investment and innovation.
- c) To incorporate the private sector and civil society more substantively into emergency preparedness effort, as a critical piece to build more resilient communities and businesses.
- d) To abide by the commitment to deliver economic and technical cooperation.

“Enormous progress has been made, but the work toward a truly seamless regional economy is only in the beginning stages.” The declaration also contains the instruction for the ministers and officials to carry forward the work and strengthen the economic foundation of the shared Asia-Pacific community. Progress would be reviewed on the next APEC's meeting on 2012 in Russia.