

**UPDATE OF ACTIVITIES  
WITHIN APEC**

**OCTOBER 2001**



Asia-Pacific Economic Cooperation

Published by  
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Issue No.2, 2001  
APEC #201-SE-05.3      ISSN 0219-1113

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# FOREWORD

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Welcome to this second edition of the *Update of APEC Activities* for 2001.

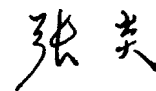
As we approach the lead-up to the annual meetings of APEC Ministers and Economic Leaders in Shanghai in October, it is timely to provide an updated overview of activities undertaken by APEC over the course of the year.

*Meeting New Challenges in the Century: Achieving Common Prosperity through Participation and Cooperation* is the theme adopted for China year. To advance the set APEC objectives in trade and investment liberalization and facilitation, and economic and technical cooperation, member economies embarked upon a fresh series of initiatives and projects during 2001. New headway has been made in areas such as Human Capacity Building, ECOTECH Action Plan, e-APEC, the Osaka Action Agenda (OAA) Review and Trade Facilitation. APEC has also been lending its unique strengths to supporting efforts to promote a more open, equitable, multilateral global trading system.

The extensive range of activities and projects outlined in this publication, provide concrete examples of the ways in which APEC works to put in place the foundations for continued strong economic growth and social improvement, with a focus on equipping member economies to maximize and collectively benefit from opportunities offered by the changing regional and global economic environment.

We encourage readers to visit both the main APEC website [www.apecsec.org.sg](http://www.apecsec.org.sg) for more detailed information on APEC-wide programmes and initiatives, and the APEC China 2001 website [www.apec-china.org.cn](http://www.apec-china.org.cn) for continuously updated news on meetings and events being hosted in China for the remainder of the year.

For readers wanting information on events coming up in Mexico in 2002, we invite you to visit [www.apec2002.org.mx](http://www.apec2002.org.mx)



Ambassador Zhang Yan  
Executive Director  
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## The Committee on Trade and Investment

The Committee on Trade and Investment (CTI) was established by the *Declaration on an APEC Trade and Investment Framework* in November 1993.

The CTI coordinates APEC's work on the liberalization and facilitation of trade and investment (refer to the *Bogor Declaration* 1994). It works to reduce impediments to business activity in 15 specific areas as outlined in the Osaka Action Agenda (OAA): tariffs and non-tariff measures; services; investment; standards and conformance; customs procedures; intellectual property rights; competition policy; government procurement; deregulation; rules of origin; dispute mediation; mobility of business people; and implementation of WTO obligations. CTI also provides a forum for discussion of trade policy issues. Detailed activities in CTI's 14 work areas are outlined under the relevant sections in the *Update*.

### Business and Private Sector Participation

The CTI engages in regular outreach efforts to business via the APEC Business Advisory Council (ABAC) and more directly through seminars, speeches, the Internet, publications, and media relations. It encourages wider working level dialogues with business and professional groups to promote better understanding of the issues involved and to devise specific ways of addressing them. The Pacific Economic Cooperation Council (PECC) regularly attends CTI meetings, providing analytical and business input. The private/business sector plays a key role in technical work areas (for example, standards and conformance) by providing specialized input.

### Achievements

In 2001, the CTI made considerable progress towards OAA objectives and *Bogor* goals in a number of concrete areas. To name a few, it developed further collective actions on non-tariff measures (NTMs) and considered ECOTECH programs to assist in this process. It completed an overhaul of the Collective Action Plans (CAPs) in intellectual property rights (IPRs) and phase II of the Development of the Menu of Options for

Voluntary Liberalization, Facilitation and Promotion of ECOTECH in Services Trade and Investment.

In response to instructions laid down by Ministers and Leaders in Brunei Darussalam in November 2000, CTI conducted a thorough review and overhaul of Part I of the 1995 "Osaka Action Agenda" which charts specific objectives and guidelines, as well as collective actions for achieving APEC's Trade and Investment Liberalization and Facilitation goals. In addition, the CTI also:

- Completed its work on developing a set of trade facilitation principles that build upon APEC's existing commitments and WTO obligations;
- Developed a comprehensive set of recommendations for improving and refining the electronic IAP (e-IAP) system to ensure that it is fully utilized and operational in 2001 and is updated and improved as an electronic tool in future years;
- Advanced work on capacity building with respect to WTO Implementation. Twelve projects, financed from APEC's Trade and Investment and Liberalization and Facilitation (TILF) Funds, were developed to assist developing economies to address concerns over certain aspects of the implementation of WTO agreements;
- Continued to play a coordinating role in carrying forward the work programs of the non-tariff elements of Early Voluntary Sectoral Liberalization (EVSL); and
- Continued work on strengthening markets focusing in particular, on the implementation of cooperative initiatives on strengthening economic legal infrastructure. A Menu of Options on Capacity and Institutional Building, Corporate Law and Competition Policy was developed to help advance work in these prioritized areas.

### Next Steps

The CTI will continue to implement,

improve and expand CAPs, as envisaged in the OAA.

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## Tariff and Non-tariff Measures

Tariffs and non-tariff measures (NTMs) are two of the 15 specific areas under the Committee on Trade and Investment (CTI) as outlined in the *Osaka Action Agenda* through which APEC member economies are working to eliminate tariff and non-tariff barriers to trade. Member economies are committed to creating a region of free and open trade and investment no later than 2010 for developed economies and 2020 for developing economies.

A new Market Access Group (MAG) was established in 1998 to handle the CTI's work on tariffs and NTMs.

The Collective Action Plans (CAPs) for tariffs and NTMs require APEC members to keep their data in APEC's computerized tariff database up-to-date; pursue incorporation of information on NTMs into a future version of the APEC Tariff Database (TDB); compile a list of measures recognized as non-tariff impediments to trade; compile a list of products affected by those impediments; and identify industries in which the progressive reduction of tariffs and NTMs may have a positive impact on trade and economic growth in the Asia-Pacific region, or for which there is regional industry support for early liberalization.

The year 2001 saw the MAG being re-energized with a renewed and more substantive work programme. The second MAG Meeting of the year was held over two days for the first time. Another first was its policy dialogue on the work scope of NTMs. Apart from papers from member economies, the MAG for the first time invited experts working in this issue area from the PECC and the US International Trade Commission (USITC) to present papers on their work on NTMs. The MAG Meeting agreed that the Group should work on best practices based on case experiences rather than continue the debate on the scope of NTMs. A research project was approved for urgent APEC funding.

### Business and Private Sector Participation

APEC member economies consult their business/private sectors regularly. Business/private sector views have been incorporated

in the development of the TDB, which has sponsorship from the business/private sector (Federal Express).

The business/private sector and academia provide important input to the CTI's work on tariffs and NTMs, particularly through the analytical work performed by PECC. Businesses that would like to become more involved in the CTI's work on tariffs and NTMs should contact the APEC office in their economies. (See page 50 for member economies' contact information.)

### Achievements

- Consulted EVSL sectoral coordinators on NTMs identified through their respective sectors' work programme, and developed a list of generic NTMs for MAG's consideration when progressing its NTM work programme.
- Discussed a follow-up work mechanism to progress EVSL NTMs work.
- Consulted EVSL sectoral coordinators on NTMs identified through their respective sectors' work program and developed the "Revised Typology of Possible NTMs and the Fora/Sub-fora to Address Them", together with the "Progress of Work Done by Forum/Sub-forum to Address NTMs"
- Requested members to provide regular updates of tariff information as changes occur, and provide annual updates of trade and other agreed data to the APEC Tariff Database (TDB) Manager
- Collaborated with the WTO Secretariat to conduct the 2nd Seminar on the WTO Integrated Database (IDB) on 17– 18 February 2001 in Beijing, China
- Conducted the 1st MAG Policy Dialogue on 28 May 2001 in Shenzhen, China to discuss and exchange information on work done by member economies, PECC and the USITC.
- Continued to update the website of Import Regulations
- Reviewed and revised MAG's Terms of Reference to provide clearer guidance on the roles and functions of the group.

- Continued discussion and finalised last year's list of "Discussed Ideas for Future NTMs Work Program".

### Next Steps

- Elaborate the scope of NTMs affecting significant volume of trade in APEC economies.
- Undertake research and provide a basis for policy discussions on trade regulations and administrative arrangements that focus on procedural elements of trade processes in collaboration with other APEC fora.
- Undertake a series of policy discussions on NTMs with a view to exploring issues surrounding their progressive reduction, and devising practical options for their progressive reduction on a voluntary basis.
- Further develop the MAG homepage which includes links to APEC member economies' websites dealing with trade regulations and associated administrative arrangements as a resource for the business/private sector and other economies.
- Expand the MAG website by publishing additional appropriate MAG papers on the website.
- Monitor the preparation of the NTM chapter of member economies' Individual Action Plans (IAPs) with a view to refining it as a resource for the business/private sector and other economies to improve their understanding of the trade regulations and associated administrative arrangements of APEC member economies.
- Explore further improvements to the NTMs chapter of the IAP as a mechanism to monitor and assist the progressive reduction of NTMs.
- Undertake discussions on NTMs with a view to making a constructive contribution to WTO processes.
- Establish a dialogue on particular NTMs, inviting relevant experts (e.g. from WTO, OECD) to speak at MAG Meetings as

## Tariff and Non-tariff Measures (Cont'd)

part of capacity building for member economies.

- Disseminate work undertaken by various other international and regional fora.
- Explore ECOTECH and facilitation activities, which may assist economies in addressing NTMs.

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## Services

The Group on Services (GOS) was established by the CTI as an informal subgroup in 1997 to address the TILF tasks in the area of services as mandated in the *Osaka Action Agenda (OAA)* and as instructed by Leaders, Ministers, the SOM and the CTI. Since 1997, the GOS has held 16 meetings, with the last one being held in Dalian, China, on 18–19 August 2001. The current convenor of the GOS is Mexico.

In addition to the continuous progress on various CAP items, including information gathering and analysis, experience sharing and transparency, this year the GOS delivered Phase II of the development of the *Menu of Options for Voluntary Liberalization, Facilitation and Promotion of ECOTECH in Service Trade and Investment*. Another key deliverable for the GOS was the completion of a self-funded project by Chinese Taipei entitled “Firm Expatriation Policy and Practice in the Services Trade: The Gender Dimension”. This project was designed to study whether gender is an important factor of expatriation policy/practice in the services trade by conducting a survey of multinational enterprises. The outcomes of this GOS project can serve as reference for improving service trade liberalization and facilitation and contribute to the task of Framework for the Integration of Women in APEC.

### *The Menu of Options*

The Menu of Options is designed to advance the core objective of the APEC Group on Services, that is to foster the liberalization and facilitation of services trade and investment, along with the promotion of capacity building in the services and investment areas. The major purposes served by the Menu of Options are:

- To provide an organizational framework for the work of the GOS on services;
- To set out an indicative list of measures they may wish to include in their Individual Action Plans; and
- To assist in the discussion of how APEC member economies may achieve free and open services trade and investment.

The Menu of Options is structured according to the three pillars of APEC.

Through the inclusion of a summary of the discussions and main points of consensus of the GOS achieved during its work on the Menu of Options for this year it represents a further development of the prototype Menu of Options agreed by GOS as one of its deliverables in 2000. The Menu of Options document that was agreed by GOS is structured on the basis of the prototype of the Menu of Options. It first describes in a non-legal manner the ideal situation with respect to the twelve components of the three pillars of the Menu of Options, then provides brief information to put the various components in context, followed by an illustrative list of measures relevant to each component. The main points of the discussion by the GOS for each component are then summarized and the consensus reached during the discussion is indicated.

The discussion of each of the twelve components of the Menu of Options during Phase II was carried out on the basis of issue papers that can be found on the GOS website. These include:

- Most Favored Nation Treatment (MFN) and National Treatment
- Market Access
- Deregulation/Privatization
- Promoting Transparency in the Services Sector
- Issues in Domestic Regulation of Services
- Competition Laws and Policies
- Recognition in the Services Sector
- Application of Electronic Technology and Simplification of Customs and other Administrative Procedures
- Development of Human Resources and Promotion of Advanced Technologies
- Building Infrastructure

Further work on the Menu of Options for Voluntary Liberalization, Facilitation and Promotion of Economic and Technical Cooperation in Services Trade and Investment during Phase III in 2002, will aim to build human resource capacity in selected key components of the pillars of trade facilitation and ECOTECH.



## Achievements

Collective Actions Agreed in 2001:

- Develop and implement the Menu of Options for Voluntary Liberalization, Facilitation and Promotion of ECOTECH in Service Trade and Investment;
- Review and exchange information on all trade and investment in services arrangements within APEC and study common elements;
- Gather and analyze information on the services section contained within the Individual Action Plans;
- Identify measures affecting trade and investment in all service sectors;
- Study and carry out work concerning the development and adoption of common professional standards, in conjunction with professional accreditation bodies and needed legislative measures;
- Enhance transparency in service sectors; and
- Continue discussion of issues related to possible APEC principles or guidelines that may be necessary to achieve free and open trade and investment in this area.

For the environmental service EVSL initiative, the GOS has continued to monitor the WTO's progress on environmental service negotiations and further developed a mechanism to increase members' understanding and capacity in pursuit of the EVSL for such services, a task designated to the GOS by the CTI and the SOM.

## Next Steps

To increase understanding of the impact of service trade liberalization, a GOS project titled "Studies on the Costs and Benefits of Services Trade Liberalization" (Project Overseer: Indonesia), will be carried out in 2002. The project's primary objective is to study the process and impact of service sector liberalization in a selected number of APEC economies. The outcome of the study, to be based on in-depth case studies covering four sectors (insurance, distribution, health,

and tourism services), will serve three purposes. Firstly, it will provide information on how different economies have responded to trade liberalization in specific service sectors, showing clearly the costs and benefits of implementing such a policy. Secondly, the study will shed light on the economic and supervisory conditions that must be developed to give reasonable assurance that liberalizing trade in services will be beneficial to domestic users while providing domestic service providers with an opportunity to be competitive with imported service providers. Thirdly, it will suggest implications of the case studies for services liberalization across a broad range of sectors and economies.

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### Services - Key Contacts

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## Investment

The Investment Experts' Group (IEG) is a sub-group of the APEC Committee on Trade and Investment (CTI). It was established in 1994 to bring together officials in the region involved in the regulation of foreign investment. Its main role is to assist the CTI in achieving the investment-related components of APEC's liberalization and facilitation agenda.

### Business and Private Sector Participation

The IEG seeks views from the private/business sector about priorities for APEC's investment liberalization and facilitation agenda through its annual Investment Symposium and Business Survey. Business people were also invited to participate in the 1st and 2nd APEC Investment Marts held respectively in Seoul, Korea in June 1999 and in Yantai, China in June 2001.

## Achievements

Major achievements in 2001 include:

- Completed the 6th APEC Investment Symposium on "Restructuring FDI in the Age of Information Technology" (Cheju, Korea; 21–23 March);
- Held successfully the 2nd APEC Investment Mart (Yantai, China; 9–15 June);
- Completed APEC Seminar on "WTO TRIMs Agreement Implementation: Capacity Building for a Better Investment Environment" (Xiamen, China; 9–10 September);
- Expanded the Menu of Options through adding texts on "Technology Transfer," "Intellectual Property Rights," "Start-up Companies/Venture Capital," and "Domestic Business Environment";
- Updated Investment Chapter of the OAA Guidelines and the Investment Collective Actions reflecting improvements made in 2001;
- Reported the Group's activities to ABAC; and

## Investment (Cont'd)

- Conducted Policy Discussion Forum on members' investment regimes (Russia, Viet Nam, and Korea).

### Next Steps

- Conduct studies on "Cross-border Mergers and Acquisitions (M&As)" and "Start-up Companies/Venture Capital"
- Organize the 7th APEC Investment Symposium and the 3rd Investment Mart in Vladivostok, Russia in 2002
- Organize an APEC Seminar on "Bilateral/Regional Investment Rules and Agreements" in Mexico in 2002
- Organize an APEC Seminar on "Investment's One-Stop Shop" in Peru in 2002
- Update the Menu of Options

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## Standards and Conformance

The CTI Sub-committee on Standards and Conformance (SCSC) was established by the *Declaration on an APEC Standards and Conformance Framework* (November 1994).

The principal objectives of the SCSC are to: encourage alignment of members' standards with international standards; achieve recognition among APEC economies of conformity assessment in regulated and voluntary sectors; promote cooperation for technical infrastructure development in order to facilitate broad participation in mutual recognition arrangements in both regulated and voluntary sectors; and ensure the transparency of the standards and conformity assessments of APEC economies

### Business and Private Sector Participation

Representatives from the specialist regional bodies are invited to SCSC meetings. In 2001, the SCSC has worked with the Information Technology Industry Council (ITI) for the implementation of the work program on trade facilitation in information technology (IT) products and a launch of a pilot of the DeclareNet (see below).

### Achievements

Highlights of SCSC achievements during 2001 include:

- Review of and revision to the APEC Mid-Term Technical Infrastructure Development Program;
- Progress towards the launch of the pilot of the DeclareNet, an Internet website for the exchange of conformance information between regulatory authorities and manufacturers, as well as use as a regulatory tool for post-market surveillance;
- Implementation of the work program on trade facilitation in IT products and endorsement of the proposal for APEC-based IT companies and ITI members to co-develop with each interested economy a "road map" that is individually tailor-made to facilitate its implementation of the work program;
- Adoption of all necessary

documentation for full operation of the APEC MRA on Electrical and Electronic Equipment;

- Compilation of a web-based database on all Good Regulatory Practice materials produced by the SCSC; and
- Monitoring of the developments within the WTO Committees on the TBT and SPS as well as development of the projects for the implementation of the APEC Strategic Plan for WTO-related capacity building.

### Next Steps

The SCSC will continue to implement and improve CAPs in the area of standards and conformance. The SCSC's future work program includes:

- Review and improvement of the effectiveness of the APEC MRA on Conformity Assessment of Foods and Food Products, the Arrangement for the Exchange of Information on Toy Safety, the APEC Arrangement for the Exchange of Information on Food Recalls, and the APEC MRA on Conformity Assessment of Electrical and Electronic Equipment;
- Undertaking of activities from among those recommended in the revised Mid-Term Technical Infrastructure Development Program;
- Compilation of member economies' regulatory profile and development of information and case studies on decision-tree analysis for Food/Drug Interface policy; and
- Implementation of SCSC reform through the rationalization of its agenda, priority setting exercise and better coordination with other groups.

## Customs Procedures

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The Customs Procedures Group of Customs Experts was converted into a formal CTI Sub-committee on Customs Procedures (SCCP) in 1995. Its objective is to facilitate trade in the Asia-Pacific region by simplifying and harmonizing customs procedures.

### Business and Private Sector Participation

SCCP has periodically organized dialogues with the private Sector. The latest one was held in Shanghai, China in August 2001. The theme of this Dialogue was "New Economy: Advancing Customs-Business Partnership and Trade Facilitation to the Next Level". Around 500 participants from APEC customs administrations, the business community, other APEC fora and relevant international organizations attended the Dialogue.

There were three dialogue sessions on the following issues:

- "Advancing Customs Trade Facilitation Strategy to Meet New Challenges".
- "Implications of E-Commerce and Paperless Trading on Customs and Business".
- "Convergence of Customs and Business—Our Shared Goal in Maintaining Economic Competitiveness".

The Australian business sector is supporting the Sub-committee's Temporary Importation CAP. Federal Express has agreed to continue the sponsorship of the APEC Tariff Database.

Joint activities are carried out with the business/private sector to support SCCP's work programme, for example, on Temporary Importation.

The SCCP continued to engage the business/private sector in its activities, in particular, through the decision to create a new Collective Action Plan: "Enhance Customs-Business Partnership".

### Achievements

The Simplification and Harmonization of Customs Procedures initiative has already resulted in significant cost savings for exporters and importers. Among other outcomes, the SCCP is promoting risk management techniques to APEC customs administrations to enable them to better target enforcement efforts and facilitate the movement of low-risk shipments and 'paperless trading' in the region. Other achievements include:

- The development of better tools for forging strategic partnerships with the business/private sector and exploring possible partnerships with the private sector to progress the work on its CAPs.
- About half of the SCCP's Collective Action Plan work programmes on important customs areas such as WTO Valuation, WTO TRIP Agreement (on border controls), Clear Appeals Provisions, Advance Classification Ruling, Temporary Importation and Express Consignment have been completed.
- Peru, Russia and Viet Nam became full APEC members in 1999. In response to their needs, the SCCP is considering issues on timeframes and schedules for technical assistance for the new members.
- SCCP has included 'paperless trading' as a new work area for collective action. As electronic commerce rapidly spreads to all sectors of economic activity and regions in the world, the SCCP felt it was incumbent upon it build upon existing infrastructure and explore modern technologies to further lower transaction costs for business, including SMEs. The SCCP has also embarked on a timely task of developing an assessment approach to measure the effectiveness of its work program, in particular its comprehensive technical assistance program, which was first developed five years ago. In addition, the SCCP has developed plans to improve the levels of 'Integrity' in customs administrations, a collective action newly introduced last year.

## Customs Procedures (Cont'd)

- An important step forward has been the elevation of "Enhance Customs-Business Partnership" as its new CAP.

### Next Steps

The SCCP will continue to implement and improve the collective action plans in the areas of customs procedures. Future SCCP work programs include:

- Improving direct involvement of the business/private sector in SCCP activities in the framework of the new collective action plan "Enhance Customs-Business Partnership".
- Publishing the *2001 and 2002 Blueprint for APEC Customs Modernization*.
- Continue promoting and facilitating 'paperless trading'.
- Proceed with the implementation of 'Integrity' which was elevated to CAP status at the end of last year.
- Developing proposed *Best Practices Handbook on Express Consignment Clearance*.
- Developing of an Assessment/Evaluation Approach to measure the implementation of SCCP CAPs and cargo release time.

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## Intellectual Property Rights

Since 1996 the Intellectual Property Rights (IPR) Experts' Group (IPEG) has carried out a work program to achieve the planned Collective Actions as well as to enhance APEC-wide cooperation in several areas. These are: deepening the dialogue on intellectual property policy; surveying and exchanging information on the current status of IPR protection and administrative systems; studying measures for the effective enforcement of IPR; fully implementing the TRIPS Agreement; and facilitating technical cooperation to that end.

### Business and Private Sector Participation

The IPEG seeks views from the private/business sector about priorities for APEC's work on IPR through various symposiums. A contact list of public, business and private sector experts on IPR is available on the APEC Secretariat's website at <http://www.apecsec.org.sg>.

### Achievements

Key achievements of the IPR Experts' Group for 2001 included:

- **New Collective Action Plans:** The IPEG agreed on the new proposed Collective Action Plans (new CAP) of intellectual property rights (IPR) area in February 2001. They were approved by the CTI-1 in February, and started its activities under the new CAP at the 12th IPEG meeting in March 2001.
- **New Objective and Guidelines:** The IPEG also agreed on the new proposed OAA Objective and Guidelines in February 2001. The new Objective and Guidelines for IPR area were slightly modified and were to be approved in the context of the CII's broader review and development of OAA Guidelines.
- **APEC Government/Industry Workshop on IP Enforcement in the APEC Region:** The Government/Industry Workshop on IP Enforcement in the APEC Region was held along with the 12th IPEG meeting in March 2001 to exchange information relating

to IPR enforcement issues between the private and public sectors.

- **APEC Symposium on Intellectual Property Rights in the New Economy:** The APEC Symposium on Intellectual Property Rights in the New Economy was held in association with the 13th IPEG in July 2001 to share knowledge and exchange views among the experts from the public and business/private sectors on the challenging intellectual property and technology transfer issues.
- **APEC Copyright Seminar:** The APEC Copyright Seminar was held in Tokyo, Japan in March 2001 to exchange information and views on copyright issues in response to the development of information technology and e-commerce.

### Next Steps

- **Deepening the dialogue on IP policy:** The IPEG agreed to discuss solutions regarding reducing costs for applicants and reducing duplication of workload by patent offices.
- **Electronic means for IPR-related procedures:** Information exchanges on strategies for promoting utilization of electronic means for IPR-related procedures, especially on outcomes of IPEG members' contacts with users, will be conducted. In addition, the IPEG will consider possible forms of technical cooperation on the electronic means.
- **Protection for geographical indications:** A snapshot list of domestic geographical indication examples protected by each APEC economy will be surveyed.
- **Appropriate protection of IPR in new fields:** The IPEG agreed to discuss the IP-related international jurisdiction issues raised in the Hague Conference on International Private Law, as well as the issues associated with genetic resources, traditional knowledge, and folklore.

## Competition Policy

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The globalization of business has highlighted the importance of competition issues. APEC's objective in this work area is to enhance the competitive environment of the region. In November 1994, APEC Ministers agreed that the Committee on Trade and Investment (CTI) would develop an understanding of competition issues, in particular competition laws and policies of economies in the region. They agreed that the CTI should learn how competition laws and policies affect flows of trade and investment in the APEC region and identify potential areas of technical cooperation among member economies. In 1996, the Osaka Action Agenda work programs for competition policy and deregulation were combined, in view of the linkages between the two issues. The competition policy/deregulation work area is a key component of work under the "Building Strong Foundations"/"Strengthening Markets" themes, promoted by the 2000/1999 APEC Chairs respectively. (See the Deregulation update)

### Business and Private Sector Participation

Business and academia provide important input to APEC's work on competition policy, particularly through the Pacific Economic Cooperation Council (PECC). Promoting dialogue with the business community on competition policy and regulatory reform remains a priority.

### Achievements

- Successfully held the Opening Conference of the APEC OECD Cooperative Initiative on Regulatory Reform (Singapore, 21–22 February 2001). Through this the CAP related to deepening the dialogue between APEC economies and relevant international organizations was accomplished.
- Continued dialogue and information exchange on and study of, competition policy, competition laws, their enforcement and their interrelationship with other policies related to deregulation, trade and investment. This was achieved through:

1. The annual Workshop on Competition Policy and Deregulation during SOM II in Shenzhen, China in which various presentations were made;
  2. Participation in the development of the Menu of Options on Competition Policy, for "Strengthening Economic Legal Infrastructure"; and
  3. Further development of the competition policy and law Internet database.
- Undertook Capacity Building Programs, to improve understanding of Competition Laws and Alternative Regulatory Regimes. This was achieved through the APEC Partners for Progress Fifth Seminar on Competition Policy held in Bangkok, Thailand on 13–15 March 2001.

### Next Steps

- Undertake capacity building programs to assist economies in implementing the APEC Principles to Enhance Competition and Regulatory Reform;
- Continue to develop an understanding of competition policies and/or laws within their respective economies and within relevant domestic constituencies, thereby fostering a culture of competition;
- Continue support for the joint APEC-OECD Co-Operative Initiative in the field of Regulatory Reform for 2002, project CTI 008/2002 T;
- Deepen the dialogue with other APEC Fora and Subfora on the understanding and reporting of the implementation of the APEC Principles to Enhance Competition and Regulatory Reform; and
- Develop a Training Program to Promote Competition in APEC Economies (2002), project CTI 023/2002 T.

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## Government Procurement

The Government Procurement Experts' Group (GPEG) was established in 1995. The Osaka Action Agenda (OAA) of November 1995 commits APEC economies to "develop a common understanding on government procurement policies and systems" and to "achieve liberalization of government procurement markets throughout the Asia-Pacific region in accordance with the principles and objectives of the *Bogor Declaration*."

### Business and Private Sector Participation

Business people have attended GPEG educational programs.

### Achievements

The GPEG:

- Has completed a set of non-binding principles on government procurement (GP) based on the free-trade principles already embraced by APEC. These principles, endorsed by Ministers in Auckland, New Zealand in September 1999, include transparency, value for money, open and effective competition, fair dealing, non-discrimination, accountability and due process. In addition, the GPEG has developed practices illustrating how these elements could be implemented.
- Has contributed to the WTO's study on Transparency in GP by providing to the WTO information on APEC members' GP regimes, commitments on GP in their individual action plans, and APEC's views on several of the principles listed above.
- Has continued its educational programs with a seminar in February 1999, sponsored by New Zealand, on unilateral liberalization of GP and the use of electronic tendering; and a July 1999 workshop on GP practices sponsored by China. Earlier programs included a GP training program, seminars on: bid challenge systems, existing international GP agreements, and GP principles.

- Is updating the surveys member economies have completed on their government procurement systems and their publication arrangements for GP opportunities. These surveys are available, along with other information about GPEG activities, on the APEC GP homepage <http://www.apecsec.org.sg/govtproc/gphome.html>.

### Next Steps

Now that the GPEG has finished the full set of GP non-binding principles, GPEG members are reviewing their individual action plans (IAPs) regarding the consistency of their GP systems with the non-binding principles. A number of economies have already carried out voluntary reviews before the GPEG meeting. In 2000, GPEG members agreed that all members would voluntarily review their IAPs with respect to the transparency meeting and this was accomplished at the first GPEG meeting in China in February 2001. Through this process, members are continuing to explore how best to implement the principles and to voluntarily bring their systems into conformity with the principles. The Group will also continue its educational and information-sharing activities. It will also work more closely with other APEC groups, in particular the Electronic-Commerce Steering Group and the Small and Medium Enterprises Working Group, looking at a number of issues including paperless trading.

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## Deregulation

Unilateral deregulation by APEC economies makes an important contribution to trade and investment liberalization and facilitation. Transparency in regulatory regimes and the elimination of trade-impeding or unnecessarily restrictive regulations are the key objectives of APEC work in the deregulation area. This work is undertaken by the CTI. In 1996, the Osaka Action Agenda work programs for Competition Policy and Law, and for deregulation were combined, in view of the linkages between the two issues. (See Competition Policy update.)

The main focus of the Deregulation CAP is to promote information sharing and dialogue, and increase the transparency of existing regulatory regimes and regulatory reform processes.

### Business and Private Sector Participation

The business/private sector and academia provide important input to APEC's work on deregulation, particularly through seminars and the analytical work done by PECC. Promoting dialogue with the business community on deregulation is a key focus for the future.

### Achievements

The focus of the group remained on the promotion of information sharing and dialogue on deregulation issues through the annual Competition Policy and Deregulation Workshop. The group has also agreed to a Cooperative Initiative on Regulatory Reform with the OECD. The implementation of this joint program with the development of seminars will help enforce the Road Map Initiative on "Strengthening Markets" through continued dialogue and sharing of experiences among economies from both fora dealing with the challenges of regulatory reform.

### Next Steps

Apart from fulfilling the on-going objectives of promoting information sharing and dialogue and increasing transparency in

regulatory regimes, work will continue to focus primarily on the implementation of the APEC Principles to Enhance Competition Policy and Regulatory Reform and specific projects arising from it.

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## Rules of Origin

The Rules of Origin (ROO) issue is covered by the CTI plenary. APEC member economies, through the CTI, will:

- Gather information on APEC economies' respective rules of origin and develop a compendium of rules of origin for the use of the business/private sector;
- Facilitate, complement and accelerate, in the short-term, World Trade Organization/World Customs Organization (WTO/WCO) work on harmonization of non-preferential rules of origin; and
- Study the implication of rules of origin on the free flow of trade and investment.

### Achievements

Members agreed to use the more detailed format guidelines for ROO approved in 1997 to report on implementation of the procedural obligations of the WTO Agreement on ROO in a manner aimed at establishing a more transparent and predictable ROO regime.

### Next Steps

The CTI will continue its information exchange among member economies on rules of origin requirements, and assess APEC member economies' compliance with the procedural obligations in the *WTO Agreement on Rules of Origin*.

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## Dispute Mediation

Trade and other economic disputes have negative implications for the cooperation that APEC is designed to promote. Work done by APEC's CTI on dispute mediation aims to explore ways of cooperative dispute-solving. It focuses on member economies and business/private sector disputes, and on promoting transparency in laws and regulations as a means of dispute avoidance.

APEC regards WTO dispute settlement as the primary channel for solving disputes. APEC recognizes it can play a role in helping to avoid disputes or resolve them through non-adversarial and voluntary approaches. At its meeting in May 1999, the CTI decided to realign work to enable the substantive work on dispute mediation to be carried out under the direct responsibility of the CTI Chair.

### Business and Private Sector Participation

Academics, lawyers, arbitration experts, mediators, and business leaders provide valued input to APEC's work on dispute mediation.

### Achievements

- Agreed to revise the *Guide to Arbitration and Dispute Resolution in APEC Member Economies*, bringing it up-to-date with the latest changes in practices and institutions of member economies.

### Next Steps

- Consider organizing information seminars on the WTO Dispute Settlement Understanding and developing training programs in WTO laws and procedures in response to the Strategic Plan to build capacity in APEC to implement WTO Agreements.

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## Mobility of Business People

The Osaka Action Agenda of November 1995 commits APEC members to enhance business mobility by exchanging information on regulatory regimes, streamlining the processing of short-term business visitor visas and procedures for temporary residence of business people, and maintaining a dialogue on these issues with the business community. Australia is the Convenor for business mobility.

### Business and Private Sector Participation

The APEC Business Advisory Council (ABAC) has made facilitation of business travel a priority. The CTI's agenda on business mobility has been guided by ABAC's recommendations, and the Informal Experts Group on Business Mobility has informed ABAC of its progress. Business has also been closely consulted in development of the APEC Business Travel Card scheme and introduction of other APEC initiatives. The IEGBM Chair met with the ABAC Business Facilitation working group at the February 2000 ABAC meeting in Bangkok, Thailand and ABAC has been invited to attend IEGBM meetings.

### Achievements

APEC members:

- Have launched an advance passenger processing project designed to speed the processing of air travelers in the APEC region.
- Have launched a project to enhance professional and efficient service in passenger processing.
- Have agreed in principle to adopt improved service standards for processing applications for and extensions of, temporary residence permits for executives, managers and specialists transferred within their companies to other APEC economies.
- Have collectively agreed to issue multiple-entry visas to frequent business travelers from other APEC economies and have acted individually to facilitate business travel, for example by expanding visa-waiver programs or



extending the validity of multiple-entry visas.

- Have launched a technical cooperation program to help members implement advanced border-management techniques.
- Maintained up-to-date information on their requirements for short-term business visas and temporary business residency permits in the Internet version of the *APEC Business Travel Handbook* (<http://www.apecsec.org.sg>). The Handbook also includes contact information on offices that issue visas across the APEC region.

Australia; Chile; Hong Kong, China; Korea; and the Philippines began implementing a trial of the APEC Business Travel Card (ABTC) scheme, which offers accredited business travelers visa-free travel and expedited airport processing when visiting participating economies. Malaysia and New Zealand joined the Business Travel Card scheme in 1999, while Thailand joined in February 2000, Peru in August 2000, and Brunei Darussalam in November 2000. In August 2001, Chinese Taipei announced its desire to participate, bringing the current number of participants in the ABTC to 11.

### Next Steps

Members will begin implementation of their agreement to streamline processing of temporary business residency permits. Technical cooperation in 1999 was focused on raising members' capacity to detect document fraud as a means to streamline entry for legitimate business travelers and a number of training sessions were undertaken in this regard by Australia; Canada; Hong Kong, China; and the US. Economies participating in these and other sessions included Brunei Darussalam; China; Chile; Indonesia; Korea; Malaysia; Mexico; Papua New Guinea; Peru; the Philippines; Russia; Singapore; Chinese Taipei; and Viet Nam. Similar training was offered in 2000 and 2001, at sessions held in the US in August 2000 to discuss the standards essential for transparent and open immigration systems as well as the capacity building needed to implement them. At its August 2001 meeting in Dalian, China the group also began to

explore new developments in technology in immigration processing, with a view to exploring how best to share and adapt those procedures throughout APEC economies.

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## Implementation of WTO Obligations

Since its creation in 1989, APEC has taken the position that it should build on the open multilateral trading system. APEC is committed to open regionalism and strongly supports the primacy of the multilateral trading system. The task in this area had been to promote opportunities for training and exchange of views on and experiences of challenges and solutions related to the implementation of the Uruguay Round (UR) outcomes. Given the time which has lapsed since the conclusion of the UR, the CTI explored how work in this area could be further streamlined and re-organized from the mid to long term and agreed to rename the issue area as "Implementation of WTO Obligations" instead of "Implementation of UR Outcomes".

In 2000 Leaders/Ministers endorsed a Strategic Plan to build the capacity of the APEC developing economies to implement WTO agreements. CTI was tasked to coordinate and undertake the work program to implement the APEC Strategic Plan. To fulfil this task, CTI agreed to the re-formation of the Informal Group on the Implementation of WTO Obligations and Rules of Origin (which was "disbanded" in 1999 during CTI's management reform exercise) under the co-chairmanship of Canada and Japan. The mission of the Group is to cooperate and facilitate WTO-related capacity building activities, which realize the objectives of the APEC Strategic Plan. The Informal Group met three times to initiate and advance a proposed work program in this regard. At its meeting on 18 August 2001 in Dalian, China, the Informal Group changed its name to "WTO Capacity Building Group".

### Achievements

- The adoption of a clear mandate for the Group as outlined in the Terms of Reference document. The mission of the Group will be to co-ordinate and facilitate WTO-related capacity building activities, which realize the objectives of the Strategic APEC Plan.
- The beginning of significant participation by bilateral and multilateral development agencies as well as

## Implementation of WTO Obligations (Cont'd)

international organizations like WTO and the ADB in WTO capacity building activity.

- Identification of a process for selecting appropriate TILF proposals especially with respect to tailor-made proposals. The three criteria identified were: application for TILF fund should follow established guidelines and practices of APEC; better collaboration should be established with relevant fora of APEC; other resources should be pursued as well for realization of the objectives of the Strategic Plan.
- In 2001, 12 WTO-related capacity building projects have been financed through the APEC TILF funds.

### Next Steps

The CTI will track and monitor implementation activities and consider the follow-up on the APEC Strategic Plan to build capacity in APEC to implement WTO agreements.

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## Early Voluntary Sectoral Liberalisation (EVSL)

In Vancouver, Canada, APEC Leaders agreed to early voluntary sectoral liberalization (that is, liberalization before the agreed goal of 2010 for industrialized economies and 2020 for developing economies) in 15 areas. They are environmental goods and services; fish and fish products; forest products; medical equipment and instruments; telecommunications mutual recognition arrangement (MRA); energy sector; toys; gems and jewelry; chemicals; oilseeds and oilseed products; food sector; natural and synthetic rubber; fertilizers; automotive; and civil aircraft.

The EVSL initiative is unique in that it envisages a three-track approach to liberalization – including market opening measures, trade facilitation activities and economic and technical cooperation initiatives. APEC participating member economies decided that the tariff elements of the EVSL exercise should be negotiated within the WTO. With the decision to transfer the tariff element of EVSL to the WTO, work focused on the non-tariff measures, facilitation, and economic and technical cooperation components of the sectoral initiatives.

### Business and Private Sector Participation

Since the early stages of the EVSL exercise, Ministers have emphasised the importance of taking into account private sector interests. Member economies have consulted business in developing the liberalization initiatives for each sector. In some sectors it is envisaged that the private sector would be directly involved in implementation, for example, in economic and technical cooperation activities.

In the automotive sector, an APEC Automotive Dialogue was established to serve as a forum for member economy officials and senior industry representatives to work together to map out strategies for increasing integration and development of the automotive sector within the region. In the chemicals sector, preparations are underway for convening the first Chemical Dialogue in Mexico around the time of the Meeting of APEC Ministers Responsible for Trade in May 2002. Such public-private sector

dialogues are seen to be important for improving the mutual understanding of key imperatives for the development of future policy and for enhancing the competitiveness of the industry.

### Achievements

- The 3rd Automotive Dialogue was held in Bangkok, Thailand on 3-5 April 2001. It attracted more than 200 participants from industry and government. The Dialogue adopted an “IT Manifesto” which incorporates a forward-looking action agenda and a set of “Principles of Technical Regulation Harmonization”. A substantive program looking at areas including assistance to automotive suppliers, effective automotive policies, harmonization of automotive technical regulations, and e-commerce has been put in place. Japan and the United States will jointly host the next meeting in early 2002.
- The Terms of Reference (TOR) for establishing the Chemical Dialogue were endorsed by the CTI. The first Chemical Dialogue Steering Group Meeting was held in Dalian, China on 19 August to develop a work program for the Chemical Dialogue, including possible deliverables for the first Dialogue. A second meeting will be held in 2002 on the margins of the first Senior Officials Meeting.
- A revised Typology of Possible Non-Tariff Measures (NTMs) and the fora/sub-fora to address them based on additional information/reports provided by the various EVSL sectoral coordinators is being finalized by the Market Access Group (MAG).
- Further progress was made in the implementation of non-tariff, facilitation and ECOTECH work programs of the EVSL, including the completion of previously approved ECOTECH projects such as The Survey of Environmental Markets in APEC; and The Study on Impacts of Financial Crisis in S E Asia on Trade Liberalization in Environmental Goods and Services within APEC Economies. In addition, two new projects in the automotive

## Trade Facilitation *Ad hoc* Task Force

sector and the medical equipment and instruments sectors have been approved by the Budget and Management Committee for implementation in 2002.

### Next Steps

- The Committee on Trade and Investment will continue playing a coordinating role in carrying forward the work on the non-tariff measures, facilitation and ECOTECH elements in the 15 EVSL sectors.

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An *ad hoc* Task Force on Trade Facilitation was established under the auspices of the CTI to pursue work in developing a set of APEC non-binding principles on trade facilitation in response to a Ministerial directive. Such principles are intended to assist policy-makers of APEC economies in formulating and implementing pro-business trade and investment measures.

### Achievements

The Task Force has had four meetings since its creation, and extensive discussions and exchanges of ideas have taken place in the meetings as well as inter-sessionally. In the latest meeting, in Shenzhen, China on 29 May 2001, the set of APEC Principles on Trade Facilitation, and illustrative examples, were adopted.

The Principles were subsequently endorsed by the CTI, the SOM and Ministers Responsible for Trade. The latter instructed officials to continue to develop capacity building programs to assist members in implementing the principles on a voluntary basis. The principles are:

- Transparency
- Communication and Consultation
- Simplification, Practicability and Efficiency
- Non-discrimination
- Consistency and Predictability
- Harmonization, Standardization and Recognition
- Modernization and the Use of New Technology
- Due Process; and
- Cooperation.

### Next Steps

Having accomplished its mandate the *ad hoc* Task Force was terminated.

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## Economic Committee

The Economic Committee (EC) was established at the 6th APEC Ministerial Meeting in Jakarta, Indonesia in November 1994, when the Ministers agreed to transform the *Ad Hoc* Group on Economic Trends and Issues into a formal policy committee. The Committee is responsible for research on economic trends and issues in the APEC region, and serves as a forum for member economies to exchange information and views. The Committee currently operates under the two guiding principles for its activities, as set out at the beginning of 1999. First, the Committee focuses on demand-driven work in support of APEC Ministers' and Leaders' Meetings and policy-oriented work of other fora. The Committee's work addresses central economic issues of priority concern for Leaders and Ministers, and provides the analytical basis useful for advancing TILF and ECOTECH agendas. Second, the Committee aims to deliver high-quality research outputs by focusing its work program, in order to fulfill its core role as APEC's analytical body.

### Business and Private Sector Participation

The Committee makes efforts to reach out to the research community and the business/private sector. Scholars, researchers, and business people participate in the symposiums and seminars held under the auspices of the Committee as part of the implementation of its research projects. Linkage with the APEC Study Centers is also important in fostering links with the academic/research community in member economies.

### Achievements

The Economic Committee prepared and submitted three major reports to the Ministers' Meeting in Brunei Darussalam in November 2000. These were the *2000 APEC Economic Outlook*; *APEC Economies beyond the Asian Crisis*; and *Towards Knowledge-based Economies (KBE) in APEC*.

### On-going Work

The EC has the following four core projects in its 2001-2002 Work Program:

- 1) 2001 APEC Economic Outlook;
- 2) The New Economy;
- 3) The Benefits of Trade Facilitation and Liberalization; and
- 4) An Implementation Plan for KBE Recommendations.

The *APEC Economic Outlook* has been tailored to serve APEC policy priorities. It is timed to be tabled annually at the Ministerial Meeting. Its first part updates and summarizes recent developments and short-term prospects of all APEC member economies, and its second part addresses topical structural issues bearing on priority themes of the TILF and ECOTECH agendas. Hong Kong, China is coordinating the preparation of the *2001 APEC Economic Outlook*. The *2001 Outlook* aims to examine the nexus between financial development and economic growth. The study is expected to show implications for the direction of financial development for economic growth; the interplay between financial regulation, changes in government financial policies and financial liberalization; and the trends in and prospects for financial integration among the APEC economies and their effects on regional growth. The 2001 APEC Economic Outlook Symposium was held on 28-29 June 2001 in Hong Kong, China. The Symposium served as a forum for gathering views and inputs from academia, member economy officials, international organizations, and the business/private sector. The Outlook Taskforce met immediately after the Symposium, with 14 member economies in attendance, to discuss five agenda items important to the preparation of the 2001 Economic Outlook Report.

The analytical foundation for the New Economy issue is not sufficient and the EC could contribute to the provision of the necessary knowledge for decision-makers through deeper study. The EC research project will involve coming up with a working and useful definition of the New Economy. In this light, the New Economy project aims to: examine innovation in APEC service industries with special reference to e-commerce; compare the key drivers of the New Economy between the U.S. and Canada;

examine the seriousness of the digital divide in APEC; compare the state of Entrepreneurship among member economies; and study whether e-commerce benefits actually exist at the macro level. It will also study the policy fundamentals underpinning the New Economy including such areas as fiscal, financial structure, trade and cross-border investment, and competition including legal issues, where the policy regime is key to the development of the characteristics of the knowledge-based economy.

As APEC is now halfway towards the Bogor goals, the study on "The Benefits of APEC Trade and Investment Liberalization and Facilitation" will build upon previous work in APEC, including the 1997 EC study on the *Impact of Trade Liberalization in APEC* and the 1998 EC study on the "Impact of Investment Liberalization in APEC." The project emphasizes the important positive effects of trade facilitation that are expected to be greater than those resulting from trade liberalization by reducing or eliminating tariff and non-tariff barriers. The project will try to measure the impact of trade facilitation measures on transaction costs.

The "Plan for Implementation of a KBE" is a follow-up study on how to implement the recommendations cited in the EC's 2000 Report to Ministers and Leaders entitled *Towards Knowledge-based Economies in APEC*. These recommendations are as follows: (1) establishment of a KBE Clearing House; (2) generation of start-up policies for triggering the transition to KBEs; and (3) inclusion of KBE status indicators in the Economic Outlook. The EC will draw an Advisory Group from member economies on a voluntary basis. This Group will advise the managers of the Knowledge Clearing House database about the scope, priorities, and broad technical directions of the KCH website and database. The EC will also form a KBE Task Force Team to handle the inclusion of KBE Status Indicators in the *2002 APEC Economic Outlook Report*.

As instructed by APEC Ministers, the EC will carry out the study on "The Impact of Higher Oil Prices on APEC Member Economies" but will place more emphasis on the assessment of the change in oil dependency in APEC economies. The findings of this

## Budget and Management Committee

study will be integrated into the *2001 Outlook Report*.

### Next Steps

The *2001 APEC Economic Outlook Report* will be finalized and reported at the Ministerial Meeting in October 2001. The progress made on the EC's remaining three research projects: the New Economy, the Benefits of TILF, and the Implementation Plan for KBE Recommendations will also be reported at the Ministerial Meeting.

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The Senior Officials' Meeting (SOM) in September 1993 agreed to establish the Budget and Administrative Committee (BAC) to advise APEC Senior Officials on budgetary, administrative and managerial issues. The BAC assesses and makes recommendations on the overall budget structure, considers budget requests, drafts the annual APEC budget, and examines all questions relating to the APEC budget and budgetary processes. The BAC also monitors and evaluates the operations and overall performance of working groups/committees and makes recommendations to the SOM for improved efficiency and effectiveness. In November 1998 Ministers re-designated the Committee as the Budget and Management Committee (BMC) with a view to strengthening the management of APEC projects.

#### TILF Special Account

At the Economic Leaders' Meeting in Osaka, Japan in 1995, the members adopted an *Action Agenda* for the implementation of the Bogor commitment. This aims to achieve free and open trade and investment in the Asia-Pacific region no later than 2010 in the case of industrialized economies, and 2020 in the case of developing economies. As the member economies proceed to meet their trade and investment liberalization and facilitation (TILF) commitments, their efforts are enhanced through cooperative projects supported by APEC.

While respecting the individual efforts of member economies, at the Leaders' Meeting in Osaka, Japan in 1995, Japan proposed to contribute, where necessary, up to 10 billion yen to the APEC Central Fund over the coming several years. The money was for use in appropriate cooperative projects formulated in support of trade and investment liberalization and facilitation.

### Business and Private Sector Participation

As an internal administrative forum, the BMC does not have any direct participation of the business/private sector at its sessions.

### Achievements

The BMC has performed the functions set out above. The BMC usually holds two regular meetings each year. These are supplemented, if necessary, by *ad hoc* meetings and decisions are taken inter-sessionally by circulation.

From January to September 2001, the BMC:

- Received the auditor's report on the 2000 accounts of the APEC Central Fund;
- Approved a number of urgent 2001 projects and welcomed mid-year savings to the 2001 Administrative Account;
- Examined the progress reports and evaluation reports of ongoing and completed projects;
- Recommended lists of Operational Account and TILF Special Account projects for 2001;
- Noted the 5-year forecast of the Operational Account and Administrative Account and agreed that the 2002 Operational Account budget should continue to be capped at US\$2 million, of which US\$0.5 million should be set aside for urgent 2002 projects;
- Recommended that members' contributions to the Operational and Administrative Accounts of the APEC Central Fund for 2002 should remain at the same levels as for 2001;
- Reviewed the current practice regarding inter-sessional transaction of business and agreed that it should continue; and
- Adopted a procedure to determine which projects will not receive funding where there are insufficient funds to cover all project proposals that would otherwise be approved.

### Next Steps

The BMC will continue to perform its budgetary and management functions.

## Budget and Management Committee (Cont'd)

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## ECOTECH Sub-Committee of the SOM

The ECOTECH Sub-Committee of the SOM (ESC) was established in 1998 to assist the SOM in coordinating and managing APEC's economic and technical cooperation (ECOTECH) agenda, and in identifying value-added initiatives for cooperative action. It also oversees the activities of the Group on Economic Infrastructure (GEI).

The ESC seeks to advance effective implementation of Part II of the 1995 Osaka Action Agenda (OAA) and the 1996 Manila Framework for Strengthening Economic Cooperation and Development through consultation with APEC fora and the development of policy management tools and guidelines for projects.

### Achievements

The ESC:

- Updated the *Osaka Action Agenda* Part II and Annex, which governs the economic and technical cooperation (ECOTECH) common policy concepts, and areas for joint activities and dialogue by APEC Working Groups;
- Established an ECOTECH Action Plan template for individual economies to report on what that they have completed, are carrying out or are planning to implement (domestically as well as collaboratively) in response to the HRD Common Policy Concepts in Part II of the OAA;
- Coordinated the development of a Human Capacity Building Strategy relating to the new economy;
- Prepared an overview of the implementation of the APEC Food System by Working Groups and the GEI;
- Examined and reported on the 148 ECOTECH projects that were in progress or completed in 2001;
- Reported on the implementation of projects/activities that flowed from the *Kuala Lumpur Action Programme on Skills Development* and the *APEC Agenda for Science and Technology Industry Cooperation into the 21st Century* endorsed by APEC

Leaders in Kuala Lumpur, Malaysia, in 1998; and

- Reported on the implementation by APEC fora of its *Guidance on Strengthening Management of APEC ECOTECH Activities*.

### Next Steps

The ESC will monitor the implementation of OAA Part II and ECOTECH initiatives and guidelines; coordinate work on cross-cutting issues including human capacity building and science and technology; and promote greater use of the ECOTECH Clearing House. It will also contribute to APEC's outreach programs by highlighting how ECOTECH activities are benefiting member economies governments, the business/private sector and the wider community. The ESC will continue to look for opportunities to cooperate with organisations both within and outside the APEC process to effectively advance ECOTECH objectives. In its deliberations, the ESC will take into account and promote the application of the *Framework for the Integration of Women*.

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## Group on Economic Infrastructure

APEC's work on strengthening economic and technical cooperation in infrastructure is mainly carried out by the Group on Economic Infrastructure (GEI), under the supervision of the ECOTECH Sub-Committee of the SOM

infrastructure support work undertaken in other fora, notably that relating to sustainable urban development, in order to assess APEC's future role in this field. In its activities, the GEI will take into account the application of the *Framework for the Integration of Women*.

### Achievements

- The joint APEC-PECC private/public sector initiative *Regional Integration for Sustainable Economies* (RISE), which aims to develop an approach to rural and wider regional growth centre development based on integrating rural economies into the broader marketplace. It supports rural-urban linkages, downstream value-added processes, development of secondary urban economic hubs and broad integrated infrastructure and supporting services investment. Pilot scale work with regional growth centers (RGCs) in Jiangmen, China and Manado-Bitung, Indonesia has commenced. Further information on the RISE initiative can be obtained from its website (<http://www.riselink.net/>)
- *Economic Regulation and Creditworthiness Enhancement*, which is being conducted by Indonesia with support from Canada, the United States, the World Bank and the Asian Development Bank. The work takes into account best practice approaches identified in previous Infrastructure Dialogues involving stakeholders and experts. Although the initiative has a domestic focus, the aim is to provide a blueprint for wider application. A 'white-paper', which sets out the decision path and application for reform, has been adopted domestically and made available to APEC members.

### Next Steps

The GEI will continue to use the Public-Private/Business Sector Dialogue process and the RISE initiative to share with member economies the lessons learnt relating to and best practices in support of policies, frameworks, partnerships and capacity development for the rapid development of regional growth centers and the provision of infrastructure services. It will also review

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## Agricultural Technical Cooperation

In recognition of the importance of work on agricultural technical cooperation, the Agricultural Technical Cooperation Experts' Group (ATCEG) was established in November 1996 as a formal APEC body with a continuing role. Prior to that decision, two meetings of experts had been held. The meetings (in Chinese Taipei, 1995; and Australia, 1996) agreed on a work program of joint activities to enhance agriculture's contribution to the region's economic growth and social well-being and developed a framework for undertaking those cooperative activities.

In accordance with the directions from the New Zealand SOM I in 1999, the ATCEG expanded the scope of its priority areas incorporating part of Food, Energy, Environment, Economic Development Population (FEEEP) joint actions: (a) food and agriculture-related research and development; (b) trade and other matters; and (c) food and agriculture-related environmental issues. Accordingly, the ATCEG's seven sub-groups were renamed to reflect these developments at the 3rd ATCEG meeting held in June 1999 in Japan. The sub-groups are: Conservation and Utilization of Plant and Animal Genetic Resources; Research, Development and Extension of Agricultural Biotechnology; Production, Processing, Marketing, Distribution and Consumption of Agricultural Products; Plant and Animal Quarantine and Pest Management; Cooperative Development of Agricultural Finance System; Agricultural Technology Transfer and Training; and Sustainable Agriculture and Related Environmental Issues.

Ministers' at their meeting in Brunei in 2000 agreed on the renaming of the ATCEG as the ATC Working Group (ATC) in an attempt to rationalize the various names of APEC fora.

### Business and Private Sector Participation

Representatives of the business/private sector participate as members of their economy's delegation and are invited to collaborate in the cooperative activities undertaken by the ATC. An ABAC

representative gave an informal briefing on the proposed APEC Food System to the 1998 meeting in Portland, USA. In the seminars on the Agricultural Finance System as well as the 3rd Biotechnology Workshop, business/private sector representatives were invited and made significant contributions to the work carried out.

The ATC has been working closely with PECC, particularly in the area of production, marketing, processing, and distribution of agricultural products. In cooperation with PECC, the contact list of agricultural experts was prepared and recently updated. The *Trade Facilitation Manual*, which describes the outline of each economy's regulations on standards and conformance, was also prepared.

### Achievements

The 5th Plenary meeting of the ATCWG was held on May 2001 in Beijing. Results of the meeting included: submission of the first draft of the updated ATC-related portion of the *OAA* part II to the ECOTECH Subcommittee and endorsement of the Progress Report on Biotechnology and the Implementation Plan.

In 2001, the ATCWG has conducted two APEC-funded projects, namely, a project on the APEC Institutional Linkage for Human Resource Development in Post-harvest Technology, and the project on the Workshop on Capacity Building, Safety Assessment and Communications in Biotechnology.

(1) The objectives of the project on the APEC Institutional Linkage for Human Resource Development in Post-harvest Technology are to:

- enhance academic quality in post-harvest technology;
- develop and institute curricular and training programs in Universities;
- improve the productivity and competitiveness of the post-harvest industry, and
- develop networks of national and international institutions.

The project has finalized curricula for a graduate diploma, an MSc and a PhD in Post-

harvest Technology, and a training manual for post-harvest handling systems. The first training course on post-harvest has been carried out.

(2) A Workshop on Capacity Building, Safety Assessment and Communications in Biotechnology was organized jointly with the Japan International Research Center for Agricultural Science (JIRCAS). The APEC-JIRCAS Joint Symposium and Workshop on Agricultural Biotechnology was held on 3–12 September 2001 in Bangkok, Thailand. This workshop comprised a one-day symposium reviewing current issues on agricultural biotechnology, a 4-day workshop covering specific issues on biotechnology, and a 3-day training workshop on environmental safety and food safety. The outcome of this workshop is expected to be reported to the Ministers and Leaders Meetings in October 2001.

### Next Steps

In 2002, ATCWG will carry out the following projects:

- (1) The Second Seminar-Workshop on Sustainable Agriculture, in Cebu City, the Philippines; and
- (2) The Fourth Workshop on Conservation and Utilization of Plant and Animal Genetic Resources. (Date and venue of this workshop will be decided soon.)

The ATCWG will also continue to implement the project on APEC Institutional Linkage for Human Resource Development in Post-harvest Technology.

The ATC will follow-up implementation of the recommendations in the biotechnology report. Another workshop in biotechnology planned for 2002.



## Energy

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The Energy Working Group (EWG), launched in 1990, seeks to maximize the energy sector's contribution to the region's economic and social well being, while mitigating the environmental effects of energy supply and use. The efficient and reliable supply of energy and energy services to meet the needs of APEC member economies provides the focus for the EWG's activities. The EWG contributes to decision-making through: frank and open discussion of members' energy policies and planning priorities; sharing basic resource demand and supply outlook data and considering the regional energy policy implications; and responses to wide-reaching energy-related issues.

### Business and Private Sector Participation

The business/private sector is involved in the work of the EWG through the EWG's five Expert Groups and is represented at EWG meetings by the PECC Energy Forum. The business/private sector participates in, and supports, EWG events such as seminars, training programs and technology demonstrations. A business/private sector–Ministerial dialogue has been held in conjunction with the four Energy Ministers' Meetings held to date.

In March 1998, the EWG established the EWG Business Network (EBN) as an interface between the private/business sector and the EWG. The Network comprises two business representatives from each economy. The fourth meeting of the Network took place in March 2001 in Oaxaca, Mexico. Recommendations from the EBN focus on raising the awareness of the importance of the energy sector to the growth in the Asia-Pacific region, particularly in relation to initiatives and activities that strengthen dialogue, build capacity and encourage market reforms to attract business/private sector investment in energy infrastructure development.

#### *Fourth Energy Ministers Meeting*

APEC Energy Ministers met for the fourth time in San Diego, USA on 12 May 2000 to discuss regional energy cooperation and the role of energy in meeting APEC's goals in the 21st century, under the theme "Turning

Vision into Reality". In their *Declaration* following the meeting, the Energy Ministers committed themselves to the implementation of priority energy initiatives on a voluntary basis, taking into consideration the different stages of development of APEC member economies. They also endorsed a new implementation strategy; agreed to send a message to APEC Economic Leaders on the contribution energy market reform can make to sustain economic growth in the region; and issued a Joint Statement on Clean Energy and Sustainable Development.

The Ministerial Declaration notes the central role of energy in the region's future prosperity, energy security and environmental protection, and highlights the work done in the EWG on initiatives to sustain energy market reform and facilitate economic and technical cooperation. The message to APEC Economic Leaders commits member economies to implementation of these initiatives through a new Implementation Strategy. These initiatives include strategies to enhance energy efficiency and conservation; and to disseminate new and renewable energy technologies that would facilitate energy security and regional economic stability.

### Achievements

The EWG has:

- Regularly published *APEC Energy Statistics*, consisting of annual and quarterly data covering: energy balances, final energy consumption, supply and demand by energy sources and electricity, and stock changes for APEC member economies. The data for 1998 was published in October 2000.
- Developed and obtained the agreement of Energy Ministers to implement 14 Rational Energy Policy Principles which give impetus to the reform of energy policies in member economies.
- Held four Energy Ministers' Meetings (Sydney, Australia, August 1996; Edmonton, Canada, August 1997; Okinawa, Japan, October 1998; San Diego, USA, May 2000).
- Obtained endorsement from Energy Ministers of an APEC Ministers'

## Energy (Cont'd)

Implementation Strategy (2000), which has two components:

- An Implementation Facilitation Assistance Team (IFAT) program, where experts (including representatives from Experts' Groups, the EBN, Energy Regulators Forum and other designated experts) share their experiences on implementing policy initiatives endorsed by Energy Ministers with economies wishing to receive practical, non-prescriptive advice on energy market reform.
- A reporting mechanism to measure progress in implementing energy market reform which takes the form of voluntary, annual self reports by member economies that will be forwarded to Economic Leaders through the Energy Working Group and the APEC system.
- Gained endorsement by Energy Ministers (1997) of the non-binding principles contained in the *Manual of Best Practice Principles for Independent Power Producers* (IPPs), aimed at mobilizing capital for business/private sector investment in power infrastructure. A number of economies are using the *Principles* as a guide in the reform of their power sectors.
- Secured endorsement by Ministers of a set of non-binding principles for good environmental practice aimed at ensuring that new power infrastructure additions in APEC economies are environmentally sound.
- Conducted a program of seminars, training courses and information exchange activities aimed at promoting new and renewable energy technologies, more efficient energy production and use, and the mitigation of the environmental impact of energy production and use, e.g. through the application of clean fossil energy technologies.
- Completed and published a comprehensive *Regional Energy Supply and Demand Outlook* to the year 2010.
- Conducted IFAT visits to Thailand in

November 1999 and August 2000 to maintain the momentum of the gas reform process and developed recommendations specific to the needs of Thailand's energy market reform process. Peru and the Philippines have also invited an IFAT to visit.

- Commenced implementation of the voluntary pledge and review system aimed at improving energy efficiency.
- Commenced implementation of the Energy Efficiency Standards Notification Procedure.

### Next Steps

The EWG will continue its work program based on the *Osaka Action Program for Energy* and the priorities established by Ministers and Economic Leaders. During 2001 the EWG will:

- Further develop its energy database and enhance its website to enable policy makers and business to be better informed on supply and demand related issues.
- Facilitate implementation of the Best Practice Principles for Independent Power Producers and promote business/private sector investment in the natural gas chain in line with the recommendations of the Natural Gas Initiative.
- Assist APEC member economies to implement agreed energy initiatives, including energy market reform, by conducting Implementation Facilitation Assistance Team visits at the invitation of economies.
- Implement the work program on environmentally sound power infrastructure.
- Continue its efforts to promote energy efficiency and conservation through the exchange of information on technologies, policies and practices and implementing the Voluntary Pledge and Review Program to foster improvements in the production, delivery and use of energy.
- Implement the standards notification

procedures.

- Strengthen the operational aspects of APEC micro-economic reform within the power sector to achieve economic and environmental gains.
- Encourage the uptake of new and renewable energy technologies through the development of the 21st Century Renewable Energy Development Initiative.
- Consider what additional measures might be taken to further enhance regional energy security including those in respect of oil and alternative energy services.

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## Fisheries

The Fisheries Working Group (FWG) was created by the SOM in 1991. It aims to promote:

- the conservation and sustainable use of fisheries resources;
- sustainable development of aquaculture and habitat preservation;
- development of solutions to common resource management problems;
- the enhancement of food safety and quality of fish and fisheries products; and
- sector-specific work relating to trade and investment liberalisation and facilitation.

### Business and Private Sector Participation

The FWG had its 11th annual meeting in Seattle, USA on 17–21 July 2000. This meeting included for the first time a Business Forum hosted by the USA and sessions on gender issues, fisheries management and aquaculture along with the normal business of the meeting.

This forum provided an opportunity for APEC economies to discuss issues of common interest with the US industry and the International Coalition of Fisheries Associations (ICFA) and representatives from universities. Industry interests included: harmonisation of trade information and documentation schemes; support for illegal, unregulated and unreported (IUU) fishing through the Food and Agriculture Organization (FAO); support for strong Regional Fisheries Management Organisations (RFMOs); and reduction in non-tariff measures and the implementation of the UN Fish Stocks Agreement. These are issues that industry felt APEC could develop in cooperation with the FAO. Other suggestions included support of HACCP and technologies to mitigate seabird-by-catch.

In its 12th annual meeting in Hong Kong, China on 14–18 May 2001, FWG focused on following issues:

### Fisheries Management

The meeting took reports of the Kesen-numa workshop outcomes, which suggested some actions on fisheries management. It was agreed that fisheries management in terms of the implication of fisheries development was an important aspect of the FWG work program.

### Aquaculture

There were reports on both completed and on-going projects including “Farming the Reef” and “Collaborative Grouper Aquaculture Network”. It was noted that the FWG work on aquaculture had provided tangible benefits to APEC economies. It was also suggested that the *Bangkok Declaration* and the FAO Sub-committee on Aquaculture should be considered in moving the FWG agenda forward.

### Achievements

In order to reinforce its role in fisheries management which is to “promote co-operation, conservation, management, sustainable utilization of fisheries resources and encourage mitigation of the effects of pollution on the marine environment”, the report of Kesen-Numa Workshop organised by FWG was finalized and a number of recommendations were put to member economies for consideration.

Two projects arising from the Early Voluntary Sectoral Liberalization (EVSL) initiative in the fisheries sector carried out by FWG have achieved their goals of addressing related issues. One of the projects is “A Study into the Nature and Extent of Subsidies in the Fisheries Sector in APEC Member Economies”, which identifies member economy governments’ policies, which might lead to dispute under the WTO Subsidies and Countervailing Measures Agreement. The other project is “A Study to Reduce Impediments to Early Voluntary Sectoral Liberalization in the Fisheries Sector,” which is a three-part project to develop a policy model to eliminate barriers to EVSL. At its last annual meeting in Hong Kong, China the reports from these two projects were tabled and discussed. It was suggested that the issues would also be better addressed by other international organizations.

### Next Steps

The FWG is continuing a two-year TILF-related project, “An APEC Seafood Information System”, which started in mid-1999. This project tests the feasibility of improving and expanding the market and industry information service provided by GLOBEFISH and the FAO Regional Marketing Information and Advisory Services for Fishery Products. It aims to develop a website soon.

In order to examine cross-sectoral issues, consider options for actions and provide an APEC contribution to the Rio+10 process. Korea proposed to hold an Ocean-related Ministerial Meeting in 2002 in the last MRCWG and FWG meetings. Both WGs endorsed this proposal. In the SOM III held on 23–24 August 2000 in Dalian, China, the SOM also endorsed this Ministerial Meeting.

Two FWG projects were ratified at the BMC meeting held on 31 July - 1 August 2001 for commencement in 2002. They are:

- Collaborative APEC Grouper Research and Development Network (FWG 01/2001); Management of Marine Algal Toxins in Seafood Products in the APEC Region (FWG 02/2001);
- Capacity and Awareness Building on Import Risk Analysis (IRA) for Aquatic Animals (FWG 01/2002).

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## Human Resources Development

The Human Resources Development working group (HRDWG) was established in 1990 and conducts work programmes on developing human resources relating to issues ranging from education to labour to capacity building. The HRDWG conducts its work programme through its three networks: the Capacity Building Network (CBN); the Education Network (EDNET); and the Labour and Social Protection Network (LSP). Work developed and undertaken in the HRDWG is based on its identified priorities for:

- quality basic education;
- improved labour market information and analysis;
- enhanced skills in key sectors including SMEs;
- lifelong learning;
- improved curricula, teaching methods and instructional materials towards the 21st century;
- mobility of qualified persons;
- enhanced quality, productivity, efficiency of labour forces and work places; and
- strengthened cooperation to support TILF.

By year end, one working group and one Ministerial Meeting will have been held.

The 23rd HRDWG meeting was held in Mexico City, Mexico on 27–29 June 2001. Discussions were held and decisions made on, among other things, the HRDWG's contribution towards the APEC 2001 theme, the annual work plan in the eight medium-term priorities, preparations for the 4th HRD Ministerial Meeting, and ongoing as well as new projects. The HRDWG also heard about HRD-related developments within APEC in the areas of women, SMEs, sustainable development and youth. The outcomes of the APEC High Level Meeting on Human Capacity Building held in Beijing, China on 15–16 May 2001, particularly the Beijing Initiative which identified opportunities for further work, were welcomed and members were encouraged to translate those ideas into concrete action.

The 4th HRD Ministerial Meeting scheduled for 29–30 September 2001 in Kumamoto, Japan will focus on the main theme of "Human Resources Development for Both Advancement of Society and Economy and the Sharing of Prosperity with People in the Context of Globalization". This main theme is supported by three sub-themes: "Labour Market for the 'New Economy'"; "Knowledge and Skill Development to Bring Opportunity for Success to All Workers in the Context of Globalization"; and "Involvement of Stakeholders such as Labour and Business to Develop Human Resources Development Strategies".

Projects currently being developed or implemented include:

- Skill Shortages, Training Needs and HRD Strategies of Multinational Enterprise (MNEs) in APEC Economies
- Achieving High Performance Schools: Using Measurement to Manage Improvement
- Global Advantage through People: Human Resource Management Policies and Practices in APEC Economies
- Corporate and Non-profit Governance and the Restoration of Prosperity in the APEC region: Perspectives and Principles
- Alternative Dispute Resolution: Executive Education Project 2000 (ADR-EEP 2000)
- The Use of Information Technology in a Learning Society: APEC Educators Exchange Programme
- APEC Cyber Education Cooperation
- APEC Forum on Cross-Cultural Understanding of Implementation of Standards and Accreditation in Supply Chain Management
- Capacity Building Program for Trade and Investment Insurance Practitioners
- APEC website for Kids

### Achievements

The HRDWG's successful events and conclusion of projects during the year include:

- Project on Korean Development Institute (KDI) School as an APEC Education Hub (May 2001)
- Seminar on the Best Practices for Professional Development of Vocational Teachers in Teaching Competencies among APEC Economies (20–22 June 2001; Bangkok, Thailand)
- Seminar on Helping Business Respond to Change: Innovations in Labour-Management-Government Cooperation (25–26 June 2001; Mexico City, Mexico)
- Workshop on Alternative Dispute Resolution Executive Education (26 June 2001; Mexico City, Mexico)

Several self-funded projects were completed and events held throughout the year included: the International Trade Financing training programme (8–19 January 2001, Singapore); a Symposium and a Workshop on Entrepreneurship (5–6 March 2001, Manila, the Philippines); and a Workshop on Child Labour (26 June 2001, Mexico City, Mexico).

The HRDWG also contributed substantially to the successful outcomes of the 4th APEC HRD Ministerial Meeting in Kumamoto, Japan, 29-30 September 2001. Ministers directed the HRDWG to pursue its work in areas such as knowledge and skill development in the new economy, enhancement of stakeholder involvement in HRD efforts and maximisation of workforce potential.

### Next Steps

The HRDWG will continue to implement its work programme towards developing human capital and in response to Leaders' and Ministerial priorities. Preparations are underway for the 24th HRDWG meeting to be held in Viet Nam in 2002 and the next HRD Ministerial meeting.

## Industrial Science and Technology

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The Industrial Science and Technology Working Group (ISTWG) was formed at the APEC Ministerial Meeting in Singapore in 1990 as the Working Group on Expansion of Investment and Technology Transfer. It has changed its name several times since then. The ISTWG operates within the formal framework of APEC and the policy directions set by Leaders, and is guided by APEC Ministers responsible for Science and Technology.

The ISTWG's program is based on the working group's vision for the 21st century of a dynamic and prosperous Asia-Pacific region built on the development and application of industrial science and technology that improves the quality of life while safeguarding the natural environment and achieving sustainable development.

The ISTWG's mandates were established as part of the Osaka Action Agenda (OAA). In 1997 at their Vancouver, Canada meeting, the Leaders called for APEC fora to review their mandates and at the 14th ISTWG meeting a new version of the ISTWG action agenda was finalized, which re-worded the six key priorities and adopted them formally. The six key priorities are: improved availability of information; improved human resources development; improved business climate; contribution to sustainable development; enhanced policy dialogue and review; and facilitation of networks and partnership.

The ISTWG's activities are focused on the three major Leaders' and Ministers' initiatives which are closely related to the group: the *APEC Agenda for S&T Industry Cooperation for the 21st Century*, the *Mexico Declaration* and the *Cleaner Production Strategy*.

### Business and Private Sector Participation

The ISTWG has promoted close cooperation between the group and the business/private sector through many activities such as: the Technomart<sup>2</sup>; a Workshop on Business Incubation and Information Flow Improvement for Business Incubators; and the APEC Science and Technology Industrial Parks Network. The business/private sector is encouraged to participate in ISTWG

activities. The group held a business conference on biotechnology/health and environmental issues in conjunction with its 17th meeting in August 1999. The 4th Technomart was held in September 2001 at Suzhou, China.

In addition, the ISTWG has been active in involving academia in its activities. The ISTWG invited a representative from the Asia-Pacific Rim Universities (APRU) to an informal dialogue on the margin of its 19th Meeting in Brunei in October 2000 to explore possible relationship in the future.

### Achievements

#### *BUILDING ON THE APEC ECOTECH AGENDA*

#### **Strengthening ISTWG's Strategic Activities and Deliverables**

Since SOM II in May 2001, the ISTWG has made progress on several initiatives to strengthen the effectiveness of ISTWG policy and project-related activities and enhance ISTWG's strategic role in regional science and technology cooperation:

- The ISTWG has approved revisions to update relevant sections of Part II and the Annex of the Osaka Action Agenda, in accordance with ESC requirements. The revised versions of these sections have been provided to the ESC for submission to the SOM III.
- The first *ISTWG Medium-term Workplan* (MTWP) was submitted for consideration at the SOM III. Of note, the ISTWG identified six issues/themes for inclusion in the plan:
  - Connecting Research and Innovation;
  - Human Capacity Building for S&T for the New Economy;
  - Establishing an APEC S&T Policy Forum;
  - Expanding APEC Cooperation in Key Technologies for the 21st century;
  - Prevention and Control of Infectious Diseases; and

## Industrial Science and Technology (Cont'd)

- Science, Technology, and Innovation to meet the Environmental Challenge.

It was agreed that the workplan would be reviewed annually by the ISTWG.

- ISTWG's preparations to hold the 1st APEC Science and Technology (S&T) Policy Forum at the 21st ISTWG Meeting in Malaysia on 8–9 October 2001 are proceeding well. The forum will bring together high-level participants from the business and research communities as well as senior S&T officials to address the theme of "Science, Technology, and Innovation in the New Economy: Building Capacity Across APEC". Under this theme, the ISTWG has selected four key issues for discussion:
  - Developing S&T Networks in the APEC Region;
  - Strategic Technology Roadmapping-Strengthening Technology Cooperation within APEC;
  - Human Capacity Building for S&T for the New Economy; and,
  - Connecting Research and Innovation.
- As a follow-up to the decision to strengthen management of its work at the 20th Meeting, the ISTWG has undertaken the following initiatives/activities:
  - A review of the effectiveness of existing ISTWG practices for the evaluation of completed projects with a focus on the role and function of the Small Group.
  - An update of the ISTWG project database, after the 20th ISTWG meeting, including a clarification of the evaluation status for completed ISTWG projects.
- The ISTWG continues to develop and refine the ISTWG website, *ASTWeb*, as an important tool in managing its activities. The results of the annual evaluation showed that APEC members found the site useful both for

ISTWG project management and in facilitating preparations for ISTWG Meetings and other ISTWG-related events. To support growing usage, the ISTWG will consider holding an *ASTWeb* training course for member economies, possibly at the 2002 ISTWG Meeting.

- Completion of the *Third Progress Report on the Implementation of the Agenda for Science and Technology Industry Cooperation into the 21<sup>st</sup> Century (ASTIC)*. The ISTWG has recommended a more coordinated approach in gathering the data needed for measuring the progress of ASTIC's implementation.

### Broadening Participation in ISTWG Activities

- The ISTWG considered the application from the Government of Macao, China, to have non-member participation status in the ISTWG. A consensus was reached inter-sessionally by ISTWG members on Macao's request, which permits Macao to attend the 21st ISTWG meeting in October.
- The ISTWG continues to encourage the participation of experts from non-member economies in individual events or activities, such as the participation of the Deputy Director of the OECD Directorate for Science Technology and Industry in the 1st APEC S&T Policy Forum in October 2001.
- The ISTWG also extended an invitation to the HRDWG to participate and collaborate in the preparations for the Building Human Capacity Issue session of the S&T Policy Forum. The invitation was received favorably, and HRDWG's participation will contribute to ISTWG's priority for increased coordination and cooperation across other APEC working groups.
- In its work to develop an APEC strategy to address HIV/AIDS and other infectious diseases, the ISTWG initiated a dialogue with the World Health Organization towards setting the context for potential APEC regional contributions within the WHO's overall

global efforts.

- The ISTWG website, *ASTWeb*, as a communication tool to facilitate the operations of ISTWG, continues to be accessible to all APEC official observers. In addition, as a public website, members of the research and business communities are continuing to participate by taking part in discussions and submitting links to other S&T related websites.

### STRENGTHENING HUMAN CAPACITY-BUILDING

#### An ISTWG Priority

- Human capacity building has been recognized as a key issue for the future in both the ISTWG MTWP and the 1st APEC S&T Policy Forum. As part of the preparations for the forum, a draft of two background papers "Human Capacity Building for S&T across APEC", and "Human Capacity Building for Science, Technology & Innovation across APEC: Preconditions and Key Issues for Success" were disseminated for discussion.

### CONTRIBUTION TO SUSTAINABLE GROWTH

#### Cleaner Production

- As a follow-up to the recommendations of the *Report on the APEC Cleaner Production Strategy (2000)*, the ISTWG approved, at its 20th Meeting, a new project: "Cleaner Production—Design for Environment". The project aims to facilitate cleaner production promotion in APEC member economies by organizing a seminar that is to take place during the 21st ISTWG meeting in Malaysia in October 2001.

### OTHER INITIATIVES

#### Infectious Diseases and Other Health Issues

- The ISTWG was tasked by SOM with preparing a report for APEC Leaders, to be presented in 2001, on an APEC

## Marine Resource Conservation

strategy to combat HIV/AIDS and other infectious diseases. The report builds on the existing APEC-ISTWG Emerging Infectious Diseases (EID) Action Plan and emphasizes opportunities for collaboration not only among APEC member economies, but also with external organizations and other interested parties concerned with global and regional health issues.

### APEC Food System

- In a separate report to the SOM III, the ISTWG identified several projects that support the implementation of the APEC Food System. One of these projects involved the organization by Viet Nam of an ISTWG Symposium on the “Role and Contribution of New and Advanced Technologies for High Production, Sustainable Agriculture” in April 2001, on the occasion of the 20th ISTWG meeting.

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Recognizing that marine resources are crucial to the economic and social well-being of the people in the region, APEC established the Marine Resource Conservation (MRC) Working Group in 1990. The MRC Working Group is continuing its efforts to implement the Action Plan on Sustainability of the Marine Environment to protect this collective resource, and to making dramatic progress toward a sustainable marine environment to ensure continuing socio-economic and environmental benefits. Australia has served as lead shepherd of the group since May 2001. The 14th MRC Working Group Meeting was held on 15–18 May 2001 in Hong Kong, China.

### Business and Private Sector Participation

The *APEC Action Plan for Sustainability of the Marine Environment*, which was endorsed by the APEC Environment Ministers in June 1997, relies on significant participation from the business/private sector in meeting its objectives. To encourage the participation by the business/private sector and to build a long-term partnership, a set of guidelines on “Involvement of the Business/Private Sector in MRC WG Activities” was discussed and endorsed at the MRC12 in May 1999. In response to this development, the “APEC Conference on the Sustainability of the Marine Environment—What Can the Private Sector Do?” was held on 1-3 September 1999 in Chinese Taipei. In order to maximize the benefits of all parties concerned in the APEC region, Chinese Taipei held a roundtable meeting from 11–12 April 2000. The resulting “*Action Strategy and Work Programs: Engaging the Private Sector in Sustainable Management of Marine Resources in the APEC Region*” was endorsed by the 13<sup>th</sup> MRC WG Meeting. Aiming to share information, address common concerns and evaluate future options, Chinese Taipei is preparing to hold another roundtable meeting on “The Involvement of the Business/Private Sector in the Sustainability of the Marine Environment”.

### Achievements

In its 14th meeting, current work programs were discussed for further development.

- The recommendations of the final report on the project “Management of Red Tides and Harmful Algal Blooms in the APEC Region” were partially accepted.
- The 6th Workshop on Ocean Model (WOM-6) to be held on 11–13 September 2001, in Beijing, China was planned;
- There were useful cooperation and information exchanges in the Workshop on the Development of APEC Mechanisms for Integrated Coastal Management;
- The institutions participating in implementing the “Development and Validation of Analytical Methods, Standards and Reference Materials for Seafood Product Safety and Certification” project have done significant work;
- An APEC Workshop on Assessing and Maintaining the Integrity of Existing Offshore Oil and Gas Infrastructure provided a useful exchange of information and experiences and practical guidance to address the issues faced by industry and regulatory authorities in dealing with ageing oil and gas facilities;
- There are two future project proposals stemming from the Workshop on Integrated Oceans Management in the APEC Region; and
- The work on the project “Management of Marine Algal Toxins in Seafood Products in the APEC Region” has its focus on the preparations for the Second International Conference on Harmful Algae Management and Mitigation (HAMM2001).

### Next Steps

Into the 21st century, the MRC WG will adopt more strategic approaches to conserve marine resources and safeguard the marine environment to support the sustainability of economic growth and social welfare in the APEC region.

- To explore closer coordination and cooperation with other APEC fora to

## Marine Resource Conservation (Cont'd)

implement the *Action Plan for Sustainability of the Marine Environment* to support APEC Economic Leaders' priorities with respect to the marine environment, including promoting environmentally sustainable growth, harnessing technologies for the future, and developing human capital, the MRC WG will take initiatives on:

1. Continuing its efforts to implement the Action Plan on Sustainability of the Marine Environment and developing collaborative action identified in the Declaration of the APEC Oceans Conference and its recommendations within four general areas: Balancing Coastal Development and Resource Protection, Ensuring Sustainable Fisheries and Aquaculture, Understanding and Observing the Oceans and Seas, and Economic and Technical Cooperation related to oceans management.
2. Establishing a small task group to work by correspondence on developing a strategic approach that the MRC and Fisheries Working Groups can take in establishing a joint work program for those areas of common interest. The MRC WG will continuously work on the strategy with the FWG for a Virtual Task Force on Destructive Fishing Practices to:
  - ensure that reef fish are caught without the use of destructive fishing practices;
  - ensure that the harvest is sustainable; and
  - implement partnerships between local fishers and fishing communities to protect their resources and ensure that they receive a fair return on their product.
3. Promoting coordinated development of APEC's marine-related networks (OMISAR, the Sustainable Development Training and Information Network, and the EduNet Integrated Coastal Management Network) to facilitate the exchange of information to support decision-

makers, and implementing joint research and monitoring programs to sustain and conserve marine resources.

4. Holding a Partnership Market Meeting to bring together potential assistance recipients, donors (multilateral and domestic), the business/private sector and others, to facilitate partnerships in implementation of domestic plans of action for land-based sources of pollution.

In order to examine cross-sectoral issues, consider options for actions, and provide an APEC contribution to the Rio+10 process, Korea proposed to hold an Ocean-related Ministerial Meeting in 2002 in the last MRCWG and FWG meetings. Both WGs endorsed this proposal. In the SOM III held on 23–24 August in Dalian, China, the SOM also endorsed this Ministerial Meeting.

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## Small and Medium Enterprises

The Small and Medium Enterprises Working Group was established as an *Ad Hoc* Policy Level Group on SMEs (PLGSME) in February 1995. Its original mandate was for two years. However, it has been extended twice: the first time in 1996 and the second in August 1998. In 2000, as part of the decision of the Management Reform process, the PLGSME was renamed as the Small and Medium-sized Enterprises Working Group (SMEWG) and granted permanent status. The PLGSME last met in Bandar Seri Begawan, Brunei Darussalam, on 20 June 2000. It discussed, among other things, the on-going PLGSME projects, the self-review of the group, and the implementation of the Five-year Action Plan for SMEs (SPAN).

The 4th SME Ministers' Meeting in Ottawa, Canada in September 1997 had committed their economies to create business environments that will address the special needs of SMEs. The Ministers endorsed the *Framework for APEC SME Activities* developed by the PLGSME for consideration by all APEC fora when designing and implementing SME-related activities. Building on the 1997 *Framework*, the 5th SME Ministers Meeting in Kuala Lumpur, Malaysia, 7–8 September 1998, endorsed an Integrated Plan of Action for SME Development (SPAN). This serves as a set of broad guidelines for SME development as well as a plan for future action at the individual economy level and collaborative efforts at the APEC level.

The 6th SME Ministerial Meeting was held in Christchurch, New Zealand, 27–28 April 1999. The Ministerial Meeting was held parallel to the Business Forum. The two meetings discussed four similar key policy issues, namely: education, capital markets, trade barriers/compliance costs and responding to the regional financial crisis, while the Business Forum also discussed the theme of “Enhancing Business Linkages.”

The 7th SME Ministerial Meeting took place in Brunei Darussalam on 21–23 June 2000. The Ministerial Meeting was again held parallel to a Business Forum and was preceded by: the Women Leaders' Network Meeting (WLN); the APEC SME E-commerce Workshop (ECW); and the E-trade Fair and Exhibition. The Ministerial Meeting and Business Forum discussed

similar topics: Human Resources Development, “Capacity Building of APEC SMEs”; Information and Communication Technology, “Enabling APEC SMEs to Capitalise on Electronic Commerce”; Financing SMEs, “Making Financial and Capital Markets More Accessible to APEC SMEs”; and Strategic Alliances Between SMEs, and SMEs and Larger Firms, “Toward Harnessing Diversity for Shared Economic Prosperity.”

The 8th SME Ministerial Meeting held in Hong Kong, China on 26–28 June 2001 followed the past practice of being held parallel to the SME Business Forum. The focus of their discussion was the “New Century, New Challenges: Innovation and Environment for SME Development”, with three sub-themes, namely: advancing technological innovation; facilitating financing; and improving the environment for SME development. An SME Exhibition was organized involving 17 APEC member economies and various domestic and overseas companies.

### Business and Private Sector Participation

There is growing private/business sector participation in APEC SME activities. A majority of SME-related activities have the involvement of members of the private/business sector either as participants or speakers in training/workshops or as respondents in surveys. In conjunction with the 4th and 5th SME Ministerial Meetings, a number of private/business sector activities were organized. These were: an SME Business Forum; the Women Leaders' Network Meeting; the Young Entrepreneurs' Organization meeting; and the meeting of Export Credit Agencies and Export Financing Institutions from APEC member economies. At the 6th, 7th and 8th SME Ministerial Meetings, around 500 business leaders participating in the Business Forum held a joint session with the Ministers. The inputs from the private/business sector formed a critical part of the deliberations of the Ministers in their joint statement.

### Next Steps

The SMEWG will continue to focus more on policy-related issues and long-term strategic plans and activities. In this regard, it will collaborate with other APEC fora to ensure that the perspectives of the SPAN are developed in a coordinated and efficient manner. It will also work closely with other APEC fora in the area of addressing the impact of financial instability on SMEs and in electronic commerce. It will further encourage participation by the private/business sector in its work.

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## Telecommunications and Information

The APEC Telecommunications and Information Working Group (TEL) was formed in 1990. Under its first Chair, the United States, the TEL was charged to address human resource development; technology transfer and regional cooperation; opportunities for on-site visits, observerships and fellowships; and telecommunications standardisation.

TEL's activities support the goals set out by APEC economic leaders in the *1994 Bogor Declaration* and are consistent with the work programme in the *1995 Osaka Action Agenda*. The work of the TEL is accomplished by four steering groups, which propose, implement and monitor projects and activities to advance the overall goals of APEC. Each steering group addresses a specific priority area: liberalisation; business facilitation; development cooperation; and human resources development.

The APEC Ministerial Meeting on the Telecommunications and Information Industry (TELMIN) has to date met four times to review the work of the TEL, and to provide direction for the development of the Asia-Pacific Information Infrastructure (APII). At TELMIN 1 in Seoul, Korea in 1995, Ministers agreed on the objectives and 10 core principles for the APII which are contained in the *Seoul Declaration*. At TELMIN 2, held in Queensland, Australia in 1996, Ministers issued the *Gold Coast Declaration* which contained a Programme for Action for the Telecommunications and Information Sector in APEC Economies. The Programme for Action focuses on continuing liberalisation efforts, including endorsement of a Reference List of a Fully Liberalised Telecommunications Sector.

Singapore hosted TELMIN 3, at which the *Singapore Declaration* was issued. A highlight of the meeting was the Ministerial endorsement of the Mutual Recognition Arrangement for Conformity Assessment of Telecommunications Equipment, marking the first success of APEC's Early Voluntary Sectoral Liberalisation (EVSL) initiative. Ministers also approved a Reference Framework for Action on Electronic Commerce and a set of principles for use by economies wishing to provide universal access to telecommunications services.

TELMIN 4, held in Cancun, Mexico in May 2000 focused on the theme of "Convergence". The Ministers issued the *Cancun Declaration* which sets out a number of goals for the TEL, including: placing emphasis on bridging the digital divide at the domestic, regional and international level, and the need to engage the business/private sector in this effort through cooperation and collaboration. Ministers agreed to promote collaboration with the business/private sector to expand its participation in infrastructure investment to upgrade access to networks, especially in rural and under-served areas. Ministers also agreed to continue to encourage the development of APEC's human resources in the digital economy, with emphasis on life-long learning and giving priority to the development of skills required to assist APEC members to establish a more pro-competitive policy and regulatory environment. APEC would focus on cooperative efforts that encourage competition in communications services, and address non-tariff barriers to trade and continue work to ensure that policy and regulatory environments better foster the uptake of e-commerce.

The cited documents from the Ministerial Meetings can be accessed through the APEC Secretariat website.

### Business and Private Sector Participation

The business/private sector from many APEC member economies are actively involved in TEL activities, including all four TEL Steering Groups. Many projects are both initiated and driven solely by the business/private sector or in cooperation with the public sector. For example, the drive to complete a Mutual Recognition Arrangement (MRA) for telecommunications equipment has attracted significant business/private sector participation and support.

Since the TEL's 13th meeting (TEL 13) in March 1996, each meeting of the working group has included a Business-Government Dialogue, organized jointly with the Pacific Economic Cooperation Council (PECC), which provides an opportunity for the two sectors to engage in informal discussion on

topics of mutual interest. At TELMIN 3, a Government-Industry Dialogue was held, allowing the government officials from APEC member economies and the business/private sector to hold frank discussions on issues affecting the telecommunication and information industry.

Business/private sector participation in TEL meetings and activities is strongly encouraged and welcomed. Individuals wishing to take part should approach the APEC TEL Point of Contact in their particular economy or the Chair's Office to discuss arrangements (see page 50 for a list of APEC offices in member economies).

### Achievements

In 1999, the TEL finalized the APEC Framework for Telecommunications Interconnection. The Framework is a resource for use by businesses and policy-makers and aims to support secure and competitive supplies of services to users in an environment of certainty which gives investors confidence in the ongoing development of existing networks as well as the development of new networks. APEC began implementing the Mutual Recognition Arrangement on Conformity Assessment for Telecommunications Equipment in July 1999. To date, nine economies are participating in Phase I (Mutual Recognition of Test Reports) and four economies are participating in Phase II (Mutual Recognition of Equipment Certification).

In 2000, the TEL completed the APEC Principles of Interconnection with 10 economies indicating their time frame for implementing each principle. Interconnection in this set of Principles refers to linking with all suppliers providing public telecommunications transport networks or services in order to establish effective any-to-any connectivity and to allow the users of one supplier to communicate with users of another supplier and to access services provided by another supplier.

The TEL also completed a number of projects in 2000, including:

- A study on International Charging Arrangements for Internet Services (ICAIS).

- A Symposium for Collaborative Strategies for Multimedia and World Wide Web Production Skills Development.
- A project to support the implementation of the MRA.
- Projects related to electronic commerce.
- The TEL will continue work to implement the relevant portions of the Action Agenda for the New Economy approved by APEC Leaders in Brunei in November 2000.

## Next Steps

At Cancun, Mexico Ministers directed the TEL to carry out a number of new tasks including:

- Review its functions, structure and activities in light of a converged information communications environment.
- Encourage the participation of the business/private sector in its work.
- Accelerate the realization of the Asia Pacific Information Society (APIS) by expanding cooperative development projects.
- Continue discussions on the “APEC Principles of Interconnection.”
- Continue to foster discussions between the business/private sector and member economy governments on International Charging Arrangements for Internet Services.
- Encourage information sharing on electronic government initiatives, spectrum access issues, Internet services and critical information protection.

The TEL will continue to carry out a number of on-going projects, including:

- Training and outreach programmes to facilitate timely implementation of the Mutual Recognition Arrangement on Conformity Assessment for Telecommunications Equipment.
- Distance learning projects relating to information and communications technology.
- Interconnection-related projects to give business/private sector and member economy governments practical information and a simple methodology to make negotiations and interconnection policy faster and easier.

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## Tourism

The Tourism Working Group (TWG) was formed in 1991 based on the recognition that the tourism industry is of growing importance in promoting economic growth and social development in the Asia-Pacific region. The TWG brings together tourism administrators to share information, exchange views and develop areas of cooperation on trade and policies. The current TWG Chair is the People's Republic of China.

### Business and Private Sector Participation

Participation by the business/private sector has been channeled through the active involvement of representative travel organizations such as the Pacific Asia Travel Association (PATA), the World Travel and Tourism Council (WTTC), and the World Tourism Organization (WTO). On 7 April 2001, Malaysia hosted the 2nd APEC Tourism Forum, "Building Marketing Partnerships in the APEC Region". The proceedings provided an occasion for fruitful dialogue on issues contained within the APEC Tourism Charter between APEC member economies' government representatives and key players from the region's tourism business/private sector.

The TWG has made significant strides in further defining its agenda and identifying priority issues and will pursue the accomplishment of more tasks during its forthcoming 19th TWG Meeting in Ayutthaya, Thailand, in November 2001. The TWG has compiled a comprehensive inventory of barriers to travel in the APEC region and agreed to a series of collective actions to address impediments to tourism growth. Its work program includes activities in the areas of Trade and Investment Liberalization and Facilitation, and Economic and Technical Cooperation.

### Achievements

#### 2001 TWG Activities

The 18th Tourism Working Group held in Melaka, Malaysia (5–6 April 2001), allowed members to visualize the potential deliverables that will be attainable during the

current China APEC Year 2001, whilst keeping in mind the need for tangible outcomes at the 2nd APEC Tourism Ministerial Meeting in July 2002, in Manzanillo, Mexico.

The Tourism Working Group is concentrating this year on a work plan that is based upon the Four Policy Goals that give substance to the Seoul Declaration on an APEC Tourism Charter. These are "Removal of Impediments to Tourism Business and Investment"; "Increase Mobility of Visitors and Demand for Tourism Goods and Services"; "Sustainable Management of Tourism Outcomes and Impacts", and "Enhance Recognition and Understanding of Tourism as a Vehicle for Economic and Social Development".

#### **TWG Policy Group's Work at First TWG Meeting 2001**

##### *Policy Group Goal No. 1 "Removal of Impediments to Tourism Business and Investment"*

As Chair of this Policy Group, Thailand reported on the work plan for Policy Goal No. 1, "Removal of Impediments to Tourism Business and Investment".

Member economies will forward to Thailand the results of two surveys that have been prepared in consultation with the World Travel and Tourism Council, WTTC. The surveys will allow the TWG to have (1) updated information of impediments to the growth of tourism in APEC member economies; (2) indicative offers that APEC Member Economies have already made to APEC; (3) laws, regulations, acts or decrees which are still barriers to the growth of tourism business and investment in APEC member economies, and (4) incentives for investment stated in laws and regulations of APEC member economies.

##### *Policy Group Goal No. 2 "Increase Mobility of Visitors and Demand for Tourism Goods and Services"*

As Chair of Policy Group No. 2, Canada reported with regards to the work on the goal titled "Increase Mobility of Visitors and Demand for Tourism Goods and Services

in the APEC Region". A number of TWG initiatives for the current APEC Year will contribute to the forwarding of this Policy Goal in particular towards delivering credible outcomes at the Second APEC Tourism Ministerial Meeting in 2002. Amongst the initiatives are the TWG project "Best Business Practices in Accessible Tourism for Travelers with Restricted Physical Abilities, including Senior Citizens"; the Second APEC Tourism Forum presentations on marketing opportunities; the Application of ECommerce in Tourism SMEs, a project that will be undertaken by Korea in 2001; the Improvement of Tourism Standards as suggested by Australia; and Facilitation of Information Flows to Consumers through the establishment of an APEC Tourism Information Network.

##### *Policy Goal No. 3 "Sustainable Management of Tourism Outcomes and Impacts"*

There has been positive progress identified for each Item of Policy Group Goal No. 3 and the Chair has been informed that the policy group is on track to deliver outcomes for the Second APEC Tourism Ministerial Meeting. The important endorsement for the APEC/Pacific Asia Travel Association (PATA) Environmental Code of Conduct for Tourism was reached at the 18th TWG Meeting.

Korea has briefed the TWG with regards to their two projects for 2001 that deal with Policy Group Goal No. 3 (Training for Sustainable Development in the Tourism Industry and Public-Private Partnership for Sustainable Tourism), and requested Members to fully participate in the development of these initiatives.

##### *Policy Group Goal No. 4 "Enhance recognition and understanding of Tourism as a Vehicle for Economic and Social Development"*

Australia is the Chair of this Policy Group. It has informed the TWG about Policy Group Goal No. 4, in particular to the development of three TWG projects that directly pertain to this issue: Best Practices on Development of Tourism Satellite

Accounts (Singapore and Canada) and the development of a Tourism Information Network as well as a Tourism Research Network (both to be overseen by Australia). The time frames as well as the overall details of these TWG Projects were discussed in full at the last TWG meeting. The TWG supports the need for further expansion of the APEC TWG's collective knowledge base.

### ***Discussion on the Implementation of the APEC Tourism Deliverables***

The TWG has discussed in detail the need to develop Tourism Individual Action Plans and TWG Collective Action Plans with a view towards presenting them the 2nd APEC Tourism Ministerial Meeting in 2002. The TWG has also addressed those issues that refer to the Nomination of Issues as stated in the Seoul Declaration on an APEC Tourism Charter.

The TWG has agreed to narrow the scope of work on Collective Action Plans. It has designated the development of a Tourism Information Network; the establishment of Tourism Satellite Accounts and the implementation of the APEC/PATA Code for Sustainable Tourism as the three primary issues that the TWG would work on in a collective manner. The need to engage with other APEC Fora on these issues is supported by the TWG.

### ***APEC/PATA Code for Sustainable Tourism***

The TWG endorsed the text of the APEC/PATA Code for Sustainable Tourism that was submitted by New Zealand and the PATA. The TWG requested that the APEC TWG Chair participate in an active promotion of this TWG achievement for 2001 during the 2nd APEC Tourism Forum and PATA's 50<sup>th</sup> Conference in Kuala Lumpur, Malaysia.

The code is designed for adoption and implementation by a wide range of tourism-related organizations and companies. By adhering to it they will be showing their commitment to the vision of tourism growth which is fully responsible in its approach to natural environments, to social needs and to cultural sensitivities. By following the code, organizations will also be positioning

themselves to deal with environmental regulation, environmental accounting, environmental standards such as ISO and accreditation schemes requiring reporting on environmental and social impacts.

### ***Second APEC Tourism Forum***

Malaysia hosted the Second APEC Tourism Forum, on 7 April 2001 in Kuala Lumpur, Malaysia. The theme of the forum was "Building Marketing Partnership in the APEC Region". The Forum was attended by over 300 delegates from the APEC region.

### **Next Steps**

The 19th TWG Meeting will be held in Ayutthaya, Thailand in November 2001.

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## Trade Promotion

The Working Group on Trade Promotion (WGTP) first met in Seoul, Korea in June 1990. Its objective is to contribute to sustained economic development and improved standard of living of the people of the Asia-Pacific region by promoting the dynamism of intra-regional trade through a range of activities. The WGTP's work centers on trade promotion activities, trade financing, trade skills and training, trade information, and facilitating business cooperation between the business/private sector and public agencies including trade promotion organizations.

The WGTP has noticed the rapid development of e-commerce and increasing importance of logistic management in contemporary trade. These issues were discussed at the 12th WGTP Meeting held in Lima, Peru on 6–8 March 2000, and its 13th Meeting in Santiago, Chile on 16–18 April 2001.

### Business and Private Sector Participation

In 2001, the business/private sector participated in trade skills and training activities such as “Seminar on Product Design”, “Seminar on Product Packaging” and “Seminar on Trade Promotion”.

The activities provided the business/private sector with opportunities for improving their products and services as well as networking opportunities among themselves and officials of member economy governments.

The WGTP's encouragement to business groups to establish a network among themselves helped launch the APECNet, which contains information on the WGTP and its activities. It also allows the business/private sector to search for business opportunities (including business matching services) in member economies, by posting inquiries and accessing member economies' homepages. At its 13<sup>th</sup> Meeting, the WGTP approved the project “Revamp APECNet” aimed at further strengthening of the function of APECNet.

In WGTP trade promotion-related training programs, there is always extensive private/business sector participation.

### Achievements

Major achievements in 2001 include:

- A Product Design Seminar, May 2001, Chinese Taipei

Over 120 delegates from 14 member economies attended. The majority of participants were from the business/private sector. Results of the survey completed by participants showed they had significantly benefited from a better understanding of the role of product design in the context of globalization, advanced information technology development, and how to design during an economic downturn.

- A Trade Promotion Seminar, July 2001, China

88 delegates from 17 member economies attended. According to the feedback, most delegates believed that this project had achieved its objective in terms of their having gained knowledge and shared experiences on related fields.

### Next Steps

The WGTP will continue to develop, support and facilitate intra-regional trade in goods and services by actively encouraging the participation of the business/private sector and trade promotion organizations in the working group's activities, as well as improving trade promotion activities through the sharing of information on, and knowledge of, trade development activities and techniques. In order to achieve the goal, in the 3rd Steering Group Meeting of WGTP held in Dalian, China on 18 August 2001, methods of strengthening WGTP work were discussed.

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# Transportation

The Transportation Working Group (TPT) fosters economic development in the Asia-Pacific region through recommendations to increase the efficiency, sustainability and safety of the regional transportation system. The vast distances that characterise the Asia-Pacific region and the dynamic growth of its economies highlight the importance of an efficient transportation system to guarantee further development.

The TPT is organised into three 'steering committees' covering its areas of focus: (1) more competitive transportation industry (including infrastructure); (2) safe and environment-friendly transportation systems (including new technologies); and (3) human resources development. Reporting to each of the steering committees are expert and project groups, which undertake much of the detailed work on individual projects and activities.

## Business and Private Sector Participation

Member economies regularly include business/private sector representatives as part of their delegations. TPT meetings often include one-day seminars on transportation topics, to which business representatives are invited. For example, a 1999 Seminar on Electronic Commerce attracted considerable business/private sector participation. In October 2000, seminars on earthquake preparedness at ports, and road vehicle safety standards harmonisation were held.

The following organisations are approved guests of the TPT:

- International Civil Aviation Organisation (ICAO);
- International Motorcycle Manufacturers Association (IMMA);
- International Maritime Organisation (IMO);
- Intermodal Transport Association (IMTA);
- International Organisation of Motor Vehicle Manufacturers (OICA);
- Federation Internationale de l'Automobile (FIA); and

- Pacific Region Airports Council International (ACI).

Individual economies consult regularly with their business/private sector and the TPT has a standing contact point with PECC's Transport Committee.

## Achievements

Major achievements in 1999 and 2000 include:

- An interactive web-based *Port Database* to which all economies are encouraged to contribute data.
- Establishment of a "Virtual Centre for Transportation Research, Development and Education" website.
- Completion of a compendium of success stories on the increased participation of women in the transportation sector.
- Appointment of a consultant to ascertain the existing standards of training facilities, instructors, examiners and curriculum for seafarers throughout the APEC region's existing maritime training institutions; and training equipment in each member economy in order to improve the quality of seafarers in the region.
- The development and dissemination of a *Best Practices Manual* to address urban transport problems in the APEC region.
- A Forum on Intermodalism and Satellite-based Technologies.
- Since its inception in 1994, the Road Transport Harmonisation Project (RTHP) has led to many concrete actions with respect to the harmonisation of vehicle standards. Many economies have decided to adopt United Nations Economic Commission for Europe (UN-ECE) regulations regarding automotive product. In 1998 the United States signed the UN/ECE 1998 Agreement on Global Technical Regulations and Japan signed the UN/ECE 1958 Agreement (concerning the adoption of Uniform Conditions of Approval for Motor Vehicle Equipment and

Parts). Other APEC economies have advised of their intention to sign one or both of these agreements.

- Establishment of a "Transportation Security Initiative" that provides for a mechanism for increased cooperation and communication on transportation security within the APEC region. An aviation security working meeting was held in June 2000.
- Completion of a "Safer Shipping in the Asia Pacific Region" project which will form the basis for future work in the Maritime Safety Experts' Group.

## Next Steps

- 13 APEC economies either currently participate or have indicated their intention to participate in the activities of UN/ECE WP29 thus demonstrating their commitment towards road vehicle safety standards harmonisation. A project on "Training Regulators to Implement Harmonised Regulatory Systems" will be implemented in 2002.
- In line with APEC Economic Leaders instructions, a project on "Non-Tariff Measures in the Transport Sector" will be implemented in 2002 with a view to facilitating trade.
- Continue work in the area of electronic commerce, particularly paperless trading.
- Developing examples and case studies of the benefits of regulatory and other institutional changes directed to maritime trade liberalisation and facilitation to demonstrate how this can be achieved and the benefits that will flow from trade liberalisation and facilitation.
- Consideration of measures to promote the mutual recognition of transport professional qualifications. A 2002 project on "APEC Accreditation of Seafarer Manning Agencies".
- Development of a regional action plan for Global Navigation Satellite Systems implementation, in consultation with relevant international bodies such as the ICAO and the IMO.
- A project on "The Identification of

## Transportation (Cont'd)

Needed Intermodal Skills and Development of Required Training Programmes" will suggest methods to ensure that these skills can be supplied to the workforces of APEC economies.

- Keep the TPT's eight recommendations for more competitive air services under review, taking account of the benefits and difficulties of implementation; and work to identify further steps to liberalise air services on a voluntary basis. In 2001, a plurilateral open skies agreement was concluded between five APEC member economies and the eight recommendations were further refined.
- The 19th meeting of the TPT took place at Bandar Seri Begawan, Brunei Darussalam on 2–6 April 2001. The 3rd Transportation Ministerial Meeting took place in Lima, Peru on 3–5 October 2001 (following previous meetings in 1995 and 1997).

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## APEC Study Centers Consortium

The APEC Study Centers (ASC) were established as part of the APEC Leaders' Education Initiative in 1993. Currently, there are ASCs in 19 member economies, comprised of some 100 of the best universities, research centres and centres of academic excellence across the APEC region. A full contact list is available from the APEC website. APEC member economies participate in the Annual ASC Consortium meetings (usually held in the economy chairing APEC in that particular year) and other bilateral or multilateral research activities in accordance with their areas of interests. The mission of the ASC Consortium is to:

- Promote cooperation in higher education and advanced research, and facilitate cultural and intellectual exchanges in the Asia-Pacific region, recognizing the importance of educational links in developing a sense of community and fostering understanding of the diversity of the region.
- Assist the APEC process by undertaking advanced, collaborative, interdisciplinary and policy-relevant research on issues important to APEC from an independent and longer-term perspective.
- Encourage student, faculty and research exchanges among APEC economies and promote training and other educational programs that address regional needs.
- Encourage the informed participation of other sectors of society, especially youth, the private sector, NGOs, and the media, in dialogues and study relating to APEC.

### Business and Private Sector Participation

The ASCs represent important academic communities within individual APEC economies and as such the consortium is almost entirely composed of scholars. The business/private sector is not directly involved in the activities of the ASC Consortium.

### Achievements

The ASC Consortium 2001 Conference was held on 18–20 May in Tianjin, China. The conference was attended by 80 ASC representatives and scholars from 20 member economies. Representatives of the APEC Secretariat and the Foundation for Development Cooperation (FDC) were also present.

Hosted by the APEC Study Center of China at Nankai University, the conference gained strong support from Tianjin Municipal Government and Tianjin Economic & Technological Development Area.

During the three-day meeting, 32 academic papers were circulated for discussion. These touched upon a broad range of issues related to themes such as Ecotech and Capacity Building; the influence of the New Economy and Globalization; the relation between a multilateral and sub-regional trading system, and the achievements of APEC as well as the numerous tasks facing the organization.

Main topics addressed by the leading discussants included:

- Human Resource Development (HRD). Since some of the ASC representatives had also attended the APEC High Level Meeting on Human Capacity Building held in Beijing on 15–16 May 2001, they found this conference a good opportunity for further work with other ASC colleagues to reach a deeper understanding on the role of HRD on the social and economic development. The application of information and communication technologies in HRD in the environment of New Economy has been given great importance by many of the participants to the ASC Meeting.
- Environmental Management. The problem of pollution has posed big challenges to the economic development of many APEC member economies. To realize sustainable economic development, efforts must be made to strengthen environmental management, which should also be regarded as an important task of Capacity Building.



- The Asian Financial Crisis. The impact of the financial crisis was one of the topics that raised wide interest during the conference. Much attention was given to the changes in income distribution, the reform process and governance of financial institutions.
- Agricultural Cooperation. It was agreed that in accordance with the economic structural changes, the importance of agricultural cooperation should achieve wide acknowledgement among APEC member economies, especially in those economies dominated by agriculture. Efficient measures should be undertaken to restructure and reorient the agricultural cooperatives in the changing market environment.

The influence of New Economy on the economic development of APEC member economies was also high on the list for attention during the conference. Basically characterized by the development of information technology and economic globalization, the New Economy has brought both opportunities and challenges to APEC member economies. In their discussions, the participants focused on three topics:

- E-commerce based on the web site and the Internet. It is evident that e-commerce has facilitated the service trade but collective actions are still needed if we want to extend this facilitation to the physical commodities.
- The digital divide. The key issue here is whether the New Economy heavily influenced by the IT industry will widen the gap between urban and rural development, the poor and the rich, the developing and the developed member economies. To an extent, this dilemma clearly captures the challenge posed by the New Economy.
- Globalization and income distribution. This is related to the normative perspective of how to evaluate globalization, especially after drawing the lessons from the Asian Financial Crisis. However, it is expected that the negative income distribution effects resulting from the crisis will not undermine the positive effects of the

free trade resulting from globalization.

- The development of the New Economy and the achievement of APEC goals. In many cases, the development of the New Economy is in line with such APEC goals as strengthening economic cooperation and exchanges among member economies, promoting sustainable economic growth through open regionalism, and strengthening of market structures and institutions as to secure robust development of investment, trade and services in the new micro-economic environment.
- The third important theme of the ASC Consortium Conference was sub-regionalism and the multilateral trading system. During the last ten years, regional economic co-operation, particularly in the form of Regional Trade Areas (RTAs), has re-emerged as a major issue in the world trade policy agenda. Politicians are more likely to favour them as a vehicle to stimulate growth and investment, facilitate technology transfer, provide credibility to domestic reform programs, or induce political stability and cooperation in the region. Economists, on the other hand, are more concerned that they may divert trade in inefficient directions and undermine the multilateral trading system. To avoid the potential negative effects, leaders and academics are arguing that the proper way to strengthen international management of regionalism is through the framework of GATT/WTO or by working out alternatives to popularize RTAs in an outward-looking fashion, namely, open regionalism.

The three-day discussion at the ASC Conference had a strong academic atmosphere. Most of the papers featured theoretical analysis rather than simply policy interpretation. The APEC-related research and case studies undertaken by the APEC study centers will benefit the APEC process by enabling the policy implications of theoretical studies to contribute to the practices of APEC. In this sense, the APEC Study Center Consortium Conference is not

supposed to be a recommendation provider to APEC Leaders, but a reference room where different sectors may find useful and updated information.

### Next Steps

- The consortium is to continue to provide a forum for the reporting of ongoing research on a wide range of APEC issues and its peer review among the consortium members.
- The present status of the ASC provides the most realistic basis for fulfillment by the ASC of their function of providing an independent source of ideas, research and analysis on APEC-related issues.
- Mexico will host the ASC Consortium meeting in 2002.

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## Sustainable Development

The APEC Leaders' *Economic Vision Statement* at Blake Island, Seattle, USA in November 1993 stated, "Our environment is improved as we protect the quality of our air, water and green spaces and manage our energy resources and renewable resources to ensure sustainable growth and provide a more secure future for our people". This statement provides the mandate for APEC's work on sustainable development.

Ministers of the Environment met in Canada in March 1994 and adopted an *Environmental Vision Statement* and a *Framework of Principles* for integrating economic and environment issues. *The APEC Economic Leaders' Declaration for Action* issued during the Leaders' Meeting in Osaka, Japan in November 1995 reaffirmed the integration of environment and sustainable development into APEC activities. The APEC Economic Leaders' Declaration in Vancouver, Canada in November 1997 stated that "Achieving sustainable development is at the heart of APEC's mandate", and reiterated their commitment : "... to advance sustainable development across the entire spectrum of our workplan ..." at their 1998 meeting in Kuala Lumpur, Malaysia.

### Business and Private Sector Participation

At the Environment Ministers' Meeting for Sustainable Development in Toronto, Canada (June 1997), an APEC Business and Municipal Leaders' Forum on Sustainable Cities was held. The meeting attracted participants from all APEC economies and provided an opportunity for APEC business/private sector and municipal leaders to give input into the deliberations of the Environment Ministers' Meeting. The three-day forum on Sustainable Cities incorporated eight workshops: air pollution, water and wastewater management; waste management; cleaner production; public-private partnerships, privatization of environmental services; policy and regulatory reform; and financing strategies.

In this year's assessment 34 projects/activities, including APEC-funded and self-funded projects, relate to the sustainable development theme. Some projects have shown strong participation from the

business/ private sector either as speakers or as attendees. The business/private sector also appears to be involved in the preparation of proposals. In addition, the involvement of NGOs has been encouraging, albeit from various academic or regional international institutions. The participation of the business/private sector and the contributions of NGOs have increased awareness of sustainable development

### Achievements

The APEC Ministers in 1996 decided that the APEC Senior Officials were to prepare an annual review of activities of sustainable development in APEC, to monitor the development and implementation of sustainable development initiatives as well as to coordinate and provide guidance to APEC fora. Following the request, Senior Officials tasked the APEC Secretariat to compile an annual overview of sustainable development work across APEC fora. This overview updates the stocktaking exercise on sustainable development for each year. There have been five annual reviews since 1997. These reviews show that the number, scope and significance of the APEC activities in sustainable development being undertaken is considerable, indicating that the issue is being addressed fairly broadly across APEC. Almost all the APEC fora have demonstrated responsiveness to sustainable development concern, and in several cases, fora were working together to jointly implement sustainable development activities.

### Next Steps

Following the Environment Ministers' Meeting in 1997, there has been no formal meeting of the Senior Environment Officials' group. However, as sustainable development is a cross-cutting issue, implementation of the related initiatives have been carried out by the relevant sectoral fora.

The Senior Officials regularly review the APEC activities in sustainable development in consultation with the Chairs and Lead Shepherds of other APEC fora.

In addition, as one of the six priorities of the Manila Framework is "Safeguarding the Quality of Life through Environmentally

Sound Growth," the ECOTECH Subcommittee reviews the progress of this cross-cutting ECOTECH theme and reports its implementation across APEC fora to the Ministers every two years.

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## Gender Integration

The SOM, in strengthening the institutional capacity of the implementation of the *Framework*, established the SOM *Ad Hoc* Advisory Group on Gender Integration (AGGI). The role of the AGGI is to provide gender advice and expertise to the SOM, and other APEC fora on the implementation of the *Framework*. The group will complement the responsibility and accountability of individual APEC fora for the implementation of the *Framework*.

The *Ad Hoc* Advisory Group was tasked by the *Framework* with four critical tasks:

- The publication, dissemination and distribution of the *Framework for the Integration of Women in APEC*;
- Holding Gender Information Sessions (GIS): the AGGI has developed gender information sessions for the APEC fora on the *Framework* and the process of implementation of its elements. Almost all APEC fora (17 including the SOM and the APEC Secretariat) have had GIS;
- Gender Criteria for use in APEC project proposals, approval and evaluation report were developed for incorporation into APEC project proposals, approvals and evaluation forms. These Gender Criteria have been incorporated into the revised APEC Project Proposals and Evaluations Forms; and
- Gender Mainstreaming Good Practices Book: the AGGI has completed the compilation of good practices of gender integration in APEC fora and economies. These good practices link the work of various fora and provide a practical source of case studies on gender analyses and mainstreaming.

To complement the four critical tasks, AGGI has also undertaken a sex-disaggregated data project. A two-week workshop entitled "Analysis and Evaluation of Gender Statistics" provided training on methods and procedures to evaluate the quality and relevance of sex-disaggregated data and how to produce a brief report using this data which can then be used to assist policy makers in decision making.

The AGGI has a two-year mandate, and the SOM III in Dalian, China has approved the extension of the AGGI for another year.

### Next Steps

The AGGI is working on building sustainable practices in gender integration, including:

- A mechanism to provide gender advice to fora and the SOM;
- Capacity building practices to equip officials with the knowledge and skills to do gender work by themselves; and
- Monitoring current practices.

The AGGI is also assisting Mexico in the preparation of the Second Ministerial Meeting to be held in 2002 in Mexico.

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## Sustainable Economic Recovery

### Introduction

Throughout the APEC region, economic recovery from the 1997-98 financial crisis is being threatened by the downturn in key trading economies. Most economies returned to substantial levels of economic growth in 2000 but 2001 has seen many of these trends reversed. The year 2000 ended with the main focus of APEC members to ensure that the recovery continues; in 2001 it will be how to weather this downturn in the world economy, lead by weak economic conditions in the United States. There are those who fear that the region may have missed an opportunity to carry out needed reforms during a period when growth was strong.

APEC Finance Ministers will meet in Suzhou, China on 6-9 September 2001 and APEC Economic Leaders will meet in Shanghai, China in mid-October. At their 1 May 2001 meeting, the APEC Finance Ministers and Central Bank Deputies identified three main policy themes for the Finance Ministers' Meeting, under the overall theme, "Growth with Restructuring, Stability and Equity":

- Strengthening dialogue on macroeconomic policies to promote economic and financial stability and sustainable economic growth;
- Deepening structural adjustment and reform, establishing a sound financial system to build a solid foundation for sustainable economic growth; and
- Promoting economic growth on a fair and equitable basis in order to minimize the adverse impact and maximize broad-based benefits in the process of globalization and to ensure that the majority of people benefit from globalization.

The economic slowdown and continued high oil prices have reminded economic policy-makers that their economies are still very much reliant on imported oil and susceptible to external economic shocks. The Finance Ministers expressed their concern about the impact of higher oil prices on economic growth at the end of their 9-10 September 2000 meeting in Brunei Darussalam, which is summarized below. At their 15-16 November 2000 meeting in Brunei Darussalam, APEC Economic

Leaders took up the same theme, calling for appropriate measures to promote stability for both consumers and producers. Both groups will need to explore the options for re-starting economic growth in the region and restoring the momentum for needed but difficult structural reforms at their upcoming meetings in the third quarter of 2001.

### The APEC Leaders

At their November 2000 meeting in Brunei Darussalam, APEC Economic Leaders reiterated their resolve to work together to support a sustained recovery in the region and to avoid complacency in continuing to improve their economies. Their specific directives included:

- Ensuring that APEC's **economic and technical cooperation** programs are clearly targeted and focused;
- Committing to developing and implementing a policy framework to enable the people of urban, provincial and rural communities to have **access to the Internet by 2010**; including tripling the number in the region with individual and community-based access by 2005;
- Launching a wide-ranging **Action Agenda for the new economy** to outline programs to boost productivity, stimulate growth and extend services to the whole community;
- Calling for further exchanges between a broad group of systemically significant economies on how best to **meet the challenges of globalization**;
- Endorsing work to **strengthen the international financial architecture**, particularly in the areas of surveillance and crisis prevention; and
- Applauding the work of the APEC Finance Ministers in the area of **building capacity** in a number of different areas, including skills development of financial regulators and insurance regulators and in working towards insolvency law reform and financial disclosure.

The Leaders also welcomed the work

undertaken in several fora to strengthen the international financial system and supported continuing it in a process involving both industrialized and emerging market economies. The Leaders encouraged the efforts of Finance Ministers to strengthen domestic markets and secure the foundation for the return of capital to the region by:

- Developing a **Voluntary Action Plan for Freer and More Stable Capital Flows**, calling on APEC members to implement sound and credible financial policies;
- Establishing an APEC working group to survey the domestic legal and regulatory frameworks for **fighting financial crime**;
- Establishing an APEC working group to examine issues related to **electronic financial transactions**;
- Producing a study of APEC economies' experiences in **managing bank failures**, with the goal of developing a set of recommendations based on case studies that illustrate lessons from managing bank failures in the APEC region.

The Leaders also welcomed the recommendations from the APEC Business Advisory Council (ABAC) and thanked the members of the ABAC for their contribution in areas such as capacity building, finance, and e-commerce.

### The Finance Ministers Meeting in Brunei Darussalam

The APEC Finance Ministers process continues to advance its work on collaborative initiatives to promote development of regional financial and capital markets, and to support freer and stable capital flows in Asia-Pacific.

Reflecting closer coordination with the rest of APEC, the Finance Ministers now meet in the economy that holds the APEC Chair. At their September 2000 meeting in Bandar Seri Begawan, Brunei Darussalam, Finance Ministers welcomed the significant progress the cooperative growth strategy has yielded in stabilizing financial markets and improving the economic outlook. However, they also stressed that continued strengthening of

macroeconomic fundamentals and the pursuit of structural reforms are needed to secure financial stability and sustainable economic growth in the region. Finance Ministers also:

- Welcomed the progress made in **developing international standards, codes and best practice guidelines** in a wide range of areas, including regulation and supervision of banking, securities, and insurance; corporate governance; economic data dissemination; and transparency of monetary, financial and fiscal policies;
- Called on all **International Financial Institutions** to continue their efforts to strengthen their own governance and accountability, and to improve transparency; and
- Asserted that **business/private sector participation** in the prevention and resolution of crises remains a major challenge. In that regard, the Finance Ministers tasked their Deputies to work with business/private sector groups such as the APEC Financiers Group, ABAC and the Pacific Economic Cooperation Council (PECC) to study business recommendations for strengthening financial markets and institutions and implementing them in on-going work.

Finance Ministers also reviewed progress on their various **collaborative initiatives** to strengthen regional financial and capital markets and to support freer and more stable capital flows in the Asia-Pacific region. Work has proceeded on a range of initiatives, as described below.

- **Promoting freer and more stable capital flows.** The Finance Ministers resolved to continue policy reforms that enable economies to take advantage of the opportunities available in international capital markets. They resolved to establish within APEC a voluntary policy dialogue on strengthening financial markets, particularly focusing on issues related to the implementation of international financial standards and codes.
- **Strengthening financial systems.** Ministers instructed their Deputies to

undertake a study of APEC economies' experience in managing bank failures, with the goal of developing a set of recommendations based on case studies that illustrate the various lessons drawn from the management of bank failures in the APEC region. The Ministers welcomed the progress made in strengthening financial systems through the development of training programs for banking supervisors and securities regulators. They resolved to extend this initiative for a further two years focusing on more intensive work to assist national regulatory organizations to implement model curricula, and continued provision of regional courses. Ministers also welcomed Australia's offer to lead a three-year project on managing regulatory change in life insurance and pensions.

- **Strengthening economic and corporate governance.** Ministers welcomed the efforts of the OECD and the World Bank to raise awareness of, and commitment to, corporate governance reforms in the region through roundtable discussions. They announced that APEC would undertake a policy dialogue on strengthening corporate governance in the APEC region starting in early 2001. The Ministers have also formed a taskforce on company accounting and financial reporting to improve the quality of financial disclosure and auditing practices in APEC economies. Ministers also recognized the importance of strengthening transparency and disclosure standards for all market participants and look forward to the report on the results of the recent survey of credit rating agencies.
- **Fighting financial crimes.** Ministers welcomed the agreement to establish an APEC working group that would conduct a survey of the domestic legal and regulatory frameworks for fighting financial crimes, building on work already completed by APEC members of the Asia-Pacific Group on Money Laundering. Ministers also encouraged the International Financial Institutions to work further with their members in

developing sound financial and capital markets and good governance.

- **Improving social safety nets.** The on-going review of administration of social safety nets in the APEC region has developed three main themes: (1) the need for adequate pre-crisis safety net planning; (2) the importance of accurate and timely information on poor and vulnerable groups; and (3) the need to have a range of instruments to ensure adequate targeting and coverage. The Ministers undertook to develop a set of guidelines for responsive and fiscally manageable social safety nets to present to APEC Leaders.
- **Creating new opportunities with information technology.** Ministers called on economies to formulate and implement appropriate policies and arrangements to facilitate electronic financial transactions and supported efforts by APEC member economies and the international financial institutions to ensure that the benefits of information technology are as widely shared as possible. They agreed to establish a working group on electronic financial transactions systems to develop and implement programs to foster paperless trading in collaboration with the E-Commerce Steering Group. Ministers also urged APEC Customs to enhance harmonization of customs data elements, taking into account the outcomes of the G-7 Experts' work.

#### Other APEC Forums

- China and Brunei Darussalam co-hosted the **APEC High-Level Meeting on Human Capacity Building**, held 15–16 May 2001 in Beijing, China. The meeting brought together representatives from government, higher education and the business/private sector to discuss the challenges of preparing the workforce for the New Economy. Two important documents came out of this meeting: the *Beijing Initiative* and an annex, *Opportunities for Further Work*. The *Beijing Initiative* stresses the importance of a sound macroeconomic foundation for

## Sustainable Economic Recovery (Cont'd)

the sustainability of the New Economy and outlines the challenges facing APEC, including the need to constantly update skills throughout a person's life, the difficulty of coping with rapid technological change, and the need to formulate policies to foster innovation, creativity, and entrepreneurship. *Opportunities for Further Work* identified potential follow-on APEC capacity-building strategies, including a US proposal to build an education component to the knowledge network. Other suggestions included a technical assistance program to bridge the digital divide; programs to promote investment in information technology; life-long learning systems; liberalization measures to ensure open access to e-commerce; and incentive programs to encourage businesses to develop human capacity-building facilities and infrastructure.

- The Republic of Korea sponsored the **APEC Forum on Shared Prosperity and Harmony** that was held in Seoul, Korea on 30 March–1 April 2000. At this meeting, member economies shared their experiences of overcoming the economic crisis, discussed how best to coordinate policies to prevent the recurrence of such crises, and explored ways of redressing the disparities generated between economies and within societies. At the Forum President of the Republic of Korea, Kim Dae Jung proposed that a "Hedge Fund Monitoring Channel" be established to contribute to the stability of financial markets. He also urged that APEC economies develop a "Foreign Exchange Crisis Forecast Model" to provide advance warning of the risk of economic crisis. Finally, in addition to asking that North Korea be allowed to participate in APEC activities, the President of the Republic of Korea called for an "APEC Cyber Education Network" to help address the digital divide. These and other proposals presented at the Forum will be taken up by several APEC fora during the year.

- **APEC's Ministers for Small and Medium Enterprises (SME)**

SME Ministers met in Bandar Seri Begawan, Brunei on 21–23 June 2000, at the end of a week during which there were concurrent meetings of the SME Business Forum, the Women Leaders' Network, and the E-Commerce Workshop, as well as the *Ad Hoc* Policy Level Group on SMEs. Some of the key results of these meetings include:

- **Capitalizing on E-Commerce:** There was broad consensus that member economy governments could help SMEs overcome the high costs of investment in information and communication technology by creating an environment more favorable to e-commerce. Ministers instructed relevant APEC bodies to expedite on-going work on reducing the cost of access to the Internet.
- **Financing for SMEs:** In addition to urging economies to promote the development of capital markets in the region, Ministers instructed the Policy Level Group to work with other APEC fora to establish an APEC database on start-up companies and venture capital.
- **Capacity Building:** Ministers instructed their Policy Level Group to develop cooperation programs for submission to the APEC Economic Leaders in November.

SME Ministers will meet next on 26–31 August 2001 in Shanghai, China.

- **Energy Ministers** met in May 2000 in San Diego, USA. The Ministers stated their conviction to make their best efforts to pursue simultaneously economic growth, energy security, and environmental protection. In addition, the Ministers:
  - Endorsed technology cooperation initiatives to diversify the energy mix, improve energy efficiency, deploy new and renewable energy technology, reduce costs, facilitate energy business and trade, and mitigate damages to energy infrastructure after natural disasters;

- Agreed to work on a strategy to implement a number of earlier initiatives including non-binding energy policy principles, strengthening the policy dialogue among member economies, a voluntary pledge on energy policies and energy efficiency initiative, cooperation with the Energy Working Group Business Network and the Energy Regulators' Forum, and a program to identify best practices for energy services; and
- Agreed that the implementation initiative would include a system of voluntary, annual self-reports on implementation by member economies.

A year earlier, the APEC-PECC Workshop to Improve Investor Confidence and Capital Mobilisation in APEC Energy Sector held on 19–20 April 1999 in Oakland, the United States stressed, *inter alia*, the need for transparency, predictability and non-discrimination in energy policy and regulatory regimes.

- **Tourism Ministers** met on 5-7 July 2000 and endorsed the APEC Tourism Charter, which reflects a collective commitment to improve the economic, cultural, social and environmental well being of APEC member economies through tourism.
- The **Economic Committee** delivered the three reports listed below to Ministers in November 2000. Their core messages are relevant to sustainable recovery issues. The EC also prepared a brief *Economic Committee's Annual Report to Ministers*, highlighting key findings of the three published reports.

(1) **2000 APEC Economic Outlook**

(2) **APEC Economies beyond the Asian Crisis** (Beyond-the-Crisis project)

(3) **Towards Knowledge-Based Economies in APEC** (KBE project)

All reports address central economic issues of interest for Leaders, Ministers, and the APEC community. Major issues taken up this

year include:

- Economic conditions  
Recent developments and short-run prospects in the APEC region
- Trade  
Growing interest in forging regional trade arrangements (RTAs)
- Challenges for future growth  
Implications of the Asian crisis, information technology, and entrepreneurship
- Long-term projection  
Projection of growth and trades over the next decade
- Knowledge-based economy (KBE)  
Full analysis on the emerging trend towards KBEs  
Specific actions to promote KBEs in the APEC region

The following are some highlights of the three reports.

- **2000 Economic Outlook:** Examining developments in APEC economies to date, the Outlook confirms that the Asian crisis has been contained, and economic recovery is now more prevalent in the APEC region as a whole. The prospects over the next twelve months or so remain generally positive. Yet, there are significant downside risks including the recent surge in oil prices. The *Outlook* revisits the Asian crisis, giving final assessments that the crisis was exacerbated by a combination of several factors including structural weakness and the lack of transparency in the financial and corporate sectors, and that economic reforms must squarely address these factors. Finally, the Outlook looks at the structural issue of the emerging trend towards regional trade arrangements (RTAs), bearing in mind its implications to the multilateral trading system.
- **The Beyond-the-Crisis Report** focuses on long-term prospects of APEC economies beyond the Asian financial crisis, highlighting key issues for building the future of APEC

economies. The report identifies two major challenges for future growth; the remaining challenges from the Asian financial crisis and the emerging challenges of the new economy. The Asian financial crisis had important long-term implications for APEC economies, especially that future growth would be hindered unless structural weaknesses revealed by the crisis were redressed. The New Economy, driven by information technology, presents both opportunities to promote higher living standards and huge challenges in taking advantage of new technologies. Fostering entrepreneurship has become an effective way to promote economic growth and employment. A well-developed SME sector is a hotbed for new businesses. A case study on Chinese Taipei's economy underlines the dynamic role of SMEs in economic development. Finally, APEC must also muster efforts to build future growth through: strengthening markets; e-commerce and technology cooperation; entrepreneurship and SME development; education and life-long learning; and social safety nets.

- **Towards Knowledge-Based Economies in APEC** aims to provide the analytical basis useful for promoting KBEs in the APEC region. A survey of the status of KBE of various APEC economies suggests that certain characteristics are preconditions for moving toward a KBE. They include: a high quality education service both widely available and widely used; an advanced communications network and policy/regulatory framework that encourages competition and supports the development and use of information hardware and applications; a cultural background of being open to new ideas, especially those from outside; social, political, economic and legal frameworks conducive to the development of the characteristics above. APEC economies can learn from the policies that have been adopted by other APEC members to build the infrastructure of a KBE, whether they are at the same stage of development or not. Much scope exists for

cooperation within APEC in four key dimensions related to promoting KBEs; business environment, innovation systems, human resource development, and information and communication technology. The report recommends three specific actions for APEC cooperation: establish a Knowledge Clearing House (KCH), which aims to exchange various types of knowledge; generate Igniting Policies for triggering the transition to a KBE; and include KBE Status Indicators (which will provide information on progress towards KBEs in member economies) in the *APEC Economic Outlook*.

- Australia has made available to other economies the results of a survey it commissioned on **economic governance capacity building** needs, the programs underway to meet those needs, and gaps that could be filled by APEC economies and international agencies. The initiative, welcomed by APEC Economic Leaders and Ministers, suggests ECOTECH activities that individual economies could undertake to build capacity in economic governance.
- At the 2000 **APEC Study Centers Consortium Conference** in Bandar Seri Begawan, Brunei, the Study Centers continued their post-crisis work in the areas of managing finance, managing e-commerce, managing regional relationships, and managing HRD. In addition, the Centers has helped create the APEC International Assessment Network (APIAN) which will conduct regular independent assessments of key APEC activities in both trade and investment liberalization and facilitation and economic and technical cooperation.

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## Management Review

Since its formation in 1989, APEC has evolved rapidly and has grown in substance and purpose. Member economies have developed a comprehensive work program to achieve common prosperity through trade and investment liberalization, business facilitation and economic and technical cooperation, and have undertaken activities to carry them forward. To keep the process streamlined, to produce practical results in line with APEC's objectives, and to ensure that the limited resources of member economies are deployed most effectively, APEC embarked upon a three-year (1998-2000) management review program. It aimed to examine and rationalize the structure within which APEC business is operated by reviewing the mandates, roles and interrelationships of the various committees, working groups and other parts of the APEC network.

### Achievements

Further to the achievements in both 1998 and 1999, additional measures to increase the efficiency and effectiveness of the APEC process were endorsed and taken by both the Senior Officials and the Ministers in 2000. The major measures are:

- Adoption of Criteria for the Establishment of New APEC Fora;
- Adoption of mechanisms for developing greater links with APEC Financial Ministers' process; and
- Redesignation the PLGSME as the Small and Medium Enterprises Working Group (SMEWG) and ATC as the Agricultural Technical Cooperation Working Group (ATCWG).

### Next Steps

While the three-year management review program has been concluded successfully, APEC will continue its efforts to streamline the APEC process on an ongoing basis.

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## New Economy

Recognizing the full potential of the rapid advances in information and communication technology, APEC Leaders launched last year in Brunei Darussalam a wide-ranging Action Agenda for the New Economy that outlines programs that will help APEC economies use these technological advances to boost productivity, stimulate growth and extend services to the whole community. The Action Agenda includes ways to promote the right policy environment and build capacity to help create a framework to strengthen markets, electronic commerce, infrastructure, knowledge and skills development and provide affordable and more efficient access to communication and the Internet.

In response to the instructions from Leaders to implement, develop and expand the New Economy Action Agenda, APEC Senior Officials decided at their meeting in Beijing, China in February 2001 to establish an Ad Hoc Task Force for e-APEC. Its objective is to give effect to the Action Agenda with concrete actions, and to extend and broaden consensus on cooperation in the area of New Economy and ICT, with a view to arriving at an operational blueprint for building e-APEC.

The e-APEC Task Force (eATF) shall be active for a period of two years, renewable if necessary.

### *e-APEC Strategy*

The eATF has had two meetings thus far and has already developed the main structure and major content of the report entitled *e-APEC Strategy*, which is the blueprint for the implementation of the Action Agenda. The *e-APEC Strategy* will be a major deliverable to the Leaders and Ministers' Meeting in Shanghai, China in October.

The report will address the following key issues:

1. Creating an environment for strengthening of market structures and institutions;
2. Creating an environment for infrastructure investment, technology development and entrepreneurship; and
3. Building human capacity and entrepreneurship development.



## Electronic Commerce

### Next Steps

The eATF will continue to coordinate with all relevant APEC fora as well as member economies in finalizing the *e-APEC Strategy*.

A showcase event will be organized at the Ministerial Meeting and CEO Summit in Shanghai in October to promote the *e-APEC Strategy*.

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The APEC Electronic Commerce Steering Group (ECSG) was established by the SOM in February 1999. The role of the Steering Group is to ensure continued coordination of APEC e-commerce activities and to pursue the work programme set out in the *1998 APEC Blueprint for Action on Electronic Commerce*. The ECSG meets twice a year but continues to conduct its business throughout the year as a 'virtual' group using electronic means of communication. The 1st ECSG meeting was held on 27–28 June 1999 in Auckland, New Zealand and the 4th ECSG meeting was held on 19–20 August in Dalian, China. The ECSG's two-year term was extended for another two years at SOM I in Beijing, China in February 2001. The 5th meeting of the ECSG will be held in conjunction with SOM 1/2002 in Mexico.

### Business and Private Sector Participation

It is generally recognized that the business/private sector is taking the lead in the development and application of electronic commerce. The role of member economy governments is to provide an environment, particularly the legal/regulatory framework that is conducive to the development of e-commerce. Therefore it is essential for government and the business/private sector to work closely together. The business/private sector has been an active participant in all ECSG meetings. APEC e-commerce activities such as the APEC E-Commerce Convention in Tokyo, Japan in May 2000, the APEC 2000 SME E-Commerce Workshop in Brunei Darussalam in June 2000 and the Consumer Protection Workshop in Bangkok, Thailand in July 2000 all had extensive business/private sector participation. At the fourth ECSG meeting, a Business/Private Sector Workshop was held and the ECSG adopted the Workshop's proposal for the formation of an APEC E-Commerce Business Alliance.

### Achievements and Next Steps

For the rest of 2001 and 2002, based on its review of the APEC 2001 Electronic Commerce Stocktake, the ECSG agreed on the following programme of work, which will add value and contribute to

strengthening APEC's electronic commerce work programme:

- agreed on a work programme for the voluntary delivery of Paperless Trading IAPs to the 13th APEC Ministerial Meeting and the 2002 Meeting of APEC Ministers Responsible for Trade;
- establishment of an APEC Business Alliance in response to the recommendation of the High Level Symposium on Electronic Commerce and Paperless Trading to foster business outreach;
- agreed in principle to the Proposal for Strengthening Economic and Technical Cooperation among APEC Economies in the Field of E-Commerce, which will be further developed;
- in response to Viet Nam's New Economy initiative on strengthening the legal framework for electronic commerce, agreed to convene an E-Commerce Legal Infrastructure Workshop at the 25th Telecommunications and Information Working Group Meeting in 2002;
- with a view to the effective implementation of the 2000 APEC-Wide Action Plan to Support the Use of Electronic Commerce by SMEs, agreed to undertake an analysis of further work required in this area;
- in response to the 1998 APEC Blueprint for Action on Electronic Commerce, agreed to consider the establishment of an ECSG Forum on Privacy to address the protection of private data and promote consumer confidence in electronic commerce;
- development of voluntary APEC Online Consumer Protection Principles;
- agreed that PECC further develop recommendations on APEC action in the area of e-learning for consideration at the next ECSG;
- agreed to revise the format of the APEC Electronic Commerce Stocktake with a view to more effective communication of APEC work in this area to business; and

## Electronic Commerce (cont'd)

- agreed to consider a review and possible update of the 1998 APEC Blueprint for Action on Electronic Commerce in 2002.

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## APEC Food System

In November 1998, APEC Economic Leaders renewed their resolve towards creating a prosperous Asia-Pacific community. Part of this resolve included the Leaders' endorsement of joint actions to be launched in the area of food in relation to economic and population growth in the region and an instruction to implement those joint actions. The Leaders instructed APEC Ministers to study the APEC Business Advisory Council's (ABAC) APEC Food System proposal. Following this instruction, at the SOM I in February 1999, APEC Senior Officials established an *ad-hoc* task force to study the ABAC's proposal for an APEC Food System (AFS). The reports on APEC Food System were submitted to and endorsed by the Ministers and Leaders meetings in Auckland, New Zealand and in Brunei Darussalam respectively. APEC Leaders reconfirmed their commitment to address in parallel three areas of cooperation: the development of rural infrastructure, the promotion of trade in food products, and the dissemination of technological advances in food production and processing, and urged APEC fora and members to increase momentum in this regard as recommended by the ABAC.

### Business and Private Sector Participation

The ABAC, in its 2000 report to Leaders, made a number of recommendations concerning the AFS for member economies and relevant fora to take into account. Its recommendations were:

- Support rural economic opportunity, especially the APEC-PECC project Regional Integration for Sustainable Economies (RISE);
- Invite representatives of the World Bank, Asian Development Bank (ADB), and the Inter-American Development Bank (IADB) to attend APEC Leaders' Meetings in 2000 and 2001 to discuss rural infrastructure development;
- Create a network of "domestic champions" (i.e., entities in each economy capable of understanding and articulating technological advances in the food industry);

- Declare APEC to be an "agriculture export-subsidy-free zone;"
- Require that each economy carry out a self-assessment of all the impediments it faces in increasing its capacity to import and export food products by 2001;
- Include, by 2001, a specific section in the Individual Action Plans on what is being done to achieve the AFS.
- Increase the number of economies signing on to the APEC Food Mutual Recognition Agreement to at least fifteen by 2001,
- Abolish, by the 2001 APEC Leaders' Meeting in Shanghai, China, all practices regarding the limiting of food supplies to other members for political or economic reasons and eliminate taxes and quantitative restrictions on food exports.

### Achievements

APEC Economic Leaders, during their meeting in Brunei Darussalam in November 2000, welcomed the progress report from Ministers on the Implementation of the AFS recommendations. In addition to reconfirming their commitment to address in parallel three areas of cooperation: the development of rural infrastructure, the promotion of trade in food products, and the dissemination of technological advances in food production and processing, they also urged APEC fora and member economies to increase momentum for implementation as recommended by the ABAC.

In response to the Leaders' instruction, the SOM I in February 2001 endorsed the SOM Chair's paper on the continued implementation of the AFS, including the revised tasking matrix and time frame for the preparation of this year's AFS report.

The inputs from APEC member economies and the tasked fora for 2001 are summarized as follows:

- Nine member economies and nine of the tasked fora/sub-fora have submitted their reports, including the ESC and CTI Overview reports, to the APEC Secretariat.

- It is noted that, on the whole, the AFS recommendations have been, and are being, implemented by most of tasked fora/ sub-fora indirectly and in generic terms.
- The CTI and its sub-fora, with the exception of the SCSC, may not have taken actions which corresponded directly to the implementation of the AFS recommendations. They believed that the progress achieved in advancing APEC's TILF agenda and in strengthening of the multilateral trading system, would have benefited all sectors, including food.
- The SCSC agreed that the work program would focus on the production of member economies' regulatory profiles on the food and drug interface, and would compile information and case studies on decision-tree analysis. The SCSC made progress with its work related to the WTO Agreement on Sanitary and Phytosanitary Measures (SPS) and the APEC Food MRA.
- The ESC noted that some of the AFS recommendations such as those on human resources development and technology transfer appear to have been successfully implemented. However, it also noted that little new progress could be observed in improving the clarity or predictability of food regulations and standards or removing barriers to trade in food products so as to achieve the Bogor goals. It is stressed that the establishment of a network of "domestic champions" is the only ABAC recommendation acted upon by APEC this year. The ESC considered that reporting responsibilities may need to be broadened to better capture the full range of APEC activities relevant to the AFS.
- The ATC has most actively participated in the implementation of the AFS recommendations. The ATC implemented a project on post-harvest technology and on how to develop farmer's participation in agricultural technology transfer and training that meets local needs. The ATC carried out two main activities relating to

biotechnology. The ATC developed the implementation work program for the biotechnology issue and held a workshop on agricultural biotechnology, focusing on capacity building and information sharing.

- The ISTWG has carried out several activities which directly support the implementation of AFS recommendations. A project on the post-harvest network addresses the problems of post-harvest grain loss. Projects related to emerging infectious diseases aim to strengthen surveillance and control of food-borne infections and of commercial shipments of contaminated food. Two projects relating to meteorology and climatology are most likely to benefit the agriculture, forestry and fishery sectors..
- The HRDWG has completed several projects that have particular value for rural education, taking advantage of network technology. The SMEWG, however, has pursued few projects which have direct impacts on the food sector.
- The GEI's main contribution to the AFS has been through the Regional Integration for Sustainable Economies (RISE) project. The GEI noted that the RISE project also contributed to Promotion of Trade in Food Products even though the forum was not specifically tasked with that responsibility.
- Member economies report that they are fully and faithfully implementing the four recommendations set down in the tasking matrix. Member economies stress that they are implementing commitments, especially in tariff and domestic support, from the Uruguay Round of negotiations in a manner fully consistent with the WTO Agreement on Agriculture. Economies also report that they continuously pursue agriculture trade reform and the Bogor goals in the food sector. Some economies submitted a comprehensive proposal to the WTO to address the full range of issues, including non-trade concerns. Economies have also made progress in improving the availability

of rural education.

- Few member economies acknowledged that they took much consideration of ABAC's AFS-related recommendations in their work.

## Next Steps

Members and tasked fora are also requested to continue to provide the Ministers' and Leaders' Meetings next year with a report on the progress made in the implementation of the AFS during 2002.

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## Public Affairs

The APEC Secretariat, located in Singapore, was established in 1993 to serve as the core support mechanism for the APEC process. It currently comprises 23 officials seconded by member economies for fixed terms and a similar number of locally recruited support staff.

The Secretariat's operational plan comprises six outputs (and four services) based on the following Statement of Business, approved by member economies.

### Statement of Business

- The Secretariat is the core support mechanism for the APEC process.
- The Secretariat provides advisory, operational and logistic/technical services to member economies and APEC fora to coordinate and facilitate conduct of the business of the organization.
- On behalf of member economies, it provides preparatory advice on formulation of APEC projects, manages project funding and evaluates projects funded from the APEC Operational and TILF Accounts.
- The Secretariat provides information and public affairs support to promote APEC's role and activities through its publications, media, business and outreach programmes and through the maintenance of a website. It also performs public affairs functions on behalf of APEC members when required.
- The Secretariat maintains a capacity to support research and analysis in collaboration with APEC Study Centres and PECC as required by APEC fora.
- The Executive Director is responsible to APEC Senior Officials through the SOM Chair and manages the Secretariat in line with priorities set by SOM on behalf of Ministers.

The APEC Secretariat is responsible for media and public relations for APEC and provides assistance in disseminating information on APEC to targeted audiences and the public at large through a variety of means including an extensive publishing programme, websites and other electronic media, audio visual material, presentations, visitor briefings and outreach visits to APEC member economies. The Secretariat also plays an important role in providing public affairs and media support to the host economy and APEC fora throughout the year.

A major exercise for the year has been the development of a new APEC Communications and Outreach Strategy. The strategy is aimed at improving the effectiveness and reach of APEC communications efforts to achieve better understanding and support amongst key audiences of APEC's role and agenda and to more widely promote its achievements and continuing relevance.

### Achievements

- Completion of an audit of APEC communications activities and development of a new communications and outreach strategy in consultation with member economies and fora.
- Development of an action plan for implementing the approved new communications strategy.
- Visits with an outreach focus made during 2001 to Peru, Chile; Mexico, Indonesia, and Papua New Guinea. Presentations delivered regularly to a wide variety of business, government and student groups.
- On-the-ground media liaison support provided to host economies of major APEC meetings and assistance provided in advance of and during key events to support coverage by international, regional and local media outlets.
- Media releases and advisories issued and disseminated regularly via email gateway and posted on the APEC website. Regular contact maintained with journalists to encourage media coverage of key APEC events and activities.

- A wide range of general information resources on APEC produced including scheduled publications for 2001 as part of the Secretariat's publishing programme and production of publications on behalf of APEC fora.
- To date, a total net revenue of approximately S\$6,400 was realized from the sale of APEC publications and CD ROMS for the year through sales/marketing agreements with book agents/distributors in Australia; Brunei Darussalam; Hong Kong, China; Malaysia; New Zealand; Singapore; USA and the United Kingdom. With increasing use of online and free downloadable versions of publications off the website, the Secretariat will continue to maintain a close watch on sales patterns and monitor print runs, sales figures and web statistics to ensure electronic/hard-copy publishing combinations support both information dissemination objectives and user needs.
- Maintenance of a cyber bookstore at <http://www.ecomz.com/apec>.
- Ongoing maintenance of the APEC website. Revamping of the electronic Individual Action Plans (e-IAP) system incorporating several new features to make it more user-friendly and accessible.
- Management and continuous improvement of APEC's document access policy to facilitate access to APEC records via electronic means.
- Assistance to China as APEC Chair for 2001 in implementing its domestic outreach programmes.

### Next Steps

For the remainder of 2001 and during 2002 the APEC Secretariat will focus heavily on implementing a more proactive communications and outreach programme to more effectively publicise APEC's role and achievements and promote community input and engagement in APEC. The Secretariat will also provide public affairs planning and support to Mexico as APEC Chair for 2002.

## Communications and Database System

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One of the mandates given by the APEC Ministers to the Secretariat is to establish direct and regular communications between the APEC Secretariat and APEC members, Lead Shepherds of Working Groups, and Committees. There is also a need to create an information repository at the APEC Secretariat to facilitate the movement and storage of APEC-related information. This information needs to be accessible to users in each member economy either in hard copy form or in electronic format.

The APEC website is one of the key management vehicles to fulfill the Secretariat's mandate. Users can access a wide range of information including the APEC calendar of events and documents from meetings on the APEC website at <http://www.apecsec.org.sg>.

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### Business and Private Sector Participation

The business and private sector is not involved with the communications and database system. The system is now maintained by the APEC Secretariat.

### Achievements

- E-mail has become the major communication tool within APEC. All APEC member economies, working groups, committees and the business/private sector can easily communicate with the Secretariat by e-mail. Users can also access selected APEC documents through the APEC Secretariat's homepage.
- The contents of the Secretariat's website are updated frequently and more business-related linkages have been created.

### Next Steps

The Secretariat will continue to maintain the communication system and to update the related databases to keep the data current. This will be an on-going process.

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# 5 ABBREVIATIONS

ABAC	APEC Business Advisory Council	CPD	Competition Policy and Deregulation	GPEG	Government Procurement Experts' Group
ABTC	APEC Business Travel Card	CTI	Committee on Trade and Investment	GPS	Global Positioning System
AFS	APEC Food System	DMEG	Dispute Mediation Experts' Group	HACCP	Hazard Analysis and Critical Control Points
AGGI	Advisory Group on Gender Integration	EBN	EWG Business Network	HRD	Human Resources Development
AIFN	APEC Infrastructure Facilitation Network	EC	Economic Committee	HRDWG	Human Resources Development Working Group
AIRIC	APEC Infrastructure Resource Integration Centre	ECE	Economic Commission for Europe	IAP	Individual Action Plan
APEC	Asia-Pacific Economic Cooperation	ECOTECH	Economic and Technical Cooperation	ICAIS	International Charging Arrangements for Internet Services
APIAN	APEC International Assessment Network	ECSG	Electronics Commerce Steering Group	ICAO	International Civil Maritime Organization
APII	Asia Pacific Information Infrastructure	EDNET	Education Network	ICFA	International Coalition of Fisheries Association
APIS	Asia Pacific Information Society	e-IAP	Electronic Individual Action Plan	IEG	Investment Experts' Group
APRU	Asia Pacific Rim Universities	ESC	ECOTECH Sub-Committee of the SOM	IEGBM	Informal Experts' Group on Business Mobility
ARIC	Asia Recovery Information Center	EVSL	Early Voluntary Sectoral Liberalization	IFAT	Implementation Facilitation Assistance Team
ASC	APEC Study Centers	EWG	Energy Working Group	ILO	International Labour Organization
ASCC	APEC Study Center Consortium	FAO	Food and Agriculture Organization	IMD	International Institute for Management Development
AST	APEC Science and Technology	FDC	Foundation for Development Cooperation	IMMA	International Motorcycle Manufacturers Association
ATCEG	Agricultural Technical Cooperation Experts' Group	FDI	Foreign Direct Investment	IMO	International Maritime Organisation
ATCWG	Agricultural Technical Cooperation Working Group	FEEEP	Impact of Expanding Population and Economic Growth on Food, Energy and the Environment	IMTA	International Transport Association
ATL	Accelerated Tariff Liberalization	FIA	Federation International de l'Automobile	INDECOPI	National Institute for the Defense of Competition and Protection of Intellectual Property
BAC	Budget and Administrative Committee	FWG	Fisheries Working Group	INTA	International Trademark Association
BMC	Budget and Management Committee	GDP	Gross Domestic Product	IPEG	Intellectual Property Rights Experts' Group
BMN	Business Management Network	GEI	Group on Economic Infrastructure	IPP	Independent Power Producer
CAP	Collective Action Plans	GIS	Gender Information Sessions	IPR	Intellectual Property Rights
CBN	Capacity Building Network	GOS	Group on Services		
		GP	Government Procurement		
		GPA	Global Programme of Action		



IST	Industrial Science and Technology	PLGSME	Policy Level Group on Small and Medium Enterprises	UN/EDIFACT	United Nations Rules for Electronic Data Interchange for Administration, Commerce and Transport
ISTWG	Industrial Science and Technology Working Group	RFMO	Regional Fisheries Management Organization		
ITI	Information Technology Industry Council	RGC	Regional Growth Center	UN-ECE	United Nations Economic Commission for Europe
IUU	Illegal, Unregulated and Unreported	RISE	Regional Integration for Sustainable Economies	UR	Uruguay Round
IWS	Infrastructure Workshop	ROO	Rules of Origin	URI	Uruguay Round Implementation
JIRCAS	Japan International Research Center for Agricultural Science	RTAs	Regional Trade Agreements	USITC	US International Trade Commission
KBE	Knowledge-based Economy	RTHP	Road Transport Harmonization Project	WCO	World Customs Organization
KCH	Knowledge Clearing House	SCCP	Sub-Committee on Customs Procedures	WG	Working Group
KDI	Korean Development Institute	SCSC	Sub-Committee on Standards and Conformance	WGTP	Working Group on Trade Promotion
LSP	Labor and Social Protection Network	SMEs	Small and Medium Enterprises	WIPO	World Intellectual Property Organization
M&As	Mergers and Acquisitions	SMEWG	Small and Medium Enterprises Working Group	WLN	Women Leaders Network
MAG	Market Access Group	SOM	Senior Officials' Meeting	WTO	World Trade Organization
MNE	Multinational Enterprise	SPAN	Integrated Plan of Action for SME Development	WTTC	World Travel and Tourism Council
MRA	Mutual Recognition Arrangement	TDB	APEC Tariff Database		
MRC	Marine Resource Conservation	TEL	Telecommunications Working Group		
MRT	Ministers Responsible for Trade	TELMIN	Telecommunications and Information Industry		
NGO	Non-Governmental Organization	TILF	Trade and Investment Liberalization and Facilitation		
NTM	Non-tariff Measures	TOR	Terms of Reference		
OAA	Osaka Action Agenda	TPT	Transportation Working Group		
OECD	Organization for Economic Cooperation and Development	TPWG	Trade Promotion Working Group		
OICA	International Organization of Motor Vehicle Manufacturers	TRIPS	Agreement on Trade-related Aspects of Intellectual Property		
OMISAR	Ocean Model and Information System	TWG	Tourism Working Group		
PATA	Pacific Asia Travel Association				
PECC	Pacific Economic Cooperation Council				



