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**ANNUAL REPORT TO MINISTERS**

**COMMITTEE ON TRADE AND INVESTMENT**



**Asia-Pacific Economic Cooperation**

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## FOREWORD

I am pleased to submit to the APEC Ministers the 2001 Annual Report of the Committee on Trade and Investment (CTI).

The CTI is APEC's central working-level forum for ensuring that the Bogor goals of free and open trade and investment in the region are met. This year, under China's chair, we have made considerable progress towards those goals in a number of concrete areas. The CTI has conducted a thorough review and overhaul of the 1995 Osaka Action Agenda which charts specific objectives and guidelines, as well as collective actions for achieving APEC's Trade and Investment Liberalization and Facilitation goals. This year, we have also intensified our work on non-tariff measures, services, customs procedures, standards and the mobility of business people, to name just a few areas.

I believe our progress this year represents an important contribution toward achieving APEC's long-term trade and investment objectives.

In my two-year term as CTI Chair, I have been impressed by the hard work and spirit of cooperation that CTI members have exhibited, and I extend my appreciation to them for making possible the results you will see in this report.

A handwritten signature in black ink that reads "Joseph M. Damond". The signature is written in a cursive, flowing style.

Joseph M Damond  
Chair

APEC Committee on Trade and Investment

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APEC Economic Leaders' Meeting, Bandar Seri Begawan, Brunei Darussalam, 16 November 2000

## I. INTRODUCTION

The year 2001 saw the APEC Committee on Trade and Investment (CTI) actively pursuing its assigned task of overseeing APEC's work on Trade and Investment Liberalization and Facilitation (TILF). The implementation and enhancement of the Collective Action Plans (CAPs) remains the core activity of the Committee and its sub-fora as well as the Committee's main vehicle to advance APEC's agenda on trade and investment facilitation. These CAPs were first reported in 1996 as part of the Osaka Action Agenda (OAA) process to promote progress across economies towards achieving the Bogor goals of free and open trade and investment in the Asia-Pacific no later than the year 2010 for industrialized economies and 2020 for developing economies. They also support economic and technical cooperation (ECOTECH) initiatives as APEC moves towards these goals.

In executing its work program for 2001, CTI focussed on the following specific priorities for 2001 as mandated by Ministers and Leaders at their meetings in Bandar Seri Begawan, Brunei Darussalam in November 2000:

- *Collective Action Plans (CAPs)*: to explore new ways of enhancing the effectiveness of work programs; to produce tangible deliverables in CAPs that are directly relevant to the business sector and can bring credible outcomes to trade in the region; and to further develop collective actions on non-tariff measures (NTMs) and consider ECOTECH programs to assist in this process.
- *Individual Action Plans (IAPs)*: to develop a comprehensive set of recommendations for improving and refining the electronic IAP (e-IAP) system to ensure that it is fully utilized and operational in 2001 and is updated and improved as an electronic tool in future years.
- *OAA Guidelines*: to finalize work on reviewing and building upon the OAA guidelines, taking into account the views of ABAC.
- *Trade Facilitation*: to complete work on developing a set of trade facilitation principles, which build on our existing APEC commitments and World Trade Organization (WTO) obligations.
- *Support for the WTO*: to advance work on capacity building with respect to WTO Implementation.

- *Strengthening Markets*: to continue work on strengthening markets focussing in particular on the implementation of cooperative initiatives on strengthening economic legal infrastructure and competition and regulatory reform.

Besides focussing on the above directives, CTI also continued with its coordinating role in carrying forward work on early voluntary sectoral liberalization (EVSL), a task delegated to it by the Senior Officials in 1998. The 2001 CTI Annual Report to Ministers outlines CTI's accomplishments for the year with regard to the above mandates and attempts to put forth recommendations on priority areas for the year 2002.

### **CTI Responsibilities**

- (a) Policy issues on the interrelationship of APEC economies with the global economic environment;
- (b) Impediments and distortions to the movement of goods, services, investment and technology;
- (c) Reduction of transaction costs which affect the flow of trade and investment in the region;
- (d) Trade and investment issues evolving from the work of the working groups; and
- (e) Ways to enhance the contribution of the APEC business/private sector in the evolution of trade policies, identification of barriers to trade within the region and possible solutions of mutual benefit to the region.



With courtesy of Shanghai Customs, People's Republic of China

## II. CTI ACTIVITIES IN 2001: AN OVERVIEW

The Committee met three times during 2001 in the People's Republic of China: in Beijing, 15-16 February; in Shenzhen, 30-31 May; and in Dalian, 20-21 August. The meetings were chaired by Mr Joseph M. Damond of the United States of America.

Meetings of CTI sub-fora and related events held during the year include:

- Market Access Group (MAG) – Beijing, 17-19 February; Shenzhen, 27-28 May; and Dalian, 17-18 August
- Group on Services (GOS) – Beijing, 17-18 February; Shenzhen, 27-28 May; and Dalian, 18-19 August
- Investment Experts' Group (IEG) – Cheju, Republic of Korea, 23-24 March; Shenzhen, 26-27 May; and Dalian, 16-17 August
- Sub-Committee on Standards and Conformance (SCSC) – Beijing, 17-18 February; Shenzhen, 28-29 May; and Dalian, 18-19 August
- Sub-Committee on Customs Procedures (SCCP) – Beijing, 17-20 February; and Shanghai, 16-19 August
- Intellectual Property Rights Experts' Group (IPEG) – Sydney, Australia 20-21 March; and Taichung, Chinese Taipei, 16-17 July
- Competition Policy/Deregulation Workshop – Shenzhen, 27-28 May
- Government Procurement Experts' Group (GPEG) – Beijing, 17-18 February; and Dalian, 18-19 August
- Informal Experts' Group on the Mobility of Business People (IEGBM) - Beijing, 17-18 February; Shenzhen, 27-28 May; and Dalian, 17-19 August
- Informal Group on Implementation of WTO Obligations and Rules of Origin – Beijing, February; Shenzhen, 28 May; and Dalian, 18 August

CTI continued to utilize the informal exchange of views in the Trade Policy Dialogue (TPD) as a useful means of broadening perspectives and sharing approaches on issues. It held two, separate TPD sessions during the year on the following topics: (i) Trade Facilitation and (ii) Regional Trading Arrangements (RTAs).

With the expiry of the term of Mr Joseph M. Damond in 2001, the election of the new chair is under consultation among member economies.

**Box 1: Highlights of Trade and Investment Liberalization and Facilitation (TILF) Deliverables for 2001 by CTI/CTI Sub-Fora**

CTI/CTI Sub-forum	Highlights of TILF Deliverables
<i>Committee on Trade and Investment (CTI)</i>	<ul style="list-style-type: none"> <li>• Implemented further improvements to the e-IAP system to improve the presentation, functionality and user-friendliness of the site, and to enhance business accessibility to IAP information</li> <li>• Delivered in-country technical assistance on IAPs to five economies (Indonesia, Mexico, Papua New Guinea, Thailand and Viet Nam) from April through July 2001 and Conducted a workshop on the new IAP reporting requirements in Beijing, China on 14 February 2001 and a training session for e-IAP users on the margins of SOM III in Dalian, China on 22 August 2001</li> <li>• Completed the APEC Principles on Trade Facilitation for reference by policy makers and executors of APEC member economies when formulating and implementing measures that are pro-business</li> </ul>
<i>Committee on Trade and Investment (CTI) /all CTI sub-fora</i>	<ul style="list-style-type: none"> <li>• Completed review of Part I of Osaka Action Agenda Framework</li> </ul>
<i>Market Access Group (MAG)</i>	<ul style="list-style-type: none"> <li>• Published and disseminated the report on <i>APEC Economies: Breaking Down the Barriers</i></li> <li>• Conducted a study in tariffs area with regard to trade data and tariff information</li> <li>• Conducted trade policy dialogue on non-tariff measures</li> </ul>
<i>Group on Services (GOS)</i>	<ul style="list-style-type: none"> <li>• Completed Phase II of the Development of the Menu of Options for Voluntary Liberalization, Facilitation and Promotion of ECOTECH in Services Trade and Investment</li> <li>• Completed a project on <i>Firm Expatriation Policy and Practice in Services Trade: the Gender Dimension</i></li> <li>• Recommended text on APEC's contribution to the WTO negotiations on services for possible inclusion in 2001 APEC Ministerial Statement</li> </ul>
<i>Investment Experts' Group (IEG)</i>	<ul style="list-style-type: none"> <li>• Conducted 6<sup>th</sup> APEC Investment Symposium on "Restructuring Foreign Direct Investment (FDI) in the Age of Information Technology" in Cheju, Korea, 20-22 March 2001</li> <li>• Expanded Menu of Options to include the areas of technology transfer, intellectual property rights (IPR), start-up companies/venture capital and domestic business environment</li> <li>• Successfully completed the 2<sup>nd</sup> Investment Mart in Yantai, China on 9-15 June 2001</li> </ul>
<i>Sub-Committee on Standards and Conformance (SCSC)</i>	<ul style="list-style-type: none"> <li>• Reviewed and revised the Mid-term Technical Infrastructure Development Program</li> <li>• Contributed to the possible launch of a pilot of the DeclareNet, an Internet business-to-government (B2G) website for exchange of conformance information between regulatory authorities and manufacturers</li> <li>• Implemented a collaborative Work Program on Trade Facilitation in Information Technology Products</li> </ul>
<i>Sub-Committee on Customs Procedures (SCCP)</i>	<ul style="list-style-type: none"> <li>• Endorsed an assessment/evaluation approach and completed measurement of the implementation of the SCCP CAP by using the agreed assessment/evaluation framework</li> <li>• Completed a number of comprehensive multi-year assistance programs on HS Convention, Advance Classification Ruling, Temporary Importation, Risk Management, Express Consignment Clearance and Integrity</li> <li>• Published the SCCP Blueprint for 2001</li> </ul>



CTI/CTI Sub-forum	Highlights of TILF Deliverables
<i>Intellectual Property Rights Experts' Group (IPEG)</i>	<ul style="list-style-type: none"> <li>• Endorsed new Collective Action Plans on Intellectual Property Rights (IPR)</li> <li>• Held a Government/Industry Workshop on IP Enforcement in the APEC Region in Sydney, Australia in March 2001 to exchange information relating to IPR enforcement issues between the private and public sectors</li> <li>• Conducted an APEC Symposium on Intellectual Property Rights in the New Economy in Taichung, Chinese Taipei in July 2001 to exchange views and share knowledge on effective patent commercialization and successful technology transfer within the context of the IP systems</li> </ul>
<i>Workshop on Competition Policy and Deregulation (CPD)</i>	<ul style="list-style-type: none"> <li>• Held an Opening Conference of the APEC-OECD Cooperative Initiative on Regulatory Reform on "Foundations for Sustainable Growth: Progress and Challenges in Regulatory Reform" in Singapore on 21-22 February 2001</li> <li>• Held the First Workshop of the APEC-OECD Cooperative Initiative on Regulatory Reform in Beijing, China on 19-20 September 2001</li> </ul>
<i>Government Procurement Experts' Group (GPEG)</i>	<ul style="list-style-type: none"> <li>• Undertook a voluntary review of the consistency of members' government procurement regimes with the APEC (GPEG) Non-binding Principle (NBP) of Transparency</li> <li>• Commenced a program for future reviews of consistency with other NBPs</li> <li>• Held the first of a series of presentations on member economies e-procurement systems, with particular focus on the consistency of electronic GP systems with the NBPs and capacity building, in Dalian, China on 19 August 2001.</li> </ul>
<i>Informal Experts' Group on the Mobility of Business People (IEGBM)</i>	<ul style="list-style-type: none"> <li>• Expanded participation in the APEC Business Travel Card (ABTC) Scheme to 11 economies with Brunei Darussalam, Peru, Chinese Taipei and Thailand formally signing the ABTC Operating Framework.</li> <li>• Endorsed the "Business Mobility Standards: A Key to Building Capacity" paper, providing a framework for developing effective capacity building strategies that support regional travel facilitation</li> <li>• Obtained agreement for a TILF-funded multilateral trial of an Advance Passenger Processing (APP) System</li> </ul>
<i>Informal Group on Implementation of WTO Obligations and Rules of Origin</i>	<ul style="list-style-type: none"> <li>• Developed twelve lead projects under the APEC Strategic Plan, financed by TILF funds to assist developing economies to address concerns over certain aspects of the implementation of the WTO Agreements</li> </ul>

## A. Collective Action Plans (CAPs)

### 1. Implementation and Enhancement of CAPs in 2001

In 2001, CTI and its sub-fora continued to implement, revise and enhance work on the CAPs, making continued and significant progress towards the Bogor Goals and Osaka Action Agenda (OAA) objectives. *Appendix I* contains the Convenor's Summary Reports and the revised CAPs for 2001.

Many of these revisions/enhancements were implemented in response to the priorities set by Leaders and Ministers, particularly the directive to produce tangible deliverables in CAPs that are directly relevant to the business sector and that can bring credible outcomes on trade in the region. They also increase the transparency of trade and investment policies, lower the transaction costs of cross-border trade and result in greater certainty and predictability for the business community. Highlights of such outcomes are shown in *Box 1*.

The two Sub-Committees on Standards and Conformance and Customs Procedures (SCSC and SCCP respectively) continued to be in the forefront of CTI's trade facilitation work. The SCSC contributed to a launch of a pilot of the DeclareNet, an Internet business-to-government (B2G) website for exchange of conformance information between regulatory authorities and manufacturers which also functions as a regulatory tool for post-market surveillance. It also endorsed a proposal that APEC-based IT companies and Information Technology Industry Council (ITI) members work to co-develop, with interested member economies, a "road map" to facilitate the implementation of the work program on trade facilitation in IT products. The SCSC also streamlined its work program through rationalization of its agenda, priority setting exercise and better coordination with other groups. It will review and improve the effectiveness of the various mutual recognition arrangements (MRAs) under its umbrella of activities. The SCCP in 2001 completed several comprehensive multi-year technical assistance programs aimed at assisting members in CAP implementation. The SCCP also endorsed a framework for assessment/evaluation of SCCP CAP implementation, in particular its on-going efforts in technical assistance. It also broadened its work to implement a set of SCCP trade facilitation recommendations.

The Market Access Group (MAG) intensified its work on tariffs and non-tariff measures (NTMs). MAG agreed to a "Typology of Possible NTMs Identified under EVSL Sectors and Fora/Sub-fora to Address Them". As part of a Trade Policy Dialogue on NTMs, it invited experts from the Pacific Economic Cooperation Council (PECC) and the United States International Trade Commission (USITC) to present papers to MAG on their work on NTMs. The Group also published a report entitled "*APEC Economies: Breaking Down the Barriers*" which highlights efficient and effective administrative procedures that facilitate the flow of goods and services across borders that have been implemented to date by some APEC economies in various sectors. MAG reviewed and agreed on a new Terms of Reference to provide clearer guidance on the roles and functions of the Group, and agreed to elevate last year's "Discussed Ideas for Future NTMs Work Program" into new CAPs.

The Group on Services (GOS) completed Phase II of the Development of the Menu of Options for Voluntary Liberalization, Facilitation and Promotion of ECOTECH in Services Trade and Investment. It also finalized a report of the project on *Firm Expatriation Policy and Practices in Services Trade: the Gender Dimension* and agreed to a text on APEC's contribution to the WTO negotiations on services for possible inclusion in the 2001 APEC Ministerial Statement.

The Investment Experts' Group (IEG) expanded the Menu of Options to include technology transfer, intellectual property rights, start-up companies/venture capital and domestic business environment. The Intellectual Property Rights Experts' Group (IPEG) completed an overhaul of its CAP and adopted several new collective actions. Among others, the new CAP included the electronic processing of IPR-related procedures and appropriate protection of IPR in new fields.

The Government Procurement Experts' Group's work during the year focussed on continuing the agreed process of voluntary reviews and reporting by member economies on consistency of their government procurement regimes



Third CTI Meeting, Dalian, China, 20-21 August 2001

with the APEC Non-binding Principles on Government Procurement adopted in 1999.

The Informal Experts' Group on Mobility of Business People (IEGBM) continued to support the APEC Business Advisory Council's (ABAC's) call for expanding the APEC Business Travel Card (ABTC) and eleven economies now participate in the scheme. IEGBM endorsed the "Business Mobility Standards: A Key to Building Capacity" paper which provides a framework for developing effective capacity building strategies that support regional travel facilitation. As part of this capacity building strategy, IEGBM endorsed a document examination standards paper and training package to assist implementation of effective and speedy document examination regimes. IEGBM also secured APEC funding approval to develop professional and efficient service standards. Approval was also given to conduct a multilateral trial of the "Advance Passenger Processing (APP)" system; a standard for border processing. IEGBM approved in principle, on a best endeavors basis, to adopt a 30 day standard for completion of the temporary residency processing of specialists. IEGBM developed a website on business mobility to facilitate dialogue and continued to maintain the APEC Business Travel Handbook website.

A full report on TILF Activities in Other APEC Fora is attached as *Appendix II* and the highlights are noted in *Box 2* (See page 12).

*Appendix III* provides a comprehensive matrix on TILF deliverables in 2001 across APEC fora. The TILF deliverables include: *policy initiatives* (e.g., "road map" on Interoperability to provide on cross-border e-commerce; Tourism Information Network); *public information products* (e.g., SCCP Blueprint); *databases*; *dialogues*; *training and technical cooperation programs*; and *information collection and surveys*.

## **2. Response to APEC Business Advisory Council (ABAC) Recommendations**

CTI continued to examine ABAC's recommendations to APEC Leaders, focussing in particular on those relating to *non-tariff measures, trade facilitation, business mobility and support of the WTO and the New Round*. While some of the recommendations were already being addressed by relevant CTI sub-fora, others required more time and closer dialogue between ABAC and the relevant fora. Examples of areas being addressed are highlighted in *Box 3* (see page 13). CTI also continued to encourage wider working-level dialogues with business and professional groups to promote

## Box 2: Highlights of TILF Deliverables in Other APEC Fora

APEC Working Group	Highlights of TILF Deliverables
<i>Energy Working Group (EWG)</i>	<ul style="list-style-type: none"> <li>• Commenced Phase 3 of the APEC Network of Minerals and Energy Data (ANMED) Database</li> <li>• Conducted a study on Algorithm Development of Energy Performance Testing</li> <li>• Developed recommendations to address Barriers to the Inter-connection of Power Grids</li> </ul>
<i>Fisheries Working Group (FWG)</i>	<ul style="list-style-type: none"> <li>• Continued program on the APEC Seafood Information System which seeks to test the feasibility of improving and expanding the market and industry information service provided by GLOBEFISH and FAO Regional Marketing Information and Advisory Services for Fisheries Products.</li> </ul>
<i>Telecommunication and Information Working Group (TEL)</i>	<ul style="list-style-type: none"> <li>• Completed Mutual Recognition Arrangements Project</li> <li>• Completed Interconnection Resource Project</li> <li>• Produced a "Road Map" on Interoperability to provide advice on cross-border e-commerce.</li> </ul>
<i>Tourism Working Group (TWG)</i>	<ul style="list-style-type: none"> <li>• Commenced the Tourism Impediments Study to facilitate the development of Individual and Collective Action Plans required under Policy Goal No. 1 of the Seoul Declaration on an APEC Tourism Charter</li> <li>• Compiled a Best Practices Publication on the Development of a Tourism Satellite Account (TSA) in the APEC Region</li> <li>• Implemented the Tourism Information Network</li> </ul>
<i>Working Group on Trade Promotion (WGTP)</i>	<ul style="list-style-type: none"> <li>• Improved APECNet website</li> <li>• Held APEC Seminar on Product Design in Chinese Taipei on 28–30 May 2001</li> <li>• Held APEC Seminar on Trade Promotion in Beijing, China on 24–26 July 2001</li> </ul>
<i>Human Resources Development Working Group (HRDWG)</i>	<ul style="list-style-type: none"> <li>• Held a seminar on "Mechanisms to Resolve International Disputes in Asia-Pacific Commercial Relations" on 26 June 2001 in Mexico City, Mexico as a continuation of the program on Alternative Dispute Resolution (ADR) Executives Education Project</li> <li>• Continued the Capacity-Building Program for Trade and Investment Insurance Practitioners</li> </ul>
<i>Marine Resource Conservation Working Group (MRCWG)</i>	<ul style="list-style-type: none"> <li>• Implemented the program on Development and Validation of Phycotoxin Analytical Methods, Standards and Reference Materials for Seafood Product Certification and Safety, aimed at facilitating trade of seafood products between APEC economies and protecting public health</li> </ul>
<i>Economic Committee (EC)</i>	<ul style="list-style-type: none"> <li>• Undertook a study on "The Benefits of APEC Trade and Investment Liberalization and Facilitation", building upon previous work in APEC</li> </ul>

better understanding of the issues involved and to devise specific ways of addressing them. It agreed to consider the involvement where appropriate, on a case-by-case basis, of the private/business sector in the activities of the Committee and sub-fora/groups.

### 3. Support for Multilateral Trading System

CTI was tasked by SOM to coordinate and undertake the work program to implement the APEC Strategic Plan for WTO-related capacity building. To fulfil this task, CTI agreed to the re-formation of the Informal Group on Implementation of WTO Obligations and Rules of Origin ("Informal Group") to coordinate the implementation of the APEC Strategic Plan. In 2001, the

**Box 3: CTI Response to ABAC Recommendations**

ABAC Recommendation	CTI Response
<p><i>Non-Tariff Measures (NTMs)</i></p> <ul style="list-style-type: none"> <li>To develop some generally agreed principles on what constitute NTMs</li> <li>To examine other existing classification systems for NTMs such as the model developed by the Organization for Economic Cooperation and Development (OECD)</li> </ul>	<ul style="list-style-type: none"> <li>MAG intensified work on NTMs. It consulted with EVSL sectoral coordinators on NTMs identified through their respective sectors' work program and developed a consolidated report on "Typology of Possible NTMs Identified in the EVSL Sectors and the Fora/Sub-Fora to Address Them" in consultation with other APEC fora.</li> <li>MAG conducted its first policy dialogue to share and exchange information and views on the scope of NTMs and best practices on handling NTMs from members.</li> <li>MAG published and disseminated the report, "APEC Economies: Breaking Down the Barriers", which highlighted "best practices" in administrative arrangements.</li> </ul>
<p><i>Trade Facilitation</i></p> <ul style="list-style-type: none"> <li>To support Sectoral Government-Business Dialogues to Promote APEC's Facilitation Agenda</li> </ul>	<ul style="list-style-type: none"> <li>The Automotive Dialogue, comprising senior government and industry representatives, met for the third time in Bangkok, Thailand on 3-5 April 2001. The Dialogue has put in place a substantive work program looking at areas such as assistance to automotive suppliers; effective automotive policies; harmonization of automotive technical regulations; e-commerce and other electronic networking; automotive industry profiles and ECOTECH; customs issues; traffic congestion and the environment; and intellectual property rights.</li> <li>Preparations are underway to launch a Chemical Dialogue comprising private sector chemical industry representatives and appropriate government officials who are involved in developing trade and trade-related regulatory policy work within APEC member economies.</li> <li>SCSC collaborated with the Information Technology Industry Council (ITI) to implement the agreed program on trade facilitation in Information Technology products.</li> <li>APEC Customs-Business Dialogues with participation of business sectors of APEC are held regularly by the SCCP.</li> </ul>
<p><i>Business Mobility</i></p> <ul style="list-style-type: none"> <li>Continued expansion of participation in the APEC Business Travel Scheme.</li> <li>Implementation of automated travel clearance systems, such as pre-clearance procedures to expedite the movement of travelers</li> </ul>	<ul style="list-style-type: none"> <li>Participation in the APEC Business Travel Card (ABTC) Scheme has expanded to 11 economies with Brunei Darussalam, Peru, Chinese Taipei and Thailand formally signing the ABTC operating Framework.</li> <li>IEGBM to undertake a project to conduct a multilateral Advance Passenger Processing (APP) trial. At least three economies will participate in the trial that will deliver streamlined border processing and reduced numbers of undocumented arrivals.</li> </ul>
<p><i>Support of the WTO and the New Round.</i></p> <ul style="list-style-type: none"> <li>Further capacity-building initiatives that would enhance member economies' ability to benefit from the liberalization of trade and investment</li> </ul>	<ul style="list-style-type: none"> <li>12 project proposals utilizing APEC TILF Funds were developed to assist developing economies to address concerns over certain aspects of the implementation of WTO agreements.</li> </ul>

#### Box 4: List of Approved Projects under the APEC Strategic Plan for WTO-related Capacity Building

Project Title	Description
<i>Facilitation of Developing Economies' Participation in WTO Industrial Seminar</i>	<ul style="list-style-type: none"> <li>The project proposal was designed to enable developing economies to participate in a WTO seminar on industrial tariffs and related rules held in Geneva on 20-21 March 2001. Participation in the seminar assisted member economies to develop the basic skills necessary for the implementation of WTO agreements in the area of industrial tariffs and related rules and enhanced the ability of participants to conduct future negotiations.</li> </ul>
<i>GATS Basic Telecommunications Training Program</i>	<ul style="list-style-type: none"> <li>Delivery of a short-term training course to strengthen, in a sustainable way, the capacities of APEC developing economies to implement the provisions of the WTO Agreement on Basic Telecommunications. The program will also allow participants to better understand the different market access commitments, and scheduling requirements of the Basic Telecommunications Agreement</li> </ul>
<i>SCCP Program to Improve Implementation of Customs-related WTO Agreements*</i>	<ul style="list-style-type: none"> <li>This is Phase I of a multi-year project, involving three seminars on Customs-related WTO Agreements, Valuation Agreement and Rules of Origin, respectively.</li> </ul>
<i>GATS Financial Services Agreement Training Program</i>	<ul style="list-style-type: none"> <li>Delivery of a short-term training course to strengthen, in a sustainable way, the capacities of APEC developing economies to implement the provisions of the WTO Financial Services Agreement. The program will allow participants to better understand the different market access commitments, and scheduling requirements of the Financial Services Agreement.</li> </ul>
<i>APEC SCSC training Programs on Standards and Conformity Assessment for 2001 and 2002</i>	<ul style="list-style-type: none"> <li>The project seeks to conduct two 4-day courses in 2002 for developing members on standards and conformity assessment and TBT Agreement implementation.</li> </ul>
<i>Seminar on WTO TRIMs Agreement Implementation: Capacity Building for a Better Investment Environment</i>	<ul style="list-style-type: none"> <li>The seminar aims at exchanging information on the implementation of TRIMs Agreement, analysing practical problems met by developing members and identifying capacity building needs for them.</li> </ul>
<i>WTO Overview of Negotiations Agreements</i>	<ul style="list-style-type: none"> <li>This project comprises a two-day conference to help establish consciousness on the importance of WTO agreements and the development of networks among public, private and academic sectors.</li> </ul>
<i>APEC Resource Pack and Symposiums for Operation of National Points of Enquiry under the Sanitary and Phyto-sanitary (SPS) and Technical Barriers to Trade (TBT) Agreements of the World Trade Organization</i>	<p>This project has three components:</p> <ul style="list-style-type: none"> <li>To facilitate developing APEC member economies' attendance at the WTO TBT Workshop in June 2002 in Geneva, Switzerland and the WTO SPS meeting in May 2002 in Geneva, Switzerland;</li> <li>Two 3-day symposia on the establishment and operation of national points-of-enquiry under the SPS and TBT Agreements to be held in May 2002 in Lima, Peru and Bangkok, Thailand; and</li> <li>Review and produce a 'Resource Pack' for APEC member economies on national Point-of-Enquiry operation and the minimum requirements for notifications.</li> </ul>
<i>SCCP Program to Improve Implementation of Customs-related WTO Agreements*</i>	<ul style="list-style-type: none"> <li>Phase II of a multi-year project. Four workshops are scheduled to provide skills and knowledge on the Customs-related WTO agreements.</li> </ul>

\* Different phases of a multi-year project.

Project Title	Description
<i>SPS Implementation Program</i>	<p>The project has two elements:</p> <ul style="list-style-type: none"> <li>• Conduct three-stage training courses and seminars by SPS experts who are familiar with negotiation, dispute settlement, international standard establishment, and other affairs and procedures to train staff of management and technology in SPS implementation; and</li> <li>• Invite experienced SPS experts to attend seminars, address SPS Agreement implementation issues, and propose feasible solutions.</li> </ul>
<i>IP Experts Capacity Building Program for TRIPs Implementation</i>	<ul style="list-style-type: none"> <li>• This program includes briefings and seminars and focuses on policy formulation in respect of intellectual property legislation, outsourcing of government services to the private sector and staff training, public education and awareness of IP rights, and the promotion of sound practices by government departments regarding software asset management and enforcement. There may also be visits to relevant agencies where briefings on enforcement work will be given.</li> </ul>
<i>Public Education and Awareness of Intellectual Property</i>	<ul style="list-style-type: none"> <li>• The project seeks to assist up to four developing member economies develop/improve a program of public education and awareness over a two-year period for communicating the benefits of an effective IP system. The project includes the development (or redevelopment) of internet websites, promotional documentation and information, and structures and implementation strategies for seminars to effectively deliver IP public education and awareness programs.</li> </ul>

Informal Group, under the co-chairmanship of Canada and Japan, met three times in order to initiate and advance a proposed work program in implementation under the APEC Strategic Plan.

In its initial work, twelve lead projects, financed by TILF funds, were developed to assist developing economies to address concerns over certain aspects of the implementation of WTO agreements. *Box 4* lists the projects already approved by BMC. The Informal Group changed its name to “WTO Capacity Building Group” (“WTO Group”), and adopted its Terms of Reference. The mission of the WTO Group is to cooperate and facilitate WTO-related capacity building activities, which realize the objectives of the APEC Strategic Plan. CTI approved the WTO Group’s invitation to representatives from Asian Development Bank (ADB), WTO as well as the World Bank to the WTO Group meetings. Utilization of resources from bilateral, regional and international agencies/organizations to support development of further projects was encouraged.

## **B. Early Voluntary Sectoral Liberalization (EVSL)**

CTI continued to monitor and progress the work in the non-tariff measures, facilitation and ECOTECH areas of the EVSL initiatives agreed by Ministers in 1997. Since then, a number of these work programs, activities and ECOTECH projects have been completed with much of the remaining work being captured in the mainstream activities of CTI and its sub-fora. CTI therefore reviewed and revamped the reporting mechanism in order to provide a sharper focus of on-going EVSL activities. Under this mechanism, in advance of each CTI meeting, coordinators/convenors of sub-fora/responsible economies provide the CTI Chair and APEC Secretariat with relevant highlights of any progress or developments in EVSL activities and projects since the last meeting.

Further progress has been achieved in some areas, including the completion or near-completion of several previously approved ECOTECH projects, as well as the approval of two new projects. The details of these can be found in Appendix IV.

Recognizing the importance of public-private sector dialogues in improving the mutual understanding of key imperatives for the development of future policy and for enhancing the competitiveness of the industry, the 3<sup>rd</sup> Automotive Dialogue was convened on 3–5 April 2001 in Bangkok, Thailand. The Dialogue attracted more than 200 participants from industry and government. It adopted an “IT Manifesto” which incorporates a forward looking action agenda and a set of “Principles of Technical Regulation Harmonization”.

CTI also endorsed the Terms of Reference of the APEC Chemical Dialogue. The Dialogue will be held annually and will progressively develop a work program according to priorities identified by industry and officials. A Steering Group made up of private sector representatives and government officials will support the Dialogue at the working-level.

Preparations are now underway for the holding of the first Chemical Dialogue in Mexico around the time of the Meeting of APEC Ministers Responsible for Trade in May 2002.

### **C. Improvement and Refinement of the Electronic Individual Action Plan (e-IAP) System**

The delivery of the electronic individual action plan (e-IAP) system was one of the key outcomes of APEC Economic Leaders/Ministers at their meetings in November 2000. The e-IAP system was an effective response to calls by business to make IAPs more transparent, specific and comprehensive. However, it was also recognized that the e-IAP system could be further refined based on member economies’ experiences of using it as well as updated and improved as an electronic tool in future years.

CTI was tasked to examine how best to improve the e-IAP system. Two major areas of refinement and improvement were identified: the presentational and technical changes to enhancing business access to the e-IAP website; and the technical refinements to improve the functionality of the site for all users.

With these requirements, the Project Team (comprising Australia, Brunei Darussalam and Singapore), supported by the APEC Secretariat, worked with the e-IAP system developers to deliver an improved system which would make the IAP preparation process easier for coordinators, enhance the user-friendliness of the system, and improve business access to the IAP information contained in the system. Improving the inter-linking between the BizAPEC (also launched in 2000) and e-IAP websites was found to be one of the most desirable and feasible options to achieve the objective of improving business access to the information contained in the e-IAP system. However, as the inter-linking would involve extensive re-vamping of the BizAPEC website and the development of a detailed plan to guide the extent and nature of the inter-linking, a separate proposal for funding of this work will be put forth to the BMC’s next meeting in March 2002. In the meantime, the placement of the e-IAP link on other pages will be considered as appropriate.



An improved e-IAP system incorporating enhancements/refinements to the design, functions and layout of the home page was made available to economies via a new domain name, [www.apec-IAP.org](http://www.apec-IAP.org) in early September for uploading of their 2001 IAPs in time for the October Leaders' and Ministerial Meetings in Shanghai, China. The Project Team and system developers will continue to work to implement other system improvements, which are to be in place for the 2002 reporting cycle.

## **D. Review and Development of Osaka Action Agenda (OAA)**

CTI was given the task of fulfilling Ministers' instruction in 1999 to "develop means by which the OAA guidelines might be better defined in areas where this is required". In 2001, CTI intensified efforts to complete this task. It agreed on an approach that would not only take forward the work but also enable member economies to take the opportunity in the course of the exercise to look at the guidelines from a broader/cross-cutting perspective. The approach adopted by CTI is outlined below:

- Building upon the OAA guidelines, not to re-open or revisit them. The OAA is an important historical document, and should remain intact. The exercise was "OAA plus."
- Further refining OAA guidelines in some areas, or adding new areas does nothing to affect the voluntary nature of meeting those guidelines. The guidelines are meant to provide direction and guidance to economies as they move toward Bogor; *how and when* economies meet these guidelines remains up to them, based on the principle of voluntarism.
- The OAA guidelines in some areas are much more vague and imprecise than in other areas, and thus sometimes provide little or no useful guidance to member economies. These are the areas where most focus should be given.
- Better defining guidelines will help us also better define areas where capacity building and ECOTECH may be necessary. With goals unclear as they are now in some areas, it is not clear how or where to best provide such capacity building or what the objectives of that capacity building should be.

With the above general principles governing the exercise, CTI and sub-fora reached agreement, resulting in substantive additions to the OAA framework. A consolidated text incorporating the agreed modifications was presented to Ministers for consideration.

## **E. Strengthening Markets**

A coordinating group led by Australia, Japan and Peru and comprising other interested economies was formed to steer the implementation of the Cooperation Framework on Strengthening Economic Legal Infrastructure. CTI endorsed the Menu of Options on Capacity and Institutional Building, Corporate Law and Competition Policy that have been developed to help advance work in

these prioritized areas. Proposals for cooperative projects and correspondingly detailed work programs in these areas were being developed to meet the specific needs of the participating economies. A three-phased capacity building project on commercial laws including elements of contracts law, intellectual property rights and commercial arbitration/dispute resolution to strengthen the skills of individuals in key legal institutions, government agencies and the private sector to implement, apply and enforce such laws, is being progressed.

The Workshop on Competition Policy and Deregulation (CPD) continued to oversee the work relating to the implementation of the APEC Principles to Enhance Competition and Regulatory Reform and the joint APEC-OECD Co-operative Initiative on Regulatory Reform. The first of a series of events related to the joint APEC-OECD initiative was the Opening Conference of the APEC-OECD Cooperative Initiative on Regulatory Reform held in Singapore on 21–22 February 2001. This conference focussed on the exchange of information on good regulatory practices and was an important means to fulfil the goal of disseminating the APEC Principles to Enhance Competition and Regulatory Reform and promoting the implementation of the principles by member economies. The second activity, the First Workshop of the APEC/OECD Co-operative Initiative on Regulatory Reform was held in Beijing, China on 19–20 September 2001 to further the implementation of the regulatory principles. It examined two important regulatory reform strategies:

- The design and operation of a broad and sustainable regulatory reform program that produces concrete results for consumers and businesses; and
- The importance of building competition principles into regulatory regimes. Competition principles are important in all aspects of regulatory reform, including privatization and restructuring where the state is reducing its direct involvement in the economy and the ongoing work of governments in regulating an economy. Competition principles can act as a guide to reform that will yield dynamic and competitive markets that foster growth and economic welfare.

## F. Trade Facilitation

In response to Ministers' directive in 1999, an ad hoc Task Force led by Hong Kong, China was established under the auspices of CTI to pursue work in developing a set of APEC non-binding principles on trade facilitation. In 2001, efforts were intensified with two further coordination meetings, as held on 14 February and 29 May, and extensive inter-sessional work in the two periods leading up to the two scheduled meetings. By the second meeting, the Task Force had accomplished its task of developing a set of trade facilitation principles for reference by policy makers and executors of APEC member economies when formulating and implementing measures that are pro-business.

The APEC Principles on Trade Facilitation were endorsed by the Ministers Responsible for Trade at their meeting in Shanghai, China on 6-7 June 2001. A copy of the principles is attached as *Appendix V*.

Following the adoption of the principles, CTI also exchanged views on the next steps and agreed:

- To disseminate the principles to a wider audience including both the public and private sectors; and
- To consider developing work programs as a means to implement the principles; including further technical assistance/capacity building programs.

## **G. Cooperation with Observers**

### **1. Pacific Economic Cooperation Council**

CTI continues its close working relationship with Pacific Economic Cooperation Council (PECC), in particular, its Trade Policy Forum (TPF). The TPF plays an active role in channeling inputs into the work of the CTI and its sub-fora, including the Group on Services (GOS), the Workshop on Competition and Deregulation (CPD), the Market Access Group (MAG) and the Investment Experts' Group (IEG).

PECC's substantive contributions to the CTI in 2001 include Phase II of the APEC's Menu of Options for Voluntary Liberalization, Facilitation, and Promotion of Economic and Technical Cooperation in Services Trade and Investment; and presentation of a report on non-tariff measures.

Other activities of relevance and interest to the CTI are: a PECC study on Impediments to Trade and Investment including a study on Non-tariff Measures in Goods and Services Trade to be released this year, a collaborative project on "The Treatment of Market Power in East Asia: Law, Policy and Practice" which would cover approaches to competition and market forces in selected economies, research work on "Regional Trading Arrangements (RTAs)" and a seminar on RTAs held in cooperation with the APEC Division of the Thai Ministry of Commerce in June 2001.

### **2. ASEAN Secretariat**

The presence of the ASEAN Secretariat serves the dual function of keeping APEC informed of ASEAN activities and keeping ASEAN informed of APEC activities, especially the non-APEC members of ASEAN. This promotes closer coordination in their activities.

### **3. Pacific Islands Forum**

The Pacific Islands Forum (PIF) has continued to benefit from its close association with CTI as it keeps PIF members abreast of ongoing trade and investment-related developments within APEC. It also assists the Forum Island Countries (FICs) in implementing economic and trade policy reforms as required under the Forum Economic Action Plan. The interactions with CTI have reaffirmed the value placed by the FICs on trade and investment liberalization and facilitation measures, especially in relation to quarantine, customs and standards that would enable the region to standardize and harmonize its trade facilitation measures up to international level. The CTI has therefore been significant in supporting the region's endeavours for economic integration and subsequent freer and open trade and investment.

### III. RECOMMENDATIONS

It is recommended that Ministers:

- *Endorse* CTI's 2001 Annual Report and the revised/enhanced CAPs it contains;
- *Welcome* the commendable achievements in 2001 which appears in Appendix III (Matrix of 2001 TILF Deliverables);
- *Endorse* agreed modifications to the OAA framework;
- *Note*:
  - further expansion of the CAPs to intensify work on NTMs;
  - refinements and improvements made to the e-IAP system;
  - completion of APEC Principles on Trade Facilitation;
  - progress in the implementation of the agreed non-tariff measures, facilitation and ECOTECH work programs of EVSL, including the setting up of a Chemical Dialogue;
  - completion of the new CAP on IPR;
  - development of 12 TILF projects under the APEC Strategic Plan on Capacity Building Related to WTO Implementation and revitalization of the Informal Group on Implementation of WTO Obligations and Rules of Origin (renamed as "WTO Capacity Building Group");
  - development of cooperative projects and corresponding detailed work programs on capacity and institutional building; corporate law and competition policy to meet the specific needs of economies;
  - completion of Phase II of the Development of the Menu of Options for Voluntary Liberalization, Facilitation and Promotion of ECOTECH in Services Trade and Investment;
  - agreed text on APEC's contribution to the WTO negotiations on services to be recommended for possible inclusion into the 2001 APEC Ministerial Statement;
  - completion and publication of a report on "APEC Economies: Breaking Down the Barriers" as a first step to greater work on facilitating the adoption of best practice administrative arrangements.
- *Agree* that, in carrying forward the CTI's work, a major focus should continue to be the implementation and progressive improvements of CAPs, as envisaged in the Osaka Action Agenda;
- *Direct* CTI, in executing its 2002 work program, to give priority to:
  - producing tangible deliverables in CAPs that are directly relevant to the business sector and that can bring credible outcomes on trade in the region;
  - implementing the APEC Principles on Trade Facilitation and developing corresponding work programs, including further technical assistance/capacity building programs as means to implement the Principles;
  - implementing expeditiously the agreed WTO-related capacity building projects, further developing projects, including leveraging resources from bilateral aid and regional and international financial institutions, and according high priority to the use of the TILF Fund on an urgent basis in support of such projects during the coming year in accordance with the established TILF Fund approval process; and
  - implementing a substantively reformed IAP peer review process.

## **APPENDIX I**

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### **Convenor's Summary Reports and Collective Action Plans**

# CONVENOR'S SUMMARY REPORT ON TARIFFS AND NON-TARIFF MEASURES

## 1. Introduction

The Market Access Group (MAG) was established by the Committee on Trade and Investment (CTI) at its meeting in St. John's, Canada in August 1997. Its role was to coordinate and undertake work on Tariffs and Non-Tariff Measures (NTMs), which includes developing Collective Action Plans (CAPs) and collating NTMs work notified in the various early voluntary sectoral liberalization. Since its inception, MAG has held nine Meetings with the last one on 17–18 August 2001 in Dalian, China. The Convenor for MAG is Ms Ng Kim Neo, Ministry of Trade and Industry, Singapore, who has assumed the role since 1997. MAG unanimously supported Singapore as Convenor for another year.

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

## 2. Collective Actions Achieved

- Consulted EVSL sectoral coordinators on NTMs identified through their respective sectors' work program and developed the "Typology of Possible NTMs Identified in the EVSL Sectors and the Fora/Sub-Fora to Address Them", together with the "Progress of Work Done by Forum/ Sub-Forum to Address NTMs"
- Requested members to provide regular updates of tariff information as changes occur, and provide annual updates of trade and other agreed data to the APEC Tariff Database (TDB) Manager
- Collaborated with the WTO Secretariat to conduct the 2<sup>nd</sup> Seminar on the WTO Integrated Database (IDB) on 17–18 February 2001 in Beijing
- Conducted the first MAG policy dialogue on 28 May 2001 in Shenzhen to discuss and exchange information on work done by member economies, PECC and the USITC.
- Continued to update the Website of Import Regulations
- Completed and published report on *APEC Economies: Breaking Down The Barriers*
- Review of OAA on Tariffs and NTMs Chapter
- Reviewed and endorsed MAG's Terms of Reference to provide clearer guidance on the roles and functions of the Group (**Annex 1**)

## 3. New Collective Actions Agreed

- Endorsed new CAPs based on the 2000 list of discussed ideas for future NTMs Work Program (**Annex 2**)

#### **4. Benefits and Beneficiary**

The second seminar on WTO Integrated Database (IDB) enhanced APEC members' understanding of the IDB and provided useful hands-on training to members on the IDB analytical software capabilities. The first policy dialogue provided focused discussion and a frank exchange of ideas between APEC members and organizations such as the PECC and USITC. The study in the tariffs area with regard to trade data and tariff information provided members with an overview and understanding of key tariff elements under existing FTA/RTAs in the Asia-Pacific region. The report on *APEC Economies: Breaking Down the Barriers* seeks to document and highlight efficient and effective administrative procedures implemented to date by APEC economies in various sectors.

#### **5. 2001 Highlights**

- Conducted a study on APEC's trade and tariff data.
- Publication and dissemination of the Report on "*APEC Economies: Breaking Down The Barriers*".
- The 2<sup>nd</sup> seminar on WTO Integrated Database (IDB) was held on 17–18 February 2001 in Beijing, China.
- Conducted the first MAG policy dialogue on 28 May 2001 in Shenzhen to discuss NTMs.
- Progressed work and developed a consolidated report on "Typology of Possible NTMs Identified in the EVSL Sectors and the Fora/Subfora to Address Them" in consultation with other APEC fora.
- Endorsed new CAPs for Future NTMs Work Program.

**TERMS OF REFERENCE**

**CTI Market Access Group (MAG)**

1. To act as a focal point for advancing and integrating CTI objectives with respect to information and development of databases on tariffs, non-tariff measures (NTMs) and trade and investment statistics;
2. To liaise as and when required with the APEC Sub-Committee on Customs Procedures on the maintenance and updating of the tariff database;
3. To implement and enhance agreed Collective Action Plan (CAP) on tariffs and NTMs; and
4. To follow and consolidate APEC's on-going voluntary sectoral liberalization exercise in coordination with CTI sub-group and/or other APEC fora and report to CTI.



## **New CAPs for Future Non-Tariff Measures (NTMs) Work Program**

### **1. *Substance***

- Develop a list of trade regulations and associated administrative arrangements with the potential to affect trade patterns.
- Discuss how NTMs might be implemented in a manner which does not distort trade flows.
- Elaborate the scope of NTMs affecting significant volume of trade in APEC economies.
- Undertake research and provide a basis for policy discussions on trade regulations and administrative arrangements that focus on procedural elements of trade processes in collaboration with other APEC fora.
- Undertake a series of policy discussions on NTMs with a view to exploring issues surrounding their progressive reduction, and devising practical options for their progressive reduction on a voluntary basis.

### **2. *Transparency and Capacity Building***

- Further develop the MAG homepage of links to websites of APEC member economies dealing with trade regulations and associated administrative arrangements as a resource to business and other economies.
- Expand the MAG website by publishing other appropriate MAG papers on the website.
- Provide guidance on the preparation of the NTM chapter of member economies' Individual Action Plans (IAPs) with a view to refining it as a resource for business and other economies to understand the trade regulations and associated administrative arrangements of member economies.
- Explore further improvements to the NTMs chapter of the IAP as a mechanism to monitor and assist the progressive reduction of NTMs.
- Undertake discussions on NTMs and with a view to making constructive contribution to WTO processes.
- Establish a dialogue on particular NTMs, inviting relevant experts (e.g. from WTO, OECD) to speak at MAG Meetings as part of capacity building for member economies.
- Disseminate work undertaken by various other international and regional for a.
- Explore ECOTECH and facilitation activities which may assist economies in addressing NTMs.

### **3. *Modus Operandi***

- Meet 3 times a year in conjunction with each CTI meeting.
- Maintain a dialogue with other APEC fora on aspects of their work programs which address NTMs.
- Identify priority NTM issues that fall within the scope of other APEC for a work programs, ask those for a to include these issues in their work program, and monitor progress in addressing them.
- Liaise with other APEC for a on these priority NTM issues and report to CTI on progress.
- Recommend that CTI take responsibility of reporting back to Ministers on NTMs work progress.

## TARIFFS AND NON-TARIFF MEASURES 2001 COLLECTIVE ACTION PLAN

OAA Objectives	Action	Time Frame
<p><b>Tariffs</b></p> <p>(a) Participate and ensure the expeditious supply and updates of the WTO Integrated Database and any other APEC databases</p>	<p><u>Short-term and On-going</u></p> <p>Individual: submit current data, and any other information which is collectively agreed to be required to implement and suggested enhancements by users of the APEC Tariff Database Manager (TDB), to the Tariff Database Manager.</p> <p>Individual: provide regular updates of tariff information as changes occur, and provide annual updates of trade and other agreed data to the APEC database. To support WTO, provide tariff and trade data annually in accordance with WTO obligations. Non-WTO members many provide the information as a voluntary measure.</p> <p>Collective: coordinate with SCCP to continuously review existing functions and explore new enhancements with the Tariff Database Manager/other service providers to ensure continuous development and maintenance of the APEC Tariff Database.</p> <p>Collective: develop improved format for the tariffs chapter of IAP for use as the electronic-IAP template for reporting progress on liberalization in tariffs by member economies.</p> <p>Collective: review the Terms of Reference of the MAG in tariffs area with a view to providing clearer guidance on the roles and functions of the group.</p> <p><u>Medium-Term</u></p> <p>Collective: continuously review and improve upon the format for the tariffs chapter of the Individual Action Plan (IAP) for use as the electronic-IAP template for reporting progress on liberalization in tariffs by member economies.</p>	<p>On-going</p> <p>On-going</p> <p>On-going</p> <p>On-going</p> <p><b>Completed</b></p> <p>On-going</p>
<p>(b) Arrange for seminars and/or workshops on industrial tariffs negotiations in consultation with international organizations, where appropriate, including WTO Secretariat on WTO Integrated Tariff Database.</p>	<p><u>Short-term and On-going</u></p> <p>Collective: organize periodically seminars on the WTO Integrated Tariff Database with a view to providing capacity-building for member economies in preparatory work towards future tariff negotiations.</p>	<p>Completed (for 2001) and on-going</p>

OAA Objectives	Action	Time Frame
(c) Study lessons from modalities for tariff reduction and elimination in sub-regional arrangements.	<p><u>Short-term and On-going</u></p> <p>Collective: undertake study in the tariff area with respect to trade data and tariff information, including issues of particular interest to developing member economies, with a view to building capacity to participate in the WTO negotiations.</p>	On-going
<p><b>Non-Tariff Measures</b></p> <p>(a) Pursue incorporation of information on non-tariff measures into a future version of the APEC tariff database and compile a list of measures recognized as non tariff impediments and a list of products affected by these impediments.</p>	<p><u>Short-term and On-going</u></p> <p>Collective: exchange through the CTI, and where possible make available electronically (e.g. through the APEC Secretariat Homepage), information on NTMs utilizing existing WTO formats as a reference.</p> <p>Collective: examine how information on NTMs can be made available on electronic or other platforms for sharing and exchange so as to help businesses to better understand member economies' trade regimes/practices.</p> <p>Collective: develop improved format on NTMs chapter of the IAP for the use as the electronic-IAP template to enhance transparency of NTMs and for reporting progress on their reduction</p> <p>Collective: further develop the MAG homepage of links to websites of APEC member economies dealing with trade regulations and associated administrative arrangements as a resource to business and other economies.</p> <p>Collective: expand the MAG website by publishing other appropriate MAG papers on the website.</p> <p>Collective: review the Terms of Reference of the MAG in non-tariffs measures area with a view to providing guidance on the roles and functions of the group.</p> <p><u>Medium-Term</u></p> <p>Collective: develop and update contents of the APEC database in association with other international organizations (e.g. WTO and UNCTAD)</p> <p>Collective: continuously review and improve upon the format for the non-tariff measures chapter of the IAP for use as the electronic-IAP template to enhance transparency of non-</p>	<p>On-going</p> <p>On-going</p> <p>On-going</p> <p>On-going</p> <p>On-going</p> <p><b>Completed</b></p> <p>On-going</p> <p>On-going</p>

OAA Objectives	Action	Time Frame
	tariff measures and for reporting progress on their reduction.	
(b) Identify industries in which the progressive reduction of non-tariff measures may have positive impact on trade and on economic growth in the Asia-Pacific region or for which there is regional industry support for early liberalization.	<p><u>Short-term and On-going</u></p> <p>Collective: develop a framework and database for reporting progress on liberalization in tariffs and NTMs, including product specific information about tariff peaks and tariff quotas.</p> <p>Collective: follow the progress of the approved work program on NTMs in EVSL and consolidate the overall results of this work.</p>	<p>On-going</p> <p>On-going</p>
(c) Progressively reduce export subsidies with a view to abolishing them	<p><u>Short-Term</u></p> <p>Collective: undertake a stock-take of work in the non-tariff measures area by various for a, including identifying types of non-tariff measures, with a view to intensifying work on reducing non-tariff measures.</p> <p>Collective: maintain a dialogue with other APEC for a on aspects of their work program, which address NTMs.</p>	<p><b>Completed</b></p> <p>On-going</p>
(d) Progressively reduce export subsidies with a view to abolishing them (e) Abolish unjustifiable export prohibitions and restrictions and endeavor to refrain from taking any such new measures	<p><u>Short-Term</u></p> <p>Individual: exchange through CTI, and where possible, make available electronically (e.g. through the APEC Secretariat's Homepage), information on all export subsidies, utilizing existing WTO formats as a reference. As a starting point, individual members could use their respective notifications to WTO under the Agreement on Subsidies and Countervailing Measures.</p> <p><u>Medium-Term</u></p> <p>Collective: discuss further measures to enhance transparency in unjustifiable export prohibitions and restrictions, building on the exchange of information among APEC members and consider other APEC collective actions which are appropriate and possible.</p> <p><u>Medium to Long-term</u></p> <p>Collective: develop approaches leading to the progressive reduction of export subsidies by</p>	<p>2001 onwards</p> <p>2001 - 2005</p>

OAA Objectives	Action	Time Frame
	members, with a view to abolishing them in support of WTO agreements.	2001 – 2010/2020
(f) Pursue a series of seminars/ policy discussions on non-tariff measures (NTMs).	Collective: undertake a series of policy discussions on NTMs with a view to exploring issues surrounding their progressive reduction, and devising practical options for their progressive reduction on a voluntary basis	Completed (for 2001) and on-going
(g) undertake research to develop best practices to enhance transparency and progressively reduce NTMs.	Collective: undertake research on “Best Practices” trade regulations and administrative arrangements that focus on procedural elements of trade processes.	Near completion

## CONVENOR'S SUMMARY REPORT ON SERVICES

### 1. Introduction

The Group on Services (GOS) was established by the CTI as an informal subgroup in 1997 to address the TILF tasks in the area of services as mandated in the *Osaka Action Agenda* and instructed by Leaders, Ministers, SOM and CTI. Since 1997, the GOS has held 16 meetings, with the last one being held in Dalian, People's Republic of China on the 18 and 19 August 2001. The current Convenor of the GOS is Mr. Jose F. Poblano, Director General for Negotiation of Services at the Ministry of the Economy, Mexico. He replaced Prof. Connie Guang-Hwa Yang, Advisor to the Council for Economic Planning and Development, Chinese Taipei at the conclusion of the second GOS Meeting of 2001 APEC Year, in Shenzhen, People's Republic of China.

In addition to the continuous progress on various CAP items, including information gathering and analysis, experience sharing and transparency, the GOS completed in 2001 the development of Phase II of the "Menu of Options for Voluntary Liberalization, Facilitation and Promotion of Economic and Technical Cooperation in Service Trade and Investment", which presents a better organized framework for GOS' future work and also provides concrete elements for individual member economies to adopt for advancing of their services work.

The GOS modified the services part of the Osaka Action Agenda.

For 2002, the GOS will endeavor to develop Phases III of the Menu of Options and continue contributing, where possible and appropriate, to the WTO's work on services, particularly the on-going negotiation.

### 2. Collective Actions Achieved

- Completed Phase II of the "Menu of Options for Voluntary Liberalization, Facilitation and Promotion of Economic and Technical Cooperation in Service Trade and Investment." (Please see Annex)
- Assisted in the implementation of the service chapter template for Electronic Individual Action Plan, which will improve information gathering and analyzing on the services section of IAPs after member economies start using the template to report their services e-IAPs.
- Identified responses to the recommendations contained in the report *Identification of Measures Affecting Trade and Investment in Education Services* by Australia.
- Considered a list of elements/questions drawn from innovation papers presented to the Group and in the joint OECD/Australia Workshop on Innovation and Productivity in Services
- Endorsed a report by Chinese Taipei on Firm Expatriation Policy and Practice in Services Trade: the gender dimension.
- Improved the dissemination of GOS activities-related information by updating the contents of the existing GOS web page on the APEC Secretariat website and providing useful links to other service-related sites, aiming to enhance transparency in services sectors.
- Monitored the development of the WTO negotiation on environmental services with an aim to assist the process where possible and appropriate.
- Contributed to the WTO's work on services as a whole by discussion of "innovation in services". The conclusions of this interaction amongst the GOS will enhance the capacity of developing member economies to compete effectively in global services markets and therefore promote their active participation in WTO service work.
- Implemented the broader policy framework (*Policy Framework for Work on Services*) to strengthen APEC's work in the service area.

### 3. New Collective Actions Agreed

- Complete Phase III of the Menu of Options.
- Promote the use of service chapter template of the e-IAPs for services IAP reporting.
- Undertake a study on the Costs and Benefits of Services Trade Liberalization
- Build up APEC support for WTO's work/negotiations on services trade, through the identification of APEC services related work projects as inputs to consideration of services trade issues by the WTO Council for Trade in Services and its subsidiary bodies, and information exchange and technical assistance, to support GOS Members' preparations for successful participation in WTO services negotiations.
- Continue the ongoing work under existing CAPs, including to improve the understanding of the impact of the liberalization of services trade by voluntary experience sharing among member economies.

### 4. Benefits and Beneficiary

**The GOS' Menu of Options** under development will better organize the GOS' current and future work and facilitate more efficient operation of the GOS. It can also facilitate the IAP process for it will provide concrete elements for individual member economies to adopt based on the need of each economy, in advancing their work on the three-pillars for services trade and investment. The above collective actions add "APEC value" to the WTO services work for implementation to complement on-going WTO services negotiations and to increase APEC Members capacity to participate fully in the WTO process.

**Enhancement of information dissemination by improving and better utilizing the GOS web page at the APEC Secretariat's website** will increase transparency and made the information flow among members more efficient. The collective action can also facilitate the dialogue of the GOS and other service-related fora to improve coordination. In addition, the service industry and general public will also benefit from the outcome for they can be better informed of the GOS work and therefore may provide feedback for GOS to reflect on.

### 5. 2001 Highlights

- Implementation of the Policy Framework.
- Completion of Phase II of the development of the Menu of Options for Voluntary Liberalization, Facilitation and Promotion of Economic and Technical Cooperation in Service Trade and Investment.
- Finalization of the report "Firm Expatriation Policy and Practice in Services Trade: the Gender Dimension"
- Enhancement of information dissemination by improving and fully utilizing the GOS web page at the APEC Secretariat website.
- Modification of CAP item V
- Recommendation for possible inclusion into 2001 APEC Ministerial Statement on APEC's contribution to the WTO services.

## Menu of Options for Voluntary Liberalization, Facilitation and Promotion of Economic and Technical Cooperation in Services Trade and Investment

### Background

The Menu of Options for Voluntary Liberalization, Facilitation and Promotion of Economic and Technical Cooperation in Services Trade and Investment is designed to advance the core objective of the APEC Group on Services, that is to foster the liberalization and facilitation of services trade and investment, along with the promotion of capacity building in the services and investment areas. The major purposes served by the Menu of Options are as follows:

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

The *Menu of Options* is structured according to the three pillars of APEC: trade liberalization; trade facilitation; and economic and technical cooperation (ECOTECH). It has been developed according to the guidelines set out in Annex I.

This document represents an extension and further development of the Prototype *Menu of Options* agreed by the APEC Group on Services (GOS) as one of its deliverables for the year 2000, through the inclusion of a summary of the discussions and main points of consensus of the GOS achieved during its work on the *Menu of Options* for the year 2001. The document is structured using the Prototype *Menu of Options* as its basis. It first describes in a non-legal manner the ideal situation with respect to the twelve components of the three pillars of the *Menu of Options*, then provides brief information to put the various components in context, followed by an illustrative list of measures relevant to each component. The main points of the discussion by the GOS for each component are then summarized, and the consensus reached during the discussion is indicated.

The discussion of the twelve components of the *Menu of Options* during Phase II was carried out on the basis of issue papers listed in Annex II to this document. The issue papers were elaborated with the following objectives:

- i. To further elaborate on the ideal situation for each component as defined under the Prototype document for development of the *Menu of Options*;
- ii. To provide further understanding of the background of the issues and a brief discussion of how the issues have been carried out in practice;
- iii. To discuss in more detail the illustrative list of measures for each component, from the point of view of the costs and benefits that would be involved in bringing the measures closer to the ideal situation.

Further work on the *Menu of Options for Voluntary Liberalization, Facilitation and Promotion of Economic and Technical Cooperation in Services Trade and Investment* will take place during Phase III (year 2002). This work will focus on building human resource capacity in selected key components of the three pillars of the Menu agreed by members of the GOS.



## I. TRADE LIBERALIZATION

### A. Most-Favored-Nation (MFN) Treatment

#### *Ideal Situation*

Most-Favored-Nation treatment applying to all services and to all services providers without any exceptions.

#### **Background**

Most-favored-nation (MFN) treatment is the cornerstone of an open international trading system. MFN means that all trading partners – whether rich or poor, weak or strong<sup>1</sup> -- are obliged to provide all services and services providers with the same treatment as that provided to their most favorable trading partner, and this on a non-discriminatory basis. Under GATS, if a WTO member allows foreign competition in a sector, it must accord to services and service providers of any other member treatment no less favorable than that it accords to like services or service providers from any other member. Due consideration should be given to the conditions under which APEC member economies can achieve the “Ideal Situation” for MFN treatment, particularly in light of the growing number of preferential regional trading agreements.

#### **Illustrative List of Measures Affecting MFN**

- preferences deriving from bilateral/regional preferential agreements,
- mutual recognition agreements for qualification and certificates,
- reciprocity requirements, such as those for prudential measures;
- bilateral agreements for the entry of workers.

#### **Main points of GOS discussion on MFN Treatment**

##### *a. Unconditional and universal MFN obligation*

The GATS obliges a WTO member to treat other members no less favorably than the treatment accorded to like services and services suppliers of any other member. MFN treatment covers all services sectors and services suppliers (except most air transport services). This is a principle of general application under the GATS.

##### *b. MFN exemptions under GATS*

The GATS Annex II on MFN exemptions allows WTO members to list service sectors and measures that are exempted from unconditional and universal MFN treatment on a one-time basis. In principle, such exemptions should not exceed a period of ten years.

##### *c. Grandfathering measures*

Grandfathering measures and their relationship to the MFN principle were discussed. Grandfathering may indicate that the country is not yet ready to bind in the WTO the relatively liberal treatment it has provided to current market participants. It certainly could be viewed as a step backwards if that country made a binding in the WTO that is less liberal than its current regime, and then forced existing participants down to that lower, bound level. This approach would not appear to be in line with the “progressive liberalization” mandate of the GATS.

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<sup>1</sup> Service providers mean any person who provides services. Local branches or representative offices who supply services are also defined as service providers.

d. ***Economic needs tests***

Economic needs tests may be carried out in practice in such a way as to allow service suppliers from different WTO members access to the national market on different terms and thus may be inconsistent with MFN and/or national treatment.

e. ***Economic integration agreements***

These preferential agreements are departures from the MFN principle. Theoretically, when a preferential agreement covers substantially all trade in services and all modes of supply, the amount of trade created should be greater than the amount of trade lost. On this basis, GATS Article V stipulates conditions with which economic integration agreements must comply. However, countries have disagreed on the practical meaning of several key criteria in the article. All economic integration agreements should be notified to WTO; in practice, however, the number of notifications has been extremely low.

**Areas of GOS consensus on MFN Treatment**

a. ***Evolving nature of the GATS Agreement***

The GATS is a very young agreement, still in the process of being developed and perfected. It is important in this context that attention be paid to the type of reforms that would make it more effective, particularly through a stronger application of MFN and national treatment.

b. ***Unconditional and universal application of MFN***

It would be desirable to apply the MFN principle on an unconditional and universal basis, taking into account that there are instances in which MFN exemptions are allowed to provide flexibility to address concerns unrelated to trade.

c. ***Removal of MFN exemptions***

Consistent with the above, the existing lists of MFN exemptions under the GATS should be reviewed and eliminated to the greatest extent possible.

**B. National Treatment**

***Ideal Situation***

No discrimination applied in treatment as between foreign services and service providers and domestic services and service providers on either a *de jure* or a *de facto* basis, and this without any exceptions.

**Background**

National treatment is a principle that requires that no discrimination be provided as between foreigners and nationals. In services, it means that foreign services and service providers are not discriminated against in fact or in law compared to domestic services providers who provide essentially the same service. The main objective is to ensure that foreign service providers and their services can compete on equivalent terms with domestic providers. [Note: In GATS, national treatment for services trade only applies to the extent a WTO member has made a specific commitment for a particular service sector. This contrasts with the way the national treatment principle is applied in the GATT for goods – once a product has crossed a border and been cleared by customs officials it must be given national treatment even if the importing member has not made any commitment to bind the tariff rate.]

Due consideration should be given to the conditions under which APEC member economies can achieve the “Ideal Situation” for national treatment, thereby facilitating effective competition in domestic markets.

### **Illustrative List of Measures Affecting National Treatment**

- Economic needs tests if applied discriminatorily,
- Restrictions on temporary entry of natural and business persons,
- Restrictions on the nationality of staff ,
- Restrictions on the use of foreign names or trademarks,
- Restrictions on the sending of remittances abroad by foreigners,
- Restrictions on the number of foreigners on boards of directors,
- Restrictions on the advertising of services offered by foreigners,
- Restrictions on access to transport and communications,
- Currency exchange restrictions,
- Restrictions on procurement of foreign products or services,
- Tariffs imposed only on foreign firms,
- Obligatory waiting and practice periods for foreigners,
- Concession requirements for data processed abroad,
- Restrictions on international data exchange,
- Restrictions on imports of equipment,
- Limitations on the type of services that foreigners can supply
- discriminatory charges for awarding licenses,
- government discrimination in awarding contracts,
- technology transfer requirements,
- discriminatory subsidies for local firms/institutions,
- existence of cross-subsidies,
- discriminatory licensing, standards and qualification requirements,
- discriminatory access to travel passes and financial assistance,
- additional qualifications test,
- requirement to enroll in national associations
- discriminatory and/or arbitrary registration requirements,
- requirement to obtain legal or permanent residency in order to practice a service profession,
- performance requirements (local content and training requirements),
- legal representation requirements,
- local education requirements,
- language requirements,
- authorization requirements
- unreasonable or excessively costly network access fees applied to foreign service providers,

### **Main points of GOS discussion on National Treatment**

#### ***a. National treatment obligation***

While the GATT applies to cross-border trade but not to investment in manufacturing, the GATS applies to cross-border trade and investment in services. In this sense, the GATS definition of national treatment applies on a broader basis than under the GATT. National treatment under the GATS is a specific, not a general obligation and is limited to those sectors included in national schedules.

#### ***b. Overlap between national treatment and market access limitations***

In the GATS scheduling convention, discriminatory market access measures are often covered by national treatment as well.

*c. Confusion in scheduling rule*

GATS Article XX:2 requires measures inconsistent with both national treatment and market access to be inscribed in the market access column. This rule creates confusion and makes the schedules difficult to interpret. At present it is impossible to ascertain whether measures in the market access column are discriminatory or non-discriminatory.

**Areas of GOS consensus on National Treatment**

*a. Move towards general national treatment obligation*

It would be desirable for the GATS to move towards a situation where national treatment would be a general obligation, universally applicable, except for cases where exceptions are otherwise indicated.

*b. “Status quo” binding would be desirable*

It would likewise be desirable for commitments made under national treatment to be bound at “status quo”, or at the level of actual practice, in order to increase effectiveness of national treatment.

*c. Scheduling overlap should be clarified*

It would be desirable to clarify which measures listed under market access in the GATS schedules are also inconsistent with national treatment. When measures inconsistent with both GATS Articles XVI and XVII are inscribed in the column relating to Article XVI (as provided for in Article XX:2), members could indicate that this is the case (e.g. by stating “also limits national treatment” in the market access column) as recommended in the new scheduling guidelines adopted by the GATS Council for Trade in Services on 23 March 2001.

*d. Provision of more information*

Providing more details in the GATS schedules of commitments under national treatment on the difference between the included measures and the situation of actual practice would help to bring about greater transparency.

**C. Market Access**

***Ideal Situation***

Domestic market which is contestable for a given service activity, without entry or exit barriers and with appropriate regulatory structures in place.

***Background***

Market access refers to the absence of entry barriers and/or special requirements related to the ability of service providers to sell their services to domestic consumers with respect to all modes of supply.<sup>2</sup> Its main characteristic is the easy ability for service providers to enter and participate in a given economic activity. Effective market access means that the ability of a service supplier to provide a given service is not undermined by the regulatory structure.

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<sup>2</sup> GATS (Article I) defines four modes of service supply: mode (1) cross-border trade; mode (2) consumption abroad; mode (3) commercial presence; and mode (4) presence of natural persons.

### Illustrative List of Measures Affecting Market Access

- Economic needs test, if applied discriminatorily
- Quantitative restrictions on service provision (licensing or cross-border),
- Restrictions on type of legal entity,
- Limitations on the purchase of real estate,
- Restrictions on capital participation,
- Restrictions on the total value of transactions and assets,
- Excessively restrictive regulations on consumer protection, health and safety,
- Access for natural persons only,
- Restrictions on the movement of foreign professional, technical and administrative personnel
- Prohibition of permanent establishment,
- Obligation of permanent establishment to provide cross-border services,
- commercial presence requirements,
- requirement to work in partnership with local firms,
- government approval requirements,
- price controls,
- requirement for authorization by local authorities,
- ban on data transmission by foreigners,
- ban on import of materials by foreigners,
- ban on advertising by foreigners,
- screening quotas for foreign investors and service suppliers,
- censorship bodies to scan services on basis of cultural/social criteria
- domestic content restrictions,
- anticompetitive exercise of monopoly power to impede market access

Note: Many of the measures included in the section on National Treatment are also relevant to Market Access.

### Main points of GOS discussion on Market Access

#### *a. Characterizing barriers to services trade*

Market access may be impeded by barriers of either a discriminatory or a non-discriminatory nature. Adequate transparency disciplines can expose non-transparent barriers in national regulations or in administrative practices.

#### *b. Distinction between discriminatory and non-discriminatory measures*

Discriminatory barriers to services trade may be eliminated through the lifting of quantitative restrictions affecting foreign service suppliers (of the type set out in GATS Article XVI) or the removal of other elements of discriminatory treatment contained in national regulations. Non-discriminatory measures may be reduced or eliminated through regulatory reform (GATS Article VI) and the appropriate application of competition policy and law (GATS Articles IX and X). Improved transparency would provide service suppliers with the information necessary to evaluate their ability to access and operate in foreign markets, creating conditions for more efficient markets and an attractive environment for investment and economic growth.

#### *c. GATS approach to market access*

- Defines services according to four modes of supply
- Obliges WTO Members to progressively reduce or eliminate barriers to market access
- Encourages WTO Members to schedule market access and national treatment commitments
- Provides WTO Members with regulatory autonomy to ensure policy objectives within the parameters of their GATS commitments

- Provides flexibility for scheduling commitments by service sub-sectors and by modes of supply

**d. *Different approaches to liberalizing market access***

The GATS adopts a positive list approach to liberalizing market access, to be carried out on a progressive basis through the scheduling of increasing numbers of commitments; some regional agreements adopt a negative list approach that enhances transparency for service providers through the obligation to list all non-conforming and quantitative measures in the annexes (CER; NAFTA; Chile-Canada; Chile-Mexico)

**e. *Benefits from liberalizing market access for services***

- Better quality of services
- More efficient inputs/ infrastructure for production and exports
- Better access and incentives for education and technological innovation

**Areas of GOS consensus on Market Access**

**a. *Maintain a broad definition for market access***

The definition of market access should be maintained in a broad manner, to cover discriminatory measures as well as nondiscriminatory ones.

**b. *Need for greater transparency in GATS schedules***

GATS needs to have better transparency in the schedules as they are difficult to read and interpret for several reasons (i.e. scheduling technique – overlap between market access and national treatment columns, measures not bound at level of practice, and little information provided to explain content of included measures).

**c. *More market access at the regional level***

It would be desirable to achieve greater market access for service providers within the APEC region. Some regional trading arrangements have been able to do this and to go beyond the GATS. For example, ANZCERTA and NAFTA, for instance, oblige parties to the agreements to open all service sectors included within the scope to other members, unless the parties list non-conforming measures in the lists of reservations.

**D. Deregulation/ Privatization**

***Ideal Situation***

Deregulation, often involving privatization, accompanied by increased liberalization and strong enforcement of competition law and policy, with an independent, market-oriented regulatory framework, and based on transparent criteria.

**Background**

Deregulation involves the removal of excessive and outdated regulations along with the introduction of an appropriate market-based, efficient regulatory structure. Deregulation is often, but not always, accompanied by privatization. Privatization involves the transfer of ownership of economic activity and business enterprises from the state to the private sector. The process of deregulation/ privatization, when accompanied by liberalization, introduces the possibility of market access for other domestic and foreign service suppliers.

To be effective, privatization of state-owned enterprises must be accompanied by the introduction of competition so as to enhance economic efficiency and promote consumer welfare. Privatization procedures are best made publicly available, should accord with national treatment and most-favored-nation treatment, and should be transparent. Besides objectives of increased competition and market access, other relevant objectives of deregulation/ privatization may include the pursuance of specific national policy objectives.

### **Illustrative List of Measures Affecting Deregulation/ Privatization**

- Limitation on international competition,
- Limitation on the number of new entrants,
- Regulation favoring incumbents,
- Non-transparency of the privatization procedures,
- Monitoring problems of privatized enterprises.

### **Main points of GOS discussion on Deregulation/ Privatization**

#### ***a. Cost of regulation***

Regulation may bring more costs than benefits. It is important that the costs of regulation be assessed and a cost/benefit analysis undertaken for any change in an existing regulation or the introduction of a new regulation. This may be done through a “regulatory impact analysis”.

#### ***b. Effectiveness of deregulation***

The effectiveness of deregulation, which consists of the relaxation of government’s restrictions on market entry and exit as well as on the firm’s conduct, is enhanced through the reform of inefficient regulations, the introduction of actual and potential competition, and the dissipation of rent seeking behavior through unregulated competition.

#### ***c. Privatization to accompany deregulation***

Privatization is the transfer of ownership to the private sector of state owned enterprises (SOEs). The sequential introduction of privatization followed by deregulation and liberalization strengthens competition and enhances efficiency.

#### ***d. Regulatory evaluation process***

A regulatory evaluation process, where feasible, to examine regulations is a good means to enhance the effectiveness of regulatory policies. The process should be transparent.

### **Areas of GOS Consensus on Deregulation/ Privatization**

#### ***a. Assessment of the costs and benefits of regulation***

As the cost of regulation may be higher than benefit derived from it, an assessment should be made of new and changed regulatory measures. This should be carried out through a “regulatory impact analysis”.

#### ***b. Creation of a competitive market***

Deregulation/privatization should be accompanied by the introduction of competition, maintained through an effective enforcement of competition policy and/or laws.

#### ***c. Transparency***

It is important to ensure transparency throughout the regulatory reform process.

#### ***d. Sequencing of reforms***

The question of the sequencing of economic and regulatory reforms is an important one and should be determined in the context of each given situation and desired objective.

## II. TRADE FACILITATION

### (a) Transparency

#### *Ideal Situation*

To make all laws, regulations, procedures, and other measures, which affect trade in services, publicly available.

#### **Background**

Transparency means making full, clear and accurate information available about the nature and scope of all legal, regulatory and prescriptive measures that have a positive or negative effect on foreign services or foreign service providers. Member economies should make all measures (new and amended ones, including those in international agreements) affecting trade in services publicly available in a timely fashion. In order to disseminate information to service providers upon request, member economies should establish information centers which should be composed of experts on the relevant laws and regulations. Web sites providing information on such laws and regulations increase transparency as well. Transparency is critical in order to facilitate services trade as most barriers to services trade are in the form of domestic laws, regulations and procedures.

#### *Illustrative List of Measures to Promote Transparency*

- Publication of all laws, regulations, procedures, and other measures affecting trade in services,
- Notification of all such relevant laws, regulations, and procedures (new or amended),
- Establishment of one or more inquiry points to provide specific information to other trading partners on measures affecting trade in services,
- Endeavor to ensure that information on all measures affecting trade in services is made publicly available, such as through web site posting.

#### **Main points of GOS discussion on Transparency**

##### *a. Definition of transparency*

Transparency involves making full, clear and accurate information available about the nature and scope of all legal, regulatory and prescriptive measures, current and proposed, that have a positive or negative effect on foreign services, foreign service providers, consumers and other concerned parties.

##### *b. Role of transparency*

- Enhance services trade
- Ensure economic efficiency and good governance
- Foster fair competition
- Promote rules-based approach to trade policy at national level
- Facilitate monitoring compliance with trade obligations
- Provide information to services providers

##### *c. Transparency obligations under the GATS*

- Obligation to publish, or at least make publicly available at the national level, all relevant laws, regulations, and administrative requirements.
- Obligation to notify various forms of governmental action to the WTO



- Establishment of enquiry points for the provision of information
- Establishment of contact points by developed country WTO members to provide information concerning commercial and technical aspects of the supply of services, information on professional qualifications, and on the availability of services technology

*d. Electronic publication*

One suggestion for the improvement of transparency is to make available domestic laws, regulations, and administrative procedures on official or governmental web sites for easily accessible access.

*e. Central registry for regulations*

Another suggestion for the improvement of transparency is to develop a central registry system to act as a coordinating point and/or repository for all laws and regulations affecting services trade that would be interactive and coordinate with official or governmental enquiry points and would assist in providing information to all interested parties.

**Areas of GOS consensus on Transparency**

*a. Current multilateral obligations for transparency quite weak*

The obligations with respect to transparency under the GATS are weak and do not provide for information to be provided or accessible to service providers in a timely and efficient manner.

*b. More timely and complete notification desirable*

More timely notification of new or amended measures affecting services trade (within three months time prior to their entry into force) could be targeted in order to facilitate information to services providers and other interested parties. The publication of the explanation or the rationale behind such measures would be helpful in promoting informed comments and public understanding and in avoiding services trade disputes.

*c. Possibility for prior comment desirable*

It would be desirable to allow for prior comment through the creation of a prior consultation mechanism. This would benefit services providers and other interested parties by allowing regulators to be better informed about the potential impacts of their policies and approaches on the different market participants.

*d. Current enquiry point system not functioning well*

The current enquiry point system under the GATS is little consulted, and is not intended for use by private service providers. Additionally, one single enquiry point cannot capture the broad-based nature of service activity. Thus greater transparency through an improved mechanism is highly desirable.

*e. Electronic publication*

It would be desirable to make available domestic laws, regulations, and administrative procedures on official or governmental web sites.

*f. Transparency being promoted by the APEC process*

The diligent completion of the information required on services in the electronic IAP format within APEC will go a long way towards providing greater transparency for the services area for APEC member economies

## **B. Domestic Regulation**

### ***Ideal Situation***

Domestic regulations that do not impede services trade and are not be overly burdensome to economies or more restrictive than necessary. Domestic regulations that are based on objective and transparent criteria.

### ***Background***

Domestic regulations fall into three categories: economic regulations; social regulations; and administrative regulations (“red tape”). These are designed to correct market failures, to protect areas of public interest such as health, safety and the environment, and to collect information. However, they may constitute a significant means of impeding services trade, particularly when they are not administered in a reasonable, transparent, objective and impartial manner, or when they are carried out by non-independent regulatory agencies/ institutions. Qualification requirements and procedures, technical standards and licensing requirements are examples of possible barriers to trade in services. In designing disciplines for domestic regulation, it is important to ensure that domestic measures do not unduly restrict services trade and that they not be overly burdensome to economies. Such disciplines should be based on objective and transparent criteria.

### **Illustrative List of Measures to Facilitate Good Regulatory Practices**

- Establishment of independent regulatory agencies,
- Regulations that promote competition, fulfil prudential objectives, and improve services quality,
- Regulations that are based on transparent and objective criteria,
- Regulations that are not more burdensome than necessary to fulfil legitimate objectives and that do not themselves constitute a restriction to the supply of a service.

### **Main points of GOS discussion on Domestic Regulation**

#### ***a. Objectives of domestic regulation for services***

Domestic regulation in the services area is the response of government to problems of market failure. These problems are generally of three types and can be described as: lack of information on the characteristics of the service sector as between consumers and producers (the case of financial or professional services); the presence and/or tendency of a service sector toward natural monopoly (the case of network services like transport or telecommunications); or the presence of negative externalities (the case of environmental services).

#### ***b. Costs of regulation***

Regulations impose costs, including those involved in operating the system as well as any distortions introduced on innovation or competition. Thus the costs of regulations must be weighed against the benefits they bring.

#### ***c. Benefits of regulation***

Appropriate regulation should avoid impacts of market failure. Good regulation respects the legitimacy of government intervention in the case of market failure but recognizes the risk of impeding trade and investment. In certain cases no regulation may also be the most appropriate choice.

#### ***d. Fundamentals of good regulation***

Good regulation respects the legitimacy of government intervention but tries to minimize any potential trade-impeding effects. Contributions to a ‘good regulatory’ outcome are i) regulatory review process; and ii) construction of horizontal disciplines.

*e. Domestic regulation under the GATS*

Disciplines on domestic regulation are in the process of being developed in the context of Article VI:4 of the GATS. The main concepts being discussed at the multilateral level include necessity, transparency, use of international standards, and the equivalence of licenses and qualifications. Issues remain about the coverage of this provision. In this context, a wider rather than a narrower scope would be valuable.

**Areas of GOS consensus on Domestic Regulation**

*a. Need for improvement of regulatory practices*

It is important to improve the quality of domestic regulation in the services area. For this purpose, it would be helpful to obtain basic information on regulatory regimes and on the techniques that may be used to evaluate regulatory performance.

*b. Analysis of regulatory impact*

Regulatory impact analysis (RIA) is important in developing good regulations. The conduct of RIAs may be carried out by an independent body or by respective government authorities, whichever is more appropriate for member economies. When adopting new regulations or modifying existing ones that have an important impact on its economy, an analysis of regulatory impact should be undertaken. Rigorous regulatory impact analysis would help to clarify the concepts being discussed in the context of GATS Article VI:4, namely terms such as ‘least trade restrictive’ and ‘not more burdensome than necessary’.

*c. International standards*

When performing cost-benefit analysis of domestic regulations, one may adopt relevant international standards.

*d. “Good regulatory practices”*

“Good regulatory practices” should be developed, taking into account the existing analyses and experience obtained from the national regulatory impact assessments as well as what has been done in other APEC fora such as the SCSC. It would be helpful to do this in the APEC regional setting in order to benefit from collective experience.

*e. Horizontal principles*

A horizontal approach for the development of principles within APEC for transparency/domestic regulation for services would have the advantage of economizing negotiating effort, reducing the possibility of regulatory capture, and achieving a broader coverage.

*f. Capacity building and future work*

In order to assist in the understanding of what is “good regulatory practice”, capacity building should be promoted within APEC. Future work includes how to make the concepts of “good regulation” operational. Here capacity building has a key role to play. The Menu of Options, Phase III, will carry out capacity building in the context of good regulation and regulatory impact analysis by means of holding two workshops in 2002. The first workshop will be devoted to exploring the criteria of good regulation and the advantages and/or disadvantages of horizontal vs. sectoral disciplines on domestic regulation. The second workshop will consist of a practical exercise involving the development of guidelines on regulatory impact analysis.

## C. Recognition

### ***Ideal Situation***

Recognition of diplomas, qualification, licenses and certificates obtained in other economies on the basis of clear and objective criteria.

### **Background**

Recognition is one of the most important means to enhance and facilitate services trade. The non-acceptance of foreign diplomas, qualifications, licenses and certificates impedes the mobility of natural persons. When an APEC economy recognizes the education, experience, training, licenses and certificates of a foreign service supplier obtained abroad through accepting the standards or criteria of another trading partner as equivalent to its own, this serves to facilitate services trade through allowing the mobility of professional service suppliers. Such recognition may be based upon mutual recognition agreements or arrangements (MRAs) between the economies concerned or may be accorded autonomously.

### **Illustrative List of Measures to Promote Mutual Recognition**

- Working toward established international mutual recognition guidelines in specific service sectors,
- Opening MRA negotiations to other interested member economies,
- Development of objective criteria for regulations to facilitate mutual recognition,
- Publication of existing/new/amended recognition measures,
- Preparation of inventories on national services regulations,
- Establishment of a program in which the APEC member economies could develop mutual recognition processes in specific service sectors.

### **Main points of GOS discussion on Recognition**

#### ***a. Definition of recognition***

Recognition means acceptance of the equivalence or compatibility of qualifications, training, and/or diplomas/titles for specific service activities granted within another economy's regulatory system.

#### ***b. Favorable environment for MRAs***

MRAs are more likely to be achieved between economies at comparable levels of economic developments and between economies that share commonalities in the form of educational, legal, and regulatory structures.

#### ***c. Conclusion of MRAs***

MRAs containing recognition disciplines may be concluded bilaterally or plurilaterally between economies or may be accorded autonomously. They may be concluded at the level of governments or by non-governmental professional bodies such as trade associations.

#### ***d. Sub-regional agreements and recognition***

Members of sub-regional agreements (SRAs) have been more pro-active in the area of developing recognition agreements than has been the case at the multilateral level, and have encouraged or even mandated such arrangements.

e. ***Approaches to MRAs***

The ‘governmental’ approach assigns a prominent role to government or regional institutions in initiating and driving the process of recognition. The ‘non-governmental’ approach leaves most of the MRA process to non-governmental bodies. SRAs have on the whole opted for the ‘bottom-up’ approach to recognition.

f. ***Benefits of MRAs***

MRAs can facilitate trade through mutual trust, enhancement of mobility of professional skills, improvement of quality and uniformity of domestic regulatory measures and of foreign professional and educational training.

**Areas of GOS consensus on Recognition**

a. ***Importance of recognition in services trade***

Recognition of equivalence of foreign standards can provide solutions to overcoming regulatory barriers in the services area, such as licensing and qualification requirements and technical standards. However, analogies to use of conformity assessments for goods may not be appropriate.

b. ***MRAs reached by professional bodies***

MRAs concluded between authorized professional bodies can be equally as effective as those concluded between governmental bodies.

**D. Competition policies/laws**

***Ideal Situation***

A contestable economic environment that induces business investment, technological innovation and long-term economic growth.

**Background**

Competition policies/laws go beyond the market access principle and comprise the set of measures and instruments used by governments to promote and protect the “conditions of competition” in domestic and international markets. Important elements of competition policies/laws include antitrust laws (e.g., to sanction cartels and anti-competitive mergers and monopolies), privatization, deregulation, and policy with respect to subsidies. The main objective of competition policies/laws is to safeguard the competitive process, in order to enhance efficiency and increase consumer welfare.

**Illustrative List of Policies to Enhance Competitive Markets**

- Measures to facilitate domestic entry and exit,
- Deregulation of sectors,
- Imposition of hard budget constraints on public enterprises,
- Deregulation/privatization and encouragement of both domestic and foreign investment,
- Reliance on market forces to determine the allocation of productive resources,
- Observation of transparency and objective criteria,
- Development of laws and independent institutions to implement and enforce competition frameworks,
- Review of regulations in order to promote competition on the basis of efficiency and innovation to sectors and networks.

## **Main points of GOS discussion on Competition Policies/Laws**

### **a. *APEC Competition Principles***

The “APEC Principles to Enhance Competition and Regulatory Reform” set out as their objective the promotion of merit-based business competition through four elements, namely: i) comprehensiveness; ii) non-discrimination; iii) transparency; and iv) accountability.

### **b. *Features of the APEC Principles to Enhance Competition and Regulatory Reform***

- Flexibility: the principles do not advocate adoption of a particular form or framework of competition at the national level and may draw upon various elements, such as competition law, open trade policy, IPR protection, and privatization. Such a framework can differ from economy to economy.
- Coherence: the APEC Principles to Enhance Competition and Regulatory Reform advocate coherence in policy making.
- Market-based: the principles are based on rules of market economy.
- Broad application: The principles have broad application to economic activities and to the output of both goods and services.

### **c. *Application of the APEC Principles to Enhance Competition and Regulatory Reform to services***

- Comprehensiveness: broad application in terms of all service sectors
- Non-discrimination: Application of competition and regulatory principles in a manner that does not discriminate between or among economic entities in like circumstances, whether these entities are foreign or domestic.
- Transparency: publication of competition laws, regulations and other non-confidential measures related to aspects of competition policy.
- Accountability: ensuring implementation of the APEC Principles to Enhance Competition and Regulatory Reform.

### **d. *Competition provisions for services in the GATS***

GATS contains only limited provisions on competition *per se*. Such provisions can also be found in the Reference Paper of the Agreement of Basic Telecommunications which has been adopted by some but not all WTO members.

### **e. *Costs and benefits of competition policies***

- Benefits from competition policy can be realized through: (i) improved resource allocation and greater consumer welfare, (ii) the promotion of contestable markets; and iii) the enhancement of efficiency.
- Costs from competition policy can be present in the form of: (i) transitory unemployment; and ii) absorption of specialized and human resources.

## **Areas of GOS consensus on Competition policies/Laws**

### **a. *Broad application***

Competition principles apply in a broad-based way to economic activities including both goods and services.

### **b. *Importance of benefits of competition policy***

The benefits to be had from competition policy are important, and the lack of competition policy for an economy can carry high costs.

### **c. *Principles-based approach***

A general, principles-based approach to competition policy fits well with the need for flexibility. Such principles are instrumental in forming national policies that advance

consumer welfare. Efficiency and optimum allocation of resources need to be high priorities for policy makers.

*d. Establishment of independent competition policy body*

Establishing an independent competition policy body assures impartiality in decision-making. The ability to do so is related to ECOTECH and the need for institutional capacity building.

*e. Regulatory Impact Analysis (RIA)*

The consideration of how to conduct a Regulatory Impact Analysis (RIA) is a good way to begin implementing the “APEC Competition Principles” and is related to the discussion of what is “good” domestic regulation.

## **E. Application of Electronic Technology and Simplification of Customs and Other Administrative Procedures**

### ***Ideal Situation***

Elimination of customs and other administrative procedures no longer needed, and streamlining and simplifying those procedures by adopting electronic technology.

### **Background**

Services trade can be more complicated than trade in goods as it can be conducted through more than one mode of supply, often simultaneous, and because it is so directly linked to domestic regulations and administrative procedures. Both adopting appropriate domestic regulations and simplifying administrative procedures can facilitate services trade. Other initiatives, such as establishing a centralized place for information on investment, introducing electronic technology where appropriate, and reducing duplication of document requirements by different competent authorities, are also very useful means to facilitate services trade. Customs regulations and standards may act as barriers to services trade as well. The more simplified are these measures, the more services trade can be enhanced.

### **Illustrative List of Measures to Promote Application of Electronic Technology and Simplification of Customs and Other Administrative Procedures**

- Creation of one-stop center for information on investment,
- Streamlining red-tape procedures,
- Elimination of customs and administrative procedures no longer needed,
- Adoption of on-line system for administrative procedures.

### **Main points of GOS discussion on Application of Electronic Technology and Simplification of Customs and Other Administrative Procedures**

*a. Definition of administrative barriers*

Administrative barriers to trade can apply to both goods and services. Customs and administrative procedures, covering goods, immigration, and business mobility or presence of natural persons are also important to transportation and logistic services.

*b. Need to reduce administrative barriers to trade*

The business impact of administrative barriers to trade is considerable but is hard to measure quantitatively. A number of studies have been done whose results vary depending on the bases used.

*c. Agreements on customs and administrative procedures*

Measures on customs and administrative procedures can be found in various multilateral agreements. Multilateral and regional bodies have made efforts to set forth modern customs procedures and administration. The best example is the recently revised Kyoto Convention.

*d. Application of electronic technology*

E-technology can facilitate trade in services, particularly distribution, transportation and logistics services. It benefits cross-border trade and foreign direct investment (FDI) through the publication of laws and regulations electronically. It creates electronic databases and automatic, on-line payment of duties and taxes as well as procurement methods and procedures.

*e. Requirements for modernization of customs/ administrative procedures*

The role of governments is important in the electronic modernization of customs and other administrative procedures. There exist some critical factors in carrying out such modernization, namely partnership between governments and business, adequate infrastructure and funds, and inter-governmental coordination. Perhaps most important, though, is governments having the political will to undertake the necessary steps to change on-going practices. The means to electronic modernization would be through the widespread use of electronic technology and the internet, application of best customs practices and creation/ improvement of required infrastructure.

**Areas of GOS Consensus on Application of Electronic Technology and Simplification of Customs and Other Administrative Procedures**

*a. Broad definition of administrative barriers*

The definition of administrative barriers to trade applies to goods and services.

*b. Electronic modernization of administrative systems*

E-commerce based initiatives for administrative systems will benefit small and medium-sized enterprises (SMEs) which will reap important benefits. However, at early stages of development and use of e-means, SMEs may have funding and expertise shortage problems.

*c. Role of governments*

While development of e-technology involves large amounts of physical investment and human expertise, increasing the costs of automation have dropped with the onset of open systems and off-the-shelf technology. It is important to foster a mindset of increased efficiency for important governmental functions such as customs administration and enforcement.

*d. Gains from standardization of customs and administrative procedures.*

There are considerable gains to be realized from coordinated and standardized customs and administrative procedures.



### **III. ECOTECH**

#### **A. Development of Human Resources**

Technological development is desperately needed in developing economies. Such development can be facilitated, particularly through human capacity building. APEC should discuss how such capacity could be built in developing economies, and what assistance should be provided.

##### **Illustrative List of Measures**

- Training courses
- Seminars
- Dispatching experts

#### **B. Technical Assistance for the Promotion of Advanced Technologies**

The need for technology is critical for industries in developing economies. From this point of view, APEC should consider ways to assist the development, promotion and diffusion of technologies necessary for the provision of advanced services.

##### ***Illustrative List of Technical Assistance Measures***

- Transfer of technology
- Issues related to the ownership of technology
- Relations between
  - a) the development and commercialization of new technology and
  - b) the existence of sizeable markets
- Importance of education in the field of science and technology

#### **Main points of GOS discussion on Development of Human Resources and Promotion of Advanced Technologies**

##### ***a. Role of ECOTECH***

ECOTECH is a means of working to reduce disparities in intra-regional development and of facilitating progress toward achievement of the Bogor Goals.

##### ***b. Examples of ECOTECH***

Examples of ECOTECH are i) improvement of access to information; ii) conducting personnel training and human capacity building; and iii) creating networks and partnerships.

##### ***c. Services trade and importance of ECOTECH***

With the growing importance of services trade in total trade and the high share of employment accounted for by the service sector, ECOTECH takes on great significance, especially in the area of development of human resources.

##### ***d. Development of human resources***

Human resource development could be carried out in various ways such as conducting personnel training and providing technical assistance. The private sector is an essential contributor to this process.

e. ***Institutional development***

Institutional development can also facilitate ECOTECH promotion. In this context, governments should focus on creating the proper policy environment and on designing appropriate and efficient institutions.

**Areas of GOS consensus on Development of Human Resources and Promotion of Advanced Technologies**

a. ***Definition of ECOTECH***

ECOTECH is a means to enhance the economic policy framework in the APEC region and allow for available resources to be utilized and distributed effectively, combining policy development and technical cooperation for human resource development and institution-building. The fundamental purpose of ECOTECH in the APEC context is to reinforce trade and investment liberalization and facilitation (TILF) and contribute to progress toward achieving the Bogor Goals.

b. ***Importance of human resource development in services trade***

ECOTECH for human resource development is necessary in the area of services in order to enable economies to undertake effective services trade liberalization.

c. ***Private sector involvement in ECOTECH***

The private sector is an essential partner with governments in carrying out ECOTECH activities, particularly those related to training and human resource development.

d. ***Necessity of appropriate and efficient institutions***

Governments must create the proper policy environment and design appropriate and efficient institutions in order to best foster the ECOTECH objectives.

**C. Building Infrastructure**

The provision of advanced services necessitates sufficient physical infrastructure, such as in air transportation and telecommunications. Industries in many developing economies have not acquired necessary physical industrial capacity to provide services, particularly advanced services, in the global market. In this regard, APEC should discuss how to give assistance to developing economies to help their industries to acquire such capacity. It may include strengthening of their domestic services capacity, improvement of access to distribution channels and information networks and liberalization in service sectors and modes of supply of export interest to developing countries.

**Illustrative List of Items relevant to help build Infrastructure**

- Identify areas of infrastructure needing strengthening,
- Identify possible measures to help strengthen infrastructure,
- Relations between levels of infrastructure and competitiveness

**Main points of GOS discussion on Building Infrastructure**

a. ***Link between infrastructure services and economic development***

The strengthening of infrastructure construction and the improvement of infrastructure services act positively on economic growth and international trade, and contribute to achieving social and economic development goals.

**b. *Infrastructure related services sectors***

Building infrastructure is a part of the ECOTECH activities and objectives. Services sectors closely linked to the need for infrastructure are energy, transportation, and telecommunication, all of which are part of the six priority fields for APEC ECOTECH work.

**c. *ECOTECH Sub-Committee***

In order to strengthen the treatment of infrastructure issues within APEC, the role of the ECOTECH Sub-Committee, established in 1997, needs to be clarified and reinforced. The role of the APEC Group on Economic Infrastructure in promoting awareness of the importance of infrastructure issues is also important.

**d. *Other actions to strengthen infrastructure construction in APEC***

- Infrastructure construction could be carried out in line with trade and investment facilitation activities.
- Diversified sources of financing could be identified.
- Utilization of existing infrastructure facilities could be enhanced.
- Bilateral or plurilateral cooperation within the APEC region could be promoted.

**Areas of GOS consensus on building infrastructure**

**a. *Importance of improvement of infrastructure***

Better infrastructure lowers costs and improves efficiency in trade. It also increases competitiveness, expands the possibilities of realizing economies of scale, accelerates economic growth and provides fundamental support to future economic development.

**b. *Private sector involvement in infrastructure building***

Private sector involvement is an essential component of infrastructure building, in order to ensure that infrastructure meets the needs of business and that resources are allocated efficiently. A variety of mechanisms and incentives could be developed for this purpose, but a facilitating policy environment that fosters private sector investment in infrastructure is of critical importance.

<p>Note: This document does not attempt to define terms included in the <i>Menu of Options for Voluntary Liberalization, Facilitation and Promotion of Economic and Technical Cooperation in Services Trade and Investment</i> from a legal point of view. Therefore, no description contained in the document (in the 'Ideal Situation' boxes or elsewhere), should be taken as constituting a legal text</p>
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## ANNEX I

### **Guidelines for Development of the**

### *Menu of Options for Voluntary Liberalization, Facilitation and Promotion of Economic and Technical Cooperation in Services Trade and Investment*

The following guidelines were agreed by members of the APEC Group on Services as the basis for the development of the *Menu of Options for Voluntary Liberalization, Facilitation and Promotion of Economic and Technical Cooperation in Services Trade and Investment*. They define the Menu of Options as:

1. A synthesis of GOS work and an organizational framework for GOS work in the future;
2. A product of the GOS;
3. Voluntary in nature and non-binding;
4. Balanced between the three pillars of APEC, which mutually support and reinforce each other;
5. An illustrative listing of measures affecting trade in services;
6. Of a generic nature, not economy-specific or sector-specific;
7. Providing options for APEC members to draw upon for inclusion of actions into their own IAPs;
8. Developing elements that were discussed in depth by GOS members;
9. Contributing to the understanding of issues relevant to the objectives of liberalization and facilitation of trade in services within APEC, and therefore specially tailored in this fashion to address APEC needs;
10. Contributing to advance the work in the services area of the WTO.

## ANNEX II

### **Issue Papers on the Components of the**

#### *Menu of Options for Voluntary Liberalization, Facilitation and Promotion of Economic and Technical Cooperation in Services Trade and Investment*

Ten issue papers were commissioned from services experts from various APEC member economies during Phase II of the *Menu of Options for Voluntary Liberalization, Facilitation and Promotion of Economic and Technical Cooperation in Services Trade and Investment*. These papers were presented to enhance understanding and stimulate discussion on issues contained in the Menu. The contents of the issue papers represent the views of the authors and do not necessarily reflect the views of the members of the GOS. The issue papers in their revised form can be found at the website of the APEC Group on Services ([www.apecsec.org.sg](http://www.apecsec.org.sg)). The ten issue papers are the following:

- i) *Most-Favoured Nation Treatment (MFN) and National Treatment*, by Malcolm Bosworth
- ii) *Market Access*, by Alejandra Labarca D.
- iii) *Deregulation/Privatization*, by Ramonette Serafica
- iv) *Promoting Transparency in the Services Sector*, by Sherry Stephenson and Soonhwa Yi
- v) *Issues in Domestic Regulation of Services*, by Christopher Findlay and June-Dong Kim
- vi) *Competition Laws and Policies*, by Javier H. Illescas and Kerrin M. Vautier
- vii) *Recognition in the Services Sector*, by Sherry Stephenson and Soohwa Yi
- viii) *Application of Electronic Technology and Simplification of Customs and Other Administrative Procedures*, by Anming Zhang
- ix) *Development of Human Resources and Promotion of Advanced Technologies*, by Motoshige Itoh and Naoki Shimoi
- x) *Building Infrastructure*, by Gong Zhankui and Meng Xia

## SERVICES 2001 COLLECTIVE ACTION PLAN

<b>All Sectors other than Energy, Telecommunications, Tourism, and Transportation</b>		
<b>Collective Action</b>	<b>Steps to Implement</b>	<b>Time Frame</b>
<p>I. Develop and Implement the Menu of Options for Voluntary Liberalization, Facilitation and Promotion of ECOTECH in Service Trade and Investment</p> <p>a. Review and exchange information on all trade and investment in services arrangements within APEC and study common elements.</p> <p>b. Gather and analyze information on the services section contained within the Individual Action Plans.</p> <p>c. Identification of measures affecting trade and investment in all service sectors.</p> <p>d. Study and carry out work concerning the development and adoption of common professional standards, in conjunction with professional accreditation bodies and needed legislative measures.</p> <p>e. Enhance transparency in service sectors</p> <p>f. Continue discussion of issues related to possible APEC principles or guidelines that may be necessary to achieve free and open trade and investment in this area</p>	<p>Develop the Menu of Options.</p> <p>Promote the use of developed template for service IAP reporting.</p> <p>Develop the Menu of Options.</p> <p>Member economies to volunteer papers and studies in this area and consider cases of "best practices."</p> <p>Develop the Menu of Options.</p> <p>Implement the Policy Framework.</p> <p>Discussion and actions on recommendations contained within report Identification of Measures affecting Trade and Investment in Education Services</p> <p>Member economies to present cases of their experiences on a voluntary basis aiming to generate momentum for services liberalization in light of perceived benefit of such process.</p> <p>Develop the Menu of Options.</p> <p>Develop the Menu of Options</p> <p>Project on "Firm Expatriation Policy and Practice in Services Trade: The Gender Dimension"</p>	<p>Ongoing (2000 – 2002)</p> <p>Ongoing</p> <p>Ongoing (2000-2002)</p> <p>Ongoing</p> <p>Ongoing (2000-2002).</p> <p>Ongoing.</p> <p>Ongoing.</p> <p>Ongoing.</p> <p>Ongoing</p> <p>Ongoing</p> <p><b>Completed</b></p>
<p>II. Compile information on services trade statistics</p>		<p>Ongoing</p>
<p>III. To improve understanding of the impact of liberalization of services</p>	<p>Member economies to present case studies of their experiences on a voluntary basis aiming to generate momentum for services liberalization in light of perceived benefit of such process</p> <p>Studies on the costs and benefits of services trade liberalization</p>	<p>Ongoing</p> <p>Ongoing. Project Proposal approved at BMC II – 2001</p>

<b>All Sectors other than Energy, Telecommunications, Tourism, and Transportation</b>		
<b>Collective Action</b>	<b>Steps to Implement</b>	<b>Time Frame</b>
IV. Pursuant to SOM instructions, GOS will provide support to the ongoing EVSL initiatives	Continue monitoring the progress of WTO work in this area and provide assistance where the need arises.	Ongoing
V. Where appropriate and possible to the WTO's work on services, including through:	Monitor WTO work through Watch Group	Ongoing
i) identification of APEC services related work projects as inputs to consideration of services trade issues by the WTO Council for Trade in Services and its subsidiary bodies; and	Monitor the WTO work on environmental services	Ongoing
ii) information exchange and technical assistance, to support GOS Members' preparations for successful participation in WTO services negotiations	Case studies and best practice in innovation in services to help build capacity in developing economies	Ongoing

**Note:** In addition to the above existing collective actions, two important collective actions were also undertaken in 2001:

1. Menu of Options for Voluntary Liberalization, Facilitation, and Promotion of Economic and Technical Cooperation in Service Trade and Investment:

The Menu of Options is developed under the Policy Framework. It represents a better organized framework for GOS' future work and provides non-binding, flexible and broad options for individual member economies to adopt in advancing their service work on three pillars. The development of the Menu encompasses three phases: Phase I completed in 2000, Phase II in 2001, and Phase III in 2002.

2. Project on "Firm Expatriation Policy and Practice in Services Trade: The Gender Dimension:

This self-financed project undertaken by Chinese Taipei for the GOS was finalized at GOS II (Shenzhen). It was designed to study whether gender is an important factor of expatriation policy/practice in services trade by conducting a survey of multinational enterprises. The outcomes of this project can serve as reference for improving service trade liberalization and facilitation and contribute to the task of Framework for the Integration of Women in APEC.

# CONVENOR'S SUMMARY REPORT ON INVESTMENT

## 1. Introduction

In response to the mandate by APEC Leaders to develop a set of non-binding investment principles for APEC, CTI established the Investment Experts Group (IEG) in 1994. The group was reconvened in 1995 to provide advice to CTI on investment issues. The current Chair of IEG is Dr Taeho Bark, Professor of Seoul National University, Korea.

## 2. Collective Actions Achieved

- Completed the 6<sup>th</sup> APEC Investment Symposium on “Restructuring FDI in the Age of Information Technology” (Cheju, Korea; March 21<sup>st</sup>–23<sup>rd</sup>)
- Held successfully the 2<sup>nd</sup> APEC Investment Mart (Yantai, China; June 9<sup>th</sup>–15<sup>th</sup>)
- Completed APEC Seminar on “WTO TRIMs Agreement Implementation: Capacity Building for a Better Investment Environment” (Xiamen, China; September 9<sup>th</sup>-10<sup>th</sup>)
- Expanded the Menu of Options through adding texts on “Technology Transfer,” “Intellectual Property Rights,” “Start-up Companies/Venture Capital,” and “Domestic Business Environment”. (The texts on these subjects are attached at Annex 1)
- Updated Investment Chapter of the OAA Guidelines and the Investment Collective Actions through reflecting improvements made in 2001.
- Reported the Group’s activities to ABAC.
- Conducted Policy Discussion Forum on members’ investment regimes (Russia, Viet Nam, and Korea).

## 3. New Collective Actions Agreed

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

## 4. Benefit and Beneficiary

The collective actions will enhance transparency of APEC investment regimes, facilitate investment activities and promote investment liberalization. The activities also provide useful opportunities for the business/private sector, experts/academicians and government officials to exchange views on investment related issues, help enhance better understanding of the aims and aspirations of member economies, identify means to improve the investment environment, and promote investment flows in the region.



## **5. 2001 Highlights**

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

**TEXT ON TECHNOLOGY TRANSFER, INTELLECTUAL PROPERTY RIGHTS,  
START-UP COMPANIES AND VENTURE CAPITAL AND DOMESTIC  
BUSINESS ENVIRONMENT TO BE INCLUDED IN THE MENU OF OPTIONS**

**1) TECHNOLOGY TRANSFER**

- Improve the transparency of related laws and regulations.
- Reduce the restrictions on the transfer of technology consistent with the protection of essential security interests (for example by modifying as appropriate existing laws and regulations) to facilitate the flow of technology for the economic development of member economies.
- Develop legislation, regulations and measures for the adequate and effective protection of technology and related interests arising from technology transfer.

**2) INTELLECTUAL PROPERTY RIGHTS**

- Provide protection for intellectual property that at least meets the standards established in the WTO Agreement on Trade Related Aspects of Intellectual Property (TRIPS).
- Provide adequate and effective enforcement measures, including, as appropriate, administrative, civil, and criminal, against infringement of intellectual property rights.
  - Increase cooperation among agencies responsible for the administration and enforcement of intellectual property matters and between IPR agencies and those responsible for regulatory issues.
  - Provide and streamline, as appropriate, judicial and administrative procedures to ensure timely processing of enforcement actions.
  - Increase public education about the importance of intellectual property and its role in the economy as well as the need for effective and efficient enforcement of intellectual property rights.
  - Enhance cooperative relationships between different law enforcement agencies.
  - Ensure close and efficient cooperation between enforcement agencies and the right holders.
- Develop and implement programs that require official agencies in member economies to respect intellectual rights in their operations, such as by using only legitimate software in an authorized manner.
  - To the extent possible, provide an adequate budget for purchase of legitimate software.
- Develop/further improve intellectual property regimes:
  - Where possible, give effect to international norms for intellectual property protections.
  - To the extent possible, cooperate with other nations in international fora.

**3) START-UP COMPANIES AND VENTURE CAPITAL**

- Introduce measures to assist businesses in different stages including start-up companies seeking equity funding, such as:
  - establishment of a legal and taxation system to assist the development of the venture capital industry and investment banking; and

- establishment of sound and transparent initial public offerings (IPO) markets for small and medium enterprises (SMEs).

#### **4) DOMESTIC BUSINESS ENVIRONMENT**

- Establish legal and taxation systems in areas such as stock exchanges, corporate division and mergers and acquisitions to enable flexible corporate reorganization.
- Introduce accounting and financial reporting systems that follow internationally accepted accounting standards.
- Develop and streamline bankruptcy law systems that facilitate corporate reorganization.
- Establish a financial system that enables a variety of financing and capital raising methods.
- Strengthen and promote improved standards of corporate governance.
- Develop a labor market that facilitates domestic labor mobility, taking into account national labor market conditions and policies.
- Improve standards of professional services, such as legal and accounting services.

## INVESTMENT 2001 COLLECTIVE ACTION PLAN<sup>2</sup>

Action	Steps to Implement	Time Frame
<p><b>Transparency</b> <i>Short-term</i></p> <p>A. Increase the transparency of APEC Investment regimes by:</p> <p>(i) Updating the APEC Guidebook on investment regimes;</p> <p>(ii) Establishing software networks on investment regulation and investment opportunities;</p> <p>(iii) Improving the state of statistical reporting and data collection; and</p> <p>(iv) Increasing understanding among member economies on investment policy-making issues.</p>	<p>Update the investment guidebook.</p> <p>Contribute to the work of the Trade and Investment Data Review Working Group on investment statistics.</p> <p>Conduct the Investment Policy Discussion Forum</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>
<p><b>Policy Dialogue</b> <i>Short-term</i></p> <p>B. Promote dialogue with the APEC business community on ways to improve the APEC investment environment.</p>	<p>Update, in conjunction with ABAC, arrangements for enhanced investment protection.</p> <p>Identify mechanisms for periodic discussions with business representatives in individual member economies.</p> <p>Consult ABAC, PECC, and other relevant business organizations.</p> <p>Request comments from these bodies on major APEC investment initiatives through inclusion of representatives of such organizations in APEC Investment Symposia.</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>
<p>C. Continue a dialogue with appropriate international organizations dealing with global and regional investment issues.</p>	<p>Establish a policy dialogue process with other fora, where appropriate:</p> <ul style="list-style-type: none"> <li>• Consider possible cooperation with the IMD on surveying investment environments.</li> <li>• Consider possible contributions by APEC to the WTO Working Group on Trade and Investment.</li> </ul>	<p>Ongoing</p> <p>Ongoing</p>
<p><b>Study and Evaluation</b> <i>Short-term</i></p> <p>D. Define and implement follow-on training to the WTO implement seminars;</p>	<p>Conduct the APEC Seminar on "WTO TRIMs Agreement Implementation: Capacity Building for a Better Investment Environment"</p>	<p><b>Completed</b></p>
<p>E. Undertake an evaluation of the role of investment liberalization in economic development in the Asia-Pacific region.</p>	<p>Continue the dialogue on facilitation, cooperation, and liberalization with relevant APEC fora.</p> <p>Undertake studies on "Cross-border Mergers and Acquisitions (M&amp;As)" and "Start-up</p>	<p>Ongoing</p> <p>2002/2003</p>

<sup>2</sup> Underlined text represents amendment to the CAP adopted at IEG2 in 2001.  
Shaded texts represent additions to the CAP adopted at IEG2 in 2001.

Action	Steps to Implement	Time Frame
	Companies/Venture Capital.” <ul style="list-style-type: none"> <li>• A possible collaboration with outside experts in conducting these studies.</li> </ul>	
F. Study possible common elements between existing subregional arrangements relevant to investment.	Review the investment provisions of current subregional arrangements.  Consider further study of possible relationships between these provisions in the future.	Ongoing  1999 onwards
<i>Medium-term</i> G. Refine APEC’s understanding of free and open investment.	Assess evolving elements of global investment disciplines and policy debate with a view to reaching agreement on the endpoint objective for APEC investment liberalization.	Medium-term
<i>Long-term</i> H. Assess the merits of developing an APEC-wide discipline on investment in the light of APEC’s own progress through the medium-term, as well as developments in other international fora.	To be determined in the light of progress with policy dialogue in the medium-term.	Long-term
I. Study the advantages and disadvantages of creating investment rules- bilateral, regional, or multilateral- with a view to fostering a more favorable investment environment in the Asia-Pacific region.	Hold a seminar on “Bilateral/Regional Investment Rules and Agreements”	2002
<b>Facilitation</b> <i>Short-term and continuing</i> J. Undertake practical facilitation initiatives by: <ol style="list-style-type: none"> <li>(i) Progressively working towards reducing impediments to investments including those investment related to e-commerce;</li> <li>(ii) Undertaking the business facilitation measures to strengthen APEC economies; and</li> <li>(iii) Initiating investment promotion and facilitation activities to enhance investment flow within APEC economies.</li> </ol>	Drawing on business and other advice, identify possible areas for improved practices.  Conduct the 6 <sup>th</sup> APEC Investment Symposium Conduct the 2 <sup>nd</sup> APEC Investment Mart Hold the 7 <sup>th</sup> APEC Investment Symposium Hold the 3 <sup>rd</sup> APEC Investment Mart Hold the APEC Seminar on “Investment’s One Stop Shop”	Ongoing  <b>Completed</b> <b>Completed</b> 2002 2002 2002
<b>Economic and Technical Cooperation</b> <i>Short-term</i> K. Identify ongoing technical cooperation needs in the Asia-	Identify target areas for technical cooperation including ‘best practice’ policy/administrative	Ongoing

Action	Steps to Implement	Time Frame
Pacific region and organize training programs which will assist APEC economies in fulfilling APEC investment objectives.	<p>frameworks.</p> <p>Conduct training programs for officials related to investment:</p> <ul style="list-style-type: none"> <li>• Coordinate efforts with other relevant bodies involved in technical cooperation;</li> <li>• An annual exchange of experience program for APEC investment officials and private sector</li> </ul>	<p>Ongoing</p> <p>1999 onwards</p>
<p><b>Capacity Building Initiatives</b></p> <p>L. Undertake new activities that contribute to capacity building.</p>	<p>Identify the elements of capacity building to strengthen the economies of APEC member economies and undertake the following activities:</p> <ul style="list-style-type: none"> <li>• Prepare for trade and investment liberalization: <ul style="list-style-type: none"> <li>- A study/studies on the impact of EVSL on investment;</li> <li>- Based on the findings of the study/studies, identify the challenges and the opportunities</li> <li>- EVSL presents to local and foreign investors; and</li> <li>- Identify and implement assistance/strategic measures so that member economies can build confidence and the capacity to sustain their development agenda for mutual benefit.</li> </ul> </li> </ul> <p>Developing guidelines for the Workplan to create good investment climates in APEC member economies.</p>	<p>1999 onwards</p> <p>Ongoing</p>
<p><b>Menu of Options</b></p> <p>M. Ongoing improvements of the Menu of Options.</p>	<p>Cross-reference between the IAPs and Menu of Options.</p> <p>Expand the Menu of Options by adding "Technology Transfer," "Intellectual Property Rights," "Start-up Companies/Venture Capital," and "Domestic Business Environment" languages.</p>	<p>Ongoing</p> <p><b>Completed</b></p>

# CONVENOR'S SUMMARY REPORT ON STANDARDS AND CONFORMANCE

## 1. Introduction

Recognizing that standards and conformance was a priority area for the realization of APEC's goals, APEC Ministers established the Sub-Committee on Standards and Conformance (SCSC) in November 1994. SCSC's major objectives are to: (a) align APEC members' domestic standards with international standards; (b) achieve recognition of conformity assessment including mutual recognition arrangements in regulated and voluntary sectors; (c) promote cooperation for technical infrastructure development; and (d) ensure the transparency of the standards and conformity assessment of APEC economies. In 2001, SCSC met three times: the first meeting in Beijing on 17-18 February, the second meeting in Shenzhen on 28-29 May and the third meeting in Dalian on 18-19 August. The 2001 SCSC Chair is Mr. Li Shaoqing of the State General Administration of People's Republic of China for Quality Supervision and Inspection and Quarantine (AQSIQ).

## 2. Collective Actions Achieved (Please see 5 below for highlights.)

- The SCSC agreed to the revisions of the OAA in the standards and conformance issue area and recommended them to CTI.
- The SCSC agreed to its reform through the rationalization of its agenda, priority setting exercise and better coordination with other groups.
- The SCSC completed the following technical infrastructure development projects:
  - Mutual Recognition Arrangement (MRA) Readiness Project;
  - Technical Training for APEC Testing and Calibration Laboratory Professionals;
  - Training in Application of Risk Analysis in Conformity Assessment of Food; and
  - Project on Quality Systems for Calibration Services at National Metrology Institutes.
- The SCSC endorsed the simplified template for regulatory profile on food/drug interface.
- The SCSC updated the APEC Contact Points for Standards and Conformance Information, including member economies' Contact Points and participants in the Specialist Regional Bodies.
- The SCSC held a dialogue with the European Commission on technical issues of mutual interest in the area of standards and conformance

## 3. New Collective Actions Agreed

- The SCSC to review and improve the effectiveness of the APEC MRA on Conformity Assessment of Foods and Food Products; the Arrangement for the Exchange of Information on Toy Safety; the APEC Arrangement for the Exchange of Information on Food Recalls; and the APEC MRA on Conformity Assessment of Electrical and Electronic Equipment.
- Member economies to consider participation in a pilot of the DeclareNet.
- Member economies to undertake activities from among those recommended in the revised Mid-term Technical Infrastructure Development Program.
- Member economies to support and actively participate in the 4<sup>th</sup> APEC Conference on Standards and Conformance to be held on the margins of SOM III in 2002.
- Member economies to implement the following technical infrastructure development projects:
  - SCSC Workshop on Evaluation of Measurement Uncertainty;
  - Multilateral Recognition Arrangement (MLA) Readiness Project in Product Certification;
  - Peer Review and Its Criteria of Quality System in National Metrology Institutes;
  - Training Program on ISO 14000 Series Product Oriented Standards: EL, LCA and DfE;
  - Training in Risk Assessment in Support of Food Safety Measures;
  - Training on Testing and Calibration Laboratory Assessment;
  - Training on Calibration of Rice Moisture Meters; and

- PAC Peer Evaluators Workshop.
- The SCSC to compile member economies' regulatory profile and develop information and case studies on decision tree analysis for Food/Drug Interface policy development and regulation.
- The SCSC to monitor the developments within the WTO Committees on the TBT and SPS and discuss implementation issues. In particular for the SPS, the SCSC will prepare a report on the recent developments within the SPS Committee for SCSC meetings, organize a seminar on the SPS Agreement and establish a sound channel by which member economies could exchange opinions and suggestions and increase their understanding.
- The SCSC to undertake the following projects for the implementation of the APEC Strategic Plan for WTO-related capacity building:
  - APEC/SCSC Training Programs on Standards and Conformance;
  - APEC Resources Pack and Symposiums for Operation of National Point-of-Enquiry under the SPS and TBT Agreements under the WTO; and
  - APEC/WTO Capacity Building: SPS Implementation Program.
- The SCSC to pursue better coordination with other APEC fora.
- The SCSC to implement its reform through the rationalization of its agenda, priority setting exercise and better coordination with other groups.

#### **4. Benefits and Beneficiary**

Alignment with international standards as well as networks of recognition arrangements contribute to expanding regional trade and investment flows by reducing unnecessary costs and time-consuming delays associated with differences in standards and conformance in the APEC region.

#### **5. 2001 Highlights**

- Reviewed and revised the Mid-Term Technical Infrastructure Development Program.
- Contributed to a possible launch of a pilot of the DeclareNet, an Internet website for exchange of conformance information between regulatory authorities and manufacturers, and a regulatory tool for post-market surveillance.
- Initiated the work program on trade facilitation in information technology products, by compiling information on member economies' implementation of the six elements of the One Standard-One Test, Supplier's Declaration of Conformity (1-1 SDoC) work program as well as discussing infrastructure needs and potential obstacles to implementation. Endorsed the proposal for APEC-based IT companies and Information Technology Industry Council (ITI) members to co-develop with each interested economy a "road map" that is individually tailor-made to facilitate its implementation of the work program.
- Adopted all necessary documentation for full operation of the APEC MRA on Electrical and Electronic Equipment (information exchange format for Part I and application form and check list for Parts II and III) and encouraged member economies to facilitate participation.
- Compiled a web-based database on all Good Regulatory Practice materials produced by the SCSC, including:
  - a statement on Principles and Features of Good Practice for Technical Regulation;
  - Information Notes on Good Practice for Technical Regulation; and
  - Presentations from a number of seminars and workshops on Good Regulatory Practice, held in conjunction with SCSC meetings.
- Monitored the developments within the WTO Committees on the TBT and SPS and discussed implementation issues. Undertook the following projects for the implementation of the APEC Strategic Plan for WTO-related capacity building:
  - APEC/SCSC Training Programs on Standards and Conformance; and
  - APEC Resources Pack and Symposiums for Operation of National Point-of-Enquiry under the SPS and TBT Agreements under the WTO.



## STANDARDS AND CONFORMANCE 2001 COLLECTIVE ACTION PLAN

OAA Objectives	Actions	Time frame
<b>1. Alignment</b>		
Align APEC economies' domestic standards with international standards.	<ul style="list-style-type: none"> <li>Member economies to align their standards with international standards in the following priority areas: electrical and electronic appliances (air conditioners, televisions, refrigerators, radios and their parts and video apparatus); food labeling; rubber gloves and condoms; and machinery.</li> </ul>	1996 to 2000/2005
	<ul style="list-style-type: none"> <li>Member economies to align their standards with international standards in the additional priority area of electrical and electronic equipment to include all electrical safety (IEC 60335) and relevant EMC (CISPR) standards.</li> </ul>	1998 to 2004/2008
	<ul style="list-style-type: none"> <li>Member economies to align their standards with international standards in the additional priority area related to safety of information technology equipment (IEC 60950 standard).</li> </ul>	2000 to 2004/2008
	<ul style="list-style-type: none"> <li>Member economies to align their standards with international standards in the additional priority areas related to standards and guides on conformity assessment and management systems.</li> </ul>	2000 to 2002/2005
	<ul style="list-style-type: none"> <li>The SCSC to continue identifying additional priority areas for alignment with international standards.</li> </ul>	From 1997
	<ul style="list-style-type: none"> <li>Member economies to actively participate in the standardization activities of international standardization bodies (ISO &amp; IEC) in the following priority sectors: building and construction and hazardous area equipment.</li> </ul>	From 1996
	<ul style="list-style-type: none"> <li>Member economies to participate in ad-hoc technical groups, which work with PASC in developing coordinated regional input into the development of international standards in selected areas.</li> </ul>	From 1997
	<ul style="list-style-type: none"> <li>Member economies to promote the use of <i>the Principles and Features of Good Practice for Technical Regulation</i> to be used on a voluntary basis.</li> </ul>	From 2001
	<ul style="list-style-type: none"> <li>Member economies to update and promote the use of <i>Information Notes on Good Practice for Technical Regulations</i>.</li> </ul>	From 2001
	<ul style="list-style-type: none"> <li>The SCSC to continue to investigate means of enhancing regulatory practices in the APEC region through a program of case studies and seminars.</li> </ul>	From 2000
	<ul style="list-style-type: none"> <li>The SCSC to conduct comprehensive reviews of their alignment work.</li> </ul>	2005
	<ul style="list-style-type: none"> <li>Member economies to update each year the results in their respective alignment plans. These will be placed on the APEC Secretariat's homepage.</li> </ul>	From 1998
	<ul style="list-style-type: none"> <li>Member economies to continue to report on the progress in aligning their standards with international standards</li> </ul>	From 1998
	<b>2. Recognition of Conformity Assessment</b>	
Achieve recognition of conformity assessment including mutual recognition arrangements in regulated and voluntary sectors.	<p><b>Regulated sector:</b></p> <ul style="list-style-type: none"> <li>Member economies to develop recognition arrangements of conformity assessment including bilateral, multi-sectoral, and plurilateral mutual recognition arrangements.</li> </ul>	From 1997

OAA Objectives	Actions	Time frame
	<ul style="list-style-type: none"> <li>• Member economies to consider participation in the Arrangement for the Exchange of Information on Toy Safety and encourage the involvement of their regulators.</li> <li>• Member economies to consider participation in the APEC Mutual Recognition Arrangement on Conformity Assessment of Foods and Food Products.</li> <li>• Member economies to consider participation in Part I of the APEC Mutual Recognition Arrangement on Conformity Assessment of Electrical and Electronic Equipment through providing information in the agreed common format.</li> <li>• Member economies to consider participation in further Parts of the MRA and encourage the involvement of their regulators.</li> <li>• Member economies to consider participation in the APEC Arrangement for the Exchange of Information on Food Recalls.</li> <li>• The SCSC to review the implementation and use of the mutual recognition arrangements.</li> <li>• The SCSC to continue to further consider additional priority areas for MRA in the regulated sector.</li> <li>• The SCSC to consider alternative mechanisms to facilitate the recognition of conformity assessment results.</li> <li>• The SCSC to review and improve the effectiveness of the APEC MRA on Conformity Assessment of Foods and Food Products; the Arrangement for the Exchange of Information on Toy Safety; the APEC Arrangement for the Exchange of Information on Food Recalls; and the APEC MRA on Conformity Assessment of Electrical and Electronic Equipment.</li> <li>• Member economies to implement the program on trade facilitation in information technology products which has been developed in collaboration with the Information Technology Industry Council (ITI).</li> <li>• Member economies to consider participation in a pilot of the DeclareNet.</li> </ul> <p><b>Voluntary sector:</b></p> <ul style="list-style-type: none"> <li>• Member economies to enter into mutual recognition agreements (bilateral and multilateral) in cooperation with Specialist Regional Bodies, where applicable.</li> <li>• Member economies to encourage participation in APLAC-MRA and PAC MRA.</li> </ul>	<p>From 1996 (15 economies)</p> <p>From 1997 (7 economies)</p> <p>From 2000 (14 economies in Part I)</p> <p>From 2000</p> <p>From 1999 (2 economies)</p> <p>From 1998</p> <p>From 1997</p> <p>From 1999</p> <p>From 2001</p> <p>2000 to 2005/2008</p> <p>From 2001</p> <p>1996 to 2000/2005</p> <p>From 1998</p>
<b>3. Technical Infrastructure Development</b>		
<p>Promote cooperation for technical infrastructure development to facilitate broad participation in mutual recognition arrangements in both regulated and voluntary sectors.</p>	<ul style="list-style-type: none"> <li>• Member economies to identify specific requirements, assistance and/or activities for technical infrastructure development.</li> <li>• Member economies to consider the provision of assistance for the improvement of other economies' technical infrastructure.</li> </ul>	<p>From 1996</p> <p>From 1996</p>

OAA Objectives	Actions	Time frame
	<ul style="list-style-type: none"> <li>• The SCSC to undertake the following technical infrastructure projects: <ul style="list-style-type: none"> <li>- APEC Speakers' Bureau on Standard-Based Management Systems (joint project with HRDWG);</li> <li>- APMP Expert Training to Assist Participation in Global MRA in Measurement Standards;</li> <li>- Promoting Active Participation in the APEC-MRAs;</li> <li>- APLMF Training Project on Rice Moisture Measurement;</li> <li>- SCSC Workshop on Evaluation of Measurement Uncertainty;</li> <li>- Multilateral Recognition Arrangement (MLA) Readiness Project in Product Certification;</li> <li>- Peer Review and Its Criteria of Quality System in National Metrology Institutes;</li> <li>- Training Program on ISO 14000 Series Product Oriented Standards: EL, LCA and DfE;</li> <li>- Training in Risk Assessment in Support of Food Safety Measures;</li> <li>- Training on Testing and Calibration Laboratory Assessment;</li> <li>- Training on Calibration of Rice Moisture Meters; and</li> <li>- PAC Peer Evaluators Workshop.</li> </ul> </li> <li>• The SCSC to conduct reviews of the Mid-Term Technical Infrastructure Development Program implementation.</li> <li>• The SCSC to revise the Mid-Term Technical Infrastructure Development Program.</li> <li>• Member economies to undertake activities from among those recommended in the revised Mid-Term Technical Infrastructure Development Program.</li> <li>• Member economies to strengthen participation in Specialist Regional Bodies activities.</li> <li>• Member economies to support and actively participate in APEC Conferences on Standards and Conformance.</li> <li>• The SCSC to compile member economies' regulatory profile and develop information and case studies on decision tree analysis for Food/Drug Interface policy development and regulation.</li> </ul>	<p>From 1999</p> <p><b>Completed 2001</b></p> <p><b>Completed 2001</b></p> <p>From 2001</p> <p>From 1996</p> <p>4<sup>th</sup> Conference August 2002</p> <p>From 2001</p>
<b>4. Transparency</b>		
Ensure the transparency of the standards and conformity assessment of APEC economies	<ul style="list-style-type: none"> <li>• Member economies to update the APEC Contact Points for Standards and Conformance Information, including member economies' participants in the Specialist Regional Bodies and member economies SCSC Contact Points. Member economies agreed that this information should be maintained on the APEC Secretariat's homepage.</li> <li>• Member economies to endeavor to establish Internet websites to disseminate standards and conformance information.</li> <li>• Member Economies to develop a database on conformity assessment operators and their activities/services offered and establish an APEC Cooperation Center for Conformity Assessment.</li> </ul>	<p>From 1997</p> <p>From 1997</p> <p>1999 to 2002</p>

<b>Cross-Cutting Activities</b>		
<b>5. Review of OAA</b>		
	<ul style="list-style-type: none"> <li>The SCSC to recommend the revisions to the OAA and draft the IAP Template for the standards and conformance area.</li> </ul>	<b>Completed</b> 2000/2001
<b>6. Cooperation with Specialist Regional Bodies</b>		
	<ul style="list-style-type: none"> <li>Member economies to pursue closer cooperation with the Specialist Regional Bodies (SRBs) in line with a Statement of Commitment to Mutually Agreed Objectives between the SCSC and the SRBs.</li> </ul>	From 2000
<b>7. Cooperation with International Bodies</b>		
	<ul style="list-style-type: none"> <li>The SCSC to monitor the developments within the WTO Committees on the TBT and SPS and discuss implementation issues.</li> <li>The SCSC to undertake the following projects for the implementation of the APEC Strategic Plan for WTO-related Capacity Building: <ul style="list-style-type: none"> <li>APEC/SCSC Training Programs on Standards and Conformity Assessment; and</li> <li>APEC Resource Pack and Symposiums for Operation of National Point-of-Enquiry under the SPS and TBT Agreements under the WTO; and</li> <li>APEC/WTO Capacity Building: SPS Implementation Program.</li> </ul> </li> <li>The SCSC to hold a dialogue with the European Commission on technical issues of mutual interest in the area of standards and conformance.</li> </ul>	Ongoing  From 2001  <b>Completed</b> February 2001
<b>8. Cooperation with Other APEC Fora</b>		
	<ul style="list-style-type: none"> <li>The SCSC to pursue better coordination with other APEC fora.</li> </ul>	From 2001
<b>9. Reform of SCSC</b>		
	<ul style="list-style-type: none"> <li>The SCSC to implement its reform through the rationalization of its agenda, priority setting exercise and better coordination with other groups.</li> </ul>	From 2001

# CONVENOR'S SUMMARY REPORT ON CUSTOMS PROCEDURES

## 1. Introduction

The CTI Sub-Committee on Customs Procedures (SCCP) was established in 1994 in response to the priority, which APEC Ministers accorded to harmonizing and simplifying Customs procedures in order to facilitate trade among APEC economies. The Chair of SCCP for 2001 is Mr. Duanmu Jun, Deputy Commissioner, Customs General Administration, People's Republic of China.

Since 1995, with the development of the SCCP's guiding principles and its Collective Action Plans (CAP) work program that is supported by a comprehensive framework for technical assistance, much progress has been made to date. The SCCP's 9-point CAP, which was first developed in 1995, was expanded to 12-point CAP in 1997, and to 13-point CAP with the element of UN/EDIFACT being replaced by Paperless Trading in 2000. The SCCP's technical assistance framework comprises multi-year assistance programs which include training courses, workshops, conferences and expert missions to assist members in their implementation of its CAP elements. While the SCCP has identified areas for development and established a framework for customs reform, implementation of the CAP objectives must be undertaken by member economies. The SCCP cannot ensure implementation of the CAP items collectively. This can only be achieved by individual economies implementing the CAP objectives in their respective economies.

The SCCP had two meetings in 2001: February and August. In 2001, the SCCP, putting forward its work of realizing Trade and Investment Liberalization and Facilitation (TILF) to reduce the cross-border trade cost in APEC region, has been placing emphasis on trade facilitation, paperless trading, CAP evaluation and Customs integrity. The SCCP, in responding to instructions of APEC Ministers, strove to ensure the continuity and building upon past achievements, taking into account the changes in the trading environment. In particular, the SCCP has agreed to set up a new mechanism to improve the implementation of Customs-related WTO Agreements by APEC members in the context of strategic APEC plan for WTO-related capacity building. The SCCP has also endorsed an assessment approach to measure the effectiveness of its work program, in particular its technical assistance programs, which was first developed six years ago. In addition, the SCCP has completed successfully a number of technical assistance activities under the TILF fund. The SCCP has also continued to engage the private sector in some of its activities, in particular, through elevating "Enhance Customs-Business Partnership" as its new CAP and holding APEC Customs-Business Dialogue 2001, to ensure that its work remains relevant and its plans maintain and expand such partnerships.

## 2. Collective Actions Achieved

- Completed a comprehensive multi-year technical assistance program for member economies in the following CAP items by the agreed target date of 2001:
  - HS Convention
  - Express Consignments
  - Integrity
  - Advance Classification Rulings
  - Risk Management
  - Temporary Importation
- Fulfilled the OAA plus exercise with submission of the agreed amendments and additions to the Customs part of OAA.
- Completed measurement, by using the agreed assessment/evaluation approach, of the implementation of the SCCP CAPs, in particular the multi-year technical assistance programs

- as well as to identify future requirements.
- Continued to implement SCCP's multi-year technical assistance programs of its existing and new CAP items, including on the HS Convention, Risk Management, Express Consignments Clearance, Integrity, Common Data Elements, Paperless Trading and Customs-related WTO Capacity Building
- Agreed to develop new technical assistance projects to assist new SCCP members in their implementation of the various CAPs items.
- Published the *Customs Modernization Blueprint for 2001 – Promoting Trade Facilitation and Enhancing Customs-Business Partnership*.
- Provided updates on relevant tariffs, Customs-related information and other agreed data to APEC Tariff Database (TDB) Manager.

### **3. New Collective Actions Agreed**

- Broadened the work program and elevated "Customs-Business Partnership" as a new SCCP CAP item in 2001 to implement a set of SCCP trade facilitation recommendations.
- Assisted members in conducting integrity self-assessment by all economies as a follow-up of SCCP Integrity Self-Assessment Workshop held in July 2001.
- Participated in the work of the CTI Ad Hoc Task Force on Trade Facilitation and provided SCCP's inputs to the APEC Trade Facilitation Principles.
- Continued the process of improving direct involvement of the business sector in SCCP activities in particular with regard to the APEC Tariff Database and Express Consignment Clearance. This process involves interested business sector groups in partnerships to progress SCCP CAP work programs.
- Convened APEC Customs-Business Dialogue 2001 to promote communication and cooperation between Customs and business sector.
- Established a communication channel between SCCP and ABAC.

### **4. Benefits and Beneficiary**

The work of the SCCP has an immediate and tangible effect on the costs of cross-border transactions. Specifically, the comprehensive work program of the SCCP to simplify and harmonise customs procedures would provide greater transparency, predictability and fairness for traders in the region. The SCCP's work to simplify and computerize the customs processes would result in speedier and more certain clearance of goods, which would result in lowering of costs of doing business in the region, in particular for the SMEs. The work by the SCCP also increases the efficiency, coordination and integrity of the customs administrations in the region and will ultimately lead to time and cost savings.

### **5. 2001 Highlights**

- Set up a mechanism to implement Customs-related WTO Agreements in the context of the strategic APEC plan for the WTO-related capacity building and conducted the first workshop to assist requesting economies in the implementation of the Agreements.
- Completed a number of comprehensive multi-year technical assistance programs on HS Convention, Advance Classification Ruling, Temporary Importation, Risk Management, Express Consignment Clearance and Integrity aimed at assisting members in their implementation of these CAP items.
- "Enhance Customs-Business Partnership" was elevated as a new CAP item at the second meeting of SCCP.

- Endorsed an assessment/evaluation approach and completed measurement of the implementation of the SCCP collective action plans by using the agreed approach.
- Adopted the amendment of the Customs part of OAA and made a collective commentary on the APEC Trade Facilitation Principles.
- Published the *SCCP Blueprint for 2001 – Promoting Trade Facilitation and Enhancing Customs-Business Partnership*.
- Developed new technical assistance projects to assist members to further implement the SCCP CAP items.
- Organized APEC Customs-Business Dialogue 2001 attended by around 500 participants from APEC administrations and business community to enhance their partnership.

**TABLE 1: SCCP COLLECTIVE ACTION PLAN OBJECTIVES AND EXPECTED OUTPUTS**

OBJECTIVES	EXPECTED OUTPUTS
<p><b>1. Harmonization of Tariff Structure with the HS Convention</b> To ensure consistency of application, certainty and a level playing field for business through the HS Convention, the standard international harmonized system for the classification of goods.</p>	<ul style="list-style-type: none"> <li>The accurate, consistent and uniform application of the HS Convention by all APEC member economies.</li> </ul>
<p><b>2. Public Availability of Information on Customs Laws, Regulations, Administrative Guidelines and Rulings provided to the business sector on an ongoing basis.</b> To ensure traders have access to all the pertinent information for business decisions through the provision of accurate, consistent and user-friendly information to business on an ongoing basis.</p>	<ul style="list-style-type: none"> <li>To improve transparency of APEC Customs Administrations</li> <li>To enhance the APEC Customs Administrations' competency in the dissemination of information on customs laws, regulations, procedures, rulings and guidelines</li> </ul>
<p><b>3. Simplification and Harmonization on the Basis of the Kyoto Convention</b> To improve efficiency in customs clearance and the delivery of goods in order to benefit importers, exporters and manufacturers through simplified customs procedures and best practices.</p>	<ul style="list-style-type: none"> <li>Simplified and standardized customs procedures implemented by all APEC members</li> </ul>
<p><b>4. Adoption and Support for the UN/EDIFACT / Paperless Trading</b> To use the standard UN electronic messaging format for automated systems, the United Nations/Electronic Data Interchange for Administration, Commerce and Transport, to promote an electronic highway for business.</p>	<ul style="list-style-type: none"> <li>The implementation by member administrations of UN/EDIFACT international electronic messaging standards as the basis for their computerization programs</li> </ul>
<p><b>5. Adoption of the Principles of the WTO Valuation Agreement</b> To facilitate administration of the World Trade Organization's Valuation Agreement on standard procedures for valuing goods.</p>	<ul style="list-style-type: none"> <li>The implementation of the Agreement by members, in a timely and orderly manner, to meet members' international obligations under the Agreement.</li> </ul>
<p><b>6. Adoption of the Principles of the WTO Intellectual Property (TRIPS) Agreement</b> To implement border enforcement procedures for protecting intellectual property rights.</p>	<ul style="list-style-type: none"> <li>A strategic program designed and developed to implement border endorsement of the Agreement by members, in a timely and orderly manner, to meet international obligations under the Agreement.</li> </ul>
<p><b>7. Introduction of Clear Appeals Provision</b> To provide business with an opportunity to challenge potentially erroneous or inequitable Customs decisions through mechanisms for transparent, independent and timely appeals.</p>	<ul style="list-style-type: none"> <li>Implementation of Customs appeal mechanisms by all members.</li> <li>The enhanced transparency and effectiveness of the appeals process and client service initiatives within APEC customs administrations.</li> </ul>



OBJECTIVES	EXPECTED OUTPUTS
<p><b>8. Introduction of an Advance Classification Ruling System</b> To establish simplified procedures for providing classification information prior to importation, thus bringing certainty and predictability to international trading and helping traders to make sound business decisions based on legally binding advice.</p>	<ul style="list-style-type: none"> <li>The introduction of simplified procedures for an advance classification ruling system to the customs procedures of each APEC economy, by the year 2000.</li> </ul>
<p><b>9. Provisions for Temporary Importation, e.g., acceding to the A.T.A. Carnet Convention or the Istanbul Convention</b> To help business move goods such as commercial samples, professional equipment, tools of trade and exhibition material across borders with a high degree of certainty as to how these goods will be treated by Customs by having standard procedures for admitting goods on a temporary basis.</p>	<ul style="list-style-type: none"> <li>The implementation of the terms of the A.T.A. Carnet and Istanbul Conventions.</li> <li>The provision of a common import/export document for the temporary importation of goods.</li> <li>An internationally accepted security for goods entitled to temporary admission without payment of duties and taxes.</li> </ul>
<p><b>10. Harmonized APEC Data Elements</b> To develop a comprehensive directory supported in UN/EDIFACT which includes a simplified "core set" of data elements, largely derived from commercially available data, that would satisfy the standard data requirements of the majority of APEC trade transactions and so facilitate the exchange of information and provide a foundation for common forms and electronic commerce.</p>	<ul style="list-style-type: none"> <li>The development of a set of trade data elements required for ordinary goods for home consumption.</li> <li>The development of a set of best practices guidelines for the processing and clearance associated with the movement of goods until the goods are no longer under any customs controls.</li> </ul>
<p><b>11. Risk Management Techniques</b> To focus Customs enforcement efforts on high-risk goods and travelers and facilitate the movement of low-risk shipments, through a flexible approach tailored to each APEC economy.</p>	<ul style="list-style-type: none"> <li>The implementation of a systematic risk management approach will allow APEC Customs administrations to facilitate legitimate trade and travel while maintaining control.</li> </ul>
<p><b>12. Guidelines on Express Consignments Clearance</b> To implement principles contained in the WCO Guidelines on Express Consignment Clearance, the international standard procedures for clearance of express goods, working in partnership with express industry associations.</p>	<ul style="list-style-type: none"> <li>The timely implementation of the international standard for customs clearance of express shipments.</li> <li>Trade facilitation while maintaining essential customs control responsibilities.</li> </ul>
<p><b>13. Integrity</b> To raise level of integrity in Customs Administrations.</p>	<ul style="list-style-type: none"> <li>More accountable, consistent, reliable and transparent Customs Administration</li> </ul>
<p><b>14. Customs-Business Partnership</b> To enhance the cooperation and communication between Customs and the business sector</p>	<ul style="list-style-type: none"> <li>The development of Customs-Business Partnership with the relevant players / parties in the business sector through the signing of MOUs or other instruments of cooperative arrangement.</li> <li>The establishment of permanent and regular liaison / consultation channels between Customs and the relevant players / parties in the business sector.</li> </ul>

**TABLE 2: SCCP COLLECTIVE ACTION PLAN IMPLEMENTATION SCHEDULE<sup>3</sup>**

	HS Convention	Public Availability of Information	Kyoto Convention	Paperless Trading	WTO Valuation Agreement	TRIPS	Clear Appeal Provisions	Advance Classification Ruling System	Temporary Importations	Common Data Elements	Risk Management	Express Consignments Clearance	Customs Integrity
Plan Coordinators	Japan	HK, China Singapore	New Zealand Japan	Australia	Canada USA	USA	Canada Philippines	New Zealand Korea	USA Chinese Taipei	Canada	Australia USA	USA China	Australia HK,China
Target Dates	2002	♥	1998*	2005/2010	2000	2000	2000	2000	2000	♥	2002	2000	♥
Australia	√		√	√	√	√	√	√	√		√	√	
Brunei	√		*		√	√	2000	2000	2000		2002	2000	
Canada	√		√		√	√		√			√	√	
Chile	√		*		2000	2000	√	√	2000		√	√	
China	√		√		+	√	√	√	√		2002	√	
HK,China	√		*		N/A	√	√	N/A	√		√	√	
Indonesia	√		*		√	√	√	√	√		2002	2000	
Japan	√		√		√	√	√	√	√		√	√	
Korea	√		√		√	√	√	√	√		2002	√	
Malaysia	√		*		√	√	√	√	√		2002	√	
Mexico	√		√		√	√	√	√	√		2002	2000	
New Zealand	√		√		√	√	√	√	√		√	√	
PNG	√		*		√	2002	2000	2002	2000		2002	2002	
Peru													
Philippines	√		♥	♥	√	√	√	√	√		2002	√	
Russia													
Singapore	√		*		√	√	√	√	√		√	√	
Chinese Taipei	√		*	♥	√	√	√	√	2000		2002	2000	♥
Thailand	√		*		√	√	√	√	√		2001	√	
USA	√		*		√	√	√	√	√		√	√	
Viet Nam													

Legend			
√	Implemented	♥	On-going process
+	Actual implementation date subject to China's accession to WTO	N/A	Not applicable
*	Accession to the Convention subject to internal approval process		

<sup>1</sup>Peru, Russia and Vietnam are to be included in the CAP implementation schedule. These economies have become full members of APEC at the November 1998 Economic Leaders' Meeting in Kuala Lumpur.

For each CAP item, the level of implementation will vary among Customs Administrations. For the most recent additions to the CAP (common data elements, risk management and express consignments clearance), although the implementation date is shown as the target date, some economies have already implemented the item in full or in part. All member economies will have implemented the CAP item to varying degrees by the target date.

\* With the entry into force of HS2002 version for 1 January 2002, the new target date is now set 2002.

## CONVENOR'S SUMMARY REPORT ON INTELLECTUAL PROPERTY RIGHTS

### 1. Introduction

The Intellectual Property Rights Experts Group (IPEG) held two meetings in Sydney, Australia and Taichung, Chinese Taipei on March 20-21 and July 16-17 2001 respectively. The meetings delivered a number of outcomes.

### 2. Collective Action Achieved

- **New Collective Action Plans:** The IPEG agreed on the new proposed Collective Action Plans (new CAP) of intellectual property rights (IPR) area in February 2001 which was approved by the CTI-1 in February, and started its activities under the new CAP at the IPEG XII meeting in March 2001.
- **New Objective and Guidelines:** The IPEG also agreed on the new proposed OAA Objective and Guidelines in February 2001. The new Objective and Guidelines for IPR area were slightly modified and were to be approved in the context of CTI's work on broader review and development of OAA Guidelines.
- **APEC Government/Industry Workshop on IP Enforcement in the APEC Region:** The Government/Industry Workshop on IP Enforcement in the APEC Region was held along with the IPEG XII meeting in March 2001 to exchange information relating IPR enforcement issues between the private and public sectors.
- **APEC Symposium on Intellectual Property Rights in the New Economy:** The APEC Symposium on Intellectual Property Rights in the New Economy was held in association with the IPEG XIII in July 2001 to share knowledge and exchange views among the experts from public and private sectors on the challenging intellectual property issues and technology transfer issues.
- **APEC Copyright Seminar:** The APEC Copyright Seminar was held in Tokyo, Japan in March 2001 to exchange information and views on copyright issues responding to the development of information technology and e-commerce.

### 3. New Collective Actions Agreed

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

#### **4. Benefit and Beneficiary**

- Activities under the new CAP resulted in the following outcomes.
  - Study on strategies to promote utilisation of electronic means for IPR-related procedures contributes towards the development of efficient IP systems and practices for IPR protection in each member economy.
  - Appropriate IP asset management practices in the government authorities of member economies contribute to improve public understanding of good IP asset management practices.
  - Improved common understanding on international IPR developments promotes the adoption of recent international developments aimed at streamlining and harmonising IP protection.
- The Government/Industry Workshop on IP Enforcement in the APEC Region fostered private and public sectors cooperation on IPR enforcement.
- Knowledge shared and views exchanged at the APEC Symposium on Intellectual Property Rights in the New Economy will contribute to ensuring effective IP protection and to facilitating the transfer and dissemination of technology based on the appropriate IP protection.
- The APEC Copyright Seminar will contribute to ensure adequate and effective copyright protection in participants' economies.

#### **5. 2001 Highlights**

- The IPEG agreed on the new Collective Action Plans of IPR area and started its activities under the new CAP at the IPEG XII meeting in March 2001.
- The Government/Industry Workshop on IP Enforcement in the APEC Region was held in Sydney, Australia in March 2001.
- The APEC Symposium on Intellectual Property Rights in the New Economy was held in Taichung, Chinese Taipei in July 2001.
- The APEC Copyright Seminar was held in Tokyo, Japan in March 2001.

## INTELLECTUAL PROPERTY RIGHTS 2001 COLLECTIVE ACTION PLAN

Item	Summary of member economies' actions
<p><b>a) Deepening the Dialogue on Intellectual Property Policy<sup>4</sup></b></p> <p>(Lead Economy: Convenor)</p> <p><i>The members will continue to deepen the dialogue on intellectual property policies. Deepening the dialogue among members will be crucial in achieving a shared understanding of the latest trends in intellectual property policies. The CAP should have the flexibility to take in new questions when the need arises, and new problems that have been presented should be considered under this item or other relevant items.</i></p>	<p><b>Implemented actions in 1996 – 2000 (under previous CAP item a):</b></p> <ul style="list-style-type: none"> <li>- Member economies held/participated in various APEC related seminars and symposia.</li> <li>- The calendar of IPR-related meetings and events has been put on the Japan Patent Office website since April 1997 and linked with the APEC Secretariat website since June 1997. It is updated when needed.</li> </ul> <p><b>Implemented actions in 2001:</b></p> <ul style="list-style-type: none"> <li>- IPEG agreed to discuss on solutions regarding reduction of costs on the part of applicants and reduction of duplicated workload on the part of patent offices under CAP item (b-2) and (b-3) as well as item (a).</li> <li>- IPEG agreed to discuss on the Hague Conference on International Private Law, Genetic resources, Traditional Knowledge, and Folklore under CAP item (d).</li> </ul> <p><b>Future plans in and after 2002:</b></p> <ul style="list-style-type: none"> <li>- Members will circulate specific proposals and issue papers on new policy dialogue items.</li> <li>- The calendar is to be updated whenever needed.</li> </ul>

<sup>4</sup> Item (a) of the previous CAP will continue to be dealt with under this item.

Item	Summary of member economies' actions
<p><b>b) Support for Easy and Prompt Acquisition of Rights</b></p> <p><i>Globalizing economy and cross-border R&amp;D activities mean a need for systems which enable the prompt acquisition of rights in multiple countries through simple procedures. Support will therefore be given to establish systems which meet these needs, by encouraging efforts to participate in international IP-related systems and establish internationally harmonized domestic systems.</i></p>	
<p><b>b-i) Participation in International IP-related Systems<sup>5</sup></b> (Lead Economy: the US)</p> <p><i>Support will be given for modifications to domestic systems to enable participation in the various international IP-related systems that are currently operating or under consideration.</i></p>	<p><b>Implemented actions in 1996 – 2000 (under previous CAP item e-2):</b></p> <ul style="list-style-type: none"> <li>- Information exchanges on the current administrative system were conducted.</li> <li>- Guidelines for the simplification and standardisation of administrative procedures were adopted and published on the Internet.</li> </ul> <p><b>Implemented actions in 2001:</b></p> <ul style="list-style-type: none"> <li>- Information exchanges on participation in the various international IP related systems have been conducted.</li> </ul> <p><b>Future plans in and after 2002:</b></p> <ul style="list-style-type: none"> <li>- Information exchanges will be continued.</li> </ul>
<p><b>b-ii) Establishing Internationally Harmonized IPR Systems<sup>6,7</sup></b></p> <p><i>Efforts will be made toward the further harmonization of the various domestic IP systems, while ensuring the effectiveness of the TRIPS Agreement by considering the detailed matters of procedure not stipulated in the Agreement. A consensus has been reached on administrative guidelines, and their implementation on a proactive basis will be encouraged. Discussions on the format for trademark applications will also proceed, while taking care to ensure consistency with the existing international norms.</i></p>	<p><b>b-ii-1) Establishing Internationally Harmonized IPR Systems</b> (Lead Economy: Japan)</p> <p><b>Implemented actions in 2001:</b></p> <ul style="list-style-type: none"> <li>- Information exchanges on harmonization of IPR Systems have been conducted.</li> </ul> <p><b>Future plans in and after 2002:</b></p> <ul style="list-style-type: none"> <li>- Information exchanges will be continued.</li> </ul>

<sup>5</sup> This item is relevant to item (e) of the previous CAP, “Simplification and Standardization of Administrative Systems.”

<sup>6</sup> Item (d) of the previous CAP “Well-known Trademarks” led by Thailand will continue to be dealt with under this new item.

<sup>7</sup> Item (e-4) “Standardization of Trademark Application Form” of the previous CAP proposed and taken initiative by Singapore will continue to be tackled with under this broad new item.

Item	Summary of member economies' actions
	<p><b>b-ii-2) Standardization of Trademark Application Form</b> (Proposed by Singapore)</p> <p><b>Implemented actions in 1996-2000 (under previous CAP item e-4):</b></p> <ul style="list-style-type: none"> <li>- Efforts to establish a Common Trademark Application Form were made.</li> <li>- It was agreed that the Common Trademark Application Form be a model document or a guide be used as an instrument for members to devise their own forms.</li> </ul> <p><b>Implemented actions in 2001:</b></p> <ul style="list-style-type: none"> <li>- Additional requirements of the respective member economies' trademark application forms have been attached to the Common Trademark Application Form as annexes.</li> </ul> <p><b>Future plans in and after 2002:</b></p> <ul style="list-style-type: none"> <li>- The annexes will be updated and the Common Trademark Application Form will be finalized.</li> </ul> <hr/> <p><b>b-ii-3) Well-known Trademarks</b> (Lead Economy: Thailand)</p> <p><b>Implemented actions in 1996– 2000 (under previous CAP item d):</b></p> <ul style="list-style-type: none"> <li>- Surveys on practices concerning the protection of well-known marks were conducted.</li> <li>- IPEG members endorsed the WIPO Joint Recommendation Concerning Provisions on the Protection of Well-known marks and the text of Recommendation by APEC (IPEG) concerning the Protection of Well-known Marks was agreed upon in 2000.</li> </ul> <p><b>Implemented actions in 2001</b></p> <ul style="list-style-type: none"> <li>- Information exchanges on development related to protection of well-known trademarks have been conducted.</li> </ul> <p><b>Future plans in and after 2002:</b></p> <ul style="list-style-type: none"> <li>- Survey results will be compiled by Thailand to develop a directory of member economies' practices concerning the criteria for well-known trademarks. The compiled survey results will be published.</li> <li>- Information exchanges will be continued.</li> </ul>
<p><b>b-iii) Cooperation on Searches and Examinations</b><sup>8</sup> (Lead Economy: Japan)</p> <p><i>A system will be considered which will make use of search and examination results from other member economies, or mutually recognize them, in order to secure fast and accurate examinations.</i></p>	<p><b>Implemented actions in 2001:</b></p> <ul style="list-style-type: none"> <li>- Information exchanges on different modes of cooperation on searches and examinations have been conducted.</li> <li>-</li> </ul> <p><b>Future plans in and after 2002:</b></p> <ul style="list-style-type: none"> <li>- Members will consider possible APEC IPEG models for cooperation in search and examination based upon their experiences.</li> <li>- Information exchanges on sharing examination results among IP Offices will be conducted.</li> </ul>

<sup>8</sup> Similar activity has been taken as “Examination Cooperation” under the item (a) of the previous CAP “Deepening the Dialogue on IP Policy.”

Item	Summary of member economies' actions
<p><b>c) Electronic Processing of IPR-related Procedures</b></p> <p><i>Rapidly-developing computer technologies, including the Internet, have the potential to make an enormous contribution to ensuring efficient and transparent procedures. Discussions should be held on the potential for using this new technology to enable efficient systems and practices for IP protection and pooling or integration of software resources.</i></p>	
<p><b>c-i) Electronic Filing Systems<sup>9</sup></b></p> <p>(Lead economy: the US)</p> <p><i>Efforts should be made toward simplified procedures by accepting applications using electronic means such as the Internet.</i></p>	<p><b>Implemented actions in 1996 – 2000 (under previous CAP item e-1):</b></p> <ul style="list-style-type: none"> <li>- Information exchanges on electronic filing system were conducted.</li> </ul> <p><b>Implemented actions in 2001:</b></p> <ul style="list-style-type: none"> <li>- Strategies for overcoming customer resistance to e-filing were studied and working with user groups was realized as one of the most important approaches on this issue.</li> <li>- Information exchanges on electronic filing system have been continued.</li> </ul> <p><b>Future plan in and after 2002:</b></p> <ul style="list-style-type: none"> <li>- Information exchanges on strategies for promoting use of e-filing, especially on outcomes of their contacts with users, will be continued.</li> <li>- Information exchanges on electronic filing system have been continued.</li> <li>- Members will consider possible forms of technical cooperation on electronic filing.</li> </ul>
<p><b>c-ii) Dissemination of Information by Electronic Means<sup>10</sup></b></p> <p>(Lead Economy: Australia)</p> <p><i>The information concerning applications accumulated at intellectual property offices constitutes highly significant data concerning legal status and technology, and efforts should be made to widely publicize such information using the Internet or other electronic means in order to encourage the use of IP information.</i></p>	<p><b>Implemented actions in 1996 – 2000 (under previous CAP item e-3):</b></p> <ul style="list-style-type: none"> <li>- Quick-Link Matrix, the first product of IP Information Mall, is accessible on the website of Japan Patent Office.</li> </ul> <p><b>Implemented actions in 2001:</b></p> <ul style="list-style-type: none"> <li>- Re-development of the IPEG website has been proceeded by Australia and will go on-line in September.</li> <li>- The draft report on the survey of laws compiled by Australia will be finalised.</li> </ul> <p><b>Future plan in and after 2002:</b></p> <ul style="list-style-type: none"> <li>- Ongoing work for the re-development of the IPEG website will be continued taking into consideration members comments and materials to upload on the website will continue to be provided by members.</li> <li>- Information exchanges on the ideal method of dissemination of information by electronic means will be conducted.</li> </ul>

<sup>9</sup> Similar activity has been taken under the item (e-1) of the previous CAP.

<sup>10</sup> This activity is relevant to item (e-3) of the previous CAP, "IP Information Mall".



Item	Summary of member economies' actions
<p><b>d) Appropriate Protection of IPR in New Fields</b></p> <p><i>Consideration should be given to the systems and practices needed to provide appropriate protection of intellectual properties in new fields, or to resolve newly arising issues in existing fields.</i></p>	
<p><b>d-i) Protection for Biotechnology and Computer-related Inventions</b></p> <p>(Lead Economy: the US )</p> <p><i>Consideration should be given to systems and practices, including guidelines, for ensuring appropriate patent protection for new technologies.</i></p>	<p><b>Implemented actions in 1996 – 2000 (under previous CAP item a):</b></p> <ul style="list-style-type: none"> <li>- Policy dialogues on biotechnology, electronic commerce (such as business method inventions) were conducted.</li> <li>- The biotechnology training package was prepared by Australia.</li> </ul> <p><b>Implemented actions in 2001:</b></p> <ul style="list-style-type: none"> <li>- The biotechnology training package has been updated by Australia.</li> <li>- Information exchanges have been conducted on developments in members' jurisdictions on patents in the fields of biotechnology, computer software-related inventions, and business methods.</li> </ul> <p><b>Future plan in and after 2002:</b></p> <ul style="list-style-type: none"> <li>- The biotechnology training package will be finalized.</li> <li>- Information exchanges will be continued.</li> </ul>
<p><b>d-ii) Protection for Geographical Indications<sup>11</sup></b></p> <p>(Lead Economy: Mexico)</p> <p><i>Consideration should be given to an adequate way for ensuring the appropriate protection as intellectual property for geographical indications.</i></p>	<p><b>Implemented actions in 1996 – 2000 (under previous CAP item a):</b></p> <ul style="list-style-type: none"> <li>- Policy dialogues on geographical indications (GIs) were conducted.</li> <li>- The survey on GI protection among members was conducted.</li> </ul> <p><b>Implemented actions in 2001:</b></p> <ul style="list-style-type: none"> <li>- Survey results on GI protection among members has been updated.</li> <li>- Information exchanges have been conducted on GI protection, the relation between GIs and Internet domain names, and implications of TRIPs Agreement provisions relating to GIs</li> </ul> <p><b>Future plan in and after 2002:</b></p> <ul style="list-style-type: none"> <li>- Survey results on GI protection among members will be finalized and published.</li> <li>- A snapshot list of domestic GI examples protected by each APEC economy will be surveyed.</li> <li>- Information exchanges will be continued.</li> </ul>

<sup>11</sup> Similar activity has been taken under item (a) of the previous CAP, "Deepening the dialogue on IP policy."

Item	Summary of member economies' actions
<p><b>d-iii) Electronic commerce<sup>12</sup></b> (Lead Economy: Australia)</p> <p><i>Consideration should be given to ways in which existing IP systems could address the consequences of the rapid development and spread of electronic commerce, and to promote the effective and balanced protection of IPRs in the digital environment, with particular regard to the coordinated implementation of new international standards.</i></p>	<p><b>Implemented actions in 1996 – 2000 (under previous CAP item a):</b></p> <ul style="list-style-type: none"> <li>- Policy dialogues on electronic commerce were conducted.</li> </ul> <p><b>Implemented actions in 2001:</b></p> <ul style="list-style-type: none"> <li>- Australian draft paper on e-commerce road map has been prepared.</li> <li>- Information exchanges on domestic developments related to IPR protection in the context of e-commerce have been conducted.</li> </ul> <p><b>Future plan in and after 2002:</b></p> <ul style="list-style-type: none"> <li>- Australian draft paper on e-commerce road map will be finalised.</li> <li>- Policy dialogues and information exchanges on domestic developments related to IPR protection in the context of e-commerce will be continued.</li> </ul>
<p><b>d-other-1) Hague Conference on International Private Law</b> (Proposed by the United States)</p>	<p><b>Implemented actions in 2001:</b></p> <ul style="list-style-type: none"> <li>- Information exchanges on the Hague Conference on International Private Law have been conducted.</li> </ul> <p><b>Future plan in and after 2002:</b></p> <ul style="list-style-type: none"> <li>- Information exchanges will be continued.</li> </ul>
<p><b>d-other-2) Genetic resources, Traditional knowledge, and Folklore</b></p>	<p><b>Implemented actions in 2001:</b></p> <ul style="list-style-type: none"> <li>- Information exchanges on the Hague Conference on International Private Law have been conducted.</li> </ul> <p><b>Further plan in and after 2002:</b></p> <ul style="list-style-type: none"> <li>- Policy dialogues and information exchanges on genetic resources, traditional knowledge, and folklore will be continued.</li> </ul>

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<sup>12</sup> Ditto.

Item	Summary of member economies' actions
<p><b>e) Cooperation for Improvements to the Operation of IP Systems<sup>13</sup></b></p> <p>(Lead Economy: Korea)</p> <p><i>The conclusion of the TRIPS Agreement means that certain minimum standards of intellectual property rights protection are set, but the problems of lack of personnel and know-how remain on the operational side. To deal with these problems, efforts should be made for considering better technical cooperation, including that through international programs, in areas such as human resources development, computerization and improvement in administrative procedures.</i></p>	<p><b>Implemented actions in 1996 – 2000 (under previous CAP item g):</b></p> <ul style="list-style-type: none"> <li>- The table of Technical Cooperation/Assistance Requested and Offered was drawn up to facilitate technical cooperation.</li> <li>- The APEC IPR International Symposium was held in Korea in June 1999 to assist the implementation of the TRIPS Agreement.</li> <li>- Surveys on current status toward TRIPS implementation were conducted.</li> <li>- IPEG member economies agreed on the draft of the Joint Statement on the WTO/TRIPS Agreement Implementation and it was adopted with some modifications at the Meeting of Ministers Responsible for Trade held in June 2000.</li> <li>- The Self-Checklist concerning Issues on the Enhancement of Efficiency in Office Operation with emphasis on Search and Examination was prepared and revised taking into account members' comments.</li> </ul> <p><b>Implemented actions in 2001:</b></p> <ul style="list-style-type: none"> <li>- Surveys on current status toward TRIPS implementation have been conducted.</li> <li>- The Self-Checklist was finalised.</li> <li>- Information exchanges on developments in members' IP systems, particularly with bearing on TRIPS implementation have been conducted.</li> <li>- Information exchanges on technical assistance in relation to preparation of TRIPS documentation have been conducted.</li> <li>- The APEC IPEG IT International Symposium will be held in Korea in October 2001 as an IPEG technical cooperation program to promote the operation of the IPR system in APEC Region.</li> </ul> <p><b>Further plan in and after 2002:</b></p> <ul style="list-style-type: none"> <li>- Surveys on current status toward TRIPS implementation will be continued.</li> <li>- Information exchanges will be continued on developments in members' IP systems, particularly with bearing on TRIPS implementation and technical assistance in relation to preparation of TRIPS documentation.</li> </ul>

<sup>13</sup> This item is relevant to item (g) of the previous CAP, "Implementation of the TRIPS Agreement and Technical Cooperation."

Item	Summary of member economies' actions
<p><b>f) Establishing Effective Systems for IPR Enforcement<sup>14</sup></b></p> <p>(Lead Economies: Australia, Japan, Mexico, the Philippines, and Thailand<sup>15</sup>)</p> <p><i>This item aims to strengthen APEC cooperation on IPR enforcement. There are a number of possible outcomes for this proposal, including the establishment of IPR enforcement or "best practices" guidelines; the establishment of regular, structured exchange of practical information on trends in infringement and on IPR enforcement; and the increased cooperation between agencies involved in IPR enforcement. Best efforts will be given to help members establish appropriate and effective systems for supporting IPR enforcement.</i></p>	<p><b>Implemented actions in 1996 – 2000 (under previous CAP item g):</b></p> <ul style="list-style-type: none"> <li>- Survey results on the IPR enforcement system were compiled and published on the Internet.</li> <li>- IPEG had dialogues with the private sector to share real -life experience at the IPEG meeting in March 2000 and APEC/ IPEG Separate Meeting on IPR Enforcement in Cheju, Korea in July 2000.</li> </ul> <p><b>Implemented actions in 2001</b></p> <ul style="list-style-type: none"> <li>- The Government/Industry Workshop on IP Enforcement in the APEC Region was held in Sydney, Australia in March 2001 to foster private and public sectors cooperation on IPR enforcement.</li> <li>- The draft 'resource manual' on enforcement was prepared by Australia.</li> </ul> <p><b>Further plan in and after 2002:</b></p> <ul style="list-style-type: none"> <li>- The draft 'resource manual on enforcement' will be finalized.</li> <li>- Proposals for possible IPEG actions made by industries and governments at the Sydney workshop as well as the Cheju separate meeting will be reviewed.</li> <li>- Holding of a follow-up information exchange forum on enforcement between members of the private and public sectors, including enforcement authorities, will be considered.</li> </ul>
<p>f-i) Establishment of Enforcement Guidelines</p> <p><i>In order to ensure that the effective enforcement of IPR is consistent with the enforcement related provisions of the TRIPS Agreement, consideration will be given to establishing guidelines covering the detailed procedures necessary when implementing these provisions.</i></p>	<p><b>Implemented actions in 2001:</b></p> <ul style="list-style-type: none"> <li>- Best practices on enforcement of industrial property rights were proposed by Japan.</li> </ul> <p><b>Further plan in and after 2002:</b></p> <ul style="list-style-type: none"> <li>- Japan's proposal will be revised taking into account member's comments and information.</li> </ul>

<sup>14</sup> Item (f) of the previous CAP will continue to be dealt with under this item.

<sup>15</sup> Responsibility would be shared among the five economies for each of the three items.

Item	Summary of member economies' actions
<p><b>f-ii) Exchange of Information Concerning IPR Infringement</b></p> <p><i>To assist effective cooperation on IPR enforcement between APEC economies, a framework should be established to exchange relevant information among member economies and to investigate measures for accurately surveying the current status of IPR infringements.</i></p>	<p><b>Further plan in and after 2002:</b></p> <ul style="list-style-type: none"> <li>- The survey on Laws and Regulations and Enforcement Practices to Control Export of Counterfeit/Pirated Products among APEC Economies will be conducted.</li> </ul>
<p><b>iii) Cooperation with other fora/authorities</b></p> <p><i>A comprehensive IPR enforcement policy should be discussed through cooperation between intellectual property rights offices and intellectual property rights enforcement authorities. As the first step, close relationships should be established among related APEC fora, especially the IPEG and Sub-committee on Customs Procedure (SCCP).</i></p>	<p><b>Further plan in and after 2002:</b></p> <ul style="list-style-type: none"> <li>- Ideas to facilitating cooperation with other fora/authorities will be considered.</li> </ul>
<p><b>g) Promoting IP Asset Management in APEC Economies</b></p> <p><i>Authorities in APEC Member Economies, as some of the largest consumers of intellectual property, can play an essential role in setting the example as lawful users of IP. By establishing and publicizing strong management practices for software and other IP assets in their own offices, authorities will have a tremendous impact on the public's perception of what is right and wrong with respect to IPR. Information on current practices within Member Economies should be collected and disseminated, with a view to identifying best practices and opportunities for technical assistance. As an initial step, Member Economies should focus their efforts on software asset management practices.</i></p>	<p>(Lead Economy: the US)</p> <p><b>Implemented actions in2001:</b></p> <ul style="list-style-type: none"> <li>- The survey into the legal framework governing use of legal software by government agencies was conducted and survey results have been compiled by the US.</li> <li>- Information exchanges on the nature and practical implementation of government mechanisms for ensuring legitimate software use by government agencies have been conducted.</li> </ul> <p><b>Further plan in and after 2002:</b></p> <ul style="list-style-type: none"> <li>- Survey results will be finalised.</li> <li>- Information exchanged will be continued.</li> </ul>

Item	Summary of member economies' actions
<p><b>h) Raising Public Awareness<sup>16</sup></b></p> <p>(Lead economies: Australia and Hong Kong, China)</p> <p><i>Examine ways of increasing cooperation on promoting public awareness and education of IPRs, including specific programs for target groups, such as potential users of the IP systems, schoolchildren etc, with a focus both on general awareness of the potential benefits of the IP systems and on sector-specific IP management skills. Pool materials and experience relating to public education and awareness programs.</i></p>	<p><b>Implemented actions in 1996-2000 (under previous CAP item other):</b></p> <ul style="list-style-type: none"> <li>- The IPEG collected existing materials for public education.</li> </ul> <p><b>Implemented actions in 2001:</b></p> <ul style="list-style-type: none"> <li>- Information exchanges on members' efforts to raise public awareness have been conducted.</li> </ul> <p><b>Further plan in and after 2002:</b></p> <ul style="list-style-type: none"> <li>- Information exchanged will be continued.</li> </ul>
<p><b>i) Facilitation of Technology Transfer through Ensuring of IP Protection</b></p> <p>(Lead Economies: Australia and Japan)</p> <p><i>Approaches will be considered for contributing to the economic and technological development of APEC economies by facilitating dissemination, transfer and uptake of technology within the context of the IP systems, and promoting IP management skills.</i></p>	<p><b>Implemented actions in 2001:</b></p> <ul style="list-style-type: none"> <li>- Information exchanges on facilitation of technology transfer in the APEC region, particularly with ensuring of IP protection,</li> <li>- ' Patent commercialization and technology transfer ' was taken up at the APEC Symposium on Intellectual Property Rights In the New Economy held in Taichung, Chinese Taipei in July 2001.</li> </ul> <p><b>Further plan in and after 2002:</b></p> <ul style="list-style-type: none"> <li>- Information exchanged will be continued.</li> </ul>

- Economies' actions under previous CAP item b (the survey on the current status of intellectual property rights protection in each APEC economy) and previous CAP item c (the development a contact point list) were finished in 2000. The successive reports for these items will be given on later updates and the status of development, if necessary.

<sup>16</sup> This activity has been taken under an informal part of the previous CAP.

Item	Summary of member economies' actions
<p><b>Others</b> <b>Public involvement</b></p>	<p><b>Implemented actions in 1996-2001:</b></p> <ul style="list-style-type: none"> <li>- A joint symposium between public and private sectors was held in February 1999, with an invitation to ABAC International Trademark Association (INTA: the representative of trademark users) made recommendations on trademark issues at the IPEG X meeting.</li> <li>- IPEG members responded to the APEC Automotive Dialogue's request and a meeting between public and private sectors on IPR enforcement was held in association with the IPEG XI in July 2000.</li> <li>- The Government/Industry Workshop on IP Enforcement in the APEC Region was held in association with the IPEG XII in March 2001 to foster private and public sectors cooperation on IPR enforcement.</li> <li>- The APEC Symposium on Intellectual Property Rights In the New Economy was held in association with the IPEG XIII in July 2001 to exchange viewpoints and share knowledge among the experts from public and private sectors on the challenging intellectual property issues and technology transfer issues.</li> </ul> <p><b>Further plans in and after 2002:</b></p> <ul style="list-style-type: none"> <li>- IPEG will continue to respond to ABAC or other private sector's recommendations.</li> <li>- IPEG members will continue a dialogue with private sector.</li> </ul>
<p><b>Others</b></p>	<p><b>Implemented actions in 1996-2001:</b></p> <ul style="list-style-type: none"> <li>- The APEC/PFP course was held five times.</li> <li>- The APEC copyright seminar was held in Tokyo, Japan in March 2001.</li> </ul>

# **CONVENOR'S SUMMARY REPORT ON COMPETITION POLICY AND DEREGULATION**

## **1. Introduction**

The Competition Policy and Deregulation Group has considered within its work program, the implementation of the APEC Principles to Enhance Competition and Regulatory Reform, recognizing their strategic importance to support the strengthening of markets in order to ensure and sustain growth in the region.

The main focus of the short-term and ongoing objectives of the Competition Policy CAP, is to promote information sharing, dialogue and study on competition policy/laws and their enforcement, and their inter-relationship with other policies related to trade and investment, and to increase the transparency of existing competition policies, as well as promoting a culture of competition among governments and domestic constituencies.

The main focus of the Deregulation CAP is to promote information sharing and dialogue, and increase the transparency of existing regulatory regimes and regulatory reform processes. Transparency in regulatory regimes and the elimination of trade impeding or unnecessarily restrictive regulations are the key objectives of APEC work in the deregulation area.

## **2. Collective Actions Achieved**

- Held successfully the Opening Conference of the APEC OECD Cooperative Initiative on Regulatory Reform (Singapore, February 21-22, 2001). In this way the CAP related to deepening the dialogue between APEC economies and relevant international organizations was accomplished.
- Continued dialogue, information exchange and study of competition policy, competition laws, their enforcement and their interrelationship with other policies related to deregulation, trade and investment. This was advanced through:
  - The annual Workshop on Competition Policy and Deregulation during SOM II in Shenzhen, China in which various presentations were made, it is worth mentioning:
    1. Presentation made by GOS Convenor.
    2. Presentation made by SCSC Chair.
    3. U.S. Presentation (and Paper) on the U.S. Corporation Leniency Program
    4. U.S. Presentation (and Paper) on the case of the Federal Trade Commission (FTC) vs. Mylan Laboratories Inc. Et Al.
    5. Information Session on Gender (AGGI)
    6. Mexican Presentation on the Interaction Between Competition Authorities and Sectoral Regulators.
    7. Presentation on the Structure and Functioning of the Korean Fair Trade Commission.
  - Participation in the development of the Menu of Options on Competition Policy, for the "Strengthening Economic Legal Infrastructure"
  - Further development of the competition policy and law Internet database.
- Undertake Capacity Building Programs, to achieve understanding of Competition Laws and Alternative Regulatory Regimes. This was achieved through the APEC Partners for Progress Fifth Seminar on Competition Policy was held in Bangkok on March 13-15 2001.



### **3. New Collective Actions Agreed**

- Undertake capacity building programs to assist economies in implementing the APEC Principles to Enhance Competition and Regulatory Reform.
- Continue to develop an understanding of competition policies and/or laws within their respective governments and within relevant domestic constituencies, thereby fostering a culture of competition.
- Continue support for the joint APEC-OECD Co-Operative Initiative in the field of Regulatory Reform for 2002, project CTI 08/2002T.
- Deepening the dialogue with other APEC Fora and Subfora on the understanding and reporting of the implementation of the APEC Principles to Enhance Competition and Regulatory Reform.
- Develop a Training Program to Promote Competition in APEC Economies (2002), project CTI 23/2002T

### **4. Benefits and Beneficiaries**

The information exchanged and policy dialogue in this area facilitates transparency of competition policy, and regulatory regimes. It helps find new options for deregulation and for the implementation of competition policy. With this regard, the competition policy and law Internet database provides free information to the business community, officials and academics.

The APEC-OECD Co-Operation has proven to be an excellent way to enforce the Road Map Initiative on “Strengthening Markets” through the continued dialogue and sharing of experiences among economies from both fora dealing with the challenges of regulatory reform.

### **5. 2000 Highlights**

- Information exchange and deepened policy dialogue on the region’s competition laws and policies.
- Fifth APEC Partners for Progress seminar on Competition Policy was held in Bangkok on 14–16 March 2000.
- The 2001 APEC Workshop on Competition Policy and Deregulation was held in Shenzhen, China on 27–28 May 2001.
- The Opening Conference of the APEC-OECD Joint Co-Operation Program on Regulatory Reform for 2000-2001, was held in Singapore February 21-22, 2001.
- Participation in the APEC Economic Legal Infrastructure Meeting held 22 February 2001, in Shenzhen, China during SOM II.
  - Refinement of Detailed Projects on the basis of the Competition Law/Policy Menu of Options. This projects will seek intersessional approval by CPD.
- Further development of the APEC Competition Law and Policy Internet Database.

## COMPETITION POLICY 2001 COLLECTIVE ACTION PLAN

Collective Action	Steps to Implement	Time Frame
<p>a) Gather information and promote dialogue on and study:</p> <ul style="list-style-type: none"> <li>i) The objectives, necessity, role and operation of each APEC economy's competition policy and/or laws and administrative procedures, thereby establishing a database on competition policy;</li> <li>ii) Competition policy issues that impact on trade and investment flows in the Asia-Pacific region;</li> <li>iii) Exemptions and exceptions from the coverage of each APEC economy's competition policy and/or laws in an effort to ensure that each is no broader than necessary to achieve a legitimate and explicitly identified objective;</li> <li>iv) Areas for technical assistance and the modalities thereof, including exchange and training programs for officials in charge of competition policy, taking into account the availability of resources; and</li> <li>v) The interrelationship between competition policy and/or laws and other policies related to trade and investment.</li> </ul>	<ul style="list-style-type: none"> <li>A. Collective action: Continue policy dialogue and information exchange and study on competition policy, competition laws and their enforcement and their interrelationship with other policies related to trade and investment, including through further workshops if members so decide.</li> <li>B. Individual economies: To provide further information (update) on their competition policies, competition laws and their enforcement, exemptions and exceptions from the coverage of competition policy and/or law, thereby enhancing transparency and contributing to the development and enhancement of the APEC database on competition law and policy.</li> <li>C. Individual economies to seek technical assistance and/or consider providing training programs with a view to sharing their experience in operating competition policies and laws with others.</li> <li>D. Complete the study on the advantages and disadvantages of competition law for developing economies.</li> </ul>	<p>Started 1996, (each annual CPDG Workshop is an opportunity for this continuous exchange)</p> <p>Ongoing (data base is continuously updated)</p> <p>Ongoing</p> <p><b>Completed 1999</b></p>
<p>b) Deepen competition policy dialogue between APEC economies and relevant international organizations</p>	<ul style="list-style-type: none"> <li>A. Collective action: maintain dialogue with other international organizations considering competition policy and law issues.</li> <li>B. Collective action: continue to respond positively to interest by the WTO Working Group on the Interaction Between Trade and Competition Policy in sharing information on APEC's competition policy/deregulation work, in accordance with the mandate given by APEC Trade Ministers.</li> </ul>	<p>Ongoing (OECD Coop. Initiative)</p> <p>Ongoing</p>

Collective Action	Steps to Implement	Time Frame
c) Continue to develop understanding in the APEC business community of competition policy and/or laws and administrative procedures	Collective action: Individual economies to further develop dialogue with the business community on competition policy and/or laws and administrative procedures.	Ongoing
d) Continue to develop an understanding of competition policies and/or laws within their respective governments and within relevant domestic constituencies, thereby fostering a culture of competition	Collective action: Individual economies will develop and implement strategies to explain the benefits of competition policy/laws to their citizens and government.	Ongoing
e) Encourage cooperation among the competition authorities of APEC economies with regard to information exchange, notification and consultation	<p>A. Collective action: consider further actions for promoting cooperation among competition authorities.</p> <p>B. Individual economies to list and update contact points of competition authorities no later than 1 January 2001 with a view to information exchange, consultation and communication where deemed necessary.</p>	<p>Ongoing</p> <p><b>Completed</b></p>
f) Contribute to the use of trade and competition laws, policies and measures that promote free and open trade, investment and competition	A. Interaction with other APEC Subfora.	Ongoing
g) Encourage all APEC economies to implement the "APEC Principles to Enhance Competition and Regulatory Reform"	<p>A. Collective action is to establish a set of non-binding APEC Principles to Enhance Competition and Regulatory Reform.</p> <p>B. Individual Economies: Action oriented undertakings directed to the implementation of the "APEC Principles to Enhance Competition and Regulatory Reform" by APEC Fora and Subfora.</p>	<p>September 1999.</p> <p>Ongoing</p>
h) Undertake capacity building programs to assist economies in implementing the "APEC Principles to Enhance Competition and Regulatory Reform"	<p>A. Collective Action: Participation in the APEC-OECD Cooperative Initiative for Regulatory Reform</p> <p>B. Collective Action: Participation in the Training Program to Promote Economic Competition in Regulated Sectors.</p>	<p>Feb. 2001 to Sep. 2002</p> <p>Feb. 2002 to Feb. 2003</p>

## DEREGULATION 2001 COLLECTIVE ACTION PLAN

Collective Action	Steps to Implement	Time Frame
(a) Publish annual reports detailing actions taken by APEC economies to deregulate their domestic regulatory regimes.	Individual economies agreed that this would occur within their IAP to report on reforms to their domestic regulatory regimes and to update such reports annually.	Starting 1996
(b) Develop further actions taking into account the above reports, including:  i) Policy dialogue on APEC economies' experiences in regard to best practices in deregulation, including the use of individual case studies to assist in the design and implementation of deregulatory measures, and consideration of further options for a work program which may include: <ul style="list-style-type: none"> <li>- identification of common priority areas and sectors for deregulation;</li> <li>- provision of technical assistance in designing and implementing deregulation measures; and</li> <li>- examination of the possibility of establishing APEC guidelines on domestic regulation.</li> </ul>	A. Collective action: take stock of information already gathered in APEC on regulatory regimes and regulatory reform with a view to identifying common experiences, and technical assistance needs and availability.  B. Collective action: promote dialogue and understanding within APEC, through focused discussion, on the experiences of APEC economies and on the principles applied to and best practices in, regulatory reform (drawing on the short-term information gathering exercise).  C. Collective action: following the Christchurch workshop on competition policy and deregulation, develop a common understanding of the interrelationships between competition policy, deregulation and trade liberalization.  D. Collective action: establish a set of non-binding APEC Principles to Enhance Competition and Regulatory Reform, and a set of action orientated undertakings on competition policy and deregulation.  E. Individual Economies: Action oriented undertakings directed to the implementation of the "APEC Principles to Enhance Competition and Regulatory Reform" by APEC Fora and Subfora.	Ongoing and continuous.  Ongoing  September 1999  Ongoing

# CONVENORS'S SUMMARY REPORT ON GOVERNMENT PROCUREMENT

## 1. Introduction

The Government Procurement Experts Group (GPEG) was established in 1995 to consider ways to increase transparency of, and liberalise, GP markets in accordance with the goals of the Bogor declaration. New Zealand chaired the Group from the end of 1999 to May 2001, after which Australia agreed to act as chair and was confirmed by consensus at the GPEG meeting 18-19 August 2001.

In 2001, the GPEG's work has focused on continuing the agreed process of voluntary reviews and reporting by member economies on consistency of their GP regimes with the APEC Non-binding Principles (NBPs) on Government Procurement (GP) which were adopted in 1999. Another main topic has been the development of Internet-based e-procurement in APEC economies in ways consistent with the NBPs and enhancing transparency in particular.

## 2. Collective Actions Achieved

- Agreement on a Collective Action Plan, identifying GPEG's short and long term objectives, with related actions and timeframes.
- The program of voluntary review reports (including updates on previous reports) on consistency of GP regimes with the NBPs continued in 2001, with reports on Transparency having now presented by the majority of member economies, and reports presented by two members in relation to all NBPs.
- A series of presentations on e-procurement, with particular focus on the consistency of electronic GP systems with the NBPs and capacity building through the provision of technical information, was commenced by Hong Kong China and Australia on 19 August.

## 3. New Collective Actions Agreed

- The chair will circulate a questionnaire on e-procurement for comment, to agree a format to be used to identify the challenges facing economies, particularly developing economies, in implementing electronic GP systems. This information will be used to inform the development of capacity building projects, the first of which to be considered in the SOM I in 2002.
- A summary of member economies' reports on the consistency of their procurement systems with the Transparency NBP would be provided to the WTO Working Group on Transparency.
- As the presentations on e-procurement were well received, there was a commitment to continue with this program, with a number of member economies agreeing to present on this topic at SOM I in 2002.

## 4. Benefits and Beneficiary

The process of voluntary reviews and reporting on consistency of GP regimes with the APEC Non-binding Principles on GP, will help guide members in establishing fairer more open and transparent GP systems, contributing to the long term goal of liberalisation of the GP markets in the APEC region. Capacity-building programs, relating the NBPs to Internet based e-procurement development, will help to ensure that adoption of electronic commerce methods is consistent with the APEC NBPs.

## **5. 2001 Highlights**

- Commenced a series of presentations on e-procurement aimed at demonstrating the contribution electronic GP systems can make to the achievement of the NBPs and capacity building through the sharing of technical information.
- Commenced a program to identify capacity building opportunities and develop projects, the first of which is to be discussed at SOM I.
- Continued the process of member's reporting to GPEG on their voluntary review of the consistency of their GP systems with the APEC Non-binding Principles on GP.

## GOVERNMENT PROCUREMENT 2001 COLLECTIVE ACTION PLAN

	Objectives	Actions	Status/Target Date
1.	<b>Ongoing</b>		
1.1	To improve understanding of members' government procurement (GP) systems and regional/plurilateral/ multilateral agreements on GP.	<ul style="list-style-type: none"> <li>a. Maintain contact points to facilitate ongoing exchange of information.</li> <li>b. Workshops, seminars, training courses on GP procedures, laws, regulations, regional/plurilateral/multilateral agreements and best practice developments, including electronic procurement systems.</li> </ul>	<p>Ongoing</p> <p>Ongoing</p>
1.2	To increase transparency in GP through the dissemination of publicly available information.	<ul style="list-style-type: none"> <li>a. Update annually members' returns to the surveys on their GP systems and publication arrangements for GP information and publish this information on the APEC homepage.</li> <li>b. Encourage members to develop databases or expand their existing databases on GP to include information such as legal framework, requirements for participation in tendering procedures, procurement opportunities, outcomes of tenders, bid-challenge procedures and contact points, consistent with the elements of transparency in GP identified by GPEG; and on a voluntary basis, link their databases on GP up with the APEC GP Homepage.</li> </ul>	<p>June each year from 1998.</p> <p>Ongoing</p>
1.3	To contribute to the WTO's work on Transparency in GP.	<ul style="list-style-type: none"> <li>a. Continue to monitor progress of the WTO Working Group on Transparency in GP and consider further contributions, if appropriate.</li> </ul>	<p>Ongoing</p>

	<b>Objectives</b>	<b>Actions</b>	<b>Status/Target Date</b>
<b>2.</b> 2.1	<b>Short-term</b> To review consistency of GP systems with the APEC non-binding principles on GP, noting that actions to achieve this are voluntary.	<p>a. Encourage members to include in their IAPs plans to review the consistency of their GP systems with the non-binding principles and, if there are inconsistencies, voluntarily bring their systems into conformity with the non-binding principles.</p> <p>b. Encourage Members to report to the GPEG on their voluntary reviews of the consistency of their GP systems with the non-binding principles.</p> <p>c. Encourage members to report on the consistency of their procurement systems with the APEC NBPs in a standardised format</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>
2.2	To exchange information on development of e-procurement in GP in ways consistent with the NBPs, and consider/develop relevant capacity-building approaches	a. Hold seminar on e-procurement systems for GP on 18 August and discuss ways of advancing GPEG work in this area	February 2002
<b>3.</b>	<b>Long-term</b> To achieve liberalization of GP markets throughout the Asia-Pacific region in accordance with the principles and objective of the Bogor Declaration.	Encourage the implementation of the APEC NBPs with a view to liberalising GP markets in the APEC region, contributing in the process to the evolution of work on GP in other multilateral fora.	Ongoing 2010/2020



# CONVENOR'S SUMMARY REPORT ON DISPUTE MEDIATION

## 1. Introduction

CTI established the Dispute Mediation Experts' Group (DMEG) in 1995 to explore the possibility of developing an APEC dispute mediation service and the options for an effective method to assist in resolving trade-related disputes among members in a constructive and amicable manner without duplicating or detracting from the GATT-WTO Dispute Settlement Process.

In line with the management reform process, the 2nd CTI Meeting held in Christchurch on 3–4 May 1999 agreed to realign work in the area of Dispute Mediation to enable the substantive work on dispute mediation to be carried out under the direct responsibility of the CTI Chair.

## 2. Collective Action Achieved

- Reviewed proposals/comments from member economies on the issue area of dispute mediation in the OAA Review and Development Exercise

## 3. New Collective Action Agreed

- To consider looking into the extension of the joint Australia-Indonesia Alternative Dispute Resolution Projects to APEC
- To Update the *Guide to Arbitration and Dispute Resolution in APEC Member Economies*. The website version of the 1999 Guide would be brought up-to-date with the latest changes in practices and institutions of member economies. It will also bring the material on the site into line with the current look and feel of other contemporary APEC sites.
- To consider organizing information seminars on the WTO Dispute Settlement Understanding and developing training programs in WTO laws and procedures in response to the Strategic Plan to build capacity in APEC to implement WTO Agreements.

## 4. Benefits and Beneficiary

APEC's work in the area of dispute mediation has benefited representatives of APEC member economies who work in the trade field by way of equipping them with a better understanding of the WTO Dispute Settlement mechanism, and training them on the policy and legal aspects of managing and pursuing a dispute in the WTO.

The work in this area that relates to disputes between APEC governments and private entities and disputes between private entities, is also directly relevant to the private/business sector. Voluntary and non-confrontational approaches to dispute resolution are often more cost-effective than formal dispute resolution mechanisms. These approaches may allow government and private entities to a dispute to find solutions that are in their mutual economic interests.

## DISPUTE MEDIATION 2001 COLLECTIVE ACTION PLAN

ACTION	STEPS TO IMPLEMENT	TIME FRAME
<p><b>(a) Regarding disputes between APEC economies:</b>            (i) promote dialogue and increased understanding, including exchange of views on any matter that may lead to a dispute, and cooperatively examine on a voluntary basis disputes that arise, utilizing policy dialogue such as the "Trade Policy Dialogue" of CTI.</p>	<p>At their 1999 meeting, Experts noted that the trade policy dialogue (TPD) was available to member economies that wished to take advantage of its informal, off-the-record, non-adversarial procedures to exchange views on particular disputes or issues that may lead to disputes, where they considered it appropriate to do so. However, no specific proposals for such discussion had been received.</p>	<p>Experts observed that the DSU review is well underway in Geneva and noted that any attempt by DMEG to insert itself into this process at this late stage would not be desirable or constructive. Instead, Experts preferred to await the outcome of the DSU and have a WTO expert attend a future DMEG meeting to explain the results of the DSU review.</p>
<p>(ii) give further consideration as to how the above Trade Policy Dialogue or similar functions of other fora may be used by APEC economies for the exchange of information, enhanced dialogue and mediation</p>	<p>Experts acknowledged the important contribution already being made to dispute avoidance by the TPD through transparency and exchange of information. Experts agreed that the TPD could provide an appropriate forum to promote liberalization and commonality in regulation among APEC economies by review of Individual Action Plans.</p> <p>Experts considered that including hyperlinks to web sites of related fora in the electronic version of the <i>Guide to Arbitration and Dispute Resolution in APEC Member Economies</i> could enhance exchange of information and promote dialogue.</p>	<p>Review of Individual Action Plans is ongoing.</p> <p>To be reviewed in conjunction with future update of the <i>Guide to Arbitration and Dispute Resolution in APEC Member Economies</i>.</p>
<p>(iii) examine the possible future evolution of procedures for the resolution of disputes as the APEC liberalization and facilitation process develops</p>	<p>Experts will continue consideration at future meetings of government-to-government dispute mediation in keeping with the evolution of APEC's work on trade and investment liberalization and facilitation.</p>	<p>Ongoing</p>
<p>(iv) organize information seminars on the WTO Dispute Settlement Understanding</p>	<p>Experts noted that as with any dispute settlement mechanism, WTO dispute settlement presented a number of challenges: in the management of disputes, in the management of financial and human resources, and in the implementation of recommendations adopted by the Dispute Settlement Body of the WTO. Experts recognized the need of member economies, and in particular developing member economies, to acquire additional expertise in the law and practice of the WTO and reaffirmed the role that the DMEG could play in providing an opportunity to exchange experiences and to foster the development of such expertise.</p> <p>Following the success of the 1999 Advanced Seminar on the WTO Dispute Settlement Understanding organized by Canada and Mexico, Experts determined that future seminars on WTO law and practice would be highly valuable for DMEG member economies in advancing the objectives of the DMEG, including addressing the special needs of developing member economies.</p>	<p>Experts agreed that the two seminars organized so far by the DMEG on the WTO have been highly informative. Experts considered that additional training on WTO law and practice would be highly beneficial, in particular to developing member economies. The Chair requested Experts to submit proposals for seminars as soon as possible so that project proposals could be approved and then submitted to BMC for funding.</p> <p>No proposals have been submitted by Experts thus far.</p>

ACTION	STEPS TO IMPLEMENT	TIME FRAME
<p><b>(b) Regarding disputes between private parties, and between private parties and APEC economies:</b></p> <p>(i) provide CTI with a listing of arbitration, mediation, and conciliation services available to private entities or other APEC economies, including a description of any such service which might provide a useful model for private-to-government dispute resolution in the Asia-Pacific region, and make such information widely available to the business/private sector in the Asia-Pacific region</p>	<p>Experts noted the successful publication of the <i>Guide to Arbitration and Dispute Resolution in APEC Member Economies</i> in November 1997. The guide contains information from member economies on laws, regulations, administrative practices and policies on dispute resolution. Experts determined that it would be useful to prepare a revised guide containing updated information on laws and regulations from all member economies including the three new ones.</p> <p>Following receipt of funding from the Budget and Administration Committee (now known as the Budget and Management Committee) in July 1998, a consultant gathered data submitted by member economies and compiled the revised guide. The revised guide was launched at the April 1999 meeting of DMEG. It contains a contribution from every member economy including the three new ones. The electronic version of the revised guide was uploaded on the APEC web site in April 1999.</p> <p>Recognizing that it would be important to maintain an up-to-date compilation of the material contained in the guide and bearing in mind that member economies will change their laws and regulations from time to time. CTI agreed to update the web site version of the 1999 Guide to bring it up-to-date with the latest changes in practices and institutions of member economies. The revised and improved website would be uploaded on to the APEC web site so as to facilitate access by all APEC member economies and their stakeholders.</p>	<p>At its meeting on 31 July –2 August 2001, the Budget and Management Committee (BMC) approved the funding proposal to update the Guide in 2002. Contact with authors can be made within one week of confirmation of project and completion of contract with APEC. The project is expected to take about 5–6 months to complete from the time of the contract.</p> <p>Enhancements, including establishment of hot links to relevant sites in member economies, will be effected later if agreed by CTI.</p>
<p>(ii) accede, where appropriate, to international agreements for the settlement of disputes between governments and private entities such as the Convention on the Settlement of Investment Disputes between States and Nationals of Other States and to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention)</p>	<p>Experts conducted a review of Individual Action Plans in respect of accession of member economies to ICSID and the New York Convention, where appropriate. Experts expressed satisfaction with the fact that most member economies are parties to ICSID, and almost all, including all three new member economies, have already implemented the New York Convention.</p>	<p>Ongoing</p>
<p>(iii) organize information seminars on private dispute mediation and settlement</p>	<p>In 1998 Thailand organized the highly successful Symposium on Alternative Mechanisms for the Settlement of Transnational Commercial Disputes, held in Bangkok on 27–28 April under the auspices</p>	<p>Experts agreed on the need for further seminars on private dispute resolution. The Chair invited submission of proposals to be considered by the Group.</p>

ACTION	STEPS TO IMPLEMENT	TIME FRAME
	<p>of the DMEG. Experts agreed that the substance of the program was particularly well-suited to the objectives of DMEG and fully advanced those objectives.</p> <p>The proceedings of the Symposium were published in August 1998 and subsequently distributed to DMEG Experts with an encouragement that DMEG ensured a wide dissemination of the proceedings, both in the public and business/private sectors.</p> <p>Experts reaffirmed their view that broader awareness of procedures for settlement of private-to-private disputes, through education and technical assistance as well as dissemination of information, was of essential value to member economies.</p>	None have been received to date.
<p><b>(c) Transparency on an APEC-wide basis:</b> (i) prompt, transparent and readily accessible laws and regulations</p>	Experts reaffirmed the importance of greater transparency of all laws and regulations. In particular, Experts noted the new media, such as the internet, for achieving the transparency and confidence-building objectives of the DMEG and encouraged member economies to make use of such new media.	At the 1999 DMEG meeting, a number of economies provided Experts with URLs or other appropriate electronic addresses for easy and direct access to laws, regulations and other information on the internet on an on-going basis. These URLs will be listed on the APEC web site in the very near future.
(ii) designating a central contact point	At their 1997 Singapore meeting, Member economies had been invited to submit further ideas on contact points and other information with a view to providing a basis for further discussion of transparency and dispute avoidance at the next meeting of the DMEG. No such ideas were submitted to the Chair prior to the 1998 meeting.	Ongoing
<p><b>(d) Further discussions on the WTO Dispute Settlement Understanding</b></p>	Experts from economies that have had experience with the WTO dispute settlement process exchanged their experiences with other Experts at the 1999 DMEG meeting. Experts observed that APEC member economies have been very active in their use of the WTO dispute settlement mechanism and that the WTO dispute settlement mechanism is operating effectively. Experts viewed that such exchanges were very valuable, especially for DMEG Experts who have no WTO experience.	Ongoing

## CONVENOR'S SUMMARY REPORT ON MOBILITY OF BUSINESS PEOPLE

### 1. Introduction

In November 1995 in Osaka, APEC leaders agreed to adopt the Osaka Action Agenda, which sets out the process for implementing free and open trade and investment in the region by 2010/2020. In this context, members recognised that facilitating the movement of business people in the region was becoming an increasingly significant component in enhancing global trade and investment, particularly given the globalisation of production, growing demand for services and skilled personnel and the critical importance of investment in stimulating economic growth.

The enhancement of Business Mobility was identified as one of APEC's 15 action areas. A Collective Action Plan (CAP) on the Mobility of Business People was drawn up with four key objectives:

- **Information exchange** on regulatory regimes relating to the mobility of business people in the region;
- Building regional cooperation to streamline and accelerate the processing of **visas for short-term business travel**;
- Building regional cooperation to extend streamlined processing to arrangements for **temporary residency for business people**; and
- Establish and maintain a **dialogue on mobility issues with the business community**.

Australia was appointed Convenor of Business Mobility issues following the November 1996 APEC Leaders' Meeting in Subic Bay. A separate informal working group covering Business Mobility issues was formed under the umbrella of the APEC Committee on Trade and Investment (CTI), and met for the first time in May 1997 in Quebec City, Canada. The Group has met on fourteen occasions.

### 2. Collective Actions Achieved

#### Information Exchange

- Economies maintain up-to-date information on their requirements for short-term business entry and business temporary residency in the online version of the APEC Business Travel Handbook. The Handbook includes contact details for visa offices across the APEC region. The Handbook can be found at: <http://www.apecsec.org.sg/travbook/contents.html>
- Several economies participated in a one day seminar on information technology applications on 19 August 2001. The objective was to identify future technology applications that can support streamlined processing of business people.

#### Streamlined Short-term Business Travel

- The IEGBM will continue to support the ABAC aim of expanding the APEC Business Travel Card (ABTC) scheme from 10 economies (as from February 2001) to 16 economies. The IEGBM anticipates further news later in 2001 about an additional economy joining the scheme, which will mean at least 11 economies participating in 2002. The ABTC removes the need for business people to separately apply for visas to participating economies, and provides the additional benefit of streamlined airport processing.
- Economies have agreed to issue multiple-entry visas to frequent business travellers from other APEC economies and have acted individually to facilitate business travel, for example by

expanding visa-waiver programs or extending the validity of multiple-entry visas and/or by joining the ABTC scheme.

#### Streamlined Temporary Residency

- Economies have agreed in principle on a best endeavours basis to adopt a 30 day standard to complete the temporary residency processing of executives, senior managers on intra company transfer and specialists, the latter group as defined by each economy, within the APEC region.

#### Capacity Building – Technical Cooperation and Assistance

##### *Standards in Immigration*

- Economies endorsed the paper Business Mobility Standards: A Key to Building Capacity paper, outlining standards for immigration and border processing. The paper is a key framework document for the development and implementation of future capacity building projects conducted by the IEGBM. Projects to be implemented under the capacity building strategy include:

##### 1. Travel and Identity Document Examination

- Technical cooperation and training programs have been conducted to build the capacity of APEC members in the detection of travel document fraud. As part of the capacity building program a generic document examination training resource package was developed in May 2001 for the use of all APEC economies for training their border officers in the detection of fraudulent documentation.
- Document examination is the first area in which standards have been developed under the IEGBM's capacity building strategy and a paper was considered and agreed in principle at SOM III, subject to final comments from economies by mid September. The standards will provide the benchmarks for individual economies to self-assess their current position and to develop individual action plans for capacity building through initiatives to improve their legislative, technology, organisational and people infrastructure.

##### 2. Project on Professional Service

- The professional service project is the second project under the IEGBM's capacity building program and was approved by the BMC at its last meeting in August 2001. The key objective of the project is to improve the level of professional service in economies, thereby enhancing the capacity of economies to provide efficient, streamlined practices across all key areas of immigration processes, to the benefit of business and other travelers within the APEC region.

##### 3. Advance Passenger Processing (APP)

- The BMC approved TILF funding for a multilateral trial of APP to be completed by end 2002. The APP is a best practice travel facilitation system and will have significant benefits for business people, governments and airlines in terms of faster border processing and a reduced number of undocumented arrivals.

#### Dialogue with the business community

- ABAC members will be regularly briefed on Business Mobility meeting outcomes, and we will invite ABAC attendance at the Group's meetings.
- Economies will consult their business communities and report on any identified business mobility issues of concern.

- Other APEC fora have been invited to address the Group on business concerns, and members of the Group will participate in appropriate outreach events in the APEC calendar.
- The IEGBM Group agreed to the development of a Business Mobility website in 2001 that will provide the APEC business community with access to information about the Group's activities and also the opportunity to provide feedback on BMG initiatives. The website can be found at [http://clients.wwwicked.net/dima\\_3478/a6](http://clients.wwwicked.net/dima_3478/a6)

### 3. Agreed New Collective Actions

#### Information exchange

Economies will continue to refresh their entries in the APEC Business Travel Handbook and also to include their own definition of 'specialist' and the streamlined temporary residency arrangements in place/to be put into place following the agreement in principle reached at the IEGBM's SOM III 2001.

#### Streamlining and accelerating processing of visas for short-term travel

The IEGBM will continue to support the ABAC aim of expanding the APEC Business Travel Card (ABTC) scheme. An additional economy is expected to join later in 2001.

#### Streamlined temporary business residency processing to include specialists engaged in trade and investment activities

At SOM III 2001, the IEGBM agreed in principle, on a best endeavours basis, to complete the temporary residency processing of specialists, *as defined by each individual economy*, within 30 days upon receipt of all necessary documents. Economies note that processing time may extend beyond 30 days where circumstances require more detailed checks, the application is not complete or correspondence with the applicant is necessary. This matches the existing streamlined arrangements for the intra company transfer of executives and senior managers.

#### Capacity Building - Technical Cooperation and Training

##### *Travel and Identity Document Examination*

- This is the first area in which standards have been developed under the IEGBM's capacity building strategy was considered and agreed in principle, subject to final comments from economies by mid September. These standards cover document examination. The next step under this strategy is for individual economies to self-assess their current position and to develop individual action plans for capacity building through initiatives to improve their legislative, technology, organizational and people infrastructure.

##### *Project on Professional and Efficient Service*

- The IEGBM has now established a working group to implement the first phase of the project, which includes the collection of existing standards and development of specific immigration professional service standards and self-assessment guidelines.

##### *Advance Passenger Processing (APP)*

- A seminar was held on 19 August to provide technical information to economies on the APP system. This is a first step towards the implementation of a multilateral trial to ensure interested economies have a clear understanding of the APP system and the interfaces required with government and passenger processing systems.

#### *Future APEC funded Projects*

- The IEGBM considered a number of suggestions for possible future capacity building projects and it was agreed that economies would notify the Convenor prior to SOM I 2002 of any suggested projects.

#### Dialogue with the business community

The IEGBM agreed to the proposed developmental plan for the Business Mobility website. The first phase has been completed and the website is now 'live'. On completion of the second and final developmental phase, expected to be completed by end 2001, the website will provide numerous dynamic features including a secure members' facility containing an online update facility for the APEC Business Travel Handbook, a distribution point for draft meeting papers, an online discussion forum for IEGBM members and an administration facility for updating content on the site.

#### Gender Integration

The IEGBM has considered strategies for the integration of gender issues. As a first step, the Convenor has written to Dr Andrina Lever of ABAC to seek her input and suggestions on how the IEGBM might proceed on this matter. Gender integration is proving to be a difficult concept for many economies to appreciate and understand and will require further guidance from CTI on best practice approaches.

#### Business Mobility Statement

The IEGBM considered material submitted by Chile covering possible principles and definitions as included in existing bilateral trade agreements as a possible reference tool for economies in their consideration of temporary business entry in any free trade or other trade facilitation agreements.

## **4. Benefits and Beneficiaries**

*The key beneficiaries of the work of the Experts' Group are APEC business people travelling between APEC economies.*

**The development and implementation of standards** across all key areas of immigration will ensure minimum levels of capacity across the APEC region, providing significant time and cost saving benefits for business people and economies.

The **TILF funded capacity building** projects will enhance economies' capacity to implement streamlined processing arrangements for APEC business people and to reduce inefficient practice.

The **APEC Business Travel Card** facilitates frequent travelling business people travel between the participating economies by removing red tape and providing express immigration lanes at international airports.

The work of the Experts' group on **streamlining temporary residence arrangements** within APEC aims to meet demands from the APEC business community for expeditious movement of highly skilled and key personnel across the region. Removing unnecessarily complex procedures for temporary residence will enhance the capacity for business people to move staff quickly and assist international trade and investment

The **APEC Business Travel Handbook** ensures transparency of visa and entry requirements and delivers up to date and useful information on entry requirements across APEC economies to the desktop of the business traveller.



Ongoing **dialogue with the APEC business community** will continue to ensure that the agenda of the Experts' Group maintains relevance and currency and that issues of concern to business are dealt with.

## 5. 2001 Highlights

- Economies have endorsed the '*Business Mobility Standards: A Key to Building Capacity*' paper, detailing standards for immigration and border processing.
  - The IEGBM endorsed a *Standards for Document Examination* paper at its SOM III 2001 meeting; the first area in which standards have been developed under the IEGBM's Capacity Building Strategy.
  - The IEGBM conducted successful document fraud training sessions in China and the USA and developed a generic document examination training resource package for use by APEC economies to provide standard training for the detection of fraudulent documents.
  - The BMC approved an APEC TILF to develop Professional and Efficient Service standards across economies' immigration administrations.
  - The BMC approved an APEC TILF project proposal to conduct a multilateral Advance Passenger Processing (APP) trial.
- The ABTC scheme continued to expand with the formal signing on of the economies of Brunei Darussalam, Peru and Thailand and further news of an additional economy joining the scheme is expected in 2001.
- The IEGBM has developed a website which will enhance dialogue with the APEC business community, other APEC for a and within the IEGBM itself.
- Seminars on the APP system and on Technology Systems in Immigration were held on 18 and 19 August 2001 respectively to enable economies to exchange information on best practice technologies and as a first step towards the possible development of standards in these areas.
- Updates to the *APEC Business Travel Handbook* were provided by economies throughout the year.

## MOBILITY OF BUSINESS PEOPLE 2001 COLLECTIVE ACTION PLAN

OAA Objectives	Action	Timeframe
<p><b>INFORMATION EXCHANGE</b></p> <p><i>APEC economies will:</i></p> <p>(i) <i>exchange information on regulatory regimes in regard to the mobility of business people in the region;</i></p>	<ul style="list-style-type: none"> <li>• Regularly update the APEC Business Travel Handbook informing business of members' short-term business and business temporary residence entry, visa and other requirements and processing arrangements .</li> <li>• Develop a Business Mobility website to act as a conduit for meeting papers and to provide information about the IEGBM's activities.</li> <li>• Economies participated in a technology information exchange seminar and APP technical information seminar at SOM III 2001.</li> </ul>	<p>Ongoing</p> <p>End 2001</p> <p>SOM III 2001</p>
<p><b>COOPERATION IN STREAMLINING BUSINESS TRAVEL</b></p> <p><i>APEC economies will:</i></p> <p>(ii) <i>examine the possibility of setting the scope for cooperation at a regional level aimed at streamlining and accelerating:</i></p> <ul style="list-style-type: none"> <li>• <i>processing of visas for short term business travel; and</i></li> <li>• <i>arrangements for temporary residency for business people to engage in trade and investment.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Experts' Group to determine and implement goals for the Group to pursue.</li> <li>• Economies to continue review and improve their arrangements for short term business travellers.</li> <li>• Experts' Group to continue to support ABAC's aim of expanding the APEC Business Travel Card (ABTC) scheme from 10 economies (as from February 2001) to 16 economies by end 2001</li> <li>• Report to the CTI on aggregate success at achieving streamlined processing for executives, senior managers and specialists.</li> <li>• Experts' Group agreed in principle to extend streamlined processing arrangements (30 day service standard) to specialists, as defined by each economy at SOM III, 2001.</li> </ul>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>SOM III, 2001</p>
<p><b>COOPERATION IN STREAMLINING BUSINESS TRAVEL</b></p> <p><i>APEC economies will:</i></p> <p>(iii) <i>examine the possibility of setting the scope for cooperation at a regional level aimed at streamlining and accelerating:</i></p>	<p>Capacity Building Strategy:</p> <ul style="list-style-type: none"> <li>• A paper on Standards for travel, entry, stay and departure was endorsed by economies at SOM II 2001. The paper provides for benchmarks for economies to strive for in building their capacity to implement improved immigration arrangements for business people.</li> </ul>	<p>Ongoing</p>

OAA Objectives	Action	Timeframe
<ul style="list-style-type: none"> <li>• <i>processing of visas for short term business travel; and</i></li> <li>• <i>arrangements for temporary residency for business people to engage in trade and investment.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The second phase of the APEC TILF CTI 18/2000T project on Capacity Building in Immigration Facilitation has been completed. Outcomes included: a survey of economies' training needs; further document examination training delivered; a generic document examination training resource package; and a document examination standards paper. The IEGBM endorsed all initiatives including the standards paper at SOM III 2001. Economies will receive training in November 2001 in the use of a common set of document fraud training materials, together with a basic equipment package in the final third phase of the APEC TILF Project CTI 02/99T.</li> <li>• The IEGBM agreed at its SOM II 2001 meeting to submit a new APEC TILF funding proposal to develop standards in Professional and Efficient Service for immigration administrations, also as a result of the survey conducted as part of CTI 18/2000T. (The proposal was approved by the BMC in August 2001.)</li> <li>• The BMC approved APEC TILF project CTI23/2001 for a multilateral Advance Passenger Processing Trial to be conducted during 2002. Interested economies attended a detailed technical seminar on the system at SOM III 2001.</li> </ul>	<p>End 2001</p> <p>End 2003</p> <p>End 2003</p>
<p><b>BUSINESS COMMUNITY COOPERATION</b></p> <p><i>(iii) establish and maintain a dialogue on mobility issues with the business community.</i></p>	<p>Experts' Group to continue development of Business Mobility website to facilitate dialogue between the Group and the business community.</p> <ul style="list-style-type: none"> <li>• Experts' Group to continue to brief ABAC members on meeting outcomes and to invite ABAC representatives to attend the Group meetings.</li> <li>• Experts' Group invited other APEC fora to address the Experts' Group on business concerns.</li> <li>• IEGBM to continue to work with ABAC to engage the APEC business community in improving business mobility (strategy agreed at SOM II, 2000).</li> <li>• Members continue to seek input from the business community in their home economies on mobility issues and report on any identified issues of concern to the Experts' Group.</li> <li>• Members to participate in appropriate outreach events in the APEC calendar.</li> <li>• Encourage feedback from business representatives on utility of <i>APEC Business Travel Handbook</i>.</li> <li>• Provide information and encourage feedback from the business community about the IEGBM's initiatives via the Business Mobility website.</li> </ul>	<p>by end 2001</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p><b>Implemented</b></p>

## **CO-CONVENORS' SUMMARY REPORT ON WTO-RELATED CAPACITY BUILDING**

### **1. Introduction**

In 2000, CTI endorsed a Strategic Plan to build the capacity of APEC developing economies to implement WTO agreements. CTI also urged member economies to give priority and realize expeditiously projects that met the objectives of the APEC Strategic Plan. In order to implement such activities, CTI reinstated during SOM I in 2001 the “Informal Group on the Implementation of WTO Obligation and Rules of Origin”, renamed the “WTO Capacity Building Group” (hereafter, the “WTO Group”).

### **2. Collective Actions Achieved**

The WTO Group met twice on 28 May and 18 August 2001 and made significant progress in the following areas:

- a) The WTO Group agreed on terms of reference detailing its mission and mandate. (Please see Annex 1)
- b) The WTO Group agreed to change its name to the “WTO Capacity Building Group”.
- c) A large number of WTO-related capacity building projects financed through the APEC TILF Fund were approved (a total of 12: 8 on an urgent request basis, and 4 on a regular request basis), with some implemented in 2001. (Please see List as attached at Annex 2)
- d) A number of developed APEC economies exchanged information on their substantial existing WTO-related capacity building activities in the APEC region. Ministers Responsible for Trade, meeting in Shanghai in June, welcomed bilateral assistance from member economies contributing to the implementation of the APEC Strategic Plan, including new initiatives involving increased bilateral spending by some economies.
- e) The WTO Group also invited the Asian Development Bank and the WTO Secretariat to participate in its second meeting in 2001 with a view to ensuring that APEC efforts to advance WTO-related capacity building are consistent with and complementary to similar capacity building related projects within the region.

### **3. New Collective Actions Agreed**

The WTO Group has agreed to ask CTI to approve the use of the TILF Fund on an urgent request basis during the year 2002 to ensure further progress on capacity building programs.

The WTO Group has agreed to continue to invite the Asian Development Bank and the WTO as observers in its meetings and to invite World Bank to the 3<sup>rd</sup> meeting.

The WTO Group has agreed to continue to encourage bilateral development agencies to participate in its activities as part of APEC member economies' delegations.

### **4. Benefits and beneficiaries**

The WTO Group helps member economies (including their development agencies) and international organizations to share information and better coordinate their WTO-related capacity building activities which realize the objectives of the APEC Strategic Plan.

The use of urgent TILF funds has allowed a number of training programs to be offered during the year 2001, leading to immediate benefits for participants from a number of APEC developing economies.

## **5. 2001 Highlights**

The WTO Group was recreated and allowed APEC member economies to exchange information and better co-ordinate their WTO-related capacity building activities which realize the objectives of the APEC Strategic Plan.

Eight project proposals for TILF funding on an urgent request basis and four on a regular basis were approved by CTI and BMC.

## **Annex 1**

### **TERMS OF REFERENCE**

#### **INFORMAL GROUP ON IMPLEMENTATION OF WTO OBLIGATIONS AND RULES OF ORIGIN (renamed as WTO CAPACITY BUILDING GROUP)**

##### **Origin and Authority**

The Informal Group on Implementation of WTO Obligations and Rules of Origin (the Group) is a subsidiary body to the Committee on Trade and Investment/CTI.

##### **Mission**

To co-ordinate and facilitate WTO-related capacity-building activities which realize the objectives of the APEC Strategic Plan (herewith referred to as WTO-related capacity building activities).

##### **Mandate**

- to co-ordinate WTO-related capacity building activities and to report them to CTI, SOM, Ministers and/or Leaders as appropriate;
- to track and monitor WTO-related capacity building activities undertaken in the Asia-Pacific region by other regional and international organizations, bilateral official development assistance (ODA) organizations; relevant trust funds and the like, with a view to avoiding unnecessary duplication and ensuring that APEC efforts to advance WTO-related capacity-building are consistent with and supportive of similar capacity-building related projects within the region;
- to review, evaluate (in consultation with other relevant sub fora if appropriate) and recommend WTO-related capacity building projects utilizing the APEC TILF fund;
- to identify, design and oversee specific WTO-related capacity building projects utilizing the APEC TILF fund;
- to maintain close working relationships with other Sub fora, the CTI and with other relevant groups within APEC in order to facilitate the exchange of information and encourage collaboration, with a view to ensuring value-added TILF projects and to minimize the possibility of duplication, gaps or overlaps with existing or planned activities;
- to maintain close working relationships and collaborate as appropriate with other relevant regional and international organizations who share interests in WTO-related capacity building activities. These may include, among others: the Asian Development Bank (ADB); World Trade Organization (WTO); bilateral official development assistance (ODA) organizations; relevant trust funds and the like;

##### **Membership**

- Co-Convenors (Canada and Japan)
- Representatives of APEC's twenty-one member economies

- Observers: the Secretariat of the Association of South East Asian Nations (ASEAN Secretariat); the Pacific Economic Co-operation Council (PECC); and the Pacific Islands Forum (PIF); the APEC Secretariat and others as deemed appropriate by the Group

### **Frequency and Structure**

- The committee will meet as often as necessary, during the SOMs, to discharge its responsibilities. Meetings will be convened at the call of the Co-Convenors and scheduled by the APEC Secretariat.
- The Co- Convenors will circulate the Agenda and supporting documentation in advance of the meetings and conduct business as required inter-sessionally with members of the Group and appropriate contacts. With the approval of the Co-Convenors and members at large, unforeseen or urgent items can be added to the agenda as other business.
- Minutes of the proceedings of the Group will be recorded and distributed to members by the Co-Convenors following each meeting.
- The APEC Secretariat will provide the normal secretariat services to the Committee.

## Annex 2

### List of Projects Approved by the APEC TILF Approval Process

The following is the list of the WTO-related capacity-building projects approved by the APEC TILF approval process (1 to 8: on urgent request basis, 9 to 12: on regular request basis).

Names of Projects	Proposing APEC Members	Other Sub-fora in charge of the approval	Amounts (US\$)
<b>1. Facilitation of Developing Economies' Participation of WTO Industrial Seminar</b> (CTI 17/2001T)	<b>Australia</b> *Already held in Geneva in March		<b>44,800-</b>
<b>2. GATS Basic Telecommunications Training Program</b> (CTI 18/2001T)	<b>Canada</b> * To take place in Singapore in August 2001.		<b>64,500-</b>
<b>3. SCCP; Program to Improve Implementation of Customs-related WTO Agreements</b> (CTI 19/2001T)	<b>Japan</b> *Already held in Japan in May	<b>SCCP</b>	<b>218,700-</b>
<b>4. GATS Financial Services Agreement Training program</b> (CTI 20/2001T)	<b>Canada</b> *To take place in Singapore in December 2001.		<b>64,500-</b>
<b>5. APEC/SCSC; Training Programs on Standards and Conformity Assessment for 2001 and 2002</b> (CTI 24/2001T)	<b>Japan and Malaysia</b> *Now preparing for the Seminar	<b>SCSC</b>	<b>191,230-</b>
<b>6. IEG; Seminar on WTO TRIMs Agreement Implementation: Capacity Building for a Better investment environment</b> (CTI 25/2001T)	<b>People's Republic of China</b> * To be held in September	<b>IEG</b>	<b>98,600-</b>
<b>7. WTO Overview of Negotiations Agreements</b> (CTI 26/2001T)	<b>Peru</b> * To be held in December		<b>107,500-</b>
<b>8. APEC Resource Pack and Symposiums for Operation of National Points-of-Enquiry under the Sanitary and Phyto-sanitary (SPS) and Technical Barriers to Trade (TBT) Agreement of the World Trade Organization (WTO)</b> (CTI 28/2001T)	<b>New Zealand</b> *Already held in Geneva in June and July.	<b>SCSC</b>	<b>177,450-</b>
<b>9. SCCP Program to Improve Implementation of Customs-related WTO Agreements</b> (CTI 01/2002T)	<b>Japan</b> Incorporating the Proposal by China on Rules of Origin	<b>SCCP</b>	<b>97,800-</b>
<b>10. SCSC;SPS Implementation Program</b> (CTI 09/2002T)	<b>People's Republic of China</b>	<b>SCSC</b>	<b>40,000-</b>
<b>11. IPEG; IP Experts Capacity Building Program For TRIPS Implementation</b> (CTI 10/2002T)	<b>Hong Kong China</b>	<b>IPEG</b>	<b>31,560-</b>
<b>12. IPEG; Public education and awareness of intellectual property</b> (CTI 13/2002T)	<b>Australia</b>	<b>IPEG</b>	<b>151,000-</b>
<b>12 projects</b>	<b>8 member economies</b>		<b><u>1,287,640-</u></b>



## **APPENDIX II**

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### **Report on TILF Activities in Other APEC Fora**

## REPORT ON TILF ACTIVITIES IN OTHER APEC FORA

### Energy Working Group

APEC Energy Ministers at their last meeting held in San Diego on 12 May 2000 endorsed an Implementation Strategy which aims to progress previously agreed commitments that seek to reform the energy sector.

The Implementation Strategy features a program of 'Implementation Facilitation' under which invited teams of energy experts from the public and/or private sectors of member economies visit host economies to share their experiences and provide advice to members on options and approaches to energy sector reform. The host economy provides direction on energy market sectors and areas of market reform it wishes the 'Implementation Facilitation Assistance Team' (IFAT) to focus on before visits commence.

Two IFAT visits have been undertaken since the Implementation Strategy was endorsed.

In June 2000 the Royal Thai Government invited an IFAT to visit during August 2000 to provide advice on reform in Thailand's gas and electricity sectors. The follow-up visit was in the form of a two day workshop which focused on technical issues such as Third Party Access to the Natural Gas Pipeline System and Power Pool Establishment in Thailand by 2003.

On 5 May 2000 the Peruvian Government invited an IFAT to visit its economy to provide advice on natural gas reform. The visit took place in Lima, Peru during the week commencing 27 November 2000. The format of the visit included meetings, dialogue amongst experts to develop proposals, and a workshop. Member economies were asked to nominate relevant experts to participate in the IFAT. Additional participants were also welcome to participate in the process. Both IFAT visits have been considered to be a success. Although they have focused on reform within electricity and gas sectors, IFAT is intended to be a mechanism that can be used by economies for reforming any part of their energy sector.

Further IFAT visits are proposed. At the 21st Energy Working Group (EWG) meeting, the Philippines announced that they intended to invite an IFAT to visit their economy in early 2002. Chile also indicated that it was contemplating inviting an IFAT to visit in the future.

In the Phase 2 Extension of the 'Comprehensive Linked Database on Mining and Energy Related Opportunities and Regional Framework within APEC Member Economies' the database was populated, benchmarked against relevant international databases, enhanced to improve its functionality and ease of use, and marketed worldwide to promote its availability and use. The database has been operational since October 1997 and is aimed at promoting a more informed policy debate on the impact of liberalization in the energy sector. The database now contains 1654 links to relevant sites in member economies, including 82 new links made during the Phase 2 Extension. The marketing strategy has resulted in an increase in successful hits on the site. At the end of November 2000, there had been 245,661 successful hits on the site, of which 103,068 were made during the Phase 2 Extension. Phase 3 has commenced in mid 2001 and an Extension of Phase 3 is planned to commence in early 2002 following the completion of Phase 3.

A workshop for 'Energy Regulators on the Investment Benefits of Structural Reform' was held, in conjunction with the 20th EWG meeting, in October 2000. A training manual that was first presented at the workshop was completed in March 2001. The workshop and the training manual provided APEC energy regulators with a detailed understanding of how financial institutions, insurers and energy project developers assess investment risks in individual economies. In addition, the training manual also provided a reference for APEC member governments and, in

particular, regulators through which they may gain a better understanding of how the private sector evaluates investment risks.

### **Fisheries Working Group**

In 2001, the Fisheries Working Group (FWG) completed the two projects arising from the Early Voluntary Sectoral Liberalization (EVSL) initiative in the fisheries sector which it had assumed responsibility for in 1999. The first project, 'Study into the Nature and Extent of Subsidies in the Fisheries Sector in APEC Member Economies', seeks to identify government programs and policies that might lead to dispute under the WTO Subsidies and Countervailing Measures Agreement. The other project, 'A study to Reduce Impediments to Early Voluntary Sectoral Liberalization in the Fisheries Sector', is a three-part project to develop a policy model to eliminate barriers to EVSL.

The FWG is continuing with the implementation of the two-year TILF-related project, which started in mid-1999. The project entitled 'APEC Seafood Information System' tests the feasibility of improving and expanding the market and industry information service provided by GLOBEFISH and the FAO Regional Marketing Information and Advisory Services for Fishery Products. Recognizing that there are other websites have similar objectives, the focus of this project was changed to provide integrative ability that might enhance potential commercialization. The full demonstration of the system is scheduled for next year.

The 'APEC Project for the Conservation and Management of Sharks' is another TILF-related FWG project. The project addresses two core areas of concern in fisheries identified in the Osaka Action Agenda, that is, (i) harmonization of standards for fisheries products and (ii) cooperation in resolving resource management issues. A workshop will be held to, amongst other things, develop elements of a regional approach to shark conservation and management. In connection with promoting the harmonization of standards for fisheries products, participants at the workshop may be asked to consider looking at a certification system that would certify that the shark or shark product was harvested in a sustainable way. The system will include the minimization of sharks waste as well as place the burden of proof on the exporting party. Thus, the harmonization of standards for shark and shark products will promote the sustainable free flow of trade among APEC members.

### **Human Resources Development Working Group**

The Human Resources Development Working Group (HRDWG) continued to develop human capital in APEC through its capacity building activities and contribute to the trade and investment liberalization and facilitation agenda.

The series of workshops, seminars and a wrap-up symposium arising from the 'APEC Alternative Dispute Resolution (ADR) Executives Education' project were continued this year. The project aims to raise awareness about ADR, enhance skills of business people and their professional advisers in negotiation and dispute resolution, and promote use of ADR methods for commercial dispute resolution, as well as develop curricula and teaching material. A seminar on 'Mechanisms to Resolve International Disputes in Asia-Pacific Commercial Relations' was held on 26 June 2001 in Mexico City, Mexico, just prior to the 23<sup>rd</sup> HRDWG meeting.

'The APEC Engineer' project, which aimed at setting up an APEC Register of Engineers among participating members, was completed. The Register provides the basis for a transparent system for facilitating movement of qualified engineers within the region. Members will also be able to share best practices on mutual recognition. This year, a similar self-funded project 'The *APEC Architect*' was undertaken with a view to facilitating the mobility of professional architects within the region by improving the systems for recognition of their skills and qualifications.

The third phase of the 'Trade and Investment Insurance Training Programme (TITTP),' which is also jointly conducted with the Trade Promotion Working Group (TPWG), will be continued and is expected to have a high rate of participation from members. The Program will train Export Credit Agencies (ECAs) in the field.

Collaboration with other APEC fora, including CTI sub-fora, was also encouraged to ensure wide participation and coverage through joint projects. Information on a Group on Services (GOS) project, 'Identification of Measures Affecting Trade and Investment in Education Services' was also made available to HRDWG members, highlighting suggestions for HRDWG to pursue. These suggestions included identifying and participating more widely in priority conventions on recognition of qualifications and in the best teacher and student exchange arrangements; undertaking a joint review of the impacts of impediments to trade in educational materials; and reviewing the impediments to a deeper educational and living experience by foreign students in their host economies.

Other activities undertaken by the HRDWG throughout the year covered areas such as International Quality Assurance Systems (IQAS), mutual recognition of qualification, standards and conformity assessment schemes, management of industrial property rights, competitive policy, corporate governance, alternative dispute resolution, certification and accreditation.

### **Industrial Science and Technology Working Group**

In 2001, the Industrial Science and Technology Working Group (ISTWG) continued to pursue activities that were directly relevant to the TILF agenda in addition to its own work program. One of such activities was the 4th APEC Technomart that was held in Suzhou, China in September 2001. The Technomart is a sequential event of the ISTWG. The 4th APEC Technomart builds upon the successes of the past three Technomarts and is partly funded by the business/private sector. It aims at facilitating trade and investment via a comprehensive program of exhibitions, seminars, business-matching programs, site visits and new technology and high-tech product presentations and demonstrations. Under the theme of "Innovation and Industrial Science and Technology Cooperation towards the 21st Century", APEC Technomart IV served as a bridge which links companies, small and medium sized enterprises (SMEs), R&D institutes, universities, STIPs, business incubators and venture capital firms together. It was a forum to display and exchange S&T innovation and economic development and experience in the new century, and provided opportunities of follow-up business cooperation in a variety of fields. In general, the serial exhibitions contributed to the improvement of the comprehensive competitiveness of the Asia-Pacific area and strengthening of our efforts towards the overall APEC goals.

The ISTWG is planning a 'Forum on Venture Capitals' Role in Science Parks and Business Incubators.' The forum seeks to enhance the exchanges and cooperation among science parks and business incubators of APEC members, especially in fields of venture capitals and financing for SMEs; improve the management skills of managerial personnel in science parks and business incubators of APEC members; accelerate the internationalization of science parks and business incubators of APEC members; provide more cooperative opportunities of technology and industries among enterprises in science parks and business incubators. The forum, planned for 2002, will also discuss the establishment of appropriate operational mechanisms (game rules) for use of seed fund and venture capital in promoting the development of SMEs.

### **Marine Resource Conservation Working Group**

In 2001, the Marine Resource Conservation working Group (MRCWG) continued with the implementation of the three-year TILF-related project on 'Development and Validation of

Phycotoxin Analytical Methods, Standards and Reference Materials for the Seafood Product Certification and Safety'. The project which started in 2000 seeks to facilitate trade of seafood products between APEC economies and to protect public health by (1) validating appropriate and analytical methods for routine monitoring of seafood for contamination by principal and emerging marine algal toxins; (2) developing certified calibration standards for analysis of principal and emerging marine algal toxins; (3) developing certified reference materials for quality assurance of marine algal toxin; (4) creating databases of analytical methodologies, bibliography references, and APEC analytical expertise; and (5) facilitating the introduction of validated analytical methods, supported by certified standards and reference materials into seafood product testing and certification agencies of APEC economies.

### **Small and Medium Enterprises Working Group**

One of the deliverables which will contribute to the TILF agenda from the Small and Medium Enterprises Working Group (SMEWG) this year is the launch of the "Training and Certification for Small Business Counsellors Program." This program addresses the TILF priorities on capacity building, in particular in the need to increase the supply and enhance the skills of SME trainers/counsellors to enable them to contribute to the economic growth and competitiveness of SMEs in the regional market. This program also contributes to the APEC effort on harmonization of professional qualifications.

Another project of the SMEWG which has direct benefit to APEC integrated effort on TILF, is the 'Conference on Strategic Alliances for Efficient Supply Chain Management'. The project is aimed at promoting strategic alliances between large firms and SMEs, on one hand and strategic alliances among SMEs such as through industrial clusters, on the other hand, in the area of supply chain management. The program contributes to the APEC effort in promoting cross border trade and investment liberalization and facilitation as both large firms and SMEs optimize the countries' respective competitive advantages to bring about cost efficiency and factor productivity in producing and delivering products to end customers.

In anticipation of China's accession in the WTO and to reap the new vast market opportunities, the SMEWG is undertaking a 'Seminar on Opportunities and Challenges: APEC SMEs after China's Accession to the WTO'. The Seminar will provide a chance for member economies to exchange their respective experiences and past practices on promoting trade and investment based on WTO principles to achieve economic development.

### **Telecommunications and Information Working Group**

In 2001, the Telecommunications and Information Working Group (TELWG) carried out a number of TILF related activities.

The TELWG continues to move forward with the implementation of the 'APEC TEL Mutual Recognition Arrangement (MRA) for Telecommunications Equipment'. Seven economies are participating in the implementation of Phase I procedures (mutual recognition of test reports). Four are participating in Phase II (mutual recognition of equipment certification). The TELWG is also conducting an 'MRA Outreach Programme' aimed at industry and conformity assessment bodies.

Following the adoption of the 'APEC Principles on International Charging Arrangements for Internet Services' by the 4th Ministerial Meeting on the Telecommunications and Information Industry (TELMIN 4) in 2000, the 'Internet Issues Virtual Forum' was established in 2001. The Virtual Forum will discuss and exchange views on international charging arrangements for Internet services, and foster discussion between business/private sector and government parties on

the appropriate means to assess and reward the value of products and services exchanged in the provision of converged Internet services among APEC economies.

Following the adoption of the “APEC Principles of Interconnection” at TELMIN 4, member economies continue to report on the implementation of these principles in their economies. Work also continues on the ‘Interconnection Resources Project and the Interconnection Training’ project.

Work under the ‘APEC Regulatory Structures’ project will continue into 2002. The project aims to increase understanding throughout the communications (telecommunications, broadcasting and information technology) community of the current status of regulatory structures across APEC member economies to encourage investment and broad economic growth. It will also assist discussion among economies of regulatory options that may facilitate the convergence of their telecommunications, broadcasting and information technology industries. It builds on work already underway within the TELWG, in particular, the focus on Interconnection, Internet Peering and MRAs. In addition, it will give practical effect to work on competition policy and principles and market access rules.

### **Tourism Working Group**

During 2001, the Tourism Working Group (TWG) has concentrated its efforts on a work plan that was based upon the Four Policy Goals that gave substance to the *Seoul Declaration on an APEC Tourism Charter*. These are “Removal of Impediments to Tourism Business and Investment”; “Increase Mobility of Visitors and Demand for Tourism Goods and Services”; “Sustainable Management of Tourism Outcomes and Impacts”, and “Enhance Recognition and Understanding of Tourism as a Vehicle for Economic and Social Development”.

Four TWG Policy Groups have been set up to oversee the implementation of the work plan based on these goals. Of these, the work of the three groups that is of relevance to the TILF agenda. Is described below:

#### *Policy Group No. 1 “Removal of Impediments to Tourism Business and Investment”*

As Chair of this Policy Group, Thailand, with the support from the World Travel & Tourism Council, WTTC (a TWG “Guest”) has been responsible for the work related to Policy Goal No. 1, “Removal of Impediments to Tourism Business and Investment”. Thailand is overseeing the advancement of the TWG project titled “Tourism Impediments Study (Phase 1)”.

In 2001, member economies completed two surveys. The surveys allowed the TWG to have (1) updated information of impediments to the growth of tourism in APEC member economies; (2) indicative offers that APEC member economies have already made to APEC; (3) laws, regulations, acts or decrees which are still barriers to the growth of tourism business and investment in APEC member economies, and (4) incentives for Investment stated in laws and regulations of APEC member economies.

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

As Chair of Policy Group No. 2, Canada has been responsible for leading the work that is related to Policy Goal No.2, titled “Increase Mobility of Visitors and Demand for Tourism Goods and Services in the APEC Region”. A number of the TWG initiatives in 2001 were undertaken to contribute to the forwarding of this Policy Goal in particular towards delivering credible outcomes at the Second APEC Tourism Ministerial Meeting in 2002. Amongst these are the TWG Project titled “Best Business Practices in Accessible Tourism to Travelers with Restricted

Physical Abilities, including Senior Citizens”; the Second APEC Tourism Forum presentations on marketing opportunities; the Application of E-Commerce in Tourism SMEs, a project that is currently ongoing and the ‘Improvement of Tourism Standards in the APEC Region,’ a project to be developed in 2002.

*Policy Goal No. 4 “Enhance recognition and understanding of Tourism as a Vehicle for Economic and Social Development”*

As Chair of this Policy Group, Australia has strived to work with regards to delivering outcomes for Policy Goal No. 4, in particular to the development of three TWG projects that directly pertain to this issue: ‘Best Practices on Development of Tourism Satellite Accounts’ (Singapore and Canada as overseers) and the development of a ‘Tourism Information Network’ as well as a ‘Tourism Research Network’ (both to be overseen by Australia). The TWG has supported the need for further expansion of the APEC’s collective knowledge base, in particular in tourism.

These three TWG Policy Groups are also responsible for overseeing the advancement of work needed for the six TILF-related project proposals which received approval for funding by the Budget and Management Committee during 2001. These projects shall be developed during the next few months, keeping in mind the need to present concrete deliverables on the subject matters that they entail by the 2nd APEC Tourism Ministerial Meeting to be held in Manzanillo, Mexico, in early July 2002.

The TWG also discussed with particular detail the need to develop Tourism Individual Action Plans and TWG Collective Action Plans and addressed those issues that refer to the *Nomination of Issues* as stated in the *Seoul Declaration on an APEC Tourism Charter*. The TWG reviewed and updated, where necessary, those issues currently stated in each member economies’ IAP that specifically relate to tourism, as well as the development of Tourism Individual and Collective Action Plans, as agreed in the timetable that was endorsed by Tourism Ministers in Seoul, Korea.

The TWG agreed that it was necessary for all TWG members to communicate with their respective Senior Officials in order to update and or modify the information on tourism issues that are being placed in their economies IAP. At the same time, the TWG agreed that by the Second TWG Meeting of 2001 (November in Ayutthaya, Thailand), member economies will have to nominate issues relating to Policy Goals agreed in the Charter that are to be included in Collective Plans for consideration by the TWG; nominate issues relating to Policy Goals agreed in the Charter to be included in a package of issues to be referred to relevant APEC fora for consideration by the TWG; nominate Individual Action Plans on matters relating to Policy Goals agreed in the Charter as well as engage other economies in bi/multilateral discussion on action plans relating to Policy Goals agreed in the Charter (all such approaches can be made in strict confidence and participation is on a voluntary basis). A work plan of “the simpler, the better” was overall approved by the TWG in order to move ahead with regards to the above mentioned.

The TWG also agreed to narrow the scope of work on Collective Action Plans and to make the development of a ‘Tourism Information Network’; the establishment of ‘Tourism Satellite Accounts’ and the implementation of the ‘APEC/PATA Code for Sustainable Tourism’ as the three primary issues that the TWG would work upon in 2001 in a collective manner. The TWG recognizes the need to engage with other APEC fora on these issues and supports it.

In addition, the Group has also positively contributed to CTI’s work on achieving an OAA Plus, and organized the ‘2nd APEC Tourism Forum’ (Kuala Lumpur, Malaysia, April 2001), in order to discuss issues relating to its TILF agenda with representatives from the public and private sector organizations related to tourism.

## **Trade Promotion Working Group**

In 2001, the Trade Promotion Working Group (WGTP) continued to undertake work on trade promotion, trade skills and training, trade information and networking, and cooperation between the business/private sector and public agencies. Activities pursued during the year include: strengthening the function of *APECnet*, the Core Characteristics Survey IV of APEC Trade Promotion Organizations (TPOs); Seminar on Product Design; APEC Seminar in Trade Promotion.

The 'Core Characteristics Survey (CCS)' is an annual survey conducted by Australia, with all APEC economies. CCS collects data on key performance and operational mechanisms engaged by APEC TPOs in the delivery of trade and investment facilitation services. The third edition of CCS was completed in September 2000. The fourth edition is in process and will provide an overview of changes that have occurred in APEC TPOs since 1998, as observed through CCS. A fifth edition has been approved in the 13th WGTP meeting to proceed for year 2002.

The 'Seminar on Product Design' was held on 28–30 May 2001 in Chinese Taipei. A total of over 120 participants from design-related department of business, research institutions, and government agencies of 14 member economies. According to the survey conducted, the ratings by 67 respondents averages 4.33 (Good) on the scale of 0–5. The respondents believed that this project achieved its objectives with positive outcomes, and that they significantly benefited from a better understanding of the role of product design in the context of globalization and advanced information technology development, as well as how to approach product design during an economic downturn

The APEC Seminar on Trade Promotion was held in Beijing, China on 24–26 July 2001. The seminar achieved its objectives of (1) helping to broaden the vision of TPO officials on function and services changes in the light of information technology advancement on trade activities; (2) providing an opportunity for APEC trade promotion officials to exchange experiences on adapting themselves to the development of e-commerce and helping SMEs to expand their businesses by applying information technology; and (3) promoting trade in the APEC region, with a view to contributing to the Bogor goals.

The APECNet website that was launched in June 1998 has been updated, hyperlinking it to member economies' trade promotion organization homepages and other relevant websites, including the UNCTAD Global Trade Point Network. This site which provides business matching services and easy access to trade-related information, including activities and opportunities, would be further enhanced in 2002, following the approval for funding of its Revamp of APECNet project by BMC in July 2001.

## **Transportation Working Group**

The Transportation Working Group (TPT) continues to work on several important TILF-related activities, as follows:

### *Air Services*

In 2000, APEC Ministers and Leaders welcomed progress in implementing the eight recommendations for more competitive air services on a voluntary basis, including the proposals on widening and deepening the measures within APEC. In 2001, the TPT expanded recommendation six relating to charter services to include transparency of regulations, and recommendation eight dealing with market access to reduce anti-competitive effects. It also agreed to prepare an annual consolidated report of progress towards implementation of the



Group's eight recommendations (as modified above) to be transmitted to Senior Officials at an appropriate stage of the SOM reporting process in future.

#### *Maritime Initiative*

The Maritime Initiative's objective is the creation of an efficient, safe and competitive operating environment for maritime transport in the APEC region.

In response to APEC Leaders call in 2000 for further progress in the reduction of non-tariff measures (NTMs), the TPT will identify NTMs in the transport sector and develop recommendations for their reduction and elimination. This work will extend into 2002.

Following the circulation of a questionnaire seeking information on member economies' international shipping policies, economies have been asked to identify those high priority impediments and barriers to free trade in maritime services that could be considered for removal in the medium and longer term.

The *Maritime Initiative* is also considering possible model approaches to the WTO Maritime Transport Services negotiations.

#### *Electronic Commerce*

In 2001, the TPT endorsed the following statement of future directions for its electronic commerce work: *"The first priority for the future work of the Electronic Commerce Group of the TPT will be human capacity building including electronic commerce education, training and awareness raising. The priority was agreed in light of the work being done in the HRD Steering Committee of the TPT on the Pilot Electronic Commerce in Maritime Transport project and the model that offered for future cost effective electronic commerce training delivery. The second priority for the Group will be activities directed to achieving the paperless trading goals agreed by APEC Leaders and Trade Ministers with a particular focus on activities which promote the use of electronic commerce as a trade facilitation tool. The third priority for the Group will be continued sharing of information, resources and ideas with other groups within the TPT and with other APEC fora such as the Telecommunications and Information Working Group and the Sub-Committee on Customs Procedures."*

The TPT has three related projects in progress this year: 'Pilot Electronic Commerce in Maritime Transport Project'; 'Paperless Trading Demonstration Project-Electronic Transmission of the SANCRT Message'; and 'Electronic Port Manifest Project'.

#### *Road Transport Harmonisation*

The TPT commenced Phase 5 of this project in 1999. The first stage developed guidelines and action plans for two volunteer economies to assist development of internationally harmonised automotive safety and environmental protection regulatory requirements. The second stage of this project, to be completed in 2001, is developing guidelines and action plans for seven volunteer economies, including developing economies, to achieve harmonised regulatory systems. The third stage to be implemented in 2002 will train regulators to implement harmonised regulatory systems.

Consumers will benefit through improved road safety and potentially reduced vehicle costs. Regulatory agencies will benefit through reduced administration resources, and the vehicle industry will gain surety of market access and potentially reduced costs.

## Economic Committee

The principal TILF-related activities for the Economic Committee (EC) in 2001 are its research projects, namely:

- *2001 APEC Economic Outlook;*
- *New Economy report;*
- *The Benefits of APEC Trade and Investment Liberalization and Facilitation;*
- *A Plan for the Implementation of KBE; and*
- *The Impact of Higher Oil Prices on APEC Member Economies.*

The *2001 Outlook* addresses the TILF agenda by looking into the nexus between financial development and economic growth. The result of the study is expected to draw implications on the direction of financial development for economic growth; the interplay between financial regulation, changes in government financial policies and financial liberalization; and the trends and prospects of financial integration among the APEC economies and their effects on regional growth.

The analytical foundation for the New Economy issue is not sufficient and the EC could contribute through deeper study to provide the necessary knowledge for decision-makers. The research project would involve coming up with a working and useful definition of the New Economy. It would also study the policy fundamentals underpinning the New Economy including such areas as fiscal, financial structure, trade and cross-border investment, and competition including legal issues, where the policy regime is key to the development of the characteristics of the knowledge-based economy.

As APEC is at the halfway mark towards the Bogor goals, the study on the ‘Benefits of APEC Trade and Investment Liberalization and Facilitation’ will build upon previous work in APEC, including the 1997 EC study on the ‘Impact of Trade Liberalization in APEC’ and the 1998 EC study on the “Impact of Investment Liberalization in APEC.”

The ‘Plan for Implementation of KBE’ is a follow-up study on how to implement the recommendations cited in the EC’s 2000 report to Ministers and Leaders entitled *Towards Knowledge-based Economies in APEC*.

As instructed by APEC Ministers, the EC will carry out the study on the ‘Impact of Higher Oil Prices on APEC Member Economies’ but with more emphasis on the assessment of the change in oil dependency in APEC economies. The findings of this study will be integrated in the 2001 Outlook report.

## **APPENDIX III**

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### **Matrix of 2001 TILF Deliverables**

## 1. Tariff/Non-Tariff Measures

Name of CTI Sub-fora/Working Groups	TILF Deliverables for 2001	Description/Timeframe	Expected Benefits and Beneficiaries
1. Market Access Group (MAG)	Conducted 2 <sup>nd</sup> Seminar on WTO Integrated Database on 17-18 Feb 2001 in Beijing.	2001	<p>The seminar, conducted in collaboration with the WTO, enhanced APEC members' understanding of the IDB and provided useful hands-on training to members on the IDB analytical software capabilities.</p> <p>The seminar also responded to the APEC's objective to enhance capacity building in member economies to participate in WTO negotiations.</p>
2. MAG	Conducted the first MAG policy dialogue on NTMs on 28 May 2001 in Shenzhen.	2001	The policy dialogue provided focused discussion and frank exchanges of ideas between APEC members and organizations, such as the PECC and the United States International Trade Commission (USITC), on the scope of NTMs and some "best practices" adopted by members.
3. MAG	Conducted a study on APEC's trade and tariff data.	2001	This study aimed to provide a useful analysis on the importance of intra-APEC trade, the commonalities and inter-industry linkages in the region.
4. MAG	Undertook a study on FTAs/RTAs	2001	The study aimed to provide members with an overview and understanding of key tariff elements under existing FTAs/RTAs in the Asia-Pacific region and a snapshot on the benefits of tariff liberalization under these FTAs/RTAs.
5. MAG	Publication and dissemination of the Report: "APEC Economies: Breaking Down the Barriers" for submission of final report to Ministers/Leaders in Shanghai in October.	2001	The study aims to document and highlight efficient and effective administrative procedures implemented to date by APEC economies in various sectors. In the process, the study aims to provide models of best practices as a guide for those looking to implement reforms in various sectors.

Name of CTI Sub-fora/Working Groups	TILF Deliverables for 2001	Description/Timeframe	Expected Benefits and Beneficiaries
6. MAG	Endorsed new CAPs based on the 2000 list of discussed ideas for future NTMs work program	2001	<p>This would facilitate MAG's future discussion on the development of an NTM work program particularly with regards to substance, transparency and capacity building activities.</p> <p>The implementation of the work program would allow APEC to devise practical options for progressive reduction of NTMs.</p>
7. MAG	Progressed work and developed a consolidated report on "Typology of Possible NTMs Identified in the EVSL Sectors and the Fora/Sub-fora to Address Them" in consultation with other APEC fora.	2001	<p>The Typology consolidated MAG's work on NTMs in consultation with other APEC fora/sub-fora. This stock-take of work in the area of NTMs supports MAGs' work program to intensify its work on reducing NTMs.</p>
8. MAG	Review of the OAA Guidelines of Tariffs & NTMs.	2001	<p>Agreed changes will provide clearer guidance to the OAA Guidelines for these two issue areas in reaching the Bogor goals, taking into account developments since 1995.</p>

## 2. Services

Name of CTI Sub-fora/Working Groups	TILF Deliverables for 2001	Description/Timeframe	Expected Benefits and Beneficiaries
1. Group on Services (GOS)	Phase II of the Development of the Menu of Options for Voluntary Liberalization, Facilitation and Promotion of Economic and Technical Cooperation in Services Trade and Investment	<p>The task emerged in 2000 as developing the APEC Policy Framework for Work on Services.</p> <p>The Menu is expected to be a synthesis of the GOS' work to the present and also an organizational framework for GOS' future work.</p> <p>The Menu is non-binding but also provides broad and flexible options for individual member economies to draw reference from for the inclusion of actions into their IAPs.</p> <p>The Menu is a multi-phase project. Phase I was completed in 2000. Phase II has developed ten issues, which were agreed upon in Phase I, with a view to providing more substance and analysis, as well as more detailed measures for each area discussed. It will also identify areas further action to be taken in Phase III. Phase II was completed in GOS III 2001. Phase III is scheduled for 2002 and aims to build human resource and expertise capacity for members to implement chosen areas of the Menu.</p>	<p>The Menu will better organize the GOS' current and future work and facilitate more efficient operation of the GOS.</p> <p>The Menu will facilitate the IAP process as it can provide concrete elements for individual member economies to adopt based on the need of each economy, in advancing their work on three pillars for service trade and investment.</p> <p>The Menu will also contribute to advancing the work in the services area of the WTO.</p>
2. GOS	The project on Firm Expatriation Policy and Practice in Services Trade: The Gender Dimension	<p>This project is designated to study whether gender is an important factor of expatriation policy/practice in services trade by conducting a survey of multinational enterprises.</p> <p>The project was completed in GOS II 2001.</p>	Presence of natural persons is one of the modes of supply defined in the GATS. The analysis of the relationship between gender and expatriation policy will help to identify barriers for females to provide service abroad. This can serve as a reference for improving service trade liberalization and facilitation and contribute to the task of the Framework for the Integration of Women in APEC.

Name of CTI Sub- fora/Working Groups	TILF Deliverables for 2001	Description/Timeframe	Expected Benefits and Beneficiaries
3. Telecommunications and Information Working Group (TEL)	Mutual Recognition Arrangements project completed.	The project provides detailed information to technical regulators about the steps that need to be taken for full participation in the Mutual Recognition Arrangement for Conformity Assessment of Telecommunications Equipment.  Completed end 2001. A training and outreach program will follow.	Reduced costs and time to market will benefit suppliers, and users of telecommunications equipment. Regulators benefit from a trusted framework for approval of equipment against the requirements of their own standards.
4. TEL	Interconnection Resource projects will be completed.	Information will be made available to regulators and industry participants on the implementation of agreed principles on telecommunications network interconnection.  Completed end 2001. A training program will follow.	Regulators and industry participants will benefit from greater clarity and speed in the resolution of interconnection arrangements between competing communications carriers.
5. TEL	A "road map" on interoperability will be produced	The document, "APEC e-Business: What Do Users Need", will provide advice on cross-border e-commerce, available by end of 2001.	Government and industry efforts to promote sustainable investment in electronic commerce will be assisted by this compilation of information on the alternate standards, applications, technologies and business systems available.
6. TEL	Project funding was sought for the publication of e-security resource documents, developed by the TEL e-Security Task Group.	Funding options, delivery and timeframe to be reviewed. The publication will provide advice on e-security issues including Public Key Infrastructure (PKI) interoperability. Possible delivery 2002.	Business users and policy makers will be assisted with a comprehensive guide to electronic security issues, noting that concerns about security are recognized as inhibiting commitment to electronic systems.
7. TEL	A training program in e-security, funded by the United States, has been approved	The training program will enhance awareness of e-security issues.	Business and government will both benefit from improved understanding of e-security measures required to protect electronic business activities.
8. Tourism Working Group (TWG)	Best Practices on Development of Tourism Satellite Accounts (TSA)	This TWG Project (TWG01/2001) entails the conduction of a survey to gauge the current status of where all APEC Member Economies stand in terms of adapting and implementing a Tourism Satellite Account structure. The survey will help identify the hurdles faced by those APEC Economies who have yet to implement TSA.	The development of TSA will allow member economies to establish a credible and internationally comparable set of standards that track tourism growth and measure the contribution of tourism to their economies

Name of CTI Sub-fora/Working Groups	TILF Deliverables for 2001	Description/Timeframe	Expected Benefits and Beneficiaries
		<p>An initial Report is to be submitted to the TWG by November 2001, and it will seek to raise the level of awareness on TSA among member economies and assist them in setting up TSA; harmonize methodologies for key tourism statistical collections, consistent with the activities of other international tourism organizations; promote comprehensive analysis of the role of tourism in member economies in promoting sustainable growth and facilitate the exchange of tourism information among member economies.</p> <p>The development of TSA is related to Policy Goal No. 4 of the Seoul Declaration on an APEC Tourism Charter.</p>	
9. TWG	Tourism Impediments Study (Phase 1)	The task is being carried out through the funding of APEC TWG Project 04/2001. It follows through the work in this area that has been achieved by the TWG since 1996. The objective of this project is to facilitate the development of Individual and Collective Action Plans required under Policy Goal No. 1 of the Seoul Declaration on an APEC Tourism Charter.	The target audience for the results of this project includes the Ministries of Tourism, Trade and Development, as well as Transportation authorities from APEC Member Economies; International and National Tourist Industry representatives; Regional, State and Provincial Agencies with responsibility for specific tourism areas and Foreign Investment Regulatory Agencies.
10. TWG	Implementation of a Tourism Information Network (TIN)	This TWG Project (TWG01/2001T) seeks to establish a mechanism through which information flows between member economies is improved by providing access to information about tourism in APEC. The Project aims to enhance access to current and future information made available by economies and other tourism related organizations. The TIN will be an integral part of the existing APEC TWG website. The information from this existing TWG site will be supplemented by a more diverse range of information and further supplemented by hyperlinks to member economies' sites. An initial	The Project will result in considerable progress towards the development of a Knowledge Based Tourism Sector in the region. It aims to assist the tourism industry in reaching its potential as a driver of economic growth in the region.



Name of CTI Sub-fora/Working Groups	TILF Deliverables for 2001	Description/Timeframe	Expected Benefits and Beneficiaries
		Report is to be submitted to the TWG by November 2001.	
11.TWG	Implementation of a Tourism Research Network (TRN)	In the First APEC Tourism Ministerial Meeting in Seoul, Korea, Ministers endorsed the concept of establishing an APEC Tourism Research Network as a means of creating and/or improving linkages between Tourism Research Institutions in the APEC Region. The TRN will be a key component of the TIN. It aims to ensure that the links to industry will enhance strategic knowledge, improve profitability and underpin sustainability. A Progress Report is to be submitted in November 2001.	This Project (TWG02/2001), which is linked to the Tourism Information Network Project, will allow participating member economies, universities, institutions and private sector organizations to build research and education capacities, contribute to relevant and collaborative projects, and more effectively use existing resources in order to generally enhance research cooperation within APEC.
12.TWG	Nomination of Issues to be included in Tourism Collective Action Plan	As set forth in the Seoul Declaration on an APEC Tourism Charter, endorsed by Tourism Ministers, a set of procedures for the development of Tourism IAPs and CAPs as well as the identification of issues for consideration by other APEC Fora pursuant to the APEC Tourism Charter is to be reached, in the Nomination Phase: By October 2001, member economies shall nominate issues relating to Policy Goals agreed in the Charter to be included in Collective Action Plans, and nominate Individual Action Plans on matters relating to Policy Goals agreed in the Charter.	The Nomination of Issues process will better organize the TWGs current and future work and facilitate a more efficient work relationship between the TWG and other APEC Fora. The process will facilitate the IAP process and help economies advance their work in this important services-related area. The process is to be completed by November 2001.
13. TWG	Application of Electronic Commerce to SME Tourism Enterprises (SMETEs)	This APEC Project (TWG02/2001T) is designed to increase the mobility of visitors and the demand for tourism goods and services in the APEC region. Its completion will lead to reducing current barriers to trade in tourism services and investment in SMETEs, empowering these to be represented in the electronic marketplace; to network with consumers and partners in the region; to facilitate the amalgamation of independently produced tourism products and enable the delivery of seamless tourism experiences. It will allow the development of strategies for electronic commerce	The tourism industry is private sector-driven, comprised largely of Small and Medium Enterprises (SMEs), and regionally dispersed between and within member economies. Project beneficiaries will be SMETEs. Specifically, the e-commerce technology provides a highly effective new market access channel and information access to SMETEs in the APEC region. More SMETEs using e-commerce mean more beneficiaries of APEC's efforts and it will empower TWG to improve the trade and investment between member economies. And,

Name of CTI Sub-fora/Working Groups	TILF Deliverables for 2001	Description/Timeframe	Expected Benefits and Beneficiaries
		for small and medium sized tourism enterprises; examine current problems and solutions related to electronic commerce in SMETEs; review successful cases of e-commerce that can be applied to SMETEs; boost online booking through e-commerce and analyze the attitudes of stakeholders such as government officials and tourism entrepreneurs towards e-commerce. A Report is to be submitted in November 2001.	this project aims to produce a significant value to increase mobility of visitors and demand for tourism goods and services in the APEC region. Therefore, it will help SMETEs achieve competitive advantages, establishing their niche as unique and authentic.
14. Energy Working Group (EWG)	Study on Algorithm Development for Energy Performance Testing	A scoping report will be produced and distributed in July 2001 which establishes a basis for acceptance of test results to enable manufacturers of efficiency energy consuming appliances to have their products accepted by importing economies without the need for excessive and expensive energy performance testing.	<i>Benefits:</i> improve the range of energy efficient products available to consumers. <i>Beneficiaries:</i> manufacturers of the appliances that are affected by regulatory requirements and their customers. Domestic standards setting bodies and member economy governments.
15. EWG	The APEC Network of Minerals and Energy Data (ANMED) database - Phase 3	A report identifying strategies for ANMED's ongoing management and a plan for its financial independence will be presented to the GEMEED Database Steering Committee.  An extension of Phase 3 will be needed to fully commercialize ANMED and ensure its long-term functionality. Funding for an Extension of Phase 3 commenced in May 2001, and is expected to be completed in 2002.	<i>Benefits:</i> facilitates strategic planning, definition of new trends, investment development, production, trade and transportation in member economies. <i>Beneficiaries:</i> governments and institutions dealing with domestic mineral and energy resource management in member economies; private and public sector companies in member economies and worldwide involved in minerals and energy exploration, production and investment.
16. EWG	Fourth in a series of APEC Coal Trade and Investment Liberalization and Facilitation Workshops	The proceedings of the fourth workshop held in Malaysia in October 2001 will be published and distributed in December 2001.	<i>Benefits:</i> improve the efficiency and reliability of coal mining operations and; facilitate coal trade and investment. <i>Beneficiaries:</i> business and government policy makers.

Name of CTI Sub-fora/Working Groups	TILF Deliverables for 2001	Description/Timeframe	Expected Benefits and Beneficiaries
17. EWG	Addressing the Barriers to the Inter-Connection of Power Grids	A series of recommendations will be developed and presented to the EWG intersessionally in December 2001.	<p><i>Benefits:</i> improve access to information and strategies on barriers; facilitate investment in energy infrastructure necessary to generate trade.</p> <p><i>Beneficiaries:</i> business, investors, government policy makers and regulators.</p>
18. Human Resources Development Working Group (HRDWG)	The APEC Architect	Similar project to "The APEC Engineer" which was completed last year. Building on the success of that project, <i>The APEC Architect</i> aims to improve the systems for recognition of their skills and qualifications.	Project is expected to facilitate the mobility of professional architects within the region.

### 3. Investment

Name of CTI Sub-fora/Working Groups	TILF Deliverables for 2001	Description/Timeframe	Expected Benefits and Beneficiaries
1. Investment Experts' Group (IEG)	6 <sup>th</sup> APEC Investment Symposium on "Restructuring FDI in the Age of Information Technology"	IEG held its 6 <sup>th</sup> annual APEC Investment Symposium in Cheju, Korea in March.	The Symposium will facilitate the flows of new forms of investment in the APEC economies. Investment policy makers and private business sectors are beneficiaries.
2. IEG	Expanded the Menu of Options in the areas of "Technology Transfer", "Intellectual Property Rights", "Start-up Companies and Venture Capital", and "Domestic Business Environment"	IEG reached a consensus on "Technology Transfer", "Intellectual Property Rights", "Start-up Companies and Venture Capital" languages to be included to the Menu of Options.  The Group is in the stage of finalizing the language on "Domestic Business Environment" to be added in the Menu of Options.	The expanded Menu of Options will facilitate investment flows in the APEC economies. Private business sectors, investment policy makers, academics and experts become major beneficiaries.
3. IEG	Reviewing and building upon the Investment Chapter of the OAA Guidelines and Collective Actions on Investment	IEG updated the text of the Investment Chapter of the OAA Guidelines and Collective Actions on Investment through reflecting improvements made since 1996 and adding new substantive amendments as well as actions.	These actions will enhance transparency of APEC investment regimes, facilitate investment activities and promote investment liberalization in the APEC region. Investment policy makers and private business sectors are primary beneficiaries.
4. IEG	Conduct studies on "Cross Border Mergers and Acquisitions (M&As) and "Start-up Companies and Venture Capital"	IEG agreed to conduct studies on "Cross Border Mergers and Acquisitions (M&As) and "Start-up Companies and Venture Capital". These studies will be conducted with a possible collaboration with outside experts.	The first study will enhance the understanding of the consequences of M&As while the second study will recommend useful policy considerations required for promoting start-up companies and venture capital. General public, private business sectors, government officials are beneficiaries.
5. IEG	2 <sup>nd</sup> APEC Investment Mart	China hosted the 2 <sup>nd</sup> APEC Investment Mart in Yantai, China in June 2001.	Facilitate investment flows in the APEC economies. International investors and host economies are the primary beneficiaries.

Name of CTI Sub-fora/Working Groups	TILF Deliverables for 2001	Description/Timeframe	Expected Benefits and Beneficiaries
6. IEG	APEC TRIMs Seminar	China held the APEC Seminar on "WTO TRIMs Agreement Implementation: Capacity Building for a Better Investment Environment" in Xiamen China in September 2001.	Help government officials implement the WTO TRIMs, enhance transparency of APEC investment regimes and eventually facilitate investment flows. Government officials and private business sector become beneficiaries.
7. IEG	Investment Policy Discussion	IEG held the Policy Discussion Forum in which member economies make a presentation on their investment regimes. In 2001, Russia, Vietnam, and Korea participated in the forum.	Policy discussions enhance transparency of the APEC members' investment regimes. Investment policy makers and private business sectors are primary beneficiaries.

#### 4. Standards and Conformance

Name of CTI Sub-fora/Working Groups	TILF Deliverables for 2001	Description/Timeframe	Expected Benefits and Beneficiaries
1. Sub-Committee on Standards and Conformance (SCSC)	Review of and revision to the Mid-Term Technical Infrastructure Development Program	SCSC completed the review of the Mid-term Technical Infrastructure Development Program, which was developed in 1996 to establish the goals that member economies should achieve by 2000 regarding the competence of their conformity assessment systems. Based on the outcomes of the review, SCSC revised the Program with the goals to be achieved by 2005.	Re-establish the goals of member economies for technical infrastructure development and promote cooperation for it, with a view to facilitating broader participation in mutual recognition arrangement.
2. SCSC	Establishment of a pilot of the DeclareNet	SCSC will contribute to a possible launch of a pilot of the DeclareNet, an Internet website for exchange of conformance information between regulatory authorities and manufacturers, and a regulatory tool for post-market surveillance, by December 2001. SCSC held two workshops in February and August to consider a DeclareNet pilot.	Facilitate exchange of conformance information between regulatory authorities and manufacturers. In addition, provide consumers with easy access to information on regulations and conformance.
3. SCSC	Implementation of the Work Program on Trade Facilitation in Information Technology Program	SCSC compiled information on member economies' implementation of the six elements of the One Standard-One Test, Supplier's Declaration of Conformity (1-1SDoC) work program, and discussed infrastructure needs and potential obstacles to implementation. SCSC endorsed the proposal for APEC-based IT companies and ITI members to co-develop with each interested economy a "roadmap" that is individually tailor-made to facilitate its implementation of the work program.	Benefits to manufacturers through simplified procedures in placing their products onto the markets.
4. SCSC	Implementation of the APEC Electrical and Electronic MRA (EEMRA)	SCSC adopted the information interchange format for Part I of the EEMRA and the application form and check list for Parts II and III. SCSC encourages member economies to participate in the EEMRA.	Enhanced trade in electrical and electronic equipment through lower costs while ensuring consumer safety.
5. SCSC	Monitoring of the developments within the WTO Committees on the TBT and SPS and implementation of the APEC Strategic Plan for WTO-related	SCSC monitored the developments within the WTO Committees on the TBT and SPS. SCSC undertook the following projects for the implementation of the APEC Strategic Plan for WTO-related capacity	Assist member economies in understanding better the WTO TBT and SPS Agreements. Contribute to building capacity of developing member economies to implement the WTO TBT

Name of CTI Sub-fora/Working Groups	TILF Deliverables for 2001	Description/Timeframe	Expected Benefits and Beneficiaries
	capacity building	building: <ul style="list-style-type: none"> <li>• APEC/SCSC Training Programs on Standards and Conformance; and</li> <li>• APEC Resource Pack and Symposiums for Operation of National Point-of-Enquiry under the SPS and TBT Agreements of the WTO.</li> </ul>	and SPS Agreements
6. SCSC	Compilation of the Regulatory Profiles for Foods, Medicines and Related Products	SCSC will compile the Regulatory Profiles, which includes regulatory and administrative framework and expert/ import control of the member economies with respect to foods, medicines and related products.	Enhance transparency of information on the regulatory regime of foods, Medicines and related products.
7. SCSC	Compilation of Good Regulatory Practice Materials	SCSC held seminars on the margins of SOM II and SOM III in 2001. SCSC compiled all current materials into a single source (database).	Provide member economies with guidance for adoption of efficient regulatory arrangements leading to reduction in technical barriers to trade.
8. SCSC	Publication of the Best and Next Practice Handbook	SCSC will publish the Handbook as the outcome of the joint project with HRDWG on APEC Speakers' Bureau on Standards-Based Management Systems (CTI 21/2000T).	Build up human resources in the important industries of APEC member economies by applying standards-based management systems
9. SCSC	Implementation of TILF projects for technical infrastructure development	SCSC completed the following TILF projects: <ul style="list-style-type: none"> <li>• Mutual Recognition Arrangement (MRA) Readiness Project (CTI 32/99T);</li> <li>• Technical Training for APEC Testing and Calibration Laboratory Professionals (CTI 22/2000T);</li> <li>• Training in Application of Risk Analysis in Conformity Assessment of Food (CTI 06/99T); and</li> <li>• Project on Quality Systems for Calibration Services at National Metrology Institutes (CTI 10/2000T).</li> </ul> SCSC is implementing the following TILF projects: <ul style="list-style-type: none"> <li>• APMP Expert Training for APEC Member economies in Indonesia, the Philippines, Thailand and Viet Nam to Assist Participation in Global MRA in Measurement Standards (CTI</li> </ul>	Promote cooperation for technical infrastructure development to facilitate broader participation in mutual recognition arrangement.

Name of CTI Sub-fora/Working Groups	TILF Deliverables for 2001	Description/Timeframe	Expected Benefits and Beneficiaries
		01/2001T); <ul style="list-style-type: none"> <li>• Promoting Active Participation of the APEC Member Economies in the APEC-MRAs (CTI 07/2001T);</li> <li>• APLMF Training Project on Rice Moisture Measurement (CTI 09/2001T);</li> <li>• SCSC Workshop on Evaluation of Measurement Uncertainty (CTI 21/2001T); and</li> <li>• Multilateral Recognition Arrangement (MLA) Readiness Project in Product Certification (CTI 29/2001T).</li> </ul>	
10. SCSC	TIC-CAR project through the APEC Cooperation Center for Conformity Assessment	SCSC published the survey results on conformity assessment bodies in the APEC region in October 2001 and will establish an Internet-based database system at the virtual APEC Cooperation Center for Conformity Assessment by November 2001.	Easy access to information about conformity assessment operators and systems in member economies. Benefits to the industry sectors, Conformity Assessment Operators (CAOs), vendors, public procurement officers and authorities, universities, etc. who are interested in conformity assessment systems in the region.
11. SCSC	SCSC/EC Dialogue	SCSC held a dialogue with the European Commission in February 2001 to discuss various technical issues of mutual interest, including international standardization activities, MRAs, accreditation and supplier's declaration.	Benefit all member economies through exchange of information on the issues of mutual interest.
12. Human Resources Development Working Group (HRDWG)	Holding of Forum on Cross-cultural Understanding of Implementation of Standards and Accreditation in Supply Chain Management in strategic industries such as electronics, and supporting industries which facilitate trade such as transportation.	Research on best practices and a series of workshops and forum involving academia, business and public sectors commenced in 2001.	Will enhance capacity of certification and accreditation institutions in their work, build capacity of SMEs involved in supply chain of strategic industries, disseminate information to industry associations and improve government training institutions.
13. Small and Medium Enterprises Working Group (SMEWG)	Training and Certification Program for Small Business Counsellors	The program is to recognize and sustain a standard counseling for small business within the APEC region. The program was launched during the SME Ministerial Meeting in August 2001.	The program will enhance the performance and competitiveness of SMEs in the global economy.



## 5. Customs Procedures

Name of CTI Sub-fora/Working Groups	TILF Deliverables for 2001	Description/Timeframe	Expected Benefits and Beneficiaries
1. Sub-Committee on Customs Procedures (SCCP)	Technical Assistance for WTO Valuation Agreement	<p>Completed technical assistance programs for original SCCP members.</p> <p>Russia is the only member that has not received technical assistance due to funding problems for translation services.</p>	A standard procedure for valuing goods would facilitate trading activities.
2. SCCP	Technical Assistance for Paperless Trading	<p>Completed development of a work program. Process to engage a consultant to assist individual economies in the development of their paperless trading action/implementation plans was completed in August 2001.</p> <p>A schedule of visits to economies will be negotiated.</p>	Speeds up as well as facilitates customs documentation procedures/flows and reduces business cost.
3. SCCP	Technical Assistance for TRIPS	Completed technical assistance programs for original SCCP members.	To implement border enforcement procedures to protect intellectual property rights.
4. SCCP	Technical Assistance for HS Convention	<p>Completed technical assistance programs on 1996 version of Harmonized System Convention (HS) for all SCCP members seeking assistance.</p> <p>Workshop on the 2002 Version of the Harmonized System (HS) took place in March 2001 in Bangkok, Thailand, to promote the application of HS 2002 Version by member economies.</p> <p>A technical assistance program on Customs Laboratory will be provided to PRC, Peru, Chinese Taipei and Viet Nam in 2001-2002.</p> <p>Target date: 2002</p>	A standard international harmonized system for classification of goods would ensure a level playing field for business through the HS Convention.
5. SCCP	Public Availability of Information	Completed study on the use of Internet as an instrument for the dissemination of Customs information by APEC member economies.	Traders will have easy access to all the pertinent information on customs laws, regulations, procedures, rulings and guidelines.

Name of CTI Sub-fora/Working Groups	TILF Deliverables for 2001	Description/Timeframe	Expected Benefits and Beneficiaries
6. SCCP	Technical Assistance for Temporary Importations	An Americas Regional Advisory Mission was conducted in May 2001 in Chile. All technical assistance programs have been completed by then.	Having standard procedures for admitting goods on a temporary basis for commercial samples, trade fairs and exhibitions will provide a degree of certainty on how these goods will be treated by customs, hence facilitating cross border flows.
7. SCCP	Technical Assistance for Clear Appeal Provisions	Completed technical assistance programs for original SCCP members.	To provide business with opportunities to challenge potentially erroneous or inequitable customs decisions through mechanisms for transparent independent and timely appeals.
8. SCCP	Technical Assistance for Advance Classification Ruling System	Completed technical assistance programs for original SCCP members.	Simplified customs procedures provided prior to importation will help traders make sound business decisions.
9. SCCP	Technical Assistance for Kyoto Convention	Technical assistance programs have been completed.  Target date: 2002.	Private/business sectors will benefit from simplified and predictable customs procedures as required under the Kyoto Convention.
10. SCCP	Technical Assistance for Risk Management	Expert study missions in Singapore, Chile, Mexico and Thailand have been conducted since January 2001. Study missions to Viet Nam and Peru are scheduled to be completed by end of calendar year 2001.  Target date: 2002	Facilitate the movement of low-risk shipments through a more flexible approach implemented by customs administration.
11. SCCP	Technical Assistance for Common Data Elements	A compendium comparing the data set of the G7 and APEC members has been drawn up.  The working group will respond to technical questions and act as a liaison to communicate concerns to the G7 working group. The working group will provide information on the data element work completed by the G7 Working Group.  Three regional APEC seminars are planned in 2001-2002 to further this initiative.	To facilitate exchange of information and provide a foundation for electronic commerce.

Name of CTI Sub-fora/Working Groups	TILF Deliverables for 2001	Description/Timeframe	Expected Benefits and Beneficiaries
12. SCCP	Technical Assistance for Express Consignments Clearance	<p>Consignments Seminar was held in April 2001 in Hong Kong, China.</p> <p>An express consignment handbook has been completed for distribution in 2001.</p> <p>Assessment missions to Indonesia and Viet Nam, and customized advisory missions to Chinese Taipei and Philippines will take place in the second half of 2001. Target date: 2001.</p>	<p>Aligning APEC members to the WCO Guidelines on Express Consignments Clearance will provide an impetus for increased trade and growth in all implementing economies in the region.</p> <p>Working in partnership with express industry associations (CAPEC) who had presented its report on the industry's view on the development and accomplishments to-date for Express Consignment Clearance guidelines.</p>
13. SCCP	Technical Assistance for Integrity	<p>An APEC integrity Workshop was conducted in July 2001. In the second half of 2001, some economies will be supported in the self-assessment process by the visit of a trained facilitator.</p>	<p>Reduces business costs in the region.</p> <p>Increase levels of trade facilitation.</p> <p>Maximize effectiveness of new technologies and management practices.</p>
14. SCCP	Assessment/Evaluation of SCCP CAPs	<p>Completed development of assessment/evaluation approach for SCCP CAPs in March 2001.</p> <p>Collective evaluation of SCCP CAPs has been completed by August 2001.</p>	<p>To assess APEC's current work to improve the overall communication strategy, and the implementation of SCCP CAPs, in particular the multi-year technical assistance programs.</p>
15. SCCP	Business Outreach Initiative	<p>A 2001 APEC Customs-Business Dialogue was held on 13-14 August 2001 in Shanghai, China and saw great success.</p>	<p>To support APEC's current work to improve the overall communication strategy and the SCCP to take a proactive approach to launch publicity of the work done on trade facilitation.</p>
16. SCCP	Publication of an SCCP Blueprint	<p>A living document of SCCP to be updated periodically to reflect on-going work in response to the changes in the trading environment. Target date: 2001</p>	<p>An effective communication tool as it provides information to private/business sector with up-to-date information on the activities undertaken by the SCCP.</p>
17. SCCP	Implementation of Customs-related WTO Agreements	<p>A new mechanism to build capacity for Customs administrations in APEC who face difficulties in implementing Customs-related WTO Agreements, including Customs Valuation, TRIPS and the ROO Agreement was set up in February 2001.</p>	<p>Private/business sectors will benefit from smooth implementation of Customs-related WTO Agreements, such as the Customs Valuation Agreement.</p>

Name of CTI Sub-fora/Working Groups	TILF Deliverables for 2001	Description/Timeframe	Expected Benefits and Beneficiaries
		Workshop on the implementation of Customs-related WTO Agreements took place in May 2001 in Okinawa, Japan, to identify problems in implementing these agreements and to help developing economies through tailor-made capacity building. A framework of coordinated technical assistance is being developed to optimize resources.	
18. SCCP	Trade Facilitation	Endorsement of six recommendations made by the 1 <sup>st</sup> Trade Facilitation Working Group Meeting in February 2001 to improve the interaction with and outreach to the private sector. The 2 <sup>nd</sup> and 3 <sup>rd</sup> meetings of the Working Group suggested a new CAP on Customs-Business Partnership, which was fully endorsed by SCCP at its August meeting.	To enhance SCCP's communication strategy as well as to promote interaction and outreach with the private sector.

## 6. Intellectual Property Rights

Name of CTI Sub-fora/Working Groups	TILF Deliverables for 2001	Description/Timeframe	Expected Benefits and Beneficiaries
1. Intellectual Property Rights Experts' Group (IPEG)	Electronic processing of IPR-related procedures [CAP-c]	Strategies to promote utilization of electronic means for IPR-related procedures were studied and working with user groups was realized as one of the most important approaches.	To contribute towards the development of efficient IP systems and practices for IPR protection in each member economy
2. IPEG	IP asset management practices within authorities [CAP-g]	Information relating to IP asset management practices for software within authorities of member economies was compiled.	To encourage government authorities of member economies to adopt appropriate IP asset management practices to improve public understanding of good IP asset management practices.
3. IPEG	Improved common understanding on international IPR developments [CAP-b]	The different interests of member economies on international developments in IP including rule-making efforts at WIPO were identified with a view to the development of a common understanding among member economies.	To promote the adoption of recent international developments aimed at streamlining and harmonizing IP protection
4. IPEG	Facilitate the transfer and dissemination of technology based on appropriate IP protection [CAP-l]	Patent commercialization and technology transfer were taken up at the APEC Symposium on Intellectual Property Rights In the New Economy held in Taichung, Chinese Taipei in July 2001. Views were exchanged and knowledge was shared among the experts from public and private sectors on effective patent commercialization and successful technology transfer within the context of the IP systems.	To contribute to the economic and technological development of member economies
5. IPEG	The Government/Industry Workshop on IP Enforcement in the APEC Region [CAP-f]	The Government/Industry Workshop on IP Enforcement in the APEC Region was held in March 2001 to exchange information relating IPR enforcement issues between the private and public sectors.	To foster private and public sectors cooperation on IPR enforcement.
6. IPEG	The APEC Copyright Seminar	The APEC Copyright Seminar was held in Tokyo, Japan in March 2001.	To ensure adequate and effective copyright protection in participants' economies.

<b>Name of CTI Sub- fora/Working Groups</b>	<b>TILF Deliverables for 2001</b>	<b>Description/Timeframe</b>	<b>Expected Benefits and Beneficiaries</b>
7. IPEG	IP Public Education and Awareness Training	Two year project commencing at end 2001/beginning 2002 to assist up to four developing member economies in developing public education and awareness programs.	Improved capacity for communicating the benefits for individuals and businesses of an effective IP regime

## 7. Competition Policy and Deregulation/Regulatory Review

Name of CTI Sub-fora/Working Groups	TILF Deliverables for 2001	Description/Timeframe	Expected Benefits and Beneficiaries
1. Workshop on Competition Policy and Deregulation	APEC-OECD Cooperative Initiative on Regulatory Reform	<p>The Opening Conference was held in Singapore in February 2001.</p> <p>The first Workshop was held in Beijing on 19–20 September 2001. The issues covered in this workshop included: strategies to design and sustain a broad regulatory reform program and the competition policy foundations for regulatory reform.</p>	Participants from APEC and OECD economies; representatives from other international organizations and representatives from the private sector and trade unions will benefit from exchanges on the implementation of regulatory principles, and relevant discussions on strategies.
2. HRDWG	APEC-PFP Course on Competition Policy	Implemented annually since 1996.	Aims to develop human resources capable of establishing as well as effectively managing competition and contribute to TILF.

## 8. Government Procurement

Name of CTI Sub-fora/Working Groups	TILF Deliverables for 2001	Description/Timeframe	Expected Benefits and Beneficiaries
1. Government Procurement Experts Group (GPEG)	Voluntary review of consistency of GP systems with the Non-binding Principles (NBP)	Voluntary reviews on consistency of economies GP systems with the transparency NBP have been undertaken and reported to the GPEG by most economies. This process is to be completed in February 2002. Australia and Korea have reviewed and reported to GPEG on the consistency of their GP regimes with all the NBPs.	Improved transparency and progress towards Bogor goals in GP markets thereby improving opportunities for businesses and value for money for governments in the APEC region.
2. GPEG	GPEG contributions to the WTO Working Group on Transparency	GPEG will provide information on the transparency of members' procurement regimes by October 2001.	Improved transparency of GP should improve opportunities for business and value for money for governments in the region.
3. GPEG	Capacity building in the area of electronic GP systems	A series of presentations has commenced on economies' experience in implementing e-procurement systems and the contribution these systems can make to achievement of consistency with the NBPs. A questionnaire will be circulated to collect information on economies current capacities in this area to identify opportunities for future capacity building projects.	Improved transparency and progress towards Bogor goals in GP markets thereby improving opportunities for businesses and value for money for governments in the APEC region



## 9. Mobility of Business People

Name of CTI Sub-fora/Working Groups	TILF Deliverables for 2001	Description/Timeframe	Expected Benefits and Beneficiaries
1. Informal Experts' Group on Business Mobility (IEGBM)	<p><u>Short term entry</u></p> <p>Expand participation in APEC Business Travel Card (ABTC) scheme.</p>	<p>Brunei Darussalam, Peru, Thailand and Chinese Taipei formally signed onto the ABTC scheme in 2001. A total of 11 economies now participate in the scheme.</p>	<p>Pre-clearance system allows business people, through a single application form, to obtain multiple entry to participating economies and stays of up to 3 months on each visit occasion, for a period of 3 years. Cardholders also enjoy fast tracked entry and exit through special APEC lanes at major airports.</p>
2. IEGBM	<p><u>Temporary residency</u></p> <p>Implement agreed-in-principle streamlined arrangements for processing intra company transfers</p> <p>Agreement to extend streamlined temporary residency processing to specialists.</p>	<p>Agreement in principle, on a best endeavor basis, was reached in August 1999 to implement streamlined processing of temporary residency applications for executives and senior managers on intra company transfer. Majority of economies report streamlined arrangements have been implemented. Economies report at each IEGBM meeting on progress towards implementing agreed standards.</p> <p>Economies agreed in-principle, on a best endeavor basis, to extend streamlined arrangements to specialists, as defined by individual economies. The standard, as agreed in principle at SOM III 2001, is that temporary residency processing of specialists would be completed within 30 days upon receipt of all necessary documents. Processing time may extend beyond 30 days where circumstances require more detailed checks, the application is not complete or correspondence with the applicant is necessary.</p>	<p>Promote international competitiveness and facilitate business and investment growth through the ready availability of key personnel.</p> <p>Removal of unnecessarily complex procedures for business will speed up the capacity for business to move staff quickly, reducing the cost of international trade and investment.</p>

Name of CTI Sub-fora/Working Groups	TILF Deliverables for 2001	Description/Timeframe	Expected Benefits and Beneficiaries
3. IEGBM	<u>Information Exchange</u>  Maintenance of APEC Business Travel Handbook	Handbook details short term and long term temporary business residency requirements of APEC economies. Updated on the internet throughout the year as economies provide information to the APEC Secretariat. A mechanism for economies to update their entries online will be developed as part of the IEGBM website project – to be completed by end 2001. Handbook found at: <a href="http://www.apecsec.org.sg/travbook/cover.html">http://www.apecsec.org.sg/travbook/cover.html</a>	Convenient reference guide for business people who travel within the APEC region or intend to take up temporary residence in an APEC economy.
4. IEGBM	Multilateral Advance Passenger Processing (APP) Trial	APEC TILF funding was approved for an APP system trial which will provide the system infrastructure to a third recipient APEC economy. Project to be completed by end 2003.	Participating economies will have access to world's best practice in passenger processing, delivering shorter processing times for passengers at immigration check points and reducing the numbers of undocumented arrivals.
5. IEGBM	<u>Capacity Building Strategy</u>  Immigration Training and Technical Cooperation   Capacity Building in Immigration Facilitation Techniques	CTI Project 02/99T completed in May 2001 following approval for extension of original disbursement deadline. Extensive training provided to all recipient economies in travel document fraud detection to facilitate border document examination processing. Extension period allowed for further training sessions, the development of a paper on standards for travel documentation examination (agreed in principle at SOMIII) and the development of a generic training resource package.  Implementation of CTI project 18/2000T to be completed end 2001. The IEGBM endorsed the paper Business Mobility Standards: A Key to Building Capacity, developed in Phase 1 of the project. Phase 2 included self-assessment, which identified priority needs in document fraud training, professional service and technology assistance.	Economies have improved capacity to detect document fraud, enhancing border management and their capacity to streamline the mobility of business and other people.  The Standards paper provides the framework for developing effective capacity building strategies supporting regional travel facilitation. Phase 3 will build on previous training to enhance economies' capacity to manage and provide efficient streamlined border management services to business travelers. Project outcomes will

Name of CTI Sub-fora/Working Groups	TILF Deliverables for 2001	Description/Timeframe	Expected Benefits and Beneficiaries
		Phase 3 (final phase) to include training in the use of the generic travel document fraud package (CD ROM and hard copy); implementation of examination standards and distribution of basic document examination equipment kits to eligible economies (November 2001).	enhance economies' capacity to develop individual action plans in document examination and to implement long term self-sustainable skills training programs
	Capacity Building in Professional and Efficient Service	Multi-year 4 phase project aims to develop and implement standards in professional service across all economies to improve the level of service. Funding approved in August 2001 for phases 1 and 2 for standards development and self-assessment by economies, to be completed by end 2003.	Project will enhance capacity of economies to provide efficient, streamlined practices across immigration administrations to the benefit of business and other travelers.
6. IEGBM	<p>Dialogue with business</p> <p>Development of Business Mobility website</p>	<p>IEGBM continued dialogue with ABAC and other APEC sub-fora to address business concerns about business mobility, for example, the IEGBM was able to respond positively to GOS at SOMIII on providing facilitated processing to eligible educational professionals.</p> <p>Website development to be completed by end 2001. Site currently provides information on activities of the IEGBM, meeting papers and other resources. Dynamic site features will include secure members access; discussion forum and facility to update and amend site content.</p>	<p>Benefits business community and other for a to achieve business mobility related goals.</p> <p>Website will provide links and information to business community about the APEC Business Travel Card scheme and other mobility initiatives and enable discussion on-line for members saving time and improving efficiency.</p>

## 10. TILF General

Name of CTI Sub-fora/Working Groups	TILF Deliverables for 2001	Description/Timeframe	Expected Benefits and Beneficiaries
1. Economic Committee (EC)	2001 APEC Economic Outlook	A publication that will be prepared in time for the Ministers' and Leaders' Meetings in October.	The 2001 Outlook addresses the TILF agenda by looking into the nexus between financial development and economic growth. The result of the study is expected to draw implications on the direction of financial development for economic growth; the interplay between financial regulation, changes in government financial policies and financial liberalization; and the trends and prospects of financial integration among the APEC economies and their effects on regional growth.
2. EC	New Economy	A compilation of individual projects under the overarching theme of "New Economy: Issues and Policy Challenges in APEC Economies" that will be carried out during the EC's Work Program for 2001-2002.	The analytical foundation for the New Economy issue is not sufficient and the EC could contribute through deeper study to provide the necessary knowledge for decision-makers.
3. EC	The Benefits of APEC Trade and Investment Liberalization and Facilitation	A research project to be carried out in the course of EC's Work Program for 2001-2002.	As APEC is at the halfway mark towards the Bogor goals, this study will build upon previous work in APEC, including the 1997 EC study on the "Impact of Trade Liberalization in APEC" and the 1998 EC study on the "Impact of Investment Liberalization in APEC."
4. EC	A Plan for the Implementation of Knowledge-Based Economy (KBE)	A study to be done in the course of EC's Work Program for 2001-2002.	A follow-up study on how to implement the recommendations cited in the EC's 2000 report to Ministers and Leaders entitled "Towards Knowledge-based Economies in APEC."
5. EC	The Impact of Higher Oil Prices on APEC Member Economies	A report is to be incorporated in the 2001 APEC Economic Outlook and submitted to Ministers and Leaders in October 2001.	As instructed by APEC Ministers, the EC will carry out the study but with more emphasis on the assessment of the change in oil dependency in APEC economies.

Name of CTI Sub-fora/Working Groups	TILF Deliverables for 2001	Description/Timeframe	Expected Benefits and Beneficiaries
6. Working Group on Trade Promotion (WGTP)	APECNet	Launched during June 1998, the APECNet website will continue to mature through strengthening hyperlinks to the websites of the trade promotion organizations of member economies and improving business-matching services.	Frequently used by business communities in the region, the site provides business easy access to trade-related information, including activities and opportunities. User hit rates have increased dramatically. Usage levels by the academic sector and users in the United States, Chinese Taipei, and Malaysia ranked highest.
7. WGTP	Revision of Osaka Action Agenda (OAA) Part II —ECOTECH	The WGTP undertook a review of Part II of the OAA in 2001 and presented its consolidated revisions to the ESC in June 2001.	The revision will reveal new dimensions of trade promotion tools and activities, thus, contribute to the further development of OAA Part II.
8. WGTP	APEC Seminar on Product Design	The seminar was held in Chinese Taipei on 26-29 May 2001 and will feature lectures by experts from member economies, presentations of participants and industrial tours.	The seminar is expected to enable the participants and member economies to share information and know-how amongst member economies, increase awareness of global trends, learn how design can add value to a product and help to make business sustainable, upgrade business competitiveness in the global market and promote trade opportunities and design cooperation.
9. WGTP	APEC Seminar on Trade Promotion	With theme of E-Future of APEC Trade Promotion Organizations (TPOs), the seminar took place on 10-12 July 2001 in Beijing, China and featured speeches by experts, TPO officials and SME entrepreneurs, presentations of participants and tours of industry.	The seminar is expected to benefit the officials of TPOs by widening their vision of functions and services with IT, urge TPOs to ponder over their reform and development in the EC age, provide a forum to exchange experience on expanding business opportunities for SMEs with the application of EC, and promote trade in the APEC region, with a view to contributing to the Bogor goals.
10. Human Resources Development Working Group (HRDWG)	Continuation of program on Alternative Dispute Resolution–Executive Education Project 2000 (ADR EEP 2001) to enhance understanding of commercial disputes resolution mechanism.	Project consists of a workshop, a series of seminars and a symposium to address these needs. Will also produce curricula and teaching material for the use of such seminars in various APEC economies. Seminar held on 26 June 2001 in Mexico City on "Mechanisms to resolve international disputes in Asia-Pacific commercial relations".	Wider dissemination of knowledge on commercial dispute resolution mechanisms to business people and their professional advisers will enable them to utilize mechanisms to resolve disputes in the most efficient and least disruptive ways.

Name of CTI Sub-fora/Working Groups	TILF Deliverables for 2001	Description/Timeframe	Expected Benefits and Beneficiaries
11. HRDWG	Continuation of program on Capacity-Building Program for Trade and Investment Insurance Practitioners (CBP TIIP 2001) from its predecessors in 1997-8.	A series of workshops/seminars will be held targeted at different levels of practitioners and experts, to enhance the capabilities of ECAs to improve their services, build linkages with other institutions, share information on issues of common interest, etc.	Will strengthen the institutional capacity of Export Credit Agencies that provide trade and investment insurance. Also contributes to capacity building of middle to senior level managers and sustains the impact of previous APEC-TILF programs (1997-8) which have trained participants from several APEC economies. Ultimate beneficiaries are the exporters/ importers who benefit from improved services and better linkages between ECAs.
12. HRDWG	Corporate and Nonprofit Governance and the Restoration of Prosperity in the APEC Region: Perspectives and Principles	A series of dialogue opportunities (2001-2002) on alternative perspectives and principles of governance for publicly-held corporations, as well as for private- and family-owned firms, and for state-owned enterprises. It will examine their implementation and use in the context of the APEC region, and will make recommendations for modifications to existing practice.	Project is expected to articulate requirements of Governance for improved prosperity in APEC, and enhances capacity to meet the requirements by focusing on the practical steps organizations can take in improving their Governance processes. Collaboration with Pacific Basin Economic Council and other NGOs.
13. Small and Medium Enterprises Working Group (SMEWG)	Conference on Strategic Alliances for Efficient Supply Chain Management	The Conference is aimed at promoting strategic alliances between large firms and SMEs, on one hand and strategic alliances among SMEs such as through industrial clusters in the area of supply chain management, on the other hand.	Will contribute to the APEC effort in promoting cross border trade and investment liberalization and facilitation as both large firms and SMEs optimize the countries' respective competitive advantages to bring about cost efficiency and factor productivity in producing and delivering products to end customers.
14. SMEWG	Seminar on Opportunities and Challenges: APEC SMEs after China's Accession to the WTO	The Seminar will provide a chance for member economies to exchange their respective experiences and past practices on promoting trade and investment based on WTO principles to achieve economic development.	Will help prepare APEC SMEs In anticipation of China's accession in the WTO and enable them to reap the new vast market opportunities.

Name of CTI Sub-fora/Working Groups	TILF Deliverables for 2001	Description/Timeframe	Expected Benefits and Beneficiaries
15. Fisheries Working Group (FWG)	Continuation of program on APEC Seafood Information System	A two- year project started from 1999. It tests the feasibility of improving and expanding the market and industry information service provided by GLOBEFISH and the FAO Regional Marketing Information and Advisory Services for Fisheries Products.	Will lead to the creation of a cooperative computerized database and information tracking platform covering the fisheries sector. Private industry participants and government officials throughout APEC will benefit from efficiently disseminated information.
16 .FWG	Implementation with APEC Project for the Conservation and Management of Sharks.	A project to identify the need for areas of collaboration and technical cooperation in the implementation of the FAO IPOA Sharks to collect data for an assessment of shark population allowing for sustainable use of the species.	Will provide APEC economies the tools to implement "national assessment of shark stocks and viable and sustainable commercial means to minimize waste and discards form shark catches". Harmonizing standards for sharks and sharks products will promote the sustainable free flow of trade among APEC economies.
17. Marine Resources Conservation Working Group (MRCWG)	Continuation of program on Development and Validation of Phycotoxin Analytical Methods, Standards and Reference Materials for the Seafood Product Certification and Safety.	A three-year project started from 2000, which is to facilitate trade of seafood products between APEC economies and to protect public health.	Will assist member economies in the establishment of a domestic regulatory framework with respect to seafood product safety that is transparent and based on legitimate, performance-based criteria for the analysis and certification of products. The beneficiaries are business in APEC economies that produce, process and export seafood products. They will be able to provide a safety guarantee and increase sales as a result of consumer confidence.
18. Strengthening Economic Legal Infrastructure Coordinating Group	Detailed consultation on capacity and institutional building in commercial laws and preliminary design of a project/seminar	2001-survey potential beneficiaries and design project First half 2002 - conduct in-country seminars Second half 2002 - internships with sponsoring agencies	Build capacity in applying and enforcing commercial laws in developing economies (initially Indonesia, Philippines, Thailand and Vietnam)

## **APPENDIX IV**

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### **Progress Report on Implementation of the Non-Tariff Elements of Early Voluntary Sectoral Liberalization (EVSL)**



# PROGRESS REPORT ON IMPLEMENTATION OF THE NON-TARIFF ELEMENTS OF EARLY VOLUNTARY SECTORAL LIBERALISATION

## Introduction

1. Since the decision to transfer the tariff element of EVSL to the WTO in November 1998, the Committee on Trade and Investment (CTI) has continued to oversee the implementation of non-tariff measures (NTMs), facilitation and economic and technical cooperation (ECOTECH) components of the various sectoral initiatives.
2. CTI reviewed the reporting requirements of the EVSL activities at its last meeting in February and agreed to revamp the reporting mechanism in order to provide a sharper focus of ongoing EVSL activities. Under this mechanism, coordinators/convenors of sub-fora/responsible economies would provide CTI Chair and APEC Secretariat in advance of each CTI meeting with relevant highlights of any progress or developments in EVSL activities and projects since the last meeting. If there are no developments and new initiatives in relevant sectors, coordinators can simply indicate such. However, mindful of the need to provide regular reports to Senior Officials and Ministers on the progress of work, it was agreed that the APEC Secretariat may, on the basis of the highlights provided by coordinators/convenors/responsible member economies, prepare a more punchy and concise report for that purpose.

## Developments during the Year

3. On the basis of the agreement reached at the February CTI meeting, progress was reported in the following areas:
  - a) Automotive

The Automotive Dialogue, comprising of senior government and industry representatives, met for the third time on 3-5 April 2001 in Bangkok. The meeting attracted more than 200 industry and government participants. It also welcomed China, Mexico and Viet Nam as participants for the first time. At this meeting, the Dialogue adopted an "IT Manifesto" which incorporates a forward looking action agenda and a set of "Principles of Technical Regulation Harmonization".

A new project, "Adoption of Quality Management Systems (QMS) in Auto Parts and Components Industry", was approved by the BMC for implementation under the Dialogue in 2002. The project seeks to assess the current status of automotive supplier industry in relation to the adoption of QMS in their operations and facilitate the adoption of QMS based on based on international standards in automotive parts and components firms, particularly, in the Small and Medium Enterprises (SMEs), thereby uplifting their core competencies to be globally competitive.

The Fourth Dialogue would be jointly hosted by Japan and the United States in early 2002. Malaysia would host the next Steering Committee on 12-15 November 2001 in Langkawi to follow-up on the decisions of the Bangkok Dialogue and prepare for the next one.

The Dialogue has come a long way since its establishment. A substantive work program looking at areas such assistance to automotive suppliers, effective automotive policies, harmonization of automotive technical regulations, e-commerce and other electronic networking, automotive industry profiles and ECOTECH, customs issues, traffic congestion and the environment and intellectual property rights, has been put in place. Its achievements

were noted by the APEC Ministers Responsible for Trade (MRT) at their June meeting. The MRT also welcomed the efforts by the Dialogue to develop its future work and the opportunity for governments to consider the industry recommendations where appropriate. A further report from the APEC Automotive Dialogue would be submitted to the APEC Joint Ministerial and Leaders Meetings in Shanghai, China in October 2001.

b) Chemicals

A meeting of Chemical experts was convened at the margins of SOMII on 29 May to discuss and finalize the Terms of Reference (TOR) for establishing the Chemical Dialogue. The TOR (attached as Annex) was endorsed by CTI.

The first Chemical Dialogue Steering Group Meeting was held in Dalian on 19 August to develop a work program for the Chemical Dialogue, including a possible deliverable for the first Dialogue. The meeting was chaired by the United States and attended by government officials from 14 economies and industry representatives from 6 economies. In addition to the substantive discussions on possible elements of a work program, the meeting also addressed various administrative questions, including the time and place of the first Chemical Dialogue, and selection of public and private sector co-chairs for the Dialogue, to serve a term of up to two years.

The Steering Group agreed to hold a second meeting in February 2002 on the margins of SOMI and the first Chemical Dialogue meeting around the time of the MRT in May 2002. Mexico has agreed to host these meetings.

The meeting also agreed that two co-chairs for the first Chemical Dialogue will be Mr Ooi Chwee Kim, Chairman of the Singapore Chemical Industry Council and Ms Florie Liser, Assistant US Trade Representative for Industry and Telecommunications.

c) Energy

The Pacific Economic Cooperation Council Energy Forum (PECC) and the Republic of Korea conducted a combined Workshop on Energy Services and E-Commerce in Energy was held in association with the Energy Working Group meeting in Kuala Lumpur, Malaysia on 15 May 2001.

At the EWG21 held on 18–19 May members noted a report from the Chairs of the combined Workshop and supported the proposal by the PECC and the Republic of Korea to interactively cooperate on the two initiatives. Members agreed to a second Workshop concentrating on electricity and natural gas and the role of E-Commerce in these markets and noted the proposal that there will be a third Workshop to produce a compendium of “Best Practice” in Energy Services/E-Commerce in Energy.

While members supported the two initiatives, they stressed that the second combined Workshop should focus on information exchange and should be compatible with and not duplicate the work of the broader APEC groups on Energy Services and E-Commerce in Energy or the application on Services currently before the World Trade Organization, and that members’ positions at the WTO would in no way be prejudiced. No date for the second Workshop has been set as yet.

It is anticipated that the outcomes of these Workshops will finalize activities by the EWG under the Energy Services component of the NTM, Facilitation and ECOTECH in EVSL Sectors and that these activities, if they are to be pursued further, can be then passed to the Group on Services for further action.

d) Environmental goods and services

The two ECOTECH projects, approved in 1999/2000 to support the sectoral initiative will be completed by the end of this year. They are:

- The Survey of Environmental Markets in APEC has been completed. The published report containing updated and comprehensive information on environmental market profiles in APEC member economies, focusing on the trade flow of environmental goods and services identified by the EVSL initiative and the sector's future prospects (in PDF format) can be downloaded from the APEC Secretariat website.
- The Study on Impacts of Financial Crisis in SE Asia on Trade Liberalization in Environmental Goods and Services within APEC Economies is to be completed in September 2001.

e) Forest Products

Work on three projects has commenced, viz.:

- Internet-oriented multimedia database of assessment, utilization and the trade of wood of main tree species in APEC members -Phase 1 involving information collecting and digitalizing, database framework is scheduled to be completed before the end of the year
- Research on the Method of Assessment forest resource by Remote Sensing is scheduled to be completed before the end of year. Field data collected from the sample plots are being validated, analyzed and studied for purposes of putting forward models and methods of monitoring forest resources.
- An Investigation and Exchange of Information on the Critical Factors Affecting the Trade and Export of Furniture of APEC Developing Economies in the Global Market - The contract has been signed with the Chamber of Furniture Industries of the Philippines for it to organize an APEC Furniture Symposium in Manila on 26–27 November 2001. The objective of the Symposium is to provide a forum for the investigation and sharing of information on the critical factors affecting the trade and export of furniture of APEC Developing Economies in the global market. It is hoped that findings and recommendations discussed and validated during the symposium will become bases for the developing economies to adapt as development models for correcting these factors and make them more competitive.

f) Medical Equipment and Instruments

A new proposal to organize 2nd Seminar for Government Regulators: Harmonization of Medical Equipment Regulation was approved by BMC for implementation in 2002. The Seminar will serve as a means to exchange views on the status and benefits of global harmonization of regulations for medical equipment, and to promote broader participation in the development of consensus-based standards for medical technology regulation in the future. It will also build on the momentum created in the first Seminar that took place in Singapore in March 2000 by: updating regulators on developments within the Global Harmonization Task Force (GHTF); reviewing specific GHTF Study Group documents (recommendations) in greater detail; and conducting a series of workshops that will take a case-study, "real world" approach to medical device submission, review and monitoring issues.

4. With respect to the NTMs work programs in the various EVSL sectors, MAG is continuing the coordinating work and maintaining a dialogue with other APEC fora on aspects of their work program. A revised Typology of Possible NTMs and the fora/sub-fora to address them based additional information/reports provided by the various EVSL sectoral coordinators is being finalized.

Chair, CTI  
August 2001

## **The APEC Chemical Dialogue Terms of Reference**

### 1. The Mandate for the Dialogue

At the November 2000 Joint Ministerial Meeting in Brunei, Ministers “welcomed the initiative to establish a Chemical Dialogue comprising government and industry representatives” and said that “such public-private sector dialogues were important for improving the mutual understanding of key imperatives for the development of future policy and for enhancing the competitiveness of the industry.”

### 2. The Purpose of the Dialogue

2.1. The Chemical Dialogue is an exchange of views (conducted at a series of meetings) in accordance with the Ministerial mandate between private sector chemical industry representatives and appropriate government officials who are involved in developing trade and trade-related regulatory policy within APEC member economies. Accordingly, the Dialogue will discuss trade and trade-related regulatory issues affecting the competitiveness and sustainable development of the industry in the Asia-Pacific region. The Dialogue will progressively develop a work program according to priorities identified by industry and officials in the course of their joint discussions, which may focus on non-tariff measures, trade facilitation, and economic and technical cooperation related to the chemical industry in the Asia-Pacific region.

2.2. Based on these discussions, the Dialogue will develop recommendations to facilitate trade in the chemicals sector and enhance the competitiveness and sustainable development of the industry in the region. Some APEC member economies may choose to move more quickly than others in terms of implementing recommendations as is consistent with APEC’s flexible, voluntary and consensus oriented approach to trade facilitation and economic and technical cooperation.

### 3. The Structure of the Dialogue

3.1. The Dialogue will be held annually. The work program and outcomes of the Dialogue will be reported to the Committee on Trade and Investment (CTI) and, where appropriate, through the CTI to APEC Senior Officials, Ministers and Leaders. The work program and outcomes may also be conveyed to the APEC Business Advisory Council (ABAC) and other relevant APEC fora.

3.2. The Dialogue will be supported at the working level by a Steering Group, comprising private sector representatives and government officials. The Steering Group will meet as needed before the Dialogue, but not less than once a year, to define the agenda for the Dialogue, determine the schedule of meetings, and to facilitate the Dialogue. Schedules of meetings will be determined annually to allow flexibility. The proposed schedule of meetings in any one year, including the annual Dialogue meeting, will be agreed and deposited with the APEC Secretariat in a timely manner for inclusion in the APEC calendar.

3.3. The annual Dialogue will involve appropriate representatives of the chemical sector and of APEC member economies.

### 4. Administration of the Dialogue

4.1. The Dialogue will be Co-Chaired by a representative of the chemical industry and a representative from the public sector to coordinate private sector views and public sector

positions. Co-Chairs would be selected by the Dialogue from a list provided by the Steering Group to serve for a term of up to two years.

4.2. To facilitate the work of the Co-Chairs of the Dialogue each member economy is invited to designate up to two contact points to coordinate that member economy's participation in the Dialogue.

4.3. The names of the Co-Chairs and contact details will be deposited with the APEC Secretariat by the Dialogue coordinator.

## **APPENDIX V**

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### **APEC Principles on Trade Facilitation**

## **APEC PRINCIPLES ON TRADE FACILITATION**

Reaffirming the key importance of trade facilitation in achieving the Bogor goal of free and open trade and investment in the Asia-Pacific, in providing significant benefits for both governments and business, and in generating welfare gains for the economy as a whole;

Recognizing that APEC's trade facilitation work plays an important role in improving business conditions in the region by creating a climate that increases trading opportunities and helps business, including SMEs, to save time and reduce costs;

Recognizing that in facilitating trade there should be sufficient, and no more burdensome or restrictive than necessary, compliance with legitimate policy objectives, such as protection of health and safety, and protection against unlawful activities, such as commercial fraud and trafficking in illegal goods;

Noting APEC's unique approach in advancing trade facilitation goals on a voluntary basis and in a cooperative manner with the business sector through the process of individual and collective actions;

Recognizing and drawing upon the advances already made by different fora and sub-fora of APEC on trade facilitation, and taking into account trade facilitation work elsewhere (e.g. the World Trade Organization) with a view to avoiding duplication;

Noting that the development of a set of general principles on trade facilitation can provide a stronger focus for APEC's future work on trade facilitation, add value to trade facilitation initiatives elsewhere, and assist policy makers and executors of APEC member economies in formulating and implementing trade measures which are pro-business;

Noting that trade facilitation generally refers to the simplification, harmonization, use of new technology and other measures to address procedural and administrative impediments to trade;

Recognizing that trade facilitation is relevant to both goods and services;

Recognizing that the development of trade facilitation principles is guided by the general principles of APEC in the Osaka Action Agenda;

Recognizing that the principles are non-binding and their implementation by each member economy is voluntary, taking into account the different levels of economic and technological development among APEC economies, and their diverse circumstances, including different legal frameworks, starting points and development objectives;

Recognizing the importance of technical assistance and cooperation in APEC and their relevance in the application of the principles by individual member economies in view of their different levels of development, and acknowledging APEC's role in making available appropriate capacity building programmes to assist developing members in creating a more conducive business environment;

Recognizing that some specific elements relating to trade facilitation are also reflected in the existing WTO framework;



APEC endorses the following principles:

### **Transparency**

Information on policies, laws, regulations, administrative rulings, licensing, certification, qualification and registration requirements, technical regulations, standards, guidelines, procedures and practices relating to trade in goods and services (hereinafter referred to as rules and procedures relating to trade) should be made available to all interested parties, consistently and in a timely manner, through readily accessible, widely available medium at no cost or a reasonable cost.

*Illustrative Examples:*

*Making available to all interested parties up-to-date information on rules and procedures relating to trade through publications and electronic homepages, and launching publicity on these avenues.*

*Providing as much information as possible on rules and procedures, and details of enquiry points, in economies' e-IAPs.*

### **Communication and Consultations**

The authorities should strive to facilitate and promote effective mechanisms for exchanges with stakeholders, especially business and the trading community, and stakeholders' views should be duly taken into account in the process. Where appropriate, opportunities should be provided for consultation with stakeholders when formulating, implementing and reviewing rules and procedures relating to trade, and the authorities should make known their positions.

*Illustrative Examples :*

*Setting up customer liaison groups to collect views of stakeholders on services relating to trade.*

*Consulting appropriate industry representatives, consumer group representatives and sectoral/professional bodies in developing regulations or standards – to increase the degree of confidence on all sides that the reasons for regulation are clearly understood, and to heighten the likelihood of compliance with measures once they are introduced.*

*Having discussions or dialogue sessions with stakeholders prior to formulating new rules and regulations related to trade.*

*Encouraging standing public-private sector dialogue and/or cooperative arrangements between Customs authorities and stakeholders, and setting up Customs inquiry points through the use of web-sites, help-desks and other avenues to communicate with stakeholders on Customs services relating to trade.*

### **Simplification, Practicability and Efficiency**

Rules and procedures relating to trade should be simplified to ensure that they are no more burdensome or restrictive than necessary to achieve their legitimate objectives, as well as practicable and applied in an efficient manner.

*Illustrative Examples:*

*Minimizing documentation and procedural requirement and providing one stop shopping services or coordinating centres.*

*Providing expeditious clearance for traders who have met the criteria specified by Customs, or implementing post audit clearance system.*

*With regard to the regulation of services sector, drawing from “best practice” case studies identified by APEC service-related fora.*

*With regard to border measures of assessing the conformance of commodities, following a published schedule, with a gradual reduction in frequency (and costs levied on importers/exporters) to match a continuing good compliance record.*

*Streamlining processing of business visas and procedures for temporary residence of business people to improve business mobility in the region.*

### **Non-discrimination**

Rules and procedures relating to trade should be applied in a manner that does not discriminate<sup>1</sup> between or among like products or services or economic entities in like circumstances.

*Illustrative Example:*

*Charging foreign and domestic entities on an equal basis for trade facilitation services provided to them.*

### **Consistency and Predictability**

Rules and procedures relating to trade should be applied in a consistent, predictable and uniform manner with integrity so as to minimize uncertainty to the trade and trade related parties. Rules and procedures relating to trade should provide clear and precise procedural guidance to the appropriate authorities with standard policies and operating procedures and be applied in a non-discretionary manner.

*Illustrative Examples:*

*Issuing rulings to ensure consistent and predictable administrative decisions.*

*Promulgating “performance pledges” (e.g. a pledge by the licensing authority to the public on the targeted maximum processing time of a licence application) to ensure consistent and predictable service standards.*

*Setting up a central body, such as Classification Centre/Unit, so as to ensure consistent and uniform interpretation and applications of specific rules and procedures in an economy.*

*Developing and using Codes of Conduct on Integrity that focus on areas such as impartiality and avoidance of conflicts of interest, and developing a strategic plan on the promotion of integrity.*

*Drawing on various themes as outlined under the Arusha Declaration of the World Customs Organization in the management of operations and personnel, including recruitment, training, internal staff control and retention of staff.*

### **Harmonization, Standardization and Recognition**

While accepting the need of economies to regulate or set rules for legitimate objectives such as protection of health, safety or public morals and conservation of exhaustible natural resources,

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<sup>1</sup>The discrimination refers to inconsistency with either the National Treatment or the MFN principle.

regulations, rules and procedures affecting the acceptance of goods and services between economies and markets should be harmonized as far as possible on the basis of international standards where appropriate. The development of mutual recognition arrangements for standards and conformity assessment results, and continuing cooperation on technical infrastructure development, are encouraged. These can help reduce administrative and compliance cost of business in obtaining access to international markets.

*Illustrative Examples:*

*Implementing the Revised Kyoto Convention which aims at facilitating trade through, inter alia, harmonizing customs procedures.*

*Implementing a harmonized system of customs tariff classification, WTO valuation system and the ATA Carnet System.*

*Standardizing to the fullest extent possible data requirements for procedures relating to trade by building on the work of relevant international fora.*

*Participating in APEC and other regional projects concerning the mutual recognition of professional qualification and registration, such as the APEC Registers of Architects and Engineers.*

*Where rules and procedures differ between trading partners, two trading partners, by mutual agreement, could perform an assessment on the outcomes which each of the two systems is aiming to achieve. As a result, agreement can be reached that there is sufficient equivalence of outcome to accept that assurances from one partner are adequate to satisfy the other's needs, without the industry or authorities following every step laid down in the second partner's law.*

### **Modernization and the Use of New Technology**

Rules and procedures relating to trade should be kept under review, and updated if necessary, taking into account changed circumstances, including new information and new business practices, and based on the adoption, where appropriate, of modern techniques and new technology. Where new technology is used, relevant authorities should make best efforts to spread the accompanying benefits to all parties through ensuring the openness of the information on the adopted technologies and extending cooperation to authorities of other economies and the private sector in establishing interoperability and/or interconnectivity of the technologies.

*Illustrative Examples:*

*Developing advanced risk management and systematic cargo-profiling techniques by customs authorities with a view to minimizing physical examination yet maintaining integrity of customs control.*

*Developing Customs systems which cater for the submission of pre-arrival cargo information and post clearance audit systems.*

*Maximizing the use of information technology, such as computerization, electronic data interchange (EDI) and internet technology, improving the delivery of trade-related administrative services, including the use of secure on-line technology to facilitate certification procedures, and providing an environment for paperless trading, for instance, that stipulated in the APEC Blueprint for Action on Electronic Commerce.*

*Organizing technical assistance projects and experience sharing sessions on modern techniques and new technologies used.*

## **Due Process**

Access to due process should be available to stakeholders in seeking redress with respect to the implementation of rules and procedures relating to trade, in accordance with the applicable legislation of member economies.

*Illustrative Example:*

*Introducing clear appeal provisions in the legislation.*

## **Cooperation**

The progressive introduction of measures conducive to trade facilitation is best pursued by close cooperation among government authorities and business and trading communities. Transparent, efficient and simplified trade facilitation processes necessary to an open trade regime are furthered by close cooperation and marked by open channels of communication and the exchange of information between both governments and business. Aside from business and government partnerships, governments should also work in partnership to focus on opportunities for increased cooperation including: integrated technical assistance and capacity-building; exchanges of best practices critical to implementing trade facilitation initiatives and the coordination of positions concerning topics of common interest discussed in the framework of regional and international organizations.

*Illustrative Examples:*

*Trade-related administrations to consult, engage and build cooperative partnerships with stakeholders in the international movement of commercial goods including customs brokers; express consignment industry; insurance providers; freight forwarders; shippers; warehouses etc.*

*Customs administrations or regional fora such as APEC (SCCP) to develop cooperative, capacity-building measures in custom-related areas such as, training; risk assessment; audit and verification frameworks; customs laboratories; and electronic exchanges of information.*

# **DIRECTORY OF TERMS**

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## DIRECTORY OF TERMS

ABAC	APEC Business Advisory Council
ABTC	APEC Business Travel Card
ADB	Asian Development Bank
ADR	Alternative Dispute Resolution
AGGI	Advisory Group on Gender Integration
ANCERTA	Australia New Zealand Closer Economic Relations Trade Agreement
ANMED	APEC Network of Minerals and Energy Data
APEC	Asia-Pacific Economic Cooperation
APII	Asia-Pacific Information Infrastructure
APLAC	Asia-Pacific Laboratory Accreditation Cooperation
APLMF	Asia Pacific Legal Metrology Forum
APMP	Asia Pacific Metrology Program
APP	Advance Passenger Processing
ASEAN	Association of Southeast Asian Nations
B2G	Business-to-Government
BIPM	International Bureau of Weights and Measures
BMC	Budget and Management Committee
CAOs	Conformity Assessment Operators
CAP	Collective Action Plan
CER	Closer Economic Relations
CCS	Core Characteristics Survey
CISPR	International Special Committee on Radio Interference
CPD	Workshop on Competition Policy and Deregulation
CTI	Committee on Trade and Investment
DfE	Design for Environment
DMEG	Dispute Mediation Experts' Group
DSU	WTO Dispute Settlement Understanding
EC	Economic Committee
ECAs	Export Credit Agencies
E-Commerce	Electronic Commerce
ECOTECH	Economic and Technical Cooperation
EDI	Electronic Data Interchange
EEMRA	Electrical and Electronic MRA
e-IAP	Electronic Individual Action Plan
EL	Environment Labels and Declarations
EMC	Electromagnetic Compatibility
EVSL	Early Voluntary Sectoral Liberalization
EWG	Energy Working Group
FAO	Food and Agriculture Organization
FDI	Foreign Direct Investment
FICs	Forum Island Countries
FTA	Free Trade Agreement
FTC	Federal Trade Commission
FWG	Fisheries Working Group
GATS	General Agreement on Trade in Services
GEMEED	APEC Group on Minerals and Energy Exploration and Development
GHTF	Global Harmonization Task Force
GI	Geographical Indicators
GOS	Group on Services
GP	Government Procurement
GPEG	Government Procurement Experts' Group

HRD	Human Resources Development
HRDWG	Human Resources Development Working Group
HS	Harmonized Commodity Description and Classification System
IAP	Individual Action Plan
ICSID	International Convention for the Settlement of Investment Disputes between States and Nationals of Other States
IDB	WTO Integrated Database
IEC	International Electrotechnical Commission
IEG	Investment Experts' Group
IEGBM	Informal Experts' Group on the Mobility of Business People
IFAT	Implementation Facilitation Assistance Team
IMD	International Institute for Management Development
INTA	International Trademark Association
IPEG	Intellectual Property Rights Experts' Group
IPPs	Independent Power Projects
IPR	Intellectual Property Rights
IQAS	International Quality Assurance Systems
ISO	International Organization for Standardization
ISTWG	Industrial Science and Technology Working Group
ITI	Information Technology Industry Council
KBE	Knowledge-Based Economies
LCA	Life Cycle Assessment
MAG	Market Access Group
MAPA	Manila Action Plan for APEC
MFN	Most Favored Nation
MLA	Multilateral Recognition Arrangement
MRA	Mutual Recognition Arrangement
MRCWG	Marine Resource Conservation Working Group
MRT	Ministers Responsible for Trade
NAFTA	North American Free Trade Agreement
NBPs	Non-binding Principles
NTM	Non-Tariff Measures
OAA	Osaka Action Agenda
OECD	Organization for Economic Cooperation and Development
PAC	Pacific Accreditation Cooperation
PASC	Pacific Area Standards Congress
PATA	Pacific Asia Travel Association
PECC	Pacific Economic Cooperation Council
PIF	Pacific Islands Forum
PRC	People's Republic of China
QMS	Quality Management Systems
RIA	Regulatory Impact Analysis
RTAs	Regional Trading Arrangements
ROO	Rules of Origin
SCCP	Sub-Committee on Customs Procedures
SCSC	Sub-Committee on Standards and Conformance
SMEs	Small and Medium Enterprises
SMETEs	Small and Medium Tourism Enterprises
SMEWG	Small and Medium Enterprises Working Group
SOEs	State Owned Enterprises
SOM	Senior Officials' Meeting
SRAs	Sub-regional Agreements
SPS	WTO Agreement on Sanitary and Phytosanitary Measures
SRBs	Specialist Regional Bodies
STIPs	Science and Technology Industrial Parks

TBT	WTO Agreement on Technical Barriers to Trade
TDB	APEC Tariff Database
TELMIN	APEC Telecommunications Ministers' Meeting
TEL	Telecommunications and Information Working Group
TILF	Trade and Investment Liberalization and Facilitation
TIN	Tourism Information Network
TITTP	Trade and Investment Insurance Training Program
TOR	Terms of Reference
TPD	Trade Policy Dialogue
TPF	Trade Policy Forum
TPOs	Trade Promotion Organizations
TPTWG	Transportation Working Group
TRIMS	WTO Agreement on Trade-Related Investment Measures
TRIPS	WTO Agreement on the Trade-Related Aspects of Intellectual Property Rights
TSA	Tourism Satellite Account
TWG	Tourism Working Group
UN/ECE	United Nations Economic Commission for Europe
UN/EDIFACT	United Nations Rules for Electronic Data Interchange for Administration, Commerce and Transport
UNCITRAL	United Nations Commission on International Trade Law
UNCTAD	United Nations Conference on Trade and Development
URL	Uniform Resource Locator
USITC	United States International Trade Commission
WCO	World Customs Organization
WGTP	Working Group on Trade Promotion
WIPO	World Intellectual Property Organization
WTO	World Trade Organization