



Asia-Pacific  
Economic Cooperation

UPDATE OF  
**ACTIVITIES**  
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Welcome to the October 2002 edition of *Update of Activities for APEC*.

2002 has been a challenging yet successful year for APEC with the expansion of work programmes in a number of core activity areas and the emergence of several new areas of focus responding to recent global events and developments. Contained in this issue are many practical examples of the ways in which APEC is continuing to make important contributions to promoting economic growth in the Asia-Pacific region, through cooperation in policy formulation, infrastructural development and capacity building.

The theme adopted for Mexico's year as APEC host; *"Expanding the Benefits of Cooperation for Economic Growth and Development—Implementing the Vision"*, embodies three major sub-themes:

- Promoting the implementation of appropriate trade, investment and financial policies that foster growth and take advantage of the new economy;
- Building capacities to reap the benefits of development, placing special emphasis on the promotion of small and medium enterprises and micro-enterprises; and
- Making APEC a more relevant forum for people by fostering greater participation from youth and women, by stepping up efforts in communicating the benefits of globalization, and by continuing the improvement of the functioning of APEC.

These sub-themes feature strongly across the range of activities outlined. Examples include projects specifically designed to help economies meet the challenges of transforming to a new economy and cooperative efforts to develop a framework for sustained regional economic growth.

APEC's continued commitment to counter-terrorism cooperation to ensure international terrorism does not disrupt economies and markets, is another important new aspect of APEC's work which has been highlighted.

The Update aims to provide a concise summary of activities across the full spectrum of APEC sectoral cooperation and policy coordination. We remind readers that the main APEC website [www.apecsec.org.sg](http://www.apecsec.org.sg) offers an additional source of information on developments, issues and work programmes within APEC. Links to APEC fora websites are also provided to cater to those with sectoral and specialised interests.

We invite you also to visit the Mexico APEC 2002 website [www.apec2002.org.mx](http://www.apec2002.org.mx) for further detailed information as we approach the lead up to the annual meetings of APEC Ministers and Economic Leaders to be held in Los Cabos this month.



Alejandro de la Peña  
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i. Activities of

# APEC Fora

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)<sup>1</sup>. The CTI also provides a forum for discussion of trade policy issues. (Detailed activities in CTI's 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 executing its work program for 2002, the CTI focused on three main areas: (a) Collective Action Plans (CAP) improvement; (b) Implementation of the Shanghai Accord; and (c) contributions to the WTO. CTI and its sub-fora continued to implement, revise and enhance work on the CAPs, making continued and significant progress towards achieving the OAA objectives in pursuit of the Bogor goals. CTI also commenced on an exercise to review progress in implementing the CAPs and assess their effectiveness towards meeting the Bogor goals.

Under the Implementation of the Shanghai Accord, the CTI:

- Broadened Part I of the Osaka Action Agenda (2001 Update) to include actions relating to the new economy and strengthening the functioning of markets, in particular, legal economic infrastructure;
- Advanced work on Trade Facilitation. Sub-fora made further progress in implementing the APEC Trade Facilitation Principles. CTI developed the APEC Trade Facilitation Action Plan which sets out specifically the time lines for action in four major trade facilitation areas, including, customs or border measures, standards, business mobility and e-commerce, an initial menu of concrete actions and measures to implement trade facilitation in APEC and a reporting template for economies to highlight trade facilitation and achievements in their IAPs;
- Undertook work to draw all APEC's agreed transparency principles into a single document to enable reporting on their implementation;
- Undertook an exchange of information on trade policies for the new economy with a view to promoting the adoption of appropriate trade policy targets; and
- Agreed on two pathfinder initiatives - unilateral Advanced Passenger Information (API) systems and adoption of the Revised Kyoto Convention provisions.

<sup>1</sup> The 15 areas are: 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.

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For the third area of focus, CTI made further progress in:

- the implementation of the APEC Strategic Plan for WTO-capacity building which included the development of seven additional TILF-funded projects to assist developing economies to address concerns over certain aspects of the implementation of WTO agreements;
- compilation of a series of economy matrices describing all WTO-related capacity building programs offered by APEC economies to other APEC economies; and
- launched a APEC-WTO Capacity Building website ([www.apec-trta.org](http://www.apec-trta.org)) to house these matrices and provide easy access to information contained in them.

As part of the confidence-building exercise to enhance understanding of the Singapore issues in the WTO Doha Development Agenda (DDA), CTI conducted a half-day Trade Policy Dialogue (TPD) Session on the "DDA Mandate on the Relationship between Trade and Investment" in May 2002 with plans to conduct further such TPD sessions in 2003.

In addition, the CTI also:

- worked on improving the electronic IAP (e-IAP) system;
- oversaw the implementation of the Cooperation Framework for Strengthening Economic Legal Infrastructure, APEC-OECD Co-operative Initiatives on Regulatory Reform and the APEC Principles to Enhance Competition and Regulatory Reform; and
- monitored developments in the Automotive and Chemical Dialogues.

#### **Next Steps**

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CTI will continue to improve and expand the CAPs and implement the APEC Trade Facilitation Action Plan.



Tariffs and non-tariff measures (NTMs) are two of the 15 specific areas outlined in the *Osaka Action Agenda* through which APEC member economies are working to eliminate tariff and non-tariff barriers to trade. Under the guidance of the *Bogor Declaration*, APEC 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.

The Market Access Group (MAG) was established in 1998 by the Committee for Trade and Investment (CTI) to handle the CTI's work on tariffs and NTMs. The MAG is designed to work through its three regular meetings of the year held in the margins of the three formal SOMs. The 10<sup>th</sup>, 11<sup>th</sup> and 12<sup>th</sup> meetings of MAG were held respectively this year in Mexico City on 21 February, in Merida on 19-20 May and in Acapulco on 14-15 August.

The Collective Action Plans (CAPs) for tariffs and NTMs require APEC members to:

- Keep their data in APEC's Tariff Database (TDB) up-to-date;
- Pursue incorporation of information on NTMs into a future version of the TDB;
- Compile a list of measures recognized as non-tariff impediments to trade;
- Compile a list of products affected by those impediments; and
- Complete other work delegated by CTI.

The year 2002 saw the MAG being re-energized with a new and more substantive work programme. This included a policy dialogue on the work scope of NTMs carried out in conjunction with 11<sup>th</sup> MAG (MAGII). Experts from WTO, OECD and PECC were invited to the policy dialogue. For the first time, experts from the PECC and the US International Trade Commission (USITC) were invited to by MAG to present papers on their work on NTMs. A MAG News Bulletin was also proposed to broaden the outreach of MAG activities.

### Business and Private Sector Participation

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APEC member economies consult their business/private sectors regularly and their views have been incorporated into the development of the APEC Tariff Database (TDB). The database was established in 1997 with the assistance of a private company—Federal Express, which agreed in 2001 to renew their contract for maintaining the database for another two years (to May 2003).

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 economy.

### Achievements

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- Members updated their data on the APEC Tariff Database (TDB).
- Preliminary steps were taken to improve administration/management of the APEC TDB – the APEC TDB can now be updated at any time. Only 2 working days are required for complete upload after members provide their updated data.
- Members updated links in the MAG website, and initiated discussions with the APEC Secretariat to improve the MAG website. A number of documents have been nominated for uploading/posting on the MAG website.
- Members reported provision of new data to the WTO IDB.
- Conducted a Trade Policy Dialogue in MAG II (19-20 May 2002 in Merida, Mexico), in which WTO, OECD and PECC representatives delivered presentations on NTMs, the WTO IDB and trade facilitation.
- Member economies, including the MAG convenor, participated in the *WTO Seminar on Market Access* held on 29-31 May 2002 in Geneva, Switzerland.
- Conducted a Trade Policy Dialogue in MAG III (14-15 August 2002 in Acapulco, Mexico), in which a number of economies shared experiences on their respective domestic consultation processes on WTO and WTO related issues.

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- Published and disseminated the report [Realising the Benefits of Trade Facilitation](#), which presented quantifiable evidence of the benefits of regulatory and administrative reforms undertaken to date in the region.
- Began work on an electronic newsletter, to be distributed twice a year, to provide information on the liberalisation and trade facilitation work undertaken by the Group MAG.
- As trade facilitation is now a fundamental part of MAG's activities, specific reference to trade facilitation has been added to its Collective Action Plan. The new collective action for immediate inclusion in MAG's CAP is to: "pursue a series of seminars/policy discussions on trade facilitation".
- MAG launched a report on [Realising the Benefits of Trade Facilitation](#) and restarted efforts on NTMs.
- Arrange for seminars and/or workshops on industrial tariffs negotiations in consultation with international organizations, where appropriate, including the WTO Secretariat on the WTO Integrated Tariff Database;
- Identify industries in which the progressive reduction of non-tariff measures may have positive impact on trade and on economic growth in the Asia-Pacific region or for which there is regional industry support for early liberalization;
- Pursue a series of seminars/policy discussions on NTMs;
- Undertake research to develop best practices to enhance transparency and progressively reduce NTMs;
- Encourage APEC member economies to reduce export subsidies progressively, with a view to abolishing them;
- Press to abolish unjustifiable export prohibitions and restrictions and endeavor to refrain from taking any such new measures;

#### Next Steps

The MAG will:

- Continue to focus its efforts this year and in years to come on areas such as providing up-to-date data to the WTO IDB, and on increasing business awareness of APEC efforts to improve market access, including highlighting efforts of trade facilitation in the region;
- Participate in and ensure the timely supply of updates to the WTO Integrated Database and any other APEC databases;
- Pursue incorporation of information on non-tariff measures into a future version of the TDB and compile a list of measures recognized as non-tariff impediments and a list of products affected by these impediments;
- Work closely with Sub-Committee on Customs Procedures (SCCP) to further enhance the TDB to ensure effective and efficient management and input of data;
- Invite WTO and OECD representatives to deliver presentations at a MAG meeting on the processes of the new round and NTMs/trade facilitation respectively;
- Continue with its confidence-building work on trade facilitation by highlighting the trade facilitation achievements of member economies and the benefits gained from these accomplishments;
- Seek to identify areas for capacity building so as to assist member economies to more effectively participate in WTO negotiations; and
- Prepare to implement a MAG project (CTI04/2003) of Capacity-Building Workshop on Quantitative Methods for Assessing NTMs and Trade Facilitation.

The main task of the Group on Services (GOS) is to work on Trade and Investment Liberalization and Facilitation (TILF) issues related to the area of services. In this context, during this year GOS decided to work more closely with the four service-related Working Groups (Telecommunications, Transportation and Tourism, plus Energy), in order to exchange information with these Working Groups on TILF activities.

The GOS continues working on Collective Action Plans (CAPs) items, including information gathering and analysis, experience sharing and transparency. This includes activities which build APEC support for WTO negotiations on services trade, through information exchange. This will support GOS Members' preparations for successful participation in WTO services negotiations.

### Achievements

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For this year, GOS decided to develop a Menu of Options on transparency and domestic regulation in the area of services. This activity represents the third phase of a project initiated two years ago. As part of the activities of the phase III of the Menu of Options, five papers were prepared by experts on services, addressing issues of transparency and domestic regulation in the area of services. These papers were presented throughout the year. GOS will discuss these papers with the objective of having a final report of phase III in 2003.

In addition, GOS undertook two workshops on "Towards Improving Regulation in the Services Sector" under phase III of the Menu of Options, which addressed the issue of Regulatory Impact Assessment in services.

The GOS agreed to exchange information and share experiences on mutual recognition

of professional standards/qualifications areas with the aim of improving the background of member economies when negotiating bilaterally or multilaterally Mutual Recognition Agreements on professional services in the future.

### Projects

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During 2002, GOS started the implementation of the study on "Costs and Benefits of Services Trade Liberalization". The project's primary objective is to study the process and impact of service sector liberalization in a selected number of APEC economies. The study will be based on in-depth case studies in four sectors (insurance, distribution, health, and tourism services). 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. Additionally, 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. Finally, it will suggest implications of the case studies for services liberalization across a broad range of sectors and economies.

GOS endorsed the 2003 project "Study of Impacts on APEC Economies of Measures to Liberalize and Facilitate Trade in Environmental Services". This project is designed to help APEC economies to understand trade liberalization in environmental services. The final report of this project will include some practical measures to liberalize trade in environmental services,

which could be useful for related governmental agencies, business sectors and academia.

### Next Steps

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In 2003 the GOS will:

- Complete Phase III Menu of Options for Voluntary Liberalization, Facilitation and Promotion of Economic and Technical Cooperation (ECOTECH) in Service Trade and Investment;
- Complete the study on the “Costs and Benefits of Services Trade Liberalization”;
- Complete the study on “Study of Impacts on APEC Economies of Measures to Liberalize and Facilitate Trade in Environmental Services”;
- Continue to build up APEC support for the World Trade Organization’s (WTO) work/negotiations on services trade;
- Continue exchanging information on mutual recognition of professional standards/qualifications areas; and
- Extend the use of the service chapter template of the e-IAPs for services IAP reporting.

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Established in 1994 as a sub-group of the Committee on Trade and Investment (CTI), the Investment Experts' Group (IEG) brings 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 activities provide useful opportunities for the business/private sector, experts/academics and government officials to exchange views on investment related issues, help enhance better understanding of the aims and aspirations of member economies, identify means to improve the investment environment, and promote investment flows in the region.

## Achievements

Major Achievements in 2002 include:

- Held an APEC Seminar on "Investment's One Stop Shop" (Lima, Peru; 26–27 February 2002);
- Conducted a gender information session at the IEG I (Lima, Peru; 28 February–1 March 2002);
- Organized an APEC Workshop on "Regional and Bilateral Investment Rules/Agreements" (Merida, Mexico; 17–18 May 2002); and
- Organized the 7<sup>th</sup> APEC Investment Symposium and 3<sup>rd</sup> Investment Mart (Vladivostok, Russia; 4–7 and 9–12 September 2002, respectively).

## Next Steps

- Hold a seminar on "Start-up Companies/Venture Capital" (China, December 2002).
- Conduct a study proposal on Venture Capital investment in APEC economies.
- Update the APEC Investment Guidebook on the web-site.
- Update the Menu of Options.
- Continue to engage in CAP-based activities to improve the investment environments in APEC member economies.

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## Standards and Conformance

The CTI Sub-committee on Standards and Conformance (SCSC) was established in November 1994. Its principal objectives are to:

- align members' domestic standards with international standards;
- achieve recognition among APEC economies of conformity assessment in regulated and voluntary sectors;
- promote cooperation for technical infrastructure development; 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. The SCSC has been working with the Information Technology Industry Council (ITI) to implement the work program on trade facilitation in information technology (IT) products and possibly launch a pilot of the DeclareNet.

### Achievements

Through its various work programs the SCSC continues to achieve sound progress in its main areas of activity which contribute to the further development of open regionalism and market driven economic interdependence. During 2002, the SCSC:

- Further strengthened cooperation with Special Regional Bodies to progress development of technical infrastructure in the region;
- Advanced participation of Member Economies in the APEC Mutual Recognition Agreement on Conformity Assessment of Electrical and Electronic Equipment;
- Agreed on measures to improve the effectiveness of APEC Mutual Recognition Agreements;
- Continued the implementation of the pathfinder approach, which was pioneered by SCSC; and
- Maintained capacity building projects in support of the implementation of the WTO TBT and SPS Agreements.

### 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:

- Deepening of the discussion on Good Regulatory Practice;
- Promotion of participation in MRAs in the voluntary sector in cooperation with the specialist regional Bodies; and
- Encourage member economies to actively participate in the standardization activities of international standardization bodies.

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The Customs Procedures Group of Customs Experts became the 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

The SCCP periodically organizes dialogues with the business/private sector. In 9-10 August 2002 the APEC Customs Business Dialogue (ACBD 2002) was held in Acapulco, Mexico, with the theme, "More Competitive Economies through Cooperation between Customs and Business for the XXI Century". The ACBD consisted of three simultaneous panels covering the topics:

- "Cooperation between Customs and Business";
- "Global Trade Facilitator: E-Customs"; and
- "Harmonization and Simplification of Trade Procedures".

The meeting was attended by over 80 participants, ranging from APEC Administrations and Business Community. These fora are useful means of strengthening relationships with the Business/Private Sector.

Examples of involvement include the Australian business sector support of the Sub-committee's Temporary Importation Collective Action Plan (CAP) and Federal Express' continued sponsorship of the APEC Tariff Database.

In August 2001 the SCCP decided to create a new CAP: "Enhance Customs-Business Partnerships". This CAP has the major objective of enhancing the effectiveness of business-customs interaction with an outreach to the business/private sector.

### Achievements

- The work of the SCCP has an immediate and tangible effect on the costs of cross-border transactions. Specifically, the comprehensive work program of the SCCP to simplify and harmonize customs procedures would provide greater transparency, predictability and fairness for traders in the region.
- The SCCP's work to simplify and computerize the customs processes would result in speedier and more certain clearance of goods, which would result in lowering costs of doing business in the region, in particular for the SME's, due to reduced time for clearance procedures.
- The work of the SCCP also increases the efficiency, coordination and integrity of the customs administrations in the region and will ultimately lead to time and cost savings.
- Promoting "paperless trading" in the region in order to reduce the requirements for paper documentation in customs administrations.
- The completion of the "Best Practices on Customs - Business Partnership Compendium".
- Completed a number of comprehensive multi-year technical assistance programs on HS Convention, Express Consignments Clearance, Risk Management, Integrity, and Customs-Related WTO Agreements, aimed to assist members in their implementation of these CAP items.
- Conducted for the first time the "SCCP Peer Review Project", to Mexico in September 2002.
- Published the SCCP Blueprint for 2002 - *Implementing Stage towards the New Economy - Customs Partnerships and Modernized Procedures*.

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- Recommended as a pathfinder initiative, the adoption of the Kyoto Convention provisions. The Convention recommends the strengthening of customs procedures without compromising customs control.
- Updated the APEC Tariff Database to include relevant tariffs, Customs-related information and other agreed data.
- Developing a strategy to comply with the instruction contained in the Leaders' Statement on Counter-Terrorism;
- Improving direct involvement of the business/private sector in SCCP activities in the framework of the new CAP "Enhance Customs-Business Partnership". Organize the ACBD in Thailand in 2003;
- Publishing the *2003 Blueprint for APEC Customs Modernization*;
- Continuing to promote and facilitate 'paperless trading. Completion of phase 4 on Paperless Trading CAP; and
- Developing a self-assessment guide for economies to deliver the pathfinder proposal (revised Kyoto Convention provisions).

#### Next Steps

Future SCCP work programs will continue to respond directly to the reductions in transaction costs among the economies of the region and continue to implement and improve the CAPs in the areas of custom procedures.

Next steps include:

- Continuing to reinforce the mechanism to implement Customs-related WTO Agreements in the context of the strategic APEC plan for the WTO-related capacity building;
- Developing new technical assistance projects to assist members to implement the SCCP CAP items;



# 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<sup>2</sup>.

## 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 IPEG website.

## Achievements

Key achievements of the IPR Experts' Group for 2002 include:

- Implementation of the Shanghai Accord. The IPEG agreed to broaden the IPR section of the OAA to take into account strategies identified in the e-APEC Task Force;
- The IPEG began its review of the Collective Action Plan (CAP) implementation;
- Survey of Intellectual Property Law and Organizations was completed and uploaded to IPEG website;
- The IPEG endorsed the IP Toolkit proposal to provide a framework for IPEG IP enforcement projects including publications, training and public awareness;
- The APEC/IPEG project on Public Education and Awareness of Intellectual Property commenced in January 2002;
- The IP and Biotechnology Training Handbook Related Trade Facilitation Principle was finalized and loaded onto IPEG website;
- The APEC IP Experts capacity Building Program for TRIPS Implementation was held in Hong Kong, China from 25 February to 1 March 2002 to provide an opportunity for Member Economies to enhance their capacity for the implementations of TRIPS Agreement;
- The Symposium on Traditional Medicine was held in March 2002 in Hong Kong, China to deepen the understanding of Traditional medicine from the perspectives of intellectual property, sociology, commerce, and research; and

- The APEC IPEG USPTO – sponsored IP Enforcement Seminar was held in July 2002, in Los Angeles of the United States to provide IP enforcement personnel the opportunity to discuss with industry representatives the techniques and process on investigating IP infringement, and preparing effective prosecutions.

## 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 will be conducted on strategies for promoting utilization of electronic means for IPR-related procedures. The IPEG will also consider possible forms of technical cooperation on the electronic means. The APEC/IPEG Technical Cooperation Project of IPO Automation in the APEC region will be conducted during 2003.
- 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.
- The APEC/IPEG Technical Cooperation Project of IPO Automation in the APEC Region.

In addition, the IPEG also plans to focus on the following areas:

- Ensuring support for easy and prompt acquisition of rights through discussion of the simplification and streamlining of procedures;
- Promoting IPR-related activities, in particular through technology transfer among economies; and
- Strengthening the dialogue on enforcement of IPRs after TRIPS implementation.

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<sup>2</sup> These areas 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.

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 CTI would develop an understanding of competition issues, in particular competition laws and policies of economies in the region and how they affect flows of trade and investment in the APEC region. They would also identify potential areas of technical cooperation among member economies. In 1996, the *Osaka Action Agenda (OAA)* work programs for competition policy and deregulation were combined.

Remembering the Asian financial crisis of the 1990s APEC Ministers endorsed the APEC Principles to Enhance Competition and Regulatory Reform and approved a "road map" which established the basis for subsequent work on strengthening the markets in the region (Auckland, New Zealand, 1999).

In 2001, Leaders agreed that the *OAA* should be broadened to "*reflect fundamental changes in the global economy*" since *Osaka*,

including *Strengthening the Functioning of Markets*. The implementation of competition policy/deregulation area provides markets with a framework that encourages market discipline, eliminates distortions and promotes economic efficiency. Therefore, competition policy/deregulation area is one of the key elements contributing to both the "road map" and the broadening of the *OAA*.

During 2002, the Competition Policy and Deregulation (CPD) Group worked on information gathering and analysis as well as experience sharing. In particular, the competition database covering all APEC economies was completed and is available for public access. This database provides the private sector, including academic organizations and business enterprises, with useful information on competition law of all APEC members.

### Projects

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Three projects related to competition policy and deregulation were carried out during 2002:

- "The APEC/ Organisation for Economic Cooperation and Development (OECD) Cooperative Initiative on Regulatory Reform" This initiative contributes to deepening the dialogue and technical assistance between regulatory agencies of economies inside and outside APEC;

- “The Training Program to promote Economic Competition in APEC Economies” This program aims at promoting the implementation of the APEC Principles to Enhance Competition and Regulatory Reform through the organization of seminars focusing on regulation in the energy, transportation and telecommunications; and
- APEC Training Program on Competition Policy submitted jointly by the CPD and Strengthening Economic and Legal Infrastructure (SELI). The main objective of this Program is to provide developing economies with technical co-operation and assistance by taking advantage of the accumulated APEC knowledge and expertise on competition policy.

These projects represent a concrete benefit for the private sector of the participant economies. A higher degree of preparation within competition/regulatory agencies will result in higher technical quality in the application of Competition Law and will create the conditions for the establishment of clear rules for all the economic agents involved in the functioning of the markets.

#### Next Steps

- Complete the next phase of the project “APEC Training Program on Competition Policy” for 2003.
- Complete the next phase of the project “The APEC/ Organisation for Economic Cooperation and Development (OECD) Cooperative Initiative on Regulatory Reform” for 2003.
- Continue cooperating with the Strengthening Economic and Legal Infrastructure (SELI) Group, particularly by coordinating the needs of member economies with specific projects based on the “Menu of Options on Competition Policy”.
- Undertake new 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.
- 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*.

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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 (GP) 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*."

- Regularly updated 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>.

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## Business and Private Sector Participation

Business people have attended GPEG educational programs.

## Achievements

The GPEG:

- At its meeting in Mexico in August 2002, the GPEG nearly completed its voluntary reviews of the principle of accountability and due process. Through this process, members are exploring how best to implement the principles and to voluntarily bring their systems into conformity with the principles. The group also agreed to begin voluntary reviews of the next principle of value for money at its next session in February 2003;
- At their meeting in China in February 2001, GPEG members began to voluntarily review their Individual Action Plans (IAPs) with respect to the transparency principle. This process review was agreed in 2000;
- The GPEG completed a set of non-binding principles<sup>3</sup> on GP in 1999. These principles, based on the free-trade principles already embraced by APEC, were endorsed by Ministers in Auckland, New Zealand in September 1999. The GPEG has also developed practices illustrating how these principles could be implemented;
- The GPEG contributed to the WTO's study on Transparency in GP by providing information on APEC members' GP regimes, commitments on GP in their IAPs, and APEC's views on several of the principles listed below; and

## Next Steps

Drawing upon the full set of GP non-binding principles, GPEG members will continue to review their IAPs, examining the consistency of their GP systems with the non-binding principles. A number of economies had already carried out voluntary reviews before meetings of the GPEG. The group will continue to regularly update the member economies' surveys on their GP systems and their publication arrangements for GP opportunities. The group will 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 and e-procurement. In the latter case, the GPEG developed a proposal for a workshop focusing on issues affecting the uptake of e-procurement, including inhibitors to SME participation. Two possible capacity-building projects include an improved GPEG website and development of a set of standards for GP.

<sup>3</sup> 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.

# 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 OAA 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 Collective Action Plan (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.

## Next Steps

The continuation of the Cooperative Initiative on Regulatory Reform with the OECD will help enforce the Road Map Initiative on "Strengthening Markets" through continued dialogue and sharing of experiences among economies dealing with the challenges of regulatory reform.

Future 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

Rules of Origin (ROO) issues are 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 for the free flow of trade and investment.

### Achievements

Members agreed to use the improved format guidelines for ROO (approved in 1997) to report on their implementation of the procedural obligations of the WTO Agreement on ROO. This should result in a more transparent and predictable ROO regime.

All APEC economies will update, as appropriate, the Rules of Origin Matrix Format. The matrix is a useful tool for anyone requiring information on the ROO applied by APEC economies in their free trade agreements.

### Next Steps

Rules of Origin have an impact at the international level, both on the investment and the industrial sectors, and it is necessary that they should be harmonized among economies. The CTI will therefore 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*.

A comparative matrix, which would reflect the regulations of the various APEC economies of Rules of Origin and Customs Procedures related to Preferential Rules of Origin, is ongoing. When completed, member economies would use this in their bilateral and multilateral trade agreements.

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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 Committee on Trade and Investment (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. The work in this area that relates to disputes between APEC governments and private entities and disputes between private entities, is also directly relevant to the private/business sector.

## Achievements

- Updated the web-based version of the Guide to Arbitration and Dispute Resolution in APEC Member Economies.
- Coordinated with the Human Resources Development Working Group on the use of the Dispute Resolution Guide web-site as a vehicle for publishing the outcome of its project on Alternative Dispute Resolution.

## Next Steps

- Monitor developments in the WTO negotiations on the Dispute Settlement Understanding as mandated in the Doha Development Agenda.
- Review developments in the context of APEC, including the necessity of continuing discussion on the issue area.

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## Mobility of Business People

APEC members are committed<sup>4</sup> to enhancing 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 Chair 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 (IEGBM) has informed ABAC of its progress. The business/private sector has also been closely consulted in the development of the APEC Business Travel Card scheme and the 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:

- Launched an advance passenger processing project designed to speed the processing of air travelers in the APEC region;
- Launched a project to enhance professional and efficient service in passenger processing;
- 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;
- 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;
- Launched a technical cooperation program to help members implement advanced border-management techniques;

- Launched a technical cooperation program to help members enhance professional conduct standards for immigration officers; and
- 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 scheme in 1999, while Thailand, Peru and Brunei Darussalam joined in 2000. In October 2001, China and Chinese Taipei officially announced they would participate. At the August 2002 meeting in Acapulco, Indonesia joined the ABTC, bringing the current number of participants in the scheme to 13.

Training has been offered to discuss the standards essential for transparent and open immigration systems as well as the capacity building needed to implement them.

### Next Steps

Members will continue to implement their agreement to streamline processing of temporary business residency permits. Following its August 2001 meeting in Dalian, China the group will continue to enhance the entire process of document security, and a proposal on legal infrastructure. In addition, the group will be carrying out a gender survey and the group demonstrated its new website, [www.businessmobility.org](http://www.businessmobility.org).

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## WTO Capacity Building Group on Implementation of WTO Obligations

APEC supports the open multilateral trading system and is committed to open regionalism. APEC actively promotes opportunities for training and exchange of views on new challenges and solutions related to the implementation of the Uruguay Round (UR) outcomes and better preparedness for “Doha Development Agenda” implementation. The WTO Capacity Building Group (initially known as the Informal WTO Group) under co-chairmanship of Canada and Japan cooperated and facilitated WTO-related capacity building activity which realizes the objectives of the APEC Strategic Plan in this area.

The Group meets twice a year to initiate and advance its proposed work program. At its fourth meeting in Acapulco, Mexico, the Group reviewed and discussed issues related to technical assistance and capacity building activities and cooperation between all parties concerned.

### Achievements

In 2002, the WTO Group met twice, on 23 February (the 3<sup>rd</sup> meeting) and 14 August (the 4<sup>th</sup> meeting), and made significant progress as follows:

- The WTO Group developed the Capacity Building Matrices and its Website<sup>5</sup> housing the Matrices and reported them to MRT in May 2002 as well as to the WTO and OECD Secretariats in June and July 2002, respectively. The Matrices and Website will be useful for better coordination of WTO-related capacity building activities in APEC area;
- At the last meeting, the APEC WTO Capacity Building Website was demonstrated. The Group agreed that all economies could update their projects and needs’ assessments on the Website;
- The WTO Group invited the WTO Secretariat and World Bank to its third meeting for a briefing on the application of the DDA Global Trust Fund and cooperation with other related international organizations, and trade-related capacity building activities, respectively. The Group

also invited the WTO Secretariat to its fourth meeting for briefing on the needs expressed from developing economies regarding the “Coordinated WTO Secretariat Annual Technical Assistance Plan 2003”, the progress of the work for the Capacity Building Database, and the condition of deliberation of the plan of 2002. It was agreed that the WTO Capacity Building Group would be consulted on the WTO Secretariat’s Technical Assistance Plan with a view to increasing collaboration and developing joint projects;

- The WTO Group implemented seven WTO-related capacity building projects for 2002 with the APEC TILF Fund. Four 2003 TILF projects were approved at the April and July BMC meetings;
- The developing WTO Group members were encouraged to submit their needs and/or requests to the WTO Secretariat by the end of July, so that their needs and/or requests will be reflected and incorporated in the “Coordinated WTO Secretariat Annual Technical Assistance Plan 2003”; and
- In response to the Trade Ministers’ instruction, the WTO Group agreed to add “Confidence Building” to the mandate of the Group. The WTO Group also agreed to amend its Terms of Reference accordingly.

### Next Steps

- The WTO Group agreed to invite the WTO Secretariat, World Bank, and Asia Development Bank to its meetings.
- Implementation of the approved projects for the 2003.
- Next Meeting will take place in Thailand in February 2003 in conjunction with the SOM I and related meetings

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## Early Voluntary Sectoral Liberalisation (EVSL)

In Vancouver, Canada, APEC Leaders agreed to early voluntary sectoral liberalization<sup>6</sup> (EVSL) in 15 areas<sup>7</sup>.

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 emphasized the importance of taking into account business/private sector interests. Member economies have consulted business in developing the liberalization initiatives for each sector. In some sectors the private sector could be directly involved in the implementation of initiatives, 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, the first Chemical Dialogue will be held in 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 industries.

### Achievements

In 2002, CTI continued to oversee the overall implementation of the various EVSL initiatives with much of the actual work being captured in the mainstream activities of CTI and its sub-fora. For example, MAG continued to maintain a dialogue with other APEC fora on the non-tariff measures (NTM) aspects of their work program. GOS agreed to undertake a project in 2003 to study the impacts on APEC economies of

measures to liberalise and facilitate trade in environmental services.

Further progress was also achieved in the implementation of the ECOTECH projects formulated to support the various sectoral initiatives. Of the two TILF funded ECOTECH projects approved for implementation beginning 2002, the 2<sup>nd</sup> Seminar on Government Regulators: Harmonisation of Medical Equipment Regulation was held in Singapore on 17-18 May 2002.

The 4<sup>th</sup> Automotive Dialogue was held in Singapore on 17-19 April 2002. It attracted more than 150 participants from industry and government. It endorsed the revised Principles of Automotive Technical Regulation Harmonisation. The Principles document has been sent to all APEC Trade and Transportation Ministers, recommending that their economies use the principles to guide their harmonization and regulatory programs. A letter has also been sent by the Dialogue Chair to the Director-General of the WTO expressing the Dialogue's interest in the new round and its possible contributions to it.

The 1<sup>st</sup> Chemical Dialogue was held in Merida on 22-23 May, attended by approximately 50 participants from industry and government. The Dialogue's recommendation for as many APEC economies as possible to adopt and implement the Globally Harmonized System on hazard classification and labeling of chemicals and safety data sheets as soon as feasible after its adoption by the United Nations in 2002, was endorsed by the Ministers Responsible for Trade in Puerto Vallarta in May 2003. A letter has been sent by the Chemical Dialogue Co-Chairs to relevant EU Ministers to request that APEC members be given the opportunity and adequate time to comment on the regulatory framework that is being drafted to reflect the policies for the regulation of chemicals and downstream products (all manufactured products) contained in the EU White Paper: Strategy for a Future Chemicals Policy before it is submitted to the Council and the Parliament.

### Next Steps

- The Committee on Trade and Investment will continue to oversee and take forward any remaining work on the non-tariff measures, facilitation and ECOTECH elements in the 15 EVSL sectors.

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6 EVSL = liberalization before the agreed goal of 2010 for industrialized economies and 2020 for developing economies.

7 The areas 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 Economic Committee (EC) was established at the 6th APEC Ministerial Meeting in Jakarta, Indonesia in November 1994. The EC, responsible for research on economic trends and issues in the APEC region and serving as a forum for member economies to exchange information and views, currently operates under two guiding principles for its activities. First, the EC focuses on demand-driven work in support of APEC Ministers' and Leaders' Meetings and policy-oriented work of other fora. Its work addresses central economic issues of priority concern to Leaders and Ministers, and provides an analytical basis useful for advancing Trade and Investment Liberalization and Facilitation (TILF) and Economic and Technical Cooperation (ECOTECH) agendas. Second, the EC 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 EC 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 organized by 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 will submit three major reports to the Ministers' Meeting in Los Cabos, Mexico in October as the committee's 2002 deliverables. These reports are:

1. 2002 APEC Economic Outlook;
2. The New Economy; and
3. The Benefits of Trade Facilitation and Liberalization.

The *APEC Economic Outlook*, tailored to serve APEC policy priorities, is submitted to the annual 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. Mexico coordinated the preparation of the second part of the *2002 APEC Economic Outlook*, which aims to examine the development, regulation and supervision of microbanking in the APEC region. The study shows the contribution of microbanking activities to the development and strengthening of more sophisticated financial intermediaries, and their concrete effects on the targeted beneficiaries, such as the low-income population and micro-enterprises.

An EC symposium on "Microbanking Development, Regulation and Supervision in the APEC Region" was held in Mexico City on 25–26 July 2002. Contributions from the symposium were inputted into the development of the *Outlook's* chapter on microbanking.

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 "New Economy" project involves the development of a working and useful definition of the New Economy.

The project aims to:

- examine innovation in APEC service industries with special reference to e-commerce;
- compare the key drivers of the New Economy in 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.

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It also studies 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 (KBE).

As APEC is now halfway towards the Bogor goals, the project on "The Benefits of APEC Trade and Investment Liberalization and Facilitation" will build upon previous work<sup>8</sup> in APEC. The project emphasizes the important positive effects of trade facilitation since they are expected to be greater than those resulting from trade liberalization by reducing or eliminating tariff and non-tariff barriers. The project quantifies the impact of trade facilitation measures on transaction costs.

Another 2002 deliverable of the EC is a plan for the implementation of the KBE recommendations. 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 include: (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.

#### Next Steps

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The EC had a preliminary discussion of possible research projects for its 2003 work program at its plenary meeting in Acapulco in August 2002. Among the research projects the committee initially agreed to undertake is the study on the "Roles and Development of Specialized Financial Institutions," to be coordinated by Thailand as the theme of the structural chapter of the *2003 APEC Economic Outlook*. Another research project to be undertaken is the study on "Financial and Corporate Reform," to be led by the United States.

More research project proposals are expected to be discussed when the EC holds its first plenary meeting for 2003 in February in Chiang Rai, Thailand.

<sup>8</sup> Previous work includes 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 Budget and Management Committee (BMC) advises APEC Senior Officials on budgetary, administrative and managerial issues. The BMC 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. It also monitors and evaluates the operations and overall performance of working groups/committees and makes recommendations to the Senior Officials' Meeting (SOM) for improved efficiency and effectiveness.

## TILF Special Account

The members adopted an *Action Agenda* for the implementation of the Bogor commitment at the Economic Leaders' Meeting in Osaka, Japan in 1995. The Bogor commitment is 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 1995 Leaders' Meeting in Osaka, Japan proposed to contribute, where necessary, up to 10 billion yen to the APEC Central Fund for the next few years. The money is for use in appropriate cooperative projects formulated in support of trade and investment liberalization and facilitation.

## Business and Private Sector Participation

The BMC is an internal administrative forum, therefore the business/private sector does not directly participate in 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.

## Next Steps

The BMC will continue to perform its budgetary and management functions. It is considering improvements to the project management process and the *Guidebook on APEC Projects*.

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Established in 1998, the ECOTECH Sub-Committee of the SOM (ESC) assists the SOM to coordinate and manage APEC's economic and technical cooperation (ECOTECH) agenda, and identify value-added initiatives for joint action.

ECOTECH is the pursuit of APEC's common objectives and goals through cooperative activities, aimed at attaining sustainable growth and equitable development, while reducing economic disparities among APEC economies and improving economic and social well-being. Such activities include research, the sharing of information and experiences, and training. The ESC seeks to advance effective implementation of key ECOTECH initiatives, including the *Osaka Action Agenda (OAA)* and the *Manila Framework for Strengthening Economic Cooperation and Development*.

## Achievements

The ESC has:

- Reviewed its mandate and role and concluded, among other things, that its mandate remained relevant and adequate to respond to the instructions of APEC Leaders, Ministers and Senior Officials. It sought to hold regular and in-depth dialogue with other organisations, fora and the private/business sectors to draw expertise and experiences and leverage resources to boost ECOTECH activities. Although the evidence was not clear-cut, the ESC noted that there appeared to be a case for removing the 'Sub-Committee' tag. It recommended, therefore, that the forum should be renamed as the SOM Committee on ECOTECH, retaining the acronym ESC, and with the original mandate;
- Assessed APEC's ECOTECH activities and found that of the 128 projects initiated in 2002, around 20% involve information gathering (e.g., surveys, studies); 51% information sharing (e.g., seminars, best practices and websites); and 28% training. This continues a trend over the past three years where the proportion of projects devoted to information gathering is reducing, while that for training is increasing. Almost 60% of ECOTECH projects are aimed at the 'developing human capital' theme and most fora have at least one project under this category. In addition, through efforts such as the virtual network of skills development centres (NetSDC), the Human Capacity Building Promotion Program, the APEC Education Foundation and the APEC Cyber Education Cooperation, APEC is assisting members to bridge the digital divide and share information in education and human resources development;
- Completed the preparation of a *Human Capacity Building Strategy on the New Economy* as a means to assist members to transform the 'digital divide' into 'digital opportunities' that can be widely shared in the APEC region;
- Coordinated the inputs of Working Groups in response to Leaders' call for a broadening of the Osaka Action Agenda to reflect fundamental changes in the global economy since it was adopted in 1995;
- Reviewed the reports of relevant Working Groups and member economies on the implementation of the APEC Food System;
- Initiated work on the assessment of the ECOTECH Action Plan as a mechanism to track and encourage ECOTECH activities under the theme of Human Resources Development. During the first year of the two-year pilot period, 19 of APEC's 21 members submitted EAPs;
- Taken action to strengthen the evaluation function in the APEC Secretariat as well as to benefit from external assessments of APEC's ECOTECH work; and
- Initiated discussions with UNIDO (United Nations Industrial Development Organization) as part of the ESC's efforts to engage with outside funding bodies to leverage resources for ECOTECH activities.

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## Group on Economic Infrastructure

### Next Steps

The ESC will exchange views with relevant APEC fora in order to distill a short list of objectives, along with appropriate strategies and wherever possible measurable outcomes, for APEC's economic and technical cooperation activities.

The ESC will contribute to APEC's outreach programs by highlighting how ECOTECH activities are benefiting member economies, the business/private sector and the wider community. It will continue to look for opportunities to cooperate with organizations 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 APEC's *Framework for the Integration of Women*.

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 Senior Officials' Meeting (SOM).

Since 2001, the GEI found that although it had an adequate tasking and mandate for a substantial program:

- The number of economies participating in activities had progressively shrunk;
- The number of economies proposing activities to respond to the mandate and specific tasking such as under the AFS had also shrunk;
- Attendees from many economies had frequently advised that they were acting in a liaison capacity only and were having difficulty in engaging relevant agencies in setting out or implementing such a multidisciplinary agenda; and
- There were questions within the group whether the GEI as constituted was in a position to add value to what was being conducted in related APEC fora.

The GEI's main focus in 2002, therefore, was on the future of the forum and associated activities. Based on a GEI Task Force report in May 2002, the GEI recommended to the ESC and in turn to SOM, that:

- the GEI was not viable and should be disbanded; and
- GEI responsibilities for activities relating to RISE (Regional Integration for Sustainable Economies) should be assumed by the ESC.

SOM, at its meeting in May 2002, concurred and agreed to seek Ministers' endorsement of the decision to disband the GEI. The ESC agreed to consider how best other infrastructure-related activities could be handled and to facilitate exchanges with other fora on cross-cutting infrastructure issues.

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# WORKING GROUPS

## Agricultural Technical Cooperation

Established in November 1996 in recognition of the importance of work on agricultural technical cooperation, the Agricultural Technical Cooperation Experts' Group (ATCEG) is a formal APEC body with a continuing role. Earlier meetings of experts (in Chinese Taipei, 1995 and Australia, 1996) had 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 cooperative activities.

In accordance with the directions from the First Senior Officials' Meeting (SOM I) in New Zealand in 1999, the ATCEG expanded the scope of its priority areas by 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. The ATCEG's seven sub-groups<sup>9</sup> were renamed to reflect these developments at the 3rd ATCEG Meeting held in June 1999 in Japan. 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 Pacific Economic Cooperation Council (PECC), particularly in the areas of production, marketing, processing, and distribution of agricultural products. In cooperation with PECC, the contact list of agricultural experts was prepared and recently updated.

### Achievements

The 6th Plenary Meeting of the ATC was held on 25-27 July in Mexico City with the following outcomes:

- ATCWG's scope of activities, including its priority areas, and its operations were reviewed. The importance of continuing work on current priority areas was recognized and as there were no concrete ideas of new areas to be pursued, it was decided that the ATCWG's current priority areas should not to be revised this year;
- The ATCWG's terms of reference (TOR) were decided and the ATCWG name, which changed in November 2000 was reflected in the new TOR;
- The ATCWG held a joint symposium and workshop with a public institution in September 2001. In order to facilitate smooth holding of other joint workshops with public institutions, the "Guidelines on Joint Holding of Workshops with Public Research Institutions" were decided;
- The ATCWG endorsed the draft self-reviews and noted the progress reports presented at the meeting on the following Seven Priority Areas:
  - 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
  - Sustainable Agriculture and Related Environmental Issues; and
- Since the term of Japan's Lead Shepherd will be terminated at the end of the year 2002, it was agreed that the ATCWG nominates Korea to be the next Lead Shepherd. Korea nominated Dr SE-IK OH as the prospective coordinator for the next Lead Shepherd. Korea will take the role of the Lead Shepherd from January 2003.

<sup>9</sup> 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.



During 2001 and 2002, the ATCWG conducted three APEC-funded projects –

- (1) “APEC Institutional Linkages for Human Resource Development in Post-harvest Technology”, where the objectives were:
  - Enhancing academic quality in post-harvest technology;
  - Developing and instituting curricular and training programs in Universities;
  - Improving the productivity and competitiveness of the post-harvest industry, and
  - Developing 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 technology has been carried out.

- (2) “Capacity Building, Safety Assessment and Communications in Biotechnology” workshop, 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 activity 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.
- (3) “Workshop on Technical Cooperation and Information Exchange on Safety Assessments in Agricultural Biotechnology” was held from August 26 to September 4, 2002, in Taipei, Chinese Taipei. The objectives of this workshop were to:
  - Build capacity in APEC economies for agricultural biotechnology;
  - Discuss risk assessment and management leading to transparent and science-based approaches to introduction and use of biotechnology products;

- Further linkages and mechanisms to enhance technical cooperation;
- Keep updated on relevant developments in international organizations, such as IPPC, CBD, Codex, OECD, WTO, etc.;
- Share experiences on public communication regarding risks and benefits of agricultural biotechnology;
- Identify the implications of sampling and validation of detection methods; and
- Report on progress on the Implementation Plan and discuss future activities.

This workshop included a three-day training session on safety risk assessment conducted during September 2-4, 2002.

#### Next Steps

- In 2002, ATCWG will –
- Hold a “Workshop on Sustainable Agricultural Development and Technical Training,” in November 2002 in Beijing, P. R. China. Tentative main themes of this workshop and technical training are:
    - Policies for Sustainable Agriculture Development;
    - Sustainable Agricultural Technologies, its selection, models and transferring;
    - Utilization and Conservation of Agricultural Resources (water resources, land resources, climatic resources and ecological resources);
    - Information Technology for Sustainable Agriculture Development;
    - Agricultural Environment Pollution and Protection;
    - Rural Poverty Alleviation;
    - Agro-ecological Engineering Construction for Sustainable Agricultural Development;
    - Evaluation of Agricultural Sustainability Under Ecological Security; and
    - Public Participation and Education.
  - Continue to implement the project on APEC Institutional Linkages for Human Resource Development in Post-harvest Technology.
  - Follow-up on implementation of the recommendations in the October 2001 biotechnology report.

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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. In accordance with the various Declarations, Plans and Statements, the EWG endeavors to promote the 3 E's (economic growth, energy security and environmental protection) and more broadly the contribution of energy to the economic, social, and environmental enhancement of the APEC community. The EWG determines to achieve this by cooperation among member economies through government policy makers, technical experts, business and regulators, working in partnership under the aegis of the Energy Working Group.

Members of the EWG usually meet twice a year to share information on activities decided at the last meeting, to consider the progress made in current projects and in achieving the EWG's objectives, and to determine future directions.

EWG meetings are attended by representatives from each of the 21 member economies, observers from the PECC Energy Forum and the Pacific Islands Forum (PIF), the Asia Pacific Energy Research Center (APEREC) and current guest participants (Colombia, India, Mongolia, Pakistan and Venezuela). The Chair of the EWG Business Network (EBN) and the Chair of the Energy Regulator's Forum have also participated in certain agenda items of recent meetings.

The EWG has met 23 times to date, and the next meeting (EWG24) is scheduled for 9–10 October 2002, to be hosted by Chinese Taipei in Taipei.

### 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 each of the four Energy Ministers' Meetings held to date. At the fifth Energy Ministers' Meeting, a business/private sector-ministerial dialogue was carried out inside the meeting.

In March 1998, the EWG established the EBN as an interface between the private/business sector and the EWG. The Network comprises two business representatives from each economy. Recommendations from the EBN focus on raising awareness of the importance of the energy sector to 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. At the Fifth Energy Minister's Meeting, the representatives of the EBN made the business/private sector's concern known to the Governments. Ministers recognize sustainability needs practical responses that encompass burning fuels more cleanly, capture and geological sequestration of carbon dioxide, the use of new and renewable energy technologies, and improving energy efficiency. To assist sustainable development, the member economies agree to work together to pursue collaborative research programs. The 21<sup>st</sup> Century Renewable Energy Development

Initiative, which includes a strong private sector involvement and applications in rural and remote regions, is welcomed and promoted by the member economies.

#### Meetings of APEC Energy Ministers

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Energy Ministers' Meetings provide policy guidance and momentum for the work of the EWG in implementing measures consistent with the goals established by APEC Leaders. They also assist in keeping APEC Energy Ministers well informed of each other's views and in stimulating new initiatives of mutual benefit. APEC Energy Ministers have now met five times since their first meeting in Sydney, in 1996.

The fifth meeting was just held in Mexico City on 22–23 July 2002, which adopted a Minister's Declaration entitled *Fostering Regional Energy Cooperation: Setting A Long Term Vision and Implementing Short Term Actions*.

The Fifth Energy Ministers Meeting, among other things, directed the Energy Working Group to promote the implementation of the Energy Security Initiative. In the short term, undertake work on improving monthly oil data, where available; real time emergency information sharing; the option of oil stocks among interested members; considering a feasibility study on possible joint stocks among interested members; and organising dialogues on sea lane security issues. In the longer term, look into energy exploration and development; alternative fuels; high efficiency vehicles; and more energy-efficient modes of public transport.

The Fifth Energy Ministers Meeting also approved the EWG initiative to showcase its contribution to energy for sustainable development through the report, *Energy for Sustainable Development: The Contribution and Role of the APEC Energy Working Group at the World Summit on Sustainable Development (WSSD)*. And they believed that

the WSSD would be an opportunity for APEC to demonstrate to a wider global audience how voluntary regional partnerships can be utilised to achieve sustainable development objectives. The Meeting therefore for the first time in the APEC history directed the Energy Working Group through Australia and Mexico to forward this report to the WSSD for their consideration.

#### Achievements

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The EWG has:

- Put forward the recommendations under the Energy Security Initiative as agreed by the Energy Working Group at its 23<sup>rd</sup> meeting, taking consideration that APEC's fundamental principles of cooperation, voluntary participation and mutual respect must be recognised under the widely differing circumstances of our economies. It is in direct response to the APEC Economic Leaders' call for counter-terrorism, since the events in the United States on September 11<sup>th</sup> 2001;
- Carried out two workshops in April and September 2002 on the cross-border inter-connections of energy systems. The idea is believed to have the potential to bring great economic and technical benefits to the APEC energy systems and to provide significant energy trade opportunities. The EWG is therefore expanding its preliminary work on addressing barriers to cross-border connection of power grids to cover gas pipeline networks and to work closely with the Energy Business Network in this regard;
- Endorsed the Energy Standards and Labelling Co-operation Initiative as a timely and effective policy instrument at the EWG23;

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- Received the Pledges from the fifteen economies under the Pledge and Review process for achieving energy efficiency gains. Those economies yet to submit their pledges were encouraged to do so at both the Working Group and Ministerial levels; and
- Got its broad based EWG work program approved by the Ministers, which covers activities aimed at, among other things, diversifying energy mixes, improving energy efficiency, enhancing research, development and deployment of renewable energy such as photo-voltaic, wind power etc, deploying new and renewable energy technologies, promoting clean energy, facilitating energy business and trade, improving data collection and information sharing, encouraging private investment through policy and regulatory reform, and sharing best practices related to energy emergency planning.
- achieving environmental improvement of energy production, use and mineral extraction within our APEC community; and
- harnessing all the expertise available to the EWG to give effect to the above objectives.

As directed by the Ministers, the EWG will remain firm in its endeavor to use each of the member economies' resources in a responsible manner and to ensure the availability of energy services in the respective economies. This will be the long-term vision of the EWG.

EWG is committed to meeting APEC's rapidly increasing demand for secure, reliable and affordable energy in an environmentally responsible way through further cooperation and implementation of its various projects. For 2003, 13 APEC funded EWG projects have been approved by SOM and are ready to be carried out. Additional 5 self-financed EWG projects are also to contribute to realization of the EWG Strategic Plan.

In the remaining days of 2002 and 2003, the EWG will continue to implement its work program based on the *Osaka Action Program for Energy* and the priorities established by Ministers and Economic Leaders.

#### Next Steps

The EWG plans to work cooperatively over the next five years to promote its vision sketched in the Future Directions Strategic Plan through voluntary agreements, which take into account the individual circumstances of member economies. As part of its contribution to sustainable development within APEC, the EWG will pursue the following objectives:

- strengthening the security and reliability of affordable energy to all within our APEC community;
- promoting clean and efficient technologies, and the efficient use of energy to achieve both economic gains and environmental enhancement;

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 liberalization and facilitation.

In its 13th annual meeting in Lima, Peru, on 20–24 May 2002, the FWG focused on the following issues –

### *Fisheries Management*

The meeting discussed the utility of APEC economies in the Fisheries Monitoring Control and Surveillance Network (MCS Network) and the implications on regional and sub-regional fisheries management organizations and APEC economies of the entry into force of the UN Straddling and Highly Migratory Fish Stocks Agreement (New York Agreement). Members agreed that experiences sharing in regional fisheries management organizations will be discussed at next year's meeting.

### *Aquaculture*

There were reports on the FAO Subcommittee on Aquaculture Meeting for members' information. Members presented on the issue of challenges and priorities for expanding the Aquaculture sector. Consumers' concern on food safety was also presented.

### *Results of the first APEC Ocean-related Ministerial Meeting (AOMM)*

On 25-26 April 2002, the first Ocean-related Ministerial Meeting (AOMM) was held in Seoul. In this Ministerial Meeting, the Seoul Oceans Declaration was adopted. In the 13<sup>th</sup> FWG meeting, the result of AOMM was presented and discussed. Based on the Seoul Oceans Declaration and the report of Fisheries Senior Officials Meeting, members discussed the importance of working on ways to incorporate the Seoul Oceans Declaration into respective domestic fisheries policy.

### Business and Private Sector Participation

In the margin of the FWG's 13th annual meeting in Lima, Peru, the second APEC Industry Roundtable was held. This Roundtable provided an opportunity for APEC economies to discuss issues of common interest with the representatives from different Peruvian private sector industries, including fisheries industries and other related business sectors. The fundamental FWG goals of trade liberalization, facilitation and the transfer of information and technology among member economies were highlighted. In the implementation of 2002 FWG projects, business/private sectors were invited to participate.

### Achievements

In 2002, the project "Capacity and Awareness Building on Import Risk Analysis (IRA) for Aquatic Animals" was implemented. The objective is to organize regional training courses and workshops on IRA for aquatic animals, establish a network of people involved in IRAs, facilitate future exchanges of experiences and expertise on IRA for aquatic animals. A manual on IRA for aquatic animals will be developed.

The result of this project benefits the business sectors and rural farmers by effective legislation and policies on aquatic animal health that will contribute to increasing aquaculture production through measures that will safeguard the industry from disease incursion.

Another project "Developing Industry Standard for the Live Reef Food Fish Trade" will assist in the formulation of a set of industry standards for the live reef food fish trade (LRFFT), and create regional and national frameworks for implementation such standards. The standards in place in a participatory and transparent way will stimulate environmentally sustainable fisheries trade among member economies, and reduce the pressures on the region's coral reefs from over- and destructive fishing practice.

### Next Steps

Following the completion of the first AOMM and the endorsement of the Seoul Oceans Declaration, in the 13<sup>th</sup> meeting, the FWG tabled a draft strategic work plan, which incorporates the Seoul Oceans Declaration. Further development of this plan will be developed inter-sessionally and would be adopted at next year's meeting.

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## Human Resources Development

The Human Resources Development working group (HRDWG) was established in 1990 and conducts work programs on developing human resources relating to issues ranging from education to labour to capacity building. The HRDWG conducts its work program 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 for the 21st century;
- mobility of qualified persons;
- enhanced quality, productivity, efficiency of labour forces and work places; and
- strengthened cooperation to support trade and investment liberalization and facilitation.

In 2002 the HRDWG held its 24th meeting in Hanoi, Viet Nam on 8-12 May 2002. The WG further tightened the year's work program which continues to focus on HRDWG priority areas as well as issues which have featured prominently in APEC recently such as e-APEC, SMEs, gender integration and young people in APEC.

The HRDWG completed several projects in the year and also began to implement new projects for 2002–2003. These activities and projects deal not only with the well-established priorities of the HRDWG but also with the wider, cross-cutting issues which have gained prominence, both within APEC and globally, such as information technology (IT) and gender integration. Responding to the needs in such areas, the WG undertakes activities which deal with enhancing the earning capacity of women, building capacity of executives in international rules and standards-based management, promoting the utilization of IT in learning via

an educators exchange program, sharing innovations in entrepreneurs' development and training to prevent and resolve labour-employment conflicts.

### Achievements

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HRDWG held events and concluded projects throughout the year, including –

- the APEC Cyber Education Cooperation project. This project involves dispatching Youth Internet Volunteers to developing economies in APEC to help teachers gain essential Internet skills, and establishing the APEC Cyber Education Network to enable information sharing, expertise exchange and educational cooperation among teachers and students (<http://www.acen.or.kr>). Currently the APEC Education Foundation ([www.apecef.org](http://www.apecef.org)) also contributes to this project. Several member economies and institutes of higher education which make up the APEC Cyber Education Consortium (<http://www.apecef.org/program/program4>) leads this project towards enhancing efforts among APEC economies for cyber education cooperation and ultimately narrowing the digital divide across the APEC region. An international workshop was held in Seoul, Korea in July to disseminate the results of the project and come up with next steps.

- the second Steering Committee meeting for the APEC Architect project which was held in Sydney, Australia in June 2002. This project builds on the earlier success of the APEC Engineer project as part of the effort towards mutual recognition of qualifications and improving mobility of professionals in the APEC region. The Steering Committee will next meet in Kuala Lumpur, Malaysia in December 2002.
- a training workshop on Prevention and Resolution of Labor and Employment Disputes which was held in mid-July 2002 in Bangkok, Thailand under a project to impart training in new and different techniques and to survey the APEC region for different models of institutions which may be adapted for use ([www.apecimg.org](http://www.apecimg.org)).
- the 4<sup>th</sup> APEC Educators Exchange Program which was held in Singapore in July and August 2002, incorporating conferences and site visits, and aimed at sharing experiences and ideas on using IT in education ([www1.moe.edu.sg/iteducation/apeclinks](http://www1.moe.edu.sg/iteducation/apeclinks)).
- a workshop on advanced risk management which was held in Kuala Lumpur, Malaysia in early August 2002 as part of the Capacity Building Program for Trade and Investment Insurance Practitioners. The program aims at strengthening the institutional capacity of agencies providing trade and investment insurance in an emerging and dynamic global economic environment. An on-the-job training program was also held in Korea in late August 2002 as part of the same program, where participants were placed on attachment at a local export insurance corporation.
- an experts' workshop which was held in Auckland in August 2002 to mark the start of a project to develop training materials for managers engaged with the regulatory environment created by institutions such as the World Trade Organisation. The materials will be developed, and then piloted in three APEC member economies. This kick-off workshop aimed at defining the regulatory areas and procedures in which the training materials will be developed.
- an experts' workshop, CEO Briefing and Executive Seminar which were held as part of the Alternative Dispute Resolution Executive Education project in Manila, Philippines in early September 2002. The project is aimed at training executives in ways to settle disputes as alternatives to the conventional and more adversarial method of going to court. This is especially important as businesses become more global and the project will also produce materials to disseminate such knowledge in APEC economies.

#### Next Steps

The HRDWG will continue to implement its work program towards developing human capital in response to Leaders' and Ministerial priorities. Its work program, endorsed at the 24th HRDWG meeting in Viet Nam on 8–12 May 2002, encapsulates what has been forefront of the HRDWG's agenda and incorporates the cross-cutting issues that remain priority areas for APEC as a whole. Next year, the HRDWG will meet in Kuala Lumpur, Malaysia in May. Several project events will also be held next year in the region, such as best practices in education, school networking, young people, industrial relations and skills development.

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## Industrial Science and Technology

The Industrial Science and Technology Working Group (ISTWG) has evolved from the Working Group on Expansion of Investment and Technology Transfer, which was formed at the APEC Ministerial Meeting in Singapore in 1990.

The policy directions of ISTWG were set by Leaders, and are guided by APEC Ministers responsible for Science and Technology. In 1997, the Leaders called for APEC fora to review their mandates and at the 14th ISTWG meeting on 17-18 March 1998 a new version of the ISTWG action agenda was finalized. Six key priorities were adopted. They 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. ISTWG's activities are focused on the implementation of three major initiatives - the *APEC Agenda for S&T Industry Cooperation for the 21st Century*, the *Mexico Declaration* and the *Cleaner Production Strategy*.

The ISTWG's program is to fulfill the APEC vision for the 21st century, being "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." In its first *ISTWG Medium-term Workplan (MTWP)*, the following issues/themes have been identified for future works:

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

The ISTWG currently has four *ad hoc* groups covering different IST issue areas. They are:

- Key technologies and Human Resource Capacity Building;
- Connecting Research and Innovation and Dialogue on Industrial S&T Policies;
- Infectious Diseases and other health issues; and
- Cleaner production and other environmental issues.

### Business and Private Sector Participation

The ISTWG has promoted close cooperation between the group and the business/private sector through many activities and the business/private sector has been 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 in Suzhou, China. All 21 members economies sent delegations, which presented around 1,000 companies, universities, and research institutions in both public and private sectors. At its 21st meeting in Penang, Malaysia, (October 2001) the first APEC Science & Technology (S&T) Policy Forum was held as a side meeting. Representatives of non-governmental organizations, businesses, and academia, as well as government representatives attended this Forum.

In 2002, the business/private sector extensively participated in projects such as, the APEC Forum on Venture Capitals Role in Science Parks and Business Incubators, APEC Biotechnology Conference-Policy and Strategy, and a Workshop on the Modern Approaches to Linking Exposure to Toxic Compounds and Biological Effects.

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



## Achievements

- Successfully held the first APEC S&T Policy Forum with the theme of “Science, Technology, and Innovation in the New Economy: Building Capacity across APEC”. 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 prepared for the forum.
- Prepared the APEC strategy to combat HIV/AIDS and other infectious diseases. The strategy, entitled “Infectious Diseases in the Asia-Pacific Region: A Reason to Act and Acting with Reason”, was accepted and endorsed in the Leaders meeting of 2001. The strategy 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. In the SOM I of 2002, the “APEC Infectious Disease Initiatives” prepared by the ISTWG and based on this strategy was endorsed. The progress on the implementation was presented in the SOM II and SOM III.
- In 2002, the project of “APEC Forum on Venture Capitals Role in Science Parks and Business Incubators” was successfully implemented. The successful practice and experience of Seed Fund and Venture Capital in Science Parks and Business Incubators have been shared and exchanged among participants. The result of this project benefits members in the fields of Venture Capital and Financing for SMEs, improving the management level of managerial personnel, providing more cooperative opportunities of technology and industries among enterprises in Science Parks and Business Incubators.

## Next steps

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. Human capacity building in IST will continue to be one of ISTWG’s focuses.

The ISTWG agenda for 2002–2003 includes:

- implementation of the HIV/AIDS Strategy;
- follow-up to the APEC S&T Policy Forum;
- preparation for a possible ministerial meeting in March/April 2004; and
- the already extensive project activity within ISTWG.

In order to implement this agenda and handle ISTWG activities more efficiently, a draft “Proposal to Restructure the Management and Operation of the APEC Industrial Science and Technology Working Group” was agreed in the 22nd ISTWG meeting held on 16–17 April 2002 at the APEC Secretariat. Its 23<sup>rd</sup> meeting was held in Chinese Taipei on 24-27 September 2002.

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## Marine Resource Conservation

The Marine Resource Conservation Working Group (MRC), established in 1990 to protect this collective resource, is continuing its efforts to implement the Action Plan on Sustainability of the Marine Environment. It is making dramatic progress towards ensuring the socio-economic and environmental benefits which will result from the success of this initiative. Australia is currently lead shepherd of the group and the 15th MRC working group meeting (MRC15) was held on 11-13 June 2002 in Canberra, Australia.

### Business and Private Sector Participation

The *APEC Action Plan for Sustainability of the Marine Environment*, endorsed in June 1997, relies on significant participation from the business/private sector to meet its objectives. To encourage this participation and to build a long-term partnership, a set of guidelines<sup>10</sup> was endorsed in May 1999. Further ways of involving the business/private sector in the MRC's work<sup>11</sup> have been actively pursued since then, the latest being the roundtable meeting on "The Involvement of the Business/Private Sector in the Sustainability of the Marine Environment", in October 2001 in Chinese Taipei. Here participants aimed to share information, address common concerns and evaluate future options. Another Roundtable meeting will be held in Chinese Taipei in November 2002. In November 2001, the Workshop on Introduced Marine Pests was held in Hobart, Australia. This workshop was attended by representatives from member economies and the business/private sector.

### Achievements

Progress was made on the preparation of the "Strategic Implementation of the APEC Action Plan on Sustainability of Marine Environment" at MRC14 in May 2001. Three key objectives were identified:

- Integrated approaches to coastal management;
- Prevention, reduction and control of marine pollution; and
- Sustainable management of marine resources.

The three tools to be used to achieve these objectives are:

- Research (including exchange of information, technology and expertise);
- Capacity building (including training and education); and
- Public/ private sector participation and partnership.

In June 2002, the Integrated Ocean Management Forum was successfully held in Canberra, Australia. This Workshop contributed to achieving the objective and goal and utilized the three central tools identified in the action plan. This project benefits all stakeholders including government agencies responsible for ocean management and business with interests in the marine environment. It helps APEC member economies to develop strategies for future sectoral and multi-sectoral oceans management in the region and to share information on integrated oceans management.

On 24-26 April 2002, the first APEC Ocean-related Ministerial Meeting was successfully held in Seoul, Korea. Ministers endorsed the Seoul Oceans Declaration. In the Declaration, recommendations on marine environmental protection and integrated coastal management were agreed and it has laid the direction for future MRCWG activities.

<sup>10</sup> "Involvement of the Business/Private Sector in MRC WG Activities", a set of guidelines, was endorsed at the MRC12 in May 1999

<sup>11</sup> "APEC Conference on the Sustainability of the Marine Environment—What Can the Private Sector Do?", September 1999 in Chinese Taipei. The roundtable meeting in April 2000 in Chinese Taipei resulted in "Action Strategy and Work Programs: Engaging the Private Sector in Sustainable Management of Marine Resources in the APEC Region", endorsed by MRC13.

## Next Steps

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In its 15<sup>th</sup> meeting, the Lead Shepherd outlined some new directions for MRCWG to consider. While there was support for strengthening the policy focus of the MRCWG, it was noted that this focus should be complementary to the strong scientific and technical cooperation focus which has been a strength of the working group to date. MRCWG agreed that –

1. The MRCWG pursues a great role in integrating ocean and coastal programming within APEC. This would amount to working closely with other working groups and committees to share information on ocean and coastal matters to encourage participation on projects of joint interest.
2. An "Informal Group on Ocean Policy: be established to analyze the MRCWG traditional and historic roles; the newer policy directions arising from Leader's statements; and develop a strategic policy direction for the MRCWG that strengthens its policy role on ocean and coastal matters within APEC.

3. A team will be established to undertake a review of MRCWG operations in relation to the APEC Action Plan for the Sustainability of the Marine Environment; identifying gaps; and recommend future actions.
4. The meeting recommended that a proponent be found to scope a project that will define and determine the value of current marine-related activities across both domestic and international jurisdictions in Asia-Pacific, to be used to inform Ministers of the economic context of marine-related activities in the APEC region.

The reports pursued above will be tabled at MRCWG 16.

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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. Originally set up for two years, the PLGSME has been extended twice, once in 1996 and again in 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 Meeting of Ministers Responsible for SMEs has been held annually since 1994. Its main objective is to encourage the development of SMEs in the region since APEC recognizes that SMEs are the backbone of regional economic growth. The 40 million SMEs throughout APEC economies account for over 90% of all enterprises. They also employ 32% to 84% of various economies' work forces, contribute 30% to 60% of gross domestic product and account for 35% of exports in the region.

Since 1999, the Annual SME Ministerial Meeting has been held in parallel with a business forum and has held joint sessions with business/private sector delegates. These activities facilitate an open discussion on matters affecting SMEs and enable the ministers and business people to find the common ground necessary to create a favorable policy environment for the development of SMEs.

APEC efforts in encouraging the growth of SMEs are guided by the *Integrated Plan of Action for SME Development*

(SPAN), a document which 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. In response to the new economic environment the SPAN has been revised to include new elements, including an evaluation framework which will assist APEC fora and economies to identify and analyze policy issues, in order to enable them to promote development of SMEs.

Responding to one of the 2002 Mexico priorities, which is to assist the development of Micro-enterprises (MEs), the SMEWG agreed to set up a sub-group on MEs. This sub-group will enable SMEWG to focus more effectively

on the unique needs of MEs. The establishment of this sub-group recognizes that MEs have different characteristics and needs from SMEs.

### Business and Private Sector Participation

There is growing private/business sector participation in APEC SME activities. A majority of SME-related activities now have members of the private/business sector involved 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.

The SMEWG has now established closer communication with the ABAC SME Task Force and the two groups are exploring potential collaborative projects and programs.

### Next Steps

The SMEWG will continue to focus more on policy-related issues and long term strategic plans and activities. The Group will do so with a close consultation with private sectors not only in the ministerial level but on the working group level. It will also actively invite other international organizations to exchange information and knowledge on how to encourage the development of SMEs.

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## Telecommunications and Information

The APEC Telecommunications and Information Working Group (TEL) was formed in 1990. Four steering groups on liberalisation, business facilitation, development cooperation, and human resources development, propose, implement and monitor projects and activities to advance the overall goals of APEC.

The APEC Ministerial Meeting on the Telecommunications and Information Industry (TELMIN) has met five 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 Program for Action for the Telecommunications and Information Sector in APEC Economies. The Program for Action focuses on continuing liberalization efforts, including endorsement of a Reference List of a Fully Liberalized Telecommunications Sector.

Singapore hosted TELMIN 3 in June 1998, at which the *Singapore Declaration*\* was issued. Ministers endorsed the Mutual Recognition Arrangement for Conformity Assessment of Telecommunications Equipment. At the end of 2002, twelve economies will be participating in Phase I (Mutual Recognition of Test Reports) and five economies are participating in Phase II (Mutual Recognition of Equipment Certification). 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". 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 development of APEC's human resources in the digital economy.

The theme of TELMIN 5 held in May 2002 in Shanghai, China is "Leveraging Digital Opportunities to Promote Common Development". The outputs are contained in the

*Shanghai Declaration*\* and Shanghai Program of Action. The Program of Action covers work in areas such as implementation of the e-APEC Strategy; implementation of the new Digital Divide Blueprint for Action; implementation of the goals of tripling Internet access by 2005 and universal access to the Internet by 2010; e-security; e-Government and human capacity building.

After September 11, e-security, already an issue of emerging importance, received additional emphasis. Attached to the Shanghai Declaration is a Statement on the Security of Information and Communications Infrastructures, which essentially comprises the recommendations from the United Nations General Assembly (UNGA) Resolution 55/63 on Combating the Criminal Misuse of Information Technologies.

### Business and Private Sector Participation

The business/private sector is 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. The TEL has a set of TEL Sponsorship Guidelines as well as a set of TEL Website Sponsorship Guidelines.

Business/private sector participation in TEL meetings and activities is welcomed. Individuals wishing to take part should approach the APEC TEL Point of Contact in their particular economy or the TEL Chair's Office to discuss arrangements.

\* The cited documents from the Ministerial Meetings can be accessed through the APEC Secretariat website or the TEL website: <http://www.apectelwg.org/apec/main.html>

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## Achievements

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The TEL's ongoing and completed TEL projects and activities that will deliver benefits to the community include:

- APII Technology Centre and APII Cooperation Centre (ongoing);
- Distance Learning Project on Telecommunications Technology (ongoing);
- Internet Issues e.g., Internet Protocol version 6, Internet traffic measurement (ongoing);
- e-Government Initiatives to Facilitate Business (ongoing);
- Electronic Commerce Capacity Building (ongoing);
- SME Multilingual International Trade Project (ongoing);
- Electronic Commerce Awareness Seminars (ongoing); and
- HRD Personnel Exchange Programme (completed).

## Next Steps

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The following have been proposed for implementation in 2002 – 2003:

- Implementation of the e-APEC Strategy (2002);
- A Stocktake of Progress toward the Key Elements of a Fully Liberalised Telecommunications Sector in the APEC Region (2003);
- Flow-based Internet Traffic Measurement and Analysis (2003);
- E-Commerce Strategies for Rural SMEs in APEC (2003);
- Protecting Yourself in Today's Internet Society (2002); and
- E-Commerce Strategies for Rural SMEs in APEC (2003).

The Tourism Working Group (TWG) was formed in 1991 when it was recognized that the tourism industry was of growing importance in promoting economic growth and social development in the Asia-Pacific region. The TWG continues to bring together tourism administrators to share information, exchange views and develop areas of cooperation on trade and policies.

## Business and Private Sector Participation

Participation by the business/private sector continues to be channeled through the active involvement of representative travel organizations such as the Pacific Asia Travel Association (PATA), the World Travel and Tourism Council (WTTTC), and the World Tourism Organization (WTO).

## Achievements

### *2002 TWG Activities*

The 20th Tourism Working Group meeting was held in Singapore at the offices of the APEC Secretariat on the 15<sup>th</sup> and 16<sup>th</sup> of May 2002. Members took this opportunity to discuss the initiatives and projects that were to be presented at the 2nd APEC Tourism Ministerial Meeting in July 2002, in Manzanillo, Mexico. These projects were the result of the directive outlined in the *Seoul Declaration on an APEC Tourism Charter*, which was developed at the first Ministerial Meeting held in Seoul, Korea, in 2000.

Four policy goals constitute the APEC Tourism Charter:

- Policy Goal One – *Removal of Impediments to Tourism Business and Investment*;
- Policy Goal Two – *Increase Mobility of Visitors and Demand for Tourism Goods and Services*;
- Policy Goal Three – *Sustainable Management of Tourism Outcomes and Impacts*; and
- Policy Goal Four – *Enhance Recognition and Understanding of Tourism as a Vehicle for Economic and Social Development*.

The three deliverables presented at the APEC Tourism Ministerial meeting directly address Policy Goal Four – *Enhance Recognition and Understanding of Tourism as a Vehicle for Economic and Social Development*.

- The Tourism Information Network (TIN) is now up and running. This website ([www.apec-tourism.com](http://www.apec-tourism.com)) contains a collective knowledge base of tourism information via a single, convenient point of access. Its purpose is to assist target audiences to network and collaborate.
- The APEC International Centre for Sustainable Tourism (AICST) is the result of a project that was endorsed at the first Tourism Ministers Meeting in Seoul. The TWG's task was to establish a collaborative research network. This network is a multilateral tourism research consortium actively drawing together interested organizations to build linkages, research and education capacities especially enhancing opportunities to develop tourism that are of mutual interest to participants.
- The research project "Best Practice in the Development of Tourism Satellite Accounts in the APEC region" is intended to assist APEC member economies to establish a credible and internationally comparable set of standards that track tourism growth and measure the contribution of tourism to member economies. The research results have been compiled into a publication which includes survey results of 11 case studies of member economies that have already developed, or are in the process of developing, TSAs of their own.

In addition to the above noted deliverables, completed projects were also presented to Ministers.

- The “APEC Tourism Impediments Study” supports Policy Goal One – *Removal of Impediments to Tourism Business and Investment*. The objectives of the study were to review the extent of impediments affecting the movement of travellers or the development or operation of tourism businesses. In general those economies which participated in the study were found to have relatively few significant impediments. Increasing recognition by governments of the importance of tourism to the economy has resulted in greater willingness by agencies whose policies affect tourism to assist in responding to the needs of the tourism sector.
- Policy Goal Two - *Increase Mobility of Visitors and Demand for Tourism Goods and Services* was supported by the project “Application of Electronic Commerce to Small and Medium Tourism Enterprises (SMTEs).” Essentially this study aimed to facilitate the amalgamation of independently produced tourism products, assist SMTEs to achieve competitive advantages, and reduce barriers to trade in the tourism services and investments. A number of the recommendations revolve around policy issues. In general, results of the study indicate that work needs to be done both at local and regional levels to enhance the environment for electronic commerce and to support the adoption of e-commerce by SMTEs.
- Policy Goal Three – *Sustainable Management of Tourism Outcomes and Impacts* was supported by two projects. “Training for Sustainable Development in the Tourism Industry” focused on: raising the level of awareness on training for sustainable development; assisting member economies to develop effective training programs; and facilitating the exchange of tourism information. Survey results indicate that only one-third of tourism related enterprises have relevant educational training programs and those surveyed believed that the most important consideration for future generations are the benefits that sustainable tourism can bring to an economy.

The objectives of the “Public-Private Partnership for Sustainable Tourism” project were to provide a framework for the sustainable development of the travel and tourism industry in the APEC region through public/private partnerships, and to deliver a sustainability strategy for tourism destinations. The report indicates that while it is important to develop the appropriate tools to assist communities to monitor, improve and report their performance with respect to sustainable tourism development, tools alone are not enough. These tools must actually be used. The report refers to the desirability of using the Green Globe sustainability system as an appropriate mechanism for benchmarking, certification and improvement.

Sixteen member economies completed and presented Individual Action Plans (IAPs) to Ministers. These IAPs for Tourism represent the current state of the tourism policy in each of the member economies and, where considered appropriate, set out planned improvements. The



delivery of these IAPs fulfills the “nomination” phase of the process as outlined in the first schedule of the Charter. It is important to note two points.

Firstly, these IAPs are living documents. Each year each economy is obliged to update its IAP to ensure that it is a reflection of current tourism policies and regulations.

Secondly, economies are encouraged to engage on a bilateral basis with each other on the action plan as laid out in the IAPs. It is anticipated that any barriers or impediments to tourism development can be addressed via this mechanism.

The Schedule to the Charter also outlines the process for developing a Collective Action Plan (CAP) and for nominating issues which the TWG considers should be addressed by other APEC fora. With the delivery of the IAPs the TWG is now able to concentrate its efforts towards developing the CAP and nominating issues arising from the CAP for consideration by other APEC fora.

Next year promises to be a busy one. Ministers at the Second APEC Tourism Ministerial Meeting adopted four new initiatives that are to be addressed at the next TWG meeting to be held in Hualien City, Chinese Taipei in November 2002.

- The Safety and Security for Travellers initiative addresses the requirement that all APEC economies take all possible measures in order to secure the safety of travellers, and to provide accurate information on actual situations regarding the safety of tourist destinations. Concrete measures to develop networking of information on safety issues abroad are to be undertaken as part of the TWGs’ work.

- Encouraging productive investment in the tourism sector is vital for the continued economic growth of the travel and tourism sector. Future work plans of the TWG will look to include:

- surveying the different policies, laws and regulations adopted by APEC member economies to encourage investment in tourism;
- identifying opportunities for investment in tourism in the future (up to 2005) and;
- gathering of information on potential investors worldwide, so as to assist APEC economies to find appropriate investors.

- Capacity Building for SMTEs recognizes a need for a concept oriented towards a goal that is broader than growth. That is a concept which takes into consideration the carrying capacity of the environment, a concept of development which is directed towards “balance of life”. This concept - “balance of life”- is commonly referred to as sustainable development, which applies a community-based development approach.

Thus it is important to recognize the importance of SMTEs to the economic growth of the tourism sector and the need to enhance the capacity of these enterprises beyond skill, expertise and management. SMTEs need accurate and reliable information about marketing and promotion in the tourism sector.

- The TWG is also to address the issue of the use of an Index for Measuring Tourists’ Satisfaction.

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Since its first meeting, in Korea in 1990, the Working Group on Trade Promotion (WGTP) has pursued its activity of contributing to better understanding of the role and functions of the APEC government trade agencies. It was aimed at exchanging trade promotion-related information, experience and good practice. This work is based on the development of initiatives in human capacity building under the principles contained in the Beijing Initiative, the priorities of small and medium enterprises' development, TPOs' management and e-services. These efforts provide member economies with an opportunity to enhance their ability to make more informed decisions on necessary changes and refocus resources according to the new challenges in the interest of APEC trade and investment liberalization. The outcomes have an explicit impact on trade promotion agencies through the improvement of export-import facilitation.

The WGTP's specific 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 prime attention is being given to developments in the field of e-commerce and logistic management in contemporary trade.

These issues were discussed at the 12th WGTP Meeting held in Lima, Peru on 6–8 March 2000, and at its 13th Meeting in Santiago, Chile on 16–18 April 2001. In its 14th Meeting in Hong Kong, China on 12–14 March 2002, experience sharing on e-commerce in trade promotion was listed as an individual agenda item.

The 4<sup>th</sup> Meeting of the Steering Group of the WGTP was held on 12 August 2002 in Acapulco, Mexico. The purpose of this meeting was to follow-up discussions and outcomes of the previous meetings of WGTP and identify future steps of the member economies in preparation for the 15<sup>th</sup> Meeting of the WGTP to be held in March 2003 in Mexico City.

### Achievements

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Major achievements in 2002 include:

- Thailand hosted two important food exhibitions, the Thailand International Food Exhibition (THAIFEX) and the Thailand International Muslim Food Exhibition (THAIMEX) from 29 May to 2 June 2002;
- Korea reported on the outcomes of the Korea Cyber Trade Mart held in May 2002 via Internet;
- Participants shared information and experiences on promotional activities and TPO performance evaluation of the Trade Promotion Organizations;

- The Seminar on Complete E-trade was hosted by China from Sept. 5-6<sup>th</sup>. The seminar was aimed at familiarizing traders, trade support agencies and policy makers with the latest initiatives as well as related issues in e-trade development so as to promote e-trade as an efficient means of international trade;
- Japan held the second APEC WGTP Seminar on Product Packaging in Tokyo from 30 September to 3 October 2002;
- Chinese Taipei organized three training workshops on E-Business and Supply Chain Management in August-September, 2002, in Thailand, Mexico and Indonesia respectively. These workshops were in the framework of the implementation of the "Transforming the Digital Divide into a Digital Opportunity" initiative; and
- Australia has completed the fourth edition of the Core Characteristics Survey (CCS) for 2001. With the publication of the latest CCS report, the Group could examine the changes and trends in TPO developments over a four-year period.

Four proposed projects, based on the consensus of member economies, were submitted to the BMC for funding and got approval, namely, Chile's Project on Gender Analysis in TPOs Activities, Indonesia's Market Analyst Training for TPOs, Malaysia's Project on Product Branding and Mexico's Project on Promoting Indirect Exports.

#### Next Steps

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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. It will also improve trade promotion activities through the sharing of information on, and knowledge of, trade development activities and techniques and implementation of APEC funded projects.

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The Transportation Working Group (TPT) was established to foster economic development in the Asia-Pacific region through recommendations on increasing the efficiency, sustainability and safety of the regional transportation system.

The TPT is organized into three 'steering committees' covering its areas of focus:

- more competitive transportation industry (including infrastructure);
- safe and environment-friendly transportation systems (including new technologies); and
- human resources development.

The TPT's overall work programme is defined by the *TPT Operational Plan*. This programme is designed to accelerate the process of development cooperation and enhance trade and investment liberalization in the Asia-Pacific region.

The current priorities of the Transportation Working Group are to:

- facilitate the harmonization, coordination and transparency of transport policies, regulations, procedures and standards;
- promote timely rational investment in the region's transport infrastructure;
- encourage efficient use of existing infrastructure through the application of appropriate trade and transport facilitation techniques;
- promote transport system safety and security in the region;
- promote on the basis of fair and equitable access to markets, a more competitive transportation operating environment, and to cooperate to address institutional constraints affecting the provision of transportation services in the region; and
- facilitate the improvement in productivity, skills and efficiency of labour and management in the transport industry.

### *3<sup>rd</sup> APEC Transportation Ministerial Meeting, Lima, Peru, 6-9 May 2002*

The theme of 3<sup>rd</sup> APEC Transportation Ministerial Meeting was, "*Connecting APEC: Pathways to Prosperity*". Private sector representatives from all modes of transportation were given the opportunity during the Ministers-Industry Symposium on 7 May 2002, to interact with Transportation Ministers on issues such as, maritime and aviation security, passenger and cargo transportation, human resources development as well as challenges and drivers of the transportation industry, e-commerce, prevention and effects of and recovery from natural disasters. Ministers exchanged views and considered options for continued progress towards achieving the Bogor Goals of free and open trade and investment in the APEC region by 2010/2020. Ministers discussed issues on human capacity building, and safety and security in all transportation modes and committed themselves to "connecting APEC" to strengthen the ability of APEC economies to prosper in the global economy through efficient, integrated and safe transportation.

In support of the global campaign against terrorism, and following the Leaders' Statement on Counter-Terrorism, Ministers resolved to take all necessary measures to prevent the recurrence of such terrorist attacks.

Ministers issued a Joint Ministerial Statement (JMS) containing their priorities for the future and agreed to meet again in Bali, Indonesia in 2004.

*Response to the Leaders' Statement on Counter-Terrorism*

The Transportation Security Experts Group (TSEG) under the auspices of the Steering Committee on Safe and Environment Friendly Transportation Systems arranged a Special Meeting in Singapore in January this year which resulted to the preparation of the following three project proposals –

a. Feasibility Study for a Terrorism Crisis Management Exercise- Phase I: Feasibility Study

Phase I of a multi-phase project to increase the capacity of APEC members to survive and recover from terrorist attacks by building a set of risk management decision support tools and procedures for standard evaluation and mitigation of the consequences of terrorist attacks using critical transportation infrastructure.

b. Promoting 100% Baggage Screening

The project aims to facilitate member-economies to understand the operation requirements for implementing 100% baggage screening for various transportation modes including multi-modal integration.

c. Survey of Training Requirements and Capabilities, including Database Development

This project aims to create a database to facilitate training of personnel involved in performing aviation and maritime security risks.

At the TPT-WG/20 Meeting in Manila, the TPT-WG agreed to survey all members to establish how economies had responded to the events of September 11 and the Leaders' Statement. The survey results indicated that several economies have increased aviation security resources through additional funding for personnel and screening equipment. New programs or initiatives included government financial assistance to airlines and airports to cover the costs of modification or new equipment. Some economies submitted reports on actions taken in response to the Leaders' Statement on Counter-terrorism, as well as initiatives taken in response to the September 11 incident. Economy reports can be downloaded at the TPT-WG website hosted by Chinese Taipei at ([www.iot.gov.tw/apec\\_tptwg](http://www.iot.gov.tw/apec_tptwg)).

Aside from the urgent TPT-WG projects prepared by the Transportation Security Experts Group (TSEG), the TPT-WG approved the following four project proposals:

- Electronic Intra-Port Community Discussion Pilot Project;
- Initiative for Improving Road Safety Phase I;
- Aviation Law Training in the APEC Economies; and
- APEC Accreditation of Seafarer Manning Agencies;

#### *Transportation - Key Contacts*

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### *21<sup>st</sup> Transportation Working Group Meeting*

Australia hosted the 21<sup>st</sup> APEC Transportation Working Group (TPT-WG) meeting in Brisbane from 23-27 September 2002. The participants discussed how to implement the tasks stemming from JMS of the 3<sup>rd</sup> Transportation Ministerial Meeting. The Group approved the concept of developing a matrix that outlines working group projects and actions which meet the six priorities identified by Ministers at the 3<sup>rd</sup> Transport Ministerial meeting in Peru, May 2002.

Recommendations for more competitive transportation air services with fair and equitable opportunity, identification of non-tariff restrictions to trade in transportation sector and elimination of the requirements for paperless documents were discussed at the meeting.

In the area of the Shanghai Accord, participants discussed the development of possible pathfinder initiatives.

The TPTWG also agreed to continue to focus work on achieving the goal of reducing or eliminating requirements of paper documents by 2005 for developed economies and 2010 for developing economies.

The Group also considered key issues related to further air services liberalization within APEC, particularly in the area of more competitive air services, improvement of seaports functioning in the Asia-Pacific region, the need to move towards a systems approach to intermodal transportation and working towards a process for establishing ISO standards for ITS (Intelligence transportation system) applications related to container transport.

The Maritime initiative was considered and members of M1 were encouraged to further liberalize maritime transport services and deepen technical cooperation between members.

The TPTWG looked at on-going projects related to the Leader's Statement on Counter-

Terrorism and reviewed the Secure Trade in APEC Region (STAR) Initiative. Member economies of the TPTWG supported in principle the STAR initiative, noting that the initiative will make improvements in security while continuing facilitation of the efficient movement of goods and people throughout the APEC region.

#### Next Steps

- Implementation of the on-going projects.
- Continuation of work in the area of electronic commerce, particularly paperless trading; the development of the demonstration project proposal on container tracking and tracing with the Intermodal Task Force and E-commerce Group; to develop and implement standards for container seals; to develop and carry out the project on port security issues; to explore the possibility of developing pathfinder initiative at the TPTWG22.
- Update the TPT-WG Operational working plan as a forward looking strategic planning tool for the group taking into account the requirements to broaden the OAA, the e-APEC Strategy, the Human Capacity Building Strategy for the New Economy and the work of the Advisory Group on Gender Integration (AGGI).

Korea will host the 23<sup>rd</sup> APEC TPT-WG meeting. In 2002–2003, Mr. Lamberto Pia, from the Philippines will be the Lead Shepherd and Mr. Kevin Sample from the US will be the Deputy Lead Shepherd.

The APEC Study Centers (ASC) were established in 1993. There are now ASCs in 19 member economies, comprising 100 universities, research centers and centers of academic excellence across the APEC region. APEC economies participate in the Annual ASC Consortium meetings and other research activities in their areas of interest. 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; and
- Encourage the informed participation of other sectors of society, especially youth, the private/business sector, NGOs, and the media in dialogues and study relating to APEC.

## Achievements

At the International Symposium entitled "Expanding the Benefits of Economic Growth and Development: Implementing the Vision" held in Mexico City, Mexico in early December 2001 participants suggested that the status of the International Consortium of ASC (ICASC) could be elevated to play a similar role to that of the APEC Business Advisory Council.

Such an advisory role could be developed both through its analytical capabilities, and by making a contribution to the consolidation of the multiple initiatives underway in the forum and to the definition of the themes of APEC's renewed agenda. Topics discussed during the ICASC held in May 2002 in Merida Mexico were synopsized and then presented to SOMII

thereby taking the first step in its goal in playing an advisory role to APEC.

The 2002 ICASC Meeting focused on the most important APEC themes as they were defined in the Symposium in December. Topics of discussion included:

- *From the financial crisis to the global recession.* APEC's principal goal, common prosperity, is under threat from what is seen as a new phase in the global economic system, global recession. The ICASC can contribute to the identification of those elements that may serve to address this threat, and propose measures that will allow APEC member economies to adopt global solutions;
- *APEC in the face of new national, regional and global realities.* The ICASC will look to offer support in the struggle against protectionism through a new round of WTO negotiations, offer guidelines to combat threats against the current security systems and develop criteria to harmonize regional and sub-regional economic agreements with the guidelines established by the WTO and the Bogor goals, in harmony with the spirit of APEC;
- *The APEC Agenda.* The ICASC will look to undertake a mid-term revision of the progress made by each economy to meet the Bogor goals, and perhaps to evaluate the progress achieved in the free flow of goods, services, capital and labor; and
- *Continuity in APEC: From Bandar Seri Begawan to Seoul.* The period from 2000–2005 is a peculiar juncture for APEC. By 2005, the Chair of the forum will have been held by six developing economies—for six consecutive years. During this period these economies will have the opportunity to leave their mark on the dynamic of the forum. Through the mechanisms of economic and technical cooperation, they will be able to contribute to the consolidation of the spirit of a community. To be successful, they will have to be able to guarantee the continuity of initiatives adopted by previous chairs.

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II. Other

# APEC Activities



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.

In March 1994 Ministers adopted an *Environmental Vision Statement* and a *Framework of Principles* for integrating economic and environment issues. *The APEC Economic Leaders' Declaration for Action* issued in Japan in November 1995 reaffirmed the integration of environment and sustainable development into APEC activities. The Economic Leaders' Declaration in Canada in November 1997 stated that "Achieving sustainable development is at the heart of APEC's mandate". Leaders also directed Ministers to develop specific initiatives to implement and initial work program for sustainable development in APEC that includes the theme of the sustainability of the marine environment, clean technology and clean production, and sustainable city. In the same year, APEC Environment Ministers endorsed the "Action Plan for Sustainability of the Marine Environment", the "APEC Sustainable Cities Program Action", and the "APEC Cleaner Production Strategy". Three sub-themes of sustainable cities, cleaner production, and sustainability of the marine environment were added to the ECOTECH priority themes. At their 1998 meeting in Malaysia, Leaders reiterated their commitment: "... to advance sustainable development across the entire spectrum of our workplan..."

## Business and Private Sector Participation

In 2002, there are 8 projects/activities conducted by APEC fora clearly relate to the sustainable development theme. These projects/activities were set by Ministers. There are at least 38 projects/activities, including APEC-funded and self-funded projects, which do not have this theme identified as the primary objective in the APEC Project Database, but which do contribute to the sustainable development objective. Some of the remaining projects in 2002, imply that sustainable development will be addressed in the future, even though the projects have no clear indication of benefiting sustainable development. The projects for building capacity on human resource and various infrastructures, pursuing conformance and standardized procedures and meeting challenges in the E-era, increase the linkage with the issue of sustainable development and show merit for the future.

The business and private sectors have participated either as speakers and participants for some projects throughout 2002. The involvement of non-public sectors in the preparation of proposals is easily visible. As the issue of sustainable development is important to many NGOs, the involvement of NGOs has been encouraging and increasing, albeit mainly from various academic or regional international institutions. The participation of the business/private sector and the contribution of NGOs have shown that the awareness and attention on sustainable development in APEC have increased.

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## Achievements

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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 six 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 concerns, and in several cases, fora were working together to jointly conduct sustainable development activities.

In the 2001 APEC Leaders' meeting, Leaders noted that many member economies would be meeting in Johannesburg for the World Summit on Sustainable Development (WSSD) in 2002 to reinvigorate the commitment to sustainable development in pursuit of enhancing economic growth, promoting human and social development and protecting the environment as interdependent objectives. Leaders pledged that APEC, which has undertaken a broad range of activities in this area, would consider how to contribute to the success of the World Summit and take forward the outcomes in its work program.

In order to respond to the Leader's pledge in terms of considering how APEC contributes to the WSSD, the APEC Secretariat has drafted a report to highlight the concrete contribution APEC as a whole has made in 2002 on sustainable development for the consideration

of Senior Officials. The main contribution of APEC to sustainable development in 2002 is two Ministerial Meetings that responded to the theme of sustainable development.

The 1st APEC Ocean-related Ministerial Meeting (AOMM) was held in Korea on 25–26 April 2002 with the theme of "Toward the Sustainability of Marine and Coastal Resources". Sustainable fisheries, ocean science and technology, marine environmental protection and integrated coastal management were discussed in this meeting. In the meeting, Ministers adopted the Seoul Oceans Declaration. The Declaration provided new plans for future implementation in the area of sustainable development, especially on maritime affairs. In the fifth Energy Ministerial Meeting took place on 23 July 2002 in Mexico City, Ministers acknowledged the essential contribution of energy to maintaining the Asia Pacific region's economic growth and social development were committed to strengthen simultaneously the APEC goals of economic growth, energy security and environmental protection. Ministers also committed to environmentally responsible development and clean use of energy and to the belief that quality of life benefits flow from the availability of cleaner, more affordable energy.

## Next Steps

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

The Senior Officials regularly review the APEC activities in sustainable development in consultation with the Chairs and Lead Shepherds of other APEC fora. After two Ministerial Meetings which covered issues of sustainable development, related APEC fora will future work programs for implementing sustainable development directives.

# GENDER INTEGRATION

The Senior Officials' Meeting (SOM) established the SOM *Ad Hoc* Advisory Group on Gender Integration (AGGI) to provide gender advice and expertise to the SOM, and other APEC fora on the implementation of the *Framework for the Integration of Women in APEC (the Framework)*. The group will complement the responsibility and accountability of individual APEC fora for the implementation of the *Framework*.

The AGGI has four critical tasks:

- Publication, dissemination and distribution of the *Framework*;
- Holding Gender Information Sessions (GIS), for the APEC fora on the *Framework* and the process of implementing its elements. Almost all APEC fora (17 including the SOM and the APEC Secretariat) have participated in GIS;
- Developing gender criteria for incorporation into APEC project proposals, approval and evaluation reports and forms. These gender criteria have been incorporated into the revised APEC Project Proposals and Evaluations Forms; and
- Producing a Gender Mainstreaming Good Practices Book. The AGGI has completed the compilation of case studies on good practices of gender integration in APEC fora and economies. The case studies provide a practical source of information on gender analyses and mainstreaming.

To complement these four critical tasks, the 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 used 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 is also developing a Resource Tool Kit which will be used by APEC fora to help them raise awareness within their group about gender issues and assist them to integrate gender issues into their daily business.

The mandate of AGGI expires at the end of this year.

## Next Steps

The AGGI has secured approval from SOM for the establishment of the Gender Focal Point Network (GFPN). The GFPN will be responsible for continuing to encourage consideration of gender issues within APEC beyond the conclusion of AGGI's activities. The proposal of GFPN will be submitted to the AMM and AELM for endorsement.

The AGGI is also assisting Mexico in the preparation of the Second Ministerial Meeting on Women to be held on 28–29 September 2002 in Mexico.

The theme of the meeting is, *Advancing Women's Economic Interests and Opportunities in the New Economy* with particular regard to:

- Women's Entrepreneurship;
- Micro-enterprises;
- The impact of trade liberalization on women including:
  - access and barriers specific to women, in areas such as the labor market and access to finance
  - capacity building for women, in areas such as economics related IT;
- The purpose of gender integration within APEC, which is the advancement of the economic interests of and opportunities for women; and
- The role of economies in sustaining gender integration within APEC.

### Gender Integration - Key Contacts

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# SUSTAINABLE ECONOMIC RECOVERY

Throughout the APEC region, economic growth over the past year was hit by two severe blows: the economic slowdown in the United States and the economic repercussions of the September 11 terrorist attacks in the United States in 2001. Most economies in APEC were already well into a cyclical downturn when the terrorists struck, further depressing already weak markets throughout the region. Current economic indicators from the US, however, point to growth there, albeit at a low level. Should the US recovery continue, it should help boost most APEC economies as regional trade and economic activity recovers. It will then be time for APEC to continue with the unfinished business of implementing a range of reforms remaining from the 1997–98 Asian Financial Crisis.

APEC Finance Ministers met in Los Cabos, Mexico on 5–6 September 2002 to continue their work in combating the financing of terrorism and money laundering, advancing pending fiscal and financial reforms, and improving the allocation of domestic savings for economic development.

At their meeting in Los Cabos, the Ministers agreed that the majority of indicators suggest that the global economic recovery is under way but that uncertainties regarding the strength and pace of the expansion remain. Some of the specific outcomes of the meeting include –

*Combating the financing of terrorism and money laundering:* The Ministers stressed that they remain committed to disabling the financial networks of terrorists and released an action plan to combat the financing of terrorism. The action plan includes steps to:

- Cut off access for terrorists to the international financial system;
- Implement international agreements and standards in suppressing terrorism financing;
- Enhance oversight of alternative remittance systems and non-profit organizations, including what are known as “hawalas”;
- Committing to a range of law enforcement actions and information sharing;

- Providing technical assistance for those members unable to implement international best practice recommendations in countering terrorist financing; and
- Expanding efforts in this area to include other international and regional organizations.

*Advancing pending fiscal and financial reforms:* The Ministers encouraged prudent and transparent fiscal management, including avoiding significant structural fiscal deficits and enhancing the efficiency of public expenditure. The Ministers also called for further strengthening of banking supervision, market disciplines and corporate governance in the financial system, based on sound legal systems and accounting standards and practices.

*Improving the allocation of domestic savings for economic development:* The Ministers agreed that the key to sustainable long-term economic growth is to channel both domestic and foreign resources into their most productive forms of investment. They also agreed that financial sector liberalization supported by a strong supervisory and regulatory framework has an important role to play in enhancing competition in the financial sector. Ministers also called on members to carry out appropriate steps to promote more openness, diversity and competitiveness in their financial markets, including through the development of regional bond markets.

*Building stronger foundations for sustainable growth in the APEC region:* The Ministers welcomed the progress made by policy initiatives under the APEC Finance Ministers Process in contributing to healthy financial and corporate sectors in the region.

Ministers also tracked progress in on-going policy initiatives, including:

- The Voluntary Action Plan for Supporting Freer and More Stable Capital Flows;
- The Financial Regulators’ Training Initiative;

- Managing Regulatory Changes in Life Insurance and Pensions;
- Strengthening Corporate Governance in the APEC Region;
- Insolvency Law;
- The APEC Privatization Forum;
- The APEC Initiative on Fighting Financial Crimes;
- Electronic Financial Transactions Systems;
- The APEC Future Economic Leaders' Think Tank;
- The APEC Finance and Development Program; and
- The Development of Securitization and Credit Guarantee Market.

### The APEC Economic Leaders' Meeting

As in all past APEC years, the Economic Leaders' Meeting was both the culmination of the work for that year as well as the genesis of the work program for the coming year. In Shanghai, China in October 2001, the Leaders' Meeting followed others by the APEC Senior Officials, the Ministers of Foreign Affairs and of Trade. The Leaders also held their annual dialogue with the APEC Business Advisory Council. In addition, many Leaders also spoke at the APEC CEO Summit, held in Shanghai along with the official APEC meetings.

During their meeting, the Leaders met privately and held a discussion on topics of their own choosing. The only public record of the meeting is the Economic Leaders' Declaration that was issued at the close of the Shanghai meeting. This declaration can be found at <http://www.apecsec.org.sg/virtualib/econlead/leaders.html#2001>. Here is a summary of the key elements of their discussion that are relevant to sustainable economic recovery –

- *Promoting Sustainable Economic Growth:* Work in this area included reviews of the activities of the APEC Finance Ministers' Process and a pledge to accelerate structural reforms to strengthen market fundamentals across the region, emphasizing sound economic policies and corporate governance as well as the importance of

governments in shaping a legal and regulatory framework that encourages competition and innovation.

- *Sharing the Benefits of Globalization and the New Economy:* Work on building human capacity within APEC continues to be a major part of APEC's work, involving a High-level Meeting on Human Capacity Building and the Beijing Initiative, a comprehensive set of principles which also examines New Economy issues. The work included the launch of the Consortium for APEC Cyber Education Cooperation, the Human Capacity Building Promotion Program and the APEC Finance and Development Program. Leaders also welcomed the work done in other areas, including an APEC Strategy for Combating Infectious Diseases; an Integrated Plan for Small and Medium Enterprises with a special emphasis on micro-enterprises (to be kicked off by a High-level Meeting on Micro-Enterprises in Mexico in 2002); an e-APEC Strategy for the development of the New Economy throughout APEC; and a call for implementation of the APEC Food System.
- *Strengthening the Multilateral Trading System:* These discussions focussed on the November meeting of the World Trade Organization in Doha, affirming a commitment to launch a new round, an effort which was ultimately successful. In addition, Leaders reconfirmed their commitment to the APEC-wide moratorium on the imposition of customs duties on electronic transmissions and agreed to extend it until the Fifth WTO Ministerial Conference.

- *Sharpening the Vision for the Future:* In order to provide a strategic, forward agenda and reach APEC's Bogor goals of free trade by 2010/2020, the Leaders endorsed the Shanghai Accord. Under the Shanghai Accord, the Leaders committed to:
  - Broadening APEC's vision for the future by identifying a policy framework to guide APEC in the 21<sup>st</sup> century, incorporating changes prompted by globalization and the New Economy, and to extend the APEC agenda to cover reforms and capacity building;
  - Clarifying APEC's roadmap for achieving the Bogor 2010/2020 goals on schedule with a stocktake in 2005. This will include adopting a pathfinder approach to advance selected APEC initiatives; updating the Osaka Action Agenda, the roadmap for reaching the Bogor goals; promoting the adoption of trade policies appropriate for the New Economy; following up on the APEC Trade Facilitation Principles; and pursuing greater transparency in corporate governance; and
  - Strengthening implementation of APEC's plans through the peer review of Individual Action Plans (the main tool economies use to chart their paths towards the Bogor goals), as well as reinforcing economic and technical cooperation and capacity building.

In Shanghai, Leaders endorsed the e-APEC Strategy developed over the course of 2001. The Strategy has three pillars: (1) to create an environment for strengthening market structures and institutions; (2) to facilitate an environment for infrastructure investment and technology development; and (3) to enhance human capacity building and promote entrepreneurship.

The Leaders will meet this year in Los Cabos, Mexico 26-27 October.

## Confronting Terrorism

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Throughout the history of APEC, the organization had never explicitly, in an APEC context, addressed "political issues." However, the events of September 11, combined with the fact that the Shanghai Meeting was the first major gathering of world leaders after the attacks, made the meeting a critical opportunity for APEC members to coordinate a response to terrorism, while trying to minimize its economic impacts.

In addition to unequivocally condemning the attacks, the Leaders said, "It is imperative to strengthen international cooperation at all levels in combating terrorism in a comprehensive manner." The Leaders took a number of practical steps to enhance counter terrorism cooperation, including:

- Adopting appropriate financial measures to prevent the flow of funds to terrorists;
- Ensuring adherence by all economies to relevant international requirements for air and maritime transportation security;
- Strengthening regional energy security through the APEC Energy Security Initiative, which crafts responses to temporary supply disruptions and long-term energy challenges;
- Strengthening APEC activities in critical sector protection, including in telecommunications, transportation, health, and energy;
- Enhancing customs communications networks to better enforce laws while minimizing the impact on the flow of trade;
- Cooperating to develop electronic movement records systems to enhance border security while not disrupting the movement of legitimate travelers;
- Strengthening capacity building and economic and technical cooperation to help member economies establish effective counter-terrorism measures; and
- Cooperating to limit the economic fallout from the attacks and restore economic confidence in the region through policies to increase economic growth and ensure a stable environment for trade, investment, travel, and tourism.

Promotion of biotechnology: Recognizing the importance of biotechnology in improving productivity and nutrition, and in reducing the environmental impact of agricultural production, APEC Leaders endorsed a U.S.-proposed high-level policy dialogue on biotechnology.

Infectious diseases: Leaders agreed to a strategy that will link existing disease surveillance networks enabling them to better track disease outbreaks and make prevention efforts more effective.

#### Other APEC Events

- Mexico hosted a one-day APEC Forum on Globalization and Shared Prosperity in Merida, where a number of different speakers presented various aspects of the debate on globalization and helping to ensure that it brings about shared prosperity throughout the APEC region. The proceedings from this discussion will be available in due course.
- APEC's Ministers for Small and Medium Enterprises (SME)
 

SME Ministers met in August 2002 under the theme: "Expanding the Benefits of Cooperation for SMEs" Ministers reaffirmed their commitment to enhance the business and operating environment for SMEs through:

  - Micro Financing and Capital Markets: Ministers discussed helping SMEs through such approaches as the creation of guarantee funds or the participation of non-banking intermediaries and providing a legal framework to assure fair trade practices in the region;
  - Human Capacity Building: Ministers discussed the need to accelerate the implementation of training and certification programs supporting many skill areas for SMEs;
  - Access to Information: Ministers encouraged SMEs to take advantage of the new on-line SME information systems and other available sources for information on financing, training, technology and business opportunities;
  - Technology and Technology Sharing: Ministers addressed the digital divide by offering support to SMEs in specific sectors and regions along with the possibility of industrial outsourcing practices and enterprise association schemes;
  - Access to Markets: Ministers called on APEC working groups to develop programs to remove obstacles to regulatory reform, financial services, access to technology and capacity building to ease the transition to exporting for SMEs and micro enterprises;
  - Access to a Transparent Legal and Regulatory Environment: Ministers made recommendations in the area of standards and conformance, eliminating red tape, and improving the policy environment for the female entrepreneurs;
  - Sustainable Development: Ministers touched on a number of areas including micro-financing as a sustainable development tool; seed and venture capital business and guarantee funds; incubation policy towards start-up SMEs; knowledge platforms for business start-ups; access to information and communications technology; and the variations in needs in different regions within APEC.
- Energy Ministers met in July 2002 in Mexico City under the themes, "Fostering Regional Energy Cooperation: Setting a Long Term Vision and Implementing Short Term Actions." 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;

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- Directed the Energy Working Group to promote the implementation of the Energy Security Initiative which Ministers had launched at their meeting in 2000 in San Diego; and also
- Directed the Energy Working Group to expand its preliminary work on addressing barriers to cross-border connection of power grids to cover gas pipeline networks and to work closely with the Energy Business Network in that regard.
- Tourism Ministers met in July 2002 in Manzanillo and adopted the Manzanillo Declaration, "Implementing the APEC Vision" aimed at enhancing and recognizing the important role that tourism plays in the economic, social and cultural development of all APEC members.
- The Economic Committee delivered the two reports listed below to Ministers in October 2001.
  - (1) 2001 APEC Economic Outlook
  - (2) The New Economy and APEC

Both 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;
- Financial Development and Efficiency  
The importance of the efficiency of the banking sector;
- Oil Dependency in APEC Economies  
Relevant data for each APEC economy; and
- The New Economy  
Full analysis of the New Economy's fundamentals and challenges.

The following are some highlights of the two reports.

- 2001 Economic Outlook: Examining developments in APEC economies to date, the Outlook detailed the regional economic slowdown over 2000–2001 and the responses of APEC economies to the downturn. In its pre-September 11 analysis, the *Outlook* predicted that monetary easing in many APEC economies, expansionary fiscal stimulus in some economies, the gradual abatement of the oil price shock, and the general easing in world commodity prices would lead to an early rebound in growth momentum. In an insert added after September 11, the *Outlook* stated that, despite the terrorist attacks, the economic fundamentals still left hope that economic growth would return throughout the region in the coming months, although growth rates would likely be revised downwards in most APEC economies.
- The New Economy and APEC: This report identifies the fundamental underpinnings of the New Economy and examines the evidence for both macro and micro level benefits of the challenges of transforming to a New Economy which can help with domestic political discussion on policy reforms and structural adjustment. It also explores the implications of different paces of policy reform in developing the New Economy as it relates to trade competitiveness and digital divides. The study finds that there are four crucial underpinnings to creating a successful New Economy: sound fiscal policies, sound banking and financial market policies, open trade and cross-border investment policies, and a pro-competitive market policy and legal environment.



Recognizing the full potential of the rapid advances in information and communications technology, in 2000 in Brunei Darussalam, APEC Leaders launched a wide-ranging Action Agenda for the New Economy. The agenda outlines programs that will help APEC economies use technological advances to boost productivity, stimulate growth and extend services to the whole community. It includes ways to promote the right policy environment and build capacity to help create a framework to strengthen markets, e-commerce, infrastructure, knowledge and skills development and provide affordable and more efficient access to communication and the Internet.

In response to the New Economy Action Agenda, Leaders endorsed the e-APEC Strategy at the 13<sup>th</sup> APEC Economic Leaders' Meeting in Shanghai, China in 2001. The e-APEC Strategy identifies the necessary policy environment and specifies appropriate goals and actions, drawing upon the existing efforts of APEC. It develops a forward-looking, long-term and action-oriented plan under three pillars:

1. Creating an environment for strengthening of market structures and institutions, i.e., open markets and strong institutions;
2. Facilitating an environment for infrastructure investment and technology development i.e., a favorable investment and innovation climate; and
3. Enhancing human capacity building and promoting entrepreneurship i.e., emphasis on education and SMEs.

The e-APEC Task Force in coordination with APEC bodies and member economies will report on implementation of the *e-APEC Strategy* to the 14<sup>th</sup> APEC Ministerial Meeting.

Also under the New Economy agenda, various projects are being implemented under the direction of APEC Senior Officials. The following projects were implemented in 2002 –

- Transforming the Digital Divide into Digital Opportunity – Phase 2  
Phase 2 of this project, which was initiated by Chinese Taipei, involved the holding of workshops in Bangkok, Mexico City and Jakarta on such topics as e-business and

supply chain management, and empowering SMEs through digital integration.

- APEC IT Camp for Youth with Disabilities  
The objective of this project, which was initiated by Korea, was to construct a network of young people with disabilities by developing IT usage and forming exchange cooperation relationships among young people with disabilities in the APEC region. The IT Camp was held in Korea on 27-30 August 2002.
- APEC High-Level Symposium on E-Government  
Korea hosted the APEC High-Level Symposium on E-Government in Seoul on 2-5 July 2002, as a first step towards strengthening cooperation in APEC on establishing e-government. The objective of the project was to promote good governance, transparency and robust institutional frameworks in APEC through cooperation in e-government.

An output of the symposium was the Strategy Report on Promoting e-Government in APEC, which will be submitted to APEC Ministers and Leaders in Los Cabos.

- Fostering IT Schools for the Information Age

This project, an initiative of Chinese Taipei, involved the mobilization of private sector participation in providing selected schools in APEC economies with computers, telecommunication equipment and the skill in accessing the Internet. The project will first be implemented in Thailand and Mexico in 2002, and to be expanded to other interested APEC member economies in 2003.

## Next Steps

- APEC bodies and member economies will continue to implement the *e-APEC Strategy* under the guidance of APEC Senior Officials.
- Progress of the projects' implementation will be reported to the next Senior Officials' Meeting.

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In response to the terrorist attacks of 11 September 2002 on the United States of America, Leaders attending the 9<sup>th</sup> APEC Economic Leaders' Meeting in October 2001 in Shanghai, People's Republic of China, issued a *Leaders' Statement on Counter-terrorism*.

In the Statement, Leaders condemned the said terrorist attacks and expressed international solidarity with the victims. Leaders consider terrorism a direct challenge to APEC's vision of free, open and prosperous economies, and to the fundamental values that APEC members hold. In this context, Leaders reaffirmed that it is more important than ever for every economy to forge ahead in its commitment in achieving the Bogor Goals of free and open trade and investment.

Leaders deem it imperative to strengthen international cooperation at all levels in combating terrorism in a comprehensive manner. Leaders committed to prevent and suppress all forms of terrorist acts in the future in accordance with the United Nations Charter and other international law, pledged to implement the UN Security Council Resolutions

1368 and 1373, strongly supported all efforts to strengthen the international anti-terrorism regime, called for increased cooperation to bring the perpetrators to justice, and also called for the early signing and ratification of all basic universal anti-terrorist conventions including the International Convention for the Suppression of the Financing of Terrorism.

Leaders were also determined to enhance counter-terrorism cooperation in APEC. Areas to be covered include: preventing the flow of funds to terrorists; critical sector protection, including telecommunications, transportation, health and energy; enhancement of customs communication networks; enhancement of border security; capacity building and economic and technical cooperation; limiting the economic fallout from the attacks and ensuring a stable environment for trade, investment, travel and tourism.

Leaders also pledged to cooperate fully to ensure that international terrorism does not disrupt economies and markets, through close communication and cooperation among economic policy and financial authorities.

## Next Steps

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The APEC Secretariat has been charged with compiling a report on implementation of the APEC Leaders Statement on Counter-terrorism by APEC bodies and member economies. The report will be tabled at the 14<sup>th</sup> APEC Ministerial Meeting. At their 2002 meetings, it is expected that Ministers and Leaders will follow-up with statements and initiatives reaffirming APEC's commitment to fore ahead on the counter-terrorism issue.

The APEC Electronic Commerce Steering Group (ECSG) was established by the SOM in February 1999. The role of the ECSG 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 most recent meeting was the 6th ECSG meeting held in August 2002 in Mexico. The 7th meeting of the ECSG will be held in conjunction with SOM I in February 2003 in Thailand.

## Business and Private Sector Participation

The business/private sector has been an active participant in all ECSG meetings. At the 4th 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. The Forum on Privacy at the 5th ECSG and the e-Government Forum at the 6<sup>th</sup> ECSG meeting in August 2002 had extensive business/private sector participation.

## Achievements

For 2002, the ECSG agreed on a program of work that will add value and contribute to strengthening APEC's electronic commerce work program. Some of the elements are:

- The delivery of up to 14 Paperless Trading IAPs to the 14th APEC Ministerial Meeting, to be hosted on the e-IAP website ([www.apec-iap.org](http://www.apec-iap.org));
- The delivery of a Report on Approaches to Consumer Protection in APEC and Recommended APEC Guidelines for On-line Consumer Protection to promote safe e-commerce;
- The delivery of a pathfinder initiative on electronic sanitary and phytosanitary certificates; and
- The delivery of a business-friendly 2002 Stocktake of Electronic Commerce Activities in APEC.

## Next Steps

The ECSG will proceed next with work in the area of data privacy culminating in a report providing region-wide content and a set of recommendations to the 15<sup>th</sup> APEC Ministerial Meeting (AMM) in Thailand in 2003. There will be a Data Privacy Workshop at ECSG 7.

A revised APEC Blueprint for Action on Electronic Commerce will go forward for adoption at ECSG 7 and then to the APEC Ministers Responsible for Trade and 15<sup>th</sup> AMM in Thailand in 2003.

The ECSG's mandate comes up for review at SOM I in February 2003 in Thailand.

ECSG documents may be viewed on the APEC Secretariat website at [www.apecsec.org.sg](http://www.apecsec.org.sg) or the ECSG website at <http://www.ita.doc.gov/td/industry/otea/ecommerce/apec/>.

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In November 1998, APEC Economic Leaders restated their resolve to create a prosperous Asia-Pacific community. They endorsed joint actions in the area of food in relation to economic and population growth in the region and instructed members to implement those joint actions. At the First Senior Officials' Meeting (SOM I) in February 1999, in response to an instruction by Leaders, APEC Senior Officials established an *ad hoc* task force to study the APEC Business Advisory Council's (ABAC) proposal for an APEC Food System (AFS). Reports on the AFS were submitted to and endorsed by the Ministers' and Leaders' Meetings in Auckland, New Zealand, Brunei Darussalam and in Shanghai, China. 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. They urged APEC fora and members to increase momentum in this regard as recommended by the ABAC.

## Business and Private Sector Participation

In its 2001 report to Leaders the ABAC made a number of recommendations concerning the AFS for member economies and relevant fora to take into account. Its recommendations were:

- APEC Leaders should declare that APEC members will abolish 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. APEC should also spearhead an effort to make this commitment to non-discriminatory access to food supplies a binding rule in the entire WTO;
- APEC Leaders should declare APEC a "food export subsidy-free zone" in recognition that such agricultural export subsidies are damaging in their effect on developing economies struggling to implement sound agricultural development and well-functioning food markets;
- The AFS's call for a self-assessment by each economy of all the impediments it faces, internal and external, in increasing its capacity to trade in food. This assessment should include a strong business/private sector input, recognize the non-food roles of agriculture and target technical cooperation needs, market access and non-tariff barriers;
- APEC should convene its first-ever Agriculture Ministers' Meeting in 2002 to discuss the self-assessments and steps to be taken to implement the APEC Food System;
- APEC should create a chapter for the APEC Food System in the IAPs to ensure implementation consistent with APEC principles of comprehensiveness, flexibility, WTO-consistency and non-discrimination;
- Senior representatives of the World Bank, Asian Development Bank, and Inter-American Development Bank should be invited to relevant APEC meetings in order to ensure their participation in this element of the APEC Food System; and
- The number of economies participating in the APEC Food Mutual Recognition Agreement (MRA) should be increased to at least 15 by the end of 2002.

## 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 the three areas of cooperation described above they also urged APEC fora and members to increase momentum for implementation as recommended by the ABAC. At their meetings in Shanghai in October 2001, Leaders seconded Ministers' call for accelerated implementation of AFS.

In response to the Leaders' instruction, the SOM I in February 2002 endorsed the time table for the 2002 AFS Report, and SOM III in August 2002 endorsed the SOM Chair's reports and overviews, and agreed on the inclusion of the

APEC Food System (AFS) as a separate chapter in the IAPs.

The inputs from APEC member economies and the tasked fora for 2002 are summarized as follows:

- Six member economies and eight of the tasked fora/sub-fora have submitted their 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 Sub-committee on Standards and Conformance (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 benefit 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 regard to, among others, its work related to the WTO Agreement on Sanitary and Phytosanitary Measures (SPS), the APEC Food MRA, and the Food Standard Experts Network;
- The ECOTECH Sub-Committee of the SOM (ESC) noted that some of the AFS recommendations, such as those on human resource development and technology transfer, appear to have been successfully implemented. However, it also noted that greater attention is to be paid to the full implementation of the AFS so that agricultural producers and consumers will receive significant benefits from the increased flow of technology, greater trade in food, more competitive food industries, and enhanced rural infrastructure.
- The ATC has actively participated in the implementation of the AFS recommendations, conducting projects on post-harvest technology and on how to

develop farmers' participation in agricultural technology transfer and training and holding workshops on food processing, research and development and extension of agricultural biotechnology;

- The ISTWG has carried out a project on biotechnology for implementation of the AFS recommendation on cooperation in R&D and the dissemination of food-related technology. This project provided a valuable forum for sharing information and experience among government officials, entrepreneurs and research scientists;
- The HRDWG has completed several on-line projects that have particular value for rural education, taking advantage of network technology;
- The SMEWG held a seminar where government officials meet and discussed how to create a policy environment to enable SMEs to best deal with challenges of the new environment and to reap the new opportunities after the China accession to the WTO; and
- Member economies report that they are fully and faithfully implementing the four recommendations set down in the tasking matrix. They 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 comprehensive proposals to the WTO to address the wide range of issues such as non-trade concerns, distortions to agricultural trade and rules and disciplines on exports. Economies have also made progress in improving the availability of rural education.

#### Next Steps

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The report on the APEC Food System (AFS) endorsed by SOM will be submitted to Ministers for consideration.

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III. The

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The APEC Secretariat oversees media and public relations for APEC and disseminates information on APEC to targeted audiences and the public 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 throughout the year to the host economy, other APEC member economies and APEC committees, working groups and other fora .

A major exercise underway is the implementation of a new APEC Communications and Outreach Strategy aimed at improving information delivery to key audiences and extending the reach of APEC communications efforts. The strategy focuses on developing greater understanding of APEC's role and agenda, as well as more widely promoting its achievements.

During 2002 the emphasis has been on putting in place centralised systems and staff resources to support a more extensive and proactive communications operation for APEC. A major accomplishment has been the establishment of an integrated and strengthened communications team at the APEC Secretariat. The new communications team will be able to provide a wide range of professional advice and services to APEC economies and fora and will work on the development of targeted communications strategies and outreach programmes for application across various sectors and economies.

### Key Activities

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- Implementation of a new communications and outreach strategy in consultation with members economies and APEC fora.
- Presentations delivered regularly to a wide variety of business, government and student groups.
- On-the-ground media liaison support to host economies of major APEC meetings and assistance in advance of and during key events to support coverage by international, regional and local media outlets.
- Issuing and dissemination of media releases and advisories regularly via email gateway and posted on the APEC website. Regular contact with journalists to encourage media coverage of key APEC events and activities.
- Production of a wide range of general information resources on APEC as part of the Secretariat's publishing programme and assistance with production of APEC fora publications.
- Sale of APEC publications and CD ROMS through sales/marketing agreements with book agents/distributors in Australia; Brunei Darussalam; Hong Kong, China; Malaysia; New Zealand; Singapore; USA and the United Kingdom. Monitoring of sales patterns to ensure electronic/hard-copy publishing combinations support information dissemination objectives and user needs.

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- Major redevelopment underway of the APEC website to enhance functionalities and applications to support a more proactive web communications strategy. Revamping of the electronic Individual Action Plans (e-IAP) system to increase its user-friendliness and accessibility.
- Development of an APEC Projects Database to provide public access to comprehensive information on project activities undertaken by APEC and to provide a central reference for APEC fora to promote collaboration between complementary projects.
- Management and continuous improvement of APEC's document access policy to facilitate access to APEC records via electronic means.
- Provision of support to Mexico as APEC Chair for 2002 in implementing its outreach programmes.

#### Next Steps

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The APEC Secretariat will continue to focus heavily on implementing a more proactive communications and outreach programme to help publicise APEC's role and achievements and promote community input and engagement in APEC. The Secretariat will provide public affairs and media relations support to Mexico as APEC Chair for the remainder of 2002 and to Thailand as APEC Chair for 2003.



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# Abbreviations

3 E's	Economic Growth, Energy Security and Environmental Protection	EC	Economic Committee
ABAC	APEC Business Advisory Council	ECOTECH	Economic and Technical Cooperation
ABTC	APEC Business Travel Card	ECSG	Electronic Commerce Steering Group
ACBD	APEC Customs Business Dialogue	EDNET	Education Network
ACI	Pacific Region Airports Council International	e-IAP	electronic Individual Action Plans
AELM	APEC Economic Leaders Meeting	EID	Emerging Infectious Diseases
AFS	APEC Food System	ESC	ECOTECH Sub-Committee of the SOM
AFTA	ASEAN Free Trade Agreement	EVSL	Early Voluntary Sectoral Liberalization
AGGI	Advisory Group on Gender Integration	EWG	Energy Working Group
AICST	APEC International Centre for Sustainable Tourism	FEEEP	Food, Energy, Environment, Economic Development Population
AIDS	Acquired Immune Deficiency Syndrome	FIA	Federation International de l'Automobile
AMM	APEC Ministerial Meeting	FTAs	Free Trade Agreement
AOMM	APEC Ocean-related Ministerial Meeting	FWG	Fisheries Working Group
APEC	Asia-Pacific Economic Cooperation	GEI	Group on Economic Infrastructure
APERC	Asia Pacific Energy Research Center	GIS	Gender Information Sessions
APII	Asia-Pacific Information Infrastructure	GIT	GNSS Implementing Team
ASC	APEC Study Centers	GNSS	Global Navigation Satellite System
ATCEG	Agricultural Technical Cooperation Experts' Group	GOS	Group on Services
BMC	Budget and Management Committee	GP	government procurement
CAP	Collective Action Plans	GPEG	Government Procurement Experts' Group
CBN	Capacity Building Network	HIV	Human Immunodeficiency Virus
CCS	Core Characteristics Survey	HRD	Human Resources Development working group
CTI	Committee on Trade and Investment	IAPs	Individual Action Plans
DDA	Doha Development Agenda	ICAO	International Civil Aviation Organization
DFAT	Department of Foreign Affairs and Trade	ICASC	International Consortium of ASC
EBN	EWG Business Network	IEG	Investment Experts' Group
		IEGBM	Informal Experts' Group on Business Mobility
		IMMA	International Motorcycle Manufacturers Association

IMO	International Maritime Organization	SCCP	Sub-Committee on Customs Procedures
IMTA	Intermodal Transport Association	SCSC	Standards and Conformance
IPR	Intellectual Property Rights	SELI	Strengthening Economic and Legal Infrastructure
IRA	Import Risk Analysis	SME	Small and Medium Enterprises
IST	Industrial Science and Technology Working Group	SMEWG	Small and Medium-sized Enterprises Working Group
IT	Information Technology	SMTEs	Small and Medium Tourism Enterprises
ITI	Information Technology Industry Council	SN&C	Satellite Navigation and Communications systems
JIRCAS	Japan International Research Center for Agricultural Science	SOM	Senior Officials' Meeting
KBE	Knowledge Based Economies	SPAN	Integrated Plan of Action for SME Development
KIIEP	Korea Institute for International Economic Policy	SPS	Sanitary and Phytosanitary Measures
LRFFT	Live Reef Food Fish Trade	TBT	Technical Barriers to Trade
LSP	Labour and Social Protection Network	TDB	Tariff Database
MAG	Market Access Group	TEL	Telecommunications and Information Working Group
MCS Network	Monitoring Control and Surveillance Network	TILF	Trade and Investment Liberalization and Facilitation
MRC	Marine Resource Conservation Working Group	TIN	Tourism Information Network
NAFTA	North American Free Trade Agreement	TOR	Terms of Reference
NetSDC	Network Of Skills Development Centres	TP	Working Group on Trade Promotion
NTMs	Tariffs and non-tariff measures	TPT	Transportation Working Group
OAA	Osaka Action Agenda	TSEG	Transportation Security Experts' Group
OECD	Organisation for Economic Cooperation and Development	TWG	Tourism Working Group
OICA	International Organization of Motor Vehicle Manufacturers	UNGA	United Nations General Assembly
PATA	Pacific Asia Travel Association	UNIDO	United Nations Industrial Development Organization
PECC	Pacific Economic Cooperation Council	UR	Uruguay Round
PIF	Pacific Islands Forum	USITC	US International Trade Commission
RISE	Regional Integration for Sustainable Economies	WCO	World Customs Organization
ROO	Rules of Origin	WSSD	World Summit on Sustainable Development
RTAs	Regional Trade Agreement	WTO	World Trade Organization
S&T	Science & Technology	WTTC	World Travel and Tourism Council

# ASIA-PACIFIC ECONOMIC COOPERATION

