

**UPDATE
OF ACTIVITIES
WITHIN APEC**

ASIA-PACIFIC ECONOMIC COOPERATION

FEBRUARY 1999

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Introduction

As the central coordinating point and core support mechanism for the APEC process, the APEC Secretariat produces this *Update* as a principal means of providing timely information about ongoing APEC activities. The 21 member economies are committed to pursue economic cooperation on an open basis and welcome outside interest in their activities.

The *Update* is arranged firstly by reference to almost all working groups and other fora and their current activities. Relevant secretariat and member economy contacts are provided in each case for readers to follow-up on specific inquiries.

The second part reviews some specific issues currently being addressed by member economies. Activities being directed by APEC Finance Ministers are covered, as advised to us, in this section.

The third section covers certain public information, research and communications services provided by the Secretariat itself.

As part of the management reform in APEC, the APEC Ministers have agreed to disband the *Trade and Investment Data Review Working Group* and the *Information Gathering and Analysis* sub-fora of the *Committee on Trade and Investment*. The responsibility for Information Gathering and Analysis is now assigned to the APEC Secretariat.

The *Update of APEC Activities* is now entering its fourth year of publication and is regularly revised. I hope the reader will find the information provided in this *Update* useful as an introduction and reference on APEC. For further or more detailed interest, you are invited to visit the APEC Secretariat's website at <http://www.apecsec.org.sg>, an official and comprehensive reference for information on APEC.

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Committee on Trade and Investment

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

The CTI coordinates APEC's work on liberalizing and facilitating 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*: 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; implementation of the Uruguay Round outcomes; and information-gathering and analysis.

CTI also provides a forum for discussion of trade policy issues. Activities in CTI's 15 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 and directly through seminars, speeches, the Internet, publications, and media relations. The Pacific Economic Cooperation Council (PECC) regularly attends CTI meetings, providing analytical and business input. The business sector plays a key role on technical work areas (for example, standards and conformance) by providing specialized input. In 1998, CTI has advanced APEC initiatives for a broad outreach to business/private sector involvement mandated by the Leaders in various subfora activities.

Achievements

During 1998, the CTI focused its work in three major areas. The CTI:

- Implemented and improved Collective Action Plans (CAPs) which will significantly lower costs and reduce barriers to the movement of goods and services. (Major individual achievements are outlined under the relevant sections.)
- Advanced the liberalization process through technical work on the Early Voluntary Sectoral Liberalization (EVSL).
- Managed a study on Communicating the Impact of Liberalization.

Next Steps

The CTI will continue to implement, improve, and expand Collective Action Plans across all areas of the *Osaka Action Agenda*.

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Tariffs and Non-Tariff Measures

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

The Collective Action Plans for Tariffs and NTMs require APEC members to: develop a computerized tariff database (APEC Tariff Database); pursue incorporation of information on NTMs into a future version of the APEC tariff database; compile a list of measures recognized as non-tariff impediments to trade; compile a list of products affected by those impediments; and identify industries in which the progressive reduction of tariffs and NTMs may have a positive

impact on trade and economic growth in the Asia-Pacific region, or for which there is regional industry support for early liberalization.

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

Business and Private Sector Participation

APEC member economies consult their private sectors regularly. Business views have been incorporated in the development of the APEC Tariff Database, which is also sponsored by the private sector (Federal Express).

Businesses and academia provide important input to the CTI's work on tariffs and NTMs, particularly through analytical work performed by the Pacific Economic Cooperation Council (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 member economies (see page 47 for Member Economy contact information).

Achievements

1998 Highlights:

- A seminar on the WTO Integrated Database (IDB) was conducted by two WTO officials in 14 June 1998 in Kuching, Malaysia.
- Development of the APEC Impediments Measurement System (AIMs) by the PECC to assist its assessment of the selection of sectors for liberalisation and their economic impact on APEC.

Next Steps

APEC member economies will perform the following work on tariffs and NTMs through the MAG:

- Review and implement suggested enhancements by users of the APEC Tariff Database (TDB) in consultation with SCCP.
- Explore with the WTO Secretariat on the possibility of constructing an Internet mirror site of the WTO Integrated Database (IDB) relating to APEC economies in the APEC Secretariat Homepage.
- Evaluate and verify findings in PECC's Information Resource Study on Voluntary Sector Liberalisation.

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Services

The Group on Services (GOS) is an informal subgroup of the CTI mandated by the Committee to address the TILF tasks in the area of services contained in the Osaka Action Agenda and in directions from Leaders, Ministers, the SOM and the CTI. The bulk of its meetings have been devoted to information gathering and analysis, experience sharing and transparency. The implementation of a Services Collective Action Plan containing the aforementioned elements (other than for Energy, Telecommunications, Tourism and Transportation) commenced during 1998 and was enhanced to reflect the progress of these items.

Business and Private Sector Participation

Business representatives participated in and gave presentations to the APEC Training Program in Services held in May 1998 in China.

Achievements

Major achievements in 1998 included:

- Voluntary presentations on trade in subregional services arrangements within APEC have been made.
- PECC provided a compilation and comparison on all existing services trade arrangements within APEC.

- A training seminar on trade in services, with private sector representation, was held to promote understanding of the said issue amongst public sector officials.
- A voluntary exchange of views through presentations on services sectors was initiated commencing with Education services.
- A joint session with the Competition Policy Group was held on 7 September 1998, which analyzed financial services, telecommunications services and professional services.

Next Steps

- Building upon work in APEC and other international fora disseminate research and analysis on services trade liberalization.
- An APEC Directory of Professional Services to be elaborated, commencing with architecture, engineering and accounting.
- To take forward ongoing/outstanding actions in its CAP; and
- To consider ways to respond to the ABAC recommendations that APEC should formulate collective action plans addressing major issues concerning trade in services that apply across all service industries.

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Investment

The Investment Experts' Group (IEG) is a sub-group of the APEC Committee on Trade and Investment (CTI). It was established in 1994 to bring together officials in the region involved in

the regulation of foreign investment. Its main role is to assist the CTI in achieving the investment-related components of APEC's liberalization and facilitation agenda.

Business and Private Sector Participation

The IEG seeks views from the business sector about priorities for APEC's investment liberalization and facilitation agenda through its annual Investment Symposium.

Achievements

Major achievements in 1998 include:

- The electronic version of the APEC Investment Guidebook on the Internet is being updated.
- A list of options for investment liberalization and business facilitation to strengthen the APEC economies for voluntary inclusion in the IAPs was developed.
- Fourth APEC Investment Symposium held in Malaysia, 29-30 September 1998.
- The Second Business Survey was conducted.
- Policy discussions forums were held which reviewed investment regimes of Malaysia and Chinese Taipei (February 1998), Australia and the Philippines (June 1998) and a report on investment of the Mexico-Chile Free Trade Arrangement (September 1998).
- A training programme on improving the capabilities on statistical reporting and data collection was conducted in China, 6-10 July 1998.

Next Steps

- Publish a new edition of the *APEC Investment Guidebook*
- Compile a Compendium of Initiatives, Development Efforts, Aspiration and Strategies (IDEAS) of the four major stakeholders in Foreign Direct Investment themes
- Undertake new activities that contribute to capacity building
- Conduct an annual exchange of experience programme for APEC investment officials and private sector
- Conduct an awareness programme for APEC investment/trade officials to understand and be aware of the various options for investment liberalisation and business facilitation

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Standards and Conformance

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

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

Business and Private Sector Participation

Representatives from specialist regional bodies are invited to SCSC meetings, and business people occasionally attend SCSC meetings as part of member economies' delegations. Representatives from the private sector have attended seminars and conferences organized under the auspices of the SCSC.

Achievements

Highlights of TILF Outcomes in 1998:

- Agreement to align member economies' standards of electrical and electronic equipment with international standards in respect of safety and electromagnetic compatibility by 2004/2008.
- Publication of *Voluntary Action Plan Report* to make public the progress in the areas where member economies were committed in 1996 to align their standards with international standards by 2000/2005.
- Agreement on the part of exchange of information of Mutual Recognition Arrangement (MRA) for Electrical and Electronic Equipment.
- Expected additional participation in APLAC-MRA.

- Completion of APEC-specific survey on Technical Infrastructure Development for Measurement Standards, Laboratory Management and Accreditation to identify the areas where technical infrastructure is needed for developing economies.

Next Steps

The SCSC will continue to implement and improve collective action plans in the area of standards and conformance.

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Customs Procedures

The Customs Procedures Group of Customs Experts was converted into a formal CTI Subcommittee 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

Private sector representatives such as customs brokers, importers, exporters, freight forwarders and business people have attended the APEC Customs-Industry Symposia held annually since 1993.

On 8-9 June 1998, the APEC Customs-Industry Dialogue was held in Kuala Lumpur. The SCCP is working and continues to explore further partnerships with the private sector for its technical assistance programmes.

Achievements

The SCCP's achievements during 1998 included:

- APEC Customs Industry Dialogue held in 8-9 June 1998 in Kuala Lumpur, Malaysia.
- The anniversary status report of the Blueprint for APEC Customs Modernization 1998.
- Develop better tools for forging strategic partnerships with the private sectors and explore possible partnerships with the private sector to progress the work on its CAPs.
- Advanced work to implement SCCP's multi-year technical assistance programs of its CAPs. Some of these activities:
 - A seminar on the Kyoto Convention was held in China in April 1998.
 - Two training workshops for technical staff and functional managers on UN/EDIFACT were conducted in April 1998 in Singapore, following field trips conducted by a consultant to member economies.
 - Conducted follow-up on-site training sessions in member economies in connection with the implementation of WTO Valuation and TRIPS Agreement.
 - A workshop on HS Convention was held in the Philippines on 18-20 August 1998.
 - Collated information and held a basic training course for member economies in area of risk management in May 1998 in Sydney.
 - Assessment mission on Express Consignment to two member economies were conducted in March 1998 and May 1998 respectively. The missions were funded and participated by the International Express Carriers Conference and (IECC) and Conference of Asia Pacific Express Carriers (CAPEC).
 - Collection of information on data elements required for customs import processes in member economies was completed. To follow-up with visits to member economies in 1998/99.
 - Workshop on implementation of Clear Appeal Provisions.

Next Steps

The SCCP will continue to implement and improve Collective Action Plans in the areas of customs procedures. The SCCP work programs for next year include:

- To develop a Code of Conduct along the lines of the Arusha and Columbus Declarations to resolve further the issue of integrity within Customs administrations.
- To improve direct involvement of the business sector in SCCP activities.
- To establish an informal Virtual Customs Group to share experiences, explore and develop common approaches with the objective of developing a compendium of APEC customs initiatives on Electronic Commerce.

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Intellectual Property Rights

The Intellectual Property Rights (IPR) experts have carried out a work program since 1996 to achieve the planned Collective Actions as well as to enhance APEC-wide cooperation in the following areas: 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 no later than 2000; and facilitating technical cooperation to that end.

Business and Private Sector Participation

The APEC Symposium on Enforcement of Intellectual Property Rights (18-19 July 1997, Taipei) attracted wide participation from the private sector. A contact list of public, business and private sector experts on IPR is available on the APEC Secretariat's website at <http://www.apecsec.org.sg>.

Achievements

Key achievements of the IPR experts group for 1998 included:

- Launched a Policy Framework for Technical Cooperation Facilitation in March under which offers and requests of technical cooperation from developed/developing economies have been complied.

- Complied and disseminated through the Internet information on current IPR administrative systems.
- Prepared and distributed a pamphlet to publicize the Contact Point Lists for the government, business/private sector and academic contacts.

Next Steps

The IPR experts will continue to promote technical cooperation, targeting the year 2000 to fully implement the TRIPS Agreement. Other tasks are the development of guiding principles on IPR enforcement; improvement of the protection of well-known marks; and continuing discussions to conclude an agreement on trademark application mailboxes.

IPR - Key Contacts

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Competition Policy

The globalization of business has highlighted the importance of competition issues. APEC's objective in this work area is to enhance the competitive environment of the region. In November 1994, APEC Ministers agreed that the Committee on Trade and Investment (CTI) would develop an understanding of competition issues, in particular competition laws and policies of economies in the region. The CTI should learn how competition laws and policies affect flows of trade and investment in the APEC region and identify potential areas of technical cooperation among member economies. In 1996, the *Osaka Action Agenda* work programs for competition policy

and deregulation were combined, in view of the linkages between the two issues. (See the Deregulation update)

Business and Private Sector Participation

Businesses and academia provide important input to APEC's work on competition policy, particularly through analytical work performed by the Pacific Economic Cooperation Council (PECC) and seminars. Promoting dialogue with the business community on competition policy and law remains a priority.

Achievements

Four annual workshops have been held, covering issues such as approaches and exemptions to competition policies and law; technical assistance; linkages between competition policy and trade policy; objectives and mechanisms of competition policy; interrelationship between competition policy and deregulation; regulation of national monopolies; occupational regulation; and regulatory reform.

During 1998, progress in this work area included:

- Japan's APEC Partners for Progress training seminars for officials working in the competition policy and law areas;
- Chinese Taipei's construction of the APEC Competition Law and Policy Internet Database;
- An APEC symposium on Regulatory Reform in Kuantan Malaysia; and
- A Competition Policy/Deregulation Workshop, including a joint session with the Group on Services and a dialogue with WTO, in Kuantan Malaysia.

Next Steps

Ministers agreed in Kuala Lumpur that APEC would examine the possibility of APEC principles for competition policy and deregulation in 1999. A workshop on Competition Policy and Deregulation will be held in April/May 1999, and will consider this and other issues.

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Government Procurement

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

Business and Private Sector Participation

Business people have attended GPEG educational programs.

Achievements

The GPEG:

- Is developing a set of non-binding principles on government procurement based on the free-trade principles already embraced by APEC. It has completed work on four principles – transparency, value for money, open and effective competition, and fair dealing – along with practices illustrating how these elements could be implemented.
- Has contributed to the WTO’s study on Transparency in GP by providing to the WTO information on APEC members’ GP regimes, commitments in their individual action plans on GP, and APEC views on the elements of the principle of transparency.
- Has continued its educational programs with a September 1998 seminar on GP principles sponsored by Hong Kong, China. Earlier programs included a GP training program, a seminar on bid challenge systems, and a seminar on existing international GP agreements.
- Is updating the surveys member economies have completed on their GP systems and publication arrangements for GP opportunities. These are available on the APEC GP homepage (<http://www.apecsec.org.sg/govtproc/gphome.html>) along with other information about GPEG activities.

Next Steps

The GPEG will make best efforts to finish the full set of GP non-binding principles by end-1999. It will also encourage members to review in their individual action plans the consistency of their GP systems with the non-binding principles and voluntarily bring their systems into conformity

with the principles, with progress reported to GPEG. The Group will also continue its educational and information-sharing activities.

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Deregulation

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

Business and Private Sector Participation

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

Achievements

Highlights of work on deregulation in 1998 include:

- Conducting a Public/Private Sector Regulatory Reform Symposium in September 1998. Its objective is to consider the role of regulatory policy in making economies more open and competitive.
- Publishing on the Internet, *an Annual Report on Deregulation Initiatives in APEC Member Economies*. Its objective is to promote transparency in regulations, provide a basis for further APEC initiatives on deregulation, and provide a user-friendly source of information for the private sector.
- Conducting the 1998 Workshop on Competition Policy and Deregulation. (See Competition Policy update for details)

Next Steps

In 1999, a further Workshop on Competition Policy and Deregulation will be held to consider:

- The approaches to regulatory reform within APEC economies, especially:
 - The approaches to the implementation of regulatory reform.
 - The experiences of different economies on reforming particular sectors.
 - The interrelationship between economic development and regulatory reform.
- Strategies for capacity building and institutional development for developing economies attempting to undertake regulatory reform.

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Rules of Origin

The Rules of Origin (ROO) issue is covered by the CTI in its plenary and informal meetings. 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 and private sector;
- Facilitate, complement and accelerate, in the short term, World Trade Organization/World Customs Organization (WTO/WCO) work on harmonization of non-preferential rules of origin; and
- Study the implication of rules of origin on the free flow of trade and investment.

Business and Private Sector Participation

A representative from a specialist international body, the WCO, was invited as a guest speaker at the Rules of Origin seminar (Philippines, August 1996).

Achievements

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

Next Steps

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

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Dispute Mediation

Trade and other economic disputes have negative implications for the cooperation that APEC is designed to promote (see Bogor *APEC Leaders' Declaration*, 1994). The Dispute Mediation Experts' Group (DMEG) was set up in 1995 to explore ways of cooperative dispute-solving. It focuses on government and private disputes, and on promoting transparency in laws and regulations as a means of dispute avoidance (see *Osaka Action Agenda* 1995).

APEC regards WTO dispute settlement as the primary channel for solving disputes. APEC can have a role in helping to resolve and avoid disputes through non-adversarial and voluntary approaches. (APEC is not a rules-based organization, so it is not possible for it to establish a formal, binding dispute settlement mechanism.)

Business and Private Sector Participation

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

Achievements

Highlights of the DMEG's work in 1998 included:

- "Symposium on Alternative Mechanism for the Resolution of Transnational Commercial Disputes" organized by Thailand, under the auspices of the DMEG, in Bangkok on 27-28 April 1998.
- Publication and dissemination of the *Guide to Arbitration and Dispute Resolution in APEC Member Economies*.

Next Steps

- Updating and uploading the *Guide on Dispute Mediation in APEC Member Economies*. The Guidebook will be updated to include changes in the practices and institutions of member economies, information from those member economies that have yet to provide their input, and input from member economies-designate. Also, the Guidebook will be placed in the APEC website so as to facilitate access by all APEC member economies.
- Organization and hosting of an advanced seminar on WTO Dispute Settlement being organized by Canada and Mexico for 1999, to be followed by seminars on private-to-government and private-to-private seminars in the future.

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Mobility of Business People

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

Business and Private Sector Participation

The APEC Business Advisory Council (ABAC) has made facilitation of business travel a priority. The CTI's agenda on business mobility has been guided by ABAC's recommendations, and the informal Experts Group on Business Mobility has informed ABAC of its progress. Business has also been closely consulted in development of the APEC Business Travel Card scheme and introduction of other APEC initiatives.

Achievements

APEC members:

- Have agreed in principle to adopt improved service standards for processing applications for and extensions of temporary residence permits for executives, managers and specialists transferred within their companies to other APEC economies.

- Have collectively agreed to issue multiple-entry visas to frequent business travelers from other APEC economies and have acted individually to facilitate business travel, such as by expanding visa-waiver programs or extending the validity of multiple-entry visas.
- Have launched a technical cooperation program to help members implement advanced border management techniques.
- Maintain up-to-date information on their short-term business visa requirements 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, Korea, the Philippines and Hong Kong, China are continuing a trial of the APEC Business Travel Card scheme, which offers accredited business travelers visa-free travel and expedited airport processing when visiting participating economies.

Next Steps

Members are exchanging information on their regulations affecting temporary residence of business people, which is being added to the APEC Business Travel Handbook on the Internet. They will also continue work on raising service standards for temporary residency permits. Technical cooperation in 1999 will focus on raising members' capacity to detect document fraud as a means to streamline entry for legitimate business travelers. New Zealand joins the Business Travel Card in March 1999.

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Implementation of Uruguay Round Outcomes

Since its creation in 1989, APEC has taken the position that it should build on the open multilateral trading system. Thus APEC Ministers and Leaders committed themselves to an early and successful conclusion of the Uruguay Round (UR), and agreed after its conclusion to carry out UR commitments fully and without delay.

The task of this area is to promote opportunities for training and exchange of views and experiences on challenges and solutions related to implementation of the UR outcomes. The goal is full and effective implementation of UR outcomes within the agreed time frame, in a manner fully consistent with the letter and spirit of the WTO Agreement.

Business and Private Sector Participation

The business and private sector have not been so active in the UR Implementation seminars and workshops. Member economies will further consider whether to hold periodic seminars with the business and private sector on UR Implementation.

Achievements

- A seminar and training course on the General Agreement on Trade in Services.
- A seminar on notification obligations under the WTO Agreement on Subsidies and Countervailing Duties
- A training workshop on implementing the WTO TRIPS Agreement.
- Workshop on the WTO Customs Valuation Agreement.

Next Steps

Member economies will consider participation in additional implementation seminars, and discuss subsequent UR Implementation seminars to enhance participation in the WTO built-in agenda and to maintain the momentum for liberalization in APEC and the WTO. Member economies will also contribute to an annual review to monitor progress on UR Implementation, and identify provisions of the UR Agreement that are especially relevant to APEC work.

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Early Voluntary Sectoral Liberalisation **(EVSL)**

In Vancouver, APEC Leaders agreed to early voluntary sector liberalization (i.e. liberalization before the agreed goal of 2010 for industrialized economies and 2020 for developing economies) in 15 areas, i.e., 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 first nine sectors were identified for finalisation by the end of 1999 and the remaining six for further development.

The EVSL initiative is unique in that it envisages a three-track approach to liberalisation – including market opening measures, trade facilitation activities and economic and technical cooperation initiatives.

Business and Private Sector Participation

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

Achievements

- APEC participating member economies developed and reached an agreed schedule in all nine sectors under the EVSL exercise.
- It was agreed that APEC member economies may implement immediately the tariff commitments on a voluntary basis.
- During 1998, the Committee on Trade and Investment has facilitated the technical discussions required to work out the liberalisation details for each sector.

Next Steps

- As instructed at the Leaders' meeting at Kuala Lumpur in November 1998, participating APEC member economies will commence implementation of facilitation, ECOTECH and other initiatives according to the agreed schedule in all nine sectors.
- Participating APEC member economies will further advance work on the remaining six sectors in 1999.
- To carry forward and broaden the participation in the tariff element of the EVSL to the WTO.

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Economic Committee

The Economic Committee was established at the Sixth APEC Ministerial Meeting in Jakarta in November 1994, when the Ministers agreed to transform the *Ad Hoc* Group on Economic Trends and Issues into a formal policy committee. The Committee serves as a forum for member economies to exchange information and provides views and analyses on economic issues in the region. It aims to promote common understanding within APEC on, and disseminate information concerning, economic linkages and longer-term economic trends and issues in the region. The

Committee undertakes analytical work on both trade and investment liberalization and facilitation matters and on cross-cutting economic and technical cooperation issues.

Business and Private Sector Participation

As a policy-level forum, the Economic Committee does not have direct participation by the business and private sector at its plenary sessions but the Pacific Economic Cooperation Council (PECC) attends as an observer.

Representatives of the business and private sector, including experts in the key issues of food, energy, environment, and population, attended the Symposium on the Impact of Expanding Population and Economic Growth on Food, Energy and the Environment (FEEEP) held in September 1997.

Business people are an important element of each economy's delegation to the annual Public-Business/Private Sector Dialogue on Infrastructure. Both small and large firms are represented. Business input is critical to the conclusions of the Dialogue.

Achievements

In 1998, the Committee:

- Prepared and published the annual *APEC Economic Outlook*, which reviews member economies' recent economic performance and future prospects. The 1998 edition considers the impact of the Asian economic and financial crisis. The Committee organized a symposium in China in May 1998 to discuss the issues covered in the *APEC Economic Outlook*, and published the proceedings of the symposium as a companion volume to the *Outlook*.
- Organized the Fourth Public-Business/Private Sector Dialogue on Infrastructure Development, held in Taipei, which focused on infrastructure and sustainable development. The proceedings of the Dialogue were published by the Committee.
- Prepared a substantive report for Economic Leaders and Ministers on APEC's response to "The Impact of Expanding Population and Economic Growth on Food, Energy and the Environment", drawing together APEC's work on food, fisheries, energy, industrial science and technology, and sustainable development. Published the proceedings of a symposium held in September 1997 in Canada to discuss these cross-cutting issues, and analytical studies prepared by the Task Force on Food.
- Contributed to APEC's work on infrastructure through the activities of the Infrastructure Workshop. Worked towards implementation of the framework endorsed by Leaders and Ministers in 1997 for strengthening economic and technical cooperation on infrastructure through developing projects on financing rural infrastructure, sustainable cities and an infrastructure facilitation network.
- Prepared a Survey of Trade-related Environmental Measures and Environment-related Trade Measures. Organized a seminar in Beijing in July 1998 to discuss the conclusions of the Survey and the establishment of a database on environmental measures which impact on trade liberalization and facilitation. Will shortly publish the results of the Survey and the seminar papers.
- Published research studies on *Survey Results on the Use of Economic Instruments for Environmental Protection in APEC Economies* and *Towards an Information Society*:

Developments in APEC. All the titles published by the Economic Committee can be purchased from the APEC Secretariat using the order form available on the APEC Secretariat's website.

Next Steps

The Committee will prepare and publish the 1999 *APEC Economic Outlook*, which will be coordinated by Chile. The *Outlook* will focus on the impact of the current economic crisis on trade.

The Committee will organize the 1999 Public-Business/Private Sector Dialogue on Infrastructure, which will be held in Malaysia.

Research work on *Intra-regional Migration; Cost and Productivity Trends and Patterns of Specialization;* and *The Impact of Investment Liberalization: Individual Economy Review and Industry Case Studies* will shortly be completed and published in early 1999.

More broadly, the Committee will pursue its program of analytical work on cross-cutting issues, in support of both the Trade and Investment Liberalization and Facilitation (TILF) and Economic and Technical Cooperation (ECOTECH) Agendas.

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Budget and Management Committee

The Senior Officials' Meeting (SOM) in September 1993 agreed to establish the Budget and Administrative Committee (BAC) to advise APEC Senior Officials on budgetary, administrative and managerial issues. The BAC assesses and makes recommendations on the overall budget structure, considers budget requests, drafts the annual APEC budget, and examines all questions relating to the APEC budget and budgetary processes. The BAC also monitors and evaluates the

operations and overall performance of working groups and makes recommendations to the SOM for improved efficiency and effectiveness. Ministers in November 1998 re-designated the Committee to Budget and Management Committee (BMC) with a view to strengthening the management of APEC projects.

TILF Special Account

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

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

Business and Private Sector Participation

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

Achievements

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

In 1998, the two regular meetings were held in March and July. The meetings:

- Monitored the expenditures under the APEC Central Fund and recommended adjustments to the budget as appropriate;
- Monitored the progress of Central-Fund-financed projects carried out by APEC committees; and approved new guidelines to strengthen the reporting evaluation procedures for these projects;
- Approved the funding requests under the 1999 budget and drew up the draft 1999 APEC budget;
- Approved 30 projects, totaling about US\$2.7 million, under the 1999 TILF funding;
- Approved new Guidelines on APEC database projects;
- Approved a new Publications Policy and examined publications-related matters;
- Reviewed the common unit cost items for project budgeting; and
- Reviewed the members' contribution formula.

Next Steps

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

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Sub-committee on ECOTECH

The SOM Sub-Committee on Economic and Technical Cooperation (ESC) was established in 1998 to assist the SOM in coordinating and managing APEC's ECOTECH agenda, as well as identifying value-added initiatives for cooperative action. The ESC will further develop its relationship with other APEC Fora in order to improve coordination of ECOTECH work and to ensure that ECOTECH activities add value and contribute to the achievement of APEC goals. The ESC will continue to achieve a balance in all three pillars of APEC cooperation to ensure sustained economic growth and development. Economic and technical cooperation has acquired added urgency in the wake of the financial crisis and further focus be given to strengthen coordination in ECOTECH activities and intensify work in the priority areas.

Achievements

In 1998, the ESC carried out an initial evaluation which identified several issues including the duplication of effort, coordination among APEC Fora, results orientation of the projects and relevance to the private/business sector. As a result of the evaluation, the SOM issued a set of guidelines on strengthening the management of ECOTECH activities, including measures to enhance the participation of the private/business sector. The guidelines attempt to make the ECOTECH activities highly focuses and results oriented and to involve the private/business in the project cycle.

The ESC compiled a comprehensive report on ECOTECH activities in APEC in 1998. The report form the basis for the *1998 Report on ECOTECH Activities* which the SOM submitted to the Kuala Lumpur Ministerial meeting. The report highlighted the activities in the six priority areas set out in the Manila declaration and contains brief descriptions of the 274 ongoing ECOTECH projects. Ministers welcomed the report and expressed satisfaction with progress on the broad spectrum of ECOTECH activities in pursuit of the six priority themes, particularly the focus on capacity-building, and commended the efforts of the ESC to improve coordination and management and ensure focussed outcomes.

Next Steps

The ESC will build on its work to assist SOM in managing APEC's ECOTECH agenda. In particular, the ESC will further develop its relationship with other APEC fora in order to improve coordination of ECOTECH work and to ensure that ECOTECH activities add value and contribute to the achievement of APEC goals. The ESC will intensify work to further improve the effectiveness of economic and technical cooperation activities. The ESC will continue to work with the APEC Working Groups and other APEC fora in furthering APEC's objectives of promoting economic growth and cooperation.

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Energy

The Energy Working Group (EWG), launched in 1990, has the objective to maximize the energy sector's contribution to the region's economic and social well being, while mitigating the environmental effects of energy supply and use. The EWG contributes to decision-making through frank and open discussion of members' energy policies and planning priorities, sharing basic resource demand and supply outlook data, and considering the regional energy policy implications and responses to wide-reaching energy-related issues.

Business and Private Sector Participation

The business/private sector is involved in the work of the EWG through the EWG's five Expert Groups and is represented at EWG meetings by the PECC Energy Forum. The EWG decided in March 1998 to set up the EWG Business Network to provide the views of the business sector to the EWG. The Network replaces the Ad Hoc Business Forum on Power Infrastructure which had fulfilled its mandate. The Network comprises two business representatives from each economy. Business participates in, and supports, EWG events such as seminars, training programs and technology demonstrations. A business sector-Ministerial dialogue has been held in conjunction with each Energy Ministers' meeting held to date.

Achievements

The EWG has:

- Published *APEC Energy Statistics* on a regular basis, consisting of annual and quarterly data covering energy balances, final energy consumption, supply and demand by energy sources and electricity, and stock changes for APEC member economies.
- Developed, and obtained the agreement by Energy Ministers to implement 14 Rational Energy Policy Principles which give impetus to the reform of energy policies in member economies. Ministers in Okinawa (1998) reviewed further progress in implementing the non-binding principles.
- Held three Energy Ministers' meetings (Sydney, August 1996; Edmonton, August 1997; Okinawa, October 1998).
- Gained endorsement by Energy Ministers (1997) of the non-binding principles contained in the *Manual of Best Practice Principles for Independent Power Producers (IPPs)*, aimed at

mobilizing capital for private sector investment in power infrastructure. Progress in implementing the principles was reviewed by Ministers in Okinawa in October 1998.

- Secured endorsement by Ministers of a set of non-binding principles for good environmental practice aimed at ensuring new power infrastructure additions in APEC economies are environmentally sound. A work program to promote environmentally sound power infrastructure was endorsed by Ministers in Okinawa.
- Conducted a program of seminars, training courses and information exchange activities aimed at promoting new and renewable energy technologies, more efficient energy production and use, and the mitigation of the environmental impact of energy production and use, including through the application of clean fossil energy technologies.
- Completed and published a comprehensive *Regional Energy Supply and Demand Outlook* to the year 2010. The issues arising from the *Outlook* were addressed by Ministers in Okinawa, where they provided further guidance to the EWG on its future work.
- Gained endorsement from Energy Ministers to a set of policy recommendations to facilitate investment in natural gas supplies, infrastructure and trading systems in APEC.
- Obtained Ministers' endorsement for a pledge and review system aimed at improving energy efficiency.
- Secured Ministers' endorsement for a Standards Notification Procedure.
- Upgraded and expanded its Internet website resources aimed at facilitating power infrastructure investment. Development of the resources on the website is on-going.

Next Steps

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

- Further development of a comprehensive linked database of minerals investment opportunities in the APEC region.
- Implementation of the directions given by Ministerials including:
 - Work arising from Ministers' deliberations on the energy outlook at Okinawa;
 - Additional progress on cooperation in energy standards;
 - Implementation of the endorsed work program on environmentally sound power infrastructure development; and
 - Further progress on energy efficiency, including implementation of the pledge and review system endorsed by Ministers.
- The EWG will also introduce a regular policy dialogue at each EWG meeting, and undertake voluntary sharing of information on oil markets in APEC.

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Fisheries

The Fisheries Working Group (FWG) aims to: promote the conservation and sustainable use of fisheries resources; promote sustainable development of aquaculture and habitat preservation; seek solutions to common fisheries resource management problems and aquaculture disease control; enhance food safety and quality of fish and fisheries products; and promote sector-specific work relating to trade and investment liberalization and facilitation.

Business and Private Sector Participation

The business and private sector does not usually participate in Fisheries Working Group meetings, but in some cases it has been involved at the project level. The FWG will develop procedures to promote the involvement of business in its activities. Representatives of the PECC regularly take part in FWG meetings.

Achievements

The FWG's achievements in 1997 and 1998 included:

- Publication of an *Inventory of Fisheries Administrations and Organizations in APEC Members* (1997).
- Two technical workshops on seafood inspection systems (Bangkok, October 1997 and Bangkok, November 1997).
- Publication of a 'how-to' manual on trade in airshipped seafood for publication.

- A study on tariffs under Phase I of the project on Trade and Investment Liberalization in Fisheries.
- Eight workshops on auditing Hazard Analysis and Critical Control Points (HACCP) and quality programs.
- The Aquaculture Forum (Taipei, June 1998) which focused on the growth and development of sustainable aquaculture in the APEC region.
- A study entitled *Free Trade and Investment in the Fisheries Sector of the Asia-Pacific Region: Economic Analysis of Tariffs*.

Next Steps

The FWG will continue to be engaged in the long-term fisheries trade study project that analyzes sectoral trade issues over a period of four years, covering tariffs, non-tariff measures, investment measures, and subsidies. The FWG will undertake an economic analysis of the impact of tariffs on free trade and investment in the fisheries sector in the Asia-Pacific region. The FWG will continue to be engaged in issues relating to aquaculture and will be undertaking a number of projects in 1999 on collaborative APEC Group or on research and development network, collaborative aquaculture education program and the role of women in aquaculture. The FWG will also oversee the development of an internet-based marketing information service for the fishing, aquaculture and fish processing industries in APEC. In addition, the FWG will provide assistance and support on the implementation of the ECOTECH elements of the EVSL proposal on fish and fish products.

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Human Resources Development

Established in 1990, the Human Resources Development Working Group (HRDWG) covers a broad range of human resource development issues from basic education to industrial training to leadership and management for Small and Medium Enterprises (SMEs). The HRD WG, as well as its five networks, met twice in 1998. The 17th HRD WG Meeting was held in Bali, Indonesia on 19-22 January 1998, while the 18th HRD WG Meeting was held in Chinese Taipei on 16-19 June 1998.

At HRD 17, the working group discussed, among other things, follow up actions to the recommendations of the 2nd HRD Ministers Meeting held in Seoul in September 1997 on issues such as school-to-work transitions, skills development and education, the participation of women and youth, and on labor, management, government collaboration on HRD-related issues. One of the most important outcomes of HRD 17 was the formation of an HRD WG Task Force on the Human Resource and Social Impacts of the Financial Crisis. The Task Force was formed to explore and examine the human resource, labour market and social impacts of the crisis and to recommend actions which the HRD WG could take to address them.

HRD 18 was immediately preceded by a one-day Symposium organized by the Task Force on Human Resource and Social Impacts of the Financial Crisis. HRD WG members attended the Symposium together with experts representing business, labor and gender groups. Most affected member economies made individual presentations focusing on measures adopted in response to the crisis including the challenges they faced in their implementation. The working group also discussed on about 20 new project proposals and endorsed 7 new project proposals for APEC funding in 1999. They are:

- Maintenance of the APEC LMI Database.
- Integration of Information and Communication Technologies Through Teacher Professional Development and Pre-Service Training.
- Trainers Training Program in Industrial HRD School-Industry Linkages for Industry Workers, Trainers and Supervisors.
- Application of Total Productive Maintenance (TPM) in Small and Medium Industry.
- Successful Practices in Human Resources Development in the Workplace: Contributions from Labour, Management, and Government.
- Chief Human Resources Officer (CHRO) Network Project – Phase II.
- APEC Experts-Trainers-Executives Workshop on International Quality Assurance Systems.

Business and Private Sector Participation

The HRD WG discussed how to maximize private/business sector participation in working group activities. The APEC Chief Human Resources Officer (CHRO) Network project aims to establish a regular dialogue mechanism by which entrepreneurs, high government officials and senior researchers from APEC economies can jointly analyze the challenges of enterprise management in the region. The Financial Crisis Symposium held last June likewise tapped significantly experts from business, labour and the academia.

Achievements

- Symposium on the Human Resource and Social Impact of the Financial Crisis, 15 June 1998, Chinese Taipei. A report of the Task Force was presented to the Leaders in Kuala Lumpur in November 1998.
- Contributed material inputs to the Action Programme on Skills Development in APEC, the APEC Agenda for Science and Technology into the 21st Century, and the Ministerial Meeting on Women.
- Twenty completed projects in the area of education, training and skills development, business management and electronic commerce, labour market, and on women and youth.

Next Steps

The HRD WG will continue to implement initiatives on a range of HRD issues in response to the direction from APEC Leaders and Ministers. In particular, for next year, the HRD WG will see to the successful implementation of the recommendations of the Task Force on Human Resource and Social Impacts of the Financial Crisis. The HRD WG is also expected to play a major role in the implementation of the Kuala Lumpur Action Programme for Skills Development in APEC as well as in the area of electronic commerce.

The HRD WG will continue its efforts to have closer working relations and coordination with other APEC fora, to enhance its managing practices of its activities and to develop better dissemination of project outcomes and results, and to effectively evaluate completed projects and to incorporate 'lessons learned' from these projects into policy-oriented works.

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Industrial Science and Technology

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

The ISTWG's work program is based on the working group's vision for the twenty-first century of a dynamic and prosperous Asia-Pacific region built on the development and application of industrial science and technology that improves the quality of life while safeguarding the natural environment, issues related to sustainable development.

The ISTWG has the following key priorities: improved availability of information; improved human resources development; improved business climate; contribution to sustainable development; enhanced policy dialogue and review; facilitation of networks and partnership.

Business and Private Sector Participation

There has been active business and private sector's involvement in activities such as 'Technomart' held in Chinese Taipei (1998), and the meetings of the APEC Science and Technology Industrial Parks Network: Beijing, China (1997), Perth, Australia, (1998). The business and private sectors are encouraged to participate in the ISTWG activities.

Achievements

The ISTWG issued the *ISTWG Handbook for Members* to ensure that its members are well-briefed and that the group is effectively organized. The *Handbook* describes the current aims, policies, procedures and practices of the group.

In addition to conducting a series of seminars, symposia and workshops, the ISTWG has completed several projects, including:

- 'Technomart';
- Meetings of the APEC Science and Technology Industrial Parks Network;
- Asia-Pacific Youth Science Festival;
- Establishment of the APEC Virtual Centre for Environmental Technology Exchange;
- Establishment of APEC Centre for Technology Foresight;
- A study on available industrial science and technology indicators; and

- A survey of relevant laws and regulations of APEC members governing trade and investment-related technology.

The ISTWG has created the 'APEC Science and Technology Web' (AST Web) to help expedite information flow among member economies. The AST Web's address is <http://www.apecst.org>.

Next Steps

Several ISTWG projects are ongoing and will deliver outcomes in 1999. The continuing projects include those related to Partnerships and Networks among research and development institutes, Cleaner Production Strategy/Clear Technology Strategy; Gender and Science and Technology, emergency preparedness, and health issues.

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Marine Resource Conservation

The Marine Resource Conservation Working Group (MRC) was launched in 1990. The objective of the working group is to promote initiatives in the APEC region which will protect the marine environment and its resources and ensure continuing socioeconomic benefits through maintenance of marine environmental quality. The health of the marine environment is crucial to the economic and social well-being of the people in the region. The MRC working group is committed to protecting this collective resource, and to making dramatic progress toward a sustainable marine environment. Chinese Taipei is currently serving as the lead shepherd of the

group for a two-year term until June 2000, and other shepherds of the group are Canada, China, Indonesia, and Thailand. As called for by BMC, Australia, Canada, Chile and Thailand formed a project evaluation team. The last Working Group meeting (MRC11) was held in June in Chile and the 12th Working Group meeting (MRC12) will be held in 17-20 May 1999 in Cairns, Australia.

Business and Private Sector Participation

The *APEC Action Plan for Sustainability of the Marine Environment*, which was endorsed by the Environment Ministers (June 1997), will rely on significant participation from business and the private sector in meeting its objectives. Several 1998 projects have significant business and private sector involvement as sponsors or co-sponsors, which is a new development for this forum. A set of guidelines for business and private sector participation to identify areas where this sector can contribute, as well as the mechanisms for its involvement was tabled and discussed at the MRC11 in June 1998. It is expected that the guidelines will be improved and endorsed by the Working Group.

Achievements

During 1997 and 1998, the MRC Working Group completed several projects and initiatives, including:

- **Management of Red Tide and Harmful Algal Blooms in the APEC Region (MRT/HAB)** project is to help each APEC economy develop the scientific and regulatory infrastructure sufficient to certify that its seafood is safe with respect to algal toxins, using procedures and standards that are acceptable to all economies in the region. This will lay the groundwork for a key component required to permit free trade in fisheries products.
- **Ocean Models and Information System for the APEC Region (OMISAR)** established information systems and collected ocean models for marine resources conservation. The decision makers and scientific community can benefit from OMISAR mirror sites and acquire professional consultation from the main site of OMISAR project at <http://sol.oc.ntu.edu.tw/omisar>.
- **Workshop on the Impact of Destructive Fishing Practices on the Marine Environment** was held in Hong Kong, China, 16-18 December 1997 to discuss the issues on impacts of destructive fishing practices, protection of the coral reef environment, promotion of environmentally-friendly fishing practices, as well as legislation, enforcement and management strategies. The proceedings of the workshop will be published by Hong Kong, China in December 1998.
- **Workshop on the Regional Implementation of the Global Program of Action (GPA) on Land-based Sources of Pollution** was held in Townsville, Australia, on 14-16 April 1998, to refamiliarize APEC member economies with GAP methodological approach to problem identification and solution.
- **Working Together: Regional Workshop on Preventing Maritime Accidents and Pollution in the Asia-Pacific Region** was held in Townsville, Australia, on 20-23 April 1998. The workshop brought together significant industry, related authorities, academic, non-government community interests together to formulate a strategy and action plan to enhance the protection of the marine environment from ship-based pollution.

- **Joint Workshop on the Decommissioning of Offshore Oil and Gas Platforms**, co-hosted by the United States and Indonesia, was held from 27-29 October 1998 in Jakarta, Indonesia, to explore the best management and treatment of decommissioned offshore oil and gas platforms.
- **Ocean Research Network for the Pacific (ORNEP)** project is to build a network of centers of excellence in ocean and coastal research, and related technology, to support the marine interests of the APEC economies. The initial efforts will focus on developing research themes among coastal and related sustainability initiatives under APEC, and in developing funding arrangements for these.
- **APEC Action Plan for Sustainability of the Marine Environment** was prepared and endorsed. The Action Plan is aimed at achieving the following three objectives: integrated approaches to coastal management; prevention, reduction and control of marine pollution; and sustainable management of marine resources.

Next Steps

The MRC will:

- Coordinate and seek input from other APEC fora to implement the *Action Plan for Sustainability of the Marine Environment* to support APEC Economic Leaders' priorities with respect to the marine environment, including promoting environmentally sustainable growth, harnessing technologies for the future, and developing human capital.
- Continue the implementation of two MRC multi-year projects, i.e., management of red tide and harmful blooms in the APEC region (MRT/HAB) and ocean model and information system in the APEC region (OMISAR).
- Promote coordinated development of APEC's marine-related networks (OMISAR, ORNEP, the Sustainable Development Training and Information Network, and the EduNet Integrated Coastal Management network) to facilitate the exchange of information to support decision-makers, and the implementation of joint research and monitoring programs to sustain and conserve marine resources.
- Initiate a study on assessment of the environmental safety of aquaculture farms using biochemical indicators of distress.

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Telecommunications

The APEC Telecommunications Working Group (TEL) had its origins at the Senior Officials' Meeting in 1990. Under its first shepherd, the United States, the WG was charged to address human resources development; technology transfer and regional cooperation; opportunities for on-site visits, observerships and fellowships; and telecommunications standardization.

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

APEC Ministers responsible for the Telecommunications and Information Industry have met three times to review the work of the TEL, and to provide direction for the development of the Asia-Pacific Information Infrastructure (APII) project. At their first meeting 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 the Second Ministerial Meeting, held in Queensland, Australia, in 1996, Ministers made 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 Liberalised Telecommunications Sector. The *Gold Coast* and the *Seoul Declarations* are available on the Internet at <http://www.dca.gov.au/apec/mtgdocs.html>.

At the Third Ministerial Meeting, the Singapore Declaration was issued. A highlight of the meeting was Ministerial endorsement of the Mutual Recognition Arrangement for Conformity Assessment of Telecommunications Equipment, marking the first success of APEC's Early Voluntary Sectoral Liberalisation initiative. Ministers also approved a Reference Framework for Action on Electronic Commerce and a set of principles for use by economies wishing to provide universal access to telecommunications services. The Singapore Declaration is available on the Internet at <http://www.apii.or.kr/telwg/18tel/plenary/plen-e-01.html>.

Business and Private Sector Participation

The business and private sector from many APEC member economies is actively involved in TEL activities, including all four TEL Steering Groups. The drive to complete a Mutual Recognition Arrangement (MRA) for telecommunications equipment has attracted significant business participation and support. Research and publications by the Steering Groups have been welcomed by businesses.

Since TEL 13 (March 1996), each meeting of the Working Group has included a Business-Government Dialogue, organized jointly with the Pacific Economic Cooperation Council (PECC), which provides an opportunity for the two sectors to engage in informal discussion on topics of mutual interest. At TEL 15 (March 1997), the Liberalization Steering Group accepted a PECC offer to review and report on the benefits of liberalization of Guidelines for Trade in International Value-added Network Services (IVANS) within APEC, which marks a new level of business and private sector involvement with the Working Group. At the Third Ministerial Meeting, a Government-Industry Dialogue was held, allowing the Government and the business/private sectors to hold frank discussions on issues affecting the telecommunication and information industry.

Leaders and Ministers stated at the Vancouver APEC meeting that electronic commerce is one of the most important technological breakthroughs of this decade. A joint TEL-PECC seminar on this issue was held in conjunction with the 17th TEL meeting in Brunei in March 1998. The Reference Framework for Action on Electronic Commerce adopted by Ministers in June 1998, committed the TEL WG to collaborating with the APEC Electronic Commerce Task Force, and to a focused program of work. At the 18th TEL meeting in Papua New Guinea in September 1998, a workshop on Public Key Authentication was held, once again with active business participation.

Business and private sector participation in TEL meetings and activities are welcome. Individuals wishing to take part should approach the APEC TEL Point of Contact in their particular economy to discuss arrangements (see page 47 for a list of APEC offices in Member Economies).

Achievements

The TEL completed more than 14 projects in 1998, including:

- Endorsement of the world's first multilateral Mutual Recognition Arrangement for Telecommunications Equipment.
- Establishment of a TEL website at the APII Cooperation Centre in Korea (<http://www.apii.or.kr/telwg/>).
- Completion of a major study of the Impact of the APII.
- Cross-cutting work on alternatives for providing Universal Service, including a seminar.
- Successful completion of two distance learning pilot projects contributing to the APEC Distance Learning Network.
- Development of Telecommunications Skill Standards for Cabling and Connection.
- Significant work on Key Elements Necessary for Promoting Business/Private Sector Participation in Telecommunications Infrastructure Development.
- A report on legal and regulatory barriers to electronic commerce.

Next Steps

During 1999, the TEL will review and implement an ambitious work program to achieve goals set by APEC Leaders and its own Ministers. Following its 18th meeting held in Papua New Guinea in September 1998, the TEL had over 40 active projects and activities, several of which will be completed in 1999. Highlights include:

- Training to facilitate timely implementation of the Mutual Recognition Arrangement on Conformity Assessment for Telecommunications Equipment.
- Several projects to advance electronic commerce to benefit the business and private sector, and especially SMEs. (Surveys and data gathering, awareness seminars, policy advice, interoperability tests, work on electronic authentication, etc.)
- Training to promote the development of multimedia and World Wide Web skills.
- Completion of the Interactive Medical Curriculum Project.
- Continued growth of the APII Cooperation Centre in Korea, concentrating on advanced broadband applications testing and development, and the APII Technology Centre in Japan, concentrating on experimentation with advanced broadband communications networks.
- Expanding use of the distance learning network in support of several human resource development projects, combined with workshops and personnel exchange programs aiming to develop human resources for the telecommunications and information sector and to assist economies to ready themselves to deal with disaster recovery.
- Collaboration with the International Telecommunication Union and others to develop a Centre of Excellence for Telecommunications Management in Asia.
- Support to the APEC Infrastructure initiative by developing the Asia Pacific Information Society.
- Creating a flexible, non-prescriptive framework containing the necessary principles to formulate interconnection arrangements in a manner that promotes fair and effective competition in the market and delivers benefits to users.
- Creation of a Working Group Task Force to investigate International Internet Bandwidth Financing issues.

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Tourism

The Tourism Working Group (TWG) was formed in 1991 based on the recognition that the tourism industry is of growing importance in promoting economic growth and social development in the Asia-Pacific region. The TWG brings together tourism administrators to share information, exchange views and develop areas of cooperation on trade and policies. Malaysia is the chair of the TWG in 1998.

Business and Private Sector Participation

Participation by the business and private sector has been channelled through the involvement of representative travel organizations such as the Pacific Asia Travel Association, the World Travel and Tourism Council, and the World Tourism Organization. The TWG plans to expand participation of the business and private sector by enlarging the number of representatives invited to attend TWG meetings.

Achievements

The TWG made significant strides in further defining its agenda and identifying priority issues. It has compiled a comprehensive inventory of barriers to travel in the APEC region and agreed to a series of collective actions to address impediments to tourism growth. Its work program includes activities in the areas of Trade and Investment Liberalization and Facilitation, and Economic and Technical Cooperation. The 13th TWG meeting, held in Langkawi Island, Malaysia from 11-14 October 1998, revised the implementation of its activities defined in its work program.

One major outcome for 1998 was the publication of a Report on *The Economic Impact of Travel and Tourism Development in the APEC Region*. This report was the product of a jointly funded project between the APEC Tourism Working Group and the World Travel and Tourism Council (WTTC) to examine the economic impact and potential of travel and tourism in the APEC region. The report provides the first comprehensive analysis of the economic impact of travel and tourism in the APEC region together with projections to the year 2010. In doing so it highlights the enormous importance of the sector in the region's economy and the exciting potential for continuing economic and employment growth which this industry offers. Also, this report represents a significant example of cooperation between APEC and the private sector as represented through the WTTC.

Next Steps

The TWG's work program will focus on four specific themes:

- Facilitation of tourism movements and removal of travel barriers, including identification of all impediments to travel movements, identification and selection of manageable impediments

for possible elimination or facilitation, and promotion of the economic importance of tourism in APEC economies.

- Promotion of tourism as a means to achieve sustainable economic development focusing on best business practices.
- Human resources development in the tourism industry through standardization of skills, identification of training needs over a projected period, and promotion of best business practices.
- Exchange of tourism information which focuses on: enhancing cooperation between the public sector and the business/private sector, establishment of effective means to exchange relevant information, support to cooperative programs, and access to communication networks.

The TWG is also interested in tourism issues that involve other APEC fora, such as those related to SMEs, transportation, the environment, technology, and youth. The 14th TWG meeting will be held in Manzanillo, Mexico, in May 1999.

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Trade Promotion

The Working Group on Trade Promotion (WGTP) first met in Seoul in June 1990. Its objective is to contribute to sustained economic development and improved standard of living of the people of the Asia-Pacific region, by promoting the dynamism of intra-regional trade through a range of activities. The WGTP's work centers on trade promotion activities, trade financing, trade skills

and training, trade information and networking business cooperation between the private sector and public agencies including trade promotion organizations.

Business and Private Sector Participation

Business representatives attend meetings as part of member economies' delegations and have influenced, via those delegations, trade promotion plans and programs. Since 1994, participants in delegations to the WGTP from the business/private sector have also met separately and reported on their deliberations to WGTP.

The business/private sector also participate in trade promotion activities such as APEC International Trade Fairs. The First and Second Trade Fairs were held in Osaka, Japan from 24-27 October 1994, and Yantai, People's Republic of China from 6-10 June 1997, respectively. The Third APEC International Trade Fair was held in Kuala Lumpur, Malaysia between 13-16 November 1998. The fairs provide new business opportunities and generate sales for the products and services of the business/private sector as well as networking opportunities among themselves and government officials of member economies.

The WGTP's encouragement of business groups to establish a network among themselves helped launch the APECNet, which contained information on the WGTP and its activities, as well as allowing the business community to search for business opportunities (including business matching services) in member economies, by posting inquiries and accessing member economies' homepages.

Achievements

Major achievement in 1998 included:

- The Third APEC International Trade Fair, which was held in Kuala Lumpur, Malaysia
- The Case Study on Trade Promotion and Poverty Alleviation (the Case of Yunan, People's Republic of China)
- Exchange of Trade Promotion Experts on Development of Local Industries and Trade and Investment
- The launch of the APEC net which contained business matching services and posting inquiries
- Publication of a Core Characteristic Survey of APEC Trade Promotion Organizations
- An International Trade Promotion Skills Training Program, which was held in Chinese Taipei

Next Steps

The WGTP continues to develop, support and facilitate intra-regional trade in goods and services which includes actively encouraging participation in the Working Group's activities by each economy's business/private sector and trade promotion organization, as well as improving trade promotion activities through sharing information and knowledge of trade development activities and techniques of member economies.

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Transportation

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

Business and Private Sector Participation

Some economies regularly include business representatives as part of their delegations. TPT-WG meetings are generally preceded by one-day seminars on transportation topics, to which business representatives are usually invited. In 1998, the TPT-WG has extended invitations to attend sub-fora meetings to three motor vehicle organizations, i.e., the International Motorcycle Manufacturers Association (IMMA), International Organization of Motor Vehicle Manufacturers (OICA), and the Federation International de l'Automobile (FIA) as well as to the Pacific Region Airports Council International. Though business has had limited influence on TPTWG plans and programs, individual economies consult regularly with their private sector interests.

Achievements

Highlights of the TPT-WG's achievements in 1998 included:

- The preparation of a report on the eight options for more competitive air services, which has been completed and submitted to the transportation ministers; and the decision by the TPT-WG, that Economies could provide, on a voluntary basis, progress reports on the

implementation of the recommendations made by the Air Services Group to the TPT-WG Steering Committee on More Competitive Transportation;

- Development of a TPT-WG web-site for the 14th TPT-WG meeting, as a component of the TPT-WG Electronic Commerce initiatives which also include the submission to the SOM Task Force on Electronic Commerce of an issues paper on paperless trading as well as a statement regarding a contribution to the Electronic Commerce Task Force's Work Program and TPT-WG participation at Task Force Meetings;
- Seminar on International Road Vehicle Standards Harmonization held in conjunction with TPT-WG in Mexico on 21 April 1998, consistent with the directive of Transport Ministers that APEC members engage in dialogue with the UN/ECE. The Seminar provided an opportunity to raise awareness among APEC members of standards harmonization activities in the automotive sector and the function of the UN/ECE WP on Transport;
- Completion of an interactive web-based Port Data Base to which all the Economies are encouraged to contribute data; Endorsement by the TPT-WG of a Mission Statement as a first step in promoting an efficient, safe and competitive operating environment for maritime transport in the region; and
- Completion of an inventory of existing oil spills arrangements and a summary is now available at the APEC Secretariat's website.

Next Steps

- Priority areas of the TPTWG include safe and environment-friendly transportation systems, trade facilitation, promotion of a more competitive transportation industry, infrastructure development, human resources development, and new transportation technologies. Specific projects the TPTWG will complete in 1998 include: development of a Best Practices Manual based on Findings Arising from the Urban Transport Forum Meetings (Seoul, Korea, 1996; Chinese Taipei, September 1997); and completion of Phase IV of the Road Transport Harmonization Project, involving analysis of the automotive conformity assessment and certification requirements of APEC members.
- Complete review of survey questionnaire results and draft recommendations concerning marine safety issues and problems in the region and development of a project proposal for consideration with respect to the conduct of research into how the maritime administration of economies are structured, their legal framework, how they function, and the action necessary to achieve full implementation of those conventions or standards.
- Development of a report outlining the results of a survey examining the status of implementation of the Recommendations of the Group of Experts on Aviation Safety and Assistance GEASA contained in their report entitled, *Aviation Safety in the APEC Economies: Report to APEC Transport Ministers, 12 June 1997*.
- Selection and hiring of a consultant to ascertain the existing standards of training facilities, instructors, examiners and curriculum for seafarers throughout the APEC region's existing maritime training institutions and training equipment in each member economy in order to improve the quality of seafarers in the region.

- Completion of program to deliver training for seafarers consistent with the revised provisions of the International Maritime Convention on Standards for Training, Certification and Watchkeeping (STCW).
- Completion of a survey of action taken by APEC economies to resolve the Year 2000 (Y2K) problem in air traffic control and airport system.

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Policy Level Group on Small and Medium Enterprises

The Ad Hoc Policy Level Group on SMEs (PLGSME) was established in February 1995 following a recommendation of the first SME Ministers Meeting held in Osaka in October 1994. Its original mandate was for two years. However, it has been extended twice: the first time, in 1996 and the second, just recently, in August 1998, thereby extending its mandate up to the year 2001. The 7th PLG SME Meeting was held in Port Moresby on 11-12 March 1998. It discussed, among other things, the effect of the financial instability on SMEs and a proposed Five-year SME Action Plan which is intended to provide strategic objectives and directions to SME development in APEC. It approved five new projects for implementation in 1999 on subjects such as human resource management, strategic alliances between SMEs and large firms, training of small business counsellors, electronic commerce, and internationalization of SMEs. It, likewise, discussed preparations for the 5th SME Ministerial Meeting.

The 4th SME Ministers Meeting in Ottawa, September 1997 had committed their economies to create business environments that will address the special needs of SMEs. The Ministers endorsed the *Framework for APEC SME Activities* developed by PLGSME for consideration by all APEC fora in designing and implementing SME-related activities. Building on the 1997 Framework, the Fifth SME Ministers Meeting in Kuala Lumpur, 7-8 September 1998, endorsed an Integrated Plan of Action for SME Development (SPAN) which serves as a set of broad guidelines for SME development as well as plan future action at the individual economy level and collaborative efforts at the APEC level. The Meeting also discussed the impact of Financial Instability on SMEs and encouraged the adoption of specific measures to address the impact of the crisis on SMEs. These could include ensuring the availability of trade financing by ECS, expansion of industrial supply and sub-contracting business cooperation and better risk assessment capabilities in relation to credits for SMEs. The Meeting reaffirmed the need for specific programmes to facilitate and promote wider use of electronic commerce by SMEs and recognized the leading role of the business sector in this respect.

Business and Private Sector Participation

There is growing private/business sector participation in APEC SME activities. Majority of SME-related activities have involvement of the private/business sector either as participants/speakers in trainings/workshops or respondents in surveys. In the recently held 5th SME Ministerial Meeting, a number of private/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. The APEC SME Ministers welcomed the recommendations of the various groups and directed the PLG SME to follow up on them.

Achievements

Accomplishments during 1998 included:

- Development and endorsement by SME Ministers of the Integrated Action Plan for SMEs Development which could be used by the individual economies to design their action plan to develop their SMEs.
- Publication of an updated edition of the compendium *Helping Your Business Grow: Guide for SMEs in the APEC Region* which is available on the APEC homepage.
- Publication of *APEC SME Indicators: A Feasibility Assessment* which consists action plan and recommendations on the SMEs development in the APEC region.
- Publication of *Best Practice Manual* relating to eco-efficiency in the small and medium enterprises
- Completion of a study on the operating environment in China for SMEs from APEC economies.
- Completion of Phases I and II of the Training and Certification Program for Small Business Counsellors.
- Completion of the project "APEC Technoforum" on improving communications between SMEs and APEC.

Next Steps

The PLG SME will continue to remain as a policy level group but will focus more on policy related issues and long-term strategic plans and activities as engendered by the newly endorsed Integrated Plan of Action for SME Development (SPAN). In this regard, it will collaborate with the works of other APEC fora to ensure that the perspectives of the SPAN are developed in a coordinated and efficient manner. It will also work closely with other APEC fora in the area of addressing the impact of financial instability on SMES and in electronic commerce. It will further encourage private/business sector participation in its work.

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Agricultural Technical Cooperation Experts Group

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

The ATC's work program focuses on seven priority areas: conservation and utilization of plant and animal genetic resources; research, development and extension of agricultural

biotechnology; marketing, processing and distribution of agricultural products; plant and animal quarantine and pest management; cooperative development of an agricultural finance system; agricultural technology transfer and training; and sustainable agriculture.

Business and Private Sector Participation

Representatives of the business and private sector are able to participate as members of their economy's delegation and are invited to collaborate in the cooperative activities undertaken by the ATC. The ATC will continue to coordinate closely with the PECC Food and Agricultural Forum to support PECC's activities, obtain advice, and ensure that work is not duplicated.

Achievements

Highlights of the ATC's accomplishments during 1998 include:

- Workshops on Agricultural Biotechnology (Honolulu, Hawaii, March 1998) and Kuala Lumpur, Malaysia, November 1998.
- Workshop on Risk Assessment of Plant Pests (Honolulu, Hawaii, March 1998).
- A workshop on Conservation and Utilization of Farm Animal and Aquatic Genetic Resources (Chinese Taipei, November 1998).
- A seminar on Agricultural Finance Systems (Tsukuba, Japan, March 1998).
- Further development of an ATC homepage (<http://www.dpie.gov.au/dpie/apec/atc>).
- Support for updating PECC's Trade Facilitation Manual (see <http://www.pecc.org> under Food and Agricultural Forum).

Next Steps

The ATC's areas of focus for the future include the establishment of new networks and databases and the organization of workshops in the priority areas set by its work program. For example, the ATC will establish an agricultural credit information network; a database to enable researchers and breeders to access information on plant and animal genetic resources; and a database for information concerning institutions in the region involved in agricultural technology transfer, training facilities, and courses. Future workshops will discuss biotechnology risk assessment, agricultural finance, sustainable agriculture, pest risk analysis, and plant and animal genetic resources.

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APEC Study Centres Consortium

The concept of APEC Study Centers (ASC) was established as part of the Leaders' Education Initiative at the Blake Island meeting of APEC Leaders in 1993. The purpose is to promote interdisciplinary and policy-relevant research from an independent and long-term perspective; facilitate scholars and students exchanges; provide opportunities for mutually beneficial training, and foster understanding of the Asia-Pacific region through informed participation of the civil society. The concept is implemented by APEC member economies voluntarily and flexibly in line with their respective needs and financial capacity.

Currently, there are ASCs in 16 member economies, with the remaining five economies (Brunei Darussalam, Papua New Guinea, Per, Russia and Vietnam) planning to establish study centers in the near future. There has been a variety of plurality of ASC activities. APEC member economies participate voluntarily in the Annual ASC Consortium meetings and other bilateral or multilateral activities in accordance with their needs and interests. There has also been unevenness and variation in funding of ASCs among member economies.

Business and Private Sector Participation

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

Achievements

The Sixth ASC Annual Consortium meeting was held in Bangi, Malaysia in August 1998 with participants from 16 member economies. The Consortium continues to promote the study of APEC themes throughout the region, and recognizes its responsibility to contribute to APEC's response to the unprecedented challenge posed by the Asian economic crisis. In addition to reaffirming the 1997 mission statement, the ASC Consortium considers it important to play a forward-looking role in bridging an optimal gap between the ASC and APEC and connecting with the APEC official track and with its own civil society. The ASC Consortium also reported to SOM and highlighted the importance of effective and closer links with the formal APEC process, and asked APEC Secretariat for assistance in facilitating the flow of information between consortium members and the various APEC Fora. The APEC Secretariat has provided a website for consortium's information exchange on the APEC homepage.

Next Steps

- The Consortium is to provide independent critical analysis on crisis management options and will be reported at the 1999 consortium conference.
- The Consortium is to assess the achievements and shortcomings of APEC to date, on the occasion of APEC's 10th anniversary in 1999, in terms of economic welfare and community building.
- The Consortium is to provide a forum for the reporting and peer review of ongoing research among the consortium members on a wide range of APEC issues, including but not limited to those related to TILF and ECOTECH programs.
- The Consortium is to explore formal recognition as an APEC forum in its own right.

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II. APEC ISSUES

Sustainable Development

The APEC Leaders' *Economic Vision Statement* at Blake Island, Seattle in November 1993 stated, "Our environment is improved as we protect the quality of our air, water and green spaces and manage our energy resources and renewable resources to ensure sustainable growth and

provide a more secure future for our people”. This statement provides the mandate for APEC’s work on sustainable development.

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

Business and Private Sector Participation

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

Achievements

The Ministerial Meeting in Toronto (9-11 June 1997) resulted in the following outcomes:

- Ministers commended the Industrial Science and Technology (IST) Working Group on its *Cleaner Production Strategy* and the Marine Resource Conservation (MRC) Working Group for its *Action Plan on Marine Sustainability* and directed environment officials to continue to work with colleagues from other APEC fora on the commitments and activities outlined in these documents.
- Ministers endorsed a *Program of Action for Sustainable Cities*.
 - A seminar was held in Beijing in September 1997.
 - A workshop was held in Taipei in December 1997.
 - A symposium was held in Sendai in October 1998.
- APEC Senior Officials will annually review sustainable development work in APEC to coordinate activities and provide guidance to APEC fora.

Next Steps

Senior Environment Officials will meet periodically in coordination with joint fora meetings to assist in integrating the promotion of sustainable development across all APEC activities.

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Gender Issues

In 1997, APEC Economic Leaders made the commitment to integrate women into the mainstream of APEC activities. As part of this program, the first APEC Ministerial Meeting on Women was held in Manila, 15-16 October 1998.

The main theme of the Ministerial Meeting was “Women in Economic Development and Cooperation in APEC” with the sub-themes: “Women in Small and Medium Enterprises”, “Women and Industrial and Science and Technology” and “Women and Human Resources Development”. While at the same time:

- Assessed the progress to-date in integrating women and economic development into the mainstream of APEC processes and activities;
- Made recommendations to Leaders and seek consensus and the development of a plan of action; and
- Took cognizance of the opportunities and challenges, and share experiences and best practices, in integrating the economic role of women in APEC towards the promotion of equal economic opportunities.

The APEC Leaders in its meeting in Kuala Lumpur, November 1998, supported continued efforts to further the role of women in the APEC process and instructed Ministers to develop a Framework for the Integration of Women in APEC. The Framework is to be developed over the course of the next year by an *Ad hoc* Task Force under an existing APEC mechanism to be determined by SOM.

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APEC Response to the Financial Crisis

APEC members have taken collective action at various levels to alleviate the impact of the Asian financial turmoil and help prevent any recurrence. At their November 1998 meeting in Kuala Lumpur, Economic Leaders resolved to work together to support an early and sustained recovery in the region and agreed to pursue a cooperative growth strategy including the following elements:

- Growth-oriented prudent macroeconomic policies, appropriate to the specific requirements of each economy;
- Expanded financial assistance from the international community to generate employment and to build and strengthen social safety nets to protect the poor and vulnerable;
- A comprehensive program of support for efforts to strengthen financial systems, restore trade finance, and accelerate corporate sector restructuring;
- New approaches to catalyze the return of stable and sustainable private capital flows into the region;
- A renewed commitment to the Bogor goals of achieving free and open trade and investment within APEC; and

- Urgent work within APEC and with other economies and institutions to develop and implement long-term measures to strengthen the international financial system.

Leaders also welcomed the work undertaken in several fora to strengthen the international financial system and supported continuing it in a process involving both industrialized and emerging market economies, such as an expanded Group of 22. They instructed APEC Finance Ministers to develop measures to implement proposals to improve transparency and accountability, to strengthen national financial systems and market infrastructure, and to improve coordination and involvement of the private sector in the prevention and orderly resolution of international financial crises.

The APEC Finance Ministers process has responded to the crisis by accelerating their work on collaborative initiatives to promote development of regional financial and capital markets and to support freer and stable capital flows in Asia-Pacific. These include:

- Strengthening financial market supervision through training of banking supervisors and securities regulators;
- A voluntary action plan to speed development of asset-backed securitization activities;
- Reform of pension systems;
- Developing credit rating agencies' ability to channel timely and accurate information to capital markets;
- Strengthening clearing and settlement infrastructure; and
- Closer cooperation among export credit agencies and export financing institutions.

At their May 1998 in Canada APEC Finance Ministers reviewed the causes of the financial crisis, policies to restore stability and growth – including measures to cushion the impact on the poor – and ways to strengthen financial markets to reduce the chances of a recurrence. Ministers agreed to continue efforts over the next year in three priority areas: capital market development, capital account liberalization and strengthening financial systems.

Other APEC fora also recognize the impact of the financial crisis on trade, investment and economic and technical cooperation, as well as its implications for APEC's work in areas such as labor markets and infrastructure development. Examples of initiatives underway elsewhere include:

- Senior Officials have agreed to set up an *ad hoc* Task Force on the Social Framework for Growth, which will seek to match social sector needs with possible assistance providers.
- The *1998 APEC Economic Outlook*, published in November, reviews the situation in regional currency and financial markets, the impacts of the financial crisis on member economies, and the measures they have taken to restore stability and growth.
- The Fourth APEC Public-Business Sector Dialogue on Infrastructure Development in May 1998 in Taipei included a special session on the impact of the crisis on infrastructure development.
- The Human Resource Development Working Group (HRD) will undertake a project examining best practices in member economies on balancing market liberalization with labor market adjustment.
- SME Ministers meeting in September in Kuala Lumpur encouraged adoption of measures to address the impact of the crisis on SMEs, including ensuring the availability of trade financing

by export credit agencies, expansion of industrial supply and subcontracting business cooperation, and better risk assessment capabilities in relation to credits for SMEs.

- Australia has made available the results of a survey of economic governance capacity building needs in the region, which could form the basis for future ecotech activities by individual economies.
- The fourth APEC Investment Symposium in September in Kuala Lumpur included a session on the impact of the crisis on investment trends and government policy responses, including changes to investment regimes.
- The public/private sector Regulatory Reform Symposium held in September in Malaysia considered further APEC work on deregulation and regulatory management, including in the financial sector.
- The Tourism Working Group is conducting a two-part survey to assess the impact of the crisis on regional tourism and will try to identify strategies that might offset negative impacts.

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Management Reform

APEC has evolved rapidly since 1989. Leaders have identified ambitious goals. Ministers and officials have developed a comprehensive work program to achieve it and an extensive structure of activities to carry it forward. To ensure that the limited resources of member economies are deployed for fullest cost effectiveness and to produce practical results in line with APEC's objectives, APEC in 1998 embarked upon a three-year (1998-2000) management reform program. It aims to examine the structures within which APEC business is done by examining the mandates, roles and interrelationships of the various Committees, Working Groups and other parts of the APEC network.

Achievements

During the 10th APEC Ministerial Meeting held in Kuala Lumpur in November 1998, APEC Ministers endorsed a set of recommendations guiding the review and made the following decisions to demonstrate APEC resolve on the reform process:

- Dissolving the Trade and Investment Data Review Working Group (TIDWG) and Small Group on Information Gathering (the functions of the latter were delegated to the Secretariat);

- Adopting common review guidelines for self-review by APEC fora during 1999;
- Moratorium on the creation of new fora during the three-year review period; and
- Redesignating the Budget and Administrative Committee (BAC) as the Budget and Management Committee (BMC).

Next Steps

The 11th APEC Ministerial Meeting scheduled for September 1999 in Auckland will audit progress and give further instructions as necessary to ensure effective follow-up of APEC's programs for trade and investment liberalisation and economic and technical cooperation.

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Electronic Commerce

Electronic Commerce was a particular focus of APEC activities during 1998 in following up Ministers' initiatives at their Vancouver meeting for a special work programme "to enable all APEC economies to reap the benefits" of the new technological opportunities involved in this area.

A special APEC Electronic Commerce Task Force, co-chaired by Australia and Singapore, worked through all the issues involved, consulting closely with relevant business and private sector representatives and drawing on specialised inputs from a number of APEC fora including the Telecommunications Working Group and the Sub-Committee on Customs Procedures in particular.

The Task Force also took careful account of the perspectives and recommendations emanating from international organisations addressing electronic commerce issues, including OECD.

The work programme covered Y2K, Paperless Trading, authentication issues such as cross certification, collection of case studies, surveys of impediments, 'Virtual' Electronics Commerce/Multimedia Resource Network and ECOTECH capacity building and training activities. Relevant papers may be found on the Task Force website (<http://www.dfat.gov.au/apec/ecom>).

The outcome of the Task Force's deliberations is an *APEC Blueprint for Action on Electronic Commerce* endorsed by Ministers and Economic Leaders. This sets out the broad themes relating to cooperation on electronic commerce within APEC and specific future activities for an APEC-wide electronic commerce work programme. Technical cooperation to enhance the uptake of electronic commerce by member economies was emphasised.

Whilst the business sector has a leading role in the development of electronic commerce technology and applications, government has an important role in providing a favourable environment for electronic commerce to flourish and to create confidence from using it.

A Steering Group of representatives of member economies, also involving other relevant APEC fora and business sector experts, will be set up by senior APEC officials meeting in February to ensure continued coordination in pursuit of the *Blueprint for Action*.

Year 2000 "Millenium Bug"

The Task Force also worked on the Y2K concern during 1998. Economic Leaders recognised this at their meeting in Kuala Lumpur and stressed the need for accelerated efforts to enhance awareness and implement necessary measures to resolve the problem.

Japan's initiative to lead APEC work in this area in consultation with other economies will also be reviewed by senior APEC officials at their meeting in February.

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III. THE SECRETARIAT

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

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

Statement of Business

- The Secretariat is the core support mechanism for the APEC process.
- The Secretariat provides advisory, operational and logistic/technical services to Member Economies and APEC fora to coordinate and facilitate conduct of the business of the organisation.
- On behalf of Member Economies, it provides preparatory advice on formulation of APEC projects, manages project funding and evaluates projects funded from the APEC Operational and TILF Accounts.
- The Secretariat produces a range of publications, liaises with the media and maintains a website to provide information and public affairs support on APEC's role and activities,

including specific outreach efforts to business. It acts on behalf of APEC members as and when directed.

- The Secretariat maintains a capacity to support research and analysis in collaboration with APEC Study Centres and PECC as required by APEC fora.
- The Executive Director is responsible to APEC Senior Officials through the SOM Chair and manages the Secretariat in line with priorities set by SOM on behalf of Ministers.

Of particular relevance to this publication are Secretariat activities related to Public Affairs, Communications and Database System and Research and Analysis.

Public Affairs

The APEC Secretariat is responsible for media and public relations for APEC, production and sale of APEC publications. The Secretariat continues to disseminate information to the public about the role of APEC towards achieving its goal of free and open trade and investment in the Asia Pacific region. As part of the Secretariat Outreach strategy, the Secretariat also provides briefings on the objectives of APEC and its organizational structure to members of the public who visit the APEC Secretariat.

The APEC Secretariat homepage is a window to the world of APEC. The website provides various links to the member economies homepages and fora activities. Continuous efforts are made by the APEC Secretariat to keep the website up-to-date and relevant. The website is at <http://www.apecsec.org.sg>.

The APEC Secretariat also publishes a number of books annually. Some of these books are available for download free of charge from the APEC Secretariat's website. There are also a number of publications for sale at reasonable prices. They are available from the APEC Secretariat's website or the Secretariat itself. For more information, please feel free to e-mail to jt@mailapecsec.org.sg

Achievements

During 1998, the APEC Secretariat published 35 books. This represented a 28 percent increase in the number of books published versus 1996. At present, the total number of titles APEC has published is 177.

Other achievements in the Public Affairs area during 1998 include:

- Development of an outreach strategy for media and public relations.
- Compilation of an inventory of APEC publications.
- Commencement of work on redesigning the APEC website.
- Update of the APEC Publication Policy.
- APEC publication royalty payment policy.
- Distribution agreements to disseminate APEC publication overseas and via electronic data service providers.

- Assistance to Malaysia as APEC Chair in 1998 in its outreach activities on APEC matters.
- Update of APEC posters for exhibitions.
- Production of a new APEC corporate video, in time for the 1998 November Leaders Meeting.
- Publication of APEC information materials:
 - *1998 APEC Corporate Brochure*
 - *Update of APEC Activities*, on 4 occasions due to overwhelming demand.

Next Steps

In 1999, the Secretariat will continue to manage the increasing APEC inventory. We also aim to promote and sell APEC publications through Electronic Commerce means. The Secretariat will continue to pursue distribution agreements via electronic data service providers and seller agreements.

The Secretariat will also assist New Zealand as 1999 APEC Chair in its outreach activities.

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Communications and Database System

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

In addition to an information system being set up to fulfill the communication mandate and data requirement, an Internet website was set up in 1996. Now users can access a wide range of information including the APEC calendar of events and documents from meetings (for example, the Leaders' Meetings and Ministerial Meetings) on the APEC website at <http://www.apecsec.org.sg>.

Business and Private Sector Participation

The business and private sector is not involved in the communications and database system since it was developed, and is now maintained, by the APEC Secretariat.

Achievements

- All APEC members, working groups, committees and the private sector can easily communicate with the Secretariat either by fax or e-mail. Users can access selected APEC documents through the APEC Secretariat's homepage.
- The new database (*APEC Projects Database*) is now at the data entry stage and will be operational soon. This database will contain summary information of all approved APEC projects and will be a good management tool for working groups and committees.

Next Steps

The Secretariat will continue to maintain the communication system and to update the related databases to keep the data current. This will be an on-going process. The Secretariat will also implement the redesign plan for the APEC website.

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Research and Analysis

In November 1996, Ministers approved the recommendations of the Task Force on Management Issues (TFMI) concerning the Secretariat's role in Research and Analysis (R&A). The TFMI recommended that the Secretariat should not develop a comprehensive R&A capability. Instead, the approach should be collaboration in R&A with APEC Study Centers and PECC. The Secretariat should coordinate, oversee and undertake, where necessary, a limited amount of R&A work, as requested by and in direct support of APEC fora. The Secretariat should respond to requests for additional tasking on a case-by-case basis, after determining whether there is in-house capability or whether it should be contracted out. Ministers agreed that the TFMI's recommendations should also govern the R&A implications of EC and CTI work.

The main objective of R&A in the Secretariat is to support APEC fora in information gathering and policy analysis, and to assist in maximizing resource collaboration and minimizing

research redundancy. The scope of R&A work in the Secretariat is therefore limited. It may encompass background information papers, literature reviews (including literature on APEC), current awareness of relevant regional and global developments, integration of cross-sectoral issues; synthesis of comparative studies, and analysis of policy options. These guidelines which govern the scope of R&A work performed by the Secretariat are contained in the information paper *Towards Guidelines and Priorities on Research and Analysis in the APEC Secretariat* which was circulated and discussed at the Joint Fora meeting in February 1997.

At the 1998 Kuantan SOM Meeting, it is agreed that the responsibility for the Information Gathering and Analysis work area be transferred to the APEC Secretariat as the issues covered cut across all APEC fora.

Achievements

In 1998, the APEC Secretariat completed two projects for APEC Fora: an SMEs Information Survey for the CTI Sub-Committee on Customs Procedures, and the APEC TILF Information Directory for the CTI.

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