

Colombia and Asia Pacific Economic Cooperation (APEC)

Why the Asian Pacific?

The region of the Asian Pacific has established its position as one of the most dynamic and prosperous parts of the world in recent decades, with an enormous potential in production, industry and technology. According to the World Bank, the region of East Asia and the Pacific records and annual GDP growth of 8.9%, and trade represented 86.7% of GDP in 2005.

The development and economic growth of this region has enabled it to position itself as the centre of international trade and investment, partly driven by informal strategies for integration, in which a system of open regionalism is given pride of place.

What is APEC?

Asia Pacific Economic Cooperation (APEC)¹, created in 1989, is a governmental-type mechanism free of legal regulation, and based on open regionalism and consensus. The 21 members, known as "economies", represent 40% of world production, some 56% of world GDP, and 48% of world trade².

APEC seeks to promote free trade and investment, and to facilitate business and technical and economic cooperation in the region. Its principal objective is to bring about the deregulation and facilitation of trade and investment by 2010 for the developed economies, and by 2020 for the developing economies. Based on this purpose, each economy designs an individual action plan (IAP), which contains voluntary unilateral commitments to implement policies which aim to meet the objectives APEC proposes.

APEC conducts its activities and projects through four committees, 11 working groups, and a number of taskforces, who produce material to be discussed at a Senior Official Meetings, Ministerial Meetings, and Leaders Meetings, at which heads of state and government of the member economies take part.

Colombia in the Pacific Basin

Colombia has been a full member of the Pacific Economic Cooperation Council (PECC) since 1994. This is a tripartite mechanism, in which government, business and the academic sector take part.

In 1986, the Colombian Council for Pacific Cooperation (Colpecc) was created as a means of directing national effort towards knowledge of the Pacific Basin countries, in the areas of government, economics, business, in the academic world, and in technical and scientific fields, and to identify and promote the implementation of academic and commercial programs.

One of the results of the Colpecc efforts has been that Colombia has formed part of the management of the PECC International Secretariat between 1995 and 1998. At the same time, Colpecc promoted the holding of PECC management meetings in Cartagena (a Standing Committee, and a Coordination Group), in September 1996.

Further, the University of Antioquia was responsible for a Human Resources working group, and Colciencias chaired the Science and Technology task force in 1997. Since 1995, Colpecc has taken part in the Council's General Meeting, in which it has played an active part (except for 2003).

In 1994, Colombia joined the Pacific Basin Economic Council (PBEC), an organization which brings together representatives of business from member countries, and seeks to provide conditions

¹ Among the Spanish-speaking countries the word "Forum" is added to this name, to emphasize the consultative and deliberative aspects of the organization

² http://www.apecsec.org.sg/content/apec/about_apec.html

favouring business in the region, securing free trade and investment, and at the same time promoting competitiveness.

In 2001, Colombia was a founding member of the Latin America-East Asia cooperation forum (FOCALAE). This is an instance of dialogue and cooperation involving 32 countries in Latin America and East Asia. These countries discuss issues of a political, cultural, educational social and economic nature, and matters of science and technology, and the organization is designed to facilitate trade, investment, tourism, and protection of the environment, amongst other things.

Colombia was the Regional Coordinator for Latin America between 2001 and 2004, and since 2004 is the Co-Chair of the working group on Politics, Culture and Education, together with Singapore. As Co-Chair of this working group, Colombia organized its fourth meeting held in Bogota on February 27-28, 2006, attended by 26 member countries.

What has Colombia done to enter APEC?

Colombia presented a formal application for admission to APEC in 1995, at a time when there was a moratorium for the admission of new members (1993 and 1996). In 1997, criteria were set for accepting new members, and a new moratorium was agreed, this time for 10 years. During this time, Colombia has maintained its aspiration to enter the organization, to become effective after the moratorium ends.

During this time, Colombia has shown its interest in the Pacific through active participation in the regional instances mentioned.

Further, Colombia has taken advantage of the possibilities offered by APEC to non-member countries, to take part in working group activities as "invited countries". It has in this way taken part in meetings of the working groups on energy (since 1996), telecommunications and technology (since 1997), and trade promotion (since 2000).

Colombia is certain that it meets the criteria required to be accepted as a full member of APEC: it is located in the Pacific region, it has an economy oriented towards the external sector, it accepts the basic objectives and principles established in APEC documents, amongst other things; and it has therefore pursued a number of efforts to achieve its objective:

- Formal application for admission, addressed to the Executive Secretary of APEC
- Formal applications for support addressed to the member economies for the acceptance of Colombia, once the moratorium is lifted
- Implementation of trade policy addressing the external sector, and designed to strengthen economic ties and contacts with a number of countries in the world economy, such as the signature of a free trade agreement with the United States and Chile; and there are other negotiations in train.
- Encouragement of proposals such as the Latin America Initiative for the Pacific Basin, in order to focus interest on the Pacific, and to strengthen economic and commercial ties between Latin American countries on the Pacific Basin with the Asian Nations on the Pacific Basin.
- Participation in the meetings of working groups on energy, telecommunications and information, and trade promotion, held by APEC, as an invited country.
- Exchange of information with APEC member countries on experiences in the organization, in order to take advantage of the opportunities and face the challenges involved.

Why join APEC?

The reasons for Colombia's interest are most evident, not only based on the economic importance of APEC in the region, but also stemming from the need to have a presence in one of the organizations in which the main issues of the international economic agenda are debated, going beyond the spheres of policy and technical cooperation.

Colombia's presence in the APEC would allow it -

- to strengthen its presence in one of the most prosperous parts of the world, through the deregulation of trade and investment
- to explore new prospects in global markets and business in the Asia-Pacific region
- to identify and take advantage of opportunities in foreign trade and investment
- to secure closer collaboration and political consultation in issues on the world agenda
- to have permanent access to experiences and knowledge on a wide range of issues, through the working groups, taskforces and projects
- to promote the creation of new alliances for the investigation of trade opportunities and political relationships with countries in the region.

Colombia hopes that the discussions held in APEC will lead to a consensus with regard to the Trans-Pacific geographical orientation which has inspired it since it began. This vision will allow the scope of economic cooperation between countries on both sides of the Pacific to be broadened, with the certainty that this will be an association of a complementary nature, offering very great potential for development.

Why is Colombia of interest to APEC?

Colombia has a geo-strategic position in the northern corner of South America which makes it a meeting point between Central America, the Caribbean and Latin America. Further, it is a country with major potential in the natural resources on land and in its waters.

Colombia has the longest tradition of democracy in the region, and enjoys a robust and stable economy. The Government's emphasis on the responsible management of the economy has been recognized by the international community, and has generated substantial increases in direct foreign investment during the last five years.

The Government's achievement in the area of democratic security has been accompanied by the strengthening of legislation to offer greater legal security for the investor. Direct foreign investment rose from USD 2,139 million, in 2002 to USD6,295 million in 2006, with a high point of USD10, 255 million³ in 2005.

Further, the country has made progress in processes of regional and bilateral commercial and economic integration, and this has made it an ideal gateway for economic exchange and cooperation with the sub-regions of the mainland Americas and the Caribbean. There are negotiations in train for a free-trade agreement with the countries of the northern triangle of Central America (El Salvador, Guatemala and Honduras); the free-trade agreement with the United States, the economic complementation agreement between the Andean Community CAN and Mercosur; the economic complementation agreement between Colombia and Chile, the trade agreement with Mexico in the context of G-3, and future negotiations with the European Union, in the context of CAN.

Colombia has a deep conviction of its irrevocable vocation to form part of the Pacific region, and will maintain its interest in admission to APEC in the near future.

³ Proexport Colombia <http://www.proexport.com.co>