

Najib: APEC leaders see 2012 trans-Pacific deal by July
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HONOLULU, Nov 13 — US President Barack Obama and eight other leaders said today they have made good progress on a groundbreaking pan-Pacific trade deal and expected to finish in 2012.

“Our nine nations have reached the broad outlines of an agreement,” Obama said after leaders of countries in the proposed Trans-Pacific Partnership pact, or TPP, met at the annual summit of the Asia-Pacific Economic Cooperation forum.

“There are still plenty of details to work out but we are confident that we can do so. So we’ve directed our teams to finalize this agreement in the coming year. It is an ambitious goal but we are optimistic that we can get it done.”

Malaysian Prime Minister Datuk Seri Najib Razak went further, even though a joint TPP leaders’ statement had no specific target date.

“We’ve reached broad agreement that July should be our deadline,” Najib told reporters.

With Europe mired in crisis, the Obama administration sees the fast-growing Asia-Pacific region as key to boosting exports and creating jobs to bring down high US unemployment.

The TPP talks got a jolt of excitement on Friday when Japan, the world’s third-largest economy, announced its interest in joining the United States, Australia, New Zealand, Singapore, Malaysia, Vietnam, Brunei, Chile and Peru in the pact.

The deal, with Japan included, would create a regional economic group about 40 per cent larger than the 27-nation European Union. Canada, Mexico, the Philippines, Papua New Guinea and South Korea are seen as potential TPP participants.

Obama is hosting the annual leaders’ meeting of the 21-member APEC forum that also includes China, the world’s second-largest economy behind the United States. China has not asked to join the TPP talks.

The pact is seen as key to ensuring the United States helps to write the rules for trade in the Asia-Pacific region and is not left on the outside as countries organize manufacturing, agriculture and service sectors around China.

It aims to phase out tariffs on most goods traded between the countries over 10 years and tackle “21st century issues” such as the role of state-owned enterprises in trade, government innovation policies, cross-border data flows and supply chain management.

Mike Froman, a top White House aide, told reporters the TPP should help US exports in machinery, aircraft, medical instruments, agriculture and other sectors.

Japan’s potential entry is a source of concern to some in the US business community and Congress, who fear Tokyo is not serious about dismantling long-standing barriers to its markets and therefore could slow down the talks.

"By and large, participating countries have shown their intention of welcoming Japan's decision to seek to join the talks," Japanese Trade Minister Yukio Edano told reporters. "But we cannot afford to be very optimistic. We aim to make progress slowly but steadily."

Najib said leaders "accepted in principle" allowing Japan and other countries to join those already involved in the trade talks but stressed this should not delay the process.

The July deadline was "ambitious because of the enormous amount of work that needs to be done but we'll push as hard as we can and hopefully we'll be able to achieve the target that has been set," Najib said.

Chinese President Hu Jintao, in a speech to business leaders, reiterated China's commitment to APEC's long-term goal of negotiating a broader Free Trade Area of the Asia Pacific, which would include all 21 members.

He noted the TPP was only one avenue toward that goal, along with two alternatives that currently do not include the United States — the East Asia Free Trade Area and the Comprehensive Economic Partnership for East Asia.

Hu stressed the importance of advancing the 10-year-old Doha round of world trade talks and suggested one way to create momentum was the "early harvest" of a package to give the least developed countries preferential access to richer markets.

He said China was prepared to do its part by eliminating duties on 97 per cent of goods from poor countries with which it has diplomatic relations. — Reuters

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