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U.S. eyes trade "triple crown" as APEC host

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By Doug Palmer

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(Reuters) - The United States plans a big push toward freer trade in the Asia Pacific region in 2011, starting with approval of bilateral free trade agreement with [South Korea](#), a U.S. official told Reuters.

"The 'triple crown' in 2011 is the U.S.-Korea Free Trade Agreement passed and implemented, significant progress on the TransPacific Partnership and a very strong APEC year with a lot of concrete outcomes on trade and investment issues," said Kurt Tong, senior U.S. official for APEC at the State Department.

The United States will host the Asia Pacific Economic Cooperation forum next year for the first time since 1993, when the annual leader summits began. President Barack Obama has chosen Honolulu for the November 2011 gathering.

The 21-member group already accounts for more than half of world trade and includes the world's two biggest economies, the United States and China. Japan, Canada, Mexico, Russia, Taiwan, [Australia](#) and South Korea are also members.

Tong spoke about broad U.S. goals for 2011 ahead of an organizational meeting with other APEC senior officials on Wednesday and Thursday in Hawaii.

"The more we can tie the U.S. economy to the Asia Pacific economy going forward, the more jobs there will be in the U.S. and the more incomes will rise," he said. "It's not just leadership for leadership sake. It's about establishing a platform that will benefit all economies in region."

The push will come as welcome news for U.S. companies who see the APEC economies as key to their future business, said Monica Whaley, president of the private-sector APEC 2011 host committee.

"Twenty-one economies for the 21st century. This is where the game is going to be played for the next several decades at least," Whaley said.

KOREA JUST THE START

The United States took a step toward closer economic ties with the region last week by successfully renegotiating a trade deal with South Korea, the United States' seventh-largest trading partner, to address U.S. auto industry concerns.

The breakthrough sets the stage for the U.S. Congress to vote on the pact, and possibly other trade deals with Panama and Colombia, next year.

Coming after several years of U.S. inaction on trade deals, the U.S.-Korea agreement also bolsters U.S. credibility in regional trade talks with eight APEC countries known as the TransPacific Partnership talks, or TPP.

U.S. business groups hope the United States, Chile, Singapore, Brunei, [Peru](#), Australia, New Zealand, Malaysia and Vietnam will announce a TPP deal at the Honolulu summit.

Tong stopped short of embracing that as an official U.S. goal, but said the Obama administration was determined to make as "much progress as possible" by the November meeting.

More generally, the United States sees the TPP as a "pathway" toward the long-term APEC goal of achieving free trade among the member economies by 2020, Tong said.

The United States, during its host year, wants to build on the progress made at last month's summit in Yokohama, [Japan](#), where countries agreed to negotiate a comprehensive free trade pact covering all 21 members, Tong said.

That's a "huge" development for APEC, after years of hesitancy, Whaley said. "You should have felt the ground tremble when he said that," she said.

Although the leaders did not set a deadline for negotiating a "Free Trade Area of Asia Pacific" pact, they did agree the talks should include "next generation" trade and investment issues that Washington is pressing in the TPP, Tong said.

Those range from higher labor and environmental standards than previous trade accords, as well as boosting regional supply chains and doing more to help small and medium-sized companies benefit from trade openings.

"The U.S. is really intent on establishing a platform for private sector activity in the Asia Pacific region that is open, free, transparent and fair," Tong said.

(Reporting by Doug Palmer; editing by Cynthia Osterman)

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