



**A Post 2010 Trade Agenda for the Asia-Pacific  
Conference Organized by  
PECC-ADBI-IDB  
with the support of the  
Ministry of Foreign Affairs of Japan  
and the LAEBA Initiative**

**Asian Development Bank Institute  
Tokyo, Japan  
6-7 July 2010**

**Opening Remarks**

**Masahiro Kawai  
Dean and CEO  
Asian Development Bank Institute**

Ambassador Yoshiji Nogami, Chair of the Japan Committee for the Pacific Economic Cooperation Council (PECC) and President of the Japan Institute of International Affairs, Mr. Yoshihisa Ueda of the Inter-American Development Bank (IDB) Office in Asia, distinguished participants from the PECC community, the IDB, the Japanese and other APEC member governments (including APEC member country embassies in Tokyo), and the academic and research institutions in the APEC region, ladies and gentlemen, good morning.

It is my great pleasure to welcome you to the Asian Development Bank Institute (ADBI) for the conference, *A Post 2010 Trade Agenda for the Asia-Pacific*. We are delighted to co-organize this conference with PECC and IDB, our perennial partners in many policy

conferences and studies, with whom we pull the cart—especially the ‘regional cart’—in the same direction. We are also very pleased and grateful for the support from the Japanese Ministry of Foreign Affairs and Latin American/Caribbean and Asia/Pacific Economics and Business Association (LAEBA) Initiative.

A post-2010 trade policy agenda cannot be more timely now, after the mayhem from the global financial crisis has somewhat settled down, and after we have learned the stark lesson that America and Europe cannot be a strong engine of global trade and investment for some time to come. The need for new sources of growth, from domestic and regional markets, has made regional economic integration more appealing than ever, as an integrated market in Asia can expand its market size for firms and consumers, create opportunities for greater production and consumption and, thereby, help rebalance sources of Asia’s growth.

So, in this conference, we, rightly, give due importance to discussions of regional free trade and economic partnership agreements (FTAs and EPAs). These range from ASEAN’s initiative to create an economic community and the successful completion of ASEAN+1 FTAs with major dialogue partners to the creation of an East Asia-wide agreement and a possible APEC-level trade agreement. There is a huge debate in the Asia-Pacific region about the appropriate process and sequencing of regional integration; particularly as to which group should take the lead in promoting an East Asia-wide FTA, ASEAN+3 or ASEAN+6 countries; whether the Trans-Pacific Partnership Agreement could be the driver of an APEC-wide FTA; and more fundamentally whether APEC should become a forum for regional trade negotiations rather than a forum for voluntary trade and investment liberalization. There are also obstacles and impediments to the integration process, including political economy issues. I am sure, this is not going to be the last time we will talk about these important issues, but now is a good time to start providing new intellectual insight into the discussion of Asia-Pacific trade architecture.

At the same time, we realize that the global trading system should continue to be supported by clear trade rules that the World Trade Organization (WTO) has provided. But with the mushrooming of bilateral, plurilateral, and regional trade agreements, it should be

asked what the future role of the WTO could be with regard to these agreements, should the WTO continue to be silent on these agreements or should it be engaged proactively to make the agreements multilateral-friendly?

We should focus on key specific issues such as services trade and investment liberalization, climate change-related trade policy, labor mobility, and rules of origin. We want to understand how to better measure the benefits from domestic regulatory reforms, especially in the services sectors and in investment, so that we can provide solid evidence of their benefits, and thus support behind-the-border reform for further liberalization and market opening. We should discuss whether climate change should be included in the trade agenda, and whether doing so could contribute to possible protectionist impulses. We want to discuss how the Asia-Pacific can best harmonize the rules of origin in different, overlapping FTAs in order to minimize the “noodle bowl” impact. We must also take the pulse of the business sector which, along with the consumers, should, ultimately, be the beneficiaries of economic integration. All of these issues have global implications. The WTO fulfills an important function that global trade cannot do without, and we want to discuss how member governments can be encouraged to make progress on the Doha Round.

These are just a few of very interesting issues confronting us today. I look forward to a very lively discussion over the next two days, and wish you a pleasant stay in Tokyo.