

**Remarks by Ambassador Demetrios Marantis
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“When President Bill Clinton spoke before the Seattle APEC host committee in 1993, he asked us to imagine. He asked us to imagine that an organization in its infancy could become a mainstay of regional economic integration. He asked us to imagine an APEC that forges a common responsibility and a common future. And he asked us to imagine a new Pacific community where the diversity of our economies would remain a source of dynamism and enrichment, and where we would embrace the differing levels of economic development among members. President Clinton asked that we imagine the United States as a partner with all APEC economies to make a Pacific community.

“Seventeen years after that speech, we can stop imagining. APEC is the mainstay of the Asia-Pacific that we envisioned. We no longer have to imagine developing a common responsibility and a common future for the region. We no longer have to imagine bringing together developing and developed economies to create an Asia-Pacific community, promote growth and higher-standards of living in the region, and remain committed to the principle of openness. We no longer have to imagine past aspirations, because in less than two decades they have become APEC’s realities.

“The realities of APEC as a community and an institution have also helped realize the economic opportunities and promise this region’s tremendous diversity holds. The Asia-Pacific – spanning over 20 time zones, home to over 40 percent of the world’s population, and speaking at least 20 major languages – today accounts for more than half of global economic output and almost half of world trade. Even given the deteriorating global economy, in 2009, U.S. goods exports to the Asia-Pacific region totaled \$618 billion, agriculture exports were \$72 billion, and U.S. services exports to the region grew to \$187 billion. U.S. small and medium-sized enterprises alone exported \$193 billion to the Asia-Pacific in 2009. These APEC realities show up where they matter most – in the paychecks and pocketbooks of American manufacturers, workers, farmers, ranchers, and service providers.

“Of course, when President Clinton addressed the APEC host committee in 1993, he did much more than just ask that we imagine the future. The United States led a host-year that became a watershed for APEC, laying the building blocks for two decades of Asia-Pacific economic integration.

“Some may have forgotten that 1993 was a year of firsts that helped create the APEC we know today, and set the stage for the strong economic integration that has emerged in the region since. The United States inaugurated the first-ever APEC Leaders’ meeting on

Blake Island in Washington State. Though expectations were low, the Leaders' summit quickly became an annual APEC institution, and to this day is the only Asia-Pacific Leaders-level meeting that includes the United States. The Leaders' direct involvement in APEC has provided the necessary impetus to drive APEC economies to achieve its trade and investment successes.

“Our first APEC host year also launched the Pacific Business Forum, the precursor to today's APEC Business Advisory Committee (ABAC). The creation of ABAC has ensured that APEC's agenda remains relevant to economic stakeholders. And ABAC sets APEC apart as the only broad regional forum of its kind.

“In 1993, the United States also first proposed the idea of an annual APEC Trade Ministers meeting to pursue a more robust trade agenda both multilaterally and regionally. The United States' vision in 1993 helped APEC develop its own trade agenda to serve as an incubator for new approaches to address trade and investment barriers. The results have been significant globally and regionally.

“Look at APEC's contributions to the multilateral system. APEC's role in establishing and implementing the WTO Information Technology Agreement is the most widely-cited example. Less well-known is APEC's part in providing support for WTO negotiations in other sectors, including chemicals, medical products, forest products, and environmental goods and services.

“Where APEC's work has not been ripe at the multilateral stage, it has pressed on with its own initiatives, including in regulatory transparency, digital trade, technology choice, and good regulatory practices. The regional impact has been real and important. A recent study by the APEC Policy Support Unit found that APEC member economies trade more with other APEC economies than with non-APEC economies. In fact, APEC's trade benefits are so pronounced that they have an equivalent effect of a free trade agreement, even though APEC agreements are non-binding.

“These trade policy achievements underpin a regional economic dynamic almost unimaginable in 1993. Since that time, Vietnam liberalized its economy, joined the WTO, and itself hosted a successful APEC year. China too joined the WTO, continued its economic development, expanded its trade regionally and globally, and hosted APEC in 2001. Malaysia continued to open its economy to trade and investment, sharply reducing poverty and shrinking inequality. Just this year, China and the 10 Southeast Asian ASEAN nations ushered in the world's third-largest free-trade area. And there are now 175 preferential trade agreements in force that include Asia-Pacific countries.

“It is this picture of trade and investment successes that the United States faces today. The realization of what we imagined in 1993 – as well as the realities yet to come – are why President Obama, Ambassador Kirk, and the entire Obama Administration are committed to APEC and the Asia-Pacific region as a whole. And they are the reasons we are dedicated and focused on making the United States 2011 APEC host year as successful as possible.

“The Obama Administration is approaching APEC and our 2011 host year intent on building on our past achievements toward results that endure for another next two decades and beyond. We know that despite all of our accomplishments, APEC has yet to reach its full potential. Given the economic clout of its membership, its flexibility and focus, as well as Leader-level attention to its work, APEC should be producing even more significant results than we have seen over the past 20 years. Our ambitions for 2011 will be no smaller than those put forward in 1993. And we will work with no less vigor to make those ambitions reality.

“The Obama Administration is still shaping its specific APEC trade policy objectives. We are looking at the trade and investment challenges in the region today, as well as the work we are pursuing in other fora, like the G20. But more importantly, we are listening to you and other Asia-Pacific stakeholders. Your businesses are on the front-lines of trade in Asia. You have the substantive expertise to help us achieve outcomes that will make a real difference for American companies of all kinds and sizes. Your insights will help us to hone our strategies to address the emerging issues on which we should focus. Together, we want to identify trade and investment policy objectives that will have the biggest long-term impact regionally and globally.

“At this early stage, our APEC trade priorities roughly fall into five categories.

“First, while our previous host year called on the Asia-Pacific economies to strengthen APEC’s institutions, in 2011 we must call on APEC’s existing institutions to strengthen region’s economies and its integration. For example, APEC can make substantive progress on addressing new and pressing trade and investment issues – such as standards, regulatory cooperation, and innovation – that can serve as building blocks to 21st century trade agreements, including the Trans-Pacific Partnership (TPP). This approach may not be flashy, but our economy and our workers need us to make headway more than they need us to make headlines. And it is our hope that the benefits of our work will show up clearly in the bottom lines of your companies and in the bank accounts of American workers, as we make it easier for U.S. firms large and small to do business in Asia and create more export-driven jobs.

“This work within APEC obviously dovetails closely with our ongoing negotiations of the TPP Agreement. TPP is a regional trade agreement with an initial group of eight like-minded countries – the United States, Australia, Brunei, Chile, New Zealand, Peru, Singapore, and Vietnam. We will consider and welcome new negotiating partners based on their readiness and ability to bring commercial value, balance, and ambition to the negotiations. With this negotiation, we are pushing the envelope in the way we consult with the public, as we consider the goals and objectives of our negotiations, with our ultimate goal of growing the TPP into a high-standard, broad-based regional trade agreement.

“We held our first round of TPP negotiations in Melbourne last month, and we look forward to the second negotiating round in the United States in San Francisco in June. As we develop our negotiating objectives in TPP, we are drawing from many of the

initiatives APEC has pursued, including on customs and trade facilitation, regional production and supply chains, regulatory coherence among APEC economies, and other areas.

“Second, we will continue to take steps to make it cheaper, easier, and faster for business to conduct trade throughout the region. For instance, we will look at specific obstacles to small- and medium-sized businesses trading in the Asia-Pacific and address them during our host year. This means working with APEC economies to eliminate obstacles to the flow of goods through regional and global supply chains, including by addressing burdensome customs procedures and documentation. It means improving transparency and predictability in APEC markets. And, it means finding ways to make it easier for SMEs to utilize our existing trade agreements, including by making customs information more accessible and the benefits of deals more easily understood.

“Third, we will pursue objectives that make the Asia-Pacific trade dynamic stronger and more enduring. Rather than shake up global trade, we will seek policies that result in more balanced and environmentally sustainable growth, and an economic dynamic that is more prosperous, healthy, and fair for our workers.

“To this end, we intend to promote environmentally sustainable growth in the region by implementing the ambitious plan that APEC Leaders agreed to last year to address barriers to trade and investment in environmental goods and services. We can achieve this by promoting policies to support trade and investment in goods and services related to the environment and clean energy, for example in clean air and water regulations, sewage treatment and wastewater management regimes. We will also look to ways to create new partners in this work in the Asia-Pacific by assisting developing economies understand their interests in liberalizing trade and investment in environmental goods and services. Finally, we will look to persuade our APEC partners that this region should provide the leadership on trade and investment in these products – and should therefore lead the charge toward a robust market-opening outcome for the Doha Round negotiations.

“Fourth, we will take forward APEC’s long-standing agenda to promote digital prosperity in the Asia-Pacific by promoting the use and development of information and communication technologies and services in the region. Specifically, we are looking to encourage APEC economies to adopt the trade and investment policies that will enable them to access the types of high-level ICT products and services that underpin innovation and increase economic efficiencies and productivity in their economies.

“Fifth, we will bring APEC to where Americans work and live by holding various meetings around the country throughout our host year. For example, USTR will hold its 2011 Trade Ministerial in Big Sky, Montana, giving the American West’s farmers, ranchers, and small businesses a front row seat to the unfolding economic opportunities of the Asia-Pacific. More importantly, we will give APEC’s member economies the opportunity to learn from Americans across the country what we can do better to increase prosperity in the Asia Pacific.

“We especially look forward to bringing our APEC 2011 year to California, a leader in our trade and investment relationship with the Asia-Pacific. Last year, California exported nearly \$83 billion in goods to the Asia Pacific, nearly 70 percent of your state’s total goods exports. And beyond these trade and investment ties, California epitomizes opportunity, leads the world in technological innovation, and embodies the mutually beneficial economic opportunities of engaging the Asia-Pacific. Your state is one from which our economic policy makers and those in the Asia-Pacific can continue to learn. The Obama Administration is discussing the most appropriate role for California to play in 2011, and we expect to be able to make an announcement soon.

“As we look forward to 2011, it is time we imagine again what APEC can accomplish for the region and for the global economy. But this time, we can be inspired not just by our ideas, but we have already accomplished. We have our work cut out for us. And I look forward to working with you to make it a success.”