

**The 18th APEC ECONOMIC LEADERS' MEETING
Yokohama, Japan**

**Pathways to FTAAP
14 November 2010**

We, the APEC Leaders, having agreed at our meeting in November of 2009 in Singapore to explore a range of possible pathways to achieve a Free Trade Area of the Asia-Pacific (FTAAP) and having been informed by APEC Ministers on the work undertaken this year toward this goal, share the following view:

Trade and investment liberalization and facilitation will continue to be APEC's core objective. APEC's work to strengthen and deepen regional economic integration will be critical to the achievement of this goal.

APEC announced in 2006 that it would examine the long-term prospect of an FTAAP. Over the past several years, APEC has discussed the full range of issues relevant to the prospect of an FTAAP, including those outlined in the inventory of issues, and has conducted a significant body of analytic work related to an FTAAP, including the multi-year study on convergences and divergences in APEC FTAs.

Based on the results of this work, we have agreed that now is the time for APEC to translate FTAAP from an aspirational to a more concrete vision. To that end, we instruct APEC to take concrete steps toward realization of an FTAAP, which is a major instrument to further APEC's Regional Economic Integration (REI) agenda. Further, an FTAAP should do more than achieve liberalization in its narrow sense; it should be comprehensive, high quality and incorporate and address "next generation" trade and investment issues.

We believe that an FTAAP should be pursued as a comprehensive free trade agreement by developing and building on ongoing regional undertakings, such as ASEAN+3, ASEAN+6, and the Trans-Pacific Partnership, among others. To this end, APEC will make an important and meaningful contribution as an incubator of an FTAAP by providing leadership and intellectual input into the process of its development, and by playing a critical role in defining, shaping and addressing the "next generation" trade and investment issues that an FTAAP should contain.

APEC should contribute to the pursuit of an FTAAP by continuing and further developing its work on sectoral initiatives in such areas as investment, services, e-commerce, rules of origin, trade facilitation including supply chain connectivity and Authorized Economic Operator (AEO) programs, and environmental goods and services (EGS).

In implementing the above, the following considerations should be taken into account:

- the changing contours of the global economic and trade architecture, particularly the proliferation of Free Trade Agreements and Regional Trade Agreements in the Asia-Pacific region;
- the progress toward achieving the Bogor Goals of free and open regional trade and investment within APEC economies by 2020;
- the non-binding nature and voluntarism of APEC;
- the importance of advancing conventional "at the border" trade and investment issues, and at the same time more actively working toward addressing non-tariff or "behind the border" barriers and other "next generation" trade and investment issues to further deepen economic integration in the region; and
- APEC's longstanding support for the multilateral trading system.

Given the strong role that the business community plays in APEC, and our ability to obtain timely input from business on trade and investment issues in the region, APEC is uniquely positioned to drive an REI agenda.

At the same time, accounting for the different stages of development of member economies, APEC will remain committed to providing effective economic and technical cooperation activities to help APEC members, in particular APEC's developing economies, improve their capacity for further trade and investment liberalization and facilitation and meet new challenges.

Through furtherance of the REI agenda, APEC will seek to create a community that is more economically integrated, in which goods, services, and business people move seamlessly across and within borders, and a dynamic business environment is further enabled.