



**Asia-Pacific  
Economic Cooperation**

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

# Trade Facilitation by Ensuring a Safer Food Supply through Cross-border E-commerce

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# Abbreviations

APEC	Asia-Pacific Economic Cooperation
B2B	Business to Business
B2C	Business to Customer
C2C	Consumer to Consumer
CBEC	Cross-border E-commerce
CBP	US Customs and Border Protection
CCFL	Codex Committee on Food Labelling
CODEX	Codex Alimentarius
FAO	Food and Agriculture Organization of the United Nations
FSCF	Food Safety Cooperation Forum (APEC)
HACCP	Hazard Analysis and Critical Control Points
IPPC	International Plant Protection Convention
ISO	International Organization for Standardization
OIE	World Organisation for Animal Health
SQF	Safety Quality Food
WCO	World Customs Organization
WTO	World Trade Organization

# Executive Summary

While the rapid rise of cross-border e-commerce (CBEC) brings opportunities to global trade, it is also accompanied by challenges. With the increasing CBEC trade volume, this workshop sought to examine whether CBEC presents a number of conceptual challenges to regulators given the increase of food purchase with small packages by individuals and thus increase the difficulty to regulatory authorities, which may pose the health risk to consumers.

The purpose of this report is to draw APEC economies' attention to the potential food safety risks that result from CBEC trade, specifically in relation to the large quantity of trade in small parcels subject to government agency regulations and to assist APEC economies in facilitating food trade and promoting emerging trade modes while protecting consumers' health. To promote the application of modern food safety regulatory concepts in the economy to ensure food safety for food traded through CBEC in APEC region, especially the food safety of food traded through CBEC transported by air, the report compares and analyzes the characteristics of CBEC trade with traditional trade, outlines the potential benefits brought by optimizing regulatory systems, and finally provides considerations for optimizing regulatory systems to promote the facilitation of CBEC trade, for the reference of economies. Optimizing regulatory systems are put forward given 7<sup>th</sup> APEC FSCF STATEMENT that *New, modified or enhanced approaches may be needed to existing regulatory frameworks. We encourage member economies to pay close attention to this new issue.*<sup>1</sup>

In this report, it is recognized that APEC member economies are at different stages of development in CBEC trade and have different opinions on whether food traded through CBEC appears to have distinct risks compared to food traded in conventional

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<sup>1</sup> APEC FSCF Statement Chile 2019

way and whether there is a need for optimizing existing food safety regulatory systems.

# About the Workshop

The workshop of *Trade Facilitation by Ensuring a Safer Food Supply through Cross-border E-commerce* was held on May 6-7, 2019 in Viña del Mar, Chile, with a total of 60 participants from 13 economies and NMPs. At the workshop, the speakers shared the information of the CBEC trade in their economies, including the development status of food trade, food safety risk analysis and safety regulatory situation of CBEC food and perspectives about regulatory solutions in the future.

The workshop provided APEC member economies an opportunity for a dialogue which ensured that governments could develop practical regulatory solutions to meet the needs of businesses and enable them to take advantage of CBEC opportunities, as well as be able to manage the relevant food risks associated with CBEC trade.

Due to the different development levels of CBEC in different economies, and depending on the difference of export-dominance or import-dominance in CBEC trade, economies have different views on food risks and regulatory approaches. Content below is a brief summary of PPTs at the workshop, pre-meeting questionnaires and discussion papers of economies.

## Australia's Position

In 2017, Australians spent \$21.3 billion buying goods online<sup>2</sup>, an increase of 18.7% over the previous year according to “Inside Australian online shopping” published by Australia Post. However, the category ‘specialty food and beverages’ represented less than 6% of the online goods purchased. Australians generally have a keen awareness and affinity for buying Australian made goods. Imported products will have to compete with ‘Australian Made’ products. That could be one of the reasons why information of food safety incidents resulting from consumption of food imported by individual

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<sup>2</sup> The term of buying goods “online” is used to substitute the term of buying goods through “air bill of lading”.

Australians via online shopping is scarce. The available odd cases cannot be used to provide statistically valid information of food safety concern.

Australia does not believe there are unique food safety risks associated with CBEC. Australia supports the need for food safety and food regulatory systems to consider the potential for food traded in e-commerce to pose a risk to food safety but does not think it is necessary to develop separate systems specifically for this purpose.

#### China's Position

CBEC in China has developed rapidly, and consumers in China have a strong willingness to purchase food through CBEC. Compared with traditional trade, China believes that there are distinct food risks in importing food through CBEC, and China's regulatory authority has introduced corresponding approaches to regulate CBEC trade.

#### New Zealand's Position

CBEC presents a number of conceptual challenges for policy-making. In particular, there is no internationally agreed problem definition about what should and shouldn't be occurring under CBEC trade, what economies should and shouldn't be concerned about, and whether there is a need for general rules or guidelines for CBEC. This is largely because trade via CBEC channels captures many of the same goods and utilises the same international physical distribution pathways as for general trade (such as air, road or sea). Moreover, goods sold online are produced and largely traded under the same domestic regulatory frameworks and face similar issues to general trade. CBEC does pose significant policy questions for regulators. This has highlighted a need for existing regulatory systems in New Zealand to adapt and consider more cost-effective mechanisms for businesses to achieve regulatory compliance, particularly when existing regulations pose significant commercial barriers for SMEs to undertake trade via CBEC.

#### Russia's Position



Russian consumers distrust the safety of online E-commerce transactions so food traded via cross-border e-commerce in Russia only makes a small proportion of E-commerce.

#### Thailand's Position

CBEC has less priority than that imported for sale in Thailand because it has very less volume of imported food and less variety when compare to those traditional import for sale and thus there is less impact when unsafety incidents occurred. However, Thailand still thinks that the authority should seek some resources to develop the systems through promoting product safety standards, traceability system, database and information system and law, regulation and supervision system of authorities.

#### US Position

US does not think there are unique food safety risks associated with CBEC and feels regulatory systems should be optimized based on risk, not on mode of shipment. Oversight of imported foods should be data driven and evidence based, regardless of the mode of transaction, to ensure an optimal regulatory system. Additionally, consistent with CAC/GL 82-2013, Principle 9: national food control systems should possess the capacity and capability to undergo continuous improvement and include mechanisms to evaluate whether the system can meet its objective.

## **Introduction**

At present, the CBEC trade volume is ever-increasing. Due to the large quantities, small

package sizes, wide regions and time-sensitive characteristics of imported food, a substantial portion of CBEC imported food are transported by air. Although some economies indicate that most of CBEC foods are shelf-stable foods, people have had increasing demands for the cross-border fresh foods in recent years, such as fresh dairy products, cherry, salmon and lobster.<sup>3</sup> For these foods, the requirements for transportation and storage conditions are higher. For a large number of small packages, it is difficult to control the transportation and storage conditions. If such food is stored and transported improperly, decay may easily happen and the chances of foodborne diseases increase.

The 7th FSCF in 2019 reiterated that, APEC member economies should work collaboratively to further strengthen the food safety regulatory system. Some economies indicate that, the existing food safety regulatory system is sufficient for addressing safety of food purchased through any type of commerce, but in the face of future growth trend of CBEC and the dramatically increased demand for food purchased via CBEC, the economies should continue to focus on whether it will bring new or unforeseen challenges to the regulators. The purpose of this report is to draw APEC economies awareness to the possible complications and distinct risks associated with increased CBEC trade, and to provide APEC economies with considerations on optimizing regulatory measures to promote the facilitation of the CBEC trade, thereby jointly promoting the healthy and sustainable development of emerging trade among economies. The 7th APEC FSCF Statement expressed that new, modified or enhanced approaches might be needed to existing regulatory framework, and FSCF encouraged the member economies to pay close attention to this new issue.<sup>4</sup>

## **Overview of CBEC Trade**

### **I. Definition of CBEC**

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<sup>3</sup> New Zealand Discussion Paper

<sup>4</sup> APEC FSCF Statement Chile 2019

According to the World Trade Organization (WTO), the term 'electronic commerce' is understood to mean the production, distribution, marketing, sale or delivery of goods and services by electronic means.<sup>5</sup> So far, there is no unified standard definition for CBEC by international organizations and no official definition by most economies. WCO has described the basic elements of CBEC, including online initiation, cross-border transaction/shipment of physical goods destined to a consumer (B2C and C2C).<sup>6</sup> In China, CBEC is also called CBEC retail import. China's official definition refers to the consumption behavior of domestic consumers in China who purchase goods from overseas through the third-party platform operators of CBEC and import goods through 'bonded online shopping' or 'direct purchase'.<sup>7</sup> In the United States, CBP defines e-commerce as high-volume, low-value shipments entering the port limits of the United States purchased via electronic means.<sup>8</sup> According to the results of the pre-workshop questionnaire, in Australia, CBEC refers to products provided by a business outside Australia and sold to Australian consumers through e-commerce. The products are usually made outside Australia and are shipped through post or courier to the Australian consumers who purchased the products via Internet.<sup>9</sup> In New Zealand, CBEC generally refers to the import and export of goods and services traded online or on the Internet (usually exported directly to consumers through postal, express or express delivery channels).<sup>10</sup>

According to the different trading subjects, CBEC covers many trade modes, including B2B, B2C and C2C. The project chooses B2C trade mode for study.

## II. Basic Information

US CBP estimated in 2016 that, global e-commerce sales would exceed USD 4 trillion

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<sup>5</sup> [https://www.wto.org/english/tratop\\_e/ecom\\_e/ecom\\_e.htm](https://www.wto.org/english/tratop_e/ecom_e/ecom_e.htm)

<sup>6</sup> <http://www.wcoomd.org/en/topics/facilitation/activities-and-programmes/ecommerce.aspx>

<sup>7</sup> The Ministry of Commerce and other ministries jointly issued a Circular on Improving the Supervision of Retail

<sup>8</sup> <https://www.cbp.gov/newsroom/national-media-release/cbp-releases-e-commerce-strategy>

<sup>9</sup> Feedback of pre-workshop questionnaire from Australia

<sup>10</sup> Feedback of pre-workshop questionnaire from New Zealand

by 2020.<sup>11</sup> eMarketer, a Market research organization, predicted in 2016 that the Asia-Pacific market will become the world's largest e-commerce retail market.<sup>12</sup> According to Chinese customs statistics, total CBEC import transaction amounts from 2015 to 2018 were 25.03, 47.24, 56.22 and 78.59 billion in RMB, respectively.<sup>13</sup> As CBEC is an emerging trade mode, most APEC member economies have not separated CBEC related data for separate counting.

According to the results of the questionnaire, at present, the CBEC food purchase in member economies is mainly dairy products, nutritional supplements, infant/toddler food, etc. For example, the CBEC retail exports of New Zealand mainly include dairy products, meat, wine, seafood, fruits, honey, nutritional supplements, infant/toddler food and other processed foods.<sup>14</sup> The CBEC imported food of China are mainly such processed food as nutritional supplements, infant formula, maternal and infant food, chocolate, biscuits, etc.

E-commerce has played an important role in the move towards additional online purchases. Consumers continue to ramp up online shopping, which has resulted in spikes in business-to-consumer (B2C) sales and an increase in business-to-business (B2B) e-commerce. The growth of B2C sales is particularly evident in online sales of medical supplies, household essentials and food products.<sup>15</sup>

### **III. Characteristics Comparison between CBEC Trade and Traditional Trade**

In the present focused Internet-centric environment, the international trade situation is constantly changing. CBEC is characterized by multilateralism, directness, small batch,

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<sup>11</sup><https://www.cbp.gov/newsroom/national-media-release/cbp-establishes-new-e-commerce-and-small-business-team-handle-global>

<sup>12</sup> US PowerPoint at 7<sup>th</sup> FSCF CBEC workshop

<sup>13</sup> Data of China Customs

<sup>14</sup> New Zealand PowerPoint at 7<sup>th</sup> FSCF CBEC workshop

<sup>15</sup> WTO E-COMMERCE, TRADE AND THE COVID-19 PANDEMIC

high volume/frequency and digitalization. Traditional cross-border trade is mainly bilateral trade with a linear structure. However, CBEC trade has gradually evolved from the traditional bilateral trade to the multilateral one through the relevant information flow, logistics and capital flow, showing a network structure. Compared with traditional trade, the CBEC trade mainly has the following characteristics:

- i. Wider platform for reaching consumers directly worldwide. CBEC integrates overseas producers, e-commerce operators, logistics providers and end consumers on the same platform, widening the access to the international market and enriching participants in international trade. End businesses or consumers can use the open, multi-dimensional and three-dimensional e-commerce platform built by Internet technology to carry out direct economic and trade exchanges with overseas producers or consumers. CBEC has shortened the intermediate links of international trade, simplified the intermediate links of trade and improved its efficiency. Taking B2C mode as an example, its transaction links go directly from overseas suppliers to domestic consumers via CBEC operators, enabling consumers to purchase commodities more directly, effectively reducing the intermediate links of trade and the cost of commodity circulation, and more in line with the continuous deepening of economic globalization.
- ii. Diversification of logistics modes. CBEC imports are mainly small-package goods. Cross-border logistics modes mainly include postal parcels, international express delivery, dedicated logistics lines, overseas warehouses and cross-border business of logistics enterprises. In the course of development, the first widely adopted logistics mode was postal parcels. With the emergence of various trade modes, it has evolved into a diversified situation where various logistics modes coexist.

The gradual expansion of the CBEC logistics market has brought a number of new demands to air logistics, especially for the transportation of high-end food with small parcels and short shelf life. The characteristics of air transportation, such as

high-speed, efficiency and convenience, meet this demand. The air logistics operation mode is under accelerated reform, gradually integrating the freight logistics and transforming to create an integrated logistics service provider. By providing high-quality logistics service at the distribution end, the air logistics extend services to the production, supply, sales, distribution and other links at the front end of the value chain. Based on the customer's needs and using big data analysis and cloud computing technology, operators provide customers with integrated logistics services such as warehouse management, sales forecast, big data analysis and settlement management.

iii. Higher transaction frequency. With the simplification of transaction links and the diversification of logistics methods, consumers are trading CBEC goods more frequently. According to US CBP website data, the global e-commerce market is now \$2.29 trillion in sales. Office of Trade records show that e-commerce resulted in nearly a 50 percent increase in express consignment billings in five years and a 300 percent increase in international mail. In fiscal 2013, the agency processed 150 million international mail shipments. By fiscal 2017, that number was over 500 million shipments.<sup>16</sup> Take China as an example. In 2018, China's CBEC import volume was 78.59 billion in RMB, an increase of 39.8% over 2017. According to New Zealand's questionnaire, the number of goods entering New Zealand through postal and express channels has increased dramatically. It is estimated that New Zealand handles 18 million inbound packages through International Mail Centre per year. It is expected that the incoming packages may rise to 80 million by 2027 due almost entirely to CBEC.<sup>17</sup>

iv. Challenges presented to regulators

- Good traded through CBEC is often regarded as a private parcel and thus it is under

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<sup>16</sup><https://www.cbp.gov/newsroom/spotlights/commissioner-says-e-commerce-challenges-regulators-and-shippers-alike>

<sup>17</sup> Discussion paper from New Zealand Ministry for Primary Industries

weak legal regulation, which leads to the food prohibited from entering one economy flowing into a target economy market through CBEC channels. For example, in 2017, some CBEC operators sold food imported from the area affected by the nuclear accident in Japan, while such food was explicitly banned by China.

- Differences in food standards and control of high-risk foods. As what is traded through CBEC is often regarded as a private parcel, which does not require mandatory compliance with the registration or certification requirements of domestic food laws and regulations of a target economy, some high-risk foods such as unauthorized new foods and special medical formula foods enter the target market through CBEC channels without risk assessment.

New Zealand also noted that CBEC trade did appear for some New Zealand businesses as a means to not have to meet the same commercial or importing economy requirements as would typically be expected for conventional trade.<sup>18</sup>

- Food labeling. At present, most economies require labeling to include such elements as the product name (common or usual name), net contents, net quantity (weight/volume), ingredients, name and address of distributor or producer, place of origin (if omission would mislead consumer), lot identification, date marking, instructions for use (as necessary), and allergenic ingredients, among others. Special requirements may apply to some foods (e.g., specifically designed for infants), as well as language requirements. However, when what is traded through CBEC is regarded as a private parcel, the labeling may be exempt from labeling standards of a target economy (e.g., language requirements).
- After-sales responsibility is difficult to trace. There are considerable differences in the degree of control of the e-commerce platform on the safety and authenticity of

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<sup>18</sup> New Zealand Discussion Paper

food products sold on the platform. In most cases, the platform acts as an agent rather than a direct seller, therefore some jurisdictions will not regard the platform as a food operator, and the platform will not bear the same responsibilities as food operators.

Some economies also suggest that consumers should seek solutions from e-commerce platforms. The Australian consumer rights apply when Australian shop with an Australian online business. Australian Government advises consumers that when buying from an overseas website that Australian Consumer Law might not apply or may only offer limited consumer protection. Australian Consumer Law does not apply when consumers buy from a private seller. Australian Government advises consumers shop online when encountering a problem with the goods or services bought online, they need to go to the web site and communicate promptly with the seller to resolve the issue.<sup>19</sup> New Zealand pointed out that one key challenge for regulators were setting out who was accountable for goods traded via CBEC and how. There is a growing sense that online retail platforms should have greater responsibility for the trade that is occurring online, alongside businesses who produce the product and consumers who purchase the goods.<sup>20</sup>

- It is difficult for the regulatory authorities to enforce the law. With the increasing prosperity of CBEC trade, the inflow of a large number of scattered small parcels has brought challenges to the regulatory authorities to enforce the law. The increased number of small packages ordered directly to consumers has raised challenges with regard to compliance with health and safety regulations in importing economies, as well as with regard to protecting the health of the workers involved in handling and inspecting the goods. In part, the reason for the latter challenges is that regulatory agencies and other authorities responsible for assessing product conformity with such regulations are not necessarily equipped to inspect large volumes of small packages entering, for example, through postal or courier services.

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<sup>19</sup> Australia Response to the information request

<sup>20</sup> New Zealand Discussion Paper



- Transnational judicial inspection. Sales of food imported by CBEC operators often involve multiple international jurisdictions. Cooperation between law enforcement authorities of different member economies and international jurisdictions is also particularly important. However, at present, in the field of CBEC, judicial cooperation among various economies is insufficient, which needs to be further strengthened.

It is noted that some economies have not found that there is distinct risks based on the method of purchase of food products. They are thus are hesitant to recommend regulatory changes until after CBEC risks are identified. In the United States, US CBP is currently implementing a voluntary test program to allow importers to submit additional data on de minimis shipments that are subject to other government agency regulations, such as FDA food requirements. In this way, CBP is able to gather additional data to mitigate risks due to the high volume of entering products. This is not limited to food products but applies across all product categories. US CBP is currently evaluating whether the data provided through this program is helpful or accurate before deciding whether to implement new data requirements.

- v. Importance of food safety system. Due to large number and wide variety of CBEC foods transported by air, effective food safety systems continue to be important for CBEC foods. This facilitates effective traceability, quick recalls, and the ability to minimize food safety risks to the consumers.

- vi. Supply chain information is difficult to obtain completely.

US CBP pointed out that about 1.8 million of goods conforming to Article 321 Exemptions entered the United States by air and truck every day. The CBP currently does not have the resources to most effectively target all high risk goods but has test programs in place to address the issue through advanced data collection.

US also highlights that import inspection controls at or near US the port of entry are in place for traditionally traded items as well as those purchased through ecommerce. USDA-FSIS regulated products (meat, poultry, and egg products) are subject to USDA-FSIS reinspection after Customs port of entry clearance. The product as presented to USDA FSIS as either safe, wholesome, properly labeled and ready to enter commerce -- or it is not, and will be refused entry, regardless of the mode of transport or means of sale.

## **Benefits Brought by Optimizing Regulatory Systems**

### **I. Ensuring safety of food imported through CBEC and protecting consumer health**

In recent years, CBEC has increased around the world. A growing number of imported

foods reach consumers through CBEC channels. Imported foods from any channel are closely related to consumers' health. Optimizing regulatory systems in the field of CBEC and ensuring the safety of imported food are effective choices to reduce the possibility of food-borne diseases and safeguard the health of consumers. With the increasing number of people using CBEC for food trade, a large number of foods are delivered directly to consumers in small packages such as postal parcels and express delivery. Compared with the traditional elements subject to customs supervision, the supervision on CBEC lacks regulatory information such as filing and registration in the supply chain, and the traditional food safety regulatory approaches are more difficult to effectively carry out in port inspection. Optimizing the food safety regulatory system can guarantee the health of consumers who purchase food through all modes of transportation and purchase.

It is noted that some economies do not think it is necessary to optimize food safety systems specifically for this purpose because their existing regulatory frameworks are adequate for all types of trade.

## **II. Supporting the development of CBEC food import trade and improving public's trust in food safety regulatory system**

CBEC connects all economies around the world, and food produced by different economies can be quickly and conveniently traded through CBEC operators. As the volume of CBEC food trade continues to grow, CBEC food trade can be diverse, which can include large number of small batches, high number of individual consumers, high transaction frequency, etc. Risks existing in food traded via CBEC and distinct risks caused by differences in online and offline law enforcement may harm consumers' health, and consumers may also question the government's regulatory capacity. Under the current situation, keeping optimizing existing food safety regulatory systems and the ongoing work in the FSCF to modernize food safety systems of APEC economies is important to improve the effectiveness of food safety regulation of the economies.

### **III. Increasing availability of a wider variety of food products to consumers**

As CBEC providers offer more choices, consumers can buy the food they are interested in on the Internet at any time. These food products may not have entered the economy through general trade, and the number of product varieties greatly exceeds that of the domestic food market. Therefore, obtaining food from a wide variety of sources is an important benefit of growing CBEC food trade.

### **IV. Promoting regulation cooperation on CBEC food trade and facilitating trade**

CBEC, as a rapidly expanding form of trade, creates a real opportunity for entry of food in different economies or regions into global trade channel. According to New Zealand's questionnaire feedback and discussion paper, New Zealand's enterprises are increasingly interested in trading the food and primary products through CBEC channel. In China, dairy products, meat, seafood, kiwifruit and honey products for online sales from New Zealand have ranked the fifth. New Zealand's enterprises also strengthen cooperation and seek their partnership to make full use of the cross-border form to develop the trade.<sup>21</sup>

### **V. Economy's strategic plan and international cooperation**

For products traded through CBEC, some economies have released relevant strategic plans. For example, in February 2018, the United States released '*CBP E-Commerce Strategic Plan*' to address the various complexities and threats resulting from global shifts in trade to an e-commerce platform.<sup>22</sup> In December 2016, China's Ministry of Commerce, Office of the Central Cyberspace Affairs Commission and National

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<sup>21</sup> Feedback of questionnaire and Discussion paper from New Zealand Ministry for Primary Industries

<sup>22</sup> <https://www.cbp.gov/newsroom/national-media-release/cbp-releases-e-commerce-strategy>

Development and Reform Commission jointly released ‘13<sup>th</sup> Five-year Development Plan for E-Commerce’. In January 2018, China's State Council released ‘Opinions of the General Office of the State Council on Promoting the Collaborative Development between E-Commerce and Express Logistics’ and other documents to guide the healthy development of e-commerce.

International organizations, including WTO<sup>23</sup>, IPPC<sup>24</sup> and WCO<sup>25</sup> and Codex work in CCFL<sup>26</sup>, have been doing research on e-commerce. However, there are still differences in CBEC trade rules and regulatory measures among member economies, and there are different understandings and implementation strategies for CBEC. The differences in strategies among various regions will need to be taken into account when considering CBEC trade in APEC region. For this reason, it is necessary to promote research cooperation and information sharing on trade trends and growth, to eliminate procedural barriers in CBEC trade and promote trade facilitation among economies.

## **Considerations of Optimizing Food Safety Regulatory Systems**

CBEC has developed rapidly around the world in the past ten years as a rapidly expanding trade mode. However, it is acknowledged that member economies at different stages of economic development have different forms, scales, regulatory measures, etc. of CBEC, and there are also differences in modes, directions and levels of development. An in-depth discussion on standards and conformance will be needed in future research. At the workshop at the margins of 7<sup>th</sup> FSCF, member economies were

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<sup>23</sup> [https://www.wto.org/english/tratop\\_e/ecom\\_e/ecom\\_e.htm](https://www.wto.org/english/tratop_e/ecom_e/ecom_e.htm)

<sup>24</sup><https://www.ippc.int/en/core-activities/governance/cpm/scientific-sessions-during-commission-phytosanitary-measures/2017-e-commerce-internet-trade-of-plants/>

<sup>25</sup><http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/survey-on-crossborder-e-commerce.aspx>

<sup>26</sup>[http://www.fao.org/fao-who-codexalimentarius/sh-proxy/en/?lnk=1&url=https%253A%252F%252Fworkspace.fao.org%252Fsites%252Fcodex%252FMeetings%252FX-714-45%252Fdocuments%252Ffl45\\_07e.pdf](http://www.fao.org/fao-who-codexalimentarius/sh-proxy/en/?lnk=1&url=https%253A%252F%252Fworkspace.fao.org%252Fsites%252Fcodex%252FMeetings%252FX-714-45%252Fdocuments%252Ffl45_07e.pdf)

not able to reach a consensus on whether there was a need for specific regulatory measures related to food safety of CBEC food trade. Therefore, the report only puts forward suggestions for the reference of the economies to further strengthening regulatory systems to ensure the safety of food traded through CBEC.

#### **I. Focusing on Potential Future Risks**

As different economies are at different stages of development of CBEC and may also be in different positions of the supply chain, member economies need to strengthen the cooperation and focus on and assess potential risks from the perspective of the entire supply chain of the CBEC, instead of only assessing risks from a single perspective of each economy.

#### **II. Assessing Potential Risks with Science-based Methods**

It is advocated that member economies strengthen cooperation, assess potential risks with science-based, consensus-based and risk-based assessment methods, and adopt consistent methods in risk assessment.

#### **III. Protection of Consumers**

The design and operation of the food safety regulatory systems in member economies take the protection of consumer food safety as the primary objective. When conflicts arise with other interests, consumers must always be protected from unsafe food.

#### **IV. Enhancing Governance at Source**

Member economies should work to strengthen APEC cooperation in the field of CBEC, and especially enhance food safety management at the front-end i.e. production end and transportation stage, and reduce food safety risk from the front end of the supply chain.

## **V. Trade Promotion**

The food safety regulatory systems of member economies should seek to minimize restrictions on trade while protecting consumers' health, and to actively promote the relevant measures for trade facilitation. Meanwhile, development of food safety regulatory systems should follow good regulatory practices, be transparent and be open to feedback from domestic and international stakeholders, including for food traded through CBEC.

## **VI. Taking Preventive Measures**

Food safety regulatory system of member economies should be based on preventive measures, such as implementing risk monitoring, and establishing a reliable traceability system, so that when problems are found, measures such as risk notification, cessation of sales and effective recall can be taken in time to protect the interests of consumers.

## **VII. Enhancing Risk Communication**

In CBEC trade, the government should ensure that consumers, the public and other stakeholders are well educated regarding regulatory requirements, risks and responsibilities related to CBEC through comprehensive knowledge promotion, communication and promotion activities. All stakeholders should be clear about their specific duties and responsibilities. The government should also guide food manufacturers to proactively provide such information to consumers.

## **VIII. Food Manufacturers Take Major responsibilities for Food Safety**

The governments of member economies have the responsibilities to establish a safety monitoring system for food traded through CBEC in their economies and to ensure that the legal requirements are transparent. Food manufacturers shall take major responsibilities to ensure the safety of the food they sell.

**IX. Use of New Technologies to Improve the Management of CBEC Food Trade**

CBEC industry chain is data-driven, and also retains rich data. Member economies can use new technologies to accurately capture, assess and analyze CBEC data to formulate the reasonable food safety policy service, and also improve the traceability management of food safety processes through big data analysis, block chain<sup>27</sup> and cloud computing, using QR codes, RFID and other traceability media.

**X. Continuous Improvement**

CBEC is still at a stage of rapid development, and new situations and changes will also be bound to further occur. Member economies need to regularly evaluate the effectiveness of the system to ensure the safety of food in CBEC.

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<sup>27</sup> US PowerPoint at 7<sup>th</sup> FSCF CBEC workshop