

Road to the Bogor Goals



*The Asia-Pacific Economic Cooperation (APEC) forum was launched in November of 1989, a time when countries around the world were beginning to form trading blocs as the Uruguay Round stalled. Five years later, APEC members proclaimed the “Bogor Goals” in 1994, and after assessing progress on these targets in November of 2010 at the APEC conference held in Yokohama, they worked out the “Yokohama Vision,” which set forth a new orientation to follow the Bogor Goals. To understand both the course APEC has followed thus far and the accomplishments of APEC Yokohama, we spoke with Waseda University Graduate School Professor **Urata Shujiro**, an expert in international economics including free trade and economic partnership agreements.*

APEC Yokohama reviewed progress made toward the Bogor Goals over the past twenty years. Could you provide some background on how these goals were established?

Urata Yujiro: APEC was created against a backdrop of worldwide moves toward formation of economic blocs and concern over rising protectionism. As Asian economies continued to develop rapidly, moreover, many perceived that it would be in the shared interest of both Asia and the United States if the access of each side to the other’s markets were preserved and expanded. These two points became major factors in the establishment of APEC.

At the time the Bogor Goals were adopted, Asian countries were optimistic about future growth, and this provided an ideal opportunity to create an environment in which trade and investment in the Asia-Pacific region would be free and open. This then led to the Bogor

Declaration, under which the industrialized member economies would strive for free and open markets by 2010 and developing member economies would strive to do so by 2020. This Declaration marked the high point for APEC.

Things didn’t necessarily go all that smoothly for APEC after that high point it seems, so could you tell us what events had an impact on APEC?

Increasing cohesion in Asia and changes in APEC’s focus come to mind.

First of all, during the 1997 Asian financial crisis, the rescue measures of the West and multilateral institutions were implicitly critical of the economic structure in Asia, and APEC for its part failed to work out rescue measures even though members had enjoyed a sense of solidarity until just before the crisis. One important initiative that contributed to ending the crisis was the New Miyazawa Initiative by the

Japanese government, which provided for a 30 billion-dollar financial aid package. During this process, it was not so much through APEC that Asia banded together but principally through the ASEAN + 3 framework, or the Association of Southeast Asian Nations on the one hand with Japan, China and Korea on the other. This developed rapidly in the direction of a framework for economic cooperation in East Asia. Owing to the impact of the September 11 terrorist attacks, meanwhile, Americans turned their attention to matters other than economics, such as measures to combat terror, and this in turn influenced the debate at APEC regarding economic cooperation and the liberalization and facilitation of trade and investment. Due to these events, the sense of solidarity reached at the time of the Bogor Declaration dissipated, and the first half of the present decade became a low point for APEC. During this time, however, linkages among Asian nations strengthened rapidly, and the United States became worried that it might be shut out from growth markets. Thus in a bid to build ties with the Asian region, the United States once again stepped up its involvement in Asia—and in APEC, since using the APEC framework as a means to do so would be the most natural course.

So the United States' renewed interest in APEC led to moves toward a Trans-Pacific Partnership (TPP) and a Free Trade Area of the Asia-Pacific (FTAAP)?

That's right. In the late 1990s, several APEC economies including Singapore, New Zealand and Chile began discussing a framework for

high level tariff liberalization with a view to achieving trade liberalization early on. These discussions led to the formation of the P4 (re-named TPP). The United States expressed interest in 2008, and then in 2009 President Obama affirmed that the United States wished to be involved in Asia through the TPP. This interest led to the possible expansion of the TPP in 2010. This was just around the time that Lehman Brothers collapsed, demonstrating clearly that the world's growth sector would be Asia. For the United States, stronger ties with Asia will clearly be indispensable for future economic growth.

And we've had APEC Yokohama and the Yokohama Vision.

An FTAAP aimed at free and open trade and investment is practically nothing other than the Bogor Goals. It would mean their completion. The developing member economies will reach their Bogor Goals by 2020, and in that sense it would come as no surprise to see a scenario which ultimately led to the completion of the FTAAP.

Unlike APEC, achieving a binding FTAAP would involve the TPP, ASEAN + 3, or ASEAN + 6, but neither of these latter two has become a reality, so the strongest candidate remains the existing TPP framework.

What sort of impact or contribution would the FTAAP contemplated under the Yokohama Vision have for the world?

The world would receive a very strong message

if Asia-Pacific nations resolved and agreed to create a free and open business environment in the Asia-Pacific, which would be the world's largest such trade area. All countries recognize the importance of the World Trade Organization (WTO), which aims to promote free trade, but the negotiations are making little headway, and not much progress has been made in the talks. If the FTAAP becomes a reality, other regions will realize that they might be left behind unless they liberalize as well. This would mean much greater chances that talks at the WTO would make prog-

ress. And if the FTAAP were linked with the European Union, nearly all world trade would be liberalized, with the exception of Africa and parts of Latin America. Whichever scenario comes to pass, the FTAAP will help lead to freer world trade and investment.

Japan is to consider taking part in TPP negotiations. What significance would that have?

If Japan took part, it would no doubt be a plus

Cool Japan Schedule, 2011 (selected events)

150th anniversary of Japan-Germany relations

50th anniversary of Japan-Kuwait relations

20th anniversary of the establishment of new diplomatic relations between Japan and Estonia/Latvia/Lithuania

January 27

Japan Night in Davos

Venue: Central Sporthotel, Davos, Switzerland

The World Economic Forum holds its Annual Meeting in Davos, January 26–30, inviting world business and political leaders, intellectuals and journalists to discuss a range of global social and economic issues. On January 27, JETRO (Japan External Trade Organization) will hold a Japan Night at the venue, on the initiative of the Japanese Government, providing participants the opportunity to find out more about Japan, its traditional foods, culinary culture and other tourist attractions.

February 2–13

Japan Media Arts Festival

Venue: The National Art Center, Tokyo, Japan

The Agency for Cultural Affairs annually organizes the Japan Media Arts Festival to commend outstanding media art works in the genres of entertainment, animation and manga. The 14th Japan Media Arts Festival will exhibit 171 works selected from 2,645 entries from 49 countries.

April

Al Janadriyah National Festival for Heritage and Culture

Venue: Janadriyah, near Riyadh, Saudi Arabia

The annual Janadriyah National Festival for Heritage and Culture is held in the Janadriyah region of Saudi Arabia to celebrate traditional Saudi culture. It attracts more than one million people every year. Since 2008, one country has been invited as a guest country, and in 2011 the invited guest is Japan. Japan intends to showcase both its cutting-edge technologies in fields such as water, environment and energy, and its cultural strengths in both traditional and contemporary fields.

not only for Japan but also for Asia, the Asia-Pacific and the world. TPP participation would mean market liberalization. For Japan, it would break the paralysis rooted in such factors as the low birthrate and the aging of the population. It would be a big shot in the arm.

On the other hand, the opening of markets would mean problems for agriculture since greater imports of agricultural and marine products would possibly dent Japan's agricultural production, lowering farmer incomes.

Nonetheless, Japan went through the same

sort of experience in coping with similar changes in the context of trade friction with the United States during the 1980s. Products such as domestic oranges and beef were dealt a blow, but dint of effort made Japanese *wagyu* beef popular abroad, while items such as high-quality *mikan* orange juice were born as new products capable of competing with orange juice. Japanese rice, moreover, has good potential as an export item since it is popular abroad for its safety and good taste. I think we could expect Japanese participation in the TPP to have a big impact.

March 18–25

12th Japan Fashion Week in Tokyo

Venue: Tokyo Midtown, Japan

Tokyo Fashion Week is an annual festival of fashion featuring the work of young designers from all over the world. The highlight is Tokyo Collection Week, which showcases the 2011–12 Autumn/Winter Collection.

June 30–July 3

12th Japan Expo

Venue: Parc des Expositions de Paris-Nord Villepinte, France



Japan Expo is an eagerly anticipated event in France held annually since 2000. The Expo showcases both traditional and contemporary aspects of Japanese culture, including the martial arts, literature, manga, animation, music, movies and fashion. In 2010, Japan Expo attracted about 173,000 visitors over its four-day run.

August 6–November 6

Yokohama Triennale 2011

Venue: Yokohama Museum of Art, NYK Waterfront Warehouse, Kanagawa, Japan

The fourth Yokohama Triennale is an international contemporary art exhibition at which some of the world's leading contemporary artists are invited to show and produce art works and hold workshops. The third Yokohama Triennale, held in 2008, attracted some 550,000 visitors.

September–November

Japan International Contents Festival (CoFesta)

Venue: Tokyo and Other Cities, Japan

Japan International Contents Festival is the umbrella term for a wide range of events which take place in Tokyo and other cities in Japan mainly from September to November. Through CoFesta, visitors can experience the full force of "Cool Japan" trends in "contents" genres including film, animation, broadcast media, games, music and manga.

