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Contact: Carol Guthrie

cguthrie@ustr.eop.gov

Remarks by U.S. Trade Representative Ron Kirk at Singapore Management University on U.S. Asia-Pacific Trade Policy

As Prepared For Delivery

“Good morning. Thank you, Dean Hool, students, and faculty of Singapore Management University (SMU), for your gracious and generous hospitality. When I first found out that I would be speaking at SMU, I was surprised. Because in my hometown of Dallas, Texas, SMU stands for ‘Southern Methodist University.’ But once I was informed that SMU in Singapore stands for Singapore Management University, I said to myself, ‘Well, I’ve got to know more about this “other SMU”.’

“Suffice it to say I am quite impressed: since your founding in 2000, SMU has rapidly become a global center of excellence in business education. Today, you are on the cutting edge of both research and teaching. In fact, I understand that right now the SMU community is working in partnership with U.S. Ambassador Adelman’s team and others to promote corporate social responsibility (CSR), which helps advance good business practices along with solutions to address our shared social needs.

“Of course, whether we are talking about CSR or trade and investment, tackling challenges in today’s global economy requires input and support from the business community itself; so I am pleased to see members of AmCham Singapore and members of the U.S.-ASEAN Business Council here as well. And finally I want to recognize members of the diplomatic corps, representing many different nations and organizations across the Asia-Pacific.

“Thank you all for this opportunity to share how the United States is working with strong partners like Singapore to help countries around the Pacific Rim prosper through trade and investment that enhances economic growth and employment across this entire vibrant and vital region.

“The United States regards Singapore as an established leader on trade in the Asia-Pacific and globally. Nearly ten years ago, we worked together to secure the United States-Singapore trade agreement, which was the most ambitious of its generation. Since then, we have joined with you and seven other Asia-Pacific countries – Australia, Brunei, Chile, Malaysia, New Zealand, Peru, and Vietnam – to negotiate the Trans-Pacific Partnership (TPP). This ambitious regional trade agreement grew from the so-called P4 agreement that Singapore pioneered in 2005 along with Chile, New Zealand, and Brunei Darussalam.

“When I announced here at the Asia-Pacific Economic Cooperation (APEC) forum in 2009 that the United States was joining TPP, it was a significant early sign of President Obama’s serious commitment to active U.S. engagement with the Asia-Pacific region. More recently, when President Obama and Korean President Lee announced entry into force of the landmark U.S.-Korea trade agreement, it was proof positive that President Obama’s persistent and thoughtful approach to trade, and his readiness to work with like-minded partners, has built support in America for ambitious trade measures that truly open markets, level the playing field, and reflect our shared values.

“This year, the United States is aiming high with our Asia-Pacific partners once again to advance objectives that address 21st century trade challenges. Our broad goal is to continue making progress toward a vibrant, seamless regional economy, because with global supply chains clustered around the Pacific Rim, trade barriers around the region now affect not only the United States and Singapore but all economies worldwide. Similarly, we are committed to increasing transparency, good governance, and the rule of law, all of which are fundamental to the smooth functioning of open markets. And we are seeking ways to enhance development so that the benefits of trade can be shared more broadly. As we assemble the building blocks of a more inclusive, integrated regional economy, we also form the foundation for a stronger global trading system.

“Today, I will describe how the United States is working with Asia-Pacific trading partners on multiple complementary fronts simultaneously to pursue a shared vision for regional trade and our collective future growth and prosperity.

“First, I’ll focus on some critical issues in the Trans-Pacific Partnership that illustrate the types of challenges the United States and our TPP partners are addressing as we work to update an open regional trading system for the 21st century. Next, I’ll discuss ways we are working to promote and engage with Asia-Pacific economic institutions, such as APEC and the Association of Southeast Asian Nations (ASEAN), to further our goals in the region. Then, I’ll describe how we are advancing groundbreaking multilateral trade initiatives with like-minded Asia-Pacific partners. Finally, I’ll highlight promising avenues for new and sustained dialogue in the dynamic U.S.-China trade relationship.

“We are approaching a seminal moment in the construction of a more robust and responsive trade model for the next generation. We must address head on, purposefully and creatively, the reality that our businesses and workers are confronting new challenges that they’ve never faced before and that current agreements do not address. From the launch of the TPP negotiations, TPP partners have shared a core mission of tackling these new challenges, not only to help our businesses and workers today, but to enhance regional trade for the next generation of producers and consumers in every Asia-Pacific economy.

“Let me briefly mention three areas that illustrate new and cross-cutting trade issues with significant implications for enhancing regional trade integration and economic growth.

“First, all TPP partners depend on innovation and productivity to fuel economic growth, so we have been looking at the many ways that we can use TPP to do so. For example, to promote efficiency, TPP partners are working together to develop regional trade arrangements along with smarter and more coordinated regulation. A regional agreement with more common rules and more seamless regulation will eliminate redundancies and make it easier and more efficient to trade in goods, agriculture, and services. At the same time, we are working to put in place accompanying rules, such as state-of-the art customs practices and open services sectors, which provide the infrastructure necessary to encourage efficient trade and investment.

“Second, TPP partners have considered changes in the manner in which business is conducted. With the explosion of computer technology and e-commerce, we are working to promote the growth and vibrancy of the digital economy, including cloud computing, which particularly benefits small- and medium-sized enterprises. For example, we are working to ensure the free flow of information and of data through the TPP region without unwarranted restrictions. Because even if a country is not strong in

software development or device design today, it may still want wireless networks to prosper as consumers and businesses demand them. The rules and platforms we develop through TPP will help all Asia-Pacific economies harness the growth of this new digital ecosystem.

“Third, TPP partners are working together in areas where we share common values. For example, all of the TPP countries are strong advocates for environmental protection and open markets. That is why we are actively pursuing initiatives covering a wide range of environmental concerns that have growing relevance for economies at every stage of development. The dynamic environmental proposals on the table right now in TPP break new ground, including commitments that would deter illegal wildlife and plant trade and prohibit harmful fishing subsidies, for example. These are just a few of the important and illustrative opportunities TPP partners have at this critical moment.

“As we address critical next generation trade issues, TPP partners are seeking an agreement that is both durable and flexible. That is why we are developing an agreement that is open to new entrants. Currently, TPP partners are continuing consultations with Japan, Canada, and Mexico regarding their interest and readiness to join TPP.

“In addition, TPP partners in the negotiations are actively considering how to ensure trade and development are inclusive. We are working together to craft approaches that will help both developed and developing economies meet the obligations of a high-standard agreement. And we are addressing the development concerns of workers and small businesses throughout the region by designing new ways to ensure that the benefits of trade agreements can be shared more broadly in each of our countries.

“The final goal of the TPP is to build a Free Trade Area of the Asia Pacific, an achievement that would bring tremendous benefits to the countries in the region and the global economy. With TPP negotiations marching toward conclusion, now is the time for all TPP partners to do the hard work and make the tough choices necessary to achieve our ambitious goals. Ultimately, TPP’s success will not be judged on whether we can conclude an agreement per se; rather, success will be judged on whether the final TPP agreement actually meets the high standards we originally set out to achieve and by the economic benefits it produces.

“Of course, the United States recognizes that a high-standard TPP agreement cannot serve as the only means for a diverse array of Asia-Pacific economies to enhance regional trade and investment and shared prosperity at this time. In fact, we believe

that APEC, ASEAN, and other regional economic institutions are serving as complementary platforms in pursuit of these shared goals.

“We continue to drive efforts to construct a more fully integrated regional economy through APEC, which serves as the central trade and investment organization in the region. Beginning with Singapore’s host year in 2009, APEC has been revitalized and refocused in recent years to develop ideas for addressing key next-generation trade issues facing exporters in the Asia-Pacific.

“This year, the United States is working with APEC 2012 host Russia and our other partners to build on significant and concrete results produced by APEC Leaders last November in Honolulu. In particular, we are seeking to: complete the next stage in APEC’s groundbreaking work on environmental goods and services liberalization; further advance a non-discriminatory, market-driven model to promote innovation; improve supply chain performance; and align regulations among our economies, and improve opportunities for stakeholders to provide input into policymaking throughout the region.

“In ASEAN, the changing landscape may soon provide an historic opportunity for the United States to work with all 10 ASEAN members in new and significant ways that underscore our shared recognition of the unique role ASEAN plays in the Asia-Pacific region. Since 2006, the US-ASEAN Trade and Investment Framework Agreement (TIFA) has served to deepen our relations and support ASEAN integration, including ASEAN’s goal of becoming a single economic community by 2015.

“The United States also advances our relations with ASEAN countries through valuable bilateral dialogues. Under these dialogues, we are promoting trade with the Philippines, for example through a customs and trade facilitation agreement that our two countries signed last September and through work under the U.S.-Philippines Partnership for Growth to support transparent, effective, and accountable governance. At the same time, we are actively seeking to develop new, mutually beneficial initiatives with Thailand.

“And now with encouraging progress toward democratic transformation in Burma, which the United States has strongly supported, and with Laos nearly ready to accede to the World Trade Organization (WTO), there are also emerging possibilities to elevate overall U.S.-ASEAN relations in meaningful ways. Today, we see the potential to engage with the ASEAN countries on new far-reaching trade initiatives that will help businesses and workers in ASEAN and the United States enhance their competitiveness and promote faster economic growth and higher living standards.

“Specifically, the United States is eager to begin discussions of possible agreements we can pursue in areas of mutual interest. As we are doing in TPP, we want to focus on concrete outcomes that will enhance efficiency, encourage innovation, and promote increased trade and development. ASEAN itself has been targeting trade facilitation, the digital economy, and agribusiness, all of which are possible focus areas for our joint work. Agreements we reach in these or other areas will support enhanced trade and investment, and could potentially serve as building blocks for broader trade initiatives.

“Just as we see many of these initiatives leading to a stronger Asia-Pacific economy, we also see the opportunity for this region to demonstrate global leadership by extending these policy principles and liberalization efforts worldwide. We remain firmly committed to the precept that trade liberalization at the multilateral level holds the highest potential for securing wide-ranging market-opening outcomes while at the same time advancing trade as an economic engine for global development. But since all WTO Members acknowledged last December that the Doha Round of multilateral negotiations is at an impasse, the United States is actively leading efforts among like-minded countries to seize this moment of clarity and focus on new pathways for more productive, trade liberalizing work within the WTO.

“In response to the rapid growth of supply chains for information and communications technology (ICT) goods across the region, the United States is working closely with Asia-Pacific partners to advance an initiative to expand the World Trade Organization Information Technology Agreement (ITA) by eliminating tariffs on additional ICT goods. The ITA was born here in Singapore, and a successful ITA expansion negotiation would provide a much needed boost to world economic recovery. In fact, the Information Technology and Innovation Foundation estimates that expanding ITA product coverage could add up to \$190 billion to global GDP annually. But to deliver these benefits, we must work together to frame an ITA negotiation carefully, in such a way that allows for rapid progress, and tangible deliverables, so that it can garner consensus by all ITA Participants. Consequently, I urge all of our Asia-Pacific partners to accelerate their preparations before the launch of negotiations at the WTO.

“Right now, the United States is also working at the WTO with Asia-Pacific partners including Australia, Canada, Chile, Colombia, Hong Kong, Japan, Korea, Mexico, New Zealand, Peru, Singapore and Taiwan to update global services trade for the 21st century. Services are the critical links in global supply chains that connect exporters of every size to customers in countless markets. Therefore, all economies – and all

economic sectors – are hurt by persistent barriers to trade in services. Services are also essential to support competitiveness. If you want to compete in the global market, you need to open your markets to services, especially in key areas like information and communications technology, financial services, and distribution. Our goal at the WTO is to develop a new plurilateral services agreement that brings together the many achievements of the 17 years since the first services agreement was concluded. Such an agreement will bring immediate benefits and provide a beacon for others to follow, setting out the direction for future work in the multilateral setting.

“Trade facilitation is also key to helping Asia-Pacific countries tap into the world’s ever expanding global supply-chains, enhancing regional economic integration, and driving development. That is why the United States prioritizes trade facilitation both at the WTO and bilaterally. Furthermore, as TPP partners explore new ways to make trade and development more inclusive, we will share our findings with all WTO members.

“Finally, let me describe how the United States sees China as an integral participant in the development of a cohesive regional economy that serves to strengthen the global trading system. President Obama has said many times that the United States ‘[welcomes] the peaceful rise of China.’ Indeed, China’s impressive growth since it joined the WTO rules-based system ten years ago has brought major benefits to the Asia-Pacific region and to the global economy as a whole. At the same time, President Obama has emphasized the importance of ensuring that ‘China can be a source of stability and help to underwrite international norms and codes of conduct.’

“We firmly believe that China can contribute even more to global prosperity, if it opens its market with the same dedication that has characterized its pursuit of entry into other countries’ markets over the past decade. In fact, a recent study conducted jointly by the World Bank and experts from China’s government Development Research Center concluded that: ‘The role of the [Chinese] government and its relationship to markets and the private sector need to change fundamentally.’ We will explore these and other issues further with China through cooperative bilateral dialogues such as the Joint Committee on Commerce and Trade (JCCT), as well as the Strategic & Economic Dialogue (S&ED). And when we have trade disputes, the United States will continue to seek resolution with China or any other trading partner through available dispute settlement tools such as those offered by the WTO.

“Indeed, President Obama’s balanced approach on enforcement complements our active engagement across the Asia-Pacific. Because effective trade enforcement is essential to keep the global economy running smoothly, according to the rules upon

which we have all agreed. And a level playing field helps not only U.S. businesses and workers, but all participants in the WTO rules-based system.

“Accordingly, the Obama Administration is seeking to terminate application of the Jackson-Vanik amendment with respect to Russia, so that American businesses can compete on a level playing field in Russia once it joins the WTO.

“Our efforts with all of our Asia-Pacific trading partners broadly reflect the values we share that are embodied in the APEC Bogor Goals: ‘to pursue free and open trade and investment in the Asia-Pacific in a manner that will encourage and strengthen trade and investment liberalization in the world as a whole.’

“From Singapore to Shanghai to San Francisco and beyond, we all have a huge stake in building the strongest possible regional and global trading system. Now we must come together and find common ground on mutual challenges facing our workers and businesses today. As we construct the trade and economic infrastructure this region needs for the 21st century, together we will support more and better jobs for people in the United States and Singapore, around the Pacific Rim, and worldwide. Thank you.”

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