

# **UPDATE OF ACTIVITIES WITHIN APEC**

**ASIA-PACIFIC ECONOMIC COOPERATION**

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# Contents

<i>Introduction</i> .....	v	<b>III. THE SECRETARIAT</b>	
<i>APEC Leaders Priority Projects 2000</i> .....	vi	<b>Public Affairs</b> .....	43
		<b>Communications and Database System</b> .....	44
<b>I. ACTIVITIES OF APEC FORA</b>			
<b>Committee on Trade and Investment</b> .....	1	<i>APEC Contacts</i>	
Tariffs and Non-Tariff Measures .....	2	<i>Member Economies, Official Observers</i> .....	45
Services .....	3	<i>Abbreviations</i> .....	48
Investment .....	4		
Standards and Conformance .....	5		
Customs Procedures .....	6		
Intellectual Property Rights .....	7		
Competition Policy .....	8		
Government Procurement .....	9		
Deregulation .....	10		
Rules of Origin .....	10		
Dispute Mediation .....	11		
Mobility of Business People .....	12		
Implementation of Uruguay Round Outcomes .....	13		
Early Voluntary Sectoral Liberalisation (EVSL) .....	14		
<b>Economic Committee</b> .....	15		
<b>Budget and Management Committee</b> .....	17		
<b>Sub-Committee on ECOTECH</b> .....	18		
<b>Working Groups</b>			
Energy .....	19		
Fisheries .....	20		
Human Resources Development .....	21		
Industrial Science and Technology .....	22		
Marine Resource Conservation .....	24		
Telecommunications .....	25		
Tourism .....	27		
Trade Promotion .....	28		
Transportation .....	29		
<b>Policy Level Group on Small and Medium Enterprise</b> ...	30		
<b>Agricultural Technical Cooperation Experts Group</b> .....	31		
<b>APEC Study Centers Consortium</b> .....	32		
<b>II. APEC ISSUES</b>			
<b>Sustainable Development</b> .....	33		
<b>Infrastructure Workshop</b> .....	34		
<b>Gender Issues</b> .....	35		
<b>APEC and a Sustainable Economic Recovery</b> .....	36		
<b>Management Review</b> .....	39		
<b>Electronic Commerce</b> .....	40		
<b>APEC Food System</b> .....	41		

# Introduction

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Welcome to this year's second edition of the *Update of Activities within APEC*.

Since the publication of the year's first edition of *Update* in February solid progress has been recorded by working groups and other APEC fora in advancing agreed goals for the year. Notably, almost all of the areas identified by Leaders as priority projects for 2000 are well underway.

As a summary document, the Update can only ever provide a snapshot of the full spectrum of APEC programmes, initiatives and achievements. We remind readers that the main APEC website (<http://www.apecsec.org.sg>) provides a continuously updated and comprehensive reference point for those interested in tracking developments more closely. A series of APEC fora websites are also maintained and readily accessed from the main site to service industry, sectoral and other communities of interest. Major improvements are planned in coming months to further enhance online information delivery to our audiences.

As we move into the second quarter of Brunei's year as APEC host, we also recommend to our readers a visit to the Brunei APEC 2000 website at <http://www.apec2000.gov.bn> for full information and background on meetings and events to be hosted there this year.



Ambassador Serbini Ali  
Executive Director  
APEC Secretariat, Singapore

# APEC Leaders Priority Projects for 2000

At the meeting in September 1999 in Auckland, APEC Leaders and Ministers endorsed a short list of priority projects for 2000. A brief outline of these is provided below:

## **ECOTECH Information Clearing House (ESC 01/2000)**

The *ECOTECH Information Clearing House* is a web-based facility to enhance information flows between the identification of ECOTECH needs within APEC and the capacity to provide appropriate expertise to meet those needs. The tender for this project has just been awarded and Phase 1 is expected to be completed by August 2000.

## **Information Sessions for APEC Fora on Gender Analysis and the Application of the Framework for the Integration of Women in APEC**

The *Framework for the Integration of Women in APEC* was developed to assist APEC to achieve goals for effective policies and activities, to strengthen horizontal linkages across APEC, and to promote a common understanding of how the goals of gender integration can be achieved. This project proposal addresses one element of the Framework's implementation: the provision of information sessions for APEC fora on gender analysis and on the application of the *Framework*. The project aims at developing capacity within APEC working groups, task forces and committees to apply the elements of the *Framework*; developing better understanding among members of APEC fora of gender analysis and why it is an important tool for improved policy and project outcomes; identifying and training a pool of gender specialists in the Asia-Pacific region to serve as trainers and experts for APEC fora; and developing both a format for information sessions that can be adapted to each APEC forum, and specific training material that will be provided to all APEC fora.

To date, information sessions have been completed with three APEC fora and the APEC Secretariat. Work is also underway on compilation of best practices on gender integration in APEC fora and economies and a project on sex-disaggregated data.

## **APEC Workshop on Public Sector Management**

This workshop was aimed at enhancing the capability of APEC economies to address public sector governance issues, with, *inter alia*, a focus on public sector financial management, through cooperation within APEC and leveraging the efforts of other international organisations. Other public sector reforms topics covered included: civil service reform; the future of e-government; productivity; and accountability and regulatory reform. The Workshop on Public Sector Management was held on 9-11 May, in Singapore involving participants and speakers from 13 APEC economies.

## **APEC Pension Fund Reform Seminar (FIN 01/2000)**

This is part of a continuing series of regional seminars on pension fund reform. The seminars focus on such issues as individual policies, the costs of the transition from public to private systems and their possible financing, the role of specialized institutions in pension fund administration and the performance of the public sector as a safety net provider. This year's seminar was held on 30-31 March in Bangkok, Thailand.

## **APEC Financial Regulators' Training Seminar: Strengthening Training Programs and Processes—Phase II (FIN 02/2000)**

This seminar was intended to improve the quality of domestic level training programs for securities regulators and ensure that core curricula and international best practices and standards are being incorporated into domestic banking supervisors' training programs. The seminar was held on 6-8 March in Kuala Lumpur, Malaysia.

## **APEC Bank Supervisors' Regional Seminar: Seminar on Current Supervisory Issues (FIN 03/2000)**

This seminar will assist senior bank supervisors, central bank regulators and financial supervisory authorities to discuss the components of an effective supervisory/regulatory framework as well as new techniques in the field. It will also review the methodologies for implementing the core principles for

effective banking supervision; review and clarify the new Basel Capital Accord; discuss and determine best practices for effective bank supervision; and provide opportunities for participants to network and share their experiences. The seminar will be conducted in June 2000.

## **APEC Securities Regulators' Regional Seminar: Risk Management and Regulation of New Products (FIN 04/2000)**

This project will provide training in risk management and the regulation of new products through five regional seminars. Participants will be exposed to a range of regulatory and monitoring tools and resources. The seminar will be conducted in October 2000.

For more information on the various APEC activities, readers are invited to visit APEC's new Project Database at the APEC website at <http://www.apecsec.org.sg> in the section 'Database.'



# I. ACTIVITIES OF APEC FORA

## Committee on Trade and Investment

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

The CTI coordinates APEC's work on the liberalization and facilitation of trade and investment (refer to the *Bogor Declaration* 1994). It works to reduce impediments to business activity in 14 specific areas as outlined in the *Osaka Action Agenda (OAA)*: tariffs and non-tariff measures; services; investment; standards and conformance; customs procedures; intellectual property rights; competition policy; government procurement; deregulation; rules of origin; dispute mediation; mobility of business people; and implementation of the Uruguay Round outcomes. CTI also provides a forum for discussion of trade policy issues. Activities in CTI's 14 work areas are outlined under the relevant sections in the *Update*.

The CTI agreed to realign work in the areas of Uruguay Round Implementation (URI), Rules of Origin (ROO) and Dispute Mediation so that the substantive work can be carried out under the direct responsibility of the CTI Chair. Focal points, however, would be nominated to assist the CTI Chair and CTI plenary body in overseeing work in these issue areas.

### Business and Private Sector Participation

The CTI engages in regular outreach efforts to business via the APEC Business Advisory Council and more directly through seminars, speeches, the internet, publications, and media relations. The Pacific Economic Cooperation Council (PECC) regularly attends CTI meetings, providing analytical and business input. The business sector plays a key role in technical work areas (e.g., standards and conformance) by providing specialized input. In 1999, the CTI advanced APEC initiatives for a broad outreach to business/private sector involvement mandated by the Leaders in various sub-fora activities.

### Achievements

During 1999, the CTI focused its work in the following areas. The CTI:

- Implemented and improved Collective Action Plans (CAPs) which will significantly lower costs and reduce barriers to the movement of goods and services. (Major individual achievements are outlined under the relevant sections.)
- Undertook a review of CAP implementation since 1996 as a parallel exercise to the self-review undertaken by member economies of their Individual Action Plans.
- Completed a review of its structure and adopted a number of measures to streamline the work processes within the Committee to achieve cost-effective use of resources while ensuring that assigned tasks and objectives are completed in a timely fashion.
- Facilitated the technical discussions to carry forward work in the non-tariff elements of Early Voluntary Sectoral Liberalization (EVSL).
- Managed the implementation of the project on "Communicating the Impact of Liberalization" which involved the development of effective communication strategies to build community understanding and support for liberalization.

- Undertook a survey of APEC's trade facilitation achievements to-date and produced a package of highlights which was presented to Leaders.

### Next Steps

For its 2000 work program, CTI continues to place emphasis on the revision and enhancement of its existing Collective Action Plans (CAPs), including the broadening and deepening of CAPs as well as consideration of possible new areas for inclusion. The work program also addresses instructions from Leaders/Ministers/SOM and ABAC recommendations relating to:

- the review and strengthening processes for Individual Action Plans;
- APEC's contribution for the strengthening of the multilateral trading system;
- the intensification of work on trade facilitation including the development of APEC Principles on Trade Facilitation; and
- the implementation of the non-tariff measures, facilitation and ECOTECH work programs of EVSL.

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

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

The Collective Action Plans for Tariffs and NTMs require APEC members to keep the data in the computerized tariff database (APEC Tariff Database) up-to-date; pursue incorporation of information on NTMs into a future version of the APEC Tariff Database (TDB); compile a list of measures recognized as non-tariff impediments to trade; compile a list of products affected by those impediments; and identify industries in which the progressive reduction of tariffs and NTMs may have a positive impact on trade and economic growth in the Asia-Pacific region, or for which there is regional industry support for early liberalization.

In its latest meeting in Brunei, in February 2000, CTI instructed MAG to explore ways to broaden and deepen the collective action plans on NTMs, coordinating and following the progress of the NTMs component of the EVSL, and positively contributing to WTO's future negotiations on tariffs and NTMs.

## Business and Private Sector Participation

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

Business and academia provide important input to the CTI's work on tariffs and NTMs, particularly through the analytical work performed by PECC. Businesses that would like to become more involved in the CTI's work on tariffs and NTMs should contact the APEC office in their member economies. (See page 45 for member economies' contact information.)

## Achievements

- Reviewed suggested enhancements by users of the TDB in consultation with the Sub-committee on Customs Procedure (SCCP), and submitted contact details/website address to the APEC Secretariat for forwarding to the Tariff Database Manager.
- Requested members to provide regular updates of tariff information as changes occur, and to provide annual updates of trade and other agreed data to the TDB.
- Requested members to provide the WTO Secretariat with tariff and trade data annually in accordance with WTO obligations.
- Continued the process for economies to verify information on NTMs collated from the Individual Action Plans (IAPs), WTO Trade Policy Reviews of APEC members who are WTO members, and from WTO notifications under the Agreement on Subsidies and Countervailing Measures.
- Continued the process of submission of information on NTMs by members in accordance with the Chair's recommended framework for reporting progress on NTMs.
- Market Access Group Websites on Import Regulations.

## Next Steps

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

### (i) Tariff Measures

- Encourage members to submit annual updates of tariff and trade information

to the WTO Secretariat to ensure reliability of the WTO Integrated Database.

- Consider possible areas where APEC can contribute positively to any future WTO tariff negotiations.

### (ii) Non-Tariff Measures

- Continue to update the website on Import Regulations.
- Based on NTMs reported through the IAP process, coordinate the compilation of the list of NTMs and the list of products affected with a view to progressively reducing NTMs.
- Develop approaches leading to progressive reduction of export subsidies reported through the IAP process, with a view to abolishing them.
- Follow the progress of the approved NTM work programme for the eight 'fast-track' EVSL sectors.
- Consider possible areas where APEC can contribute positively to any future WTO negotiations on reduction and elimination of NTMs.

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

## Business and Private Sector Participation

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

## Achievements

Major achievements included:

- Voluntary presentations on trade in subregional services arrangements within APEC have been made.
- PECC completed a Compilation and Comparison of all Existing Trade in Services Arrangements within APEC (1999 GOS Deliverable).
- An APEC Directory of Professional Services including Accountancy, Engineering and Architecture Services will be available on the websites of the Australian Department of Foreign Affairs and Trade and the Trade Department of Hong Kong, China (1999 GOS Deliverable).
- A training seminar on trade in services, with private sector representation, was held to promote understanding of the said issue amongst public sector officials.
- A voluntary exchange of views through presentations on services sectors has begun.
- Voluntary presentations of "Best Practices" in regulation of the environmental services and distribution (retail) services have been presented.

- Joint Sessions were held with the Group on Competition Policy and Deregulation, the Investment Experts' Group and the Informal Experts' Group on Mobility of Business People during the GOS's last two meetings in Christchurch and Rotorua, New Zealand.
- With the aim of increasing transparency and avoiding duplication of work, the GOS has agreed that those APEC member economies which have yet to become WTO members should provide requested information on services through their established APEC Focal Points, while APEC members that are WTO members could provide such requested information through their WTO Enquiry Points.
- A GOS Taskforce was established for the development of the Broader Policy Framework.
- A presentation on the progress of the APEC Tourism Charter was made by the Tourism Working Group (TWG) Chair to the GOS in Rotorua, New Zealand in 1999.
- To hold a Seminar of Statistical Reporting in Services Trade in China in 2000.
- The GOS will support the TWG in its on-going process of liberalizing barriers to tourism development, promoting positive policies for tourism development and helping to identify those emerging issues impacting upon tourism.

## Next Steps

- To continue building upon work in APEC and other international fora to disseminate research and analysis on services trade liberalization.
- To develop a Broader Policy Framework.
- To take forward ongoing/outstanding actions in its CAPs.
- To consider the development of a "Menu of Options for Voluntary Liberalization and Facilitation of Services Trade and Investment".

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The Investment Experts' Group (IEG) is a sub-group of the APEC Committee on Trade and Investment (CTI). It was established in 1994 to bring together officials in the region involved in the regulation of foreign investment. Its main role is to assist the CTI in achieving the investment-related components of APEC's liberalization and facilitation agenda.

## Business and Private Sector Participation

The IEG seeks views from the business sector about priorities for APEC's investment liberalization and facilitation agenda through its annual Investment Symposium and Business Survey. Business people were also invited to participate in the 1st APEC Investment Mart held in Seoul, Korea in June 1999.

## Achievements

Major achievements in 1999 and 2000 include:

- The publication of a new edition of the investment guidebook.
- The compilation of a compendium of Initiatives, Development Efforts, Aspiration and Strategies (IDEAS) of the four major stakeholders in Foreign Direct Investment (FDI) themes, that is, the Foreign Direct Investor, the Home Economy, the Host Economy, and the Domestic Investor.
- Holding policy discussions to review the investment regimes of New Zealand (February 1999), Peru (May 1999) and People's Republic of China (August 1999)
- Holding the APEC Investment Mart, 2-5 June 1999, in Seoul, Korea.
- Conducting a seminar on Foreign Direct Investment Policy and Administration Adjustment in Bangkok, Thailand, 10-11 June 1999.
- Conducting a training programme on Strategies to Identify and Facilitate Investment in Specific Areas, e.g., Small and Medium Enterprises (SMEs) development and industrial linkage, High Tech Industries and R&D Activities in the APEC Secretariat, Singapore from 15-17 June 1999.

- Conducting a seminar on Start-up Companies and Venture Capital in Chinese Taipei, 28-30 July 1999.
- Conducting the first/second phase of the awareness program for APEC investment/trade officials to understand and be informed of the various options for investment liberalization and business facilitation.
- Conducting the 5th APEC Investment Symposium in China in March 2000.

## Next Steps

- Organize the 2nd APEC Investment Mart in 2001.
- Develop the Menu of Facilities offered by a One Stop Agency.
- Update the Menu of Options.
- Voluntary inclusion and recording by cross-referencing the implementation of Menu of Options in the IAPs of individual member economies.
- Undertake the review of CAPs.
- Conduct the Phase III of the awareness training programme to promote understanding and awareness of the various options for investment liberalisation and business facilitation.

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

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

## Business and Private Sector Participation

Representatives from specialist regional bodies are invited to SCSC meetings, and business people also attend SCSC meetings. SCSC is developing a work program on trade facilitation in information technology products in response to a proposal from the ITI Council.

## Achievements

Highlights of TILF Outcomes in 1999:

- Development of the Mutual Recognition Arrangement for Electrical and Electronic Equipment (APEC Electrical MRA) and the Joint Advisory Committee Terms of Reference.
- Development of the Arrangement for the Exchange of Information on Food Recalls and Food Recall Guidelines.
- Implementation of a TILF project on Compilation of Information on Food Labeling Laws, Regulations and Standards in APEC region.
- Internet dissemination of Voluntary Action Plan (VAP) Report.

## Next Steps

The SCSC will continue to implement and improve CAPs in the area of standards and conformance. SCSC's 2000 work program includes:

- comprehensive reviews of progress on alignment with international standards;
- development of a Guide to Good Regulatory Practice;
- implementation of the APEC Electrical MRA;
- review of the APEC Mid-Term Technical Infrastructure Development Program; and
- development of a work program on trade facilitation in information technology products.

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The Customs Procedures Group of Customs Experts was converted into a formal CTI Sub-committee on Customs Procedures (SCCP) in 1995. Its objective is to facilitate trade in the Asia-Pacific region by simplifying and harmonizing customs procedures.

## Business and Private Sector Participation

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

On 5 February 1999, the 1st Business Outreach meeting of 1999, which took place in Wellington, was organized by SCCP, the New Zealand Institute of Management, and the Wellington Chamber of Commerce. This event included a workshop on 'Future Customs Procedures throughout APEC'.

An Australian business sector is supporting the Sub-committee's Temporary Importation CAP. Federal Express has agreed to continue the sponsorship of the APEC Tariff Database.

Joint activities with the business/private sector to support SCCP's work programme, for example, on Temporary Importation.

## Achievements

Three of the 12 actions agreed to by the SCCP have been implemented. All other actions are scheduled for implementation by 2002, except by the three new member economies. The Simplification and Harmonization of Customs Procedures initiative has already resulted in significant cost savings for exporters and importers. Among other outcomes, the SCCP is promoting risk management techniques, which are being shared by APEC Custom administrations, to better target enforcement efforts and facilitate the movement of low-risk shipments and 'paperless trading' in the region. Other achievements include:

- The development of better tools for forging strategic partnerships with the business/private sector and exploring possible partnerships with the private sector to progress the work on its CAPs.

- Advanced work to implement the SCCP's multi-year technical assistance programs of its CAPs in 1999, including:

- A program to implement the WTO Valuation Agreement: Training in the People's Republic of China; Indonesia; Malaysia; Papua New Guinea; the Philippines; Chinese Taipei and Thailand.
- A program to implement UN/EDIFACT electronic message standards: Conducted training for Customs Officers in Brunei, Indonesia, Mexico and Viet Nam.
- Adoption of TRIPS: Missions were completed in Papua New Guinea and Indonesia.
- A program for the implementation of Facilities for Temporary Importation: Workshops in the People's Republic of China and Chinese Taipei.
- Risk Management: two expert missions have been conducted in Indonesia and the Philippines.

- A Virtual Customs Group has been established to share experiences and explore and develop common approaches with the objective of developing a compendium of APEC customs initiatives on Electronic Commerce.
- The issue of "Customs Integrity" has been elevated to a new Collective Action Plan of the Sub-Committee.
- "Paperless Trading" has been elevated to SCCP CAP item, replacing the UN/EDIFACT CAP item.

## Next Steps

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

- Improving direct involvement of the business/private sector in SCCP activities.
- Publishing the *2000 Blueprint for APEC Customs Modernization*.
- To keep promoting and facilitating paperless trading.
- Develop a proposed work program on "Integrity" which was elevated to CAP status at the end of last year.
- Proposed "Best Practices" handbook on Express Consignment Clearance.
- Development of an Assessment/Evaluation Approach to measure the implementation of SCCP CAPs and cargo release time.

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The Intellectual Property Rights (IPR) Experts' Group (IPEG) have carried out a work program since 1996 to achieve the planned Collective Actions as well as to enhance APEC-wide cooperation in the following areas: deepening the dialogue on intellectual property policy; surveying and exchanging information on the current status of IPR protection and administrative systems; studying measures for the effective enforcement of IPR; fully implementing the TRIPS Agreement no later than 2000; and facilitating technical cooperation to that end.

## Business and Private Sector Participation

The IPEG seeks views from the business sector about priorities for APEC's work on IPR through various symposiums. A contact list of public, business and private sector experts on IPR is available on the APEC Secretariat's website at <http://www.apecsec.org.sg>.

## Achievements

Key achievements of the IPR Experts' Group for 1999 included:

- **APEC IPR International Symposium.** The IPEG held an APEC IPR International Symposium on 14-18 June in Taejon, Korea, to facilitate further revision of legislation in each economy toward the TRIPS Implementation.
- **Survey on the current status of member economies' implementation of TRIPS Agreement.** The first survey has almost been completed.
- **Guidelines for Simplification and Standardisation of Administrative Procedures.** The IPEG adopted the guidelines and agreed to put them on the APEC Secretariat's website at IPEG IX.
- **Survey on enforcement systems.** The survey has almost been completed and it was agreed that the consolidated survey would be published on the Internet.

## Next Steps

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

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The globalization of business has highlighted the importance of competition issues. APEC's objective in this work area is to enhance the competitive environment of the region. In November 1994, APEC Ministers agreed that the Committee on Trade and Investment (CTI) would develop an understanding of competition issues, in particular competition laws and policies of economies in the region. They agreed that CTI should learn how competition laws and policies affect flows of trade and investment in the APEC region and identify potential areas of technical cooperation among member economies. In 1996, the *Osaka Action Agenda* work programs for competition policy and deregulation were combined, in view of the linkages between the two issues. The competition policy/deregulation work area is a key component of work in the "Building Strong Foundation"/"Strengthening markets" themes, promoted by the 2000/1999 APEC Chairs respectively. (See the Deregulation update)

## Business and Private Sector Participation

Business and academia provide important input to APEC's work on competition policy, particularly through the Pacific Economic Cooperation Council (PECC). Promoting dialogue with the business community on competition policy and regulatory reform remains a priority.

## Achievements

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

Achievements in this work area in 1999 included:

- Japan's APEC Partners for Progress training seminars for officials working in the competition policy and law areas.

- Chinese Taipei's construction of the APEC Competition Law and Policy Internet Database.
- Publication of the APEC Study on Competition Law for Developing Economies by PriceWaterhouseCoopers.
- A workshop on Competition Policy and Deregulation in Christchurch, New Zealand.
- Completion of APEC Principles to enhance Competition Policy and Regulatory Reform.

## Next Steps

Work on Competition Policy for the next two years will focus on the implementation of the APEC Principles to enhance Competition Policy and Regulatory Reform, specific projects arising from the Principles as well as from the APEC Competition Law for Developing Economies Study. The annual Workshop on Competition Policy and Deregulation will be held in Brunei Darussalam on 27-28 May 2000 to follow through on this work.

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

## Business and Private Sector Participation

Business people have attended GPEG educational programs.

## Achievements

The GPEG:

- Has completed a set of non-binding principles on government procurement (GP) based on the free-trade principles already embraced by APEC. These principles, endorsed by Ministers in Auckland in September 1999, include transparency, value for money, open and effective competition, fair dealing, non-discrimination, accountability and due process. In addition, the GPEG has developed practices illustrating how these elements could be implemented.
- Has contributed to the WTO's study on Transparency in GP by providing to the WTO information on APEC members' GP regimes, commitments on GP in their individual action plans, and APEC's views on several of the principles listed above.
- Has continued its educational programs with a February 1999 seminar, sponsored by New Zealand, on unilateral liberalization of GP and use of electronic tendering; and a July 1999 workshop on GP practices, sponsored by China. Earlier programs included a GP training program, a seminar on bid challenge systems, a seminar on existing international GP agreements, and a seminar on GP principles.
- Is updating the surveys member economies have completed on their government procurement systems and their publication arrangements for GP opportunities. These are available on the APEC GP homepage ([http://](http://www.apecsec.org.sg/govtproc/gphome.html)

[www.apecsec.org.sg/govtproc/gphome.html](http://www.apecsec.org.sg/govtproc/gphome.html)) along with other information about GPEG activities.

## Next Steps

The GPEG has finished the full set of GP non-binding principles. The GPEG will encourage members to review in their individual action plans the consistency of their GP systems with the non-binding principles and how best to implement them and voluntarily bring their systems into conformity with the principles, with progress reported to GPEG. The Group will also continue its educational and information-sharing activities.

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# Deregulation

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

## Business and Private Sector Participation

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

## Achievements

Highlights of work on deregulation include:

- Continued dialogue on deregulation issues through the annual Competition Policy and Deregulation Workshop.
- Publishing on the Internet, *an Annual Report on Deregulation Initiatives in APEC Member Economies*. Its objective is to promote transparency in regulations, provide a basis for further APEC initiatives on deregulation, and provide a user-friendly source of information for the business/private sector.

- Completion of APEC Principles to Enhance Competition Policy and Regulatory Reform.

## Next Steps

For Year 2000, besides fulfilling the ongoing objectives of promoting information sharing and dialogue and increasing transparency in regulatory regimes, work will focus primarily on the implementation of the APEC Principles to Enhance Competition Policy and Regulatory Reform and specific projects arising from it. An important part of the Workshop on Competition Policy and Deregulation scheduled for 27-28 May 2000 in Brunei Darussalam would be dedicated to this discussion.

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# Rules of Origin

The Rules of Origin (ROO) issue is covered by the CTI plenary. APEC member economies, through the CTI, will:

- gather information on APEC economies' respective rules of origin and develop a compendium of rules of origin for the use of the business/private sector;
- facilitate, complement and accelerate, in the short-term, World Trade Organization/World Customs Organization (WTO/WCO) work on harmonization of non-preferential rules of origin; and
- study the implication of rules of origin on the free flow of trade and investment.

agreement on ROO in a manner aimed at establishing a more transparent and predictable ROO regime.

## Next Steps

The CTI will continue its information exchange among member economies on

rules of origin requirements, and assess APEC member economies' compliance with the procedural obligations in the *WTO Agreement on Rules of Origin*.

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## Achievements

Members agreed to use the more detailed format guidelines for ROO approved in 1997 to report on implementation of the procedural obligations of the WTO



Trade and other economic disputes have negative implications for the cooperation that APEC is designed to promote. APEC's CTI's work on Dispute Mediation is to explore ways of cooperative dispute-solving. It focuses on government and private disputes, and on promoting transparency in laws and regulations as a means of dispute avoidance.

APEC regards WTO dispute settlement as the primary channel for solving disputes. APEC can have a role in helping to avoid disputes or resolve them through non-adversarial and voluntary approaches. At its meeting in May 1999, the CTI decided to realign work to enable the substantive work on dispute mediation to be carried out under the direct responsibility of the CTI Chair.

## Business and Private Sector Participation

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

## Achievements

Highlights of the work on dispute mediation in 1999 includes:

- Organization of the "Advanced Seminar on the WTO Dispute Settlement Understanding," which was held at the APEC Secretariat in Singapore on 19-21 April.
- Publication of the updated version of the *Guide to Arbitration and Dispute Resolution in APEC Member Economies*.
- Launching of the *Guide to Arbitration and Dispute Resolution in APEC Member Economies* on the APEC website.

## Next Steps

- To have more training in WTO law and procedures, including simulation exercises in training programs as well as tailoring programs to the special needs of the region.
- To update the *Guidebook to Arbitration and Dispute Resolution in APEC Member Economies* periodically to reflect changes in member economies' arbitration laws, procedures, etc.

- To maintain and update the *Guidebook* website, as well as to enhance the website by establishing links to arbitration and other legal sites in member economies, links to other international organizations doing arbitration work, and a link to the investment site on the APEC website.

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# Mobility of Business People

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

## Business and Private Sector Participation

The APEC Business Advisory Council (ABAC) has made facilitation of business travel a priority. The CTI's agenda on business mobility has been guided by ABAC's recommendations, and the Informal Experts Group on Business Mobility has informed ABAC of its progress. Business has also been closely consulted in development of the APEC Business Travel Card scheme and introduction of other APEC initiatives. The IEGBM Chair met with the ABAC Business Facilitation working group at the February 2000 ABAC meeting in Bangkok, Thailand and ABAC has been invited to attend IEGBM meetings.

## Achievements

APEC members:

- Have agreed in principle to adopt improved service standards for processing applications for and extensions of, temporary residence permits for executives, managers and specialists transferred within their companies to other APEC economies.
- Have collectively agreed to issue multiple-entry visas to frequent business travelers from other APEC economies and have acted individually to facilitate business travel, for example by expanding visa-waiver programs or extending the validity of multiple-entry visas.
- Have launched a technical cooperation program to help members implement advanced border management techniques.
- Maintained up-to-date information on their requirements for short-term business visas and temporary business residency permits in the Internet version of the *APEC Business Travel Handbook* ([http://](http://www.apecsec.org.sg)

[www.apecsec.org.sg](http://www.apecsec.org.sg)). The Handbook also includes contact information on offices that issue visas across the APEC region.

Australia; Chile; Hong Kong, China; Korea; and the Philippines began implementing a trial of the APEC Business Travel Card scheme, which offers accredited business travelers visa-free travel and expedited airport processing when visiting participating economies. Malaysia and New Zealand joined the Business Travel Card scheme in 1999, while Thailand joined in February 2000.

## Next Steps

Members will begin implementation of their agreement to streamline processing of temporary business residency permits. Technical cooperation in 1999 focused on raising members' capacity to detect document fraud as a means to streamline entry for legitimate business travelers and a number of training sessions were undertaken in this regard by Australia; Canada; Hong Kong, China; and the US. Economies participating in these and other sessions included Brunei Darussalam, China, Chile, Indonesia, Korea, Malaysia, Mexico, Papua New Guinea, Peru, the Philippines, Russia, Singapore, Chinese Taipei and Viet Nam. Pending firm approval, similar training is expected to be offered this year.

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

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

At its meeting in Christchurch in May 1999, the CTI decided to realign work to enable the substantive work on UR implementation to be carried out under the direct responsibility of the CTI Chair.

## **Business and Private Sector Participation**

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

## **Achievements**

- A seminar on the WTO New Agreements was held in Tianjin, China on 24-26 May 1999.

## **Next Steps**

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

At its meeting in February 2000, the CTI agreed that work in this area would be addressed with the issue of strengthening of the Multilateral System.

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In Vancouver, APEC Leaders agreed to early voluntary sectoral liberalization (that is, liberalization before the agreed goal of 2010 for industrialized economies and 2020 for developing economies) in 15 areas, i.e., environmental goods and services; fish and fish products; forest products; medical equipment and instruments; telecommunications mutual recognition arrangement (MRA); energy sector; toys; gems and jewelry; chemicals; oilseeds and oilseed products; food sector; natural and synthetic rubber; fertilizers; automotive; and civil aircraft.

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

## Business and Private Sector Participation

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

In the automotive sector, an APEC Automotive Dialogue was established to serve as a forum for government officials and senior industry representatives to work together to map out strategies for increasing integration and development of the automotive sector within the region. The Dialogue met in Manila on 6-8 April 2000 for the second time to address a comprehensive range of issues affecting the automotive industry. Participants reaffirmed that seeking a sustained recovery of the auto industry in the economies, seriously affected by the financial crisis, should remain the first priority for the Dialogue. It emphasised the need to develop practical measures to assist the industry achieve global benchmarks of quality, reliability and price competitiveness. The next meeting is scheduled to take place in Thailand in early 2001.

## Achievements

- APEC participating member economies resolved that the tariff elements of the EVSL exercise should be negotiated within the WTO. In the WTO, the EVSL initiative has been renamed – Accelerated Tariff Liberalisation (ATL) initiative. Progress was made during 1999 towards achieving a critical mass of support for the initiative in the WTO. It was agreed that participating economies should continue to engage with WTO members with the objective of realising the ATL Package on the basis of critical mass, based APEC's EVSL initiative agreed by Ministers in Kuala Lumpur, by the end of 2000.
- With the decision to transfer the tariff element of EVSL to the WTO, work focused on the non-tariff measures, facilitation, and economic and technical cooperation components of the sectoral initiatives. The process of notification and cross-notification to identify the non-tariff measures affecting the EVSL sectors has been completed. The Market Access Group (MAG) has been designated as a focal point for organising the work on non-tariff measures.
- Began implementation of a number of economic and technical cooperation initiatives, which were developed and approved in 1999. A *Study of Non-Tariff Measures in the Forest Products Sector* has been completed.

## Next Steps

- The Committee on Trade and Investment to continue playing a coordinating role in carrying forward the work on the non-tariff measures, facilitation and ECOTECH elements in the 15 EVSL sectors.
- Participating APEC member economies to continue with implementation of the agreed work programmes on NTMs, facilitation, ECOTECH and other initiatives and develop further initiatives, where appropriate, in the same elements for future consideration.
- Participating APEC member economies to undertake further work on the ATL initiative (that is, tariff element of the EVSL) in WTO.

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The Economic Committee (EC) was established at the 6th APEC Ministerial Meeting in Jakarta in November 1994, when the Ministers agreed to transform the *Ad Hoc* Group on Economic Trends and Issues into a formal policy committee. The Committee is responsible for research on economic trends and issues in the APEC region, and serves as a forum for member economies to exchange information and views. The Committee currently operates under the two guiding principles for its activities, as set out at the beginning of 1999. First, the Committee focuses on demand-driven work in support of APEC Ministers' and Leaders' meetings and policy-oriented work of other fora. The Committee's work addresses central economic issues of priority concern for Leaders and Ministers, and provides the analytical basis useful for advancing TILF and ECOTECH agendas. Second, the Committee aims at delivering high-quality research outputs by tightening its work program, in order to fulfill its core role as APEC's analytical body.

## Business and Private Sector Participation

The Committee makes efforts to outreach the research community and businesses. Scholars, researchers, and businesspersons participate in the symposiums and seminars held under the auspices of the Committee as part of the implementation of its research projects.

Linkage with the APEC Study Centers is also important in fostering links with the academic/research community in member economies. The EC Chair was invited for the first time to the annual APEC Study Center Consortium Conference held in Auckland in May 1999 as a keynote speaker, and he was also invited to participate in its directors' meeting.

## Achievements

The Committee prepared and submitted three major reports to the Ministers' meeting in Auckland in September 1999: *Progress Report: APEC Economies beyond the Asian Crisis*, *1999 APEC Economic Outlook* and the report on *Assessing APEC Trade Liberalization and Facilitation*. They were well received by Ministers, who highlighted major findings of the reports in their "Joint Statement."

All the three reports are available on the APEC website.

### (1) *Progress Report of APEC Economies beyond the Asian Crisis*

The Committee has been undertaking a major two-year project, "APEC Economies beyond the Asian Crisis," since early 1999. This project addresses key issues arising from the Asian financial crisis, the APEC community's central concern, from longer-term perspectives. The project provides the analytical basis for developing an APEC response to the challenge of restoring stability and growth. Key messages of the progress report are the following. The crisis has shed light on major structural weaknesses in the crisis-hit economies. Many other APEC economies in Asia and beyond confront similar structural problems. Structural reforms will make a difference, in quantitative terms, in realizing renewed growth in the APEC region over the long-term. A suggested broad policy direction is that APEC consider refocusing APEC cooperation under the goal of "consolidating the basis for growth in the 21st century."

In December 1999, the APEC Economic Committee Symposium, "The Future of Asia Pacific Economies" was held in Tokyo as part of the implementation of the project, with wide participation from academia, international organizations, journalism, and businesses as well as officials from APEC member governments.

### (2) *1999 APEC Economic Outlook*

The *Economic Outlook*, the Committee's annual key analytical exercise, focuses on the current economic conditions and short-term prospects of APEC economies. The *1999 Outlook* concluded that the upward trend observed to date in APEC economies would continue in the second half of 1999 and through the year 2000, though the crisis continues to impact on APEC economies. The *1999 Outlook* reviewed the vital issues arising from the Asian economic crisis by reviewing its causes and impact on the world economy. It also provided a summary of the trends of various key economic indicators to demonstrate how APEC economies have performed through the Asian crisis period. Chile was the coordinator for the preparation of the *1999 Outlook* report.

### (3) *Assessing APEC Trade Liberalization and Facilitation – 1999 Update*

This research project has updated and expanded the EC's 1997 study to assess, in a quantitative manner, the economic benefits of trade liberalization and facilitation. It provides an objective basis for considering and promoting trade liberalization and facilitation within APEC. Japan undertook the study in collaboration with Singapore. The study concludes that the implementation of trade liberalization and facilitation measures that APEC members have committed to implementing to date would increase real income (GDP) in the APEC region by US\$75 billion (at 1997 prices) per year, or 0.4 percent of the region's total GDP. The study also shows that all APEC economies gain from trade liberalization and facilitation, and those economies that liberalize the most gain the most.

The Committee also commenced in 1999 a new major project focusing on the role of knowledge, entitled "Promotion of Knowledge-based Economies in the APEC Region."

## Next Steps: Overview of the Work Program for 1999-2000

### (1) *APEC Economies beyond the Asian Crisis*

The research project "APEC Economies beyond the Asian Crisis" is a major task in the Committee's two-year work program. As mentioned above, the broad focus of the project is to examine vital issues arising from the crisis from longer-term perspectives.

The scope of the project is:

- to assess the impacts and implications of the Asian crisis on the region's growth potential, trade and investment, infrastructure development, human resources and other social aspects;
- to outline likely scenarios for growth, and trade and investment dynamics, highlighting the factors shaping the future of APEC member economies; and
- to suggest broad directions of policies to achieve sustainable growth and equitable development, with a view to linkages between APEC agendas and the region's future developments.

Topics for research include (a) growth potential and growth scenarios; (b) future developments of the region's trade and investment; (c) social impacts of the crisis and social policies; and (d) small and medium sized enterprises (SMEs). Japan (a), Korea (b), the Philippines (c), and Chinese Taipei (d) carry out the studies on the above topics. Japan takes on the primary responsibility for overall coordination.

As noted earlier, the project's progress report was a major deliverable to the Ministers' Meeting in September 1999. A final report will be prepared in time for the Ministers' and Leaders' Meetings in Brunei in November 2000.

### **(2) APEC Economic Outlook**

The *Economic Outlook* has been tailored to serve APEC policy priorities. It is timed to be tabled annually at the Ministerial meeting. Its first part updates and summarizes recent developments and short-term prospects of all APEC member economies, and its second part addresses topical structural issues bearing on priority themes of TILF and ECOTECH agendas. The Philippines is coordinating the preparation of the *2000 Economic Outlook*. The *2000 Outlook* will address the TILF agenda, looking into key issues relating to trade and development. The importance of this theme has been underscored by the expansion of trade within the APEC region during the period 1989 to 1999 and by the fact that in the year 2000 APEC is at the midpoint between its founding and the *Bogor* goals of 2010/2020. Further, notwithstanding the outcome of the WTO Ministerial Meeting in Seattle, consultations will continue in Geneva regarding a new round of multilateral negotiations (other than the mandated agenda). Along this time, the role of APEC is important in the pursuit of multilateralism.

### **(3) Promotion of Knowledge-based Industries in the APEC Region**

In Kuala Lumpur, Malaysia and Auckland, New Zealand, Leaders underscored the importance of knowledge as a key driver of future economic growth and development and pledged to ensure that APEC economies would be at the forefront of efforts at building and sharing expertise in this vital sector. The knowledge-based economy (KBE) project takes on this challenge, aiming to provide the analytical basis useful for promoting effective use of knowledge, in addition to accelerating the creation and

dissemination of knowledge among APEC economies. Australia, Canada and Korea are carrying forward the research work on the following issues: (1) assessing the preconditions for developing "knowledge infrastructure", (2) examining the policy environment conducive to expanding the knowledge base, and (3) examining possible areas of APEC cooperation for the promotion of KBE. The final report of this project will be a major deliverable for APEC 2000.

### **(4) FEEEP Follow-Up**

In 1998, the EC developed a final report on *Impact of Expanding Population and Economic Growth on Food, Energy and the Environment (FEEEP)*, setting out possible joint actions to address emerging issues in this area. The report was endorsed by the Leaders in Kuala Lumpur, Malaysia. A number of APEC fora have been assigned to follow up the report's recommendations. The EC is responsible for a follow-up task of sharing or disseminating results of work on the costs and benefits of trade liberalization and of agricultural reform policies.

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# Budget and Management Committee

The Senior Officials' Meeting (SOM) in September 1993 agreed to establish the Budget and Administrative Committee (BAC) to advise APEC Senior Officials on budgetary, administrative and managerial issues. The BAC assesses and makes recommendations on the overall budget structure, considers budget requests, drafts the annual APEC budget, and examines all questions relating to the APEC budget and budgetary processes. The BAC also monitors and evaluates the operations and overall performance of Working Groups/Committees and makes recommendations to the SOM for improved efficiency and effectiveness. Ministers in November 1998 re-designated the Committee as the Budget and Management Committee (BMC) with a view to strengthening the management of APEC projects.

## TILF Special Account

At the Economic Leaders' Meeting in Osaka in 1995, the members adopted an Action Agenda for the implementation of the Bogor commitment to achieve free and open trade and investment in the Asia-Pacific region no later than 2010 in the case of industrialized economies; and 2020 in the case of developing economies. As the member economies proceed to meet their trade and investment liberalization and facilitation commitments, their efforts are enhanced through cooperative projects supported by APEC.

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

## Business and Private Sector Participation

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

## Achievements

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

From April 1999 to March 2000, the BMC:

- received the auditor's report on the 1999 accounts of the APEC Central Fund;
- examined the progress reports and evaluation reports of ongoing and completed projects;
- formed itself into seven small groups to conduct more in-depth examination of evaluation reports and provide better feedback to other fora, and decided how to handle inadequate evaluation reports;
- reduced the frequency for fora to submit progress reports and allowed more time for fora to submit evaluation reports;
- provided clarification and guidance on a number of generic issues in project management, such as the definition of 'urgent' projects, eligibility of travel costs, rejection of incomplete project proposals, reduction of excess print-runs, and adopted a decentralised management strategy for the hosting and maintenance of APEC websites and databases;
- recommended lists of Operational Account and TILF Special Account projects for 2000 and approved a number of urgent 2000 projects;

- recommended that the members' contributions to the Operational and Administrative Accounts of the APEC Central Fund for 2000 should remain at the same levels as for 1999;
- approved the revised "Guidebook on APEC Database Projects and Websites";
- made use of an access-controlled website to distribute the papers of the BMC meetings electronically, and for BMC members to exchange views on various issues before the meeting; and
- noted the variables which may affect the 2001 and 2002 Administrative Account budgets.

## Next Steps

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

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The ECOTECH Sub-Committee (ESC) was established in 1998 to assist the SOM in coordinating and managing APEC's economic and technical cooperation (ECOTECH) agenda, and in identifying value-added initiatives for cooperative action. It seeks to advance more effective implementation of the 1996 *Manila Framework for Strengthening Economic Cooperation and Development* through consultation with APEC fora and the development of policy management tools and guidelines for projects.

## Achievements

The ESC:

- with assistance from the APEC Secretariat, examined and reported on the 250 ECOTECH projects that were underway or reaching completion in 1999;
- monitored and reported on the implementation of projects/activities that flowed from the *Kuala Lumpur Action Programme on Skills Development* and the *APEC Agenda for Science and Technology Industry Cooperation into the 21st Century* endorsed by APEC Leaders in Kuala Lumpur, Malaysia in 1999;
- established a system of focal points (coordinators) to review progress in the implementation of the six priority ECOTECH themes under the 1996 Manila Declaration. In 1999, the ESC reported on the themes of “developing human capital”, “harnessing technologies for the future”, “sustainable development”, and “strengthening the dynamism of SMEs”;
- reported on the policy elements of the self-reviews submitted by the working groups, including the Agricultural Technical Cooperation Experts' Group (ATCEG) and the *Ad hoc* Policy Level Group on Small and Medium Enterprises (PLGSME);
- monitored the implementation by APEC fora of its “Guidance on Strengthening Management of APEC ECOTECH Activities” and noted that more importance was now being placed on ensuring that projects were outcome-oriented; and

- developed a “weightings matrix” that was endorsed by Ministers at their meeting in Auckland in September 1999. The aim of the *ECOTECH Weightings Matrix* is to provide APEC fora with a better appreciation of the overall ECOTECH priorities, including desired project outcomes. The ESC will monitor its implementation during the year 2000.

## Next Steps

The ESC will evaluate completed ECOTECH projects and continue to work with Lead Shepherds/Chairs to ensure that ECOTECH activities add value and contribute to the achievement of APEC goals. It will establish an ECOTECH Clearing House mechanism to enhance information flows between the identification of ECOTECH needs and the capacity to provide appropriate expertise to meet those needs. The ESC will also devote more effort to demonstrating the benefits of ECOTECH activities in its communications and through APEC's outreach programmes.

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

## Business and Private Sector Participation

The business/private sector is involved in the work of the EWG through the EWG's five Expert Groups and is represented at EWG meetings by the PECC Energy Forum. Business participates in, and supports, EWG events such as seminars, training programs and technology demonstrations. A business sector/Ministerial dialogue has been held in conjunction with the three Energy Ministers' Meetings that had been held to date. The next dialogue will be held at the next Energy Ministers' Meeting in May 2000.

In March 1998, the EWG established the EWG Business Network (EBN) as an interface between the business sector and the EWG. The Network comprises two business representatives from each economy. The 3rd meeting of the Network took place in March 2000 in Melbourne, Australia. Recommendations from the EBN focus on working in partnership with member economies to help establish transparent and predictable legal, fiscal and regulatory regimes to foster trade and investment in the energy sector. The Network has distilled primary energy principles from EWG initiatives which business believe provide a clear, consistent and coherent statement of the philosophy underlying the APEC energy initiatives taken to date. These primary energy principles are expected to be reflected in the deliberations of APEC Energy Ministers at their 12 May meeting in San Diego, USA.

## Achievements

The EWG has:

- Regularly published *APEC Energy Statistics*, consisting of annual and

quarterly data covering: energy balances, final energy consumption, supply and demand by energy sources and electricity, and stock changes for APEC member economies. The data for 1997 was published in October 1999.

- Developed, and obtained the agreement of Energy Ministers to implement, 14 Rational Energy Policy Principles which give impetus to the reform of energy policies in member economies. Ministers in Okinawa, Japan (1998) reviewed further progress in implementing the non-binding principles.
- Held three Energy Ministers' Meetings (Sydney, Australia, August 1996; Edmonton, Canada, August 1997; Okinawa, Japan, October 1998).
- Gained endorsement by Energy Ministers (1997) of the non-binding principles contained in the *Manual of Best Practice Principles for Independent Power Producers (IPPs)*, aimed at mobilizing capital for private sector investment in power infrastructure. A number of economies are using the *Principles* as a guide in the reform of their power sectors.
- Secured endorsement by Ministers of a set of non-binding principles for good environmental practice aimed at ensuring new power infrastructure additions in APEC economies are environmentally sound. A work program to promote an environmentally sound power infrastructure was endorsed by Ministers in Okinawa.
- Conducted a program of seminars, training courses and information exchange activities aimed at promoting new and renewable energy

technologies, more efficient energy production and use, and the mitigation of the environmental impact of energy production and use, including through the application of clean fossil energy technologies.

- Completed and published a comprehensive *Regional Energy Supply and Demand Outlook* to the year 2010. The issues arising from the *Outlook* were addressed by Ministers in Okinawa, where they provided further guidance to the EWG on its future work.
- Gained endorsement from Energy Ministers of a set of policy recommendations to facilitate investment in natural gas supplies, infrastructure and trading networks in APEC.
- Arranged for a team of experts from the public and business/private sectors of member economies to visit Thailand by invitation in November 1999 to advise on gas reform, as a mechanism for implementing recommendations adopted by Ministers.
- Obtained Ministers' endorsement for a voluntary pledge and review system aimed at improving energy efficiency.
- Secured Ministers' endorsement for an Energy Efficiency Standards Notification Procedure.

## Next Steps

The EWG will continue its work program based on the *Osaka Action Program for Energy* and the priorities established by Ministers and Economic Leaders. During 2000 the EWG will:

- Further develop its energy database and its Internet website to provide up to date information on the mining and

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energy sectors.

- Facilitate implementation of the *Best Practice Principles for IPPs* and the promotion of private sector investment in the natural gas chain by conducting Visit Teams following the Thai example.
- Implement the work program on an environmentally sound power

infrastructure.

- Implement the exchange of energy efficiency information and the Voluntary Pledge and Review Program to foster improvements in the production, delivery and use of energy.
- Implement the standards notification procedures.
- Strengthen the operational aspects of

APEC micro-economic reform within the power sector.

- Undertake a training and communication program for energy regulators on the benefits of structural reform.

These issues will be further progressed at the 4th Meeting of the Energy Ministers to be held in the USA in May 2000.

## Fisheries

The Fisheries Working Group (FWG) was created by the SOM in 1991. It aims to: promote the conservation and sustainable use of fisheries resources; promote sustainable development of aquaculture and habitat preservation; seek solutions to common fisheries resource management problems and aquaculture disease control; enhance food safety and quality of fish and fisheries products; and promote sector-specific work relating to trade and investment liberalization and facilitation.

### Business and Private Sector Participation

The business and private sector does not usually participate in Fisheries Working Group meetings, but in some cases has been involved at the project level. At the FWG's 10th meeting (FWG 10), in May 1999, the working group approved new guidelines on business involvement and private sector participation. These aim to encourage increased involvement and participation of the private sector through inclusion of industry representatives in delegations to FWG meetings, developing joint projects with other regional fisheries and aquaculture organisations and involvement of industry specialists in FWG projects. Representatives of PECC regularly take part in FWG meetings.

### Achievements

The FWG's achievements in 1999 included:

- Publication of a *'How-to' Manual on Airshipment of Live and Fresh Fish and Seafood* to selected APEC member economies, available from the APEC Secretariat and APEC website.
- Undertook a study entitled, "Free Trade and Investment in the Fisheries Sector of the Asia-Pacific Region: Economic Analysis of Tariffs."
- Joint APEC-NACA Workshop on Grouper Research and Development (Hat Yai, Thailand, April 1999).
- An *Ad-hoc* Workshop on Fisheries

Management (Kesen-numa, Japan, July 1999) which focused on implementing international recommendations and instruments for responsible fishing.

### Next Steps

The FWG will continue to engage in the long-term fisheries trade study project that analyzes trade issues over a period of four years, covering tariffs, non-tariff measures, investment measures, and subsidies. The FWG began a number of projects in 1999, including a collaborative APEC *Grouper* research and development network, a collaborative aquaculture education program, and a project examining the role of women in aquaculture. The FWG has also started work on the development of an internet-based marketing information service for the fishing, aquaculture and fish processing industries in APEC. The FWG will conduct a joint activity with the Marine Resource Conversation Working Group (MRC) on coral reefs and destructive fishing practices.

At FWG 10 it was agreed that the FWG would assume overall responsibility for the work arising out of the EVSL initiative in the Fish Sector. In 1999 the FWG will be overseeing two projects: "A Study to Reduce Impediments to Early Voluntary Sectoral Liberalisation in the Fisheries

Sector" and "Study into the Nature and Extent of Subsidies in the Fisheries Sector in APEC Member Economies."

Participants at the FWG *Ad-hoc* Workshop of Fisheries Management in Japan in July 1999 supported the preparation of three new projects for consideration at the 11th FWG meeting in 2000, focusing on:

- The development of a registry of APEC economy fishing vessels authorized for use on the high seas. This project aims to: test the feasibility of operating a registry as contemplated in the FAO Compliance Agreement; to gain experience in the type of international cooperation envisaged in Article V of the FAO Compliance Agreement, and to build confidence in internationally agreed measures to deter illegal, unregulated and unreported (IUU) fishing.
- The development of a project proposal titled APEC Economy Seabird Bycatch Avoidance Information Exchange, which aims to develop suitable seabird bycatch avoidance techniques and build confidence in internationally agreed measures to avoid seabird bycatch.
- A project which aims to identify and assess the effectiveness of trade measures against IUU, FOC and non-members fishing operations.

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Established in 1990, the Human Resources Development Working Group (HRDWG) covers a broad range of human resource development issues from basic education to industrial training to leadership and management for Small and Medium Enterprises (SMEs). Human Resources Development (HRD) is one of the ECOTECH priorities of APEC and the HRDWG has a special role in furthering the issue.

With the goal of moving to a more cost-effective structure reflecting current and emerging priorities, the HRDWG successfully finalised discussion on the restructuring of the HRDWG structure at the 21st HRDWG meeting in Sapporo, Japan on 24-28 January 2000. It was decided that the HRDWG's previous structure of five networks should be reduced to three networks:

1. Capacity Building Network (CBN): This CBN will promote human capacity building and strengthen the market through improved productive process; enterprise productivity and adaptability; management and technical skills development; and corporate governance in the public, private/business and voluntary sector of APEC economies.
2. Education Network (EDNET): This EDNET will foster strong and vibrant learning systems across APEC economies, promote education for all, and strengthen the role of education in promoting social, individual and economic development.
3. Labor and Social Protection Network (LSP): This LSP will foster human capacity building and social integration through the development of strong and flexible labour markets; the development of useful labour market information and policy; improved workplace conditions and practices; and strong social safety nets.

The 3rd APEC HRD Ministerial Meeting was held in Washington D.C., USA 27-19 July 1999, whereby they agreed to:

- place HRD and other employment policies at the center of economic policy and promoting cooperation, including the sharing of experiences and best practices, in this era of increasing globalization;
- increase collaborating and information exchange among other regional and

international organizations; and through enhanced cooperation among government, business, labour and civil society; and

- use the diversity of APEC experiences to build upon existing knowledge and share lessons learned.

The 2nd APEC Education Ministerial Meeting, held in Singapore on 6-7 April 2000, focussed on its main theme, *Education for Learning Societies in the 21st Century*, and four sub-themes. They are the *use of information technology in a learning society; improving teaching systems; reforming education management systems; and enhancing cooperation and exchange of people and expertise*. The Ministers declared to meet once every five years and identified four strategic areas as the next steps in transforming their education systems to become the foundation and impetus for "Learning Societies in the 21st Century". These four areas are:

- acknowledging the importance of IT as a core competency for students of the future; and accessing and harnessing the potential of IT to enhance teaching and learning, and stimulate life-long learning;
- enhancing the quality of teaching and teacher development so that the teacher becomes the model of the learning individual in the new learning society;
- cultivating sound management practices among policy-makers and practitioners in education to achieve access affordability and quality of education to all and in ways that remain relevant and responsive to the needs of different groups in a learning society; and

- promoting a culture of active engagement among APEC economies in education in order to forge deeper understanding within the Asia-Pacific community and energize and enrich their continuing efforts to improve education at local and regional levels.

Some of the projects being implemented in 2000 are as follows:

- Symposium on "Capacity Building of APEC Executives on International Business Management."
- Symposium on "IT Enablement for Trainers in the New Millennium."
- Skills Shortages, Training Needs and HRD Strategies of Multinational Enterprises (MNEs) in APEC economies.
- Achieving High Performing School: Using Measurement to Manage Improvement.
- KDI School as an APEC Education Hub.
- Global Advantage through People: Human Resource Management Policies and Practices in APEC economies (Phase 2).
- APEC Youth Networking – Youth Preparation for APEC Society in the Next Millennium.
- Corporate and Non-Profit Governance and the Restoration of Prosperity in the APEC Region: Perspectives and Principles.

## Business and Private Sector Participation

The HRD WG discussed how to maximize private/business sector participation in working group activities. The APEC Chief Human Resources Officer (CHRO)

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Network project aims to establish a regular dialogue mechanism by which entrepreneurs, high government officials and senior researchers from APEC economies can jointly analyze the challenges of enterprise management in the region. Business/private sector participates in the HRD Activities through member economies' delegations.

### Achievements

- Following up a report of by the HRDWG Task Force that was presented to the Leaders in Kuala Lumpur, Malaysia in November 1998, the Task Force released a new report, *Innovative Labour Market Adjustment Policies and Programs in APEC Member Economies*. This was

presented to the Ministers and Leaders in Auckland, New Zealand, in September 1999.

- Contributed to the formulation of the Framework for the Integration of Women in APEC
- Completed 20 projects in the area of education, training and skills development, business management and electronic commerce, labour market, and on women and youth.
- Produced a manual on the *Guide to Strengthening Project Management and Performance*.

### Next Steps

The HRDWG will continue to implement initiatives on a range of HRD issues in

response to the direction from APEC Leaders and Ministers. In particular, this year, three new networks are expected to be completed by the 22nd HRDWG meeting in Brunei. This includes further work to refine the role of the three networks, and to clarify the range of activities each network will undertake.

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

## Industrial Science and Technology

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

The ISTWG's program is based on the working group's vision for the 21st century of a dynamic and prosperous Asia-Pacific region built on the development and application of industrial science and technology that improves the quality of life while safeguarding the natural environment and achieving sustainable development.

The ISTWG's mandates were established as part of the Osaka Action Agenda. In 1997 at their Vancouver meeting, the Leaders called for APEC fora to review their mandates and at the 14th ISTWG meeting a new version of ISTWG action agenda was finalized, which reworded the six key priorities and adopted them formally. The six key priorities are: improved availability of information; improved human resources development; improved business climate; contribution to sustainable development; enhanced policy dialogue and review; and facilitation of networks and partnership.

The ISTWG activities are focussed in light of three major Leaders' and Ministers' initiatives which are closely

related to the Group: the *APEC Agenda for S&T Industry Cooperation for the 21st Century*, the *Mexico Declaration* and the *Cleaner Production Strategy*.

### Business and Private Sector Participation

The ISTWG has underscored a close cooperation between the group and business/private sector in many activities such as the 'Technomart' and the APEC Science and Technology Industrial Parks Network. The business/private sector is encouraged to participate in the ISTWG activities. In particular, the group held a business conference biotechnology/health and environmental issues in conjunction with its 17th meeting in August 1999.

### Achievements

The ISTWG issued the *ISTWG Handbook for Members* to ensure that its members are well briefed and that the group is

effectively organized. The *Handbook* describes the current aims, policies, procedures and practices of the group.

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

- 'Technomart I, II and III
- The Establishment of the APEC Virtual Center for Environmental Technology Exchange
- Improved Flows of Technological Information and Technology: The Role of S&T Industrial Parks
- Gender Stocktaking of ISTWG projects
- Symposium on High Performance Metal Matrix Composites for Manufacturing Technology of Advanced Materials
- Study on R&D internationalization in Industrial Sector among APEC Economies

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- APEC - OECD Cooperative Arrangement on S&T Indicators
- NGO Conference on Enhancing the Contribution of Science, Engineering and Technology to Sustainable Economic Growth
- The 1st Asia-Pacific Youth Science Festival
- The Establishment of the APEC Center for Technology Foresight
- The Establishment of the APEC Coordinating Center for Good Clinical Practice
- Held an APEC Symposium concerning Public Understanding of Science and Technology (S&T)

The ISTWG has created the ‘APEC Science and Technology Web’ (AST Web) to help expedite information flow among member economies. The website includes ‘Discussion Forum for the Lead Shepherd/Chair of APEC WGs and Committees’ to avoid duplication of APEC activities and enhance synergy effect. ISTWG’s project proposals, which is open to feedback from other APEC fora, will be posted on the website from the conceptualization phase. The AST Web’s address is at <http://www.apecst.org>.

## Next Steps

Several ISTWG projects delivered outcomes in 1999 and early 2000 but most are on-going. The continuing projects include APEC Wide Studies of Megacities and Technology and Learning in 2010 by the APEC Center for Technology Foresight; APEC Technomart IV; A Feasibility Study for the Development of a Post Harvest Network for the APEC Region; APEC Digital Museum Initiative; Dissemination of Earthquake Disaster Mitigation Technologies for Humanistic Concerns; APEC Training Program for Radiation Oncologists; Networking of APEC R&D Leaders and Researchers; Cleaner Production Strategy/Clean Technology Strategy; Gender and Science and Technology; and Emergency Preparedness, and health issues.

The ISTWG will continue to hold a policy dialogue session at their meeting to facilitate learning, share best practice and build a network in areas of mutual policy interests among the member economies. The ISTWG is discussing the 4th S&T Ministerial to be scheduled in 2001. Ministers responsible for Science and Technology have recently met in China, Korea and Mexico.

The ISTWG is preparing the second report on the APEC Agenda for Science

and Technology Industry Cooperation into the 21st Century, the first being endorsed by the Ministers in September 1999 in New Zealand. The recommendations in the first report include:

- Strengthen APEC’s ECOTECH focus on the opportunities and challenges for small- and medium-sized enterprises in knowledge based economies.
- Develop an action agenda to strengthen the involvement of women in science and technology in the APEC region.
- Strengthen science and technology dialogue in the region.
- Work together with the APEC Secretariat to strengthen ECOTECH project coordination across all APEC fora.
- Provide the second progress report on this agenda built on the encouraging results of the first report.

Recognizing that marine resources are crucial to the economic and social well-being of the people in the region, APEC established the Marine Resource Conservation Working Group (MRC) in 1990. The MRC working group is committed to protecting this collective resource, and to making dramatic progress toward a sustainable marine environment to ensure continuing socio-economic and environmental benefits. Chinese Taipei is currently serving as the lead shepherd of the group for a two-year term until June 2000, and other shepherds of the group are Canada, China, Indonesia, and Thailand. As called for by BMC, Australia, Canada, Chile and Thailand formed a MRC project evaluation team to strengthen management of MRC projects. The last working group meeting (MRC12) was held in May 1999 in Australia and the 13th Working Group meeting (MRC13) will be held on 7-10 June 2000, in Lima, Peru.

## Business and Private Sector Participation

The APEC Action Plan for Sustainability of the Marine Environment, which was endorsed by the APEC Environment Ministers in June 1997, relies on significant participation from business and the private sector in meeting its objectives. To encourage the participation by business and private sector and to build a long-term partnership relationship, a set of guidelines of Involvement of the Business/Private Sector in MRC WG Activities was discussed and endorsed at the MRC12 in May 1999. Two activities, "Conference on Sustainability of Marine Environment: What Can the Private Sector Do?" and "APEC Round Table on Action Strategies and Work Programs for Private-Public Sector Partnership on Sustainability of Marine Environment," were held in September 1999 and April 2000 respectively in Chinese Taipei. A document entitled *Action Strategies and Work Programs: Engaging the Private Sector in Sustainable Management of Marine Resources in the APEC Region* was developed and will be forwarded to MRC13 for further discussion.

## Achievements

The MRC Working Group has accomplished the Ministers' directives of

*Environmentally Sustainable Growth, Developing Human Resources and Harnessing Technologies for the Future* in the following activities in the first few months in 2000:

- APEC Round Table on Action Strategies and Work Programs for Private-Public Sector Partnership on Sustainability of Marine Environment, 11-12 April, Chinese Taipei
- Management of Red Tides and Harmful Algal Blooms in the APEC Region: Task Team Meeting and Program Steering Committee Meeting, 15-19 April, Hainan, China
- APEC Workshop on the Establishment of APEC Marine Environmental Training & Education Center, 20-21 April, Cheju Island, Korea
- The 4th OMISAR Steering Committee Meeting, 27-28 April, Bangkok, Thailand

## Next Steps

Into the 21st Century, the MRC WG will adopt more strategic approaches to conserve marine resources and safeguard the marine environment to support the sustainability of economic growth and social welfare in the APEC region.

- To strengthen the economic and technical cooperation, to facilitate expertise and information exchange, to develop human capital, as well as to encourage gender consideration and business and private sectors involvement, the WG plans to implement and undertake following projects and activities in the months to come:

1. Management of Red Tides and Harmful Algal Blooms.

2. Ocean Models and Information System for the APEC Region.
3. Ocean Research Network for the Pacific (ORNEP).
4. Assessment of the Environmental Safety of Aquaculture Farms Using Biochemical Indicators of Distress.
5. Workshop on the Development of APEC Mechanisms for Integrated Coastal Management.
6. Establishment of the APEC Marine Environmental Training Center.
7. Development and Validation of Analytical Methods, Standards and Reference Materials for Seafood Product Safety.
8. Workshop on Assessing and Maintaining the Integrity of Existing Offshore Oil and Gas Infrastructure.

- To explore closer coordination and cooperation with other APEC fora to implement the *Action Plan for Sustainability of the Marine Environment* to support APEC Economic Leaders' priorities with respect to the marine environment, including promoting environmentally sustainable growth, harnessing technologies for the future, and developing human capital, the MRC WG will take initiatives on:

1. Developing collaborative action identified in the Declaration of the APEC Oceans Conference and its recommendations within four general areas: Balancing Coastal Development and Resource Protection, Ensuring Sustainable Fisheries and Aquaculture, Understanding and Observing the Oceans and Seas, and Economic

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and Technical Cooperation related to oceans management.

2. Promoting coordinated development of APEC's marine-related networks (OMISAR, ORNEP, the Sustainable Development Training and Information Network, and the EduNet Integrated Coastal Management network) to facilitate the exchange of information to support decision-makers, and the implementation of joint research and monitoring programs to sustain and conserve marine resources.
3. Holding a Partnership Market Meeting to bring together potential assistance recipients, donors

(multilateral and domestic), the private sector and others, to facilitate partnerships in implementation of domestic plans of action for land-based sources of pollution.

4. Establishing a small task group to work by correspondence on developing a strategic approach that the MRC and Fisheries Working Groups can take in establishing a joint work program for those areas of common interest.

## Telecommunications

The APEC Telecommunications Working Group (TEL) was formed in 1990. Under its first Chair, the United States, TEL was charged to address human resource development; technology transfer and regional cooperation; opportunities for on-site visits, observerships and fellowships; and telecommunications standardization.

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

APEC Ministers responsible for the Telecommunications and Information Industry have met three times to review the work of the TEL, and to provide direction for the development of the Asia-Pacific Information Infrastructure (APII). At their 1st meeting in Seoul, Korea, in 1995, Ministers agreed on the objectives and 10 core principles for the APII which are contained in the *Seoul Declaration*. At the 2nd Ministerial Meeting, held in Queensland, Australia, in 1996, Ministers made the *Gold Coast Declaration* which contained a Program for Action for the Telecommunications and Information sector in APEC economies. The Program for Action focuses on continuing liberalisation efforts, including endorsement of a Reference List of a Fully

Liberalized Telecommunications Sector. The *Gold Coast* and the *Seoul Declarations* are available on the Internet at <http://www.dca.gov.au/apec/mtgdocs.html>.

At the 3rd Ministerial Meeting, the Singapore Declaration was issued. A highlight of the meeting was the Ministerial endorsement of the Mutual Recognition Arrangement for Conformity Assessment of Telecommunications Equipment, marking the first success of APEC's Early Voluntary Sectoral Liberalization initiative. Ministers also approved a Reference Framework for Action on Electronic Commerce and a set of principles for use by economies wishing to provide universal access to telecommunications services. The *Singapore Declaration* is available on the Internet at <http://www.apii.or.kr/telwg/18tel/plenary/plen-e-01.html>.

The 4th Ministerial Meeting will be

held in Cancun, Mexico in May 2000 where it is expected that discussion will focus on the theme of "Convergence".

### Business and Private Sector Participation

The business and private sector from many APEC member economies are actively involved in TEL activities, including all four TEL Steering Groups. Many projects are both initiated and driven solely by the private sector or in cooperation with the public sector. For example, the drive to complete a Mutual Recognition Arrangement (MRA) for telecommunications equipment has attracted significant business participation and support.

Since TEL's 13th meeting (TEL 13) in March 1996, each meeting of the working group has included a Business-Government Dialogue, organized jointly

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with the Pacific Economic Cooperation Council (PECC), which provides an opportunity for the two sectors to engage in informal discussion on topics of mutual interest. At the Third Ministerial Meeting, a Government-Industry Dialogue was held, allowing the APEC member economies and the business/private sectors to hold frank discussions on issues affecting the telecommunication and information industry.

Leaders and Ministers stated at the Vancouver APEC meeting that electronic commerce was one of the most important technological breakthroughs of this decade. A joint TEL-PECC seminar on this issue was held in conjunction with the 17th TEL meeting in Brunei in March 1998. The Reference Framework for Action on Electronic Commerce adopted by Ministers in June 1998, committed the TEL to collaborating with the APEC Electronic Commerce Task Force, and to a focused program of work. At the 18th TEL meeting in Papua New Guinea in September 1998, a workshop on Public Key Authentication was held, once again with active business participation. A major APEC-wide study into the take-up of e-commerce by Small and Medium Enterprises (SMEs) was released in September 1999 and is available from the APEC website at <http://www.apecsec.org.sg>.

Business and private sector participation in TEL meetings and activities is strongly encouraged and welcomed. Individuals wishing to take part should approach the APEC TEL Point of Contact in their particular economy or the Chair's Office to discuss arrangements (see page 45 for a list of APEC offices in member economies).

## Achievements

The TEL completed a number of projects:

- Interactive Medical Curriculum Project.
- Educational seminar on the application of Global Positioning System (GPS) technologies.
- Training course on Disaster Recovery and Contingency Planning.
- Seminar on Implementation of the WTO Agreement on Basic Telecommunications.
- Significant work on Key Elements Necessary for Promoting Business/Private Sector Participation in Telecommunications Infrastructure Development.

- A report on legal and regulatory barriers to electronic commerce.
- An E-commerce Survey for Small and Medium-sized Enterprises.
- A study on International Charging Arrangements for Internet Services (ICAIS).
- A Symposium for Collaborative Strategies for Multimedia and World Wide Web Production Skills Development.

In 1999, TEL finalized the APEC Framework for Telecommunications Interconnection. The Framework is a resource for use by businesses and policy-makers and aims to support secure and competitive supplies of services to users in an environment of certainty which gives investors confidence in the ongoing development of existing networks as well as the development of new networks. APEC began implementing the Mutual Recognition Arrangement on Conformity Assessment for Telecommunications Equipment in July 1999. To date, nine economies are participating in Phase I (Mutual Recognition of Test Reports) and four economies are participating in Phase II (Mutual Recognition of Equipment Certification).

## Next Steps

During 2000, the TEL will continue to review and implement an ambitious work program to achieve goals set by APEC Leaders and its own Ministers. In addition to the over 40 active projects and activities, TEL will begin implementation of several new projects including:

- Design and delivery of training courses to facilitate timely implementation of the Mutual Recognition Arrangement on Conformity Assessment for Telecommunications Equipment.
- Distance Learning Training Courses project and APEC Distance Learning project on Basic Telecommunication Technology
- Interconnection Resources project to give business and governments practical information and a simple methodology to make negotiations and interconnection policy faster and easier.
- A Techno-economic Modeling project which aims to integrate decision-making tools to help regulators, management teams and network engineers make sound decisions.



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

## Business and Private Sector Participation

Participation by the business and private sector has been channeled through the active involvement of representative travel organizations such as the Pacific Asia Travel Association (PATA), the World Travel and Tourism Council (WTTC), and the World Tourism Organization (WTO). On 29 April 2000, Hong Kong, China hosted the 1st APEC Tourism Forum, "A Charter for the New Millennium", held at the Hong Kong Convention and Exhibition Center. The proceedings provided an occasion for fruitful dialogue on the draft APEC Tourism Charter between APEC member economies' government representatives and key players from the region's tourism business/private sector.

## Achievements

The TWG has made significant strides in further defining its agenda and identifying priority issues during last year and will pursue the accomplishment of more tasks during 2000. The TWG has compiled a comprehensive inventory of barriers to travel in the APEC region and agreed to a series of collective actions to address impediments to tourism growth. Its work program includes activities in the areas of Trade and Investment Liberalization and Facilitation, and Economic and Technical Cooperation.

One major outcome of the TWG has been the publication of *The Economic Impact of Travel and Tourism Development in the APEC Region*. This report was the product of a jointly funded project between the APEC Tourism Working Group and the WTTC to examine the economic impact and potential of travel and tourism in the APEC region. The report provides the first comprehensive analysis of the economic impact of travel and tourism in the APEC region, together with projections to the

year 2010. It highlights the enormous importance of the sector to the region's economy and the exciting potential for continuing economic and employment growth which this industry offers. Also, this report represents a significant example of cooperation between APEC and the private sector as represented through the WTTC. An update, with revised figures and statistics will be produced, incorporating the data that becomes available after the Asian financial crisis.

In 1999, the TWG produced two new publications with a focus on tourism and the community and tourism and the environment. These are available electronically or through the APEC Secretariat TWG Program Director. In 2000, the TWG will deliver a book on cultural festivals in the APEC Region and in 2001, a study on the organization of sports events in the APEC Region, amongst other projects.

## THE APEC TOURISM CHARTER

During its two meetings held in 1999 (Manzanillo, Mexico and Lima, Peru), and in Hong Kong, China in April 2000, the TWG has been active in the development of an APEC Tourism Charter.

The APEC Tourism Charter, which will be endorsed by APEC Tourism Ministers during their 1st Ministerial Meeting scheduled for 5-7 July 2000 in Seoul, Korea, reflects a collective commitment to improve the economic, cultural, social and environmental well being of APEC member economies through tourism.

The Charter recognizes the significant contribution tourism makes to APEC economies and the overall goals of APEC. It serves as a Statement of Ministerial Purposes and Intent to further develop this

contribution and acknowledge tourism as a key vehicle for achieving positive outcomes. The policy goals and processes adopted in the Charter will be consistent with the goals for free and open trade and investment established in the *Bogor Declaration*, and the general principles for trade liberalization and economic and technical cooperation established in the *Osaka Action Agenda*. Furthermore, the Charter will also respond to the *Auckland Challenge* to maintain momentum and deliver on the commitment of APEC and take into account the "Framework for the Integration of Women in APEC".

In principle, the APEC Tourism Charter is to include measures that: (1) will remove impediments to tourism business and investment; (2) will increase mobility of visitors and demand for tourism goods and services in the APEC Region; (3) sustainably manage tourism outcomes and impacts; and (4) enhance recognition and understanding of tourism as a vehicle for economic and social development.

An APEC TWG Task Force, comprised by Australia, Brunei Darussalam, Korea, Mexico, New Zealand and Singapore, with inputs from observers such as PATA and WTTC, has held four meetings so far in order to draft the APEC Tourism Charter and present their outcomes to the TWG for approval.

## Next Steps

The TWG's work program will focus on:

- The development of an APEC Tourism Charter for adoption by APEC Tourism Ministers.
- An APEC Tourism Ministerial Meeting to be hosted by Korea in July 2000.
- Facilitation of tourism movements and

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removal of travel barriers, including the identification of all impediments to travel movements; identification and selection of manageable impediments for possible elimination or facilitation; and promotion of the economic importance of tourism in APEC economies.

- Promotion of tourism as a means to achieve sustainable economic development focusing on best business practices.

- Human resources development in the tourism industry through standardization of skills, identification of training needs over a projected period, and promotion of best business practices.
- Exchange of tourism information which focuses on: enhancing cooperation between the public sector and the business/private sector; establishment of effective means to exchange relevant information;

support to cooperative programs; and access to communication networks.

- Promote further dialogue and information sharing exercises with other APEC fora, such as the Group on Services (GOS) and the Transportation Working Group (TPT), amongst others.

## Trade Promotion

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

The WGTP has noticed the rapid development of e-commerce and increasing importance of logistic management in contemporary trade. These issues were discussed at the 12th WGTP Meeting held in Lima, Peru, 6-8 March 2000. It was also discussed how to develop e-commerce projects, promotion of technology trade and the implementation of a concrete project on logistic management.

### Business and Private Sector Participation

The business/private sector participates in trade promotion activities such as "APEC International Trade Fairs", building up homepages on APECNet and other trade-promotion-related training programs.

The fairs provide new business opportunities and generate sales for the products and services of the business/private sector as well as networking opportunities among themselves and government officials of member economies. The 4th APEC International Trade Fair will be held in Indonesia in October 2000.

The WGTP's encouragement of business groups to establish a network among themselves helped launch the

APECNet, which contains information on the WGTP and its activities, and allows the business community to search for business opportunities (including business matching services) in member economies, by posting inquiries and accessing member economies' homepages.

In WGTP trade-promotion-related training programs, there is always great private/business participation.

### Achievements

Major achievements by 1999 include:

- The 3rd APEC International Trade Fair held in Kuala Lumpur, Malaysia
- The Case Study on Trade Promotion and Poverty Alleviation (the Case of Yunan, People's Republic of China)
- Exchange of Trade Promotion Experts on Development of Local Industries and Trade and Investment
- The launch of the APECNet (Singapore) and the Trade Information Centre (Japan) which contain business matching services and posting inquiries
- An International Trade Promotion Skills Training Program held in Chinese Taipei

- *The Core Characteristic Survey on TPOs*

### Next Steps

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

For 2000, the WGTP will organize "The 4th APEC International Trade Fair 2000", "Training for Building Skills on Market Strategy" and "Business Consultation Forum during the 4th APEC Trade Fair". An APEC Seminar on Logistics Management will also be held in Chinese Taipei, 27-29 April 2000 with three main themes: Global Logistic Management; Logistical Network to expand Export Sales and Enhancing Logistic to Develop Import Sales.

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The Transportation Working Group (TPT-WG) fosters economic development in the Asia-Pacific region through recommendations to increase the efficiency, sustainability and safety of the regional transportation system. The vast distances that characterize the Asia-Pacific region and the dynamic growth of its economies highlight the importance of an efficient transportation system to guarantee further development. The TPT-WG's areas of focus are: (1) more competitive transportation industry (including infrastructure); (2) safe and environment-friendly transportation systems (including new technologies); and (3) human resources development.

## Business and Private Sector Participation

Member economies regularly include business representatives as part of their delegations. TPT-WG meetings generally include one-day seminars on transportation topics, to which business representatives are invited. The 1999 seminar on electronic commerce attracted considerable private sector participation. In 1998, the TPT-WG extended invitations to attend sub-fora meetings to three motor vehicle organizations—the International Motorcycle Manufacturers Association (IMMA), International Organization of Motor Vehicle Manufacturers (OICA), and the Federation Internationale de l'Automobile (FIA)—as well as to the Pacific Region Airports Council International. Individual economies consult regularly with their private sectors and the TPT-WG has recently agreed to identify a point of contact within ABAC and PECC and seek the views of these bodies on the relevance of the TPT-WG Action Program.

## Achievements

Major achievements in 1999 and early 2000 include:

- Provision by member economies, on a voluntary basis, of progress reports on the implementation of the recommendations made by the Air Services Group to the TPT-WG.
- An interactive web-based Port Database to which all the economies are encouraged to contribute data.
- The Virtual Centre for Transportation Research website.

- A compendium of success stories on the increased participation of women in the transportation sector.
- A report of the status of implementation of the Recommendations of the Group of Experts on Aviation Safety and Assistance (GEASA) contained in their report entitled, *Aviation Safety in the APEC Economies: Report to APEC Transport Ministers, 12 June 1997*.
- Selection and hiring of a consultant to ascertain the existing standards of training facilities, instructors, examiners and curriculum for seafarers throughout the APEC region's existing maritime training institutions; and training equipment in each member economy in order to improve the quality of seafarers in the region.
- The development and dissemination of a Best Practices Manual to address Urban Transport Problems in the APEC region.
- The presentation of a Forum on Intermodalism and Satellite-Based Technologies.
- Since its inception in 1994, the Road Transport Harmonization Project (RTHP) has led to many concrete actions with respect to the harmonization of standards. Many economies have decided to adopt United Nations Economic Commission for Europe (ECE) regulations regarding automotive product. In 1998 the United States signed the UN/ECE 1998 Agreement on Global Technical Regulations and Japan signed the UN/ECE 1958 Agreement (concerning the adoption of Uniform Conditions of Approval for Motor Vehicle Equipment and Parts). Other APEC economies have advised

of their intentions to sign one or both of these agreements. APEC economies are demonstrating their commitment to voluntarily implementing, in the short-term, arrangements which will help meet *Bogor Declaration* objectives.

## Next Steps

- 13 APEC economies either currently participate or have indicated their intention to participate in the activities of WP 29 thus demonstrating their commitment towards road transport harmonisation. A seminar on Road Transport Harmonisation will be held in Miyazaki, Japan, 18 October 2000.
- Developing examples and case studies of the benefits of regulatory and other institutional changes directed to trade liberalisation and facilitation to demonstrate how this can be achieved and the benefits which will flow from trade liberalisation and facilitation.
- A symposium on the "Role of New Technologies and Intermodal Transportation Management in Facilitating Asia-Pacific Trade" will be held in the second term of the year.
- To review the implementation of each of the eight recommendations for more competitive air services, taking account of the benefits and difficulties of implementation; and pursue further steps to liberalize air services on a voluntary basis. APEC Economies may follow two options: the exploration of plurilateral arrangement by like-minded APEC economies, and the widening of the eight recommendations for more competitive air services.

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The *Ad Hoc* Policy Level Group on SMEs (PLGSME) was established in February 1995 following a recommendation of the 1st SME Ministers Meeting held in Osaka in October 1994. Its original mandate was for two years. However, it has been extended twice: the first time, in 1996 and the second, just recently, in August 1998, thereby extending its mandate up to the year 2001. The PLGSME last met in Christchurch, New Zealand, on 26 April 1999. It discussed, among other things, the on going PLGSME projects, the self-review of the group, and the implementation of the Five-Year Action Plan for SMEs (SPAN). It approved five new project proposals for implementation in 2000, such as business matching, management capacity building, consumer education and protection, as well as a workshop on electronic commerce and on financing and business management. It likewise discussed preparations for the 6th SME Ministerial Meeting.

The 4th SME Ministers Meeting in Ottawa, September 1997 had committed their economies to create business environments that will address the special needs of SMEs. The Ministers endorsed the *Framework for APEC SME Activities* developed by the PLGSME for consideration by all APEC fora in designing and implementing SME-related activities. Building on the 1997 Framework, the 5th SME Ministers Meeting in Kuala Lumpur, Malaysia, 7-8 September 1998, endorsed an Integrated Plan of Action for SME Development (SPAN) which serves as a set of broad guidelines for SME development as well as plan for future action at the individual economy level and collaborative efforts at the APEC level.

The 6th SME Ministerial Meeting was held in Christchurch, New Zealand, 27-28 April 1999. The Ministerial Meeting was held parallel to the Business Forum. The two meetings discussed four key policy issues, namely: Education, Capital Markets, Trade Barriers/Compliance Costs and Responding to the Regional Financial Crisis, while the Business Forum also discussed the theme of Enhancing the Business Linkages. The 7th SME Ministerial Meeting will take place in Brunei Darussalam on 21-23 June 2000.

## Business and Private Sector Participation

There is a growing private/business sector participation in APEC SME activities. A majority of SME-related activities have the involvement of the private/business sector either as participants/speakers in trainings/workshops or respondents in surveys. In conjunction with the 4th and 5th SME Ministerial Meetings, a number of private/business sector activities were organized. These were an SME Business Forum; the Women Leaders' Network meeting; the Young Entrepreneurs Organization meeting; and the meeting of Export Credit Agencies and Export Financing Institutions from APEC member economies. At the 6th SME Ministerial Meeting in Christchurch, New Zealand, around 300 business leaders participating in the Business Forum held a joint session with the Ministers. The inputs from the business sector formed a critical part of the deliberations of the Ministers in their joint statement.

## Next Steps

The PLGSME will continue as a policy-level group but will focus more on policy-related issues and long-term strategic plans and activities. In this regard, it will collaborate with other APEC fora to ensure that the perspectives of the SPAN are developed in a coordinated and efficient manner. It will also work closely with other APEC fora in the area of addressing the impact of financial instability on SMEs and in electronic commerce. It will further encourage private/business sector participation in its work.

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

In accordance with the directions from New Zealand SOM I in 1999, the ATCEG has expanded the scope of its priority areas incorporating part of FEEEP joint actions: (a) food and agricultural related research and development; (b) trade and other matters; and (c) food and agricultural related environmental issues. Accordingly, the ATCEG's seven sub-groups were renamed to reflect these developments at the 3rd ATCEG meeting held in June 1999 in Japan. The sub-groups are: Conservation and Utilization of Plant and Animal Genetic Resources; Research, Development and Extension of Agricultural Biotechnology; Production, Processing, Marketing, Distribution and Consumption of Agricultural Products; Plant and Animal Quarantine and Pest Management; Agricultural Finance System; Sustainable Agriculture; and Related Environmental Issues

## Business and Private Sector Participation

Representatives of the business and private sector participate as members of their economy's delegation and are invited to collaborate in the cooperative activities undertaken by the ATCEG. An ABAC representative gave an informal briefing on the proposed APEC Food System to July 1998 meeting in Portland, USA. In the seminars on the Agricultural Finance System as well as the 3rd Biotechnology Workshop, private sector representatives were invited and made significant contributions to the works.

The ATCEG has been working closely with PECC, particularly in the area of production, marketing, processing and distribution of agricultural products. In cooperation with PECC, the contact list of agricultural experts has been prepared and recently updated and the Trade

Facilitation Manual, which describes the outline of each economy's regulations on standards and conformance, has been prepared.

## Achievements

Highlights of the ATCEG's accomplishments in 1999 and early 2000 include:

- The 2nd Workshop on Phytosanitary Risk Analysis (Cairns, Australia, June 1999)
- The 1st Workshop on Sustainable Agriculture (Davao, the Philippines, June 1999)
- The 1st Workshop on Agricultural technology Transfer (Jakarta, January 2000)
- Further development of the ATC homepage (<http://www.dpie.gov.au/dpie/apec/atc>).

## Next Steps

The ATCEG will continue to encourage the private sector's participation according to the Consolidated Guidelines on Non-Member Participation. The ATCEG's areas of focus for the future include the establishment of new networks and databases and the organization of workshops in the priority areas set by its work program. For example, the ATCEG will establish an agricultural credit information network; a database to enable researchers and breeders to access information on plant and animal genetic resources; and a database for information concerning institutions in the region involved in agricultural technology transfer, training facilities, and courses.

In 2000, the ATCEG organized the first workshop on agricultural technology

transfer and training in Indonesia on 25-26 January. The group will hold a workshop on DNA purification, a workshop on alternative quarantine treatment on post-harvest handling methods in Hawaii, USA in May in conjunction with its 4th annual meeting and a risk assessment workshop on animal health in Australia. The ATCEG will also hold a training course on agricultural finance in Japan in 2000. A workshop on genetic information management systems including possible impacts and resolutions of the Y2K problem is scheduled for the year 2001.

The Group is implementing its 1st APEC funded project, "APEC Institutional Linkage for Human Development in Post Harvest Technology."

The ATCEG is preparing a report to SOM II and Trade Ministers Meeting to be held in June 2000 on the past performance, current state and recommendations for future action in biotechnology in agriculture.

The ATCEG also will submit a report on its implementation of relevant recommendations contained in the APEC Food System Report, which was endorsed by Leaders and Ministers in 1999.

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The APEC Study Centers (ASC) were established as part of the APEC Leaders' Education Initiative in 1993. Currently, there are ASCs in 18 member economies, comprising of some 100 of the best universities, research centres and centres of academic excellence across the APEC region. A full contact list is available from the APEC website. APEC member economies participate in the Annual ASC Consortium meetings (usually held in the economy chairing APEC in that particular year) and other bilateral or multilateral research activities in accordance with their areas of interests. The mission of the ASC Consortium is to:

- Promote cooperation in higher education and advanced research, and facilitate cultural and intellectual exchanges in the Asia Pacific region, recognizing the importance of educational links in developing a sense of community and fostering understanding of the diversity of the region.
- Assist the APEC process by undertaking advanced, collaborative, interdisciplinary and policy-relevant research on issues important to APEC from an independent and longer-term perspective.
- Encourage student, faculty and research exchanges among APEC economies and promote training and other educational programs that address regional needs.
- Encourage the informed participation of other sectors of society, especially youth, the private sector, NGOs, and the media, in dialogues and study relating to APEC cooperation.

## Business and Private Sector Participation

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

## Achievements

The 7th ASC Annual Consortium meeting was held in Auckland, New Zealand in June 1999 with the theme, "Towards APEC's Second Decade: Challenges,

Opportunities and Priorities". The papers presented wide range of APEC-related issues, offering assessments of APEC's performance and future direction of its development, while many dealt with specific policy and analytical issues relating to APEC's program and experiences during the Asian financial crisis. The papers presented are available from the New Zealand ASC website at <http://www.auckland.ac.nz>.

The 8th ASC Annual Consortium Meeting was held in Bandar Seri Begawan, Brunei Darussalam in May 2000. The meeting agenda for the conference, "Managing the Future: Empowering the Private Sector", which focussed on several themes: Managing Finance, Managing E-Commerce, Managing regional relationships and Managing HRD, may be located at the APEC website.

One of the new activities of ASC is the Asia Pacific International Assessment Network (APIAN) which will conduct regular independent assessments of key APEC activities in both the TILF and ECOTECH areas. The assessment will be carried out by experts teams established primarily from within the consortium to work on each APEC activity. Plans are in place to produce APIAN's first set of assessments in time for the APEC Leaders Meeting in Brunei Darussalam in November 2000.

In response to SOM's tasking, the ASC is proceeding with the formation of a Network of independent research institutions to undertake research and analysis of food, energy and environmental issues.

## Next Steps

- Plans are proceeding for the publication of two books incorporating proceedings of the conference.
- The Consortium is to continue to provide a forum for the reporting and peer review among the consortium members of ongoing research on a wide range of APEC issues.
- The present status of the ASC provides the most realistic basis for fulfillment by the ASC of their function of providing an independent source of ideas, research and analysis on APEC-related issues.
- First APIAN Network Report will be produced in time of the APEC Leaders Meeting in November 2000.
- Brunei Darussalam will host the ASC Consortium meeting in 2000.

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## II. APEC ISSUES

### Sustainable Development

The APEC Leaders' *Economic Vision Statement* at Blake Island, Seattle, USA in November 1993 stated, "Our environment is improved as we protect the quality of our air, water and green spaces and manage our energy resources and renewable resources to ensure sustainable growth and provide a more secure future for our people". This statement provides the mandate for APEC's work on sustainable development.

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

#### Business and Private Sector Participation

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

#### Achievements

The APEC Ministers in 1996 decided that the APEC Senior Officials were to prepare

an annual review of activities of sustainable development in APEC, to monitor the development and implementation of sustainable development initiatives as well as to coordinate and provide guidance to APEC fora. There have been three annual reviews, 1997, 1998 and 1999 reviews. Through the reviews, it was found that the number, scope and significance of the APEC activities in sustainable development being undertaken are considerable, indicating that the issue is being addressed fairly broadly across APEC. Almost all the APEC fora have demonstrated responsiveness to sustainable development concern, and in several cases, fora were working together to jointly implement sustainable development activities.

#### Next Steps

The Senior Officials will review the APEC activities in sustainable development regularly in consultation with Chairs and Lead Shepherds of other APEC fora as well as the APEC Senior Economic and Environment officials.

In addition, as one of the six priorities of the Manila Framework is "Safeguarding the Quality of Life through Environmentally Sound Growth," the ECOTECH Sub-Committee will review the progress of this cross-cutting ECOTECH theme and report its implementation across APEC fora to the Ministers this year.

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APEC's work on strengthening economic and technical cooperation in infrastructure is mainly carried out by the Infrastructure Workshop (IWS), a sub forum that has been operating under the auspices of the Economic Committee. However, following recommendations arising from the 1999 Management Review, Ministers at the Auckland, New Zealand Meeting in September 1999 agreed that the IWS should be re-constituted as an *ad hoc* forum under the ECOTECH Sub-Committee.

## Achievements

- The 1999 *Public-Business/Private Sector Dialogue on Infrastructure and Sustainable Development* was held in Kuala Terengganu, Malaysia in April. The annual event draws participants from government, international financial institutions, business and academia. The themes of the 1999 dialogue were "Sustainable Urbanization for the 21st Century" and "Preparing Investment for the Information Age and Beyond." The proceedings of the Dialogue are to be published in early 2000.
- The *Regional Integration for Sustainable Economies* (RISE) initiative, coordinated by the United States, aims to develop an approach to rural development based on integrating rural economies into the broader marketplace to increase efficiency and provide the basis for structural adjustment. A planning meeting held on 26 May 1998 in St Louis, USA, indicated strong level of business/private sector interest in the project.
- The *Infrastructure for Sustainable Cities* initiative, coordinated by Canada and Malaysia, focuses on capacity building and information support for policy decision-makers. A Sustainable Cities website is planned to assist senior urban decision-makers in making better environmental choices for their region and cities.
- The development of the *APEC Infrastructure Facilitation Network* (AIFN) is to encourage the evolution of a self-organizing facilitation network including infrastructure agencies that have been active in various aspects of infrastructure. In this context Chinese Taipei is

facilitating continued participation of the business/private sector through a network of APEC Infrastructure Resource Integration Centers (AIRICs) linking region-wide groups involved in infrastructure development.

- *Economic Regulation and Creditworthiness Enhancement* is currently being conducted as a domestically oriented work team by Indonesia with support from Canada, the United States, the World Bank and the Asian Development Bank. It includes direct application of best practice approaches identified in previous Infrastructure Dialogues through a roundtable involving stakeholders and experts.

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## APEC MINISTERIAL MEETING ON WOMEN

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

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

In November 1998, based on recommendations from the Ministerial Meeting on Women, Leaders instructed Ministers to develop a framework for the Integration of Women in APEC. The Framework was developed by the SOM *Ad Hoc* Task Force for the Integration of Women in APEC.

The Senior Officials Meeting in Rotorua in August 1999 approved the Framework and agreed to submit it to the APEC Ministers and Leaders for their endorsement.

At the Leaders' Meeting in Auckland in September 1999, APEC Leaders endorsed the *Framework* and stated in their Declaration that "the *Framework* is a significant step to enhance the ability of women to contribute to and benefit from prosperity of the region." Prior to the Leaders' Meeting, the Ministers stated that the *Framework* is a first step in addressing continuing impediments to the full participation of women in regional economic activity and that they looked forward to have the first report of the implementation of the *Framework*.

## FRAMEWORK FOR THE INTEGRATION OF WOMEN IN APEC

The *Framework for the Integration of Women* in APEC is a practical and systematic approach to guide APEC in achieving the integration of women in the mainstream of APEC processes and activities. The *Framework* is comprised of three inter-related elements and an implementation strategy. The inter-related elements are:

- **Gender Analysis** - a methodology for examining the differences in women's and men's lives
- **Collection and Use of Sex-disaggregated Data** - data classified by sex and presented separately for women and men
- **Involvement of Women in APEC** - the increased participation of women in APEC fora.

In addition, practical guides for gender analysis, the collection and use of sex-disaggregated data and the involvement of women in APEC, have been developed as tools to complement the Framework and assist APEC with its implementation.

The successful implementation of the Framework requires a critical transition period to: develop APEC's awareness of the Framework; build capacity in gender analysis and the collection and use of sex-disaggregated data; acquire knowledge of good examples of gender-integrated policies and projects; and for APEC to gain experience with gender integration.

The SOM, in strengthening the institutional capacity of the implementation of the *Framework*, established the SOM *ad hoc* Advisory Group on Gender Integration (AGGI). The role of the AGGI would be to provide gender advice and expertise to SOM, and other APEC fora on the implementation of the *Framework*. The Group would complement the responsibility and accountability of individual APEC fora for the implementation of the *Framework*.

The *ad hoc* Advisory Group, as tasked by the *Framework*, has developed and recommended gender criteria for use in project proposals, approval and evaluation. It is also tasked to provide

information sessions to various APEC fora on the *Framework* and gender analysis.

## Next Steps

To date, the AGGI has provided Gender Information Sessions to three APEC Fora and the APEC Secretariat. It is expected that by the end of the second year of the *Framework's* implementation, all APEC fora, including SOM, will have had the session. Apart from these, the group is also working on a compilation of best practices on gender integration in APEC fora and economies and a project on sex-disaggregated data.

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Throughout the APEC region, signs of economic recovery from the 1997-98 financial crisis abound. Most economies are well on their way to recovery and many are returning to substantial levels of economic growth. The main focus of APEC members in the year 2000 is to ensure that this recovery continues and strengthens. There is a concern by some that the recovery may lead to complacency and that needed reforms may not be undertaken. APEC members hope to guard against that possibility and instead implement the changes in economic and financial infrastructure to make a new crisis less likely.

At their September 1999 meeting in Auckland, Economic Leaders resolved to work together to support a sustained recovery in the region and agreed to strengthen their markets by:

- providing greater transparency and predictability in corporate and public sector governance;
- enhancing the role of competition to improve efficiency and broaden participation by enterprises;
- improving the quality of regulation and the capacity of regulators to design and implement policies for sustainable growth;
- reducing compliance costs and facilitating business growth; and
- building a favorable regional and international environment for free and fair competition.

Leaders also welcomed the work undertaken in several fora to strengthen the international financial system and supported continuing it in a process involving both industrialized and emerging market economies. Leaders encouraged the efforts of Finance Ministers to strengthen domestic markets and secure the foundation for the return of capital to the region by:

- enhanced supervision of financial markets, including through improved training of supervisors and regulators;
- developing domestic bond markets based on the "Compendium of Sound Practices;"
- developing and applying agreed corporate governance principles.

Leaders also welcomed the recommendations from the APEC Business Advisory Council and thanked

the members of ABAC for their contribution in areas such as capacity building, finance, food, e-commerce, and air services.

The APEC Finance Ministers process has accelerated its work on collaborative initiatives to promote development of regional financial and capital markets, and to support freer and stable capital flows in Asia-Pacific.

At their May 1999 meeting in Langkawi, Malaysia, Finance Ministers welcomed the progress the cooperative growth strategy has yielded in stabilizing financial markets and improving the economic outlook but stressed that continued financial and corporate restructuring was needed in the crisis-affected economies. Finance Ministers also:

- stressed that sound financial systems, corporate governance and improved accounting, transparency and disclosure standards are central to restoring investor confidence and a return of capital flows;
- expressed concern about the social impact of the crisis and welcomed assistance from the development banks to promote the sound design of social safety nets;
- reaffirmed their commitment to cooperate in APEC and other international fora to strengthen the international financial architecture and called for establishment of an ongoing mechanism for dialogue among industrial and emerging market economies to build consensus on future economic and financial policy issues; and
- tasked their Deputies to work with private sector groups such as the APEC Financiers Group, ABAC and PECC to study business recommendations for strengthening financial markets and institutions.

Finance Ministers also reviewed progress on their various collaborative initiatives to strengthen regional financial and capital markets and to support freer and stable capital flows in Asia-Pacific. Work has proceeded on a range of initiatives, as described below.

- **Strengthening financial market supervision.** Under the auspices of the Asian Development Bank (ADB), action plans will be implemented over

two years to improve domestic training of banking supervisors and securities regulators and enhance international cooperation in such training programs. As part of this effort, APEC will be sponsoring training seminars for financial regulators, bank supervisors, and securities regulators later this year.

- **Assessing banking supervisory regimes.** A survey was conducted to assess the adequacy of banking supervisory regimes in key APEC economies in order to identify any gaps or shortcomings. Findings showed a high degree of compliance with the Basle Core Principles on banking supervision but also the need for closer contacts among APEC banking supervisors.
- **Pension reform.** Given the important role of pension systems in capital market development and social protection, regional forums on pension reform were held in Mexico in February 1998 and in Chile in April 1999. The latter focused on policy issues and the roles of the public and private sectors in pension fund administration. A follow-up seminar on pension fund reform was held in Thailand in March 2000.
- **Improving credit rating agencies and disclosure.** Workshops on credit rating agencies (CRAs) were held in Manila in March 1998 and February 1999 to develop best practices for domestic rating agencies. Discussions on international architecture continue, particularly in the area of strengthening transparency and disclosure standards by market participants. APEC will survey codes of conduct used by CRAs, seek to promote a credit culture, and participate in international initiatives to harmonize accounting and disclosure standards.
- **Developing domestic bond markets.** This initiative seeks to develop deep, liquid and mature domestic bond markets. An initial survey of the current state of economies' bond markets identified various impediments to their development. A workshop in Hong Kong, China in December 1998 recommended preparation of a compendium of sound practices and a website to serve as a resource center and facilitate

information exchange. Another workshop held in Hong Kong, China in August 1999 finalized the “Compendium of Sound Practices: Guidelines to Facilitate the Development of Domestic Bond Markets in APEC Member Economies”, which was published in September 1999.

- **Strengthening corporate governance.** Finance Ministers in Langkawi, Malaysia, endorsed the recommendations in the report “Strengthening Corporate Governance in the APEC Region” and urged economies to implement them promptly. The report reviews the state of corporate governance in selected APEC economies and suggests measures governments, judiciaries, regulators, and the private sector could take to raise corporate standards and encourage greater accountability and transparency in corporate structures. It also draws on a symposium Australia hosted in November 1998 which identified priorities for reform.
- **Free and stable capital flows.** APEC continues work on designing a Voluntary Action Plan for Supporting the Freer and Stable Capital Flows. Initial efforts in this plan, which promotes capital account liberalization consistent with macroeconomic and financial stability, focus on information gathering and analysis. Two studies have been commissioned to help develop a pragmatic VAP incorporating the lessons of the financial crisis and formulate good practice guidelines for monitoring capital flows, including short-term flows. Finance Ministers will further consider the shape and content of a VAP at their September 2000 meeting.
- **Privatization forum.** Finance Ministers endorsed holding the inaugural meeting of the APEC Privatization Forum in November 1999 in Bangkok. The initiative aims to support privatization efforts through institutional strengthening and investment promotion. Initial topics for discussion at this forum included “market reform, liberalization and competition” and “regulatory frameworks and reform.”

## OTHER APEC FORUMS

- Korea sponsored the **APEC Forum on Shared Prosperity and Harmony** which was held in Seoul, 30 March to 1 April. At this meeting, member

economies shared experiences in the course of overcoming the economic, discussed how best to coordinate policies to prevent the recurrence of such crises, and explored ways of redressing the disparities generated between economies and within societies. Korean President Kim Dae Jung at the Forum proposed that a “Hedge Fund Monitoring Channel” be established to contribute to the stability of financial markets. He also urged that APEC economies develop a “Foreign Exchange Crisis Forecast Model” to provide advance warning of the risk of economic crisis. Finally, in addition to asking that North Korea be allowed to participate in APEC activities, the Korean President called for an “APEC Cyber Education Network” to help address the digital divide. These and other proposals presented at the Forum will be taken up by several APEC fora during the year.

- **SME Ministers**, at their April 1999 meeting in Christchurch, New Zealand, cited the profound effect of the regional crisis on smaller firms. They agreed that returning SMEs to growth was vital to economic recovery and that to achieve recovery APEC needs to focus on strengthening regional markets. Along with participants in a Business Forum, the Ministers stressed four ways to promote SME growth:
  - enhance management performance through education;
  - reduce barriers to trade and regulatory compliance costs;
  - improve capital markets and SMEs’ access to them; and
  - strengthen linkages to assist regional business (e.g. electronic commerce).

SME Ministers will meet next in May in San Diego.

- **Energy Ministers** met in October 1998 in Okinawa and stressed the important role of the energy sector in stimulating economic recovery, especially through open and efficient energy markets and the development of an efficient energy infrastructure. They endorsed a Natural Gas Initiative aimed at accelerating investment in that sub-sector. Ministers also reviewed the impact of the crisis on the future energy supply/demand outlook and instructed the Energy Working Group to hold a business-government workshop to develop recommendations on the sector’s role in improving investor confidence and mobilizing new capital flows.
  - The Energy Investment Workshop held 19-20 April 1999 in the United States, stressed, *inter alia*, the need for transparency, predictability and non-discrimination in energy policy and regulatory regimes.
- **APEC HRD Ministers** met in Washington, DC, USA, in July 1999 and adopted an action plan for the economic crisis incorporating policies and programs on the functioning of labor markets, social safety nets and enhancing productivity through better workplace practices.
- **Women’s Affairs Ministers**, meeting in October 1998 in Manila, highlighted the disproportionate impact of the financial crisis on female businesses and workers and the need to consider women’s economic interests in devising recovery strategies.
- The **Economic Committee** prepared the *1999 APEC Economic Outlook*. The *Outlook* examines the magnitude of the impacts of the crisis on the APEC economies using trade-related

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indicators, tracking recovery from the lowest point. It also reviews the export performance of the APEC member economies against the two largest markets, i.e., the United States and Japan. The 1999 *Outlook*, including updated economic developments, also provide timely and relevant information for discussions by Leaders and Ministers in September 1999.

- The work program for 1999-2000 has a strong analytical component on the crisis, including a two-year research project *APEC Economies beyond the Asian Crisis*. The study will examine vital issues arising from the crisis with long-term effects and:
  - assess the impacts of the crisis on the region's growth potential, trade and investment, infrastructure development, small and medium-sized enterprises, human resources and other social aspects;
  - suggest broad directions of policies to achieve sustainable growth and equitable development, with a view to linkages between APEC agendas and the region's future developments; and
  - outline likely future scenarios for long-term growth.

A report summarizing preliminary results was tabled at the Ministers Meeting in New Zealand in September 1999; a symposium was held in Tokyo in late 1999 to discuss interim outputs; and the final report will be prepared in time for the Ministerial and Leaders Meetings in Brunei in 2000.

- The 1999 **Infrastructure Workshop** undertook analytical work on the impact of the crisis on infrastructure demand, supply and government policies. Its main project, on regional integration for sustainable economies, highlighted the importance of having the right infrastructure in place to support economic development – a key issue for economies emerging from the crisis.
- Japan and Thailand co-hosted an **APEC Symposium on the Asian Economy** in July 1999 in Tokyo. Government, business and academic experts discussed short-, medium- and long-term measures to respond to the crisis and prevent any recurrence.
- Australia has made available to other economies the results of a survey it commissioned on **economic governance capacity building** needs, programs underway to meet those

needs, and gaps that could be filled by APEC economies and international agencies. The initiative, welcomed by APEC Economic Leaders and Ministers, suggests ECOTECH activities to build capacity in economic governance that individual economies could undertake.

- The **Tourism Working Group** conducted a two-part survey to assess the impact of the crisis on regional tourism and will try to identify strategies that might offset negative impacts.
- At the 1999 **APEC Study Centers Consortium Conference** in Auckland the complex issues entailed in the causes and the remedies of the financial crisis were discussed and the participants pointed to the need for greater integration of crisis management into the formal APEC process.
- An **APEC Forum on Human Resources Development** was held in July 1999 in Japan. It focused on the short-term vocational training needs of workers affected by the crisis, as well as longer-term policies on vocational training to cope with globalization.
- The 4th **APEC Investment Symposium** in September 1998 in Kuala Lumpur, Malaysia, included a session on the impact of the crisis on investment trends and government policy responses, including changes to investment regimes. The discussion addressed changing business perceptions of investing in the region in the wake of the financial turmoil and concluded that economies need to work toward policies that reduce risk and create a conducive environment for investment.
- To facilitate access to **information and analysis on social and economic impacts of the crisis**:
  - the United States has created a Virtual Task Force on the Social Impact of the Financial Crisis; and
  - Australia has established the Asia Recovery Information Center (ARIC), a resource housed at the ADB.

APEC is developing, using these institutions, mechanisms to exchange information on social safety net issues for crisis-affected economies, drawing on APEC and other initiatives in this area.

Since its formation in 1989, APEC has evolved rapidly and has grown in substance and purpose. The ambitious goals—to establish the largest free trade and investment area in the Asia-Pacific—affect APEC resources too. Ministers and officials have developed a comprehensive work program to achieve these objectives and an extensive structure of activities to carry them forward. To ensure that the limited resources of member economies are deployed to the best possible cost-effectiveness and to produce practical results in line with APEC's objectives, in 1998 APEC embarked upon a three-year (1998-2000) management review program. It aims to examine the structures within which APEC business is done by examining the mandates, roles and interrelationships of the various committees, working groups and other parts of the APEC network.

## Achievements

Further to the achievements in 1998, additional measures to increase the efficiency and effectiveness of the APEC process were endorsed and taken by both the Senior Officials and the Ministers in 1999. The major measures are:

- the Chair of the annual Leaders/Ministers Meetings will also chair the APEC Finance Ministers process starting from 2000, to make the meetings mutually supportive and reinforcing;
- all APEC fora are requested to prepare annual operational plans to ensure that their activities are contributing to the achievement of the goals of APEC; and
- all APEC fora are requested to implement the measures designed to strengthen the processes of project design, preparation of funding proposals and project approval/implementation/evaluation.

## Next Steps

During the final year of the process, common criteria for the establishment of new APEC fora will be prepared which will form an important part of the concluding report of the process to be presented to the 12th APEC Ministerial Meeting scheduled for November 2000.

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The APEC Electronic Commerce Steering Group was established by the SOM in February 1999. The role of the Steering Group is to ensure continued coordination of APEC e-commerce activities and to pursue the work programme set out in the APEC Blueprint for Action on Electronic Commerce. The 1st Steering Group meeting was held on 27 and 28 June in Auckland, New Zealand, and was attended by 121 public and private sector participants from 19 economies, the APEC Secretariat, representatives from ABAC, Pacific Basin Economic Council (PBEC) and PECC. Following the Auckland meeting, the Steering Group continued to conduct discussions using electronic means through a secure website accessed by authorized members of the Steering Group and another website accessible by the public.

## Business and Private Sector Participation

A strong correlation exists between the ability of government to establish regulatory frameworks and conduct government business online, and the ability of businesses to provide assurance to their customers and avoid disputes. They need to remain mutually reinforcing for the promise of truly global and widely accessible electronic commerce to be realized in developed and developing economies alike. The first Steering Group meeting in Auckland, New Zealand, saw the private sector lead discussion on: paperless trading initiatives; legal foundations for electronic commerce; readiness indicators for e-commerce; OECD authentication workshop; measurement of electronic commerce initiative to develop a virtual e-commerce resource network; and a proposal for a small business forum on e-commerce and work in other APEC fora.

## Achievements

In order to ensure a comprehensive APEC coverage and increased momentum of the paperless trading goal, the Steering Group recommended that the SOM request the following actions for possible implementation by APEC fora:

- CTI, ESC and other related APEC fora to give priority to paperless trading activities in the context of the work program of their respective sub-

fora (as appropriate) and to report annually on progress with the Steering Group matrix. The Steering Group also recognizes the need for cooperation between APEC fora and ABAC.

- Economies to include the paperless trading initiative in their Individual Action Plans.
- APEC fora such as TPT-WG, SCCP, TEL and WGTP to include paperless trading in their respective Collective Action Plans, where relevant, and to undertake activities including joint-projects, which would contribute to the substitution of electronic techniques for paper documentation in international and cross-border trade transactions.
- Interested economies to undertake joint demonstration projects, with participation from the business sector, which would contribute to the paperless trading initiative. The Steering Group noted that previous work in TEL provides a model for joint activities between economies and sub-fora, based on a demonstration project of end-to-end paperless trading, including all commercial and regulatory requirements.
- Economies to share their experiences including success stories in relation to paperless trading with the Steering Group in order for other economies to benefit from the experience.

## Next Steps

The APEC Leaders Meeting in Auckland, New Zealand, declared that APEC must continue its efforts to create a favourable environment for e-commerce in cooperation with the business/private sector. The Steering Group will continue to review work on e-commerce in APEC fora and will pursue the implementation of the work programme as laid down in the Blueprint.

In addition, Ministers:

- encouraged economies to take advantage of the self-assessment tool for e-commerce readiness to be developed by officials and the business/private sector, and tasked officials to further refine the assessment tool and report back next year;
- directed officials to develop effective data and indicators of e-commerce uptake in APEC economies;
- encouraged economies to consider the United Nations Commission on International Trade Law (UNCITRAL) model law in developing their regulatory frameworks;
- instructed officials to initiate work on consumer protection, focussing on information sharing, benchmarking and best practices; and
- directed officials to develop an APEC-wide plan to support use of e-commerce by small and medium enterprises.

In particular, the Auckland Ministerial Meeting accorded high priority to the targets, stipulated in the Blueprint, for

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achieving paperless trading, where possible, by 2005 for developed economies and 2010 for developing economies, or as soon as possible thereafter, and instructed officials to increase their efforts to achieve these targets. A report will be presented to the Meeting of Ministers Responsible for Trade in Darwin, Australia, in June 2000.

An APEC E-Commerce Convention was held in Tokyo, Japan in May 2000 which brought together high-level policy makers from governmental leading business/private sector representatives to discuss issues related to e-commerce under the theme "Powering APEC Economies into the New Millennium." A report on the Convention will be submitted

to APEC Ministers in Brunei in November 2000.

An APEC Workshop on Electronic Commerce will be held in Brunei Darussalam in June 2000 under the theme "Towards Building a Favourable Environment for an Accelerated Adoption of e-commerce by APEC's SMEs."

## APEC Food System

In November 1998, APEC Economic Leaders renewed their resolve towards creating a prosperous Asia-Pacific community. Part of this resolve included Leaders endorsement of joint actions to be launched in the area of food in relation to economic and population growth in the region and an instruction to implement those joint actions. Leaders instructed APEC Ministers to study the APEC Business Advisory Council's APEC Food System proposal. Following this instruction, at SOM I in February 1999, APEC Senior Officials established an *ad-hoc* task force to study ABAC's proposal for an APEC Food System. The report on APEC Food System was submitted to and endorsed by the Ministers and Leaders meeting in Auckland in 1999.

### Business and Private Sector Participation

The Task Force was established to study the ABAC's proposals. The Task Force also examined input from and research conducted by the APEC Study Center.

### Achievements

The Task Force met twice, on 2 May and 8-9 August in 1999 to discuss the study and report to the SOM II and SOM III in 1999 on the results of the meetings. The Leaders Meeting and Ministers Meeting held in September in New Zealand endorsed the Task Force's study and recommendations. This is the first comprehensive report and recommendations which covers various areas and diverse issues of food.

The Task Force's study is based upon ABAC's proposals in food sector, which:

- efficiently link together food producers, processors and consumers;
- harness the resources of the region to more securely meet consumers' food needs; and
- maximize the contribution of the food

sector to the wealth and prosperity of all economies.

The report focuses on the three main areas of cooperation identified in the ABAC's proposals: rural infrastructure development, dissemination of technological advances and promotion of trade in food products.

The Task Force recommendations to SOM include:

- (i) SOM recommends to Ministers that they note that achieving the objectives of ABAC APEC Food System proposal is an essential part of achieving sustainable growth, equitable development and national stability in the APEC region and of reaching the specific goals and objectives agreed at Bogor in line with the Osaka Action Agenda;
- (ii) The Human Resources Development Working Group places high priority on addressing the issue of rural education, and member economies undertake cooperative measures with non-government, non-profit organisations to improve the availability of rural education;
- (iii) The Infrastructure Workshop's joint initiatives in infrastructure development be actively encouraged by, and the benefits of these initiatives communicated to, member economies;

- (iv) The APEC Investment Experts' Group, in conjunction with the World Bank, Inter-American Development Bank, Asian Development Bank and the Food and the Agriculture Organization of the United Nations and other bodies as appropriate, investigates new and innovative ways to attract the investment necessary to build facilities and rehabilitate existing rural infrastructure;
- (v) The Small and Medium Enterprises Policy Level Group could undertake and intensify work on the three areas of cooperation identified by ABAC's APEC Food System proposal;
- (vi) Relevant APEC fora, including the Committee on Trade and Investment, Economic and Technical Sub-Committee and the ATCEG continue to undertake and intensify their work on trade facilitation, economic and technical cooperation and capacity building on food-related issues including:
  - Provision of clear, predictable and easily understood food regulatory frameworks and standards;
  - According priority to those projects that assist with the facilitation and growth of regional trade in food products and improve the technical infrastructure for

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developing economies;

- Provision of progress reports to SOM on endorsement of existing initiatives, such as the Food Mutual Recognition Arrangement;
  - Furthering cooperation in research and development and dissemination of food-related technology;
  - Building partnerships between the public and business/private sectors in food technical cooperation to further technology transfer, training facilities and training programmes;
  - Fostering environmentally sound agricultural practices; and
  - Maintaining an awareness of and contributing to international developments in research and policies related to genetically modified foods, and intensifying science-based approaches to the introduction and use of biotechnology products.
- (vii) APEC member economies continue to ensure full and faithful implementation of the commitments on food arising from the Uruguay Round of multilateral trade negotiations;
- (viii) APEC member economies, in line with the *Osaka Action Agenda* and noting ABAC's call for the elimination of unnecessary impediments to trade in food products ahead of the *Bogor* goals:
- Provide greater specificity in their Individual Action Plans on how they are going to meet the long-term *Bogor* goals in the food sector;
  - Actively and constructively participate in the forthcoming WTO negotiations on agriculture to consider tariffs and non-tariff measures further in the context of Article 20 of the WTO's Agreement on Agriculture; and
  - In the forthcoming negotiations on agriculture, convey to the WTO membership APEC's support for the abolition of agriculture export subsidies and unjustifiable export prohibitions and restrictions.
- (ix) SOM, through relevant fora, provides annual reports to Ministers on what progress is being made by APEC member economies towards building a robust APEC Food System.

## Next Steps

SOM I discussed follow-up action to implement the study's recommendations. Instead of extending and revising the mandates of the Task Force on AFS, SOM endorsed New Zealand proposal on reporting mechanism: The APEC fora tasked with implementation of each recommendation will report to its committee Chair by early August, 2000. The CTI, ESC and EC Chair will consolidate sub-fora reports and present their own reports on implementation to SOM III. Member economies also are expected to notify SOM III of individual actions taken in implementing AFS recommendations, for incorporation into the SOM Report to Ministers. SOM will report to Ministers based on CTI, ESC and EC Chairs reports.



### III. THE SECRETARIAT

The APEC Secretariat, located in Singapore, was established in 1993 to serve as the core support mechanism for the APEC process. It currently comprises 21 officials seconded by member economies for fixed terms and a similar number of locally recruited support staff.

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

#### *Statement of Business*

- The Secretariat is the core support mechanism for the APEC process.

- The Secretariat provides advisory, operational and logistic/technical services to member economies and APEC fora to coordinate and facilitate conduct of the business of the organization.
- On behalf of member economies, it provides preparatory advice on formulation of APEC projects, manages project funding and evaluates projects funded from the APEC Operational and TILF Accounts.
- The Secretariat provides information and public affairs support to promote APEC's role and activities through its publications, media, business and

outreach programmes and through the maintenance of a website. It also performs public affairs functions on behalf of APEC members when required.

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

### Public Affairs

The APEC Secretariat is responsible for media and public relations for APEC, and for the production and sale of APEC publications. The Secretariat disseminates information to the public about the role of APEC towards achieving its goal of free and open trade and investment in the Asia-Pacific region. As part of its outreach programme, the Secretariat provides briefings on the objectives of APEC and its organizational structure to a range of target audiences.

The APEC Secretariat's website (<http://www.apecsec.org.sg>) is a window to the world of APEC. The website provides various links to member economies' sites along with information on APEC fora activities.

The APEC Secretariat also produces a range of annual publications. Some of these books are available for download free of charge from the APEC Secretariat's website. There are also a number of publications for sale at reasonable prices, which can be ordered through the APEC Secretariat's website or the Secretariat itself. For more information, please feel free to e-mail the Publications Manager at [jt@mail.apecsec.org.sg](mailto:jt@mail.apecsec.org.sg).

#### **Achievements**

In 1999, more than 50 titles were published by APEC fora and working groups. To date, APEC has published an estimated 340 titles.

Other achievements in the Public Affairs area during 1999 include:

- Setting up of a cyber bookstore at <http://www.ecomz.com/apec>.
- Ongoing improvements to the APEC website.
- Continuation of distribution agreements for dissemination of APEC publications overseas and via electronic data service providers.
- Assistance to New Zealand and Brunei as APEC Chair in 1999 and 2000 respectively in their domestic outreach programmes.
- APEC information materials including:
  - Revised *APEC Corporate Video*
  - *2000 APEC Corporate Brochure*
  - *Update of APEC Activities* (A total of five issues).
- Development of guidelines on electronic publishing and on the

creation and use of "APEC web sites."

- An agreement established for the publication, marketing and sale of APEC books in CD-ROMs, with royalty payments to the Secretariat.
- Archiving of APEC reports and meeting documents in CD-ROMs.
- Development of a Public Affairs Guidebook, available from the Secretariat's website.

#### **Next Steps**

In 2000, the Secretariat will review its publishing programme and continue to pursue APEC publication distribution agreements, and revise royalty payment policies. The Secretariat will also provide assistance to Brunei Darussalam in achieving its communications and outreach objectives as 2000 APEC Chair.

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

The APEC website is one of the key management vehicles to fulfill the Secretariat's mandate. Users can access a wide range of information including the APEC calendar of events and documents from meetings on the APEC website at <http://www.apecsec.org.sg>.

## Business and Private Sector Participation

The business and private sector is not involved with the communications and database system. The system is now maintained by the APEC Secretariat.

## Achievements

- All APEC member economies, working groups, committees and the private sector can easily communicate with the Secretariat by e-mail. Users can access selected APEC documents through the APEC Secretariat's homepage.
- The new database (*APEC Projects Database*) was officially launched in August 1999. This database contains summary information of the APEC projects and will be a good management tool for working groups and committees.

## Next Steps

The Secretariat will continue to maintain the communication system and to update the related databases to keep the data current. This will be an on-going process.

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# Abbreviations

ABAC	APEC Business Advisory Council
ACDS	APEC Communications and Database System
ADB	Asian Development Bank
AGGI	Advisory Group on Gender Integration
AIFN	APEC Infrastructure Facilitation Network
AIRIC	APEC Infrastructure Resource Integration Centre
APB-Net	Asia-Pacific Business Network
APEC	Asia-Pacific Economic Cooperation
APIAN	Asia Pacific International Assessment Network
APII	Asia Pacific Information Infrastructure
ASC	APEC Study Centers
AST	APEC Science and Technology
ATC	Agricultural Technical Cooperation Experts' Group
ATL	Accelerated Tariff Liberalisation
BAC	Budget and Administrative Committee
BMC	Budget and Management Committee
BMN	Business Management Network
CAP	Collective Action Plans
CBN	Capacity Building Network
CHRO	Chief Human Resources Officer
CRA	Credit Rating Agencies
CTI	Committee on Trade and Investment
DMEG	Dispute Mediation Experts' Group
EBN	EWG Business Network
EC	Economic Committee
ECE	Economic Commission for Europe
ECOTECH	Economic and Technical Cooperation
EDNET	Education Network
ESC	Sub-Committee on ECOTECH
EVSL	Early Voluntary Sectoral Liberalization
EWG	Energy Working Group
FAO	Food and Agriculture Organization
FDI	Foreign Direct Investment
FEEEP	Impact of Expanding Population and Economic Growth on Food, Energy and the Environment
FIA	Federation International de l'Automobile
FWG	Fisheries Working Group
GDP	Gross Domestic Product
GOS	Group on Services
GP	Government Procurement
GPEG	Government Procurement Experts' Group
GPS	Global Positioning System
HACCP	Hazard Analysis and Critical Control Points
HRD	Human Resources Development
HRDWG	Human Resources Development Working Group
HURDIT	HRD Network for Industrial Technology
IAP	Individual Action Plan
ICC	International Chamber of Commerce
IDB	Integrated Database
IDEAS	Initiatives, Development Efforts, Aspirations and Strategies
IEG	Investment Experts' Group
IEGBM	Informal Experts' Group on Business Mobility
ILO	International Labour Organisation
IMMA	International Motorcycle Manufacturers Association
IMF	International Monetary Fund

IPEG	Intellectual Property Rights Experts' Group
IPP	Indepedent Power Producer
IPR	Intellectual Property Rights
IST	Industrial Science and Technology
ISTWG	Industrial Science and Technology Working Group
IUU	Illegal, Unregulated and Unreported
IVANS	Guidelines for Trade in International Value-added Network Services
IWS	Infrastructure Workshop
KBE	Knowledge-based Economy
LMI	Labour Market Information
LSP	Labor and Social Protection Network
MAG	Market Access Group
MFN	Most Favoured Nation
MRA	Mutual Recognition Arrangement
MRC	Marine Resource Conservation
NAFTA	North American Free Trade Agreement
NEDM	Network on Economic Development Management
NTM	Non-tariff Measures
OAA	Osaka Action Agenda
OECD	Organization for Economic Cooperation and Development
OICA	International Organization of Motor Vehicle Manufacturers
OMISAR	Ocean Model and Information System
ORNEP	Ocean Research Network for the Pacific
PATA	Pacific Asia Travel Association
PBEC	Pacific Basin Economic Council
PECC	Pacific Economic Cooperation Council
PLGSME	Policy Level Group on Small and Medium Enterprises
ROO	Rules of Origin
RISE	Regional Integration for Sustainable Economies
RTHP	Road Transport Harmonization Project
SCCP	Sub-committee on Customs Procedures
SCSC	Sub-committee on Standards and Conformance
SMEs	Small and Medium Enterprises
SOM	Senior Officials' Meeting
SPAN	Integrated Plan of Action for SME Development
SPF	South Pacific Forum
S&T	Science and Technology
TBT	Agreement on Technical Barriers to Trade
TDB	APEC Tariff Database
TEL	Telecommunications Working Group
TILF	Trade and Investment Liberalization and Facilitation
TPWG	Trade Promotion Working Group
TPT-WG	Transportation Working Group
TRIPS	Agreement on Trade-related Aspects of Intellectual Property
TWG	Tourism Working Group
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
UR	Uruguay Round
URI	Uruguay Round Implementation
VAP	Voluntary Action Plan
WCO	World Customs Organization
WG	Working Group
WGTP	Working Group on Trade Promotion
WTO	World Trade Organization
WTTC	World Travel and Tourism Council