



**Asia-Pacific  
Economic Cooperation**

# **Key APEC Documents 2010**

**Advancing Free Trade for Asia-Pacific Prosperity**



**Asia-Pacific  
Economic Cooperation**

**APEC Secretariat**

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# Introduction

Key APEC Documents 2010 is the 17th in a series produced by the APEC Secretariat. The Key Documents' publication provides a reference set of the key policy decisions and initiatives endorsed by APEC Leaders and Ministers each year. Collectively, these documents frame the policy directions for APEC's annual work programmes.

This issue presents a compilation of the statements from each of the APEC Ministerial Meetings held during 2009 together with the APEC Economic Leaders' Declaration from their recent meeting in Singapore.

The APEC website, [www.apec.org](http://www.apec.org), offers a further source of documentation of policy and reference papers; APEC committee reports; and information relating to APEC's wide-ranging activities.

APEC Secretariat

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## **18th APEC Economic Leaders' Meeting**

**Yokohama, Japan  
13-14 November 2010**

### **“THE YOKOHAMA VISION - BOGOR AND BEYOND”**

We, the Leaders of APEC, gathered in Yokohama under the 2010 theme of “Change and Action” to articulate our vision of further building and integrating the Asia-Pacific region in the 21<sup>st</sup> Century, and the paths to realize that vision.

#### **APEC's Road Thus Far**

Twenty-one years ago, APEC's founders saw the need for greater consultation and cooperation to guide the increasingly interdependent economies of the Asia-Pacific toward a more closely and effectively linked regional economic system. From this new and creative approach was born the consensus, as articulated in the Bogor Goals, that achieving free and open trade and investment is the surest way to accomplish greater common prosperity and stability in the Asia-Pacific region. APEC has since followed the insight of the APEC founders and the direction provided by the Bogor Goals, and the Asia-Pacific region has become a driving force and engine of growth in the world economy.

Through our individual and collective efforts toward achieving the Bogor Goals, the Asia-Pacific region has achieved substantial reductions in barriers to trade and investment. These efforts have led to increased trade and investment flows, sustained economic growth, and a vast improvement in the welfare of people in the region. We are confident that APEC is well on track toward achieving the goal of free and open trade and investment among its economies. This year we conducted a review to assess the achievement of the Bogor Goals by five industrialized economies and eight volunteer developing economies. We endorse the Report on APEC's 2010 Economies' Progress Towards the Bogor Goals and conclude that while more work remains to be done, these 13 economies have made significant progress toward achieving the Bogor Goals.

From 1994 to 2009, APEC economies' total trade in goods grew at 7.1 percent per year while intra-APEC trade tripled over the same period. Foreign direct investment into and out of the APEC region both grew at 13 percent per year from 1994 to 2008. The simple average applied tariff across the region fell from 10.8 percent in 1996 to 6.6 percent in 2008.

Strong progress toward the Bogor Goals of free and open trade and investment has been made possible by the decisions by APEC Leaders to liberalize their own economies, confident that others in APEC would make similar decisions. This confidence to open up domestic economies would not have been possible were it not for the formation of APEC. We reaffirm our unwavering commitment to achieving free and open trade and investment in the region.

#### **Current Opportunities and Challenges**

The 21<sup>st</sup> century presents new promises and new challenges. The global and regional environment is being transformed by the rising influence of the Asia-Pacific region, the development of extensive supply chains, and the rapid adoption of new information and communication technologies. Driven by these changes, our region has become more integrated and interdependent. While this historic transformation has brought about remarkable economic dynamism in the

region, events of recent years have shown that crisis can rapidly spread across economies and have a dramatic impact on the entire regional and global economic system, slowing growth and employment.

The Asia-Pacific regional economy is recovering from the recent economic and financial crisis, but uncertainty still remains. We also face heightened challenges with regard to the protection of our environment and natural resources, including the necessity to jointly address climate change. We must take to heart the lessons of the recent past, recognize the increasing role we play in the global economy as the most dynamic region in the world, and seek to strengthen the foundations of each of our economies and of the multilateral trading system to ensure strong, sustainable, and balanced growth as called for by the G20 Framework.

In this regard, we welcome the outcomes of the G20 Seoul Summit. As highlighted in the APEC Finance Ministers' "Kyoto Report on Growth Strategy and Finance," we will rebalance and strengthen global demand, pursue sound fiscal management and enhance finance to key sectors such as infrastructure, small and medium enterprises, households and green investment. We should continue to take steps to build a stronger and more resilient global financial system. We remain committed to maintaining open markets and fighting protectionism. We reaffirm our common resolve to support the recovery in a collaborative and coordinated way.

We reaffirm our strong commitment to bring the Doha Development Agenda to a prompt and successful conclusion. Bearing in mind that 2011 will be a critically important "window of opportunity," we direct our Ministers to empower our representatives to engage in comprehensive negotiations with a sense of urgency in the end game, built on the progress achieved, including with regard to modalities, consistent with the Doha mandate. We affirm our commitment to win domestic support in our respective systems for a strong agreement. In our continued efforts to resist protectionism, we agree to extend our commitment on standstill made in 2008 to the end of 2013 to refrain from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing World Trade Organization inconsistent measures in all areas, including those that stimulate exports. We commit to take steps to rollback trade distorting measures introduced during the crisis. Furthermore, we will continue to exercise maximum restraint in implementing measures that may be considered to be consistent with WTO provisions if they have a significant protectionist effect and promptly rectify such measures where implemented.

Addressing the threat of global climate change is an urgent priority for all nations. We reiterate our commitment to take strong and action-oriented measures and remain fully dedicated to United Nations climate change negotiations. We reaffirm the objective, provisions, and the principles of the UN Framework Convention on Climate Change, including common but differentiated responsibilities and respective capabilities. Those of us who have associated with the Copenhagen Accord reaffirm our support for it and its implementation. We all are committed to achieving a successful, balanced result that includes the core issues of mitigation, transparency, finance, technology, adaptation, and forest preservation. We express our appreciation for Mexico's hard work in preparing for and hosting COP16.

### **The Way Forward for APEC**

We envision an Asia-Pacific region that can embrace and overcome challenges and make full use of opportunities to be more fully integrated, with a higher quality of growth and a safer and more secure economic environment.

We seek to develop an APEC community in which trade and investment are freer and more open; supply-chains are better connected; doing business is cheaper, faster, and easier; growth is more

balanced, inclusive, sustainable, innovative, and secure; and we are better able to cope with threats to human security and economic activity.

## 1. Our vision of an APEC community

- Economically-integrated community: A community that promotes stronger and deeper regional economic integration

We aim to establish a solid foundation for prosperity and well-being in the region by promoting stronger and deeper regional economic integration through furthering our work to liberalize and facilitate trade and investment – the core mission of APEC. Barriers against the movement of goods, services, and capital should be further reduced and business persons should also be able to move more smoothly. Measures that make it cheaper, faster, and easier for businesses to trade and operate in the region should be enhanced. Customs-related procedures should be further simplified and harmonized. Regulatory cooperation should be broadened and deepened. Trade costs should be minimized and bureaucratic inefficiencies removed. The multilateral trading system should be promoted and strengthened.

- Robust community: A community with higher quality growth

We aim to further enhance the quality of growth so that the Asia-Pacific region can realize sustained growth and continue to be an engine of economic activity and progress in the world economy. Policies that promote balanced growth within and among APEC economies should be adopted. All sectors of society, in particular potentially disadvantaged and marginalized groups, should be provided opportunities to fully realize their potential. Both economic growth and environmental sustainability should be advanced in a holistic manner, and progress toward a green economy should be accelerated by promoting trade and investment in environmental goods and services, developing this sector in APEC economies, and enhancing energy efficiency and sustainable forest management and rehabilitation. Innovative growth should be advanced within and across our economies through the adoption of policies and regulatory environments that best enable economies to support innovation, utilize information and communication technologies, develop a skilled workforce, and increase research and development.

- Secure community: A community that provides a more secure economic environment

We aim to build a regional community in which people can live without the fear of poverty, violence, crime, disease, and hunger and engage in economic activity freely and at ease, bearing in mind the need to achieve the Millennium Development Goals. Our economies' capacity to minimize natural and human risks to economic activity should be enhanced and a secure and resilient economic environment should be achieved. Poverty should be reduced to maintain the intrinsic dignity of the human condition. The region's environment for trade, finance, and travel should continue to be staunchly protected from terrorism. Economies should strengthen their resilience and capacity to manage emergencies and natural disasters. Infectious disease preparedness, non-communicable disease control, and health systems should be enhanced. The availability of and access to reliable, nutritious, safe, and affordable food should be further ensured. Efforts to combat corruption and illicit trade and improve governance should be strengthened.

## 2. Paths toward our vision of an APEC community

We resolve to undertake concrete, practical, and measurable steps to realize the community that we envision. In this regard, we endorse in full the Joint Statement of the 22<sup>nd</sup> APEC Ministerial Meeting.

- Path toward an economically-integrated community



We will further promote regional economic integration, working toward the target year of 2020 envisaged by the Bogor Goals for all APEC economies to achieve free and open trade and investment.

We will take concrete steps toward realization of a Free Trade Area of the Asia-Pacific (FTAAP), which is a major instrument to further APEC's regional economic integration agenda. An FTAAP should be pursued as a comprehensive free trade agreement by developing and building on ongoing regional undertakings, such as ASEAN+3, ASEAN+6, and the Trans-Pacific Partnership, among others. To this end, APEC will make an important and meaningful contribution as an incubator of an FTAAP by providing leadership and intellectual input into the process of its development, and by playing a critical role in defining, shaping, and addressing the "next generation" trade and investment issues that FTAAP should contain. APEC should contribute to the pursuit of an FTAAP by continuing and further developing its work on sectoral initiatives in such areas as investment; services; e-commerce; rules of origin; standards and conformance; trade facilitation; and environmental goods and services.

We will work to address non-tariff barriers to trade, including by increasing regulatory cooperation and improving the use of good regulatory practices among APEC economies. We will take actions laid out in the APEC Strategy for Investment, such as holding the APEC Public-Private Dialogue on Investment.

We remain committed to providing effective economic and technical cooperation (ECOTECH) activities to help APEC members, in particular the developing ones, improve their capabilities for further trade and investment liberalization and facilitation.

We commit to address impediments to moving goods and services through Asia-Pacific supply-chains by implementing the APEC Supply-Chain Connectivity Framework Action Plan with a view to achieving an APEC-wide target of a ten percent improvement in supply-chain performance by 2015, in terms of reduction of time, cost, and uncertainty of moving goods and services through the Asia-Pacific region, taking into consideration individual economy's circumstances. This work will be conducive to the development of a more advanced infrastructure and logistics network, and will facilitate clearance of goods and services across and within borders. We will also continue to work on Authorized Economic Operator programs.

We will make our respective domestic policies and procedures more transparent, and reaffirm our aspirational target of a 25 percent improvement by 2015 in the five priority areas of: starting a business; getting credit; trading across borders; enforcing contracts; and dealing with permits. This will make it cheaper, faster, and easier to do business in the Asia-Pacific region.

- Path toward a robust community

We set forth the APEC Leaders' Growth Strategy as APEC's first substantial effort to provide a comprehensive long-term framework for promoting high-quality growth in the region. We will implement the Growth Strategy out to 2015, focusing on the five desired attributes of balanced, inclusive, sustainable, innovative, and secure growth. Our Growth Strategy includes an Action Plan that encompasses work elements on structural reform; human resource and entrepreneurship development; green growth; a knowledge-based economy; and human security. The Action Plan will be supported and promoted through specific work programs that draw in all aspects of APEC's work, including sectoral Ministerial meetings, committees, APEC sub-fora, extensive regional networks of experts, and APEC's close cooperation with the business community. We will work with other international fora, including the G20, to realize the Growth Strategy. We will review our progress toward implementing the Growth Strategy in 2015.

We recognize that our first priority is to ensure a durable recovery in private sector demand. We must take steps to build a foundation for stronger, more sustainable, and more balanced growth in the future. We note the importance of strengthening multilateral cooperation to promote external sustainability and pursuing the full range of policies conducive to reducing excessive imbalances and maintaining current account imbalances at sustainable levels.

We will move toward more market-determined exchange rate systems and enhance exchange rate flexibility to reflect underlying economic fundamentals and will refrain from competitive devaluation of currencies. Advanced economies, including those with reserve currencies, will be vigilant against excess volatility and disorderly movements in exchange rates. These actions will help mitigate the risk of excessive volatility in capital flows facing some emerging market economies.

Structural reform is an integral part of our efforts toward higher quality growth. In support of the Growth Strategy, and building upon significant progress made since 2005 on the Leaders' Agenda to Implement Structural Reform (LAISR), we pledge to continue such efforts and undertake demonstrable and significant structural reform in our economies, consistent with the objective of achieving strong, inclusive, and balanced growth. We endorse the APEC New Strategy for Structural Reform (ANSSR) and instruct our officials to steadily implement it, encouraging the use of quantitative and qualitative indicators as appropriate, toward 2015. We agree that capacity building and technical assistance will be critically important to ensure developing economies are able to meet their structural reform objectives.

Under our human resource and entrepreneurship development agenda, we will implement policies that will enable us to create more and better jobs, enhance education and training with equal opportunities for women, youth, the elderly, and all other sectors and improve social safety nets. We will create more business opportunities for small and medium sized enterprises and encourage measures to enhance their participation in high-growth sectors and access to global markets. We recognize that the full potential of women to contribute to the regional economy remains untapped, and we will improve women's access to finance, education, training, technology, and health systems by promoting entrepreneurship and greater leadership for women in business and government.

Under our green growth agenda, we will assess the potential for reducing the energy intensity of economic output in APEC economies further than called for in our Sydney Declaration in 2007, enhance work on meeting the aspirational goal in the Sydney Declaration of increasing forest cover in the region by at least 20 million hectares of all types of forests by 2020, and instruct our officials to take concrete steps toward this goal. We will also enhance our cooperation to address concerns with illegal logging and associated trade and to promote sustainable forest management and rehabilitation. We will implement policies to create new green jobs, technologies, and industries to enhance regional energy security, decrease environmental degradation and the effects of climate change, and promote sustainable growth. We will promote energy-efficient transport. We will increase the dissemination and utilization of environmental goods and services, reduce existing barriers and refrain from introducing new barriers to trade and investment in such goods and services, and enhance our capabilities to develop this sector, by prioritizing work related to addressing non-tariff measures on environmental goods, technology, and services. We will rationalize and phase out inefficient fossil fuel subsidies that encourage wasteful consumption, while recognizing the importance of providing those in need with essential energy services, and review progress toward this goal on a voluntary basis. We will promote deployment of low-emission power sources - renewable, nuclear, and fossil fuels with carbon capture and storage - to make our energy supply cleaner. We will create low-carbon communities in the region. We will facilitate the diffusion of climate-friendly technologies, including through ECOTECH and capacity

building activities. We will ensure the sustainable development of our oceans, seas, and coasts, including their resources, and the conservation of the marine environment.

Under our knowledge-based economy agenda, we will accelerate our innovative growth by promoting broadband infrastructure development, enhancing information and communication technologies (ICTs) utilization, and adopting policies and regulations to foster innovation and use of ICTs. We will encourage the adoption of globally accepted standards, and promote cooperation on standards and conformance issues. We will take steps to develop a skilled, adaptable, and professional workforce. We reaffirm our commitment to strengthen the protection and enforcement of intellectual property rights (IPR) and reiterate the importance of comprehensive and balanced intellectual property systems that provide for and protect the incentives that encourage creativity and innovation and provide the tools for successful management and utilization of intellectual property. We will further science and technology cooperation. We will enhance the investment environment and regulatory cooperation for innovation in life sciences. By taking concrete measures in these areas, we will generate more innovation and develop new economic sectors.

- Path toward a secure community

We will safeguard the fundamental tenets of human security throughout the region, and call upon all member economies to continue to work to improve our collective ability to provide for this security by taking concrete steps to minimize, prepare against, and respond to serious threats that could derail the regional economy.

We will fight poverty and hunger by taking concrete steps to help all peoples in the region maintain a reasonable standard of living. We will identify and implement initiatives to secure the region's economic systems from terrorist attack, disruption, and misuse, counter terrorism financing, facilitate trade recovery, and enhance cyber security. We will continue our efforts to fight corruption and promote transparency, and call for improved and regular reporting by APEC on its efforts to meet our commitments in this area. We will further develop practical disaster risk management mechanisms to strengthen the ability of our economies to manage emergencies and natural disasters. We will improve the capacity of economies for responses to infectious diseases, control of non-communicable diseases, and strengthening of health systems. We will facilitate sustainable agricultural production, trade and investment in agricultural products, technical cooperation, development and use of science-based regulations, and other initiatives to strengthen regional and global food security, bearing in mind the exceptional role of food as an absolute necessity for all human societies. We will encourage all economies to strengthen international and regional cooperation to achieve the goal of safer food.

- Economic and technical cooperation for progress in all paths

In light of the diversity of member economies, we will ensure that ECOTECH will play a key role on our way toward our vision of an APEC community and help narrow development gaps. We will integrate ECOTECH into the paths that we have identified and further leverage ECOTECH activities, including capacity-building, human resources development, and technology dissemination, using a strategic, demand-driven, goal-oriented, and focused approach, and emphasizing multi-year plans to reach maximum results. We reaffirm our commitment to the Manila Framework and will enhance ECOTECH to help our member economies, especially the developing ones, in their pursuit of the Bogor Goals, to strengthen their capacity to further liberalize and facilitate trade and investment and implement the Growth Strategy, as well as to better respond to the needs and challenges of the new era.

## **APEC Membership**

Keeping in mind the benefits of APEC membership as well as the need for efficiency to achieve results, we will continue to review the question of APEC new membership going forward.

## **Conclusion**

As APEC enters its third decade, it has become an engine for progress in the world's most economically dynamic region, whose growth has driven rising prosperity for all across the globe. Through the dedicated efforts of our member economies, APEC has taken great strides toward realizing the ideals of its founders. Building on this progress, we reiterate our commitment to pursue an even more closely integrated regional economy and strong, sustainable, and balanced growth in the region, including by taking concrete steps toward realization of an FTAAP that should include next generation trade and investment issues, and to meet new opportunities and challenges in the 21<sup>st</sup> Century through implementation of the APEC Leaders' Growth Strategy. We commit to take necessary and concrete steps toward making this vision a reality, which we are confident will bring about greater prosperity and well-being for all peoples in the Asia-Pacific region and beyond. We instruct our Ministers and Senior Officials to accelerate our work to strengthen and deepen regional economic integration in the coming year, and consistent with the vision articulated in this document, to design and implement specific initiatives to address barriers to trade and investment, and to ensure high-quality, sustainable growth in the future. We look forward to ambitious progress on APEC's agenda in 2011 under the leadership of the United States.

## 18th APEC Economic Leaders' Meeting

Yokohama, Japan  
14 November 2010

### LEADERS' STATEMENT ON 2010 BOGOR GOALS ASSESSMENT

In 1994, APEC Leaders gathered in Bogor, Indonesia to announce their shared commitment to achieve free and open trade and investment by 2010 for industrialized economies and by 2020 for developing economies. These targets became known as the "Bogor Goals," an ambitious manifestation of our common belief that free and open trade and investment are essential to realize the growth potential of the region and enhance economic and social outcomes for all APEC economies.

In 2010, we assessed progress toward achieving the Bogor Goals by the five APEC industrialized economies (Australia, Canada, Japan, New Zealand, and the United States), as well as eight volunteer developing economies (Chile; Hong Kong, China; Korea; Malaysia; Mexico; Peru; Singapore and Chinese Taipei). The Report on APEC's 2010 Economies' Progress Towards the Bogor Goals indicates that while more work remains to be done, these thirteen economies (hereinafter referred to as the "2010 economies") have made significant progress toward achieving the Bogor Goals.

Since the Bogor Declaration in 1994, APEC economies' pursuit of the Bogor Goals has delivered substantial benefits to the region. The overall growth in trade for all APEC economies has outstripped the rest of the world. From 1994 to 2009, APEC's trade in goods with the world increased at an annualized rate of 7.1%, reaching US\$11.4 trillion in 2009. The nominal value of trade in commercial services of the APEC region also increased at an annualized rate of about 7%, reaching a total of US\$2.4 trillion in 2009. Inflows of foreign direct investment (FDI) in the APEC region have increased by 13.0% per year since 1994 and outflows have grown by 12.7% annually.

In setting the Bogor Goals, APEC economies resolved to go further than WTO Uruguay Round commitments, reflecting their shared belief that open regionalism was the key to long-term growth. Since 1994, the 2010 economies have reduced their tariffs significantly with the simple average applied tariff rate falling from 8.2% in 1996 to 5.4% by 2008, well below the world average of 10.4%. In 2008, 50% of imports by the 2010 economies entered duty free. While the multilateral trading system remains the key priority for APEC economies and the conclusion of the Doha Development Agenda negotiation round will provide the best opportunity for comprehensive liberalization, we note the increasing impact of regional and bilateral free trade agreements (RTAs/FTAs) in reducing barriers in the region. Moreover, we recognize the great contribution of APEC economies' concerted efforts taken to unilaterally reduce tariffs and other barriers.

Since the Bogor Declaration, trade in services has become a much more significant component of regional and global trade. The 2010 economies also continue to make important progress to liberalize trade in services, opening up new services markets through unilateral reform of domestic policy, the implementation of international sectoral agreements and RTAs/FTAs with services chapters that go beyond the General Agreement on Trade in Services (GATS) commitments.

APEC's strong collective commitment to maintain liberalized investment regimes has been a key driver of growth in foreign direct investment. The number of bilateral investment treaties and/or RTAs/FTAs in which the 2010 economies have ensured MFN and national treatment to foreign investment has increased from 160 in 1996 to 340 in 2009.

APEC economies have also taken significant steps on trade facilitation to streamline customs procedures and align standards and conformance procedures. Under the Trade Facilitation Action Plan (TFAP), they reduced trade transaction costs in the region by 5% from 2002 to 2006. APEC is also heading toward achieving an additional 5% reduction under the second TFAP to be completed this year. APEC has started collaborating with multilateral development banks in capacity building to promote trade facilitation, and their further contribution is welcomed

The significant progress made by the 2010 economies does not mean their work is complete - more work remains to be done. For APEC, the great value of the Bogor Goals came from establishing an ambitious target that encouraged continuous individual and collective efforts to liberalize and facilitate trade and investment. The assessment of the 2010 economies' progress toward achievement of the Bogor Goals has not only shown that progress has been significant, but it has also highlighted the areas where barriers to trade and investment remain and accordingly, where more concerted progress can be made by APEC.

Progress in lowering and eliminating tariffs has not been uniform across sectors. Tariffs on clothing, agricultural products, and textiles remain higher than the overall average tariff across the APEC economies. As for services, restrictions remain in some sectors, including, but not limited to, financial services, telecommunications services, transportation services, and audiovisual services. Also, the movement of business people is the least liberalized among the four modes of service supply. Almost all 2010 economies still maintain, to varying degrees, sectoral investment restrictions in the form of prohibitions or capital ceilings in certain sectors, and some economies continue to apply a general screening system for FDI. Given the significant impact of non-tariff measures on trade and investment flows, it is evident that further progress will need to be made in this area. Therefore, areas for further work will include standards and conformance, customs procedures, intellectual property rights, and government procurement, along with other issues. APEC will also further address "behind-the-border" issues by facilitating structural reform.

With the above in mind, it is a fair statement to say that the 2010 economies have some way to go to achieve free and open trade in the region. APEC's challenge in pursuing free and open trade and investment continues. APEC will continue to review economies' progress towards the Bogor Goals of free and open trade and investment. We recognized that all APEC economies must maintain their individual and collective commitment to further liberalize and facilitate trade and investment by reducing or eliminating tariffs, restrictions on trade in services, and restrictions on investment, and promoting improvement in other areas, including non-tariff measures and "behind-the-border" issues.

APEC fosters a supportive environment that encourages economies to progressively liberalize their trade and investment regimes. In furtherance of this goal, we recognize the importance of APEC's progress in the area of economic and technical cooperation (ECOTECH), which has helped to reduce technological gaps among its members, foster sustainable development, build institutional and human resource capacity, and achieve greater common prosperity. We look forward to the continuation of demand-driven activities to bridge the development gap and assist developing economies to achieve the Bogor Goals by 2020.

Since 1994, APEC's regional economic landscape has undergone a profound transformation. Economies in our region, and across the world, are now more tightly interconnected than ever before. Businesses have become larger and multinational in scope, tapping into supply chains that transcend traditional economic and geographic boundaries. The rise of the "digital economy" has also had a dramatic impact on international trade, as companies of all sizes have improved access to global markets as a result of the significant innovations in information and communication technologies that have occurred over the past 15 years.

APEC has achieved much since its inception, evolving to become the pre-eminent economic forum in the Asia-Pacific, the world's most dynamic and open economic region. Looking back over the past 15 years, the progress made by APEC in pursuit of the goal of free and open trade and investment has reinforced the fact that the full achievement of the Bogor Goals for all economies should continue to provide direction for APEC's work on trade and investment liberalization and facilitation.

## **18th APEC Economic Leaders' Meeting**

**Yokohama, Japan  
14 November 2010**

### **PATHWAYS TO FTAAP**

We, the APEC Leaders, having agreed at our meeting in November of 2009 in Singapore to explore a range of possible pathways to achieve a Free Trade Area of the Asia-Pacific (FTAAP) and having been informed by APEC Ministers on the work undertaken this year toward this goal, share the following view:

Trade and investment liberalization and facilitation will continue to be APEC's core objective. APEC's work to strengthen and deepen regional economic integration will be critical to the achievement of this goal.

APEC announced in 2006 that it would examine the long-term prospect of an FTAAP. Over the past several years, APEC has discussed the full range of issues relevant to the prospect of an FTAAP, including those outlined in the inventory of issues, and has conducted a significant body of analytic work related to an FTAAP, including the multi-year study on convergences and divergences in APEC FTAs.

Based on the results of this work, we have agreed that now is the time for APEC to translate FTAAP from an aspirational to a more concrete vision. To that end, we instruct APEC to take concrete steps toward realization of an FTAAP, which is a major instrument to further APEC's Regional Economic Integration (REI) agenda. Further, an FTAAP should do more than achieve liberalization in its narrow sense; it should be comprehensive, high quality and incorporate and address "next generation" trade and investment issues.

We believe that an FTAAP should be pursued as a comprehensive free trade agreement by developing and building on ongoing regional undertakings, such as ASEAN+3, ASEAN+6, and the Trans-Pacific Partnership, among others. To this end, APEC will make an important and meaningful contribution as an incubator of an FTAAP by providing leadership and intellectual input into the process of its development, and by playing a critical role in defining, shaping and addressing the "next generation" trade and investment issues that an FTAAP should contain.

APEC should contribute to the pursuit of an FTAAP by continuing and further developing its work on sectoral initiatives in such areas as investment, services, e-commerce, rules of origin, trade facilitation including supply chain connectivity and Authorized Economic Operator (AEO) programs, and environmental goods and services (EGS).

In implementing the above, the following considerations should be taken into account:

- the changing contours of the global economic and trade architecture, particularly the proliferation of Free Trade Agreements and Regional Trade Agreements in the Asia-Pacific region;
- the progress toward achieving the Bogor Goals of free and open regional trade and investment within APEC economies by 2020;
- the non-binding nature and voluntarism of APEC;



- the importance of advancing conventional “at the border” trade and investment issues, and at the same time more actively working toward addressing non-tariff or “behind the border” barriers and other “next generation” trade and investment issues to further deepen economic integration in the region; and
- APEC’s longstanding support for the multilateral trading system.

Given the strong role that the business community plays in APEC, and our ability to obtain timely input from business on trade and investment issues in the region, APEC is uniquely positioned to drive an REI agenda.

At the same time, accounting for the different stages of development of member economies, APEC will remain committed to providing effective economic and technical cooperation activities to help APEC members, in particular APEC’s developing economies, improve their capacity for further trade and investment liberalization and facilitation and meet new challenges.

Through furtherance of the REI agenda, APEC will seek to create a community that is more economically integrated, in which goods, services, and business people move seamlessly across and within borders, and a dynamic business environment is further enabled.

## **18th APEC Economic Leaders' Meeting**

**Yokohama, Japan  
14 November 2010**

### **THE APEC LEADERS' GROWTH STRATEGY**

We, the APEC Leaders, have agreed on a growth strategy (the "APEC Growth Strategy") as follows:

#### **1. Formulating a Growth Strategy to Match a Changing Economic Environment**

The Asia-Pacific Economic Cooperation (APEC) economies' collective efforts have greatly contributed to unrivaled growth and rapid economic development in the Asia-Pacific region, by promoting free and open trade and investment and strengthening regional economic integration (REI). The APEC economies are now more connected and integrated than ever before. Trade and investment liberalization and facilitation will continue to be a principal driver for creating growth in the Asia-Pacific region.

At the same time, the region has changed significantly since APEC was established in 1989, and economic integration has highlighted difficult new challenges, along with tremendous new opportunities.

Constant innovation and increased use of information and communications technologies (ICTs) have contributed to dramatically expanded trade, enhanced productivity, and wider and faster financial and information flows. Consequently, economic conditions in one economy now have greater potential to impact other economies, affecting employment, stability, and growth throughout the region and beyond. The rapid expansion of cross-border activities has changed the economic landscape, in some cases revealing imbalances and disparities between and within economies. These conditions also highlight the importance of promoting the broadest possible participation in the global economy to help ensure that the benefits of economic integration are widely shared. It is critical to establish patterns of growth that are more balanced, can be sustained, and produce strong regional and global growth as well as continued development and rapid reduction in poverty. In this context, we applaud the outcomes of the United Nations High-level Plenary Meeting on the Millennium Development Goals (MDGs), which reaffirmed our shared resolve to work together to promote the economic and social advancement of all peoples.

Collective recognition of the need to protect our environment and natural resources has increased, but we face heightened challenges, including addressing climate change jointly in accordance with the principle of common but differentiated responsibilities and respective capabilities. Our economies continue to be threatened by possible disruptions caused by natural disasters, pandemic diseases, terrorism, and food insecurity.

Therefore, it is clear that APEC members cannot continue with "growth as usual" and "the quality of growth" needs to be improved, so that it will be more balanced, inclusive, sustainable, innovative, and secure. This is essential even as we pursue APEC's core objective of a vigorous trade and investment agenda aimed at strengthening economic integration in the Asia-Pacific region. In 2009, we outlined our vision for a New Growth Paradigm, and agreed to formulate a comprehensive long-term growth strategy to complement and mutually reinforce our trade and investment agenda. This year, in Yokohama, reiterating our support for efforts to achieve strong, sustainable and balanced growth of the world economy as called for by the G20 Framework, we

have agreed on an APEC Growth Strategy for the Asia-Pacific region that can help ensure that regional growth and economic integration are sustainable and widely shared among all our populations. The APEC Growth Strategy is focused on five desired attributes for economic growth, along with an Action Plan to guide APEC and its members in aligning critical work with these priorities.

## 2. Five Growth Attributes

APEC aims to achieve Balanced, Inclusive, Sustainable, Innovative, and Secure Growth. These desired regional growth attributes are deeply interconnected.

**Balanced Growth: We seek growth across and within our economies through macroeconomic policies and structural reforms that will gradually unwind imbalances and raise potential output.**

APEC economies have played a critical role in stabilizing the global financial and economic crisis by implementing extraordinary fiscal measures and rapidly easing monetary policies. APEC supports the G20's global coordination role, and recognizes the importance of maintaining growth-oriented policies that support increases in aggregate demand that will sustain the economic recovery.

Going forward, APEC will focus on achieving a strong, sustainable, and balanced macroeconomic environment. APEC's size and dynamism, coupled with its strength in consensus-building and implementing multi-year programs, make APEC particularly well-placed to reinforce, where appropriate, the G20 agenda on balanced growth.

- Encourage balanced growth across economies. Economies with current account deficits will need to take steps to boost domestic saving, including through medium-term fiscal consolidation, while ensuring that consolidation is carefully sequenced with attention to local economic conditions, so as not to derail nascent recoveries. Economies with current account surpluses need to reduce their reliance on external demand and undertake structural reforms that catalyze stronger domestic demand-led growth. Measures to raise household income, strengthen social safety nets to reduce the need for precautionary saving, and improve financial services to households can sustainably boost domestic consumption and raise welfare. APEC economies will strengthen multilateral cooperation to promote external sustainability and pursue the full range of policies conducive to reducing excessive imbalances and maintaining current account imbalances at sustainable levels. We will move toward more market-determined exchange rate systems that reflect underlying economic fundamentals and will refrain from competitive devaluation of currencies. Advanced economies, including those with reserve currencies, will be vigilant against excess volatility and disorderly movements in exchange rates. These actions will help mitigate the risk of excessive volatility in capital flows facing some emerging economies.
- Encourage balanced growth within economies. All APEC economies will pursue structural reforms to boost and sustain global demand, foster job creation, and increase growth potential. APEC economies should establish open, well-functioning, transparent, better-regulated and competitive markets, develop financial markets, increase domestic demand, strengthen social safety nets, promote a competitive environment, and enhance public sector and corporate governance. This will contribute to stronger, more inclusive growth,

narrower development imbalances, poverty reduction, and higher overall economic efficiency.

- Facilitate growth through infrastructure development. APEC can use its convening power to help create a platform to develop innovative solutions, and provide technical assistance and advisory services to help member economies in need that have different abilities in raising private and public financing for infrastructure-related projects. APEC can also provide an exchange of views on best practices in public-private partnerships in infrastructure development.

**Inclusive Growth: We seek to ensure that all our citizens have the opportunity to participate in, contribute to, and benefit from global economic growth.**

Inclusive growth creates opportunities for everyone to enjoy the benefits of economic growth. Promoting policies and programs that broaden access to opportunities and enable people to realize their full potential will lead to greater economic growth, more productive employment opportunities, and greater well-being, which in turn will increase public support for free and open trade and investment, thereby creating more new demand and more jobs.

To this end, structural adjustments need to be implemented and APEC should support policies that increase opportunities for workers to benefit from regional economic integration. Re-employment programs, training, skill upgrading, education, and strengthened social safety nets will enhance employability, help create high-quality jobs, and ensure long-term economic security.

It is also crucial to improve the business environment for our small and medium-sized enterprises (SMEs), increase access to finance for the most vulnerable sectors such as microenterprises (MEs), and create sufficient opportunities for potentially disadvantaged and marginalized groups, including youth, elderly and women, through better education, training, and employment programs.

Going forward, APEC will focus its efforts to promote inclusive growth in the following actions:

- Promote job creation, human resource development, and active labor market policies. APEC economies will exchange ideas to improve the quality of education and to increase employment opportunities for women, youth, elderly workers, and vulnerable groups. This includes helping students and workers adapt to changing economic circumstances through education and training focused on skills and competencies they need to remain competitive in the 21st century workplace.
- Promote SMEs, MEs, and entrepreneurship development. APEC economies will work to encourage a wider range of SME participation in high-growth sectors and strengthen comprehensive support for SMEs with a coordinated approach between SME agencies and other related agencies. They will also increase SME access to global markets by providing support for SMEs to develop high value-added products, promote SMEs' business opportunities in global markets, and address barriers that impact the ability of SMEs to trade. APEC will also improve the business environment, increase management capacity, and expand access to relevant technologies.
- Promote more inclusive access to finance and financial services. APEC economies will work to facilitate access to finance for SMEs, MEs, women entrepreneurs, and vulnerable groups.

- Enhance social resilience and social welfare through means such as improving social safety nets and supporting vulnerable groups. APEC will work to support the individual's economic security by sharing experience and capacity building of economies' efforts in strengthening and establishing well-functioning social safety net programs that enhance social insurance coverage and encourage participation in the labor market.
- Create new economic opportunities for women, elderly, and vulnerable groups. APEC economies will work to increase economic opportunities for women, elderly, and vulnerable populations through focused employment, enhanced business opportunities, training, skill development, and life-long learning opportunities, as well as full participation in quality education, particularly in math, science, learning other languages, career, technical, and vocational education and other educational fields essential to developing 21<sup>st</sup> century skills.
- Promote tourism. APEC will also promote tourism, which is a driving force for business, employment, entrepreneurship, and SME development.

APEC's forward agenda in this area will make a practical contribution to achieving the MDGs. This will help to achieve full and productive employment and decent work for all, including women and youth.

**Sustainable Growth: We seek growth compatible with global efforts for protection of the environment and transition to green economies.**

Moving toward a more sustainable and green growth model provides both significant challenges and opportunities for APEC economies. It will be critical for our region to develop more resource-efficient economies in order to address the world's biggest challenges, including addressing climate change and its adverse effects. This will enable us to continue to prosper as a low-carbon society.

APEC economies face significant challenges meeting growing energy demands while minimizing negative environmental consequences. We share the understanding that it will be difficult to ensure strong and environmentally sustainable economic growth without policy solutions that address issues in this sector.

APEC economies should encourage new green industries and jobs, including by introducing market-based mechanisms as an important tool to achieve sustainable growth and address climate change. APEC should help to establish a low-carbon society in which we maintain economic growth while protecting the environment. It can do so by taking steps to facilitate the diffusion of clean energy technologies and systems, including by reducing barriers to trade and investment in energy efficient products, conducting international joint research, building capacity, promoting public-private partnerships, and providing appropriate incentives for investment in energy efficient and low-carbon energy supply, buildings, industry, and transport.

Adaptation to climate change impacts is also critical. Water stress, including water-related risks such as flooding and droughts, is likely to increase as a result of climate change, which may negatively impact food security, human health, and freshwater resources. Different situations in different economies will likely require different sets of adaptation measures. All relevant parties, including scientists, policy makers, and other stakeholders in APEC economies should therefore be engaged to develop the integrated approach needed to resolve this problem.

Going forward, APEC will focus its efforts to promote sustainable growth in the following actions:

- Enhance energy security and promote energy-efficiency and low-carbon policies. APEC will employ approaches such as sharing best practices, conducting voluntary peer reviews, and rationalizing and phasing out inefficient fossil fuel subsidies that encourage wasteful consumption over the medium term, while recognizing the importance of providing those in need with essential energy services. APEC will also improve the efficiency of fossil fuels and promote the use of ICTs that increase the efficiency of socioeconomic activity. APEC will assess the potential for reducing the energy intensity of economic output in APEC economies between 2005 and 2030, beyond the 25 percent aspirational goal already agreed to by the APEC Leaders in 2007.
- Develop a low-carbon energy sector. APEC will explore mechanisms to encourage economies to set individual plans to introduce low-emission power sources and assess the potential of renewable energy options, nuclear power plants, advanced clean coal technologies, and carbon capture and storage (CCS) to reduce carbon emissions.
- Improve access for environmental goods and services (EGS) and develop EGS sectors. APEC will implement the APEC EGS Work Program, including by taking steps to address non-tariff barriers to environmental goods, explore greater alignment of energy efficiency standards, promote trade and investment in EGS, and facilitate the diffusion of climate friendly and other EGS technologies.
- Promote green jobs education and training. APEC will identify relevant skills and competencies, sharing best practices, supporting education for sustainable development (ESD), and expanding ecotourism.
- Promote private investment in green industries and production processes. APEC will promote private investment in green industries and production processes, including through market-based financing.
- Promote conservation and more sustainable management of agriculture and natural resources. APEC will focus in particular on forest management, soil conservation, marine resources conservation, watershed management, sustainable agriculture, and adaptation measures for water-related risks such as fresh water supplies and flood control.

Cooperation and partnership are essential to address environmental challenges that extend beyond any single economy or APEC economies as a whole.

**Innovative Growth: We seek to create an economic environment that promotes innovation and emerging economic sectors.**

The adoption of policies that foster an enabling environment for innovative growth will be increasingly crucial for future prosperity. Technology breakthroughs and ICTs play a significant role as a primary driver of economic growth, and innovation in new products and services can enhance progress on critical global issues, including the environment, energy, transportation, agriculture, health care, logistics, emergency response, administrative services, and education.

Going forward, APEC will focus its efforts to promote innovative growth in the following actions:

- Realize smart socioeconomic activity through ICT applications. APEC will promote smart socioeconomic activity through enhanced ICT use in various fields, by working toward

solutions to economic, technical, and systemic challenges, as well as by sharing best practices.

- Promote Digital Prosperity. APEC economies are encouraged to adopt policies and regulations to foster innovation and use of ICTs, including by promoting trade and investment in ICT products and services; adopting globally accepted standards and international practices; promoting investment in next generation high speed broadband infrastructure; creating a competitive environment conducive to emerging technologies and innovative services, such as cloud computing; promoting effective privacy protection, while avoiding unnecessary barriers to information flows; and ensuring information and communication flows. This will help economies to reduce the digital divide and allow all segments of the population to reap the benefits of innovative growth.
- Develop a skilled, adaptable, and professional APEC work-force. APEC will promote the development of technical and vocational education and training to nurture more skilled personnel and promote new skills and human resource development to drive growth in strategically desirable directions, particularly in equipping individuals with necessary skills, including those prerequisite to utilizing ICTs to contribute to the 21st century economy. APEC will help nurture energy efficiency experts, for example, to facilitate green economy development. Recognizing differences in economies' education and training systems, APEC will share information on licensing and qualifications, which can facilitate the mobility of skilled professionals to enhance the range of professional services available in the region.
- Enhance dialogues and information sharing on innovation policy. Innovation policy requires multi-dimensional approaches, including human resource and entrepreneurship development, R&D investment, tax incentives, financial measures, public-private partnership, and international cooperation. APEC will strengthen innovation policies by sharing best practices for more effective policy making and implementation.
- Promote innovation and creativity through effective, comprehensive, and balanced intellectual property (IP) systems. APEC economies will improve their intellectual property rights protection and enforcement capabilities, and the IP utilization and commercialization environment in the region, which in turn will contribute to the development and dissemination of technology. To this end, APEC economies will strengthen efforts to develop a global IP infrastructure for the promotion of innovation consisting of improved legal/administrative, human resource, and ICT components. Cooperative efforts in this context will include those under ] APEC's Anti-Counterfeiting and Piracy Initiative and the Cooperation Initiative on Patent Acquisition Procedures. APEC will continue dialogues, information exchange, experience sharing, technical cooperation, and capacity building across all stakeholder groups in member economies.
- Promote cooperation on standards. APEC will promote cooperation on standards in coordination with the Specialist Regional Bodies and promote greater alignment of domestic standards with international standards, as well as cooperation on standardization in advanced technologies.
- Promote innovation in Life Sciences. APEC will take concrete actions in the medical and life sciences areas where further efforts could help stimulate innovation and application of medical and related ICT innovations in health systems, including by encouraging investment, assisting sustainable development in the pharmaceutical and biologics

industries, accelerating regulatory harmonization work on medical products, and enhancing cooperation to prevent trade in counterfeit medicines/medical products.

**Secure Growth: We seek to protect the region's citizens' economic and physical well-being and to provide the secure environment necessary for economic activity.**

Disease, disasters, terrorism, and corruption all impact our citizens' economic and physical well-being by reducing economic productivity and disrupting commerce and trade. APEC is uniquely positioned to enhance member economies' capacity to minimize natural and human risks to growth.

Going forward, APEC will focus its efforts to improve secure growth in the following actions:

- Counter terrorism and secure trade. Protecting the region's economic systems from attack, disruption, and misuse is an important component of a safer business environment. APEC will continue to identify and implement initiatives to counter terrorism and to promote a secure trade agenda. This includes building on current efforts in such areas as transportation security (including port, maritime, and aviation security), anti-money laundering and counter-terrorism finance, supply chain security and trade recovery, cyber-security, and protecting infrastructure. APEC will seek to mitigate risks without compromising legitimate economic activity, in cooperation with relevant organizations and the private sector.
- Prepare for emergencies and natural disasters. APEC will help economies to better understand disasters' economic and social costs. APEC will identify gaps in disaster risk reduction approaches in the region and develop practical mechanisms to maximize business and community resilience, bearing in mind the Hyogo Framework for Action while encouraging the use of ICTs.
- Enhance infectious diseases preparedness and control of non-communicable diseases, and strengthen health systems. APEC will continue to enhance preparedness for and effective management of emerging and re-emerging infectious diseases, including tuberculosis, vector-borne diseases, HIV/AIDS and other pandemics; build capacity for the prevention of non-communicable diseases, including injuries; and strengthen health systems of economies, including health financing, human resources, and health information technologies, which would contribute to inclusive and secure growth.
- Strengthen food security and food safety. Availability of and access to reliable, nutritious, safe, and affordable food supplies is a concern for many in the Asia-Pacific region and around the world. The need for food crops that can adjust to and help mitigate the impact of climate change has become urgent. APEC will continue to cooperate with the private sector, academia, and civil society to address food security and food safety challenges by promoting sustainable development of the agricultural sector through means such as increasing production and productivity and reducing post-harvest losses, and by facilitating investment, trade, and markets through means such as promoting responsible agricultural investment and using science and risk-based food safety systems. APEC economies will continue to engage in capacity building on food safety issues to protect public health and facilitate trade.
- Combat corruption and promote transparency. Cooperation in anti-corruption and transparency is critical to improving the overall environment for doing business and



promoting good governance that is a prerequisite for growth. APEC efforts on anti-corruption and transparency will support and be aligned with structural reforms in public sector and corporate governance, and complement existing activities on anti-money laundering.

### **3. Action Plan for the APEC Growth Strategy**

#### **(1) Development of Integrated Work Elements to Implement the APEC Growth Strategy**

This Action Plan to implement this Growth Strategy encompasses the following critical integrated work elements. All relevant programs under this Action Plan should leverage APEC's comparative advantages and proven successful approaches, such as Economic and Technical Cooperation (ECOTECH) and public-private partnerships. APEC Senior Officials should play a central, coordinating, and guiding role in this process.

##### **a. Structural Reform**

Structural reform, along with appropriate macroeconomic policies, is essential in achieving strong, sustained, and balanced economic growth. The region has made progress in this regard over the past five years, including through our Leaders' Agenda to Implement Structural Reform (LAISR). In order to achieve more balanced and inclusive growth, APEC economies, under Senior Officials' guidance and monitoring, should implement the APEC New Strategy for Structural Reform (ANSSR), which sets forth extended priority areas for structural reform, including promoting quality education, increasing labor market opportunities, promoting SME development, enhancing opportunities for the vulnerable and women, and promoting effective social safety net programs and financial market development, in addition to continued efforts to improve market efficiencies, as pursued under the prior LAISR program.

##### **b. Human Resource and Entrepreneurship Development**

Senior Officials should guide and monitor the implementation of the "Action Plan for Developing Human Resources, Vigorously Promoting Employment, and Achieving Inclusive Growth" adopted at the APEC Human Resources Development Ministerial Meeting in Beijing in September 2010, which calls for laying the foundation for the human resources and businesses that will lead to new growth in our region by adopting employment-oriented macroeconomic policies, improving education, and developing human capacity. Senior Officials should also guide and monitor the implementation of the "Strategy for Reinvigorating Economic Growth with Dual Engine: SME and Asia-Pacific Economy," adopted at the APEC SME Ministerial Meeting in Gifu in October 2010, including the Gifu Initiative, which aims to enhance SMEs' access to global markets in order to ultimately ensure SMEs' further growth and development. In all these activities, entrepreneurship, venture finance and financial inclusion, as well as better economic opportunities for women, should be encouraged.

##### **c. Green Growth**

Senior Officials should design and implement an APEC Green Growth Plan. This will enhance and facilitate coordination of APEC activities to address climate change by promoting climate-friendly, low-carbon and energy-efficient technologies through upgraded policy initiatives, expanded capacity-building, and public-private efforts to foster green industries through finance, trade promotion, green jobs education and training, and facilitating technology development and diffusion. The Green Growth Plan should also outline enhanced efforts to build APEC economies' capacity to assess their own greenhouse gas emissions, energy efficiency, and water conservation, promote trade and investment in EGS, and design and implement plans to rationalize and phase out inefficient fossil fuel subsidies that encourage wasteful consumption over the medium term.

#### d. Knowledge-Based Economy

Senior Officials should continue strong APEC-wide efforts to create a regional business environment that fosters innovation and entrepreneurship, protects and enforces IPR through effective, comprehensive, and balanced IP systems, promotes innovation and use of ICTs, and thereby promotes increased economic growth. Senior Officials should seek to further promote innovation in the Asia-Pacific by addressing issues related to standards and conformance, business and professional mobility, ICT innovation and utilization, and furthering science and technology cooperation.

#### e. Human Security

In order to realize human security in the Asia-Pacific region, Senior Officials should foster enhanced cooperation and coordination within APEC to reduce threats and disruptions to business and trade, including directing relevant sub- fora to cooperate in developing a consolidated strategy on counter-terrorism and secure trade. They should also monitor the implementation of the APEC Action Plan on Food Security, which was endorsed by the first APEC Ministerial Meeting on Food Security in Niigata in October 2010, and report the progress annually. APEC should continue to collaborate with industry, academia, and international organizations to enhance food safety and preparedness against emergencies, natural disasters, and pandemics through public-private partnerships and networking among experts. Senior Officials should also explore and implement appropriate procedures for public reporting by member economies on their progress in implementing APEC commitments on anti-corruption and transparency.

#### (2) Multi-year Follow-up and Implementation

To ensure multi-year follow-up and the Strategy's implementation, APEC Senior Officials should:

- a. Implement this Action Plan for the APEC Growth Strategy, conducting annual progress reviews on APEC's relevant work programs while finding ways to take stock of progress, and making any needed adjustments in the work programs to maximize APEC's efforts to promote the Five Growth Attributes, working with and providing leadership to relevant APEC sub- fora.
- b. Pursue continuing cooperation with relevant international fora and multilateral institutions to ensure the APEC Growth Strategy remains aligned with global efforts.
- c. Report to Leaders in 2015, for their review, on APEC's progress in promoting the APEC Growth Strategy. At that point, Leaders may consider the future direction of the Strategy.



## 22nd APEC Ministerial MEETING

Yokohama, Japan  
10-11 November 2010

### JOINT STATEMENT

1. We, the Asia-Pacific Economic Cooperation (APEC) Ministers, met on 10-11 November, in Yokohama, Japan. The meeting was co-chaired by H.E. Seiji Maehara, Minister for Foreign Affairs, Japan and H.E. Akihiro Ohata, Minister of Economy, Trade and Industry, Japan.
2. We welcomed the participation in the meeting of the APEC Business Advisory Council (ABAC), the Pacific Economic Cooperation Council, the Association of Southeast Asian Nations, the Pacific Islands Forum, and the APEC Secretariat as well as the Director-General of the World Trade Organization (WTO), Mr. Pascal Lamy.
3. Under the APEC 2010 theme of “Change and Action,” we reviewed the current state of affairs in the Asia-Pacific region, assessed the progress APEC has made this year, and discussed the way forward for APEC.

#### The Global Economy

4. It has been two years since the onset of the global financial crisis. Since then, efforts made by economies and the international community have brought the global economy back on the track toward recovery. The APEC region has been leading global economic growth in spite of the crisis and has actively contributed to overcoming it. The APEC region will continue to increase its importance in the global economy as a growth center. However, the crisis has yet to end. We are now facing challenges, in particular, of addressing volatility, creating employment and reconsolidating finance, and continuing to keep a balance between recovery and the exit strategies of fiscal and monetary policies.
5. At the same time, the scope of issues that APEC needs to address has also significantly expanded in the changing regional and global economic environment. We share the view that a reconsideration of our quality of growth is imperative in responding to the needs of the new era, and that APEC’s traditional agenda of regional economic integration (REI) also needs to be reinforced.

#### The Bogor Goals

6. We discussed the outcomes of the Report on APEC’s 2010 Economies’ Progress Towards the Bogor Goals, which assessed the performance of 5 industrialized economies (Australia, Canada, Japan, New Zealand and the United States), as well as the group of developing member economies (Chile; Hong Kong, China; Korea; Malaysia; Mexico; Peru; Singapore and Chinese Taipei) toward the Bogor Goals of free and open trade and investment. We commended Senior Officials for their work in preparing the Report. We had an intensive discussion on economies’ progress toward achieving the Bogor Goals and highlighted areas in which more work needs to be done. We endorsed the Report, and agreed to submit it to Leaders for their review and endorsement.

7. We endorsed APEC's 2010 Individual Action Plans. We instructed officials to explore in 2011 an appropriate process to review APEC economies' progress toward the Bogor Goals of free and open trade and investment.

### **Regional Economic Integration**

8. We reaffirmed that APEC's work on trade and investment liberalization and facilitation has been and will continue to be furthered by its REI agenda. Senior Officials updated us on their deliberations on the REI agenda, including on APEC's sectoral initiatives and their work to explore a range of possible pathways to a Free Trade Area of the Asia-Pacific (FTAAP). We reaffirmed the importance of sectoral initiatives in APEC's REI agenda. We endorsed the work undertaken by Senior Officials this year, and recommended that Leaders reaffirm their commitment to accelerate work on strengthening and deepening REI in order to best advance trade and investment liberalization and facilitation in the region.

#### *Possible Pathways to Achieve Free Trade Area of the Asia-Pacific*

9. Leaders instructed us last year to explore a range of possible pathways to achieve an FTAAP by November 2010. In light of recent developments regarding the economic architecture in the Asia-Pacific region, such as those related to Regional Trade Agreements (RTAs) and Free Trade Agreements (FTAs), we affirmed that taking concrete steps toward realization of an FTAAP is an important part of the REI agenda. We commended the work of Senior Officials in this regard, and agreed to inform Leaders about the results of our discussions on this matter.

#### *Trade and Investment Liberalization and Facilitation*

10. We endorsed the 2010 Committee on Trade and Investment (CTI) Annual Report and its outcomes for 2010, and welcomed the various activities conducted by the Economic Committee (EC).
11. We instructed Senior Officials to further advance initiatives aimed at strengthening and deepening REI. We noted that the REI Capacity Building Needs Survey would serve us well in our effort to strengthen REI. We welcomed the voluntary financial contributions from Japan and the United States to the APEC Trade and Investment Liberalization and Facilitation (TILF) Fund, and encouraged wider contributions to the fund.

#### *- Investment*

12. We endorsed the formulation of the APEC Strategy for Investment, which consists of three pillars: Advanced Principles and Practices; Facilitation; and Promotion. We reaffirmed the importance of continuing to implement existing principles, in particular the APEC Non-binding Investment Principles and the Investment Transparency Standards, and encouraged further advancements based on these principles, including through cooperation with other international organizations. We also recognized the importance of enhancing communication between the private sector and policymakers, and endorsed the APEC Public-Private Dialogue on Investment. Moreover, we acknowledged the considerable progress made in implementing the Investment Facilitation Action Plan, developed in 2008, and its contribution to improvement of the regional investment environment.

#### *- Services*

13. We endorsed efforts to promote cross-border trade in services in new areas of interest, including legal services, accounting services, environmental services, health services, information and communication technology-related services, and ecotourism, as identified in the APEC Services Action Plan, while respecting the APEC Principles for Cross-border Trade in Services. Moreover, we welcomed officials' further work toward developing a database of

regulatory requirements in the services sector on a voluntary basis. We also recognized the positive role of the services sector and the liberalization of services trade in inclusive growth and sustainable growth.

*- Standards, Conformity Assessment, and Technical Regulations*

14. We welcomed efforts to promote greater alignment on standards, labeling, and conformity assessment procedures to support innovation, safety, security, and solutions to energy and environmental issues, including the promotion of energy efficiency and use of renewable energy. Initiatives that enable collaboration with international organizations, capacity building to increase testing proficiency, and information sharing are keys in this context. We also welcomed the establishment of the APEC Regulatory Cooperation Advancement Mechanism on Trade-Related Standards and Technical Regulations, which will promote upstream cooperation among regulators and trade officials on emerging regulatory issues in order to prevent unnecessary technical barriers to trade. Given the importance of good regulatory practices to address the critical health, safety and environmental challenges of the 21<sup>st</sup> century, we instructed officials to undertake work to improve their use, including by updating and consolidating related existing APEC instruments in 2011. On product safety, we recognized the important work initiated in other bodies to better align toy safety standards as a result of the APEC Toy Safety Initiative, and encouraged perseverance in the difficult technical work ahead.

*- Trade Facilitation*

15. We welcomed the progress made in implementing the Second Trade Facilitation Action Plan (TFAP II), and look forward to the final assessment of the TFAP II outcomes in 2011. Moreover, we stressed the importance of efforts to enhance regional connectivity and promote trade facilitation and welcomed the following activities undertaken in 2010.

*(Supply-Chain Connectivity)*

16. Supply-chain connectivity is an important element in strengthening REI. In order to improve the flow of goods, services, and business travelers within the region, we endorsed the APEC Supply-Chain Connectivity Framework Action Plan, which prescribes concrete measures to address eight priority chokepoints. We committed to implement the Action Plan with a view to achieving an APEC-wide target of a ten percent improvement by 2015 in supply-chain performance, in terms of reduction of time, cost, and uncertainty of moving goods and services through the Asia-Pacific region, taking into consideration individual economy's circumstances. We also endorsed the APEC Guidelines for Advance Rulings as a critical step to increase the certainty and predictability of moving goods throughout the region. We instructed officials to conduct capacity-building to further enhance the ability of economies to implement the various types of advance rulings. We also called on officials to continue the work for promoting the establishment of a Single Window system in each economy and increasing international interoperability between the Single Window systems, for implementing the Supply-Chain Visibility Initiative, which aims to establish a global information network for sharing cargo status data based on interoperable standards, as well as for building and promoting transport infrastructure.

*(Authorized Economic Operator Programmes)*

17. Recognizing the importance of realizing trade facilitation and trade security in an upgraded manner, we commended the progress made on the Authorized Economic Operator (AEO) Action Plan, which aims to support the establishment of an AEO programme in each economy and to promote mutual recognition arrangements of the AEO programmes. In this connection, we welcomed the APEC AEO Compendium as the initial deliverable under the AEO Action Plan as well as the creation of a new Collective Action Plan on AEO. We instructed officials

to develop APEC AEO Best Practices based on the Compendium by the APEC Ministerial Meeting (AMM) next year.

*(Trade Recovery)*

18. We re-affirmed our support of the findings and recommendations of the APEC Trade Recovery Programme (TRP) Pilot Exercise. We further appreciated officials' work on the TRP action items, including the development of a TRP Compendium of Customs Contact Points and Customs instruments that APEC economies have signed to facilitate information exchange, and welcomed the continued efforts by officials to develop a template for information exchange for TRP.

*(Facilitating Movement of Persons)*

19. The smooth movement of business people plays an important role in the vitality of business within the region. We welcomed Russia's participation in the APEC Business Travel Card (ABTC) scheme as a transitional member, and commended all economies' participation in the ABTC scheme. We also welcomed efforts made toward enhancing the scheme. In addition, we welcomed measures undertaken to facilitate the movement of business people, including capacity-building and information sharing of legal services providers, and the formulation of the APEC Strategy on Movement of Business People.

*(Simplifying Rules of Origin Documentation and Procedures)*

20. Making rules of origin (ROOs) more business-friendly by cutting compliance costs helps promote the use of high-quality RTAs and FTAs. We welcomed the work accomplished this year, including capacity-building, to assist economies in adopting self-certification of origin approaches in their RTAs/FTAs, and instructed officials to continue to develop capacity-building projects to support wider participation in the APEC Self-Certification of Origin pathfinder.

*(Improving Transparency to Facilitate Trade)*

21. Enhancing transparency on RTAs/FTAs information is an essential step for business to be able to take advantage of the benefits of RTAs/FTAs. We welcomed the completion of the APEC Website on Tariffs and ROOs (WebTR) as a gateway portal website which provides links to information on tariffs and ROOs of APEC economies. We will continue to provide updated information on tariffs and ROOs to business through the APEC WebTR.

*(Cooperation among Customs Administrations)*

22. We reaffirmed the importance of responding to the changing environment surrounding customs administrations. In this regard, we commended that the APEC Customs Directors-General/Commissioners Meeting, held in September in Tokyo, Japan, identified eight priority actions that APEC Customs administrations should promote in cooperation with the World Customs Organization and Multilateral Development Banks.

*- Ease of Doing Business*

23. We reaffirmed our economies' collective commitment to improving the business environment in the region. We welcomed the successful completion of seminars/workshops in all five of the priority areas – “Starting a Business”, “Getting Credit”, “Enforcing Contracts”, “Dealing with Permits”, and “Trading Across Borders”, which constitute Phase 1 programmes of the multi-year Action Plan. We have embarked on the programs for Phase 2 with diagnostics to identify concrete actions which improve the business environments of participating economies. We will undertake additional Phase 2 programmes to progress toward the aspirational APEC-wide target of making it 25 percent cheaper, faster, and easier to do business by 2015, and to achieve a 5 percent improvement by 2011.

*- Strengthening Intellectual Property Rights*

24. We reaffirmed our commitment to strengthen the protection and enforcement of intellectual property rights (IPR) and reiterated the importance of comprehensive and balanced intellectual property systems that provide for and protect the incentives that encourage creativity and innovation and provide the tools for successful management and utilization of intellectual property. We welcomed the progress made in, and will strengthen efforts on, the initiatives concerning human resource development and cooperation on patent examination launched this year with a view to building a global intellectual property infrastructure for promoting innovation. Noting the work done on reducing the proliferation of counterfeit and pirated goods through cooperative efforts such as the APEC Anti-Counterfeiting and Piracy Initiative, we encouraged economies to further their efforts in this regard. We reaffirmed our commitment to enhance cooperation with regard to the border enforcement of IPR among customs administrations as well as between these administrations and rights holders. We also encouraged officials to enhance cooperation between authorities and stakeholders to strengthen intellectual property enforcement by holding public-private dialogues.

*- Digital Economy*

25. We welcomed the continued work under the digital prosperity agenda, including discussion on innovation in information and communication technologies (ICTs) as a primary driver of economic growth in the region. Accordingly, we instructed officials to take forward this work in 2011 and more thoroughly examine ways, including policy and regulatory environments, that will best enable economies to support innovation, allowing them to access the type of ICTs that increase economic efficiencies and productivity, utilize smart ICT applications, and improve the livelihoods of the people of the APEC economies. We instruct officials to do additional work in this area. We welcomed APEC's goal of achieving access to next generation, high speed broadband by 2020, so as to advance the growth of knowledge-based economies in the APEC region. We welcomed the results of the Digital Prosperity Checklist Survey and the Digital Prosperity Mapping Exercise as providing further guidance on how APEC can best assist economies in promoting the development and use of ICTs.

26. We commenced operation of the APEC Cross-Border Privacy Enforcement Arrangement, which is the first mechanism in the APEC region for Privacy Enforcement Authorities to share information and provide assistance for cross-border data privacy enforcement. We endorsed two key documents dealing with the elements of the Cross-Border Privacy Rules (CBPRs) System, and will work to complete the remaining elements of the CBPRs in 2011 for implementation of the system.

*- Environmental Goods and Services*

27. We reaffirmed that Environmental Goods and Services (EGS) have a key role to play in fostering sustainable growth, advancing efforts to combat climate change and to protect the environment. We reiterated our support for increasing the utilization and dissemination of EGS, reducing barriers to trade and investment in EGS, and enhancing the capabilities of economies to develop their EGS sectors. We commended achievements made on projects undertaken to implement the EGS Work Programme this year, projects which take advantage of APEC's strengths, including cross-fora collaboration among groups. We noted the findings from a mapping exercise of energy efficiency products to address non-tariff barriers which could arise through unnecessary divergences among APEC economies' energy efficiency standards, labeling and testing procedures. We also noted the development of capacity building activities. In particular, we welcomed the completion of the case studies on developing APEC economies' EGS markets, such as the study on Malaysia, and instructed officials to undertake additional case studies in 2011. Building on the achievement made this



year, we instructed officials to take further concrete actions on EGS, prioritizing work related to addressing non-tariff measures on environmental goods, technology, and services. We will support progress on the EGS negotiations in the WTO DDA. We also welcomed the ongoing work on facilitating trade in remanufactured products, which saves natural resources and contributes to green growth, and instructed officials to take further steps in this regard in 2011. We recognize that joint research, development, deployment and transfer of technologies will be crucial in our shared efforts to address climate change.

## **APEC Leaders' Growth Strategy**

### *Formulation of the APEC Leaders' Growth Strategy*

28. In the aftermath of the global financial crisis, the global economic recovery remains weak. We believe it is time for us to share a growth strategy to sustain recovery and to lay the foundation for our future prosperity. APEC, as the world's leading growth center, is in a unique position to carry out such a task. In doing so, we will work together with other relevant international fora, including the G20. We will also work with ASEAN.
29. We commended the contribution of Senior Officials and relevant APEC fora to the formulation of the APEC Leaders' Growth Strategy, in response to the decisions made by Leaders in Singapore last year to put in place a comprehensive long-term growth strategy. We also welcomed the outcomes achieved by the relevant sectoral Ministerial Meetings as well as by the APEC Growth Strategy High-Level Policy Round Table in August in Beppu, Japan, which was held, further to the discussions among Senior Officials and Trade Ministers, for the first time in APEC's history to have a focused and comprehensive discussion about the Growth Strategy.
30. We discussed the draft Growth Strategy submitted by Senior Officials and welcomed its aims to achieve (i) balanced growth across and within our economies, (ii) inclusive growth to ensure the opportunity for all our citizens to participate, contribute to and benefit from economic growth, (iii) sustainable growth compatible with global efforts to protect the environment and transition to low-carbon and green economies, (iv) innovative growth to create an economic environment that promotes innovation, use of ICT products and services, and emerging economic sectors, (v) and secure growth to protect peoples' economic and physical well-being and to provide the secure environment necessary for economic activity. With a view to implementing the Growth Strategy, we welcomed development of the Action Plan with its follow-up mechanism to review progress, along with the critical integrated work elements: Structural Reform, Human Resource and Entrepreneurship Development, Green Growth, Knowledge-based Economy, and Human Security. Recognizing that this Growth Strategy will help achieve a higher quality of growth with a view to realizing sustained and enhanced prosperity in the region, we endorsed the draft and agreed to submit it to Leaders for their consideration and adoption.

### *Structural Reform*

31. Structural Reform will play an integral role in the APEC Leaders' Growth Strategy, through the implementation of the APEC New Strategy for Structural Reform (ANSSR), which will advance Balanced and Inclusive Growth. Based on the significant progress of the Leaders' Agenda to Implement Structural Reform (LAISR), we should extend the range of the structural reform agenda in APEC. In this regard, we welcomed and endorsed the ANSSR, and instructed Senior Officials to actively promote, monitor, and review its implementation.
32. We endorsed the EC's 2010 APEC Economic Policy Report (AEPR), which focused on corporate governance. We welcomed EC's other report, which takes stock of progress in

implementing the LAISR Forward Work Programme (FWP), as well as the progress made by economies in pursuing domestic structural reforms. We also welcomed the decision by EC to continue its horizontal approach to facilitate structural reform, as pursued under LAISR with the updated set of priority areas, including competition policy, corporate law and governance, ease of doing business, public sector governance, and regulatory reform.

## **Human Security**

### *Food Security*

33. Given the importance of food security in the region, we welcomed that the First Ministerial Meeting on Food Security was successfully held in October in Niigata, Japan with the participation of relevant international organizations. We supported the aim to improve regional and global food security through two shared goals: Sustainable Development of the Agricultural Sector; and Facilitation of Investment, Trade, and Markets. We welcomed endorsement of the APEC Action Plan on Food Security at the Ministerial Meeting, which includes concrete actions to be undertaken by APEC economies over the next five years. We look forward to an annual progress update on the implementation of the Action Plan from Senior Officials. We noted the need to ensure an appropriate mix of domestic production, international trade, stocks and safety nets for the poor reflecting levels of development and resource endowment.

### *Food Safety*

34. We commended the Food Safety Cooperation Forum (FSCF) and its Partnership Training Institute Network (PTIN) for developing a roadmap of actions to improve the accessibility and use of international standards and best practices for food safety, and for initiating partnerships with the World Bank and other international organizations to implement these actions. We noted the considerable progress made in 2010 to strengthen food safety systems and to facilitate trade and investment through an ambitious program of capacity building activities, and urged further work to develop and improve localized and suitable food safety systems in 2011, including planned work to strengthen laboratory capacity and to reduce the negative impact of food safety incidents on public health and trade.

### *Emergency Preparedness*

35. On a regional scale, effective disaster management cannot be realized unilaterally. APEC, through its strong networks with the business sector, has a comparative advantage in encouraging greater private sector participation in emergency preparedness and risk reduction. We commended the elevation of the Task Force on Emergency Preparedness to a permanent Emergency Preparedness Working Group, with the renewed mandate on strengthening business and community resilience, enhancing public-private partnerships, and reducing emergencies and natural disaster risks. We reaffirmed the Group's continued importance in protecting business, trade and economic growth, as well as communities, from disruption caused by disasters. We will further develop practical disaster risk management and research mechanisms to better prepare our economies for natural disasters.

### *Countering Terrorism and Securing Trade*

36. Protecting the region's economic systems from attack, disruption, and misuse by terrorists is an important component of a safer business environment. We are committed to mitigating such threats without compromising legitimate economic activity, in cooperation with relevant multilateral organizations, the private sector and civil society. We welcomed APEC's ongoing efforts to assist economies to ensure land, maritime, and aviation security; combat the financing of terrorism; enhance cyber security; and protect the region's food supply from attacks. In light of the recent terrorist attempt against international air cargo, we especially

commended APEC activities this year to enhance the security of civil aviation and urged further efforts to protect air cargo and air passenger travel in the region. On all of these issues, we recognized the important role of effective capacity building programs which help develop institutions and mobilize expertise and resources efficiently. We welcomed the extension of the mandate of the Counter-Terrorism Task Force that plays an important role in ensuring human security and secure growth. We also encouraged enhanced cooperation among relevant APEC sub-fora.

#### *Anti-Corruption and Transparency*

37. Corruption is a serious threat to prosperity and development in the region. We agreed to leverage collective action to combat corruption and illicit trade by promoting clean government, fostering market integrity, and strengthening relevant judicial and law enforcement systems. We agreed to deepen our cooperation, especially in regard to discussions on achieving more durable and balanced global growth, increasing capacity building activities in key areas such as combating corruption and bribery, denying safe haven to corrupt officials, strengthening asset recovery efforts, and enhancing transparency in both public and private sectors. We welcomed the efforts of the Anti-Corruption and Transparency Experts' Task Force (ACT) to partner with other APEC sub-fora and the business community to fight corruption. We agreed to enhance our efforts to improve transparency and eliminate corruption, including through regular reporting via ACT, and other relevant fora on economies' progress in meeting APEC Leaders' commitments on anti-corruption and transparency. These commitments include the APEC Transparency Principles, Santiago Commitment to Fight Corruption and Ensure Transparency, APEC Anti-Corruption Code of Conduct for Business, Conduct Principles for Public Officials and Complementary Anti-Corruption Principles for the Public and Private Sectors.
38. We encourage member economies, where applicable, to ratify the UN Convention against Corruption and UN Convention against Transnational Organized Crime and to take measures to implement their provisions, in accordance with economies' legal frameworks to dismantle corrupt and illicit networks across the Asia Pacific region.

#### *Ensuring Health*

39. We welcomed efforts by the Health Working Group (HWG) to improve the capacity of APEC economies to respond to emerging and re-emerging infectious diseases of pandemic potential, and to control non-communicable diseases. We also commended HWG's efforts to strengthen the health systems of economies through such means as improving health financing, human resources, and health information technologies which contribute to economic stability and sustainable economic growth.

### **Welcoming Sectoral Initiatives**

#### *Energy Security*

40. We will continue to make efforts to enhance regional energy security by strengthening cooperation toward stable supply and development of energy with due observance of international rules. We welcomed the "Fukui Declaration on Low Carbon Paths to Energy Security" at the Meeting of APEC Energy Ministers in June in Fukui, Japan, which reiterated the importance of more efficient use of energy and a cleaner energy supply, including renewable, nuclear and fossil fuels with carbon capture and storage. We welcomed the Energy Working Group's report on the energy efficiency progress and the prospect of far exceeding the aspirational target agreed upon by APEC Leaders in 2007 to reduce energy intensity by at least 25 percent by 2030. We expect each economy to take further efforts, including assessing the potential for further energy intensity improvement. We reaffirmed our commitment to the

2009 Leaders' Declaration to rationalize and phase out over the medium term inefficient fossil fuel subsidies that encourage wasteful consumption, while recognizing the importance of providing those in need with essential energy services. We highly appreciated Japan's initiative in proposing the APEC Low-Carbon Model Town Project, aiming at the creation of low-carbon communities in urban development plans and sharing best practices, as well as its contribution to the relevant APEC Support Fund.

#### *Women's Empowerment*

41. We cannot achieve economic growth and prosperity without the full partnership and participation of women around the region. Enhancing women's economic opportunities and entrepreneurship also spreads the benefits of growth more widely. In this regard, we welcomed the recommendations from the 8<sup>th</sup> Gender Focal Point Network Meeting, held in September in Ranzan, Japan. We welcomed the recommendations from the 15<sup>th</sup> APEC Women Leaders Network Meeting, held in September in Tokyo, Japan, consisting of three pillars: career development of women in organization, realization of women's entrepreneurship, and creating new economic opportunities for women. We commended APEC's first Women Entrepreneurship Summit, held in October in Gifu, Japan, which proposed measures to promote equal access to financial services and achieve appropriate work-life balance, and to maximize women's economic impact on economic growth. We welcomed the United States' willingness to host a new high-level policy dialogue in 2011 on women's economic opportunities within APEC. Such actions to support women entrepreneurs should be a key component in implementing the APEC Leaders' Growth Strategy. We will continue to make efforts to assist women's economic activities, including human resources development, in cooperation with small and medium enterprises.

#### *Human Resources Development*

42. We welcomed the APEC Human Resources Development Ministerial Meeting in September in Beijing, China, and the Ministers' determination to advance the APEC inclusive growth agenda through improved and innovative human resources development responses and policies. We noted the Ministers' recommendations that we should adopt employment-oriented macroeconomic policies, improve social safety nets, and prepare a competitive workforce to revitalize economic growth by enhancing capacity building, education, and training. In addition, we also welcomed and supported the Action Plan and the APEC Skills Development Promotion Project (2011-2014), which constitute a multi-year capacity building programme on inclusive growth.

#### *Tourism*

43. Tourism is of economic importance in the Asia-Pacific region, especially for creating jobs, reducing poverty, and conserving the environment. We welcomed the APEC Tourism Ministerial Meeting in September in Nara, Japan, held under the theme, "Tourism for New Strategic Growth in the Asia-Pacific region," which underlined the need for sustainable and balanced tourism for the region to grow. We welcomed the "Nara Declaration" to strengthen APEC tourism cooperation and the intensive discussions held among Tourism Ministers on tourism promotion and tourism-related investment.

#### *Small and Medium Enterprises*

44. Small and medium enterprises (SMEs) are a significant source of prosperity and employment, and a major contributor to innovation, and thus are a growth engine of the Asia-Pacific region. We welcomed the APEC SMEs Ministerial Meeting in October in Gifu, Japan, that stressed the importance of SMEs' participation in high-growth sectors and access to global markets. We also welcomed the "Gifu Initiative" as a concrete action package of APEC SME policies which will ensure SMEs' further growth and development. We also welcomed steps taken to

improve SME's crisis management abilities and understanding of the ethical business practices needed to sustain participation in international trade, and look forward to the development of codes to improve better align industry practices across APEC economies. We also instructed officials to take steps to identify and address barriers that SMEs face in trading in the Asia-Pacific region. We agreed with the SME Ministers that these efforts should commence or be enhanced as soon as possible, based on the recognition that SMEs' continued growth and development is a key to realize the APEC Leaders' Growth Strategy.

#### *Fisheries and Marine Environmental Protection and Resources Management*

45. The oceans and their resources are essential to the livelihood and economic well-being of the people of the Asia-Pacific region and to food security in the region. We welcomed the commitment made by Ministers at the APEC Oceans-Related Ministerial Meeting in October in Paracas, Peru, to focus efforts on sustainably developing and conserving the marine environment, promoting free and open trade and investment in sustainably managed fisheries and aquaculture, addressing the adverse effect of climate change on oceans, and taking steps to ensure that fisheries and aquaculture will continue to be a secure source of food.
46. We welcomed the establishment of the "APEC Research and Training Center for Marine Biodiversity Conservation and Ecosystem Management" (APEC RTC-EBM) in China to address the capacity building needs in managing and understanding marine biodiversity. The establishment of the Center was endorsed at the above-mentioned Oceans-Related Ministerial Meeting.

#### *Information and Communication Technology*

47. ICTs are an engine for promoting new growth and enhancing socio-economic activities. ICT also brings transformative changes in the lives of many peoples in the Asia-Pacific region. As such, we welcomed Ministers' commitment at the APEC Ministerial Meeting on the Telecommunications and Information Industry in October in Okinawa, Japan, to further develop broadband infrastructure and to strengthen the use of ICT in areas such as the environment, education, health care, and emergency management. We also welcomed the Ministers' commitment to enhance measures regarding, among others, deploying IPv6, promoting emerging services and technologies such as cloud computing, ensuring cyber security, eliminating the digital divide, and developing human resources.

#### **Strengthening Economic and Technical Cooperation**

48. We recognized that Economic and Technical Cooperation (ECOTECH) will continue to play a vital role in accelerating REI, in implementing the APEC Leaders' Growth Strategy, and in enhancing human security in the region, and endorsed the 2010 SOM Report on ECOTECH. We welcomed the Senior Officials' identification of APEC's medium-term ECOTECH priorities and formulation of the funding criteria for all APEC projects, in order to marshal APEC's resources toward achieving the outcomes most important to its members. We noted with appreciation the progress made in strengthening ECOTECH activities through a strategic, goal-oriented, and multi-year approach across the priority areas identified. We welcomed the work of Senior Officials to make APEC's sub-fora more responsive to overall APEC priorities and accountable in their operations, and encouraged Senior Officials to continue to go forward with steps including streamlining and reorganization aimed at improving APEC's delivery of ECOTECH support to economies. We also reaffirmed our commitment to the Manila Framework on ECOTECH, and noted that ECOTECH activities will continue to play an important role in assisting developing economies to achieve the Bogor Goals in 2020. We also welcomed the contributions made by members to the APEC Support Fund.

49. We will enhance work on meeting the aspirational goal in the Sydney Declaration of increasing forest cover in the region by at least 20 million hectares of all types of forests by 2020.
50. We also affirmed the contribution made during the second phase of the APEC Digital Opportunity Centre Project (ADOC 2.0) in reducing digital divides and in promoting innovation in the region.

### **Engaging Stakeholders in APEC**

51. APEC is uniquely positioned to help address the challenges that the Asia-Pacific region faces by deepening public-private interactions with ABAC and other stakeholders. We welcomed the valuable inputs that ABAC provided this year on REI, the APEC Leaders' Growth Strategy, and human security.
52. We reaffirmed the critical roles of APEC's industry dialogues in bringing attention to practical and urgent issues and in proposing solutions to the challenges in the region. In this regard, we commended the endeavours that the Automotive Dialogue made this year, including its initiatives on green technologies, preferential ROOs, harmonization of technical regulations, and collaboration with other APEC fora. We endorsed the Chemical Strategic Framework for 2010-2012 developed by the Chemical Dialogue, and instructed officials to continue to work on best practices for sound chemicals management in the region. We also welcomed the valuable contributions of the Life Sciences Innovation Forum in identifying ways to take advantage of health innovations, enhancing the investment environment for the life sciences to drive growth, advancing regulatory harmonization, goals and target dates and addressing the challenges of the aging population, and of chronic, infectious and re-emerging diseases in the region. We welcomed the report of the High Level Policy Dialogue on Agricultural Biotechnology this year on conventional and bio-technological means to help the agricultural sector adapt to and mitigate the impacts of climate change
53. We welcomed the ABAC-Competition Policy and Law Group Joint Dialogue on procedural fairness in competition cases, which was the first collaboration between the competition authorities and the business communities, and recognized the importance of holding a dialogue with business communities in the future. We also welcomed the outcome of the first ACT-ABAC Roundtable Meeting on Fighting Corruption and Strengthening Market Integrity held in Sendai in September and encouraged further public-private partnerships in this field.

### **Strengthening APEC**

54. We recognize that the functions of the APEC Secretariat must be strengthened for it to continue to successfully support the activities of APEC beyond 2010. We welcome Singapore's contributions to the APEC Secretariat to strengthen the Secretariat's IT infrastructure to effectively support APEC's expanding work. We also welcome the contributions of the US-APEC Technical Assistance and Training Facility (TATF) to the Secretariat's institutional strengthening.
55. We are encouraged by the Policy Support Unit's performance since it commenced operation in August 2008. In the last year, the Policy Support Unit (PSU) had continued to support the work of APEC in key initiatives like Bogor Goals and Supply Chain Connectivity. We are also pleased with the successful launch of StatsAPEC, APEC's statistics portal, which allows

statistics relating to APEC economies to be easily available. We remained committed to support the PSU and agreed that the mandate of the PSU be extended for 3 years.

56. Keeping in mind the benefits of APEC membership as well as the need for efficiency to achieve results, we will continue to review the question of APEC new membership going forward.
57. We endorsed the 2010 Senior Officials' Meeting Report on APEC's work program, including the recommendations contained therein, noted the 2010 Annual Report of the APEC Secretariat Executive Director, and approved the 2011 APEC Budget and member contributions. We welcomed preparations for APEC 2011 in the United States.

## 22th APEC Ministerial Meeting

Yokohama, Japan  
10-11 November 2010

### STATEMENT ON ADVANCING WTO DOHA DEVELOPMENT AGENDA NEGOTIATIONS AND RESISTING PROTECTIONISM

We, the APEC Ministers, gathering for our XXII meeting in Yokohama, Japan express our strong commitment to the multilateral trading system and our strong commitment to bring the Doha Development Agenda (DDA) to a successful conclusion as soon as possible.

1. A strong multilateral trading system is an essential source of economic growth, development, and stability. An ambitious and balanced conclusion of the DDA will provide a much-needed stimulus for the global economy. The delay in concluding the DDA negotiations is therefore a source of continuing concern. In this regard, we strongly reiterated the importance of translating our political commitment into concrete actions toward a final conclusion, delivering meaningful new trade opportunities in all areas and substantial reductions in trade distortions, in light of the development dimension as mandated.
2. We reaffirmed our resolve to achieve a balanced and ambitious conclusion to the negotiations as promptly as possible, consistent with the Doha mandate, built on the progress achieved, including with regard to modalities. We agreed to endorse the progress made by negotiating groups in Geneva and to take steps to direct and empower representatives in Geneva and Senior Officials with the necessary flexibilities to further engage in active and substantive negotiations in all the appropriate fora and configurations. Bearing in mind that 2011 will be a critically important “window of opportunity,” we are resolved to engage in comprehensive negotiations with a sense of urgency in the end game. APEC economies will make a due contribution toward a successful DDA outcome. We affirmed our commitment to win domestic support in our respective systems for a strong agreement.
3. Recognizing that the prompt conclusion of DDA will benefit all WTO members, especially developing members, we reaffirmed that all WTO members should work together, with a sense of collective responsibility, to advance the DDA negotiations. Also, we reaffirmed that “Aid for Trade (AfT)” is an important element in helping developing members increase their participation in and realize the benefit of the multilateral trading system. We will continue to work together to support this initiative, including the 3<sup>rd</sup> AfT Global Review Meeting to be held in July 2011.
4. Open markets are vital for growth and job creation, enabling strong and sustainable growth in this region. While world economy is on its way to recovery; however, there still remains a possibility of increasing protectionist pressures in the future. We agreed to extend the commitment on standstill made by Ministers Responsible for Trade in June in Sapporo for another year until 2011. We further agreed to recommend our leaders to re-extend their commitment on standstill made in 2008, to refrain from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing WTO-inconsistent measures in all areas, including those that stimulate exports, until the end of 2013. We reiterated the importance of complying with the basic principles of the WTO agreements as well as continuing to ensure transparency and predictability in implementing



measures that impact trade and investment. We also remain committed to taking steps to rollback trade distorting measures introduced during the crisis. Furthermore, we will continue to exercise maximum restraint in implementing measures that may be considered to be consistent with WTO provisions if they have a significant protectionist effect and promptly rectify such measures where implemented.

5. We considered the Trade Review report compiled by the APEC Secretariat with inputs from the WTO, ABAC and other relevant bodies, and reviewed the trade, fiscal and monetary measures undertaken by APEC economies since the June 2010 MRT. We welcomed the report's findings showing a decline in trade restricting or distorting measures and a marked increase in the number of new measures introduced to facilitate trade. In this connection, we recognize that trade monitoring efforts in the WTO have been functioning effectively so far, and appreciate the degree to which APEC has been involved in information-sharing. We will continue to support the monitoring activities of relevant international organizations including the WTO, and cooperate with them.

## 17th APEC Finance Ministers' Meeting

Kyoto, Japan  
6 November 2010

### JOINT MINISTERIAL STATEMENT

1. We, the finance ministers of the APEC economies, convened our 17th annual meeting in Kyoto, Japan, on 5th and 6th of November 2010, under the chairmanship of Mr. Yoshihiko Noda, Minister of Finance of Japan. The meeting was also attended by the President of the Asian Development Bank, and the senior management of the International Monetary Fund, the World Bank and the APEC Business Advisory Council (ABAC).
2. We exchanged views on current economic and financial developments and policy direction in the Asia-Pacific region. Recognizing APEC's strength in consensus-building and implementing multi-year initiatives, we emphasized the importance for APEC members to take policy measures to achieve stronger, more sustainable and more balanced growth in the region.
3. The global economy is recovering from the recent financial crisis, but uncertainty remains. Growth in the region is uneven across the economies, with developing economies experiencing a strong recovery, while advanced economies are recovering more slowly. Net capital flows have returned in a significant volume to emerging economies of the region, raising the risk of capital flow volatility and increases in asset prices in some economies. Financial reforms are proceeding and we should continue to take steps to build a stronger and more resilient global financial system. We remain committed to maintaining open markets and fighting protectionism. We reaffirmed our common resolve to support the recovery in a collaborative and coordinated way.
4. As a key contribution to the discussion of the APEC Leaders' Growth Strategy, we are submitting "The Kyoto Report on Growth Strategy and Finance" to the Leaders. In this Report, we have identified priorities for securing future growth, namely, rebalancing and strengthening global demand, pursuing sound fiscal management, and enhancing finance to key sectors such as infrastructure, small and medium enterprises, households and green investment.
5. We support the conclusions of the recent G20 Finance Ministers and Central Bank Governors Meeting in Gyeongju and will strengthen multilateral cooperation to promote external sustainability and pursue the full range of policies conducive to reducing excessive imbalances and maintaining current account imbalances at sustainable levels. We will continue to undertake structural reforms and foster job creation.
6. Because of the weight of APEC economies in the global economy, and given the importance of balanced growth in the region, it is incumbent upon each member, whether a surplus or deficit economy, to implement necessary policy measures. Economies with current account deficits will need to take steps to boost domestic saving, including through medium-term fiscal consolidation, while ensuring that consolidation is carefully sequenced, with attention to local economic conditions, so as not to derail nascent recoveries. Economies with current account surpluses need to reduce their reliance on external demand and undertake structural reforms that catalyze stronger domestic demand-led growth, such as enhancing infrastructure finance and strengthening social safety nets.

7. We will move towards more market-determined exchange rate systems that reflect underlying economic fundamentals and will refrain from competitive devaluation of currencies. Advanced economies, including those with reserve currencies, will be vigilant against excess volatility and disorderly movements in exchange rates. These actions will help mitigate the risk of excessive volatility in capital flows facing some emerging economies.
8. Ensuring sound fiscal management and instituting a credible and growth-friendly fiscal consolidation plan form an indispensable part of our growth strategy. Improving the efficiency of public finance management supported by medium-to-long term budget planning is also important. Aging populations pose a challenge, not only for advanced economies, but also for many of the emerging economies which plan to put in place broader social safety nets. We will take measures to ensure, based upon specific circumstances of the economies, that the increase of age-related expenditure will not undermine long-term fiscal sustainability. At the same time, we agreed to the importance of enhancing productivity of the working population through strengthening structural policies including investment in human capital.
9. We need to ensure appropriate financing for several key areas to strengthen growth. Financing for infrastructure, both domestic and regional, contributes to enhancing productivity, alleviating poverty and improving access to social service delivery systems. In this regard, we will continue to support emerging APEC economies in the implementation of Public-Private-Partnership (PPP) infrastructure projects, including through a new mentoring program to be launched next year. Trade facilitation and customs modernization should go hand in hand with the scaling-up of regional infrastructure, with the view to furthering regional integration.
10. Efficient and affordable financial services are critical to the success of economic activity at all levels including the micro, small and medium enterprise, and the households sectors. To this end, we have launched an APEC Financial Inclusion Initiative to identify concrete actions that financial policy makers can take to expand the reach of financial services to the underserved.
11. Finance that enables and supports projects that address climate change is indispensable to strong and sustainable green growth. In this regard, we take note of the importance of the APEC Green Growth Initiative that seeks to share best practices in the region and to produce recommendations to strengthen green growth.
12. Sound and well functioning financial systems are critical for sustainable growth and the efficient allocation of resources. We are committed to take action at the domestic and international levels to raise standards, so that our domestic authorities implement global standards consistently, in a way that ensures a level playing field and avoids fragmentation of markets, protectionism and regulatory arbitrage. We also recognize the importance of creating more open and integrated financial markets in the region, and welcome efforts to facilitate cross-border marketing of fund management services within Asia.
13. The close cooperation with the business community is also a unique feature of APEC. We welcomed inputs from the ABAC, which put forward concrete recommendations on the promotion of infrastructure public-private partnership, small and medium enterprise finance, financial inclusion, regulatory reforms and the development of bond markets.
14. We thanked Japan for hosting the APEC Finance Ministers' Process this year. We will meet again for our 18th meeting in Honolulu, USA, in November 2011.

## **Eighth APEC Ministerial Meeting on the Telecommunications and Information Industry (TELMIN 8)**

**Okinawa, Japan  
30-31 October 2010**

### **OKINAWA DECLARATION “ICT as an Engine for New Socio-economic Growth”**

1. We, APEC Ministers responsible for the Telecommunications and Information Industry, gathered in Okinawa, Japan from 30-31 October 2010 under the theme “ICT as an Engine for New Socio-economic Growth.”
2. We welcome the APEC Leaders’ Declaration on “Sustaining Growth, Connecting the Region” in Singapore, 2009, in which APEC Leaders recognized the importance of an expanded trade and investment agenda for strengthening regional economic integration in the Asia-Pacific region. The APEC Leaders also committed to putting in place a comprehensive long-term growth strategy that supports more balanced growth within and across economies, achieves greater inclusiveness in our societies, sustains our environment, and seeks to raise our growth potential through innovation and a knowledge-based economy.
3. We reaffirm that information and communications technologies (ICT) are crucial to drive further development of a robust and innovative global economy and ICT is a key to realizing the APEC Leaders’ Growth Strategy. We recognize that the development of a ubiquitous network society realized by advances in ICT leads to shared benefits and encourage general economic and social growth in the Asia-Pacific region.
4. We acknowledge the importance of the continued development of Asia-Pacific Information Society (APIS) to achieving innovative growth and reaffirm the necessity for governments and the private sector to form partnerships to expand and strengthen the Asia-Pacific Information Infrastructure (APII), which facilitates increasing information and communication flow.
5. 5. We recognize the significance of 2010 as the target year for industrialized APEC economies to achieve the Bogor Goals of free and open trade and investment. We also reaffirm that a free and fair competitive environment contributes to the sound development of the telecommunications and information industry. We appreciate the progress made towards achieving the Bogor Goals and encourage the Telecommunications and Information Working Group (TEL) to undertake greater efforts in the ICT sector to support these Goals.
6. We note the contribution of telecommunications and information industries to managing human security in supporting new growth and realizing trade and investment liberalization in APEC economies.
7. We welcome the APEC TEL Chair’s Report and commend TEL’s efforts in promoting ICT development. Looking forward, we endorse TEL’s Strategic Action Plan to advance its work focusing on the following areas:

#### **Develop ICT to Promote New Growth**

8. We welcome that APEC economies largely achieve the Brunei Goal of universal Internet access by 2010, approved by Leaders in 2000.

9. We acknowledge comprehensive efforts made by APEC economies to further develop their ICT infrastructure. We reaffirm our commitment toward achieving the goal of universal access to broadband in the APEC region by 2015, contained in the previous Minister's Bangkok Declaration in 2008, and welcomed by the Leaders' Declaration in Singapore in 2009. We encourage TEL's continued efforts toward the realization of the goal. We recognize that the free pool of IPv4 addresses is expected to be exhausted around 2012, and the transition to IPv6 will facilitate the achievement of universal broadband access in the APEC region. We support the IPv6 Guidelines developed by TEL.
10. We recommend that the TEL works toward achieving the ambitious goal of access to next generation high speed broadband by 2020 to expand and improve ICT infrastructure for knowledge-based economies in the APEC region.
11. While we continue to encourage the use of all forms of information and communications technologies in a technology-neutral manner for infrastructure development, we recognize the widespread use of wireless communications as an important means to promote more efficient deployment of ICT infrastructure in the APEC region.
12. To enable people with special needs to fully participate in the digital economy, we encourage TEL to develop and implement strategies to make ICT more accessible to all people.

#### **Enhance Socio-Economic Activities through the Use of ICT**

13. The development of ICT infrastructure is one of the key issues for our industries and society more generally. Recalling the 2007 Leaders' Declaration on global environmental issues, we recognize the ability of ICT to address global problems such as energy and resource constraints and environmental degradation. We therefore welcome the 2009 Leaders' Declaration that encouraged ongoing efforts toward using ICT to address socio-economic challenges.
14. In this respect, we welcome the proposed "Smart ICT Application Initiative" aimed at delivering positive socio-economic outcomes in various areas, including the environment, emergency response, medicine, education, energy efficiency and administrative services. We encourage TEL to do the following: promote the sharing of best practices for applying ICT in the region; address economic, technical and other challenges; and review progress towards these objectives by 2015.
15. We recognize ICT's capacity to improve energy efficiency. We encourage TEL to continue its efforts to share best practices with regards to the use of ICT for environmental benefits. Such benefits are derived from the energy efficiency of ICT devices and networks such as data centers as well as from other ICT applications that can reduce energy usage and decrease the carbon foot print from various economic and social activities. We also encourage TEL to cooperate with other organizations such as the International Telecommunication Union (ITU) and the Organisation for Economic Co-operation and Development (OECD), on the development of methodologies to evaluate ICT's contribution to mitigating environmental loads, and to promote technologies such as Intelligent Transport Systems (ITS).
16. We recognize the role that emerging services and technologies such as cloud computing and grid computing will play in providing flexible and cost effective access to ICT. In this context, we commend TEL's collaborative efforts in cloud computing, and grid computing, recently demonstrated via the Second Grid Showcase last year. We acknowledge, however, the need

for TEL to work towards establishing a safe and secure environment for the use of these services and technologies.

17. We recognize that frequent natural disasters such as typhoons, earthquakes and tsunamis cause severe damage to economies in the APEC region and reconfirm the vital role played by ICT in early warning, rescue and relief operations, as well as recovery efforts. We encourage enhanced collaboration in the APEC region aimed at better responding to disasters by developing and promoting appropriate networks and technologies that improve information sharing and cooperation.

### **Promote a Safe and Trusted ICT Environment**

18. We recognize that our society is becoming increasingly dependent on ICT, which means that online threats can have a major social and economic impact. The safety, security, trustworthiness, and reliability of ICT in the APEC region are crucial to ensuring ICT's important contribution to sustainable growth.
19. We emphasize the need for enhanced measures to address malicious online activities. We also recognize that a safe and trusted ICT environment is facilitated, in part, through strengthened consumer protection measures, which include effective policies that protect personal information protection practices and promote the security of networked systems.
20. We therefore encourage each economy to enhance mutual cooperation on countering malicious online activities, to engage in efforts to increase cybersecurity awareness and to share information on protecting ICT. These efforts need to align with efforts by and in collaboration with industry partners, the Internet technical community and all other relevant stakeholders including Internet Service Providers (ISPs), telecom operators as well as regional and other international organizations. Such efforts will foster a more secure online environment that protects ICT networks and users and secures access to information in an appropriate manner.
21. 21. We note that vulnerable groups, especially children and juveniles, are often exposed to online threats. We therefore encourage each economy to put in place, as a matter of priority, strategies to combat these threats. We also recommend that economies cooperate within the region and that TEL continues to collaborate with other international organizations such as the OECD to promote policies that would facilitate protection of vulnerable groups from online threats.
22. Accordingly, we acknowledge the creation and observance of APEC Cybersecurity Awareness Day in conjunction with TELMIN8 in order to recognize recent cybersecurity awareness raising efforts and to reinforce our shared responsibility in addressing cybersecurity.

### **Promote Regional Economic Integration**

23. We commend TEL's continued efforts to promote free and open trade and investment in ICT consistent with the Bogor Goals. In this regard, we support TEL's Guide on Telecommunications Elements of Regional Trade Agreements and Free Trade Agreements, which highlights the key principles and disciplines that promote greater liberalization and competition within the telecommunications sector. We also recognize TEL's efforts to encourage cooperation within the region by sharing information on the policies and regulations facilitating the development of free and open markets in the APEC region. We encourage member economies to actively exchange knowledge and experience to facilitate streamlined regulatory measures that encourage competition and investment in APEC economies.

24. We acknowledge TEL for its work on Mutual Recognition Arrangements. We encourage economies, where feasible within their regulatory and policy framework, to implement the Mutual Recognition Arrangement for Conformity Assessment of Telecommunications equipment (MRA-CA). We support TEL's Mutual Recognition Arrangement for Equivalence of Technical Requirement (MRA-ETR). We recognize that both MRA-CA and MRA-ETR will contribute to facilitating trade of telecommunications equipment within the APEC region.
25. We recognize that reducing excessive costs of international mobile roaming provides direct benefits to businesses, consumers and regional economies. We commend TEL for its commitment to this effort, such as its development of strategies and measures to educate consumers regarding international mobile roaming costs. Specifically we support TEL's Guidelines on the Provision of Consumer Information on International Mobile Roaming.
26. International submarine cables are an important enabler for regional economic integration. We acknowledge TEL's continued efforts to enhance the protection of submarine cables by raising awareness about the criticality of this infrastructure and consolidating information to help economies to expedite cable repairs.

### **Strengthen Cooperation in the ICT Sector**

27. ICT has an important role to play in strengthening supply-chain connectivity in the APEC region. We encourage discussions within the APEC region on the use of ICT to enhance socio-economic outcomes in various areas such as health care, education, energy, the environment and disaster management.
28. We acknowledge that the digital divide in the APEC region remains an obstacle to accessing the full benefits offered by ICT. We recognize that enhancing opportunities to access information through initiatives such as infrastructure development need to be a priority.
29. We recommend that TEL continues to collaborate with other APEC fora, and enhance coordination of ICT related activities. We also encourage TEL to enhance cooperation with other international organizations such as the ITU, APT, OECD and Internet-related technical and administrative bodies to enhance outcomes and remove any duplication of efforts.
30. We acknowledge the need for human resource development and personnel exchanges that provide the foundation for balanced and sustainable growth in ICT and affirm the necessity for addressing these challenges as key contributions to public services and business in the APEC region.

### **Moving forward**

31. We agree to present this Declaration to the 18th APEC Economic Leaders' Meeting and the 22nd APEC Ministerial Meeting in Yokohama, Japan in November 2010.
32. We request TEL to report on the implementation of this Declaration to the next APEC TELMIN.

## First APEC Ministerial Meeting on Food Security

Niigata, Japan,  
16-17 October 2010

### NIIGATA DECLARATION ON APEC FOOD SECURITY

#### Preamble

1. We, the APEC Ministers responsible for food security, met for the first time in Niigata, Japan from 16 to 17 October 2010 under the chairmanship of H.E. Michihiko Kano, Minister of Agriculture, Forestry and Fisheries, Japan.
2. We welcomed the participation in the meeting of representatives from the Asian Development Bank (ADB), the Food and Agriculture Organization (FAO) of the United Nations, the United Nations' High-Level Task Force (HLTF) on the Global Food Crisis, the International Fund for Agricultural Development (IFAD), the United Nations Conference on Trade and Development (UNCTAD), the World Bank, the World Food Programme (WFP) and the APEC Business Advisory Council (ABAC).
3. Global food security stands at a crossroads. The food price spike in 2007 and 2008 served as a wake-up call about the vulnerability of long-term food security. In 2009, for the first time in human history, the number of undernourished people in the world exceeded 1 billion<sup>1</sup>, although it is estimated to have declined to 925 million in 2010. Looking to the future, the world's population is expected to reach 9.1 billion by 2050, and food production will have to increase by 70 percent to feed them<sup>2</sup>. On the other hand, agricultural production has been increasingly constrained as crop yields are not improving as fast as in previous years; public investment has diminished in the long term; and desertification, shortages of fresh water, conversion of farmland to non-food production and the adverse impacts of climate change have increased. Consequently, average crop prices over the next decade are projected to remain above the levels evident during the decade prior to the 2007-08 peaks<sup>3</sup>. These realities underscore the importance of trade in food and agricultural products.

#### Food Security and APEC

4. Food security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life<sup>4</sup>. This commonly accepted definition of food security comprises four elements: availability, accessibility, utilization and stability. The availability of sufficient food is a prerequisite for access to food conditioned by consumers' purchasing power; while food must be safe, diverse, balanced and nutritious, and available and accessible throughout the year. Food security must be realized at all levels: ranging from individuals and households, through to the domestic, regional and global levels. Agriculture, which provides food, can contribute to other positive externalities such as conserving agricultural land, fostering water resources, preserving landscape and protecting biodiversity. Approaches taken by economies on food security will vary depending on each economy's level of development and its position

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<sup>1</sup> FAO (2009) *The State of Food Insecurity in the World 2009*.

<sup>2</sup> FAO (2009) *How to Feed the World in 2050*.

<sup>3</sup> OECD-FAO (2010) *OECD-FAO Agricultural Outlook 2010-2019*.

<sup>4</sup> FAO (1996) *World Food Summit Plan of Action*.



in food trade. Food security is, however, a common concern for all APEC economies as food is an absolute necessity for human survival.

5. As the pre-eminent forum for economic cooperation in the Asia-Pacific region, APEC has an important role to play to improve regional and global food security. While APEC's member economies have reduced the region's undernourished people by 24 percent between 1990 and 2006, more remains to be done with about one quarter of the world's undernourished people residing in the region<sup>5</sup>. APEC economies are vulnerable to food security risks throughout the food chain as exemplified by a number of protests and riots that occurred during the food price spike in 2007-08. The region is frequently exposed to natural disasters such as earthquakes, tsunamis, typhoons, floods and droughts that temporarily disrupt food supply, damage the food production base, disrupt livelihoods, displace people and reduce access to food. APEC is, however, well placed to help improve regional and global food security, with its members accounting for half of world grain production and including major exporters and importers of agricultural products. Trade plays a key role in food security, and APEC as the premier forum for facilitating economic growth, cooperation and trade and investment can make a major contribution to food security efforts. Improved food security in the region would contribute to the attainment of APEC's human security goals and assist the implementation of the APEC Leaders' Growth Strategy.
6. The lessons learned from recent food price spikes provide valuable guidance on the ways in which APEC can address food security. For the past few decades, efforts by the international community have placed a strong emphasis on demand side measures as a means to improve access to food through poverty alleviation. By contrast, investment in supply side activities such as agricultural research and development, extension and infrastructure have been insufficient. In view of its strong record of economic and technical cooperation, APEC is well positioned to help expand the availability of food through a focus on raising agricultural productivity, facilitating trade and investment and expanding markets. While poverty reduction and programs to ensure access to food for vulnerable rural and urban population remain important, this targeted approach will help ensure that APEC complements, rather than duplicates, other international efforts on food security. In undertaking this work, APEC will also help to set a positive example for other organizations and for non-member economies. APEC economies' experience and expertise can be leveraged to support the L'Aquila Food Security Initiative (AFSI) and Rome Principles for Sustainable Global Food Security. We recognized similar efforts by APEC economies which contribute to regional and global food security such as the ASEAN Plus Three Cooperation on Food Security and Bio-Energy Development and the Global Agriculture and Food Security Program.
7. Now is the time to take concrete actions to feed the future. To meet this challenge, we agreed that APEC economies would collectively pursue the shared goals of (i) sustainable development of the agricultural sector, and (ii) facilitation of investment, trade and markets. We also endorsed an APEC Action Plan on Food Security, which identifies specific activities to be implemented by APEC economies to strengthen regional food security. We invited relevant APEC sub-fora to help carry out these activities in cooperation with responsible economies and ABAC.

### **Shared Goal 1: Sustainable Development of the Agricultural Sector<sup>6</sup>**

8. Increasing the availability of sufficient, safe and nutritious food in the APEC region through expanded supply capacity, underpinned by viable rural communities, will be necessary to

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<sup>5</sup> FAO (2009) *The State of Food Insecurity in the World 2009*.

<sup>6</sup> The term, agricultural sector, comprises crops, livestock, forestry and fisheries sectors in this declaration.

address a possible supply-demand imbalance for food that may result from future population and income growth. These collective actions need to be supplemented by cooperation to help adapt to, and mitigate, climate change and to enhance disaster preparedness in the agricultural sector to help the region achieve a stable supply of food for its people.

*Expanding food supply capacity*

9. The capacity to supply food can be expanded through increased agricultural productivity, improved usage of post-harvest technologies, enlargement of cultivated areas, rehabilitation of agricultural and grassland areas affected by erosion, reduction in losses throughout the food chain and the sustainable exploitation of underutilized sources. Ninety percent of the growth in global crop production by 2050 will need to come from increased productivity, including higher yields and increased cropping intensity<sup>7</sup>. Raising productivity is thus essential to feeding the world's growing population, and expanded emphasis on research and development, extension, and infrastructure development will contribute to achieve this objective. We will seek to mobilize the resources needed to increase productivity, including the review, approval and adoption of biotechnology and other new technologies and innovations that are safe, effective and environmentally sustainable. We also agreed that the APEC economies should facilitate the development and dissemination of new and existing technologies on mutually agreed terms. Building on our collective and individual efforts in these areas, we agreed on the need to increase agricultural production in the APEC region and to promote or accelerate utilization of all available food sources. We encouraged APEC economies to cooperate in reducing food losses in all stages in the value chain from production and processing to distribution and consumption by sharing best practice. We shared the view that through effective resource management of marine fisheries and sustainable development of aquaculture production, fishery resources will continue to be a secure and promising source of food supply.

*Enhancing disaster preparedness in agriculture*

10. The Asia-Pacific region experiences over 70 percent of the world's natural disasters. Moreover, most APEC economies are located in the Pacific Ring of Fire, which is home to over 75 percent of the world's volcanoes and is the source of 90 percent of the world's earthquakes<sup>8</sup>. The agricultural sector is severely affected by these natural disasters. The spread of emerging pests and diseases is also a grave concern for the region. Improving emergency preparedness in the agricultural sector should thus be accorded the highest priority. We agreed to work together, in close collaboration with APEC Emergency Preparedness Working Group, to enhance regional capacity to mitigate, prepare for, respond to and recover from disasters affecting the agricultural sector, with a focus on the impacts of climate change and climate variability. We also agreed that APEC economies would collaborate in the prevention and control of transboundary animal diseases and plant pests, and to encourage the development of comprehensive risk management plans through information sharing and capacity building among members. At the same time, we agreed on the importance of social protection measures such as safety nets and other policies that protect the most vulnerable from shocks such as natural disasters. In this context we agreed to examine the feasibility of establishing cooperative approaches to address emergency food needs. We also acknowledged ASEAN+3 efforts in establishing the ASEAN Plus Three Emergency Rice Reserve (APTERR) to expeditiously safeguard food security in emergency situation.

*Developing rural communities*

11. Rural areas present challenges and opportunities for food security. About 75 percent of the poor in developing economies live in rural areas. Conversely, growth in the agricultural sector,

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<sup>7</sup> FAO (2009) *How to Feed the World in 2050*.

<sup>8</sup> APEC (2008) *Strategy for Disaster Risk Reduction and Emergency Preparedness and Response in the Asia Pacific Region: 2009 to 2015* (2008/SOM3/TFEP012).

the dominant income source for rural inhabitants, is at least twice as effective in benefiting the poorest as growth from non-agricultural sectors<sup>9</sup>. In some developed economies, agriculture plays a smaller and declining role in employment and income. Diversification of income sources, including the expansion of market oriented farming activities and off-farm incomes, could thus be a focus for improving food security. To achieve these goals, we agreed to share information and best practice to bring about a synergy between rural development and food security. We recognized the value of encouraging the consumption of foods, including those available locally, that contribute to diversified and balanced diets and to lessen their dependency on a certain staple food. We also agreed on the need to integrate and invest more to help women, young and poor farmers to improve their capacity to satisfy food needs - including quantity, quality and diversity - and thereby spread the benefits across families and generations. Furthermore, we recognized the importance of social protection measures such as school feeding and mother-and-child nutrition programs, which act as safety nets for vulnerable groups.

*Confronting challenges in climate change and natural resource management*

12. Agriculture depends heavily on natural resources such as land and water, and generates both positive and negative environmental externalities in terms of land, soil, water, landscape and biodiversity. Agriculture is also particularly vulnerable to climate change. Agriculture, as a source of global greenhouse gas emissions<sup>10</sup>, is contributing to this challenge. At the same time, it may also contribute to a solution through carbon sequestration in soils and forests and improved natural resource management practices. In this context, we agreed to work together to assist the agricultural sector to adapt to, and mitigate, climate change through the development and transfer of new and existing technologies, exchange of information, research collaboration and capacity building, in accordance with the principle of common but differentiated responsibilities and respective capabilities.

To this end, we noted the importance of bringing economies together in a bottom-up, voluntary network to increase international cooperation, collaboration and investment in agricultural greenhouse gas research. One positive example of such collaborative work is the Global Research Alliance which brings economies together to find ways to grow more food without growing greenhouse gas emissions. We also agreed to address natural resource challenges such as growing water scarcity, expanding desertification, increasing farmland conversion, diminishing biodiversity, degraded tropical forests and depleted marine fishery resources. Recognizing the opportunities provided by biofuels, we shared the need to cooperate on developing second-generation biofuels.

**Shared Goal 2: Facilitation of Investment, Trade and Markets**

13. Food security cannot be achieved without stable, efficient and equitable distribution systems that can deliver food to the whole population. In this regard, APEC economies should work together to facilitate improved agricultural trade, maintain reliable markets, enhance the business environment and ensure food safety in the region in cooperation with key stakeholders. Promoting responsible agricultural investment is an indispensable element of this goal.

*Promoting investment in agriculture*

14. Sufficient investment in agriculture is a prerequisite for long-lasting food security. However, the annual rate of accumulation of capital stocks in agriculture declined from 1.1 percent in 1975-1990 to 0.5 percent in 1991-2007. Development aid to agriculture decreased by 58

<sup>9</sup> World Bank (2007) *World Development Report 2008: Agriculture for Development*.

<sup>10</sup> IPCC (2007) *IPCC Fourth Assessment Report: Climate Change 2007*.

percent in real terms between 1980 and 2005, reducing the share of ODA to the agricultural sector from 17 percent to just 4 percent. To meet projected global food consumption needs in the future, there will need to be a substantial increase in investment in the agricultural sector. With this formidable challenge in mind, we committed to promote policies that enhance investment in agriculture and explore agricultural resources, so as to ensure long-term food security. We recognized the crucial role of private investment and encouraged the use of private-public partnerships. We acknowledged the value of foreign direct investment in agriculture as a means to deliver higher agricultural productivity and job creation in recipient economies. To this end, noting the growing commercial pressure on land and other natural resources across the developing world, we supported responsible agricultural investment that aims to create a “win-win-win” situation for recipient economies, local communities and investors. We also supported the ongoing efforts by relevant international organizations, in association with various stakeholder groups, to develop principles and best practice on Responsible Agricultural Investment (RAI) to help frame a coordinated global response.

#### *Facilitating trade in food and agricultural products*

15. Trade plays a key role in achieving food security. It ensures that people have physical access to the food that they need for a balanced diet. At the same time, trade also creates economic opportunities for people, which can increase their incomes and economic access to food. To this end, we reconfirmed the value of an open and rules-based multilateral trading system under the framework of the WTO, which provides predictability and stability in agricultural trade. We agreed on the need to sustain the benefits of globalization and open markets, highlighting the crucial importance of encouraging science-based standards, rejecting protectionism and encouraging the development of regionally integrated markets. We renewed our commitment to an ambitious, balanced and prompt conclusion to the Doha Development Agenda, consistent with its mandate, built on the progress achieved, including with regard to modalities. We reconfirmed the commitment on a standstill, first made by APEC Leaders in 2008 and extended by APEC Ministers Responsible for Trade until 2011. WTO inconsistent measures create negative incentives for farmers as an unpredictable policy environment discourages investment and only provides a temporary and inefficient benefit, often neglecting those consumers with the lowest incomes. Recognizing the vulnerability of all economies, and particularly net food importing economies and developing economies, to external shocks, we noted the need to ensure an appropriate mix of domestic production, international trade, stocks and safety nets for the poor reflecting levels of development and resource endowment. Building on successful APEC efforts to promote free and open trade, we supported the cooperation in facilitating trade in food and agricultural products by addressing relevant measures including non-tariff measures and non-tariff barriers.

#### *Strengthening confidence in agricultural markets*

16. The sharp spike in food prices in 2007-08 raised concerns about volatility and uncertainty in agricultural markets. Although the trend in price volatility in international markets is mixed depending on commodities, global food commodity markets are likely to show periodic volatility for the foreseeable future<sup>11</sup>. We agreed to work together to address volatility and uncertainty in commodity prices and to strengthen confidence in international agricultural markets. Specifically, we agreed to jointly explore the best way to reduce uncertainty in agricultural markets, including through information sharing among economies based on experiences in other regional and international fora.

#### *Improving agribusiness environment*

17. An agribusiness sector that links farmers and consumers plays an increasingly pivotal role in food security as economies develop and food is provided through longer value chains.

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<sup>11</sup> FAO (2009) *How to Feed the World in 2050*.

Governments must thus act to improve the investment climate to induce the entry of investors and to address bottlenecks to the development of micro, small and medium sized agro-enterprise<sup>12</sup>. To achieve these outcomes, we agreed to cooperate to improve the investment climate by providing public goods such as infrastructure, by establishing a secure legal and regulatory framework and by ensuring access to financial services. To this end, we expressed our collective desire for further innovation in micro-finance in the food and agricultural sector. We agreed to facilitate the development of a strong food supply chain that provides sufficient, safe and nutritious food. We also agreed on the need to promote shared standards, the development and use of science-based regulations, and the establishment of comprehensive and balanced intellectual property systems.

#### *Improving food safety practices*

18. Building the capacity of economies to produce, access, and distribute safe food, as well as developing appropriate food safety regulation, is an integral element of food security. Given the significant public health and economic impacts of unsafe food, greater collaboration among food scientists and regulators, as well as the use of science and risk-based food safety systems, should be accelerated to improve regulatory outcomes. The APEC Food Safety Cooperation Forum and its Partnership Training Institute Network can be used as a resource to develop, design and test food safety training modules and methods of delivery, and serves as a model for global initiatives. In this context, we agreed to encourage APEC economies through relevant APEC sub-fora to collaborate in the area of food safety in line with their mandate and competence.

#### **Partnering with key stakeholders**

19. Meaningful consultation with relevant stakeholders is critical to making sustained progress towards our food security goals. Robust engagement helps strengthen the commitment of key players and ensures that the best ideas are utilized. Stakeholders comprise a broad range of players including non-government organizations, foundations, universities, multilateral institutions and private sector entities. We noted the value of ABAC's input over the years, including its development and advocacy of the APEC Food System concept and its publication of a Strategic Framework for Food Security in APEC in 2009, and instructed Senior Officials to integrate ABAC into APEC's food security efforts in a more substantive manner.

#### **The Way Forward**

20. We instructed APEC Senior Officials to monitor the implementation of the Action Plan on Food Security, to report progress on its implementation to APEC Ministers on an annual basis, and to compile an assessment report on overall achievements following the completion of the Action Plan.

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<sup>12</sup> World Bank (2007) *World Development Report 2008: Agriculture for Development*.

## Third APEC Oceans-Related Ministerial Meeting (AOMM3)

Paracas, Peru  
11-12 October 2010

### PARACAS DECLARATION Healthy Oceans and Fisheries Management towards Food Security

We, the APEC Oceans-Related Ministers, met on October 11-12, 2010 in Paracas, Peru, under the theme “Healthy Oceans and Fisheries Management towards Food Security”.

Acknowledging that we met at a time of economic challenge as the global economy continued to recover from a recession, in the wake of a spike in food prices that drew attention to food-insecure and undernourished populations and served as a wake up call about the vulnerabilities of long term food security, in the face of intensifying effects of climate change on ecosystems, economies and societies alike, and when marine ecosystems were under increasing stress due to a growing range of activities, and in some cases have been damaged by catastrophic events;

Considering that in the 2008 Leaders Statement on the Global Economy and in the 2009 Leaders Declaration, APEC Leaders expressed their determination to resist protectionism, their support for the multilateral trading system and for the 1994 Bogor Goals of free and open trade and investment, and their commitment to respond to food security challenges in the region, and requested the implementation of a long-term strategy for economic growth that is balanced within and across economies, inclusive of all citizens, environmentally sustainable, innovative, and supportive of the economic and physical security of our citizens;

Reaffirming the 2002 Seoul Oceans Declaration, adopted at the first AOMM held in the Republic of Korea, as our commitment to domestic and collective action for the sustainable development of our oceans, seas and coasts, including their resources;

Taking into account that at the second AOMM in 2005 in Bali, Indonesia, we adopted the Bali Plan of Action (BPA) “Towards Healthy Oceans and Coasts for the Sustainable Growth and Prosperity of the Asia Pacific Community,” which stated our collective determination to work towards ensuring the sustainable management of the marine environment and its resources, providing for sustainable economic benefits from the oceans, and enabling sustainable development of coastal communities; and the subsequent assessment undertaken by the MRCWG and FWG of the implementation of this Plan of Action, which revealed areas for further attention, in particular ecosystem-based management and climate change;

**We the APEC Oceans-Related Ministers will focus our efforts on the following four sub-themes:**

***1. Sustainable Development and Protection of the Marine Environment.*** Marine ecosystems are being used for an increasing variety and intensity of activities, resulting in more stress on these systems through, among other issues, habitat damage, marine and land-based pollution and invasive species. Studies on the state of the marine environment and its resources show a continuous degradation of the ecosystem’s health. Eighty per cent of the fish populations are considered over-exploited or fully exploited. There is a worrying decline of marine biodiversity caused by ineffective management practices, climate change and marine pollution among other things.

Conserving the integrity of marine ecosystems requires our urgent attention. We recognize that the greatest possible benefits from marine environments can be obtained if we acquire a better understanding of oceans and their associated economic, social and environmental benefits, and improve our ability to sustainably manage marine ecosystems, particularly through better understanding and implementation of ecosystem-based management.

**2. *Impact of Climate Change on the Oceans.*** The oceans and the benefits derived from them are being threatened by climate change through temperature increases, changing distributions of living marine resources, sea level rise, increasing variability in ocean conditions, more frequent catastrophic weather events and ocean acidification. Many of these effects are already occurring and will likely intensify in the coming years. We also note that many of these changes will occur more quickly and be more pronounced in polar regions. We require a better understanding of the nature and magnitude of these changes and their effects and insights on what policy approaches will best allow our people and economies to adapt to these changes.

**3. *Promote Free and Open Trade and Investment.*** Export earnings of APEC economies from fisheries and aquaculture products were 46 billion USD in 2007, including 37 billion USD in trade between APEC member economies. Trade and investment in sustainably managed fisheries and aquaculture contribute to economic growth, poverty alleviation and food security, and create employment in all economic sectors in the region while relying on healthy marine ecosystems. However, we are concerned by the growing adoption of unilateral measures that can create unjustified barriers to trade of fisheries products if inconsistent with international obligations. We, therefore, reaffirm our commitment to free and open trade and investment in a transparent, rules-based multilateral trade system.

**4. *The Role of Oceans in Food Security.*** The APEC region accounts for more than two-thirds of the world's capture fisheries and aquaculture production, and our populations consume 70% of the world's fish products. Per capita supply of fish in the APEC region is 65% higher than the world average, and fish provides a significant portion of animal protein consumption in the region, especially in low-income food-deficit economies. However, food security is threatened by fishing overcapacity, Illegal, Unreported and Unregulated (IUU) fishing, maritime crime and piracy, marine invasive species, climate change and other stressors. These activities must be addressed through effective measures including sustainable resource management, while processing, distribution and trade systems must be oriented in such a way as to maximize and balance these economic, social and nutritional benefits.

In light of these four priorities, we endorse the attached Paracas Action Agenda, and instruct the appropriate APEC working groups, as necessary, to carry out those actions in coordination with relevant APEC bodies and other institutions.

We look forward to conveying the outcomes of our meeting to the first APEC Ministerial Meeting on Food Security, to be held October 16-17, 2010 in Niigata, Japan, which has a goal of developing strategies of cooperation in food security among the APEC economies and we applaud the attention given to the vital contribution of marine resources and fisheries and aquaculture products to food security in the APEC region.

We underscore the need to continue to consider the vital contribution of marine resources and fisheries and aquaculture products to food security in all relevant dialogues and note that this can be a particular contribution by APEC given that ocean products are overlooked in many such discussions.

We express our appreciation to Peru for hosting the Third Oceans-related Ministerial Meeting and for the excellent arrangements that have been provided in Paracas.

Finally, we will bring the outcomes of this meeting to the attention of our Leaders at their meeting in November 2010 in Yokohama, Japan.



## **Third APEC Oceans-Related Ministerial Meeting (AOMM3)**

**Paracas, Peru  
11-12 October 2010**

### **PARACAS ACTION AGENDA Healthy Oceans and Fisheries Management towards Food Security**

Given the Paracas Declaration, in which we focus on four main areas: sustainable development and protection of the marine environment; impact of climate change on the oceans; free and open trade and investment; and the role of oceans in food security to address key oceans-related challenges and reaffirming the commitments made in the 2002 Seoul Ocean Declaration and reaffirming and extending the 2005 Bali Plan of Action, we manifest our commitment to strengthen their implementation through the following actions:

#### **1. SUSTAINABLE DEVELOPMENT AND PROTECTION OF THE MARINE ENVIRONMENT**

##### **1.1 Understanding of the Marine Environment**

We ask the appropriate APEC working groups, as necessary, to seek ways to promote cooperation among APEC economies to contribute towards regional assessments in the APEC region and understanding the marine ecosystem.

We request the appropriate APEC working groups, as necessary, to consider cooperation on activities related to the monitoring and control of marine invasive species, building on existing initiatives and previous APEC projects.

##### **1.2 Sustainable Management of the Marine Environment**

We encourage and promote capacity building, information sharing and experience dissemination on implementing Ecosystem Based Management (EBM) approaches among APEC economies in order to protect human health, provide economic and social benefits, and contribute to food security in the APEC region.

To that end, we promote and support activities regarding domestic marine and coastal spatial planning, improving the management and effectiveness of existing Marine Protected Areas (MPAs) and their connectivity in networks and the creation of new MPAs based on the best scientific information available and in collaboration, as appropriate, with relevant international organizations including Regional Fisheries Management Organizations and Arrangements (RFMO/As), in order to protect and prevent significant adverse impacts to marine biodiversity, habitats and ecosystems and to promote sustainability of fisheries and other marine resources.

We support efforts by APEC economies to develop programs for the conservation of marine biodiversity such as the implementation, as appropriate, of the Program of Work on Marine and Coastal Biodiversity of the Convention on Biological Diversity, as well as the measures agreed in FAO, RFMO/As and other relevant fora which aim to reduce the continuing loss of biodiversity.

We encourage partnerships with UNEP's Regional Seas Programs, and other relevant fora in the Pacific, as appropriate, such as the Coral Triangle Initiative, to promote coordinated and effective protection of the marine environment throughout the APEC region.

We welcome the establishment of the "APEC Research and Training Center for Marine Biodiversity Conservation and Ecosystem Management" (APEC RTC-EBM), addressing the capacity building needs in managing and understanding marine biodiversity.

### **1.3 Pollution**

We encourage APEC economies to reduce both sea and land-based sources of marine pollution and marine debris, both domestically and regionally, by inter alia implementing, as appropriate, the UNEP's Global Program of Action (UNEP-GPA) for the Protection of the Marine Environment from Land-based Activities, and in addressing these issues consider partnerships with stakeholders and the use of market-based incentives, and other activities and initiatives.

We support greater efforts towards regional cooperation to prevent and combat marine pollution in cases of emergency, particularly for releases of noxious and hazardous substances and oil spills, and encourage the appropriate APEC working groups, as necessary, to determine the feasibility of developing a regional or sub-regional contingency plan for combating marine pollution by oil and other hazardous substances.

## **2. IMPACT OF CLIMATE CHANGE ON THE OCEANS**

We support initiatives by APEC economies to cooperate in the gathering and sharing of scientific knowledge on climate change and its impacts on coastal and marine ecosystems, fisheries, and aquaculture.

We encourage APEC economies to promote greater cooperation on climate change mitigation and adaptation, with other APEC economies and more broadly.

We also encourage increased efforts by APEC economies to improve the capacity of coastal communities, fishing industries, and resource managers to respond and adapt to climate change.

We promote an increase in stakeholder participation and public awareness about the impacts of climate change on the oceans and their resources.

We express our strong and active support for the ongoing UNFCCC process.

We recognize the contribution of the 2009 World Ocean Conference in elevating attention to the role and importance of oceans in climate change, and welcome the Manado Oceans Declaration.

We will pursue efforts through appropriate APEC working groups and other APEC fora to improve understanding of the role of the oceans in climate change through dedicated research and observations and work together to support community resilience and planning for adaptation to the adverse effects of climate change.

## **3. PROMOTE FREE AND OPEN TRADE AND INVESTMENT**

We stress the importance of the fisheries subsidies negotiations as part of the World Trade Organization Doha Development Agenda and urge the APEC economies to actively commit to a successful and effective outcome of these negotiations, in line with the 2005 WTO Hong Kong Ministerial mandate to strengthen disciplines on subsidies in the fisheries sector, taking into account the importance of the fisheries sector for poverty reduction, job creation, and food security.

We recognize the efforts of the relevant international organizations such as FAO, Codex Alimentarius Commission, the International Office of Epizootics and other international and regional organizations to promote within these organizations the development of standards, guidelines, and recommendations with respect to sanitary and phytosanitary issues in fisheries.

We support the further development and implementation, as appropriate, of traceability tools (e.g. trade tracking, other trade-related tools, port state measures related to traceability), including in RFMOs/As, in order to address challenges associated with effective conservation and management of fisheries and oceans resources such as IUU fishing.

We encourage APEC economies to support regional and global efforts to harmonize traceability tools and to minimize as much as possible the costs of their implementation. To further such harmonization efforts, we support the development of FAO best practice guidelines for catch documentation schemes and traceability in an effort to avoid differing unilateral import requirements.

We support trade and investment facilitation measures that are consistent with sustainable resource management.

#### **4. THE ROLE OF OCEANS IN FOOD SECURITY**

Given the importance of fisheries and aquaculture products to food security in APEC economies, we promote the sustainable management of fisheries and aquaculture resources both domestically and internationally through, inter alia, application of science to management, implementation of ecosystem approaches, and a precautionary approach to fisheries, and ensuring that sufficient institutional capacity is in place.

Recognizing that productive fisheries and aquaculture require healthy, well-managed ecosystems, we note that the priorities and actions proposed under “Sustainable development and protection of the marine environment” will also support food security.

We support initiatives by APEC economies that incorporate sustainably managed small pelagic fish for human consumption. These initiatives contribute to the achievement of a more competitive and stable supply of fish and fisheries products, and thus food security, in the region.

We further support initiatives by APEC economies regarding information sharing about research and technology related to the sustainability of fisheries and capacity building on safety of the aquaculture supply chain.

We support ongoing cooperative and sustainable management of international fisheries, including within the framework of relevant RFMO/As. In this regard, we welcome the adoption of the “Convention on the Conservation and Management of High Seas Fishery Resources in the South Pacific Ocean” and encourage APEC economies, as appropriate, to take the necessary steps to become party to the convention and participate in the work of the RFMO to be established by that Convention. At the same time, we encourage the early completion of negotiations for the creation of the North Pacific RFMO.

We call upon all APEC economies to improve cooperation internationally and with competent international organizations to eliminate IUU fishing and piracy activities, recognizing the damages and losses they inflict upon the fisheries sector and food security in the APEC region; and to consider ratification and implementation of the “Agreement on Port State Measures to Prevent, Deter and Eliminate IUU Fishing”.

We commit to align the capacity of the world's fishing fleets with the productivity of their target fish stocks, recognizing the special circumstances and requirements of developing economies and their interests in developing their fisheries consistent with relevant international instruments.

We support initiatives by APEC economies that aim at increasing efficiencies and reducing losses in the supply chain (for example, from improper handling and storage), in order to maximize the economic, social and nutritional benefits to the people of the region.

We support free and open trade in a transparent, rules-based multilateral trading system which contributes to food security, both directly by allowing efficient movement of safe fisheries and aquaculture products to where they are most needed, and indirectly by contributing to economic growth, poverty alleviation, and employment.

## **5. COOPERATION**

As a common theme for action across all of these areas, we support wherever possible mechanisms for cooperation, collaboration, and the sharing of knowledge and best practices, both among APEC economies and more broadly. This includes, inter alia, the establishment of networks of cooperation in research and development of sustainable marine resources, fisheries, and aquaculture within the APEC economies and the establishment of associative links with RFMO/As and other relevant fora.



## **17th APEC Small and Medium Enterprises Ministerial Meeting**

**Gifu, Japan  
2-3 October 2010**

### **Joint Ministerial Statement**

#### **Strategy for Reinvigorating Economic Growth with Dual Engine: SME and Asia-Pacific Economy**

##### **Introduction**

1. We, the APEC Ministers and their representatives responsible for Small and Medium Enterprises (SMEs), met in Gifu, Japan from 2 to 3 October 2010 under the chairmanship of H.E. Akihiro Ohata, Minister of Economy, Trade and Industry, Japan. The Executive Director of the APEC Secretariat and the APEC Business Advisory Council (ABAC) were also in attendance.

#### **SMEs and the Asia-Pacific Region: Shared Recognition of the Importance of these Two Growth Engines**

2. We recognised that SMEs are a significant source of prosperity and employment, and a major contributor to innovation. In this regard, SMEs are a growth engine within the Asia-Pacific region.
3. We also noted that the Asia-Pacific region as a whole remained resilient during the global recession, and we expect the region to experience major growth going forward.
4. We reaffirmed that these two engines-SMEs and the Asia-Pacific region-both bear responsibility for advancing economic development. We strongly believe that SMEs' continued growth and development is a key to realising the APEC Growth Strategy.

#### **Discussion on the Growth Strategy for SMEs**

5. At the 17th APEC Economic Leaders' Meeting and the 21st APEC Ministerial Meeting, expectations were expressed for the 17th APEC SME Ministerial Meeting to contribute to the APEC Growth Strategy.
6. Based on these expectations, we discussed SME performance and growth through three linked topics: analysis of the present condition, developments over the next few years, and our direction looking forward to 2020 in order to generate the long-term growth strategy for APEC's SMEs.

#### **The Impact of the Economic Crisis on SMEs, and Countermeasures Implemented in Response**

7. We categorised APEC economies into three groups based on their GDP growth around the time of the recession. The impact of the crisis on SMEs varied according to the group into which each economy was categorised. Overall economic growth of SMEs in the APEC region is back on track.

The three groups were:

Group 1: The economy slowed due to the recession. However, it still grew compared to the previous year.

Group 2: The economy shrank due to the recession. However, the negative growth rate was moderate compared to group 3.

Group 3: The economy was heavily affected by the recession.

8. Through our discussion on policy responses to the crisis and the timing of their phase-out, we confirmed that policy responses and exit strategies took account of the different circumstances of each economy. However, we are confident that SMEs were helped by the individual and collective short-term economic stimulus policy responses.
9. We recognised that enhancing SMEs' crisis management capability is an important measure for coping with economic crises, and encouraged member economies to focus on building joint crisis management mechanisms in the APEC region. We welcomed the establishment of the APEC SME Crisis Management Centre as a tangible example of collaboration among SME Working Group (SMEWG) members.

### **Short-Term Prospects for SMEs, and SME Measures Required of APEC**

10. We acknowledged the first and second year achievements of the four-year SMEWG Strategic Plan (2009-2012), commending Champion Economies for their guidance and support in each priority area. We recognised the importance of continuing support for the Strategic Plan for SME growth and welcomed the on-going development of relevant projects which will not only contribute to APEC's overall objectives but also enhance SME capabilities for sustainable economic growth.
11. We acknowledged efforts by economies to promote market access as a major component of sustainable economic growth for SMEs. In particular, we supported the study of SME internationalisation best practices, and asked that the outcomes of the study be shared with the APEC members at the margins of the next SME Ministerial Meeting in 2011.
12. We recognised that the Daegu Initiative has successfully completed its first cycle (2006-2010), which gave member economies an opportunity to evaluate their own SME innovation policies, share best practices and ultimately facilitated innovation in the APEC region. We welcomed the "Green Initiative" as the second cycle and look forward to participation and support of APEC member economies.
13. We recognised that economic situations vary in each economy, and it is difficult to predict the future. We also recognised that, based on domestic priorities, each economy will move its policy focus from emergency response measures toward support for SMEs to pursue dynamic growth as soon as possible.
14. However, we strongly believed that the Asia-Pacific region as a whole should aim to advance economic development and increase the region's economic inclusiveness and vitality. On that basis, we recognised that the Asia-Pacific region should support SMEs' participation in innovative, creative and high-growth sectors including green, medical and healthcare industries, among others.
15. We instructed the SMEWG to reflect these evolving policy directions in its current Strategic Plan and generate activities for 2011 and 2012, and to report on the content of these activities at the 2011 SME Ministerial Meeting.

**Prospects for APEC SME Policy: Looking Toward 2020**

16. Based on the discussion in this Ministerial Meeting to ensure continued strong growth and development of SMEs, we believed that efforts in the following areas should commence or be enhanced as soon as possible.
  - a) SMEs' participation in high-growth sectors; and
  - b) SMEs' access to global markets.
17. In order to encourage a wider range of SME participation in high-growth sectors, we recognised that the following individual and collective actions are important:
  - a) Developing and presenting strategies or action plans to bring SMEs into areas seen as future growth sectors;
  - b) Strengthening assistance for human resources development, innovation, business change, productivity improvement, and entrepreneurship;
  - c) Developing a coordinated approach between SME- and related agencies to implement measures aimed at improving the business environment for SMEs, in particular, access to finance (including trade finance), capability building and the legal system; and
  - d) Promoting policy cooperation and sharing information and best practices among all APEC member economies.
18. In order to strengthen SMEs' access to global markets, we recognised that the following actions are important and we agreed to call the first three actions the "Gifu Initiative."
  - a) Supporting SMEs to take advantage of each locality's domestic and regional resources to develop high value-added products, and to sell to the global marketplace, through the APEC-wide and global "One Village One Product" model;
  - b) Promoting exhibitions and trade shows that are open to the Asia-Pacific region's SMEs through APEC market-opening activities such as the APEC SME exhibition model and exhibition information sharing platforms;
  - c) Supporting SMEs to expand and strengthen networking by launching international internship and exchange programmes such as the APEC SME CEOs' Network; and
  - d) Facilitating open and transparent business environments free from the high costs of corruption by the development of APEC codes of business ethics in sectors of export interest to APEC economies, beginning with the medical device sector.
19. We instructed the SMEWG to further the discussion we held and to reflect its results on the next Strategic Plan.
20. By advancing the above efforts, we, the Small and Medium Enterprises Ministers, aim to generate dynamic and diverse SMEs in the Asia-Pacific region, from micro to mid-sized enterprises, in industries that support the basics of everyday life through to those developing and employing the most advanced technologies.



### **Cooperation and Collaboration with Related Organisations**

21. The meeting was also attended by guests: the Gender Focal Point Network (GFPN), Women Leaders Network (WLN), and representatives from the APEC Women Entrepreneurship Summit (WES) and the World Bank. We thanked all participants for their contributions to the work of the SMEWG.
22. We noted the recommendations by ABAC that SMEs' access to fundamental resources such as financing, information communication technology, and human resources should be intensified by: establishing credit information and legal framework for secured lending; supporting further utilisation of broadband services and its related education; and providing programmes that supports continuous training, respectively. We also noted the recommendation to establish "SME market knowledge centers", which aim to assist SMEs by providing consultancy and integrated market research data, among others.
23. We noted the recommendations of the 8th GFPN Meeting and the 15th WLN Meeting that emphasised the need to include measures that facilitate access to public and micro-finance programmes by women-led SMEs; improve the regulatory environment; develop skills programmes for women entrepreneurs; foster networking opportunities; strengthen educational and vocational training programmes; and promote gender mainstreaming based on the recognition that women are important economic contributors.
24. We welcomed progress on the first phase of the Global Women's Economic Empowerment (GWEE) initiative by the United States which will provide basic business skills training to women micro-entrepreneurs in the APEC region. The pilot programme for this initiative will be implemented in Malaysia in 2011.
25. We welcomed the first WES policy statement detailing their discussion and substantive policy recommendations to promote women's economic opportunities. We further welcomed the WES website's launch to build a network for APEC women entrepreneurs. We looked forward to a new high-level policy dialogue in 2011 on women's economic opportunities within APEC, in line with the APEC Growth Strategy.

### **APEC 2011 SME Meetings**

26. We thanked the United States in advance for hosting the next APEC SME Ministerial and related meetings in May 2011 in Big Sky, Montana. The United States previewed the topics for workshops envisioned for this set of meetings, among other topics, anti-corruption and building clean business environments for APEC SMEs, including the development of APEC codes of business ethics for interested sectors; women's economic empowerment through entrepreneurial skills development; and trade finance for innovative green technology exports.

### **Toward Yokohama**

27. We agreed to present this Joint Ministerial Statement as the contribution to the APEC Growth Strategy to the APEC Ministerial Meeting and the APEC Economic Leaders' Meeting in November 2010 in Yokohama, Japan.

## **Sixth APEC Tourism Ministerial Meeting**

**Nara City, Nara Prefecture, Japan  
22-23 September 2010**

### **NARA DECLARATION Tourism for New Strategic Growth in the Asia-Pacific Region**

1. We, the APEC Tourism Ministers from Australia; Brunei Darussalam; Canada; Chile; People's Republic of China; Hong Kong, China; Indonesia; Japan; Republic of Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; Republic of the Philippines; Russian Federation; Singapore; Chinese Taipei; Thailand; United States of America and Viet Nam, met in our 6th APEC Tourism Ministerial Meeting (TMM) in Nara, Japan on 22-23 September 2010. The meeting was chaired by H.E. Mr. Sumio Mabuchi, Minister of Land, Infrastructure, Transport and Tourism of Japan. Also present at the meeting was the Executive Director of the APEC Secretariat.
2. We gather under the theme of APEC Japan 2010, "Change and Action", knowing that during this period of significant change in the global political and economic order, tourism will continue to play an important and relevant role in the Asia-Pacific region.
3. We support the theme of the TMM, "Tourism for New Strategic Growth in the Asia-Pacific Region", by recognizing the economic importance of tourism, including the creation of jobs, reduction of poverty and conservation of the environment. In this regard, we encourage our leaders to include in their declaration in Yokohama a statement on the significant contribution that tourism can make in the economic development and growth of the Asia-Pacific region.
4. In addition, the year 2010 marks an important milestone for APEC, as it is the target year for the industrialized economies to achieve the Bogor Goals. The progress toward achievement of the Bogor Goals should be assessed. We should also continue to work toward refining the APEC Growth Strategy which aims to achieve economic growth that is balanced, inclusive, sustainable, innovative and secure.
5. Under these circumstances, the TMM was held in the spirit of cooperation, friendship, solidarity and mutual understanding. We are determined to continue to strengthen balanced and sustainable growth of travel and tourism industries so that this sector is able to contribute to regional development and tourism cooperation in the region.
6. We recognize that it is necessary for the Tourism Working Group (TWG) to implement specific strategic measures to address: (1) raising the recognition of the significance of tourism and the role it plays as an economic engine in the Asia-Pacific region and in the wider APEC forum as a whole, (2) influencing other APEC fora and policy makers to address issues that affect tourism, and (3) promoting the sustainable management of tourism businesses and destinations.
7. To this end, we urge the TWG to finalize the APEC Tourism Strategic Plan (ATSP) for adoption at the April 2011 38th TWG Meeting, as this will provide a framework for achieving tourism growth and prosperity in the APEC region.

8. We acknowledge with appreciation the completion of the SOM Steering Committee on ECOTECH (SCE) 2010 Independent Assessment of the TWG. We call on the SCE to consider the recommendations therein and to recognize the range of tourism-related issues beyond the purview of the TWG.
9. We encourage the TWG to take stock of the findings in said report as vital inputs while moving forward from the Seoul Declaration on the APEC Tourism Charter adopted at the first TMM in 2000 to produce a dynamic Strategic Plan.
10. 10. We recognize that the APEC tourism projects established and implemented by the member economies are important for the promotion of tourism cooperation, capacity building and information sharing. We encourage more economies to propose and support new projects. We also encourage a review of relevant past projects to guide the TWG in its future planning, such as the APEC Action Plan on the Prevention and Response to Avian and Influenza Pandemics.
11. We understand the importance of collaboration between the TWG and other related APEC working groups and fora for the purpose of building and strengthening effective, mutually cooperative relationships to achieve the major APEC goals.
12. We recognize the importance of collaboration between the TWG and related private sector and other international bodies. We support the TWG's commitment to engage the private sector representatives, such as the APEC Business Advisory Council (ABAC), World Travel & Tourism Council (WTTC) and Pacific Asia Travel Association (PATA), more substantively in our activities and to assist in the work plan development. We also support the TWG's intention to better coordinate its strategic plans with other multilateral and regional organizations, such as the World Tourism Organization (UNWTO), Association of Southeast Asian Nations (ASEAN) and the Organisation for Economic Co-operation and Development (OECD).
13. In relation to the APEC Growth Strategy, which is one of the priorities of APEC Japan 2010, we reiterate the significance of tourism for growth in the Asia-Pacific region and stress that it is essential to continue to develop a tourism-friendly business environment in the region, as well as in individual member economies, to accelerate economic recovery.
14. We reaffirm the importance of the Tourism Satellite Account (TSA) as an effective international comparative tool for measuring the contribution of travel and tourism to economic growth. We encourage the implementation of a TSA by each member economy in order to coordinate the tourism index in the entire region and assist information sharing among the economies.
15. We believe that tourism could maximize and protect its assets (including natural, cultural, and heritage assets) through encouraging tourism flows more evenly, to provide more stable employment, and to contribute to economic growth in the region. This approach could enable tourism to grow in a sustainable, balanced and inclusive manner.
16. While advocating an "inbound tourism strategy", a universal tourism theme with a great economic impact, we encourage member economies to further promote tourism by sharing relevant information and best practice, and by exploring opportunities for collaboration within the region. In this context, we stress the importance of tourism offices and organizations, both in the public and private sectors, of member economies and promoting collaboration between them.

17. We confirm that we will strive to exchange information and best practice on efforts to expand new and emerging types of tourism, such as medical and wellness tourism, religious events tourism, sports tourism, cruise tourism, ecotourism, and MICE (Meetings, Incentive travel, Conventions and Exhibitions/Events). These avenues could stimulate new demand and tourism-related investment across the Asia-Pacific region.
18. We support the productive collaboration between APEC fora, such as the ecotourism project led by the Group on Services (GOS) and its co-hosting of the ecotourism conference with the TWG. In this regard we note the ongoing contribution of APEC International Centre for Sustainable Tourism (AICST) in providing specialist research capacity to the TWG on sustainability issues and invite member economies to propose new projects.
19. We welcome the gracious invitation of the Russian Federation to host the 7th TMM in 2012.
20. We express our gratitude for the participation of guests such as AICST, PATA and WTTC in the 6th TMM and embrace further cooperation with them in the future. We also deeply appreciate the effort and contribution of the APEC Secretariat and the Lead Shepherd for the success of the meeting. We heartily thank Japan as the host economy for the fruitful and productive Working Group and Ministerial Meetings.



## **Fifth APEC Human Resources Development Ministerial Meeting**

**Beijing, China  
16-17 September 2010**

### **Joint Ministerial Statement**

1. We, the Ministers responsible for human resources development from APEC economies and Heads of Delegations to the Meeting gathered in Beijing, China on September 16<sup>th</sup> and 17<sup>th</sup>, 2010 for the 5<sup>th</sup> APEC Human Resources Development Ministerial Meeting under the theme “Developing Human Resources, Vigorously Promoting Employment and Realizing Inclusive Growth”.
2. We are honored that His Excellency, President Hu Jintao of the People’s Republic of China addressed the meeting and His Excellency, Vice Premier Zhang Dejiang spoke at the closing session. We support the President’s view that inclusive growth is vitally important to address social dimensions of economic globalization and facilitate free trade and investment. We are inspired by the President’s recommendations to promote inclusive growth through strengthened human resources development. We welcome the President’s call for enhancing economic and technical cooperation in the area of human resources development among APEC economies and his announcement to launch an APEC Skills Development Promotion Project.
3. We recognize that trade and investment liberalization has led to significant economic growth, job creation and prosperity in APEC economies. We affirm our commitment to promote free and open trade and investment and to oppose all forms of protectionism. We further recognize that not all people in our society have gained opportunities and benefits from economic integration. The financial crisis has highlighted the need to address the social dimensions of globalization and regional integration.
4. We take note that the global economy is showing signs of recovery, thanks to the concerted efforts of the world. We are conscious that economic recovery is uneven and fragile and that across our economies many labour market concerns remain, such as jobless growth, persistent unemployment and underemployment, increasing numbers of discouraged workers and widespread informal employment. APEC economies also face long-term challenges such as aging population and increasing demand for a flexible and adaptable skilled work force. To achieve a sustained economic recovery and job-rich growth for the future, we must address both short-term and long-term labour market challenges.
5. We recall and are guided by the Leaders’ declaration at the 17<sup>th</sup> APEC Economic Leaders’ Meeting in Singapore to “ensure that future economic growth is more inclusive to broaden access to opportunities created by growth and to spread the benefit of growth more widely.” We are determined to carry out the Leaders’ priorities to “put job creation at the heart of our economic strategy and enhance cooperation to address the social implications of globalization,” and advance the APEC inclusive growth agenda by improved and innovative human resources development responses and policies.
6. We share the view that inclusive growth should be human-centered, allowing people to participate in, contribute to and benefit from economic growth. Rapid growth is unquestionably necessary, but for this growth to be sustainable, it should be broadly based across sectors and inclusive of our work force to create equal economic opportunities for

individuals and businesses. Inclusive growth requires policies to create productive and decent work opportunities by high and sustainable economic growth and to strengthen social resilience through investment in education, training and social safety nets. We hold that inclusive growth will build greater consensus and public support for free and open trade and investment.

7. We recognize the significant role human resources development can and should play in achieving inclusive growth. As our overarching priorities, we will strive to create more and better jobs, improve social safety nets and enhance education and training to realize the objectives of development by the people, for the people and benefiting all people. We note the importance of involvement at domestic level of social partners through social dialogue in formulating those human resource development policies. We are aware that approaches to inclusive growth vary given the diversity among APEC economies and we are ready to share and learn from each other's experiences and implement policies that are best suited to our individual economic circumstances.
8. We renew our determination to build upon the *Beijing Initiative on Human Capacity Building* adopted at the High Level Meeting on Human Capacity Building held in Beijing on 15-16 May 2001 as well as the accomplishments of the previous four APEC Human Resources Development Ministerial Meetings and the 4<sup>th</sup> APEC Education Ministerial Meeting in 2008.
9. We will move forward on the basis of the *Global Jobs Pact* adopted in Geneva at the 98<sup>th</sup> International Labour Conference in June 2009 and the *Recommendations to G20 Heads of State*, where relevant, adopted at the G20 Labour/Employment Ministers' Meeting held in Washington on 20-21 April 2010.
10. Therefore, subject to the laws, rules, regulations and policies of the Member Economies, we adopt the following recommendations to guide the development of HRD policies in our respective economies and to create a framework for regional exchanges and cooperation that will help to achieve inclusive growth. We also agree on the Action Plan attached to and made an integral part of this Statement as a course of action towards inclusive growth and instruct the Human Resources Development Working Group to effectively implement it.

#### **Devote Priority Attention to Maintaining and Expanding Employment and Adopt Employment-oriented Macroeconomic Policies**

11. Employment is not only an important means for people to make a living, but also an essential way for them to participate in society for personal fulfillment and dignity. Recognizing that job creation should be at the heart of economic and social development, we firmly believe that the putting in place employment-oriented macro-economic policies is crucial to job-rich, strong, inclusive and sustainable recovery and growth in the future. We will strive to make job creation a priority macro-economic goal within and across economies, focusing on both quantity and quality of employment. We will give more attention to employment intensive growth, as appropriate, and call for consideration of those policies which strengthen employability, productivity and labour force participation.
12. We recognize that job creation requires the effective implementation of an array of policies to increase labour demand and improve labour supply. We commit to emphasizing pro-employment labour market policies. We welcome and support workers finding jobs through multiple channels, placing more attention on opportunities for youth, women, older workers, workers with disabilities and low-wage workers, among others. We will encourage and support innovation and entrepreneurship and the development of small and medium-sized enterprises, which are significant sources of employment in many economies.

13. We commit to fostering flexible, efficient and equitable labour markets supported with strong and effective public employment services. In economies where public employment services do not yet exist we commit to their establishment; in economies where public employment services already exist, we commit to ensuring that they are efficient, accessible and equitable tools for not only job-matching activities but also social integration at large. We reaffirm to establish and improve, as appropriate, labour market information systems and strengthen the capacity of labour market information collection, processing, analysis, dissemination and utilization.

#### **Improve Social Safety Nets and Reinforce Social Protection and Employment Assistance for the Vulnerable Groups**

14. We recognize the important role that social safety nets have had in addressing the social dimensions of crisis and will have in meeting the needs of vulnerable groups into the recovery and beyond. We attach great importance to the role social safety nets play as a social and economic automatic stabilizer, by contributing to aggregate demand, elevating social inclusion and enabling people to take advantage of market opportunities and share in the benefits of economic growth. Social safety nets also contribute to labour mobility and job creation. Giving due consideration to the actual circumstances and economic development level of each economy, we endeavor to improve our social safety nets through sound design and delivery. In economies where there is widespread informal employment, we will work to gradually achieve basic social protection for all.
15. We underline the importance of active social protection measures, emphasizing integrating social protection measures and employment policies. We will continue to implement social protection measures which provide those in need with short-term economic security and help them to gain employment to avoid long-term benefits dependency. Particular attention will be given to gender equality on social protection and employment assistance. We agree to take stock of and disseminate in a timely manner, innovative and successful social protection practices in our economies which effectively address unemployment.

#### **Enhance Human Capacity Building and Prepare the Workforce to Revitalize Economic Growth**

16. Faced with shifting demographic trends, ever increasing global competition and technological changes, our economies need to fully utilize our human resource's potential. Education and skills development raise productivity and adaptability of workers and enterprises, and provide the foundation for sustained, inclusive and innovative economic growth and employment expansion. Basic education for all is essential as a foundation for further skills development. We endeavor to support establishing and enhancing education, life-long learning and skills development systems for all to provide 21<sup>st</sup> Century knowledge, skills and competencies. We pledge to pay particular attention to the needs of new labour entrants, vulnerable groups and the requirements of entrepreneurship training. We encourage and welcome increased public and private sector participation and will better harness new information and communication technologies (ICTs) to enhance access to education and training opportunities.
17. We pledge to support those policies that lead to flexible and responsive education and skills development and help to address current and future skills shortages. We will continue to foster a stronger partnership between governments, businesses, social organizations and training institutions so that there is a better skills match between education and training providers and employer needs. We agree to take meaningful steps towards improving curriculum development and training of trainers, as well as skills standards to build a skilled and adaptable



APEC workforce. We stress the importance of upgrading APEC's capacity-building to strengthen managerial and professional skills for both government and business sectors.

18. Globalization is accelerating industrial restructuring and bringing about long-term labor market changes, leading to the obsolescence of some sectors and jobs and the emergence of new ones. Crisis responses in some economies have also boosted a shift to a green economy. We will pay significant attention to the demand for new skills and will strengthen education and training to prepare our workforce with new skills for new jobs, in particular opportunities presented by green growth. We undertake to enhance cooperation among economies to that end.

#### **Promote Economic and Technical Cooperation in the Field of Human Resources Development among APEC Economies**

19. We stress the importance of strengthening our cooperation, exchanges and experience sharing to advance the APEC growth agenda, particularly inclusive growth. The crisis has shown us the significance of policy coordination, sharing experience and learning from each other. We agree to convene a Human Resources Development Ministerial Meeting once every four years for high level policy dialogue and encourage intensifying exchanges and cooperation among officials, experts, social partners and other stakeholders.
20. We call for strengthened economic and technical cooperation (ECOTECH) in the field of human resources development across APEC fora and economies. We welcome and support member economies to increase input and undertake initiatives in HRD ECOTECH activities, particularly those that support to build the capacity of developing members to achieve inclusive growth. Therefore, we support China's initiative to implement the **APEC Skills Development Promotion Project** and look forward to the subsequent establishment of an **APEC Skills Development Promotion Centre (China)**, an effort to link similar centres in economies.
21. We recognize that achieving inclusive growth calls for more enhanced cooperation, including among international and regional organizations, as the United Nations, the International Labour Organization, the World Trade Organization, the World Bank, the International Monetary Fund, the Organization for Economic Co-operation and Development and the regional development banks.
22. We will report this Joint Statement to the 22<sup>nd</sup> APEC Ministerial Meeting and the 18<sup>th</sup> APEC Economic Leaders' Meeting to be held in Japan in November 2010, and we call upon the Ministers and Leaders to confirm and endorse our recommendations.
23. We express our deep gratitude for all arrangements, hospitality and efforts made by the People's Republic of China for the success of the meeting.

## **First APEC Growth Strategy High-Level Policy Round Table**

**Beppu, Japan  
7-8 August 2010**

### **The APEC Growth Strategy High-Level Policy Round Table in Beppu**

1. The High-Level Policy Round Table (hereinafter, the “Round Table”) was held in Beppu, Japan from 7 to 8 August, 2010 under the chairmanship of H.E. Masayuki Naoshima, Minister of Economy, Trade and Industry, Japan and H.E. Satoshi Arai, Minister of State for National Policy and Minister of State for Economic and Fiscal Policy, Japan.
2. We, all participating APEC economies' heads of the delegations including ministerial level officials, welcomed especially the participation of the following individuals: President of Asian Development Bank; Executive Director of International Energy Agency; Chairperson of the Governing Board, Economic Research Institute for ASEAN and East Asia (ERIA); and Vice President, East Asia and Pacific of the World Bank. We also welcomed the participation of the APEC Business Advisory Council (ABAC) and five eminent persons.
3. Last year, the APEC Economic Leaders agreed to formulate an APEC Growth Strategy in 2010 to shape the region's growth following the financial and economic crisis. APEC is formulating its Growth Strategy for the first time since its inception. Further to the discussions among Senior Officials and Trade Ministers, the Round Table was the first opportunity for the APEC member economies to focus on comprehensive and dedicated discussion with regard to the APEC Growth Strategy, enabling the participating heads of delegations to lead the discussion and to employ their expertise to add significant value to the Growth Strategy and to develop a shared understanding on the direction thereof before it is finalized for consideration by APEC Ministers and Leaders. We shared the view that this Round Table would be recorded as a landmark event for APEC.

### **APEC's Need for a Growth Strategy**

4. The APEC region has become the world's growth center by promoting free and open trade and investment and strengthening regional economic integration (REI). Recognizing that liberalization and facilitation of trade and investment will contribute to the growth in the APEC economies, we will continue efforts in this area to achieve further growth in the region. However, in recent years, new challenges have come to the forefront, and have therefore been added to APEC's agenda, such as energy and environmental constraints, human security concerns, the necessity of constant innovation, and economic performance and opportunity disparities within and across the economies. Therefore APEC must give greater attention than ever before to these new issues as well with a view to achieving further prosperity and collective well-being through long-term and sustained growth.
5. As the world's leading growth center, the APEC region has a great responsibility for the future course of the global economy beyond the region as well as for the welfare and prosperity of its own people. APEC should contribute to improving the quality of growth in the global economy as well through its Growth Strategy, as envisaged by the APEC Economic Leaders last year.
6. The Ministers Responsible for Trade declared in Sapporo this year that “the Growth Strategy aims to achieve economic growth that is balanced, inclusive, sustainable, innovative and

secure.” These Five Attributes for economic growth give APEC economies guidance on how to pursue high quality growth. They are being emphasized in the APEC Growth Strategy because APEC has come to understand that otherwise the next generation will not be able to enjoy sustained growth. APEC should address all Five Attributes collectively and comprehensively, because they are interrelated and mutually reinforcing and thus require collective commitment and implementation to be realized in practice.

7. The APEC Growth Strategy should have sufficient action-oriented elements such as an action plan and follow-up mechanisms to translate the Five Attributes into collective concrete actions by the member economies, whose progress should be reviewed on an annual basis and reported to the Leaders in 2015, at which point the Leaders may consider the future direction of the Growth Strategy. APEC will also look into ways to take stock of APEC’s collective progress with regard to the Five Attributes.

### **Individual Sessions**

8. In addition to the above broad statements, we agreed to summarize each session’s discussion on the Five Attributes, as follows:

#### *Balanced Growth*

9. APEC could contribute to balanced growth by re-energizing its work on structural reforms, building on ongoing efforts under the Leaders’ Agenda to Implement Structural Reform. APEC should also complement the G20’s efforts in pursuing balanced growth in the region.

#### *Inclusive Growth*

10. All our citizens should have the opportunity to thrive in the global market economy. APEC should contribute to inclusive growth by promoting policies in fields such as job creation, human resource development and utilization, SMEs and entrepreneurship development, creating new economic opportunities for women, and more inclusive access to finance.

#### *Sustainable Growth*

11. In order to shift to a green economy, APEC should further promote energy efficiency and the development of a low-carbon energy sector. APEC should work to improve access for environmental goods and services (EGS), to develop EGS sectors, and promote energy conservation activities through green ICT.

#### *Innovative Growth*

12. APEC should contribute to innovative growth by improving the Research & Development environment and effectively providing policy and regulatory infrastructure conducive to innovation, such as those related to ICT application, digital prosperity, professional workforce mobility, protection of intellectual property (IP) rights, and standardization.

#### *Secure Growth*

13. APEC should promote the human security agenda to provide the secure environment necessary for economic growth. APEC can contribute to secure growth by continuing to promote policies in fields such as counter terrorism, prevention and countering of emergency preparedness, pandemic diseases, and food security.

14. In addition to the foregoing general conclusions from each session, the participants from member economies as well as from industry and academia had an active discussion, shared ideas, and exchanged views on how APEC could promote these growth attributes in concrete terms.

**The APEC Growth Strategy: Work toward Yokohama**

15. We shared the view that we should communicate with our respective Senior Officials and encourage them to continue work on all aspects of the Growth Strategy toward finalizing it at the November APEC Economic Leaders' Meeting in Yokohama by duly reflecting discussions and conclusions at this Round Table. We will also grant political support to the Growth Strategy deliberating process toward the APEC Economic Leaders' Meeting in Yokohama.



## Ninth Meeting of APEC Energy Ministers

Fukui, Japan  
19 June 2010

### FUKUI DECLARATION ON LOW CARBON PATHS TO ENERGY SECURITY: COOPERATIVE ENERGY SOLUTIONS FOR A SUSTAINABLE APEC

#### Message from APEC Energy Ministers

1. We, Energy Ministers of the APEC economies, gathered in Fukui, Japan on 19 June 2010, to discuss Low Carbon Paths to Energy Security: Cooperative Energy Solutions for a Sustainable APEC. Such solutions should be integral to the APEC Growth Strategy.
2. We met with the understanding that we have to take on the difficult challenge of **enhancing regional energy security**, in the midst of emerging concerns about the global environment and world economy. More efficient use of energy and a cleaner energy supply will simultaneously boost our energy security, grow our economies and lower our emissions. To achieve all three goals at once will require strong leadership. We therefore commit to further strengthen the Energy Security Initiative (ESI) endorsed by the APEC Leaders in 2001 and to undertake new measures to build upon it.
3. **Fossil fuels** will continue to play a key role in the APEC energy market as economies develop new and unconventional energy sources. Open and transparent investment regimes, with due observance to each economy's respective laws and regulations, are important for development of new and traditional energy forms alike.
4. APEC economies should continually strengthen their ability to **respond to oil supply disruptions** through further development of emergency response mechanisms, improved real-time information sharing and establishment and effective management of strategic oil stocks as appropriate.
5. Enhanced **natural gas** production and trade, drawing upon new discoveries, can ease the transition to a low-carbon economy since gas has far lower carbon footprint than other fossil fuels for power production and enables greater use of intermittent renewable energy sources. Unconventional gas resources can also boost the region's energy security by making it more self-sufficient. We therefore need to evaluate the potential for unconventional gas resources to increase gas production and trade in APEC.
6. **Improving energy efficiency** is one of the quickest, greenest and most cost-effective ways to address energy security, economic growth and climate change challenges at the same time. More efficient transport, industry, buildings and equipment help limit direct fossil fuel needs as well as demand for electricity which continues to be generated in large part from natural gas and coal. Thus, energy efficiency measures can reduce the region's reliance on oil and gas imports and carbon emissions from fossil fuel combustion.
7. We commend the **Peer Review on Energy Efficiency (PREE)** which has been successfully carried out for four APEC economies and urge additional economies to participate. We also welcome the contributions made by Japan, Chinese Taipei and the United States to the APEC Support Fund to promote energy efficiency activities in the region.

8. The **aspirational energy intensity reduction goal** agreed to by the APEC Leaders, to reduce the ratio of energy use to economic output by at least 25 percent from 2005 levels by 2030, will be far surpassed if recent trends continue. We therefore instruct the Energy Working Group (EWG) to intensify analysis of the potential for further energy intensity improvement with a view to recommending an enhanced goal.
9. **Energy-efficient buildings and appliances** are key to a sustainable future since the building sector accounts for two-fifths of energy use in the region. Net Zero Energy Buildings are being developed using energy-efficient appliances, components and systems. Trade and investment in energy efficient appliances can be encouraged through more harmonized standards and testing methods. We are therefore launching a Collaborative Assessment of Standards and Testing (CAST) for such appliances.
10. **Fuel-efficient vehicles** using lightweight materials and other advanced technologies can greatly reduce both oil consumption and carbon emissions. **Electric drive and other alternative fuel vehicles** also provide a major opportunity to shift transport fuels from oil to other energy sources.
11. **Cleaner energy supply** also boosts both sustainable development and energy security. **Low emission power sources** - renewable, nuclear and fossil-fuels with carbon capture and storage - can allow electricity generation to expand in a sustainable fashion without the risk of needing to be curtailed to cope with climate change; their deployment should be promoted. Biofuels from sustainable biomass sources can displace a share of oil use and crude oil imports for transportation, and they have a far smaller carbon footprint. We remain committed to the 2009 Leaders' Declaration to rationalize and phase out over the medium term fossil fuel subsidies that encourage wasteful consumption, while recognizing the importance of providing those in need with essential energy services.
12. **Renewable energy** technologies, including solar, wind, geothermal and bioenergy for electricity and biofuels for transport, are declining in cost and diversifying the energy supply mix. We therefore urge continued technology development efforts to further reduce their costs, standardize products, develop supply sources, and share best practices to accelerate their use in electricity generation, buildings and transport sectors.
13. A growing number of interested economies are using **nuclear power** to diversify their energy mix and limit carbon emissions. These economies are reaffirming their international commitment to safety, security and non-proliferation as the fundamental elements for the peaceful use of nuclear energy. We therefore need to assess the emissions reduction potential of nuclear power in APEC. Solid financial frameworks, as well as cooperation among member economies and with relevant multilateral organizations, can help to support new nuclear power plant construction consistent with this commitment.
14. Cost-effective technologies for **carbon capture and storage (CCS)** are essential to reducing carbon emissions from power generation within the many APEC economies that still rely on coal and other fossil fuels for a significant portion of their electricity generation. **Clean coal technologies** are available to make the use of coal more efficient and lower-emitting. We therefore urge redoubled efforts to develop and deploy such technologies and share information on them through multilateral fora.
15. **Smart grid technologies**, including advanced battery technologies for highly-efficient and cost-effective energy storage, can help to integrate intermittent renewable power sources and building control systems that let businesses and consumers use energy more efficiently, and

they can also help to enhance the reliability of electricity supply, extend the useful life of power system components, and reduce system operating costs.

16. Introduction of low-carbon technologies in city planning to boost energy efficiency and reduce fossil energy use is vital to manage rapidly growing energy consumption in urban areas. We have therefore launched an **APEC Low-Carbon Model Town Project** to present successful models for coordinated usage of advanced low-carbon technologies.
17. To enhance energy security and accelerate deployment of clean energy technologies throughout the APEC region, we encourage **enhanced cooperation** with other multilateral fora and with the private sector in our region whose experience and investment will be vital to this endeavor.
18. We look forward to the first-ever joint meeting of energy and transport high level officials in the United States in 2011. We also anticipate an energy ministers' meeting to be held in Russia in 2012.

### **Instructions from APEC Energy Ministers**

1. We instruct the Energy Working Group (EWG) to implement the studies and initiatives in its **Work Plan**, with support from the Asia Pacific Energy Research Centre (APEREC), Expert Group on Clean Fossil Energy (EGCFE), Expert Group on Energy Data and Analysis (EGEDA), Expert Group on Energy Efficiency and Conservation (EGEEC), Expert Group on New and Renewable Energy (EGNRET), Biofuels Task Force (BTF), and Energy Trade and Investment Task Force (ETITF), as well as through cooperation with relevant multilateral fora. We direct the EWG and its subsidiary bodies to continue their important contributions to formulating and implementing the APEC Growth Strategy and its sustainable growth pillar.
2. We encourage the EWG and member economies to contribute to the implementation of the Copenhagen Accord taken note of at the 15th Conference of the Parties (COP-15) in December 2009 and promote technology diffusion through the public-private partnership.

### **ENERGY SECURITY**

3. We instruct the EWG to develop joint programs with the International Energy Agency (IEA) to improve response to oil and gas emergency situations in the APEC region, such as energy response workshops and exercises, and we welcome the commitment of APEC member economies to participate in such activities.
4. We instruct the EWG to conduct an **Unconventional Gas Census** to evaluate the potential of unconventional resources and to recommend cooperative actions which could increase natural gas output, boost natural gas trade and use, and moderate natural gas prices to the extent appropriate both for producers and consumers in the APEC region, with assistance from APERC, EGCFE and EGEDA.
5. We instruct the EWG and BTF to continue assessing the **resource potential for biofuels** to displace petroleum-based fuels, the relative costs of biofuels, sustainable development practices for biofuels and strategies for expanding biofuels infrastructure, in cooperation with the Automotive Dialogue and the Transportation Working Group (TWG).
6. We instruct the EWG and EGEDA to continue collecting complete, accurate and timely **oil and gas data** for contribution to the Joint Oil Data Initiative (JODI) in cooperation with other relevant bodies where necessary, to extend their capacity building in energy statistics to interested economies, and to support multilateral initiatives for more transparent and less



volatile energy commodity markets. We also instruct the EWG to work with the IEA to analyze remaining inefficient fossil fuel subsidies that encourage wasteful consumption with a view to their rationalization and phase out.

7. We instruct the EWG to progress the Plan of Action for the Energy Trade and Investment Task Force, and in particular to support the APEC Environmental Goods and Services (EGS) Work Programme with assistance from the EGEEC, in view of the EWG's expertise on EGS in the energy sector. We also instruct the EWG to elaborate an Initiative of Capacity Building for Promoting Market Development of Green Energy Products in cooperation with the Committee on Trade and Investment (CTI).

## ENERGY EFFICIENCY

8. We instruct the EWG to **assess the potential for reducing the energy intensity of economic output in APEC economies** between 2005 and 2030, beyond the 25 percent aspirational goal already agreed by the APEC Leaders, with assistance from APERC, EGEDA and EGEEC.
9. We Instruct the EWG and APERC to keep promoting energy efficiency through the **Peer Review on Energy Efficiency (PREE)** and the **Cooperative Energy Efficiency Design for Sustainability (CEEDS)**, and to consider follow-up efforts including capacity building activities, policy research support and processes to gauge the success of member economies' efforts to implement the recommendations of these programs.
10. We instruct the EWG and EGEEC to strengthen the APEC Energy Standards Information System (ESIS) and to conduct a series of **Collaborative Assessments of Standards and Testing (CAST)** for the energy-intensive appliances identified by CEEDS in cooperation with the Renewables and Efficiency Deployment Initiative (Climate REDI) of the Major Economies Forum (MEF).
11. We instruct the EWG to conduct a series of workshops on the potential fuel and carbon savings from electrification of the transport sector, energy efficient freight, transit-oriented development and other energy efficient transport strategies, in cooperation with the TWG.

## CLEAN ENERGY SUPPLY

12. We instruct the EWG to explore mechanisms to encourage economies to set **individual goals and action plans for introducing low-emission power sources**, building upon the success of the PREE, with assistance from APERC and relevant technology expert groups.
13. We instruct the EWG to extend and **reinforce its analysis of technology options for CCS** and its dissemination of best practices for applying these technologies to new and existing powerplants, working with the EGCFE and other multilateral fora. We also instruct the EWG and EGCFE to **develop an initiative for deploying advanced clean coal technologies** such as Ultra Super Critical (USC) and Integrated Gasification Combined Cycle (IGCC) to make coal-fired powerplants more efficient.
14. We instruct the EWG to continue its **assessment of renewable energy options** for reducing carbon emissions, spurring investment and creating new jobs, in cooperation with EGNRET and the Small and Medium Enterprises (SME) Working Group.
15. We instruct the EWG to undertake a **Nuclear Power Emissions Reduction Potential Study (NUPERPS)** on the potential for existing and planned nuclear powerplants in interested APEC economies to reduce carbon emissions. We instruct the EWG to consider possible cooperation

with other relevant organizations such as the International Atomic Energy Agency (IAEA), including its Asian Nuclear Safety Network (ANSN).

16. We instruct the EWG to start an **APEC Smart Grid Initiative (ASGI)** to evaluate the potential of smart grids to support the integration of intermittent renewable energies and energy management approaches in buildings and industry.
17. We instruct the EWG to develop **APEC Technology Development Roadmaps** for key energy technologies in cooperation with the IEA, the Major Economies Forum (MEF) and others that accelerate collective efforts to deploy such technologies.
18. We instruct the EWG to establish a Task Force to implement an **APEC Low-Carbon Model Town Project**. The Low-Carbon Model Town Task Force should develop the concept of a Low Carbon Town, conduct feasibility studies to encourage creation of low-carbon communities in urban development plans, and share best practices for making such communities a reality.



## MEETING OF APEC MINISTERS RESPONSIBLE FOR TRADE

Sapporo, Japan  
5-6 June 2010

### Statement of the Chair

#### Introduction

1. We, the APEC Ministers Responsible for Trade, met in Sapporo, Japan from 5 to 6 June, 2010 under the chairmanship of H.E. Katsuya Okada, Minister for Foreign Affairs, Japan and H.E. Masayuki Naoshima, Minister of Economy, Trade and Industry, Japan.
2. We welcomed the participation in the meeting of the Director-General of the World Trade Organization (WTO) Mr. Pascal Lamy, the APEC Business Advisory Council (ABAC), the Pacific Economic Cooperation Council, the Association of Southeast Asian Nations, and the APEC Secretariat.
3. APEC has worked actively on the trade and investment liberalization and facilitation agenda, even amid the recent economic crisis. This year marks a significant milestone for APEC as it is the target year for the industrialized economies to achieve the Bogor Goals of free and open trade and investment. It is important to set the appropriate course for the region to ensure its further prosperity. The theme for APEC 2010 is “Change and Action.” This theme stems from the idea that, amid changing global circumstances, APEC should conceptualize necessary “changes” and translate them into concrete “actions” so that it continues to play an important and relevant role. With this in mind, our discussions centered on the following priorities:
  - (i) Assessing the achievement of the Bogor Goals;
  - (ii) Setting the future direction for APEC’s work to strengthen regional economic integration (REI);
  - (iii) Formulating a regional growth strategy; and
  - (iv) Promoting human security to ensure more secure and resilient economies.

#### The Global Economy

4. Despite the economic and financial crisis in 2008, the global economy is recovering as a result of robust policy responses in each economy and the joint efforts by the international community. Nonetheless, it still faces challenges, in particular with regard to stabilizing prices, creating employment, further facilitating labor adjustment, and boosting demand. The Asia-Pacific region has come to occupy an increasingly important position in the global economy. Through trade and investment the established production networks of the region allow economies to capture the benefits of their comparative advantages. We resolved to look beyond our region and share responsibility for the development of the global economy. We need to reestablish a solid foundation in the region for further prosperity and well-being through long-term, sustainable economic growth. We therefore need to further accelerate our work to strengthen REI. Furthermore, it is also necessary and timely for APEC to develop a Growth Strategy as instructed by Leaders last year. As the basis of our discussions here in

Sapporo, we shared the understanding of the current state of the global economy and considered the following specific efforts:

### **The Bogor Goals**

5. In 1994, in Bogor, Indonesia, APEC Leaders set their vision for the Asia-Pacific region that APEC economies achieve the goals of free and open trade and investment in the Asia-Pacific by 2010 for industrialized economies and 2020 for developing economies. Since then, APEC economies have taken numerous concrete measures individually and collectively including the implementation of the Osaka Action Agenda, the Manila Action Plan for APEC, the Shanghai Accord, the Busan Roadmap, and the Ha Noi Action Plan toward achieving the Bogor Goals. These measures have made an important contribution to the significant economic growth in the region.
6. We are conducting an intensive review to assess the achievement of the Bogor Goals by 13 APEC economies (the “2010 economies”). This group includes the five industrialized economies (Australia, Canada, Japan, New Zealand, and the United States) and the eight developing economies which volunteered to be assessed in 2010 (Chile; Hong Kong, China; Korea; Malaysia; Mexico; Peru; Singapore; and Chinese Taipei). We welcomed the voluntary participation of these developing economies in this assessment. We welcomed the progress made by officials on the report to assess trade and investment liberalization and facilitation in the APEC region. As a result of our discussions this time, we reached a common understanding on the main thrust of the assessment. We look forward to a strong and credible report that will show the significant progress that has been made toward the Bogor Goals and identify the remaining work to be done to confirm APEC’s status as the world’s leading region for trade and investment liberalization and facilitation. We instructed senior officials to finalize the assessment report for submission to Ministers and Leaders in Yokohama for their review and endorsement.

### **Regional Economic Integration**

#### Exploring Possible Pathways to Achieve a Free Trade Area of the Asia-Pacific (FTAAP)

7. We welcomed the progress made to explore possible pathways to achieve an FTAAP, including discussion on recent developments related to the economic architecture in the Asia-Pacific region, such as those related to Regional Trade Agreements (RTAs) and Free Trade Agreements (FTAs). We instructed senior officials to report by November 2010 on the outcomes of their exploration of a range of possible pathways to achieve an FTAAP that is being undertaken in accordance with APEC Leaders’ instructions in 2009. These undertakings could draw useful contributions from the efforts being made to strengthen REI in the Asia-Pacific region.

#### Key Areas of Regional Economic Integration

8. We commended the work that had been undertaken in key areas of REI such as investment, standards and technical regulations, trade facilitation, rules of origin (ROOs), intellectual property rights (IPR), environmental goods and services (EGS), and Ease of Doing Business. We instructed officials to produce concrete outcomes in each of these areas by November 2010. (Investment)
9. We welcomed the progress in the area of investment to promote convergence through the development of “a Road Map for Investment”. We instructed senior officials to develop the Road Map, as a 2010 deliverable.

(Standards and Technical Regulations)

10. In order to strengthen REI in the Asia-Pacific, it is essential to ensure that standards, technical regulations, and conformity assessment procedures do not create unnecessary obstacles to international trade. In order to prevent unnecessary technical barriers to trade, we instructed officials to establish an APEC regulatory cooperation process by November 2010. We also instructed officials to agree on steps APEC economies can take to promote business engagement in the standards development process by November 2010. We encouraged APEC to advance work to improve conformity assessment, promote cooperation on international standardization and build capacity of economies in addressing issues related to standards and technical regulations.

(Simplifying Rules of Origin Documentation and Procedures)

11. We welcomed the participation of Brunei Darussalam and Malaysia in the APEC Self-Certification of Origin Pathfinder, and adopted a capacity-building programme which aims to assist members in successfully implementing self-certification mechanisms. We also welcomed cooperation with the World Customs Organization (WCO) in the area of ROOs. We instructed senior officials to strengthen their efforts to make ROOs more business-friendly to help businesses including small and medium enterprises further utilize RTAs and FTAs.

(Supply-Chain Connectivity)

12. We emphasized the importance of facilitating the smooth flow of goods, services, and business travelers through regional supply-chains. In this regard, we welcomed the development of the APEC Supply-Chain Connectivity Framework Action Plan that identifies concrete actions APEC will take to address each of the eight priority chokepoints to further reduce the time, cost, and uncertainty concerned by improving the connectivity of logistics and transport networks. We also welcomed the start of specific work to eliminate priority chokepoints. We instructed officials to finalize the Action Plan in close cooperation with relevant APEC fora and ABAC, and to develop APEC's measurable performance targets by November 2010.

(Authorized Economic Operator (AEO) Programmes and Trade Recovery)

13. Leaders last year endorsed the recommendation of the APEC Trade Recovery Programme Pilot Exercise, and reaffirmed the importance of establishing AEO Programmes. We welcomed the development of an AEO Action Plan to assist APEC economies to establish AEO programmes, as advocated by the WCO, which facilitate trade while ensuring trade security. We also appreciated the work of the APEC Customs Administrations to develop coordinated communication mechanisms for trade recovery purposes.

(Improving Transparency to Facilitate Trade)

14. We commended the significant progress made in the APEC Transparency Initiative on Tariff and ROOs in accordance with our instructions of last year in order to help businesses find access to the information and take full advantage of the benefits of the RTAs and FTAs in the region. We welcomed the establishment of the APEC Website on Tariff and ROOs (WebTR) and commended the significant efforts made by officials to bring the portal online. We look forward to its full completion by November this year. We instructed senior officials to identify additional ways that APEC can improve transparency to facilitate trade, including in customs-related information. We commended the launch of the APEC Logistics Website to improve transparency by making information pertinent to logistics businesses more readily available.

(Strengthening Intellectual Property Rights)

15. We reaffirmed our commitment to strengthen the protection and enforcement of IPR and reiterated the importance of comprehensive and balanced intellectual property systems that provide for and protect the incentives that encourage creation and innovation and provide the tools for successful management and exploitation of IPR. We will strengthen our efforts on the initiatives concerning human resource development and cooperation on patent examination launched this year with a view to building a global intellectual property infrastructure for promoting innovation. We welcomed the implementation of the APEC Cooperation Initiative on Patent Acquisition Procedures. We noted the work done on exploring ways to combat satellite and cable signal theft as well as on stopping the proliferation of counterfeit and pirated goods through cooperative efforts such as the APEC Anti-Counterfeiting and Piracy Initiative and related capacity-building activities and information sharing between IPR authorities and stakeholders.

(Environmental Goods and Services (EGS))

16. We welcomed the efforts made by APEC to implement the EGS Work Programme, and instructed senior officials to take further specific actions, including activities to enhance the capabilities of members to develop their EGS sectors through economic and technical cooperation (ECOTECH) and closer cooperation among relevant fora in order to report progress at the APEC Ministerial Meeting (AMM) this year. Reaffirming the importance of furthering the dissemination and utilization of EGS to address environmental challenges, including climate change as well as to promote sustainable economic growth, we will support progress on the EGS negotiations in the WTO DDA.

(Ease of Doing Business)

17. With a view to making it 25 percent cheaper, faster, and easier to do business by 2015, and to achieve the 5 percent interim improvement by 2011, capacity-building activities are underway. By the Leaders' Meeting in November, we will complete seminars/workshops in the five priority areas - "Starting a Business", "Getting Credit", "Enforcing Contracts", "Dealing with Permits", and "Trading Across Borders" as the initial phase of the multi-year programme. As the next phase of the programme, we will undertake additional capacity-building activities to help achieve the APEC-wide interim and final goals.

(Capacity Building Needs for Strengthening REI)

18. With rapid expansion of comprehensive, high quality and larger-scale FTAs in the Asia-Pacific region, we recognized the importance of bridging the gap between developed and developing economies through capacity-building as part of APEC's work to strengthen REI. In this respect, we took note of a proposal to identify capacity building needs for strengthening REI.

### **The Growth Strategy**

19. The Growth Strategy is to aim to achieve economic growth that is balanced, inclusive, sustainable, innovative, and secure. These attributes are not mutually exclusive; they are each deeply interconnected. We reaffirmed that the Strategy should comprise a multi-year Action Plan, which focuses on APEC's strengths in areas where it can add value, including in ECOTECH and capacity-building. We encouraged senior officials to finalize the Strategy in Yokohama. The APEC Growth Strategy High-Level Policy Round Table, to be held in August in Beppu, Japan, aims to develop a shared understanding on the direction of the Strategy based

on discussions among participants from industry and academia, as well as government. The Ministerial Meetings on Energy, Human Resource Development, SMEs, Telecommunications and Information Industry, Finance, and other relevant sectoral Ministerial Meetings could provide valuable inputs to the formulation of the Strategy.

### **Structural Reform**

20. Structural Reform will play an integral role in the Growth Strategy, as it is essential in achieving sustained economic growth and advancing REI. We welcomed the progress in the five designated areas under the Leaders' Agenda to Implement Structural Reform (LAISR). As this year is the final year of LAISR, we encouraged senior officials to review the progress to date and develop a new structural reform agenda that is ambitious yet practical and supports the Strategy.

### **Human Security**

21. We noted the efforts made by APEC this year in the area of human security, including emergency preparedness, counter-terrorism, anti-corruption, health, and food security. We instructed senior officials to intensify efforts to reduce and prepare for potential threats and disruptions to commerce and trade, and to strengthen the region's capacity to achieve a secure and resilient economic and social environment. Although the Asia-Pacific region is facing a wide range of challenges, we must build our future through concerted efforts in this area. Regarding the food security agenda, given its importance in the Asia-Pacific region, we expect that the Ministerial Meeting on Food Security to be held in October in Niigata, Japan, will deliver concrete actions to strengthen food security in the region.

### **Addressing Digital Divide**

22. Noting the importance of enabling the people of urban, provincial and rural communities in APEC to have access to information and services offered via the Internet, we welcomed the progress of the APEC Digital Opportunity Center Project to contribute toward the reduction of digital divide in the region.

### **Strengthening Economic and Technical Cooperation**

23. Reaffirming the Leaders' commitment to the Manila Framework, we recognized that ECOTECH would continue to play a vital role beyond 2010. We welcomed the strengthening of ECOTECH activities through a strategic, goal-oriented, multi-year approach across the priority areas identified.

### **Engaging Stakeholders in APEC**

24. We supported continued public-private interactions with ABAC and other stakeholders. We welcomed the constructive involvement of the private sector in the chemical dialogue, the life sciences innovation forum and the auto dialogue in driving forward significant outcomes related to APEC's growth and economic integration priorities, and instructed officials to continue pursuing initiatives to assure the integrity of the life sciences supply chain, developing a strategic framework for the sound management of chemicals and growth of this sector, and taking measures to stimulate green growth in the automotive sector.

### **Strengthening the Functions of the APEC Secretariat**

25. Supporting the activities of APEC beyond 2010 necessitates the strengthening of the functions of the APEC Secretariat. Therefore, we agreed that the mandate of the Policy Support Unit



(PSU) be extended. Moreover, we instructed senior officials to continue to consider modalities for extending financial assistance to the PSU and the specific period of the extension. We also commended efforts to improve accountability and transparency of the Secretariat and APEC fora.

### **Toward Yokohama**

26. APEC must steer its way under the new circumstances surrounding the region and move toward its new phase. Building upon our discussion in Sapporo, we will make the AMM in Yokohama an occasion to explore the future of the Asia-Pacific and a vision for APEC and submit recommendations to Leaders. We instructed senior officials to accelerate their work to this end.

## Meeting of APEC Ministers Responsible for Trade

Sapporo, Japan  
5-6 June 2010

### STATEMENT ON SUPPORTING THE MULTILATERAL TRADING SYSTEM AND RESISTING PROTECTIONISM

#### Issued by APEC Ministers Responsible for Trade

We, the APEC Ministers responsible for Trade, gathering for our XVI meeting in Sapporo, Japan, express our strong commitment to the multilateral trading system and our unwavering determination to bring the Doha Development Agenda (DDA) to a successful conclusion as soon as possible.

(Promoting the Doha Development Agenda)

1. The strengthened multilateral trading system is a source of economic growth, development and stability. Bearing in mind that further reform and liberalization of trade policies will bolster economic recovery, we reaffirmed our resolve to seek an ambitious, balanced, and prompt conclusion to the DDA, consistent with its mandate, built on the progress achieved, including with regard to modalities.
2. We candidly assessed the current state of the DDA and are deeply concerned about the current impasse of the negotiations. We shared the recognition that, in order to further the negotiations, it is essential to accelerate the exercise to find an agreeable balance of interests, and strengthen political engagement at all levels toward a final decision.
3. We agreed to support the process in each negotiating group in Geneva, and at the same time, we will renew the empowerment of our Representatives in Geneva and Senior Officials to move the Doha work forward by holding active negotiations in all appropriate fora and configurations, with our engagement as necessary. We will engage in horizontal discussions to seek the path toward the end game. A final package will command consensus only if it delivers meaningful new trade opportunities in all areas as well as substantial reductions in trade distortions.
4. Each economy will make a due contribution toward a DDA outcome. With a sense of collective responsibility, not only among APEC economies, but also with economies outside the region, the APEC economies, which stand to benefit significantly from open trade, will play a leading role toward achieving the conclusion of the DDA. We will report progress to APEC Leaders in Yokohama.
5. We reaffirm that the early conclusion of DDA negotiations will provide benefits to all WTO members, especially to developing members. We recognize the importance of Aid for Trade and trade finance so that the multilateral trading system would contribute to the sustainable development.

(Resisting Protectionism)

6. Some economic indicators show that the world economy is on its way to recovery, but the lingering high unemployment rates may give rise to political pressures to adopt protectionist

measures. We recognize that the liberalization and facilitation of trade and investment is the key to maintaining and creating employment, and remain committed to rejecting all forms of protectionism, keeping our markets open, and taking steps to rollback trade distorting measures introduced during the crisis. We agreed to extend the commitment on standstill made by APEC Leaders in 2008 for another year (i.e. until 2011) and stand ready to extend this further, if necessary. We will continue to exercise maximum restraint in implementing measures that may be considered to be WTO consistent if they have a significant protectionist effect and promptly rectify such measures where implemented. We will also continue to remain vigilant to all signs of protectionism.

7. We recognize that trade monitoring efforts within the WTO have been functioning effectively so far, and appreciate the degree to which APEC has been involved in information sharing. We request that this information sharing be continued and encourage economies to continue to show transparency. In keeping with our pledge to maintain free and open markets, we will continue to undertake regular review of measures undertaken by APEC economies that impact on trade and investment based on reports prepared by the APEC Secretariat with inputs from the WTO, the APEC Business Advisory Council and other relevant bodies.

# Abbreviations and Acronyms

ABAC	APEC Business Advisory Council
ABTC	APEC Business Travel Card
ACT	Anti-Corruption and Transparency Experts' Task Force
ADB	Asian Development Bank
ADOC	APEC Digital Opportunity Centre
AEO	Authorized Economic Operator
AEPR	APEC Economic Policy Report
AFSI	L' Aquila Food Security Initiative
AfT	Aid for Trade
AICST	APEC International Centre for Sustainable Tourism
AMM	APEC Ministerial Meeting
ANSSR	APEC New Strategy for Structural Reform
AOMM	APEC Oceans-Related Ministerial Meeting
APEC	Asia-Pacific Economic Cooperation
APEC RTC- EBM	APEC Research and Training Center for Marine Biodiversity Conservation and Ecosystem Management"
APERC	Asia Pacific Energy Research Centre
APII	Asia-Pacific Information Infrastructure
APIS	Asia-Pacific Information Society
APTERR	ASEAN Plus Three Emergency Rice Reserve
ASEAN	Association of Southeast Asian Nations
ASGI	APEC Smart Grid Initiative
ATSP	APEC Tourism Strategic Plan
BPA	Bali Plan of Action
BTF	Biofuels Task Force
CAST	Collaborative Assessment of Standards and Testing
CBPRs	Cross-Border Privacy Rules
CCS	carbon capture and storage
CEEDS	Cooperative Energy Efficiency Design for Sustainability
COP	Conference of the Parties
CTI	Committee on Trade and Investment
DDA	Doha Development Agenda
EBM	Ecosystem Based Management
EC	Economic Committee
ECOTECH	economic and technical cooperation
EGCFE	Expert Group on Clean Fossil Energy
EGEDA	Expert Group on Energy Data and Analysis
EGEEC	Expert Group on Energy Efficiency and Conservation
EGNRET	Expert Group on New and Renewable Energy
EGS	environmental goods and services
ESD	education for sustainable development
ETITF	Energy Trade and Investment Task Force
EWG	Energy Working Group
FAO	Food and Agriculture Organization
FDI	foreign direct investment
FSCF	Food Safety Cooperation Forum

FTA	Free Trade Agreements
FTAAP	Free Trade Area of the Asia-Pacific
FWP	Forward Work Programme
GATS	General Agreement on Trade in Services
GFPN	Gender Focal Point Network ,
GOS	Group on Services
GWEE	Global Women's Economic Empowerment
HWG	Health Working Group
ICTs	information and communication technologies
IEA	International Energy Agency
IFAD	International Fund for Agricultural Development
IGCC	Integrated Gasification Combined Cycle
IP	intellectual property
IPR	intellectual property rights
ISPs	Internet Service Providers
ITS	Intelligent Transport Systems
ITU	International Telecommunication Union
IUU	Illegal, Unreported and Unregulated
JODI	Joint Oil Data Initiative
LAISR	Leaders' Agenda to Implement Structural Reform
MDGs	Millennium Development Goals
MEF	Major Economies Forum
MEs	microenterprises
MICE	Meetings, Incentive travel, Conventions and Exhibitions/Events
MPA	Marine Protected Areas
MRA-CA	Mutual Recognition Arrangement for Conformity Assessment of Telecommunications equipment
MRA-ETR	Mutual Recognition Arrangement for Equivalence of Technical Requirement
NUPERPS	Nuclear Power Emissions Reduction Potential Study
OECD	Organisation for Economic Co-operation and Development
PATA	Pacific Asia Travel Association
PPP	Public-Private-Partnership
PREE	Peer Review on Energy Efficiency
PSU	Policy Support Unit
PTIN	Partnership Training Institute Network
REDI	Renewables and Efficiency Deployment Initiative Climate
REI	Regional Economic Integration
RFMO/As	Regional Fisheries Management Organizations and Arrangements
ROOs	rules of origin
RTAs	Regional Trade Agreements
SCE	SOM Steering Committee on ECOTECH
SMEs	small and medium-sized enterprises
SMEWG	SME Working Group
TATF	Technical Assistance and Training Facility
TEL	Telecommunications and Information Working Group
TELMIN	Ministerial Meeting on the Telecommunications and Information Industry
TFAP	Trade Facilitation Action Plan

TFAP II	Second Trade Facilitation Action Plan
TILF	Trade and Investment Liberalization and Facilitation
TMM	Tourism Ministerial Meeting
TRP	Trade Recovery Programme
TSA	Tourism Satellite Account
TWG	Tourism Working Group
TPTWG	Transportation Working Group
UNCTAD	United Nations Conference on Trade and Development
UNEP-GPA	UNEP's Global Program of Action
UNWTO	World Tourism Organization
USC	Ultra Super Critical
WebTR	Website on Tariffs and ROOs
WES	APEC Women Entrepreneurship Summit
WFP	World Food Programme
WLN	Women Leaders Network
WTO	World Trade Organization
WTTC	World Travel and Tourism Council