



**Asia-Pacific
Economic Cooperation**

2007

**Committee on
Trade and Investment
Annual Report to Ministers**

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Produced for
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Dear Ministers,

I am pleased to present to you the APEC Committee on Trade and Investment's (CTI) **2007 Annual Report** for your review and endorsement. The report contains an overview of CTI's work this year along with a series of recommendations to shape the Committee's forward work program in pursuit of the **Bogor Goals** of free and open trade in the Asia-Pacific region.

The Committee's work in 2007 was framed in the context of direction provided by Leaders and Ministers in Ha Noi, Viet Nam in November 2006. The CTI identified the following key priority areas this year: Support for the Multilateral Trading System; RTAs/FTAs; Trade Facilitation; Digital Economy and Strengthening Intellectual Property Rights; Transparency; and Investment. Work plans developed in these areas incorporated activities with a strong capacity building element, which better enabled developing member economies to meet their APEC commitments.

Support for the Multilateral Trading System

A successful conclusion to the WTO Doha Development Round remained the CTI's highest priority. Despite its limited scope to contribute directly to the negotiations, the CTI nevertheless focused on outcomes that reinforce the multilateral trading system. This includes assisting member economies better understand WTO issues, participate in WTO negotiations and more effectively implement WTO obligations.

Promoting High Quality RTAs/FTAs

CTI continued to develop model measures for commonly accepted chapters of RTAs/FTAs, building on the seven chapters endorsed in 2005 and 2006. Work continued during 2007 on 11 draft chapters covering: Anti-dumping Measures; Subsidies & Countervailing Measures; Electronic Commerce; Investment; Rules of Origin and Origin Procedures; Safeguards; Sanitary & Phytosanitary Measures; Services; Environment; Competition Policy; and Temporary Entry of Business People.

Substantial progress has been made on all sets of model measures and I am pleased to report that the Committee has been able to agree on **3 sets of model measures** this year: Electronic Commerce, Rules of Origin and Origin Procedures and Sanitary & Phytosanitary measure. It is my expectation that by AMM 2008 we will have agreed on a suite of model measures, which both serve as a capacity building tool for developing member economies seeking to negotiate RTAs/FTAs, and assist in promoting consistency in RTAs/FTAs across the region.

Trade Facilitation

In response to APEC Leaders' instructions in 2005 for a reduction in trade transaction costs by a further 5 percent by 2010, CTI developed **APEC's second Trade Facilitation Action Plan (TFAP II)** building on and broadening the work already completed in the areas of customs procedures, standards and conformance, business mobility and electronic commerce. The emphasis in TFAP II is on collective, rather than individual, actions. We have also agreed to improve the measurement tools in TFAP II through the use of **Key Performance Indicators** for collective actions/pathfinders against which progress can be monitored. Key initiatives include 'Customs Single Windows' by APEC economies, the expansion of the APEC Business Travel Card Scheme, harmonization of food safety standards and work on data privacy to protect the integrity of e-commerce.

Digital Economy and Strengthening Intellectual Property Rights (IPR)

Work was completed on a number of specific initiatives in relation to digital economy and **IPR**, including: APEC Model Guidelines to Strengthen IPR Capacity Building; the APEC Cooperation Initiative on Patent Acquisition Procedures; and the APEC Best Practices Paper on Innovative Techniques for IPR Border Enforcement. A highlight of the year was the *Trading Ideas – the Future of IP in the Asia Pacific*, a symposium held in Sydney, Australia in January 2007 - one of the largest IP events of this kind ever held in the APEC region.

Membership of the **Technology Choice Pathfinder** also expanded in 2007, bringing the number of participating economies to 15.

Transparency

In 2007, CTI reviewed implementation of **APEC's general transparency and sector-specific transparency standards**. The outcomes of this review included useful information on the laws, regulations and procedures on member economies and will be made publicly available through the APEC website.

CTI also commissioned a study by the World Bank on *Transparency and Trade Facilitation in the Asia-Pacific: Estimating the Gains from Reform*. The study concluded that the collective trade performance of APEC economies would be boosted by USD\$148 billion from greater trade policy predictability and simplification. The findings of the study will be considered by CTI next year in the development of APEC's trade facilitation and transparency agendas.

Investment

CTI welcomed the progress achieved by its Investment Experts Group (IEG) in implementing the expanded investment work programme, which included a study on *Enhancing Investment Liberalisation and Facilitation in the Asia-Pacific Region (Stage 2)*. It found that there are large barriers to investment across APEC economies, they are higher in poorer economies, and behind-the border (BTB) barriers are more important than at-the-border barriers, but less well researched. Japan's survey on investment liberalisation and facilitation issues provided a forceful case for investment facilitation, noting that 4 of the top 5 priority issues identified by business were issues about investment facilitation BTB.

The Committee saw value in establishing a broad framework within which to adopt a longer-term approach to improving the investment climate in the region. To this end, it agreed to develop an **Investment Facilitation Action Plan (IFAP)** that would complement the Trade Facilitation Action Plan. The IFAP would examine three areas: the further development of rules and regulations, business facilitation and capacity building to narrow economic gaps to enable developing economies to benefit from investment liberalization and facilitation as part of strengthening regional economic integration.

Electronic Commerce

The Committee oversaw the alignment of the **Electronic Commerce Steering Group (ECSG)** with CTI as a new sub-forum. The ECSG's key outcome for 2007 was the development of a new **data privacy pathfinder**, which will improve the protection of private information in the APEC region and build confidence and trust in electronic commerce. Its ICT enabled growth project will proceed under the CTI's guidance on a sectoral basis in close coordination with the private sector. ECSG also continues to undertake valuable work on paperless trading, including the single windows initiatives and supply chain management.

Capacity Building

The Committee adopted a more strategic approach to capacity building overseen by a newly established informal **Capacity Building Steering Group (CBSG)**. The CBSG will play an important ongoing role in ensuring that capacity building strategies are better integrated into the formulation of new CTI initiatives.

Interaction with Business

CTI recognized the importance of engaging more closely with the business community, whose key representative is the APEC Business Advisory Council (ABAC). As a result, 2007 saw greater participation between the two groups than ever before, with ABAC attending a range of key APEC fora meetings and participating in symposia on public-private partnerships, investment and trade facilitation, making valuable contributions to APEC outcomes in these areas. I also participated in all ABAC meetings this year and gained useful insights from them, which helped to shape CTI's work this year.

2007 also marked the end of my two-year tenure as Chair of the CTI. It has been a thoroughly rewarding position, allowing me to oversee the continued development of APEC's trade and investment liberalisation agenda, as well as deliver key outcomes across the broad range of issues for which CTI has responsibility. I am confident that the Committee is well positioned to take on the challenges that lie ahead with a spirit of collaboration and ambition.

To conclude, I would like to take this opportunity to express my appreciation for the hard work that your representatives in the CTI have put into achieving the results outlined above. Their diligence, both at meetings and intersessionally, has been vital to CTI's success in 2007. I would like to particularly acknowledge the outstanding support and assistance provided to me as Chair by the leads of the FOTC groups – Barbara Norton (Support for the WTO), Walter Goode (RTAs/FTAs), Y C Cheng (Trade Facilitation), Michel Belanger (Transparency), and John Neuffer (Digital Economy and IPR), as well as my dedicated support team – Catherine Wong, Takashi Hattori, David Higgins, and Damian Hickey.

Yours sincerely,



Chris De Cure
Chair, APEC Committee on Trade and Investment

Contents

Recommendations	1
Introduction	2
Section I: Support for the Multilateral Trading System	5
Section II: Promotion of High Quality Regional Trade Arrangements/Free Trade Agreements (RTAs/FTAs)	11
Section III: Trade Facilitation.....	13
Section IV: Digital Economy and Strengthening Intellectual Property Rights (IPR)	17
Section V: Transparency	21
Section VI: Investment	23
Section VII: Individual Actions, Collective Actions, Pathfinder Initiatives and Industry Dialogues ..	27
• Individual Actions	
• Collective Action Plans	
• Pathfinder Initiatives	
• Automotive Dialogue	
• Chemical Dialogue	
• Life Sciences Innovation Forum	
Section VIII: CTI's Contribution to APEC-wide Initiatives and SOM Priorities	33
• Implementation of Leaders' Security Commitments	
• Contribution to APEC's Work on Structural Reform	
• APEC Reform	
• Capacity Building and Information Sharing	
Section IX: Interaction with the APEC Business Advisory Council (ABAC).....	37
• Appendix 1 – CTI's Agreed RTAs/FTAs Model Measures Texts	47
• Appendix 2 – Second Trade Facilitation Action Plan (TFAP II).....	56
• Appendix 3 – APEC Model Guidelines to Strengthen IPR Capacity Building	74
• Appendix 4 - APEC Cooperation Initiative on Patent Acquisition Initiatives	77
• Appendix 5 - APEC Best Practices Paper on Innovative Techniques for IPR Border Enforcement	78
• Appendix 6 – Report on the Implementation of Transparency Templates	83
• Appendix 7– CTI Sub-fora's Collective Action Plans	85
• Appendix 8 – Data Privacy Pathfinder.....	119
• Appendix 9 – Suggested Guidelines for Pathfinder Initiatives	121
• Appendix 10 – Glossary of Terms	122

Recommendations

CTI recommends that Ministers **endorse**:

- CTI's 2007 Annual Report, including the Collective Action Plans in Appendix 7
- IPR Model Guidelines to Strengthen IPR Capacity Building (see Appendix 3).
- RTA/FTA Model Measures for Electronic Commerce, Rules of Origin and Origin Procedures and Sanitary and Phytosanitary Measures (see Appendix 1).
- APEC Cooperation Initiative on Patent Acquisition Procedures (Appendix 4)
- APEC Best Practices Paper on Innovative Techniques for IPR Border Enforcement (see Appendix 5)
- APEC Data Privacy Pathfinder to create implementation frameworks to achieve accountable cross-border information flows (see Appendix 8)

and **welcome**:

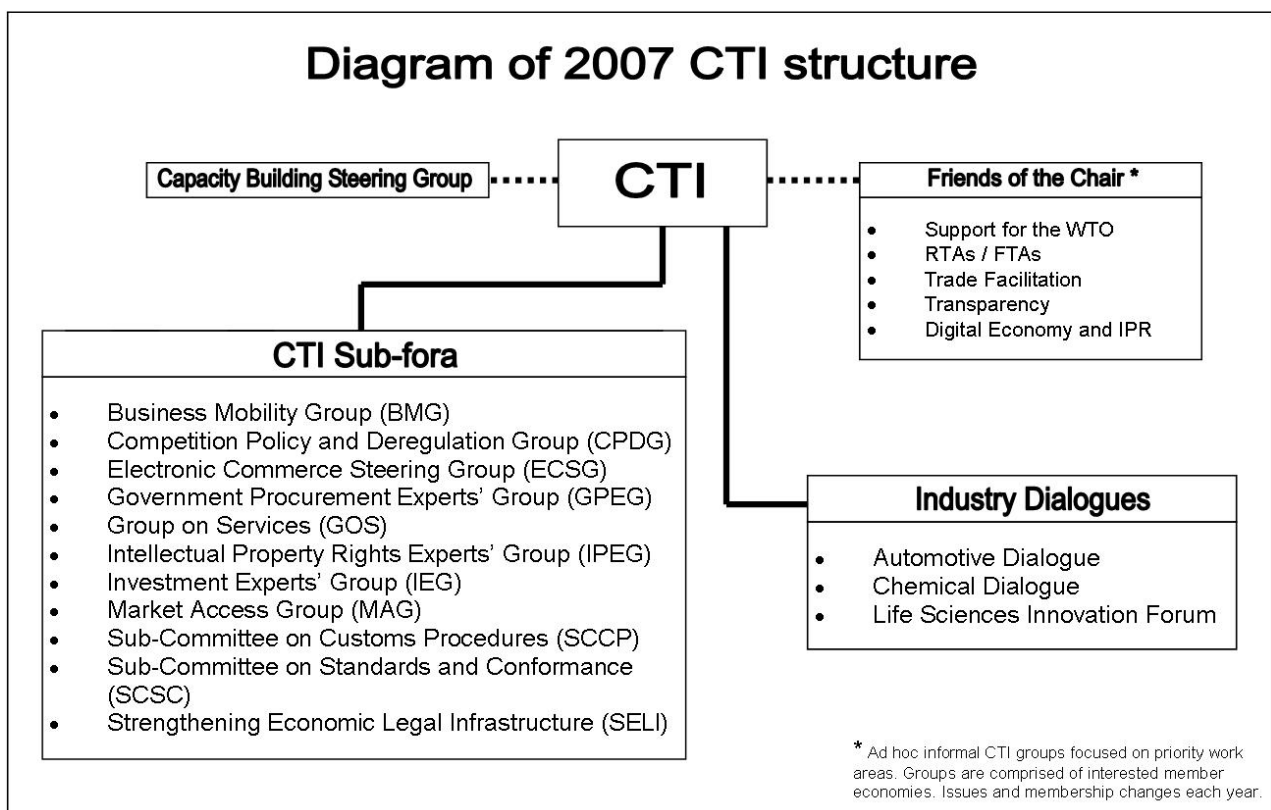
- APEC Trade Facilitation Action Plan II (see Appendix 2), endorsed at the July 2007 Meeting of Ministers Responsible for Trade.
- Creation of a new three-year transitional membership category in the APEC Business Travel Card Scheme as an additional membership pathway option
- The United States as a transitional member and Mexico as a new member of the APEC Business Travel Card Scheme
- Report on "Transparency and Trade Facilitation in the Asia Pacific: Estimating the Gains from Reform" prepared by the World Bank, and note that CTI will consider the findings of the study in developing future trade facilitation and transparency work
- Report on the implementation of the APEC general and sector specific transparency standards (Appendix 6)
- CTI's leadership role in providing greater coherence to APEC's investment work, in particular through the proposed development of an APEC Investment Facilitation Action Plan
- Policy Dialogues held this year, bringing together APEC, the business community and other international organisations, designed to build stronger investment regimes in the region
- Proposed text in 2007 AELM declarations on IP Utilisation and Markets Selling Counterfeit and Pirated Goods
- Proposed text in 2007 AMM statement on signal theft
- Outcomes of the Ninth Automotive Dialogue, Sixth Chemical Dialogue and Fifth Meeting of the Life Sciences Innovation Forum (LSIF)
- The Life Sciences Innovation Forum's status report on implementation of the Strategic Plan for submission to Ministers Leaders
- Revised guidelines for Pathfinder initiatives (see Appendix 9)
- Alignment of the Electronic Commerce Steering Group as a CTI sub-forum
- The 2007 Stocktake of the Electronic Commerce Activities (www.apec.org)
- Transfer of the Competition Policy and Deregulation Group (CPDG) and the Strengthening Economic and Legal Infrastructure Coordinating Group (SELI) to the Economic Committee to consolidate APEC's structural reform activities

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Introduction

The APEC Committee on Trade and Investment (CTI) is the key body responsible for delivery of APEC's work on trade and investment. CTI encourages APEC member economies to undertake individual and collective actions to liberalise and facilitate trade and investment within the APEC region, in order to achieve the Bogor Goals. This work is supported by economic and technical cooperation (ECOTECH) initiatives, aimed at building capacity in member economies to assist them in undertaking trade and investment liberalization and facilitation.

The CTI oversees eleven sub-groups and three industry dialogues (see diagram below). CTI also works closely with other specialist APEC Committees, Task Forces and Working Groups to ensure that Leaders' and Ministers' instructions on trade and investment issues are implemented in a coordinated manner.



The CTI Annual Report to Ministers for 2007 outlines the Committee's accomplishments and recommendations in the key priority areas of APEC's Trade and Investment Liberalisation (TILF) agenda. Collective Action Plans (CAPs) in various *Osaka Action Agenda* (OAA) issues areas, which were first reported in 1996, continued to be the Committee's main vehicle for advancing APEC's trade and investment agenda.

CTI's work program for 2007 was framed by the Busan Roadmap to the Bogor Goals endorsed by APEC Leaders in 2005, and guided by the Ha Noi Action Plan to implement the Busan Roadmap towards the Bogor Goals, endorsed by Leaders last year. Five small groups of "friends of the Chair (FOTC)", comprising between 5–14 economies, were established in the CTI to develop work plans with time frames, objectives and deliverables in five key areas: Support for the Multilateral Trading

System, RTAs/FTAs; Trade Facilitation; Transparency; and Digital Economy and Strengthening Intellectual Property Rights (IPR). The CTI also undertook work related to a number of other APEC-wide priority areas including: the establishment of a Capacity Building Steering Group (CBSG) tasked with enhancing the integration of capacity building activities into CTI's activities; and refining the IAP Review process as part of an ongoing commitment to APEC reform.

The Committee collaborated closely with the Economic Committee to ensure that our respective work programs on business facilitation, including 'behind-the-border' issues, competition policy and economic legal infrastructure were complimentary.

CTI also worked closely with the APEC Business Advisory Council (ABAC) throughout 2007, ensuring that its work plans and deliverables took into account the needs of the business community. Both CTI and ABAC participated in each others' meetings, maintaining consistent and constructive dialogue on key issues such as public-private partnerships, investment liberalization and trade facilitation.

Section I: Support for the Multilateral Trading System

Highlights:

- CTI members recognised that a successful conclusion to the Doha Development Round negotiations remained APEC's highest priority. CTI also agreed that it had limited scope to contribute directly to the DDA negotiations and so focused its work on supporting the existing rules-based multilateral trading system. In particular, CTI contributed to the delivery of capacity building activities aimed at helping developing member economies better understand WTO issues, participate in WTO negotiation, and better implement their WTO obligations.
- An APEC Training Programme on WTO Negotiations was held in Bangkok from 26 February – 2 March to give participants an opportunity to put their knowledge to work in an environment that simulates the actual negotiations process. It provided opportunities to develop negotiating skills appropriate for use in multilateral trade negotiations. The negotiation module simulated the Geneva-based WTO negotiations process, comparing and contrasting how the Geneva process works with those of regional or bilateral negotiations.
- MAG explored the possibility of developing an illustrative list of environmental goods that APEC could agree on and contribute to ongoing work. A workshop on environmental goods, focusing on renewable and clean energy technologies and water and wastewater treatment, was held on 26 June 2007.
- In response to the November 2006 AMM statement on preserving the effectiveness of the Information Technology Agreement (ITA), MAG initiated work that would help promote APEC's collective interest in Geneva by collating information on new generation IT products being re-classified by non-APEC economies into dutiable categories.

Work Plan:

In 2007, CTI pursued a work program to support the multilateral trading system focusing on:

- Work to support DDA initiatives, including technical and educational work.
- Work to maintain the integrity of existing WTO agreements.
- Support, as needed, for Ministerial or Leaders political statements on the DDA.
- Encouraging additional APEC economies to join the Multi-Chip Integrated Circuit (MCP) agreement.
- Possible collective action to ensure that the ITA is maintained and to address concerns that technologically advanced versions of ITA products may be in danger of no longer receiving duty-free treatment due to an overly narrow interpretation of ITA product coverage.
- Sharing information on sectoral initiatives under discussion in the DDA, with a view to educating and building support within APEC for such initiatives.
- More detailed consideration of issues related to the development of an emergency safeguard mechanism (ESM) for services.

- Examination of the impact of liberalization of the services trade.
- Development of an illustrative list of environmental goods that can be updated regularly and help inform economies on the latest technologies.
- Possibly building upon a 2003 APEC initiative to identify additional electronics and IT products for which APEC members may be interested in providing duty-free treatment, either through product specific initiatives or through a broader workshop approach.
- Consideration of how the APEC Geneva Caucus can be more effectively utilized.

Table 1: Sub-fora Outcomes - Support for the Multilateral Trading System

SUB-FORA	WORK UNDERTAKEN
<p>Market Access Group (MAG)</p>	<p>MAG continued to support NAMA negotiations, <i>inter alia</i>, by sharing information on specific liberalization initiatives. In the IT products area, MAG continued to exchange information on new generation IT products being re-classified by non-APEC economies into dutiable categories. MAG members were encouraged to positively consider participation in the Multi-Chip Integrated Circuit (MCP) Agreement which complements the ITA.</p> <p>MAG organized a workshop on remanufactured products on 21 January 2007 with the aim of enhancing the understanding of the benefits of the global remanufacturing industry. Issues included saving energy, raw materials and manpower, and the challenges posed to development by trade barriers.</p> <p>MAG organized a one-day workshop on environmental goods, focusing on renewable and clean energy technologies and water and wastewater treatment on 26 June 2007, which helped participants better understand the latest developments in environmental goods. It has also commenced working on the possibility of creating an illustrative list of environment goods that could be updated regularly and used as a reference for unilateral, bilateral/regional or multilateral liberalization efforts.</p> <p>MAG will conduct a workshop on the Availability of Software and Databases for Trade Negotiations in late 2007. It aims to provide participants with a better understanding of the main software and databases publicly available to assist in the formulation of trade policy and support trade negotiations. The workshop also aims to introduce participants to the uses, advantages and limitations of the main economic models used in trade policy analysis.</p>
<p>Group on Services (GOS)</p>	<p>GOS had various discussions on capacity building activities, the quality of services trade statistics and on “less familiar” services sectors e.g. environmental, energy services and port services. It also had discussions on cross-border services for education and financial services, as well as the impact of services liberalization in member economies from which GOS received a presentation on a WTO services liberalization project. GOS noted that the study could assist in policymaking on services liberalization. It also encouraged members to monitor progress on the research and explore possible collaboration between GOS and the WTO on similar projects in the future.</p>
<p>Investment Experts Group (IEG)</p>	<p>IEG members urged APEC to accord greater priority to exploring new approaches to services and investment liberalization and facilitation. IEG and GOS held a joint capacity building seminar on the relationship between investment and trade in services in RTAs and other international investment agreements on 18 April 2007.</p>

SUB-FORA	WORK UNDERTAKEN
Sub-committee on Standards and Conformance (SCSC)	SCSC continues to monitor activities in the WTO SPS and TBT Committees which are of particular interest to the field of Standards and Conformance.
Sub-committee on Customs Procedures (SCCP)	SCCP monitored developments in the WTO trade facilitation negotiations through information exchange amongst member economies. SCCP members were encouraged to actively participate in these negotiations due to the potential impact that a WTO Trade Facilitation agreement would have on the customs administrations of WTO members.
Intellectual Property Rights Experts Group (IPEG)	IPEG members shared information on the various methods of protection of geographical indications and on the registration of trademarks that were offensive to the customs and practices of indigenous peoples.
Competition Policy and Deregulation Group (CPDG)	CPDG continued to promote a competitive environment through information sharing and discussion amongst its members on competition policy and deregulation by CPDG's activities such as developing the Competition and Law Database (http://www.apeccp.org.tw/) and holding the third APEC Training Course on Competition Policy in Singapore in August 2007.
Government Procurement Experts Group (GPEG)	<p>GPEG continued to monitor developments on government procurement in the WTO.</p> <p>GPEG organised a Workshop on Government Procurement in the WTO and FTAs in China to be held in October 2007. The workshop aims to improve APEC members' understanding of the WTO Government Procurement Agreement (GPA) and government procurement issues in RTAs/FTAs, and to assist members in consolidating their positions on government procurement.</p>
Business Mobility Group (BMG)	<p>BMG continued to support the WTO process and Bogor Goals through various trade facilitation capacity building initiatives aimed at improving temporary business entry arrangements and reducing costs to business. It agreed to implement on a <i>best endeavours</i> basis:</p> <ul style="list-style-type: none"> • the APEC Business Travel Card (ABTC) scheme (currently with 17 participating economies), or visa waiver, or 3 year multiple entry visa arrangements for short term business entry; • the agreed 30 day service standard for intra-company transferees (executives, managers and specialists, the latter as defined by each economy); • an agreement to consider streamlining access for spouses of intra-company transferees to work rights; • agreed standards for e-commerce arrangements; and • its capacity building strategy and agreements in respect of implementing

SUB-FORA	WORK UNDERTAKEN
	standards in travel document security, professional service, immigration legal infrastructure, travel document examination and advance passenger information.
Automotive Dialogue	The Automotive Dialogue continued to monitor and review efforts to reinvigorate WTO DDA negotiations, including possible participation in the future activities of the Global Automotive Industry Dialogue to support relevant aspects of NAMA negotiations in Geneva.
Chemical Dialogue	CD continued discussion of tariff and non-tariff-barriers to chemical trade.
Life Sciences Innovation Forum (LSIF)	LSIF developed plans for an inventory of tariff and non-tariff barriers to trade in medical life sciences products and services with a view to assessing the impact of these barriers on health systems.

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Section II: Promotion of High Quality Regional Trading Arrangements/Free Trade Agreements

Highlights

- Undertook work on model measures for RTAs/FTAs in 11 areas: Anti-dumping Measures; Subsidies & Countervailing Measures; E-Commerce; Investment; Rules of Origin and Origin Procedures; Safeguards; Sanitary & Phytosanitary Measures; Trade in Services; Environment; Competition Policy; and Temporary Entry of Business People.
- CTI agreed on model measures for RTAs/FTAs in the following areas: Electronic Commerce, Rules of Origin and Origin Procedures and Sanitary & Phytosanitary Measures (see [Appendix 1](#)) and will continue work on remaining model measures next year.
- CTI noted ABAC's analytical work on the six model measures¹ approved by Ministers last November to provide a business perspective on this work.
- A number of CTI sub-fora continued to undertake work on RTAs/FTAs as reflected in the table below.

Work Plan

In 2007, CTI adopted a work plan for its activities on RTAs/FTAs that built on APEC achievements to date, including: Best Practices, SOM FTA Trade Policy Dialogues, APEC Model Measures in RTAs/FTAs endorsed by Ministers in the last two years, the IAP FTA reporting template, and the Secretariat's FTA database. The work plan included the following elements:

- Identify areas of convergence and divergence between RTAs/FTAs and study features of RTA/FTA chapters, drawing on research by PECC and other relevant experts.
- Continue to exchange information on RTAs/FTAs.
- Develop model measures for commonly accepted RTA and FTA chapters to build on the model measures adopted in 2005 and 2006.
- Provide capacity building on RTAs/FTAs.
- Report on steps taken to fulfil existing WTO RTA/FTA notification obligations.

¹ Trade in Goods, Technical Barriers to Trade, Transparency; Government Procurement, Cooperation and Dispute Settlement.

Table 2: Sub-fora Outcomes - RTAs and FTAs.

SUB-FORA	WORK UNDERTAKEN
Market Access Group (MAG)	<p>MAG provided technical inputs to the CTI's work on model measures for commonly accepted RTA/FTA chapters, in particular the model measure for safeguards.</p> <p>MAG undertook work to better understand the impact of different Rules of Origin (ROOs) in existing FTAs amongst APEC economies.</p>
Group on Services (GOS)	<p>GOS co-sponsored a workshop on services and investment provisions in Regional Trade Arrangements (RTAs) and Bilateral Investment Treaties (BITs) with IEG on 18 April 2007 in Adelaide. The seminar-workshop provided useful insights on MFN in RTAs and differences between the GATS- and NAFTA-based approaches</p> <p>GOS provided technical inputs into CTI's work on the proposed RTA/FTA model measure for services and temporary entry of business people.</p>
Investment Experts Group (IEG)	<p>IEG continued to identify target areas for technical cooperation including a 'best practice' policy/administrative framework and input into the development of model measures for investment.</p> <p>IEG implemented a project to identify the core elements in investment agreements in the APEC region and the range of approaches taken by APEC members in respect of these elements.</p> <p>IEG and GOS held a joint capacity building seminar on the relationship between investment and trade in services in RTAs and other international investment agreements on 18 April 2007.</p>
Intellectual Property Rights Experts Group (IPEG)	<p>Developed a matrix to show members' experiences on negotiating and implementing IP chapters in RTAs/FTAs.</p>
Competition Policy and Deregulation Group (CPDG)	<p>CPDG provided technical input to the CTI's work on model measures for competition policy. It convened an informal dialogue session where economies were invited to make presentations on their experiences on RTA/FTA competition chapters and other types of cooperation agreements. CPDG agreed to continue an intersessional discussion on the feasibility of including Competition in the CTI work plan for model measures.</p>
Automotive Dialogue	<p>The Automotive Dialogue undertook to examine the implications of differential rules of origin regimes in RTAs/FTAs for the automotive industry.</p>

SUB-FORA	WORK UNDERTAKEN
Chemical Dialogue	Developed a work plan to analyze rules of origin for chemicals in existing trade agreements and identify areas of convergence and divergence.

Section III: Trade Facilitation

Highlights

- CTI developed APEC's second Trade Facilitation Action Plan (TFAP II) (see [Appendix 2](#)) to take forward trade facilitation work to reduce trade transaction costs by a further 5% by 2010. TFAP II builds on and broadens work already completed in the four core areas of customs procedures, standards and conformance, business mobility and electronic commerce. It places greater emphasis on collective actions and pathfinders which economies will undertake collectively to meet the trade facilitation target. In addition to an updated and revised menu of actions and measures from the areas of customs procedures, business mobility, standards and conformance and electronic commerce, TFAP II also refers to other business facilitation activities undertaken across APEC which includes private sector development, anti-corruption and transparency, and secure trade.
- TFAP II was endorsed by Ministers Responsible for Trade at their meeting in Cairns on 5–6 July 2007. CTI and its sub-fora are now developing Key Performance Indicators (KPIs) for collective actions/pathfinders against which progress can be monitored through to 2010. These will be completed by February 2008.
- An APEC Symposium on Trade Facilitation was held on 4–5 June 2007 in Hong Kong, China. It provided a forum for dialogue between the public and private sectors with a view to better matching trade facilitation measures with the needs of businesses.

Work Plan

In 2007, CTI adopted a work plan on trade facilitation and agreed on the following objectives:

- Develop a detailed action plan on the basis of the agreed TFAP II framework.
- Foster a closer relationship with ABAC and the wider business community.

Table 3: Sub-fora Outcomes - Trade Facilitation

SUB-FORA	WORK UNDERTAKEN
<p>Market Access Group (MAG)</p>	<p>MAG explored work in support of the APEC Food System as a follow-up to its joint session held in 2006 with SCSC.</p>
<p>Sub-Committee on Standards and Conformance (SCSC)</p>	<p>SCSC established an APEC Food Safety Cooperation Forum which convened its first meeting in April 2007 in the Hunter Valley with some 60 regulators from 16 economies participating. A strategy for capacity building in the region was developed by the Forum.</p> <p>A workshop for regulators on the use of market surveillance as a tool for enforcement of technical regulations was held in May in Chinese Taipei with 140 participants from 19 economies taking part. The workshop examined the need for more common, WTO-consistent approaches to enforcement in the region in order to reduce trade barriers.</p> <p>SCSC's Trade Facilitation Task Force discussed member economies' serious concerns with the EU's Restrictions on Hazardous Substances (RoHS) Directive and other RoHS-like developments in the region. The SCSC agreed to continue to share information and experiences on RoHS and RoHS-like developments and explore lessons learned and good regulatory practices in this area (e.g., using risk assessment and cost-benefit analysis, seeking stakeholder input early).</p> <p>Hosted a workshop in June in Cairns on <i>Underpinning Regional Trade – Metrology, Accreditation and Standards</i> to provide an opportunity for the Specialist Region Bodies (SRBs) to explain their role in facilitating international trade using case studies in the food and electrical products sectors.</p> <p>Welcomed the development of a strategic plan for capacity building in technical infrastructure over the period 2007–2011 by the SRBs, noting the value to business of an effective regulatory infrastructure in APEC economies.</p> <p>Developed, with technical input from PASC, a new initiative on critical infrastructure and support systems to enable business continuity through periods of natural disaster and other major disruptions.</p> <p>Agreed on a revised reporting format for member economies seeking to utilize relevant international standards for electrical products.</p>
<p>Sub-committee on Customs Procedures (SCCP)</p>	<p>SCCP adopted a Single Window Strategic Plan that would assist in the development of an international trade Single Window system. A new working group within SCCP was formed to undertake the next phase of work.</p> <p>Members shared information on their implementation of the time-release survey (TRS) CAP item and noted a major benefit of the TRS being the capacity to highlight the impact of non-customs government agencies on cargo</p>

SUB-FORA	WORK UNDERTAKEN
	<p>release.</p> <p>Reviewed and updated the menu of actions and measures on customs procedures as an input to CTI's development of TFAP II.</p> <p>Adopted a questionnaire to ascertain members' progress in implementing relevant standards of the APEC Framework for Secure Trade. The completed questionnaire would help address the expedited clearance elements of the Automotive Dialogue's proposed customs facilitation initiative.</p> <p>Conducted a stocktake on ATA Carnet implementation and noted that seven economies were yet to implement the convention.</p> <p>Identified issues that needed to be addressed in order to advance the "making customs forms available in English" initiative. A preliminary questionnaire was conducted on the status of English language in customs forms, potential problems for implementing English customs forms, types of forms needed in English, and the duration of time needed for implementation. Twenty economies responded to the questionnaire. Fourteen economies had fully implemented customs forms in English or two languages. Remaining members felt that implementation of the initiative should be flexible. While it was recognized that English is important to world trade, constitutional law in some economies restricted the use of other languages and will prevent the implementation of this proposal by all economies in the short term.</p> <p>The annual APEC Customs-Business Dialogue was held in Sydney on 29 June 2007 under the theme "Identifying future trade facilitation opportunities". The dialogue led to support for the commencement of an Interim Pathfinder Initiative to assess the feasibility of implementing mechanisms for tracking cross-border shipments as a means to improve visibility of the supply chain.</p>
<p>Competition Policy and Deregulation Group (CPDG)</p>	<p>CPDG's activities aimed to encourage members to introduce or maintain effective and adequate competition policy/law and effective regulatory policies. CPGD members conducted the seminar on utilizing the APEC-OECD Integrated Checklist on Regulatory Reform in Jakarta, Indonesia in mid June 2007, with the purpose of promoting competitive environments. The Checklist is a voluntary tool that member economies could use to evaluate their respective regulatory reform efforts.</p>
<p>Government Procurement Experts Group (GPEG)</p>	<p>GPEG members were encouraged to review the consistency of their government procurement systems with the newly revised GPEG Non-Binding Principles (NBPs). GPEG members exchanged information on their development of e-procurement in government procurement in ways consistent with the newly revised GPEG NBPs.</p> <p>Members agreed to formulate e-government procurement guidelines based on best practices in each member economy.</p>

SUB-FORA	WORK UNDERTAKEN
Business Mobility Group (BMG)	<p>Economies agreed to continue to share information on implementing trade facilitation actions and measures related to business mobility.</p> <p>Reviewed and updated its menu of actions and measures in relation to business mobility as input into CTI's development of TFAP II.</p> <p>Created a new 3-year transitional membership category with extended border facilitation in the ABTC Scheme to encourage participation by Canada, Mexico, Russia and the United States. The United States was admitted as the first transitional member economy.</p>
Automotive Dialogue	<p>Implemented Phase 1 of the Model Port/Customs Import Automation project aimed at reducing transaction costs for importers/exporters of automotive products.</p> <p>Continued efforts to address market access issues for automotive products through advancement of its expedited clearance procedures and periodic filing initiatives.</p>
Chemical Dialogue	<p>Continued work on trade facilitating responses to product related environmental regulations and collective action on regulatory barriers to trade (e.g. REACH and RoHS).</p> <p>Agreed to develop a work plan for a framework for best practices in chemical regulations and has begun drafting.</p> <p>Collective advocacy to the European Commission on serious emerging issues with regard to REACH implementation.</p>
Life Sciences Innovation Forum (LSIF)	<p>Agreed to undertake a multidisciplinary study on investment in innovations in health systems and to develop frameworks for public-private partnerships that encourage the uptake of effective life sciences innovation.</p> <p>Implemented a series of workshops to combat counterfeiting of drugs and medical devices and to promote regulatory harmonization for the pharmaceutical and medical device sectors.</p> <p>Undertook capacity building on the harmonization of standards and regulatory practices in the life sciences sector.</p>

Section IV: Digital Economy and Strengthening Intellectual Property Rights

Highlights

- A set of Model Guidelines to Strengthen IPR Capacity Building to assist APEC member economies in the design and implementation of capacity building activities in support of IPR protection and enforcement. (see [Appendix 3](#)).
- The development of an APEC Cooperation Initiative on Patent Acquisition Procedures (see [Appendix 4](#))
- An APEC Best Practices Paper on Innovative Techniques for IPR Border Enforcement (see [Appendix 5](#))
- “Trading Ideas” Symposium held in Sydney in January 2007. The symposium dealt with cross-cutting issues such as the harmonization of IP laws and processes across borders to reduce red tape, piracy and counterfeiting in the Asia-Pacific region, and the enforcement of IP rights.
- Participation in the Pathfinder on APEC Technology Choice Principles grew with Malaysia’s agreement to join. The total number of participating economies is now 15.

Work Plan

In January 2007, CTI adopted a clear work plan on Digital Economy and Strengthening IPR, which included:

Digital Economy

- Implementing the Leaders’ Digital Statement according to the 2003 Next Steps Paper.
- Taking a collective leadership role on digital economy issues in the WTO as called for in the Leaders’ Digital Statement.
- Increasing participation in the new Pathfinder on the APEC Technology Choice Principles and implementation.

Intellectual Property Rights

- Taking concrete steps to reduce piracy, trade in counterfeit goods and online piracy, and increase cooperation and capacity building, including further steps that build on the APEC Anti-Counterfeiting and Piracy Initiative.
- Holding training seminars on IPR protection and enforcement, commercialization, and other steps to enhance capacity-building and public awareness.

Table 4: Sub-fora Outcomes - Digital Economy and Strengthening IPR

SUB-FORA	WORK UNDERTAKEN
<p>Sub-committee on Customs Procedures (SCCP)</p>	<p>SCCP endorsed an amended draft of the “APEC Best Practices Paper on Innovative Techniques for IPR Border Enforcement”, which was referred to the SCCP by IPEG.</p> <p>SCCP and IPEG agreed to hold a joint session in the margins of SOM I in 2008 for information sharing on border enforcement and to strengthen regional cooperation in IPR enforcement.</p>
<p>Intellectual Property Rights Experts Group (IPEG)</p>	<p>IPEG endorsed the Best Practices Paper for Innovative Techniques in IPR Border Enforcement and encouraged economies to contribute towards it. The purpose of the paper was to provide members with information on innovative techniques currently in use or under development. This information exchange provides lessons learned to those already using these techniques, as well as a useful resource to economies contemplating and developing such techniques. IPEG also endorsed the Model Guidelines to Strengthen IPR Capacity Building, which has laid a good foundation for future work on capacity building.</p> <p>SCCP and IPEG agreed to hold a joint session in the margins of SOM 1 in 2008 for information sharing on border enforcement and to strengthen regional cooperation in IPR enforcement.</p> <p>Developed a set of IP education and awareness resource materials in Phase I of a project on APEC Disseminating E-learning Contents on IPR information.</p> <p>Organized several capacity building and information sharing workshops/seminars/symposiums (both APEC-funded and self-funded) including:</p> <ul style="list-style-type: none"> • “Trading Ideas” Symposium in Sydney from 28–30 January 2007 • APEC Seminar on IP Management for SMEs in Bangkok in May 2007, jointly organized with the SMEWG • APEC Workshop on Capacity Building for APEC Member Economies to Implement the APEC Anti-counterfeiting and Piracy Initiative in Ha Noi on 31 May – 1 June 2007 • APEC IPEG Symposium on Internet Infringement Prevention Strategies and Enforcement Measures in Chinese Taipei on 15 June 2007 • APEC Workshop on the Protection and Enforcement of IPR in the Digital Era in Viet Nam on 4–6 July 2007 • APEC Seminar on Enforcement of IPR in Port Moresby in August 2007 • APEC-USPTO Workshop on Effective Practices in the Border Enforcement of IPR • APEC-USPTO Workshop on developing a Successful Intellectual Property Enforcement Regime for Judges and Prosecutors • APEC IPR Market Research and Best Practices Workshop to be held in Singapore on 12–14 December 2007

SUB-FORA	WORK UNDERTAKEN
Automotive Dialogue	Hosted a Seminar on Best Practices by APEC members in IPR Protection to increase awareness and share experiences as envisaged in the best practices papers on IPR issues in the automotive sector adopted in 2006.
Life Sciences Innovation Forum (LSIF)	Implemented a series of training workshops to combat the counterfeiting of drugs and medical devices.

Section V: Transparency

Highlights

- CTI members undertook an assessment of the implementation of APEC's general transparency and sector-specific transparency standards.
- CTI provided an interim report on the assessment of the implementation of the APEC Transparency Standards to MRT, followed by a final report to AMM. (see [Appendix 6](#))
- CTI will make publicly available the information gathered for the review. This includes details of member economies laws, regulations, procedures and administrative rulings.
- The findings of the assessment will also be made available for the purposes of the APEC Individual Action Plan Review Process.
- An analytical report prepared by the World Bank on the trade-related regulatory environment in APEC economies was commissioned. The findings of this report will be considered in the development of future CTI work on transparency and trade facilitation.
- CTI held a Trade Policy Dialogue with the World Bank on Regional Integration, Transparency and Economic Development on 28 June 2007 to discuss issues related to transparency, trade facilitation and regulatory reform.

Work Plan

In 2007, CTI adopted a work plan on transparency, and agreed on the following objectives:

- Support transparency provisions in FTAs, RTAs and other initiatives and discuss transparency provisions in such arrangements.
- Communicate the benefits of transparency and the importance of the APEC Transparency Standards better to the public.
- Identify capacity building needs and develop projects to assist economies in the implementation of the APEC General and Area-Specific Transparency Standards.
- Continue dialogue with ABAC on transparency and consider specific issues raised by ABAC as part of the broader exercise of assessing the implementation of the APEC Transparency Standards.
- Explore opportunities to collaborate with the other APEC fora.

Table 5: Sub-fora Outcomes – Transparency

SUB-FORA	WORK UNDERTAKEN
Group on Services (GOS)	GOS members continued to update the APEC Directory on Professional Services and uploaded information of detailed links of professional services from twelve economies.
Investment Experts Group (IEG)	Publication of the <i>6th edition of the APEC Investment Guidebook</i> aimed at providing clear, concise and relevant information to potential investors in the APEC region.
Sub-committee on Standards and Conformance (SCSC)	SCSC developed an on-line linkage to enable industry, and particularly SMEs, to more easily access standards and conformance regulatory requirements across a range of sectors in member economies.
Competition Policy and Deregulation Group (CPDG)	CPDG continued to promote transparency and information/experiences sharing and discussion amongst CPDG members on recent developments of their competition laws and policies. Such information is periodically updated on the APEC Competition Policy and Law Database which is available for public access at http://www.apeccp.org.tw .
Government Procurement Experts Group (GPEG)	GPEG members continued to share information on Transparency Standards in government procurement and undertake voluntary reviews of the consistency of their government procurement systems with the newly revised NBPs.
Business Mobility Group (BMG)	<p>BMG updated its on-line travel handbook that provides information on visa requirements for APEC member economies.</p> <p>BMG continued to work on implementing a number of actions to address the findings of a “Review of Temporary Entry Conditions”.</p>
Chemical Dialogue	<p>Chemical Dialogue members undertook information sharing on industry voluntary performance measures relevant to the U.N. SAICM program, with particular focus on the Responsible Care® Global Charter and the product stewardship framework, the Global Product Strategy.</p> <p>Collective advocacy to the European Commission on serious emerging issues with regard to REACH and REACH implementation</p>
Life Sciences Innovation Forum (LSIF)	LSIF is developing mechanisms to encourage cross-sectoral stakeholder dialogue on key health and economic challenges facing the region.

Section VI: Investment

Highlights

- Completed Stage 2 of the study of “Enhancing Investment Liberalisation and Facilitation in Economic Development in the Asia-Pacific Region”. This second phase focused on “Reducing Behind-the-Borders Barriers to Investment”, recognising that such barriers have great impact on discouraging domestic investment in the APEC economies.
- Completed a Survey Report on identifying high priority investment barriers and proposed policy measures based on surveys by the Japan Machinery Center of Trade and Investment and international organizations such as WB, IMD and WEF.
- Symposium on Investment Liberalisation and Facilitation was held in Tokyo on 29 May to discuss the implications of the Study Report.
- Collaborated with the OECD on matters of common interest including investment for development and emerging issues in international investment agreements. This work included the holding of a High-Level Public-Private Policy Dialogue on the Policy Framework for Investment in Melbourne on 26–27 April 2007 with OECD and ABAC participation.
- A seminar, held in conjunction with UNCTAD in Manila on 13–14 April 2007, on investor-state dispute settlement issues in the APEC region.
- Seminar for Promoting Public-Private Sector Dialogue was held in Cairns on 24 June 2007.
- Seminar on Achieving Better Practice by APEC Investment Promotion Agencies (IPAs) in terms of their roles in policy advocacy and dispute resolution was organised in coordination with UNCTAD on 27 June 2007 in Cairns.
- Through the IEG related events mentioned above, IEG members shared experiences and identified areas of common interest in the development of bilateral and regional investment agreements and identified target areas for technical cooperation including ‘best practice’ policy/administrative framework for upgrading efficiency-seeking FDI, attracting FDI to small markets and improving the investment framework for FDI.

Work Plan

CTI’s Investment Experts Group (IEG) adopted the following work plan for 2007-08:

Transparency

- Complete and publish the *6th edition of the APEC Investment Guidebook* by mid-2007.

Policy Dialogue

- Consider ABAC’s specific recommendations to Leaders in Hanoi and any actions arising out of them.
- Discuss with ABAC investment-related issues and projects of mutual interest including their involvement in IEG planned workshops, seminars and research projects in 2007.

- Continue dialogue with UNCTAD on emerging issues in the area of international investment agreements and encourage UNCTAD participation at relevant IEG meetings and events throughout 2007.
- Continue dialogue with OECD in areas of mutual interest, including investment for development and emerging issues in international investment agreements, and encourage OECD participation at relevant IEG meetings and events throughout 2007.
- Continue to hold policy discussions in IEG meetings including recent investment trends, changes to member economies investment regimes and other emerging issues.

Study and Evaluation

- Undertake Stage Two of project “Enhancing Investment Liberalisation in the APEC Region: Reducing Barriers to Investment across APEC to Lift Growth and Reduce Poverty” aimed at examining the economic impact of behind the border barriers to investment. The project will develop five case studies based on close collaboration with developing member economies who will share their successful experiences with particular aspects of investment climate reform.
- Implement project “Identifying Core Elements in Investment Agreements in the APEC Region”
- Implement project “Survey on Investment Liberalization and Facilitation” based on surveys of WB, IMD, WEF and JMC.
- In the context of the Hanoi Action Plan to implement the Busan Roadmap and the decision by Leaders asking officials to undertake further studies on ways and means to promote regional economic integration, including a Free Trade Area of the Asia-Pacific as a long term prospect, seek to develop a better understanding of how investment liberalisation and facilitation objectives can be met.
- Continue to update the List of Analytical Studies on Foreign Direct Investment and developments in International Investment Agreements.

Investment promotion and facilitation

- Implement project “Seminar for Promoting Public-Private Sector Dialogue” at SOM3.

Capacity building and technical assistance

- Continue to identify target areas for technical cooperation including ‘best practice’ policy/administrative frameworks. This includes possible input into the development of model measures for investment chapter of RTAs/FTAs.
- Implement project “APEC-OECD High Level Public Private Policy Dialogue on the Policy Framework for Investment” in April 2007.
- To hold a 1½ day workshop in margins of SOM3 on "Achieving Better Practice by APEC Investment Promotion Agencies: their Role in Policy Advocacy and Dispute Resolution"
- Second APEC-UNCTAD Regional Seminar to discuss the results of the 2006 APEC-UNCTAD Studies into investor-state dispute settlement issues and alternative dispute resolution.

- Implement project “Symposium on Investment Liberalization and Facilitation” to be held at 2nd ABAC meeting in Tokyo in May 2007.

Cooperation with other APEC fora

- Hold in margins of SOM2 “IEG/GOS Joint Workshop on the Relationship Between Investment and Trade in Services in RTAs and Other International Investment Agreements”.
- Continue to work with Economic Committee on investment issues related to the implementation of the medium-term agenda on structural reform.
- Work with Senior Finance Officials in developing their theme for 2007 “Deepening and Integrating Private Capital Markets” including the issue of investment efficiency in the APEC region.
- Work with Human Resources Development Working Group (HRDWG) in implementing the project of Capacity Building for Investment Liberalization and Facilitation in 2007–2008.

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Section VII: Individual Action Plan, Collective Actions, Pathfinder Initiatives and Industry Dialogues

Individual Action Plans

At the request of Senior Officials, CTI made the following recommendations on improvements to the IAP Peer Review Process to maximize quality, efficiency, and minimize costs. These recommendations were subsequently endorsed by Senior Officials:

- the composition of the IAP review team be brought forward several months to allow experts to have more time to conduct preparatory work;
- a clear timeline for the completion of each section of the process should be produced prior to review teams are contracted;
- a new clause could be included in experts' contracts applying penalties, including reductions in fees, for failure to meet deadlines for completion of elements of the reporting process;
- the list of experts should be reviewed regularly by economies to ensure that only qualified individuals with broad experience remain on the list;
- experts from the APEC Studies Centres and PECC, as well as experts from outside these organisations, should be considered to undertake reviews;
- the current arrangements whereby two experts are appointed to jointly prepare an evaluation of each economy IAP be kept for now, but re-examined after further experience with this arrangement; and
- there is no need for Program Directors to be included in in-economy visits.

Collective Action Plans

Collective Action Plans (CAPs) continue to frame the work plans of the CTI and its sub-fora. These CAPs are living documents and, in 2007, they were revised and enhanced in pursuit of the Bogor Goals (see *Appendix 7*)

Many of these improvements were made in response to the priorities set by Leaders and Ministers, including the call to ensure deliverables in CAPs are relevant to business. The revised CAPs also increase the transparency of trade and investment policies, lower transaction costs of cross-border trade, stimulate competition and result in greater certainty and predictability.

Some highlights from sub-fora collective action plans:

The **Market Access Group (MAG)** advanced work on initiatives on tariff and non-tariff measures that contributed to the APEC activities in support of the WTO. Specific deliverables included the successful conclusion of informative capacity building workshops that enhanced the understanding of members on the market issues relating to remanufactured goods and environmental goods.

For 2007, following the review of its operations last year, the **Group on Services (GOS)** discussed and developed activities aimed at better understanding the role of services in an economy as well as in support of the WTO. The group drew up several new activities that formed the basis of its work

programme for 2008. The Group also provided technical input to the Committee's work on development of model measures for trade in services. The Group worked with the Investment Experts' Group (IEG) and the Market Access Group (MAG) to develop a joint workshop on the relationship between attracting investment and liberalizing and facilitating trade in goods and services.

Having developed an expanded work programme on investment liberalization and facilitation in 2006, the **Investment Experts Group (IEG)** focused on implementing and delivering the work plan in 2007. IEG completed several projects that were developed to support this work. These included, amongst others, Stage 2 of the Study on Enhancing Investment Liberalisation and Facilitation; APEC High-Level Public-Private Policy Dialogue on the Policy Framework for Investment; the Survey on Investment Liberalization and Facilitation; and the Seminar for Promoting Public-Private Sector Dialogue. (See also Section VI).

The **Sub-committee on Standards and Conformance (SCSC)** assists the CTI to deliver the standards and conformance related outcomes of APEC's trade and investment liberalisation and facilitation agenda. For 2007, the SCSC developed a strategic plan for technical infrastructure capacity building within the region. The SCSC also considered a new initiative on critical infrastructure and support systems to enable business continuity through periods of natural disasters and other major disruptions.

The **Sub-committee on Customs Procedures (SCCP)** reviewed and updated the TFAP1 menu of actions relating to the movement of goods. SCCP focused its activities on the key initiatives that were going to facilitate trade over the next 5 years. One of the SCCP's key deliverables for 2007 was the development of a Single Window Strategic Plan and a Single Window development report. The strategic plan provided a vision for the development of Single Window systems to achieve paperless trading targets and enable seamless data sharing. It contained six recommendations to assist members in this endeavor, to ensure a common approach and provide a mechanism for APEC members to work collaboratively. The Single Window Development Report provided a snapshot of member's progress in Single Window initiatives and established a platform for a common understanding of Single Window issues. It also outlined the international standards and instruments used by APEC economies and highlighted capacity building needs along with those economies that can offer assistance.

The **Intellectual Property Rights Experts Group (IPEG)** assisted the CTI in the implementation of the IP-related elements of the CTI's work plan on Digital Economy and IPR. IPEG discussed the development of additional model guidelines under the APEC Counterfeiting and Piracy Initiative and agreed on a set of guidelines to strengthen IPR Capacity Building. It also explored the development of measures to address IPR enforcement issues and endorsed the Best Practices Paper for Innovative Techniques in IPR Border Enforcement and agreed to hold a joint session with the SCCP to strengthen regional cooperation in IPR enforcement.

The **Government Procurement Experts Group (GPEG)** continued to review on economies' respective government procurement regimes in relation to the Non-Binding Principles (NBPs) on Government Procurement. GPEG members also exchanged information on the developments of e-procurement systems and agreed to consider formulating e-Government guidelines. GPEG is also exploring the possible establishment of a GPEG Government Procurement Resource Centre as a central location for information on procurement policies; e-procurement systems and experiences; approaches to calls for tender; and the awarding of contracts.

The **Business Mobility Group (BMG)** worked to facilitate business travel while ensuring passenger safety and border security. Specifically, members implemented, on a pathfinder basis, Advanced Passenger Information (API) systems. Membership and functionality of the APEC Travel Business Card (ABTC) and Regional Movement Alert System (RMAS) were also enhanced. A new 3 year

transitional category has been created in ABTC, where an economy can work towards full compliance with the Operating Framework. The Regional Movement Alert System Multilateral Framework (MLF) was amended with the to include templates for lost and stolen MoU and Positive Validation MoU.

Pathfinder Initiatives

CTI completed a review of the implementation of its existing TILF-related Pathfinder initiatives and also welcomed the launch of a new pathfinder (see [Appendix 8](#)) by the ECSG on the protection of personal information in the APEC region.

Table 6: Status of TILF-Related Pathfinders (as of 01 August 2007)

Pathfinder	Lead economy	APEC Forum responsible	Membership status - Sept 2004	Membership status	Review undertaken & outcome
Trade and the Digital Economy	United States	N/A (launched at Leaders level; CTI has oversight)	18	20	N/A
Advance Passenger Information (API)	Australia	BMG	All agreed on API standards; 6 either fully implemented or committed to implementation; 8 undertaken feasibility studies; 6 committed to undertaking feasibility studies.	All agreed on API standards; 11 either fully implemented or committed to implementation; 10 undertaken feasibility studies.	Review by BMG in 2007, recommended pathfinder be continued
E-Cert SPS	Australia & New Zealand	ECSG	6	6	N/A
Kyoto Pathfinder	Australia	SCCP	15 participating in Part A; 8 participating in Parts A & B.	Has become a CAP in the SCCP.	N/A
Mutual Recognition Arrangement of Conformity Assessment on Electrical and Electronic Equipment	Australia	SCSC	15 participating in Part I; 3 participating in Parts II & III.	16 participating in Part I; 4 participating in Part II; 4 participating in Part III.	Reviewed by SCSC in 2007; recommended pathfinder be continued.
Electronic Certificates of Origin	Singapore	ECSG	3	3	N/A
Food MRA	Thailand	SCSC	5	5	Reviewed by SCSC in 2006; recommended pathfinder be continued.
Technology Choice Principles	United States	CTI	N/A	15	N/A
Data Privacy	Australia	ECSG	N/A	13	N/A

Industry Dialogues

Automotive Dialogue

The **Ninth Automotive Dialogue** was held in Melbourne, Australia on 17–20 April 2007. The Dialogue addressed market access issues in the automotive sector, identified existing barriers to growth, and explored the development of mechanisms for APEC economies to cooperate in addressing and reducing these impediments. Its work is being carried out by four working groups covering the areas of (i) harmonization of regulations and road safety issues; (ii) customs and trade facilitation; (iii) market access; and (iv) intellectual property rights. At its 9th meeting, the Dialogue agreed to establish a fifth group, the Automotive SME Working Group, to help strengthen the capability and capacity of SMEs from developing economies to improve their access to the global automotive markets. Work for 2007 focused on risk assessment to facilitate customs procedures through expedited clearance and appropriate capacity building. The Auto Dialogue's future agenda includes work in the area of biofuels, including the harmonization of biofuels.

One of the key outcomes of the Automotive Dialogue for 2007 was the Road Safety Summit held in Adelaide, Australia on 28 March 2007. The half-day event featured presentations by leading authorities from various international organizations and a number of Dialogue participating economies. The summit speakers discussed road safety and its economic and public health implications. It also presented effective road traffic safety programmes being implemented in APEC member economies that had the potential to improve injury and fatality rates.

Chemical Dialogue

The **Sixth Chemical Dialogue** was held in Cairns on 28 June 2007 with participants from 16 APEC economies. The Dialogue focused on improving regulatory policies and practices, human health and safety and the environment. It addressed implementation issues relating to the Globally Harmonised System of Classification and Labelling (GHS); the potential trade related impacts of product-related environmental regulations such as the Registration, Evaluation, and Authorisation of Chemicals (REACH) regulation and the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS) directive, chemicals management programs such as the Strategic Approach to International Chemicals Management (SAICM); ways of contributing to the discussion on regional economic integration through proposals to develop a framework for best practice guidelines for chemical regulations and work on rules of origin for chemicals.

The Dialogue will submit a summary report of progress made by APEC economies to implement the GHS to MRT in 2008 and has sent a letter to the European Commission from the Dialogue's Government and Industry Co-Chairs seeking a meeting with the implementers of the E.U. REACH regulations.

Life Sciences Innovation Forum

The Life Sciences Innovation Forum was established by Leaders in 2002 to develop and help implement a strategic plan for life sciences innovation to enhance health outcomes in the region. The strategic plan was endorsed by Ministers and Leaders in November 2004. Implementation priorities were identified in 2005. Key challenges facing the region were identified in 2006 (ageing demographics, infectious and chronic disease) and measures to attract and better place investment in life sciences were discussed in 2007.

The **Fifth Life Sciences Innovation Forum** was held on 19-20 April in Adelaide, Australia. The main theme for this year's forum was the need to develop an integrated approach to health system

resource allocation to address the key challenges of infectious and chronic diseases and ageing populations. Draft recommendations were finalized intersessionally for submission to Ministers and Leaders in September. These recommendations included:

- Undertaking, in 2008, a multidisciplinary study on the role of and returns to economies from investment in health innovations to address health and related economic and fiscal challenges facing the region;
- Establishing, in 2008, frameworks for public-private sector partnerships to better utilize resources from the public and private sector to meet health needs.
- According priority to addressing the impact of non-health policies on the development and update of effective innovation and on health costs, including taxes, tariffs and non-tariff barriers;
- Encouraging member economies to establish a mechanism for coordinating their health and investment strategies across government and with stakeholders;
- Encouraging continued Dialogue between LSIF and APEC health and finance senior officials to discuss responses to the health dimensions of economic challenges and more systematic cooperation across economies to address shared challenges, experiences and expertise; and
- Conducting assessments of economies' scientific and regulatory capacities with a view to identifying gaps and recommending programs to address shortfalls.

The LSIF also prepared a status report on implementation of the Strategic Plan for submission to Ministers and Leaders in September.

Section VIII – CTI Contribution to APEC-Wide Initiatives and SOM Priorities

Implementation of Leaders' Security Commitments

Table 7: Sub-fora Outcomes related to Leaders' Security Commitments

SUB-FORA	WORK UNDERTAKEN
<p>Sub-committee on Customs Procedures (SCCP)</p>	<p>SCCP continued with implementation of the APEC Framework for Secure Trade. SCCP members shared experiences on their implementation of the Framework. Such presentations included Australia's Authorised Economic Operator (AEO) pilot program; Singapore's "Secure Trade Partnership" AEO program; Viet Nam's e-Manifest Demonstration Project.</p> <p>SCCP continues to conduct seminars that focused on increasing the capacity of customs administration managers in the area of supply chain security. The first seminar, held in Thailand on 17–19 July, covered essential legal authorities required to implement the APEC Framework, while the second, to be held on 18-19 September in Thailand, will examine the establishment of industry partnership programs. A third seminar on "Supply Chain Security Specialist Training" is to be held in China in 2008. The seminar will allow APEC economies to progress the implementation of the APEC Framework for Secure Trade by training security professionals in each economy on methods for auditing and validating supply chain security in accordance with the Framework.</p> <p>The 2007 Amity Customs Seminar will be held on 16-25 October 2007 in Chinese Taipei. The Seminar assisted APEC member administrations to develop a greater understanding of how to meet the constant challenge of striking a balance between trade facilitation and supply chain security.</p>
<p>Business Mobility Group (BMG)</p>	<p>BMG enhanced human and trade security through:</p> <ul style="list-style-type: none"> • expansion of the membership and functionality of the Regional Movement Alert system to improve detection of the use of passports reported as lost or stolen. This initiative aims both to assist in the detection of persons of concern and fraudulent travel documents, thereby enhancing border security and safety, and to streamline processing of bona fide travellers. • undertaking work to build economies' capacity to process and adopt machine readable travel documents, incorporating biometric data, in order to improve travel document security and integrity, and thereby improve both security and border controls. • development of best practice travel document examination regimes across the region to assist the detection of fraudulent documentation. • development of standards to improve the standard and security of travel documentation and of standards for immigration legal infrastructure, to enhance the security of borders and address illegal

SUB-FORA	WORK UNDERTAKEN
	<p>movement of people.</p> <ul style="list-style-type: none"> • Contribution of information on lost and stolen travel documents on a best endeavours basis, to the database of International Criminal and Police (ICPO)

Contribution to APEC's Work on Structural Reform

In 2007, two CTI sub-fora, SELI and the CPDG, continued to implement their structural-reform related work plans in close cooperation with the Economic Committee (EC), the body assigned with the overall responsibility for overseeing implementation of the Leaders' Agenda to Implement Structural Reform (LAISR). The Committee agreed that there were very clear linkages with trade policy and competition and deregulation work and also the work of SELI. SELI and CPDG continued to build their links with the EC, participated in EC meetings and contributed to EC's work. The four Chairs/Convenors maintained close contact to ensure that they worked in a seamless way and ensured that complementarities and links with the EC were strengthened.

Table 8: Sub-fora Outcomes in response to Structural Reform Action Plan

SUB-Fora	WORK UNDERTAKEN
<p>Competition Policy and Deregulation Group (CPDG)</p>	<p>CPDG contributed to structural reform through capacity building and information sharing work on competition policy and deregulation work. It organized an APEC Seminar on Utilizing the APEC-OECD Integrated Checklist on Regulatory Reform in the competition policy and deregulation aspects, which was held in Jakarta, Indonesia on 13–15 June. The seminar focused on the competition policy and deregulation aspects of the Checklist and included an exchange of experiences and expertise between APEC and OECD officials in the application of the Checklist.</p> <p>CPDG members participated in an EC organized activity, "APEC Dialogue: the Role of Competition Policy in Structural Reform" on 27 June 2007. They provided insights on the importance of competition policy in promoting structural reform from the viewpoint of competition policy makers.</p> <p>CPDG conducted the third of a series of training programmes under its 5-year (2005–2009) project, entitled "APEC Training Course on Competition Policy" in Singapore on 1–3 August 2007. The themes of this 3rd training course were (i) Competition Policy and SMEs; and (ii) Effective Implementation of Competition Policy and Law. This series of training programmes is included as one of the thematic work plans of competition policy in the LAISR 2010.</p>
<p>Strengthening Economic Legal Infrastructure Coordinating Group (SELI)</p>	<p>SELI contributed to structural reform through capacity building and information sharing in economic legal systems. It continued to provide targeted and tailor-made capacity building projects, such as training seminars and workshops. It held a Seminar for Sharing Experiences in</p>

SUB-Fora	WORK UNDERTAKEN
	<p>APEC Economies on Strengthening Economic Legal Infrastructure on 6-7 March in Ha Noi, Viet Nam. The objectives of the Seminar were to (i) share latest information and experiences concerning strengthening economic legal infrastructure in the APEC region; (ii) discuss the possible future direction of SELI; and (iii) build an international information network.</p> <p>SELI will organize a seminar on the International Alternative Dispute Resolution (ADR) Mechanism by end of 2007 in Malaysia.</p> <p>SELI continues to promote the sharing of information on progress made, future plans, and capacity building for strengthening economic legal infrastructure. Economies are encouraged to report on progress in the priority areas of SELI, namely, a) capacity and institutional building; b) corporate law; and c) competition law, and these reports are made available on the APEC Secretariat's website.</p>

APEC Reform

The Committee implemented a number of relevant recommendations arising from the SCE's Review of APEC Fora. CTI oversaw the alignment of the Electronic Commerce Steering Group (ECSG) as a new CTI sub-forum, recognizing its potential to contribute to the Committee's trade facilitation objectives.

The Chairs of the CTI, EC and Anti-Corruption Task Force (ACT) also consulted to improve synergies between respective groups and avoid duplicating work.

The CTI collaborated with the Energy Working Group (EWG) to incorporate the Non-Ferrous Metals Dialogue (NFMD) into the EWG's Expert Group on Mineral and Energy Exploration and Development (GEMEED) for the creation of a new Mining Task Force as a SOM Special Task Group.

The CTI also prepared for the re-alignment of the Strengthening Economic and Legal Infrastructure group (SELI) and the Competition policy and Deregulation Group (CPDG) with the EC under its revised structural reform mandate.

Capacity Building and Information Sharing

CTI discussed ways in which capacity building can be better linked with CTI initiatives; and how it could better rank its projects prior to the Budget & Management Committee's (BMC) consideration. CTI agreed to establish an informal Capacity Building Steering Group (CBSG) that would help address these issues as well as preserve the capacity building legacy of the disbanded WTO Capacity Building Group. In 2007, the CBSG comprised the CTI Chair and representatives from Australia, Canada, China, Hong Kong, China, Japan, Peru, Philippines, Singapore, Thailand, United States of America and Viet Nam. The group began work to develop an overarching strategic approach to capacity building in the CTI and design criteria for prioritizing and ranking CTI projects. This work will continue in 2008.

The Committee also discussed a concept paper by the International Development Law Organisation (IDLO) for potential collaboration with CTI on trade-related capacity building training programmes, focusing on its annual Public International Trade Law Course (PITLC). The programmes in the PITLC were designed to improve understanding of WTO rules as per the WTO Agreements, and the Doha work program and negotiations. CTI agreed that the CTI Chair provide IDLO with a letter expressing in-principle support for the PITLC as a valuable contribution to capacity building in the region, and encouraged ongoing dialogue between IDLO and the CTI.

Section IX: Interaction with Business

CTI and its sub-fora collaborate with the business community to ensure that private sector perspectives contribute to APEC's trade and investment outcomes. In 2007, the Committee continued to engage with ABAC as the key voice of the business community in the APEC process. The CTI Chair attended all of ABAC's 2007 meetings and senior representatives from ABAC also participated in meetings of the Committee and a number of its sub-fora. ABAC also participated in key APEC activities such as the High-Level Public Private Policy Dialogue on the Policy Framework, 26–27 April in Melbourne; the Symposium on Investment Liberalisation and Facilitation, 29 May in Tokyo; and the APEC Symposium on Trade Facilitation, 4–5 June in Hong Kong, China.

An important corollary to these activities was the continued cooperation between public officials and the private sector at APEC industry dialogues. The Ninth Automotive Dialogue focused on facilitating customs procedures through expedited clearance and capacity building. The Sixth Chemical Dialogue discussed the impacts of the European Commissions' REACH regulations and resolved to develop a work program on chemical rules of origin in FTAs with a view to reducing complexities and facilitating trade. The Fifth Life Sciences Innovation Forum worked on investment parameters for health systems innovation, projects to enhance regulatory capacity and harmonized standards for the pharmaceutical and medical device sectors.

CTI and its sub-fora delivered outcomes consistent with ABAC's 2007 recommendations as outlined in the following table:

Table 8: CTI Responses to key ABAC TILF-related Recommendations

ABAC RECOMMENDATION	CTI RESPONSE
<p>Lead in the successful conclusion of the Doha Round</p> <p>ABAC maintains its strong commitment to a robust and balanced outcome. It urges APEC economies to reevaluate and enhance their offers, focus efforts in advancing negotiations in areas with most potential for tangible progress such as trade facilitation.</p> <p>Through the APEC Geneva Caucus, APEC should identify areas where it can take a common position on WTO issues to catalyze the development of consensus among other WTO members and advance the negotiation process; a specific example being the treatment of electronically delivered goods and digital products.</p>	<p>“Support for the Multilateral Trading System” remained as one of CTI's highest priorities. A clear work plan with detailed objectives and activities was developed.</p> <p>CTI and its sub-fora continued to conduct capacity building activities to help developing economies to better understand WTO issues, participate in WTO negotiations, and better implement WTO obligations. These included:</p> <ul style="list-style-type: none"> • APEC Training Programme on WTO Negotiations held on 26 February – 2 March. • APEC Workshop on Government Procurement in WTO and FTA to be hosted by China in October. • The NAMA negotiations were supported by the MAG, through the sharing of

ABAC RECOMMENDATION	CTI RESPONSE
	<p>information on specific liberalization initiatives.</p> <ul style="list-style-type: none"> • MAG explored ways in which APEC can support maintenance of the WTO ITA to ensure that new generations of products covered by the ITA continue to receive ITA tariff treatment. • MAG members were encouraged to positively consider participation in the Multi-Chip Integrated Circuit (MCP) Agreement which complements the ITA. • MAG also organized workshops on remanufactured products and environmental goods aimed at enhancing the understanding of the issues. • MAG undertook a workshop on the Availability of Software and Databases for Trade Negotiations in late 2007 that was aimed at providing participants with a better understanding of the main software and databases publicly available that would assist in the formulation of trade policy and support trade negotiations. • The Automotive and Chemical Dialogues raised awareness of automotive/chemical sectoral discussions in WTO/NAMA negotiations. In reviewing efforts to reinvigorate the WTO DDA negotiations, the Automotive Dialogue will consider possible participation in future activities of the Global Automotive Industry Dialogue to support relevant aspects of NAMA negotiations. <p>Other CTI sub-fora such as GOS, IPEG, GPEG, SCSC and SCCP continued to monitor relevant developments in Geneva.</p>
<p>Promote high-quality RTAs/FTAs</p> <p>ABAC strongly endorses, as a matter of priority, the development of model measures as proposed in the Busan Roadmap. Model chapters provide valuable benchmarks to judge the consistency of existing and new agreements in complying with the objectives of</p>	<p>CTI agreed on a work plan for RTAs/FTAs which build on its ongoing work in developing model measures for commonly accepted RTA and FTA chapters. Work on all sets of model measures was undertaken in parallel.</p>

ABAC RECOMMENDATION	CTI RESPONSE
<p>both the Bogor Goals and the WTO. To complement these efforts.</p> <p>ABAC urges APEC to:</p> <ul style="list-style-type: none"> • Continue efforts to identify new RTA/FTA chapters for development of model measures in consultation with the private sector which would best serve to enhance trade and investment in the region; and • Work in an interactive process in consultation with the private sector and ensure that the views of priorities of businesses in the region are represented in the model measures. 	<ul style="list-style-type: none"> • There are 11 chapters under development: Rules of Origin and Origin Procedures, Trade in Services, Investment, E-Commerce, Anti-dumping, SPS, Subsidies and Countervailing Duties, Safeguards, Environment, Temporary Entry of Business People and Competition Policy. <p>CTI welcomed ABAC's offer to provide feedback from the analytical work ABAC had commissioned on the six sets of model measures endorsed in 2006.</p> <p>GOS and IEG held a joint workshop on provisions in RTAs and BITs which investigated MFN in RTAs and differences between GATS- and NAFTA- based approaches.</p> <p>The Automotive Dialogue examined the implications of differential rules of origin regimes in RTAs/FTAs for the automotive industry. It shared these results with the MAG to assist in understanding the impact of different ROOs in existing FTAs amongst APEC economies.</p>
<p>An Expanded Work Program on Investment Liberalization and Facilitation</p> <p>ABAC urges APEC economies:</p> <ul style="list-style-type: none"> • To adopt an expanded work program on investment liberalization and facilitation. APEC economies are also recommended to: <ul style="list-style-type: none"> - use and promote the revised checklist on barriers and impediments to FDI in the WTO negotiations; and - endorse ABAC's participation in officials' processes including the CTI and IEG and work with the OECD, in improving the region's investment environment and in encouraging the adoption of the PFI in the region. • To improve the regulatory environment for business within APEC, especially for SMEs which are most affected by the burden of regulation, and in particular, study four priority areas in more detail in order to plan concrete activities with a definite timeframe 	<p>In 2006 CTI, through the IEG, developed an expanded work programme in the form of a mid-term strategic framework. To progress this expanded investment plan, the IEG developed and implemented several projects/activities in 2007 encompassing analytical work, surveys and capacity building seminars/symposiums such as:</p> <ul style="list-style-type: none"> • the High-Level Public-Private Policy Dialogue on the Policy Framework for Investment held in Melbourne on 26–27 April, • Second APEC-UNCTAD Regional Seminar to discuss the results of the 2006 APEC-UNCTAD Studies into investor-state dispute settlement issues and alternative dispute resolution held in Philippines in April; • Symposium on Investment Liberalisation and Facilitation was held in Tokyo on 29 May; Seminar on Promoting Public-Private Sector Dialogue was held in Cairns on 24

ABAC RECOMMENDATION	CTI RESPONSE
<p>and tangible measurement;</p> <ul style="list-style-type: none"> • To further enhance APEC's collective ease of doing business performance through ongoing reference to the World Bank study as a guide to help identify common characteristics in specific business regulatory areas and define successful/best practice; and • To consider a follow-up APEC/ABAC session: "Ease of Doing Business 2" be held in conjunction with the Second ABAC Meeting of 2007. 	<p>June 2007; and</p> <ul style="list-style-type: none"> • Seminar on Achieving Better Practice by APEC Investment Promotion Agencies (IPAs) in terms of their roles in policy advocacy and dispute resolution held in Cairns on 27 June 2007. <p>IEG completed Stage 2 of the study on "Enhancing Investment Liberalisation and Facilitation in Economic Development in the Asia-Pacific Region - Reducing Behind-the-Border Barriers to Investment" which suggested a framework to map the economic impact of behind-the-border barriers in terms of their impact on cost, risk, competition and productivity.</p> <p>IEG continued to work collaboratively with both OECD and UNCTAD on areas of common interest such as the PFI.</p>
<p>Private Sector Development/Ease of Doing Business</p> <p>ABAC calls on APEC to:</p> <ul style="list-style-type: none"> • To improve the regulatory environment for business within APEC, especially for SMEs which are most affected by the burden of regulation, and in particular, study four priority areas in more detail in order to plan concrete activities with a definite timeframe and tangible measurement; • To further enhance APEC's collective ease of doing business performance through ongoing reference to the World Bank study as a guide to help identify common characteristics in specific business regulatory areas and define successful/best practice; and • To consider a follow-up APEC/ABAC session: "Ease of Doing Business 2" be held in conjunction with the Second ABAC Meeting of 2007. 	<p>CTI agreed to consider the findings of the World Bank study on Transparency and Trade Facilitation in the Asia Pacific: Estimating the Gains from Reform in its future work [Deleted "programmes"] on transparency and trade facilitation. The study found that APEC economies stood to gain a collective boost of US\$148 billion to their trade performance from greater trade policy predictability and simplification.</p>
<p>Foster a secure and favorable environment for trade and investment.</p>	

ABAC RECOMMENDATION	CTI RESPONSE
<p>ABAC urges APEC to remain committed to securing trade flows in a way that is complementary to APEC's goal of trade and investment liberalization and facilitation.</p> <p>ABAC recommends that APEC economies implement the APEC Framework of Standards to Secure and Facilitate Global Trade and the Trade Facilitation Action Plan 2006-2010 taking into account the lessons learned from the 2001–2006 Action Plan, single window electronic data interchange, expedited clearance, risk management based inspections, <i>de minimis</i> value thresholds and the provision of customs clearance on a 24/7 basis.</p>	<p>BMG and SCCP continued to undertake valuable work to improve both security and border controls in both movement of goods and people.</p> <p>The BMG developed best practice travel document examination regimes across the region to assist the detection of fraudulent documentation as well as standards to improve the standard and security of travel documentation and of standards for immigration legal infrastructure, to enhance the security of borders and address illegal movement of people.</p> <p>Membership and functionality of the Regional Movement Alert system was also expanded to improve detection of the use of passports reported as lost or stolen.</p> <p>SCCP continued with the implementation of the <i>APEC Framework for Secure Trade</i>, focusing on the authorised economic operator (AEO) concept. Seminars aimed at increasing the capacity of customs administrations' managers in the areas of supply chain security will be organised in latter half of 2007 and in 2008.</p> <p>SCCP adopted a Single Window Strategic Plan that would assist in the development of an international trade Single Window system in APEC economies.</p> <p>The Automotive Dialogue commenced working on a customs facilitation initiative aimed at expediting the process of customs clearance. The initiative builds on a 2003 Automotive Dialogue Customs best practices paper on expedited clearance and periodic filing. The Automotive Dialogue plans to intensify cooperation with the SCCP in advancing the initiative.</p> <p>CTI agreed on APEC's second Trade Facilitation Action Plan (TFAP II) that builds and broadens the work already completed in the areas of customs procedures, standards and conformance, business mobility and electronic commerce and places greater emphasis on collective actions and pathfinders</p>

ABAC RECOMMENDATION	CTI RESPONSE
<p>APEC economies should seek to improve efforts to implement the APEC Transparency Standards.</p> <p>ABAC encourages Leaders to extend the membership of the APEC Business Travel Card Scheme to include the final four member economies (the United States, Canada, Mexico and the Russian Federation) through a proposed two-tiered scheme centered on providing fast track entry/departure at major airports</p>	<p>which economies will undertake collectively to meet the trade facilitation target.</p> <p>Member economies undertook a self-assessment of their implementation of APEC's general and sector-specific transparency standards using a set of templates that were developed in 2006. 12 economies completed the assessment while another 8 partially completed the assessment. SOM has endorsed CTI's recommendations that the completed templates: (i) be made publicly available and (ii) belonging to those economies that are to be reviewed under the APEC's IAP Peer Review Process in 2008 and 2009 be made available to the independent experts that are commissioned to prepare the study reports for the reviews.</p> <p>The ABTC Scheme has been enhanced to include a new 3-year transitional membership category with extended border facilitation to facilitate the membership of the four remaining economies. The United States has been admitted as the first transitional member economy.</p>
<p>Strengthen Standards Organizations and Regulatory Dialogue.</p> <p>ABAC is committed to making capacity building in standards a priority and is developing a two-year agenda aimed at highlighting the need for –and assisting in the realization of–stronger standards bodies in the APEC region. Such efforts will be undertaken in concert with the promotion of global/international standards efforts. As a contribution to reducing technical barriers to trade, ABAC recommends more dialogue between standards-setting regulatory authorities on a sector-by-sector basis.</p>	<p>SCSC endorsed a work plan of actions to promote interaction with business.</p> <p>SCSC developed a strategic plan for technical infrastructure capacity building within the region.</p> <p>SCSC explored with the World Wine Trade Group the development of guidelines/principles for wine labelling and oenological practices</p> <p>SCSC undertook consultations with the World Electronics Forum on RoHS-type regulations</p> <p>SCSC participated in an ABAC dialogue with the CEOs of National Standards Bodies of the APEC region, held in April 2007. As a result, it endorsed in principle, an international security and emergency management standards initiative as a future collective action to deliver tangible positive results to government and business.</p>

ABAC RECOMMENDATION	CTI RESPONSE
<p>Implement APEC's Intellectual Property Rights Commitments.</p> <p>In 2005, APEC Leaders in Busan committed to strengthened intellectual property protection and enforcement, and adopted the APEC Anti-Counterfeiting and Anti-Piracy Initiative. ABAC applauds the public commitment made to intellectual property rights (IPR) protection principles, and notes that a clear work program arises from the Leaders' commitments, but notes that despite considerable progress that is being made, traffic in counterfeit products continues to grow faster than the trade in legitimate products. As ABAC celebrates its tenth anniversary, it notes that strengthening IPR protection has been a recurring recommendation from ABAC in each of its reports to Leaders, and it urges all APEC governments – once again – to redouble their efforts to prevent and interdict the production and trade in counterfeit and pirated goods, make the legitimate licensing of content and respect of copyright a requirement for the issuance of cable licenses, and promote the sharing of new technologies by reducing various barriers which are hindering capacity building in the APEC region.</p>	<p>CTI/IPEG built on the enforcement aspects of the APEC Anti-counterfeiting and Piracy Initiative and its accompanying model guidelines that were approved in 2005/6.</p> <p>CTI/IPEG completed a new set of APEC Model Guidelines to Strengthen IPR Capacity Building and agreed on a Best Practices Paper for Innovative Techniques in IPR Enforcement.</p> <p>A symposium, "<i>Trading Ideas: The Future of IP in the Asia Pacific.</i>" was held in Sydney from 28–30 January.</p> <p>IPEG conducted workshops to build the capacity of developing economies to meet the requirements of international rules and obligations during the integration process into the world market:</p> <ul style="list-style-type: none"> • APEC Workshop on Capacity Building for APEC Member Economies to Implement the APEC Anti-counterfeiting and Piracy Initiative in Ha Noi on 31 May–1 June 2007. • APEC IPEG Symposium on Internet Infringement Prevention Strategies and Enforcement Measures in Chinese Taipei on 15 June 2007 • APEC Workshop on the Protection and Enforcement of IPR in the Digital Era in Viet Nam on 4–6 July 2007. The Workshop sought to address various aspects of IPRs enforcement including new issues arising in conjunction with the development of information technology. • APEC Seminar on Enforcement of IPR in Port Moresby in August 2007. The objective of this project was to enhance the use of intellectual property rights (IPR) information within the APEC region by exchanging knowledge on IPR information utilization and best practises among APEC member economies.

ABAC RECOMMENDATION	CTI RESPONSE
	CTI/IPEG developed text to be included in the AMM and AELM Statements on signal piracy, IP utilization and regular counterfeit consumer markets.
<p>Encourage innovative and emerging technologies.</p> <p>Economic growth and prosperity in APEC will be driven by technological innovation and access to information. An appropriate policy and regulatory environment will be underpinned by technology choice, data privacy, and expanded broadband access. Leaders are asked to reaffirm their commitment to intellectual property protection, and to give special and urgent attention to devising effective measures to address counterfeiting and pirated goods. ABAC welcomed the endorsement in the Busan Declaration of innovation and sharing of advanced technologies. ABAC endorsed information and communication technology (ICT)-enabled growth activity on a regional collaborative basis in fields as diverse as health care delivery, geospatial and sensor technology, isotope-based solutions, and biosecurity and horticultural research. ABAC has initiated a comprehensive study of the challenges to creating an information society for APEC by 2010</p>	<p>CTI encouraged member economies to participate in the Pathfinder on the APEC Technology Choice Principles. Malaysia announced its participation bringing the total number to 15.</p> <p>The ECSG has agreed on a new APEC Data Privacy Pathfinder to develop a framework for accountable flows of personal data across the region, focusing on the use of cross-border privacy rules by business. This will promote consumer trust and business confidence in cross-border data flows. It will support business needs, reduce compliance costs, provide consumers with effective remedies, allow regulators to operate efficiently, and minimise regulatory burdens. The Pathfinder will be launched at the AMM and AELM in September.</p> <p>ECSG encourages the active participation of business representatives. Presently, members of the APEC E-Commerce Business Alliance, the Global Business Dialogue on Electronic Commerce (GBDe), the Pan-Asian E-Commerce Alliance (PAA) and the International Chamber of Commerce (ICC) participate actively in ECSG meetings and activities as guests.</p> <p>The Public Private Partnership Dialogue on Paperless Trading and activities organized by the APEC E-Commerce Business Alliance are samples of activities that have important implications for the private sector.</p>
<p>Life sciences and environment.</p> <p>Regional business is conscious of the implications including steeply escalating costs, associated with infectious disease, chronic disease, and ageing demographics. Leaders are urged to ensure priority is given to implementing the Life Sciences Strategic Plan's</p>	<p>In 2007, LSIF V discussed and developed recommendations for implementation of the LSIF Strategic Plan. LSIF agreed that APEC undertake in 2008 a multidisciplinary study on the role of and returns to economies from investment in health innovation; continued</p>

ABAC RECOMMENDATION	CTI RESPONSE
<p>recommendations on research, access to capital, harmonization of standards and regulatory procedures, and health services.</p>	<p>dialogue between LSIF experts and health and finance senior officials; the establishment of frameworks for public private partnerships; assessment of scientific and regulatory capacities; assessments of the impact of non-health policies such as taxes and tariffs on the development and uptake of effective innovation.</p>

Appendixes

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APEC Model Measures for RTAs/FTAs

Agreed chapeau for the model measures

All sets of model measures adopted in 2007 and beyond are subject to the chapeau adopted in 2006 which reads:

“The following model measures for RTAs/FTAs respond to an instruction by Leaders in 2005 that APEC develop by 2008 model measures for as many commonly accepted RTA/FTA chapters as possible. They build on the Best Practices for RTAs/FTAs adopted by APEC members in 2004.

These model measures are an APEC contribution to the promotion of high-quality and comprehensive free-trade agreements in the Asia-Pacific region and the realisation of the Bogor Goals. They are intended to encourage a coherent and consistent approach to the design and content of such agreements.

The model measures reflect the general APEC principle of voluntarism. They are neither mandatory nor exhaustive. They are not in legal language that might be used in an agreement. The model measures are indicative examples to provide members with useful reference in negotiating RTA/FTA chapters. They are a guide to the kind of provisions that might be included in a free-trade agreement. They will not prejudice the positions of APEC members in any of their current or future trade negotiations. Model measures for the chapters addressed here do not indicate economies will necessarily include all of these chapters in their RTAs/FTAs.

This chapeau sits above all chapters in this set of model measures.”

Electronic commerce

General considerations

Outlines the broad reasons for including provisions on electronic commerce in the RTA/FTA

- recognises the economic growth and opportunity that electronic commerce provides
- recognises the importance of avoiding barriers to the use and development of electronic commerce.
- recognises that the aim of the electronic commerce provisions is to promote e-commerce between the Parties and globally.

WTO applicability

Recognizes the applicability of the WTO Agreement to measures affecting electronic commerce

- recognises the applicability of WTO rules to measures affecting electronic commerce.

Electronic supply of services

Describes the ambit of the obligations affecting the supply of a service delivered or performed electronically

- affirms obligations in the chapters on cross-border trade in services, investment and financial services, subject to any exceptions and non-conforming measures in the agreement that are applicable to such obligations, apply to measures affecting the supply of a service delivered or performed electronically.

Customs duties

- Sets out disciplines on the imposition of customs duties
- provides a basis for duty-free treatment for digital products transmitted electronically.

Non-discriminatory treatment of digital products

Non-discriminatory treatment of digital products of another party vis-à-vis like digital products of the party or of a non-party.

- each party provides treatment no less favourable to digital products associated with another party than it provides its like digital products, on the basis of factors specified in this chapter (such as whether the author is a person of the other party, whether the product is transmitted from the territory of the other party, etc.)
- each party provides treatment no less favourable to digital products associated with another party than it provides like digital products associated with a non-party, on the basis of factors specified in this chapter (such as whether the author is a person of a party, whether the product is transmitted from the territory of a party, etc.).

Electronic authentication and digital certificates

Encourages flexibility for parties to electronic transactions to determine the authentication method for their electronic transactions, for example

- the parties may agree not to adopt or maintain legislation that would prohibit parties to an electronic transaction from determining the appropriate authentication methods for their electronic transaction
- the parties may work towards recognition at the central government level of digital certificates issued by another Party or under authorization of that Party

- the parties may agree not to adopt or maintain legislation that would prevent parties to electronic transactions from having the opportunity to prove that their electronic transactions comply with any legal requirements with respect to authentication.

On-line consumer protection

Encourages consumer protection measures for electronic commerce

- recognises the importance of adopting and maintaining transparent and effective consumer protection measures for electronic commerce as well as measures conducive to generating trust among consumers.
- recognises the importance of cooperation among national consumer protection agencies on activities related to cross-border electronic commerce in order to enhance consumer protection.

Paperless trade administration

Encourages the use of electronic forms of trade administration documents

- the parties endeavour to make all trade administration documents available to the public in electronic form
- the parties endeavour to accept trade administration documents submitted electronically as the legal equivalent of the paper documents.
- the parties endeavour to participate in bilateral and international cooperation with a view to enhancing acceptance of electronic trading documentation.
- the parties endeavour to consider relevant international standards, where appropriate, for data collection systems when developing paperless trading administrative systems.

Transparency

Sets out the obligations concerning transparency of laws, regulations, and other measures of general application pertaining to electronic commerce

- the parties publish promptly or otherwise make publicly available their laws, regulations, and other measures of general application that pertain to electronic commerce and, where possible, in the English language as well.
- each party endeavours to provide specific information requested by the other party on any of its measures of general application within the meaning of paragraph 1.

Domestic regulatory frameworks

Encourages the development and maintenance of domestic regulatory frameworks that minimise the regulatory burden on electronic commerce.

- the parties endeavour to adopt or maintain a domestic legal framework for electronic commerce that is based on the UNCITRAL Model Law on E-commerce 1996
- the parties endeavour to minimise the regulatory burden on electronic commerce
- the parties endeavour to ensure that regulatory frameworks support industry-led development of electronic commerce.

Online data protection

Encourage Parties to protect the personal data of electronic commerce users.

- the parties endeavour to adopt or maintain measures to protect the personal data of electronic commerce users, and to take international standards and criteria into account in developing such measures.

Cooperation

Sets out the possible areas of cooperation between Parties in policy areas related to electronic commerce, such as:

- working together to overcome obstacles encountered by small and medium enterprises in using electronic commerce
- sharing information and experiences on laws, regulations, and programs in the sphere of electronic commerce, including those related to data privacy, consumer confidence in electronic commerce, cyber-security, electronic signatures, intellectual property rights, and electronic government
- working to maintain cross-border flows of information as an essential element in fostering a vibrant environment for electronic commerce
- encouraging the private sector to adopt self-regulation, including through codes of conduct, model contracts, guidelines, and enforcement mechanisms that foster electronic commerce
- participating actively in bilateral, regional and multilateral fora to promote the development of electronic commerce.
- endeavouring to cooperate on the development of relevant infrastructure.

Definitions

Sets out the definitions applicable to the chapter on electronic commerce.

- definitions are expressed in clear language to assist minimisation of misunderstandings.

Rules of origin and origin procedures

Economies are encouraged to refer to the 2005 APEC Model Measures for Trade Facilitation in RTAs/FTAs when reviewing the model measures below.

Criteria for originating goods

Sets out the criteria for determining whether a good imported from another party qualifies for preferential market access

- wholly obtained or produced entirely in the territory of the parties;
- produced entirely in the territory of the Parties from originating materials; or
- produced entirely in the territory of the parties, provided each non-originating material undergoes an applicable change in tariff classification or the good satisfies an applicable value content requirement, undergoes a specified manufacturing or processing operation, or meets other requirement specified in the Annex of product-specific rules

and meets all other applicable requirements related to originating criteria in the chapter.

Regional value content requirement

Sets out methods for calculating regional value content

- methods for calculating the regional value content of a good are clear and transparent

Value of materials

Sets out rules for calculating value of materials

- rules for calculating value of materials are clear and transparent
- rules are in accordance with the World Trade Organization Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 (WTO Customs Valuation Agreement)

Accumulation/cumulation

Sets out rules for accumulation/cumulation

- originating goods and materials of one party incorporated into a good in another party originate in the other party
- an originating good can be produced in the territory of one or more parties by one or more producers.

De minimis

Sets out the de minimis rule for deeming a good an “originating good”

- goods can be considered “originating goods” if the [__] of non-originating material that does not undergo an applicable change in tariff classification does not exceed [__]percent of the [__]of the good.

Fungible/interchangeable goods and materials

Sets out the method for determining whether fungible goods or materials are originating goods

- a fungible/interchangeable good or material is considered an originating good based on its physical segregation or through the use of a Generally Accepted Accounting Principles (GAAP)-recognized inventory management method.

Accessories, spare parts and tools

Sets out the method for determining whether accessories, spare parts and tools are originating goods

- a good's standard accessories, spare parts, or tools delivered with the good are treated as originating if the good is an originating good.
- a good's standard accessories, spare parts, or tools are disregarded in determining whether all of the non-originating materials used in the production of the good undergo an applicable change in tariff classification provided they are classified with and not invoiced separately from the good and their quantities and value are customary for the good.
- if a good is subject to a regional value content requirement, the value of the good's standard accessories, spare parts, or tools delivered with the good is taken into account as originating or non-originating materials, as the case may be, in calculating the regional value content of the good.

Sets of goods

Sets out the method for determining whether sets of goods are originating goods

- if goods are classified as a set according to rule 3 of the *General Rules of Interpretation of the Harmonized System*, the set is originating only if each good is originating and the set and the goods meet all other applicable requirements in the chapter
- notwithstanding the above, a set is originating if the value of all non-originating goods in the set does not exceed [_] percent of the [] of the set.

Packaging materials and containers for retail sale

Sets out how packaging materials for retail sale are to be considered

- if classified with the good, packaging materials and containers in which a good is packaged for retail sale are disregarded in determining whether all of the non- originating materials used in the production of the good undergo an applicable change in tariff classification.
- if a good is subject to a regional value content requirement, the value of the packaging materials and containers for retail sale is taken into account as originating or non-originating materials, as the case may be, in calculating the regional value content of the good.

Packaging materials and containers for shipment

Sets out how packaging materials for shipment are to be considered

- packaging materials and containers in which a good is packaged for shipment are disregarded in determining whether the good is an originating good.

Indirect materials used in production

Sets out how indirect materials are to be treated

- a good used in the production, testing, or inspection of good, but not physically incorporated into the good, is considered to be originating without regard to where it was produced.

Material that is self-produced

Sets out criteria for the treatment of material that is self-produced

- material that is self-produced is an originating material that complies with the "criteria for originating goods" and is produced by a producer of a good and used in the production of that good.

Transit and transshipment

Sets out the rules for transit and transshipment of goods

- an originating good
 - cannot undergo subsequent production or any other operations outside the territories of the parties, except unloading, reloading, storing, or any other operation necessary to preserve the good in good condition or to transport the good to the other party; and

- remains under the control of customs authorities in the territory of a non-party.

Consultation and modification

Sets out the framework for consultation between the Parties

- upon the request of a party, the parties consult to ensure that the rules of origin are administered effectively, uniformly, and consistently.
- the parties consult when modification to a specific rule of origin is proposed by a party.

Claims for preferential tariff treatment

Sets the criteria for importers to make claims for preferential tariff treatment

- procedures for making claims for preferential tariff treatment are clear and transparent
- importers make claims for preferential tariff treatment based on:
 - an electronic or written certification (“declaration” in some RTAs/FTAs); or
 - the importer's knowledge that the good is an originating good, including reasonable reliance on information in the importer's possession that the good is an originating good.

Exceptions to certification requirements

Identifies exceptions to certification requirements

- certification is not required for low-value importations unless the importation is intended to evade compliance with the party's certification requirements.
- the good is a good for which the importing party does not require the importer to present a certification or information demonstrating origin.

Verification

Sets out the framework for verification

- the results of the verification are reflected in a written determination that includes factual findings and the legal basis for the determination.
- verification procedures are clear and transparent

Obligations relating to importations

Sets out obligations relating to importations

- the importing party grants a claim for preferential tariff treatment made in accordance with this chapter unless it issues a written determination that the claim is invalid as a matter of law or fact.
- the importing party may deny preferential tariff treatment to a good if the importer fails to comply with any requirement in the chapter
- an importing party may request an importer that makes a claim for preferential tariff treatment to demonstrate that the good is an originating good, including that the good satisfies the requirements related to transit and transshipment
- an importer will not be subject to penalties for making an invalid claim for preferential tariff treatment if they, on becoming aware that the claim is not valid, promptly and voluntarily corrects the claim and pays any customs duty owing.

Definitions

Sets out the definitions applicable to the chapter on rules of origin and origin procedures

- definitions are expressed in clear language to assist minimisation of misunderstandings.

Sanitary and phytosanitary measures

General consideration relevant to this chapter

- it is understood that the parties have the right to take sanitary and phytosanitary measures necessary for the protection of human, animal or plant life or health, provided that such measures are not inconsistent with the provisions of the WTO *Agreement on Sanitary and Phytosanitary Measures* (WTO SPS Agreement).

Objectives

Sets out the objectives of the SPS chapter

- enhance the parties' implementation of the WTO SPS Agreement and, where appropriate, international standards, guidelines and recommendations developed by relevant international organizations
- facilitate trade and reduce unnecessary restrictions to trade between the parties, while protecting human, animal or plant life or health in the territory of each party
- strengthen cooperation and consultation between the parties on sanitary and phytosanitary matters.

Scope

Describes the scope and application of the SPS chapter

- applies to all sanitary and phytosanitary measures, as defined in Annex A of the WTO SPS Agreement, of a party that may, directly or indirectly, affect trade among the parties

WTO rights and obligations

Reaffirms WTO rights and obligations in applying SPS measures

- reaffirm rights and obligations with respect to the other party under the WTO SPS Agreement

Trade facilitation

Promotes cooperation to facilitate trade between the parties

- cooperate to implement the provisions of the WTO SPS Agreement to facilitate trade between the parties

Exchange of information

Promotes cooperation on exchange of information between the parties

- provide notification to the other party as required by the WTO SPS Agreement
- provide notification of non-compliance of consignments with the importing party's SPS measures

Consultations

Sets out the framework for consultation under the SPS chapter

- consult with a view to resolving matters related to SPS measures that affect, or may affect, trade between the parties

Other cooperation

Sets out the framework for other cooperation

- explore opportunities for further cooperation and collaboration including technical assistance on SPS matters for mutual interest and benefits

Contact points and working mechanism

Establishes contact points and a working mechanism to facilitate communication and implementation of the SPS Chapter

- identify respective agency representatives designated as contact points to facilitate communication
- establish a working mechanism to facilitate communication and consider any matters related to the implementation of this chapter; for example, a Standing or Ad Hoc SPS Committee

APEC's Second Trade Facilitation Action Plan

1. What is Trade Facilitation?

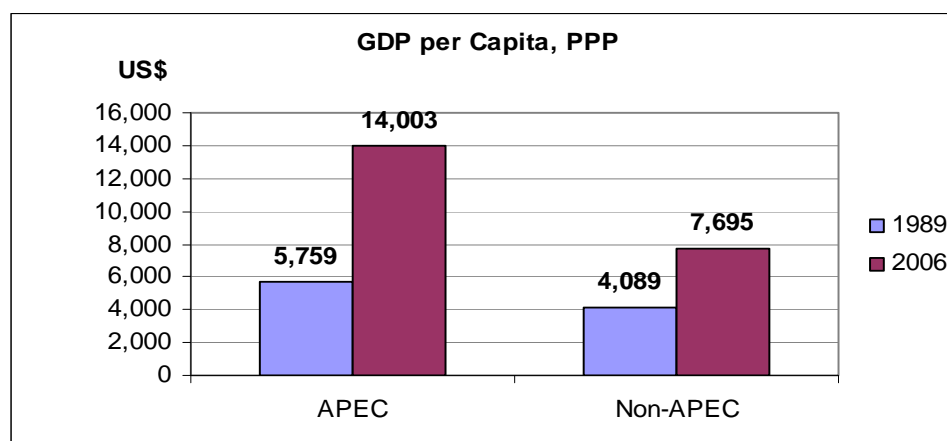
Trade facilitation refers to the simplification and rationalisation of customs and other administrative procedures that hinder, delay or increase the cost of moving goods across international borders. Or to put it another way, cutting red tape at the border for importers and exporters so that goods are delivered in the most efficient and cost-effective manner. To the benefit of business (and consumers) generally, trade facilitation is especially important for small and medium enterprises (SMEs), on which the impact of inefficient and uncertain government regulation can be greatest because of their relatively small scale of operation. Traditionally, APEC's trade facilitation work has also dealt with matters relating to the international movement of businesspeople.

Trade facilitation has taken on added importance since the early 1990s due to the increasing globalisation of the world economy, which has accompanied the reduction of trade barriers. The dramatic increase of both the volume and complexity in world trade means that it is necessary to keep trading procedures simple, predictable and transparent to allow commerce to flow as freely as possible. In practical terms greater certainty over the time taken to move goods, particularly through increased transparency and the reduction of procedural steps involved in import/export, tends to mean lower costs for traders.

An additional factor that has highlighted the importance of trade facilitation is the heightened security environment in which trade takes place. This environment requires the need to balance appropriate trade security measures with the desire that these not be unduly obstructive to the conduct of commerce.

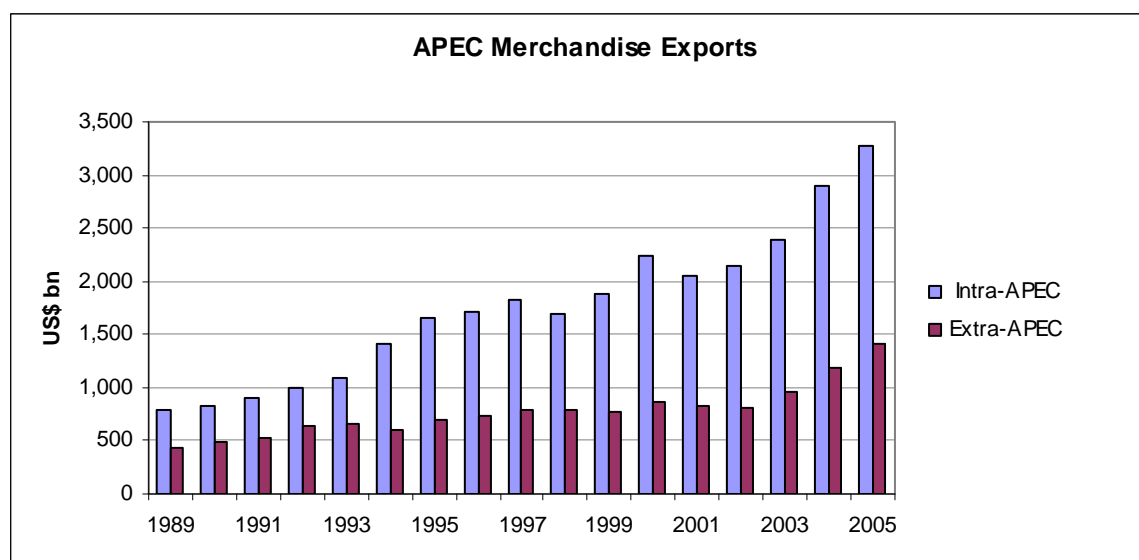
2. APEC and Trade Facilitation

Since its inception in 1989, APEC economies have reduced tariffs (from 16.9% in 1989 to 5.5% in 2004 - A Mid-term Stocktake of Progress Towards the Bogor Goals) and other trade barriers across the Asia-Pacific region. This has contributed not only to more efficient domestic economies and impressive GDP growth across the region, but also a remarkable increase in intra-regional trade. Observers of international economic affairs agree that the APEC region is significantly more open to international trade than the rest of the world.



The impressive growth of trade within the APEC region and the emergence of complex global and regional supply chains have reinforced for member economies the significance of improved trade facilitation measures, which make trade simpler and reduce costs. This is important both for domestic economic health and as a contribution to the achievement of APEC's "Bogor Goals" and regional economic integration. The Bogor Goals, announced by Leaders at their meeting in Bogor, Indonesia in 1994, commit member economies to the goal of free and open trade and investment by 2010 (for

developed economies) and 2020 (for developing economies). Trade facilitation measures also contribute to efforts to reduce friction in regional and global trade.



3. APEC's first Trade Facilitation Action Plan (TFAP I)

Since its creation in 1989, APEC has been at the forefront of international efforts to facilitate trade by identifying obstacles that hinder trade and implementing activities and actions to address these obstacles. Providing assistance to developing economy members in this endeavour has been an important element of this work.

Many of APEC's better known successes have been in trade facilitation. As a non-rules based forum founded on the principle of cooperation, APEC is well suited to this work. It provides a non-threatening environment for member economies to consider new and innovative ways to address similar problems. It also recognises the reality that on issues such as trade facilitation, one size does not necessarily fit all. Instead, member economies have the freedom to implement agreed measures and actions in a manner deemed most suitable to their own circumstances, with capacity-building assistance being a key ingredient to help bridge the gap in a forum made up of members at different stages of economic development.

Notwithstanding this, TFAP I was an attempt to better focus and coordinate the forum's trade facilitation work. Based on the APEC Trade Facilitation Principles, the plan formally responded to a call by Leaders in Shanghai in 2001 for member economies to achieve a reduction in trade transaction costs by 5% across the APEC region between 2002 and 2006 as a contribution to the Bogor Goals.

APEC's Trade Facilitation Principles	
A Comprehensive Framework	
Principles	Business Impact
Transparency, Communications, Consultations, and Cooperation	<ul style="list-style-type: none"> • Traders become an integral part of developing streamlined procedures and rules; • Reduces corruption due to enhanced transparency; • Increases trade-related security since trade would be based on a model of trust and partnership rather than a model of enforced compliance.
Simplification, Practicability, and Efficiency	<ul style="list-style-type: none"> • A transparent and consultative process of developing rules and procedures would result in a simplified, practical, and efficient system that works in the region; • Simplified transaction requirements ensure sustainability since these would reduce compliance costs for traders; • Simplified and practical rules are especially important in reducing compliance costs for Small and Medium Enterprises (SMEs) which have higher barriers to entry.
Non-discrimination, Consistency, Predictability, and Due Process	<ul style="list-style-type: none"> • Non-discriminatory rules allow businesses to maximize profits since investment and export decisions are based on market principles rather than administrative fiat; • Consistency and Predictability have "reputation" impacts for domestic business that benefit from greater foreign investment and enhanced trading opportunities; • Due Process ensures stakeholders have access to adequate legal appeal procedures — adding greater certainty to trade transactions.
Harmonization, Standardization, and Recognition	<ul style="list-style-type: none"> • Reduces product development, marketing, inventory and placement costs of new products since standards across economies are harmonized and recognized; • For products with short shelf lives like IT and food products; harmonization, standardization, and recognition significantly reduce time delays related to multiple product tests in different markets; • Reduces burden on regulatory authorities because need for re-testing and re-certification is reduced.
Modernization and the Use of New Technology	<ul style="list-style-type: none"> • Shorter clearance time due to paperless trading reduces cost of shipment, time-to-market, and inventory costs; • Simplified electronic documentation requirements reduces staff time and agents' fees resulting in increased business efficiency; • Ensures greater security for public due to use of high-tech security features like e-signatures, Optical Vehicle Recognition Systems, and vehicle scanning systems.

Developed by trade experts drawn from all APEC member economies, TFAP I consisted of a menu of actions and measures to reduce transaction costs and simplify administrative and procedural requirements over a specified time. The Committee on Trade and Investment (CTI), the coordinating body for APEC's work on trade and investment liberalization and facilitation, led this work and the plan's implementation. Once the menu was agreed, member economies could choose to implement actions and measures either individually or as a group, on a voluntary basis. Actions were taken in the priority areas of customs procedures, standards and conformance, business mobility and electronic commerce. At the completion of TFAP I, APEC economies had selected over 1,400 actions and measures in total, of which over 62% had been completed. APEC Leaders welcomed the achievement of the 5% reduction target at their meeting in Ha Noi in 2006.

TRADE FACILITATION ACTION PLAN I – A Sample of Outcomes

Customs Procedures

- Information increasingly made available on websites, including posting of online border services information.
- Introduction of electronic/paperless systems in one form or another by all member economies, including the payment of duties, customs and trade-related document processing.

Standards and Conformance

- Increased alignment by member economies of national standards with international standards in areas including electrical and electronic appliances, food labelling, machinery and safety of information technology equipment.

Business Mobility

- At the conclusion of TFAP I, 17 economies participating in the APEC Business Travel Card Scheme.
- Individual economies reported extending visa exemptions to partners, as well as extending visa exemptions.

E-Commerce

- Implementation of a work program to reduce trade transaction-related paper documentation, including documentation on customs clearance and financial settlement.
- Development of an APEC E-Commerce Data Privacy Framework, to provide guidance and direction to businesses in APEC economies on privacy issues.

APEC'S SECOND TRADE FACILITATION ACTION PLAN

APEC's second Trade Facilitation Action Plan (TFAP II) responds to a call by APEC Leaders at their meeting in Busan 2005 for a further reduction of trade transaction costs by 5% in the period 2007-10. A major component of this new plan is an updated and revised menu of actions and measures for member economies' consideration in the four areas of customs procedures, standards and conformance, business mobility and electronic commerce as developed for TFAP I. The revised menu excludes those actions that have been completed by APEC economies and those no longer deemed appropriate. Some new actions and measures have also been added. The revised menu is at **Annex A**.

Recognising the greater benefits that accrue to the business community when economies act collectively in finding solutions to trade-related issues, member economies have agreed that TFAP II will place greater emphasis on collective actions and pathfinders. Pathfinders allow member economies that are ready to initiate and implement cooperative activities or measures to do so, while those not yet ready to participate may join at a later date. **Annex B** lists new examples of collective actions agreed for TFAP II. A brief description of the wider work of the CTI sub-fora responsible for progressing these initiatives is also provided.

In order to reflect the evolving business environment, the actions and initiatives listed in the annexes will be updated as and when appropriate.

The Broader APEC Business Facilitation Agenda

While the menu of actions and measures will be a key feature of TFAP II, APEC has agreed that this new plan should also refer to other business facilitation activities being undertaken across APEC. These include domestic regulatory reform, work on business ethics and secure trade.

The reason for capturing this work in TFAP II reflects the fact that facilitating trade is enhanced when complemented by "behind-the-border" reform. The two are in fact a continuum. This is implicit in the Busan Business Agenda, which was a comprehensive business facilitation program welcomed by APEC Leaders in 2005 in response to the specific concerns of the Asia-Pacific business community. In addition to calls for further reductions in trade transaction costs by 5% by 2010, it also called for new initiatives in the areas of intellectual property rights (IPR), anti-corruption, investment and secure trade. This plan provides a comprehensive overview of progress in implementing this business facilitation agenda (**Annex C**).

APEC - Working for Business

Promoting and sustaining economic prosperity in the Asia-Pacific is at the heart of APEC's mission. That's why member economies work closely with the business community in their ongoing endeavours to provide an environment that boosts commerce by promoting opportunities to expand trade and investment and create jobs. Reducing unnecessary and often burdensome regulation, its associated red tape, and improving transparency in business regulation are important aspects of this effort.

The APEC-business relationship is especially important when it comes to trade facilitation. Reforming and improving "at-the-border" processes leads to the more efficient delivery of goods and in doing so assists in reducing costs for importers, exporters and consumers. Recognising this, APEC engages business in its trade facilitation activities through industry participation at dialogues and symposiums, the outcomes of which help inform APEC's work program.

An important partner for APEC in this work is the APEC Business Advisory Council (ABAC). ABAC was created by APEC Economic Leaders in November 1995 to advise them on the implementation of APEC's trade agenda and to provide input on business-related issues and perspectives across the APEC agenda. ABAC members, who are appointed by APEC Leaders, represent a range of business sectors, including SMEs. In addition to advising APEC Leaders, ABAC representatives actively participate in APEC fora at all levels where they inject business views.

Measurement and Reporting

Collective Actions/Pathfinders

CTI has agreed that sub-fora will identify key performance indicators (KPIs) for collective actions/pathfinders against which progress can be monitored. While it will be for each sub-forum to decide the most appropriate KPIs for its activities, these might include time savings, transaction costs savings, enhanced capacity and enhanced security. CTI has also agreed that sub-fora will devise an appropriate methodology to report progress at CTI III each year, taking into account their particular circumstances. Sub-fora will advise CTI of KPI's and reporting methodologies at SOM I 2008. Progress reports from sub-fora will be included in the CTI annual report and will be used to update Ministers at the APEC Annual Ministerial Meeting. A template to assist collective action/pathfinder reporting is at **Annex D**.

Individual Actions

Consistent with TFAP I, CTI has agreed that member economies will continue to report their individual trade facilitation actions through the Individual Action Plan process.

Capacity Building

An important feature of TFAP II is the provision for capacity building and technical cooperation to assist lesser developed APEC economies with implementation. In the course of developing new collective actions and pathfinders for TFAP II, sub-fora are required to identify for that action at least one capacity-building need and a mechanism to address this need. Such mechanisms may include assistance from individual APEC economies, cooperative activities in APEC and, on occasion, assistance from international and regional institutions.

CRITICAL DATES

2007

SOM II

- CTI sub-fora to revise and update the TFAP I menu of trade facilitation actions and measures. Each sub-forum to develop at least one new collective action or pathfinder for CTI's consideration and SOM's agreement.
- CTI to consider other appropriate business facilitation measures for inclusion in TFAP II following consultation and agreement with non-CTI fora.

SOM III / Meeting of Ministers Responsible for Trade

- CTI/SOM to finalise TFAP II drafting process for Ministers' endorsement.
- Ministers to consider TFAP II for endorsement.

2008

By SOM I

- CTI sub-fora and member economies to select actions and measures to implement collectively, individually or through a pathfinder approach, taking into account capacity-building needs.
- CTI sub-fora to advise CTI of KPIs selected to measure progress of collective actions/pathfinders and reporting methodology to be adopted.

2009

- CTI/SOM to stocktake TFAP II in preparation for Final Review.

2010

- TFAP II Final Review.

Annex A – Trade Facilitation Menu of Actions and Measures

CUSTOMS PROCEDURES

1. Time Release Survey (TRS)

Objective

To conduct self-evaluation of trade facilitation, find bottlenecks in the customs-related procedures and to improve them.

Actions

- a) Development of methodology to measure the time required to release goods.
- b) Successful undertaking of the measurement of the time required to release goods.
- c) Identification of bottlenecks and areas for improvement in customs-related procedures.
- d) Development and implementation of strategies to address identified bottlenecks and problems.
- e) Establishment of a process within the organisation for ongoing assessment of cargo release times on a continuous/regular basis.

2. Implement APEC Framework based on the World Customs Organization (WCO) Framework of Standards.

Objective

To secure and facilitate the global trade in the APEC region.

Actions

- a) Harmonize the advance electronic cargo information requirements on inbound, outbound and in-transit shipments.
- b) Receive advance electronic information in order for customs administrations to identify high-risk shipments and facilitate low-risk shipments as early as possible in the supply chain.
- c) Develop and adopt advanced risk management methodology, such as systematic cargo profiling techniques, and/or a computerised risk management system to identify high-risk shipments and minimise physical examination of low-risk shipments.
- d) Perform an outbound inspection of high-risk containers and cargo, preferably using non-intrusive detection equipment such as large-scale X-ray machines and radiation detectors.
- e) Create and implement an authorized economic operators (AEO) program which provides benefits to businesses that meet certain security standards to maximize security and facilitation of the international trade supply chain.

3. Simplification and Harmonisation on the Basis of the Kyoto Convention

Objective

To improve efficiency in customs clearance and the delivery of goods in order to benefit importers, exporters and manufacturers through simplified and harmonised customs procedures and best practices.

Actions

- a) Adopt and fully implement the body and general annex of the revised Kyoto Convention and, to the extent possible, the specific annexes.
- b) Provide expeditious clearance for traders who meet the criteria specified by customs.
- c) Establish an effective advance ruling process, such as an advance classification ruling system, with an office responsible for providing advance rulings that are binding at the time of import. Rules, guidelines and procedures employed by these offices for advanced rulings should be transparent and operational. The ruling process should include specific time limits for rulings and an opportunity to appeal those rulings. Rulings could include: a) classification of goods; b) determinations of value; c) marking and labelling; d) quotas; and e) any other admissibility requirement.

- d) Establish a surety bond system to allow for entry of goods with payment of duties to be delayed and identify financial institutions that will underwrite surety bonds for international trade (similar to the ATA Carnet system of the International Chamber of Commerce but expanded to include all goods entry).

4. Paperless and/or Automation of Trade-Related Procedures

Objective

To reduce paper documents for trade-related procedures and automate/computerize trade-related procedures.

Actions

- a) Establish national single windows consistent with the outcomes of the 2007 APEC Single Window Initiative that use internationally endorsed standards and build on international developments, including ASEAN Single Window.
- b) Simplify procedures and reduce the requirements for paper documentation in customs clearance.
- c) Ensure measures to replace paper documents for cross-border trade administration with electronic equivalents that are media and technology neutral, and secure and interoperability with and between all parties involved in the international supply chain of goods and services.
- d) Adopt standardised and simplified common data elements and formats in accordance with WCO data model.

5. Harmonization of Tariff Structure with the HS Convention

Objective

To ensure consistency of application, certainty and a level playing field for business through the HS Convention of the WCO, the standard international harmonisation system for the classification of goods.

Actions

- a) Fully implement the HS Convention and incorporate the HS 2007 changes.
- b) Adopt laws/regulations to provide binding tariff classification to importers and ensure consistent and uniform application of the HS, by providing the WCO HS Explanatory Notes in local languages to relevant parties, including frontline customs officers.
- c) Build capacity of customs laboratories and officials in charge of classification.

6. Appropriate, Transparent and Predictable Trade-Related Procedures

Objective

To realise appropriate, transparent and predictable trade procedures through consistent and non-discriminatory application and implementation of trade-related laws and regulations.

Actions

- a) Enhance capacity and integrity of customs officials.
- b) Implement customs and other trade-related laws/regulations in a consistent and uniform manner across the economy and avoid any inappropriate exercise of discretion by customs and other trade-related administration officers.
- c) Prevent the delay in the issuance of trade-related documents and procedures under customs purview for cross-border flow of goods and for reimbursement of customs duties and taxes.

STANDARDS AND CONFORMANCE

1. Align APEC Economies' Domestic Standards with International Standards; Implement Good Practices for the Development and Implementation of Technical Regulations

Objectives

- a) *To align national standards with international standards so as to minimise the need for reassessment against multiple sets of requirements and facilitate trade.*
- b) *To ensure the development and implementation of technical regulations in a way that minimises obstacles to trade and avoids unjustifiable costs for producers and consumers.*

Actions

- a) Align with international standards in agreed priority areas and provide updated information for inclusion in the Voluntary Action Plan.
- b) Align regulations, rules and procedures, standards and codes affecting the acceptance of goods between economies and markets on the basis of international standards where appropriate, e.g. CODEX, OIE, IPPC, ISO and IEC standards.
- c) Implement the World Trade Organization Committee on Technical Barriers to Trade (WTO TBT Committee) Decision on Principles for the Development of International Standards, Guides and Recommendations and use language consistent with the WTO TBT Committee decision in trade agreements and national laws and regulations when referring to international standards.
- d) Implement the Work Program on Trade Facilitation in Information Technology Products.
- e) Adopt good regulatory practice through revising regulations to reflect the three documents endorsed by the Sub-Committee on Standards and Conformance: Principles and Features of Good Regulatory Practice; APEC Information Notes on Good Practice for Technical Regulations; and Guidelines for the Preparation, Adoption and Review of Technical Regulations.
- f) Align domestic regulations for medical devices with the principles of the Global Harmonization Task Force (GHTF). Progressively adopt and implement GHTF guidance documents.
- g) Align domestic hazard classification and labelling schemes for chemicals to the Globally Harmonized System.
- h) Sign on to the global Mutual Recognition Agreement (MRA) on measurement standards coordinated by the International Committee of Weights and Measures (CIPM).
- i) Participate in international and regional comparisons of measurement standards organised by the CIPM and the Asia Pacific Metrology Program.
- j) Promote active participation by the member economy standards body in regional fora, such as the Pacific Area Standards Congress.

2. Achieve Recognition of Conformance in Regulated and Voluntary Sectors

Objectives

- a) *Where required by regulation, work towards the acceptance of conformity assessment results from technically competent bodies regardless of nationality or geographic location.*
- b) *Eliminate arbitrary impediments to trade and introduce cost savings.*

Actions

- a) Adopt/implement the APEC Electrical and Electronic MRA.
- b) Implement the Work Program on Trade Facilitation in IT products and utilise the supplier's declaration of conformity, underpinned by relevant accredited conformity assessment.
- c) As appropriate, work with the specialist regional bodies (SRBs) and member economies' accreditation bodies to establish accreditation services for any relevant additional conformity assessment activities, and extend the scope of existing accreditation services, where necessary.
- d) Participate in the APEC Food Sectoral MRA.
- e) Participate in the APEC Tel MRA.
- f) Participate in the Asia Pacific Laboratory Accreditation Cooperation multilateral MRAs.
- g) Participate in the Pacific Accreditation Cooperation multilateral MRAs.
- h) Participate in the global MRA on measurement standards of CIPM.

3. Technical Infrastructure Development

Objective

- a) *To ensure that the technical infrastructures of all APEC member economies are at least at a level where all economies have the capacity to fulfil obligations under the WTO TBT and SPS Agreements.*
- b) *To ensure a logical development of technical infrastructure capacity based on an assessment of needs in individual economies utilising APEC strategic plans in both the TBT and SPS areas.*

Actions

- a) Participate in the implementation of the technical infrastructure development strategy developed in conjunction with the SRBs.
- b) Participate in the APEC Food Safety Cooperation Forum.
- c) Participate in the APEC Standards Education initiative.

4. Ensure the Transparency of Standards and Conformance of APEC Economies and Facilitate Engagement with Industry

Objectives

- a) *Ensure that all APEC members will have access to information regarding the standards and conformance regimes of fellow members and comply with relevant WTO obligations.*
- b) *Ensure that industry has access to information about the standards and conformance requirements of trading partner APEC economies.*

Actions

- a) Provide information on contact points for technical information relating to standards and conformance in individual economies.
- b) Where practicable, make information about standards and conformance arrangements publicly available.
- c) Provide opportunities for industry to contribute to standards development activities.
- d) When developing regulations take note of industry agreements across APEC economies, e.g. the World Wine Trade Group Agreement on labelling.

ELECTRONIC COMMERCE

1. Removing Barriers to Electronic Commerce

Objectives

To eliminate obstacles for constituents (including citizens, business of all sizes and government agencies) in the global trade flow by identifying, addressing, and alleviating identified barriers and out-of-date practices.

Actions

- a) Identify and map out major barriers to e-commerce through the exchange of practices, including but not limited to laws, regulations and policies, on e-commerce across APEC.
- b) Ensure compatibility among government, business and the community in online interactions including providing for authentication, confidentiality and certainty in online interactions.
- c) In consultation with the private sector, develop a web portal that will allow all data collected as part of the exchange of practices on e-commerce to be entered directly via the Internet. In addition to streamlining responses and data gathering, the data will be more easily extracted to create an external (unrestricted) site that economy constituents can reference regarding current trade practices on general concepts as well as export-related forms and financing assistance.
- d) Continue work in the APEC Telecommunications and Information Working Group on developing regulatory frameworks that facilitate the convergence of telecommunications, information technology and broadcasting.

2. Speed the Use of Electronic Commerce

Objective

To build constituent confidence in e-commerce by streamlining processes and removing obstacles.

Actions

- a) Facilitate the use of secure electronic payment methods.
- b) Promote consumer and business education on legal issues.
- c) Implement policies that result in the competitive supply of information and communication services.
- d) Reduce business costs through increased transparency.
- e) Assist the private sector with its network security and data privacy efforts and explain the economic reasons behind developing sound network security and data privacy practices.
- f) Develop an e-government portal for procurement that will produce improved and faster information flows, more informed and predictable supply chain and logistics from better requirements tracking, and increased potential for improved oversight and visibility of suppliers and bidding processes.
- g) Increase trust and confidence in electronic transactions and e-commerce to counter problems associated with a lack of effective authentication.
- h) Facilitate e-commerce adoption in industries, particularly SMEs, to address industry-specific obstacles in e-commerce.
- i) Encourage member economies to share information on IT security incidents and collaboratively promote IT security awareness among governments, businesses and the general public.

BUSINESS MOBILITY

1. Streamline and Standardize Procedures

Objective

To enhance the mobility of business people who are engaged in the conduct of trade and investment activities in the Asia-Pacific region.

Actions

- a) Implement standards for: i) travel documentation examination; ii) professional service; iii) travel document security (and issuance systems); and iv) immigration legislation.
- b) Streamline arrangements for intra-company transferees in accordance with the agreed APEC 30-day processing standard.
- c) Implement and promote the APEC Business Travel Card and/or visa free or visa waver arrangements or at least three-year multiple-entry visas for short-term business visitors such as those engaged in the negotiation of the sale of services or goods, establishing an investment or participating in business-related conferences, seminars or workshops.

2. Enhance the Use of Information and Communications Technology

Objective

To enhance the use of information and communications technology (ICT) to facilitate the movement of people across borders, taking into account the Leaders' Statement on Counter Terrorism.

Actions

- a) Introduce e-lodgement arrangements for temporary residency applications.
- b) Introduce an advanced passenger information system which pre-clears passengers to ensure faster clearance on arrival.
- c) Introduce machine-readable travel documents, if possible with biometrics, by end 2008.
- d) Make available comprehensive information and application forms for short-stay and temporary residence business visas, including through the APEC Business Travel Handbook and official immigration/consular affairs websites, in accordance with Business Mobility Group agreements.
- e) Contribute information on lost and stolen travel documents, on a best endeavours basis, to the database of the International Criminal Police Organization.

Annex B - Collective Activities/Pathfinders Developed for TFAP II

Customs Procedures

Just-in-time delivery and IT-based processes have accelerated the pace of doing business. But inefficient customs processes and port handling can cause bottlenecks in even the most efficient supply chain. Port handling and customs clearance times represent real costs, not only in port charges but in longer and less predictable delivery schedules. The challenge for APEC member economies is to improve systems and adopt new technologies to reduce costs to business while also improving trade system integrity and security. APEC's Sub-Committee on Customs Procedures provides a forum in which members can share best practices and pursue collective improvement goals.

Single Window Initiative

Nothing frustrates business more than the requirement to duplicate paperwork. This is particularly the case for importers and exporters who must often lodge the same or similar information with the various government border agencies involved in their transactions. This duplication wastes time and money, and allows for inconsistent information to be provided, which can cause frustrating delays.

A single window facility is one way to overcome these problems. This is a service that allows parties involved in trade and transport to lodge standardised information and documents with a single-entry point to fulfil all import, export and transit related regulatory requirements. Its great benefit for business is that information only need be submitted once if in electronic form.

Recognising the value of Single Windows, APEC has agreed to undertake work to develop a framework that supports their development by member economies drawing from current single window initiatives and experiences. One of the key benefits of this work is a more certain and simplified regulatory environment for business.

Business Mobility

Across the Asia-Pacific, economies are growing, trade and investment flows are increasing, markets are more integrated, and there is an ever-expanding need for face-to-face business interaction. And yet, in this age of the Internet and accelerated business processes, business travellers still face many of the same obstacles they have for decades: the uncertainty, time and cost of applying for visas, especially when time is of the essence in resolving an unexpected problem or closing a big deal, the inconvenience of waiting in long immigration lines, and concerns about travel system integrity and security. These are challenges that APEC is addressing through the work of its Business Mobility Group (BMG).

Facilitating Travel in a Secure Environment

Expanding economy membership of the APEC Business Travel Card Scheme will benefit more frequent business travellers engaged in trade and investment activities. The APEC Business Travel Card currently provides cardholders of 17 member economies with priority immigration clearance on arrival and departure in major international airports and multiple-visitor entry to participating economies over a three-year period. Expansion of the scheme, with a view to attaining full APEC membership, will be an important BMG contribution to TFAP II.

As an additional contribution to APEC's work to facilitate the safe and secure movement of business people, the BMG has also agreed on a significant capacity- building program to assist all economies in introducing biometric machine readable travel documents and related border processing systems by the end of 2008. This work complements APEC initiatives on advanced passenger information and the multilateral Regional Movement Alert System, which assist the identification of bona fide travellers and detect the use of lost and stolen passports that can be used by terrorists and other criminals.

Standards and Conformance

The independent development of diverse standards and regulations can create trade barriers and increase the costs of doing business. The impact can be particularly negative for smaller businesses for which the costs of having to conform to numerous standards regimes are disproportionately greater. The challenge for APEC is to ensure that different standards do not act as trade barriers, create unnecessary costs or inhibit innovation and, to the extent possible, align standards and learn from international practice. This important work is carried out in APEC's Sub-Committee on Standards and Conformance.

The APEC Food Safety Cooperation Initiative

A major concern for consumers, industry and government, food safety is an important public health issue. To respond to the health challenges posed by food safety, while at the same time ensuring that solutions do not create unnecessary barriers to trade in food, APEC is working to develop a framework to strengthen cooperation in food safety activities across member economies, as well as to share information and build capacity in the region to harmonise food safety regulatory frameworks with existing international food standards. By aligning domestic and international standards, member economies are also working to eliminate unnecessary barriers to trade in food and international products.

Electronic Commerce

Information technology is a critical component in reducing business costs throughout the Asia-Pacific. The Electronic Commerce Steering Group, in conjunction with the Telecommunications and Information Working Group, provides a coordinating role for APEC's e-commerce activities by promoting the development in the Asia-Pacific of legal, regulatory and policy environments for e-commerce that are predictable, transparent and consistent.

Protecting Data Privacy

Cross-border data flows are the currency of the digital economy that fuels growth in the information age. Information and communications technology that link to the Internet and other information networks have made it possible to collect, store and access information from anywhere in the world. These technologies offer great benefits for business, individuals and governments, including increased consumer choice, market expansion, productivity, education and product innovation. However, while these technologies make it easier to collect, link and use large quantities of information, they also make these activities undetectable to individuals. As a result, concerns can arise over the control of personal information leading to a lack of consumer trust and confidence in the privacy and security of online transactions and information networks. This in turn may prevent member economies from realising all of the benefits of e-commerce.

Industry also operates across a range of regulatory systems that can impact on transactional costs and compliance, which in turn may impact on e-commerce.

To meet these challenges, APEC member economies are working together on implementation frameworks and cross-border privacy rules for accountable cross-border information flows. At the heart of this work are efforts to bring together regulators, lawmaking bodies, and industry and consumer representatives both in the creation of the rules and processes and in their implementation. Implementation is a vital element of this initiative - exploring ways in which procedures for protecting personal information may be implemented in practice in the cross-border context, taking into account the views and interests of the parties involved and the legal frameworks in which they operate.

Annex D

{Year} – {Name of Sub-fora}
Report on the Implementation of the Second Trade Facilitation Action Plan (TFAP II)

In addition to the commitment made under the Shanghai Accord to reduce trade transaction costs in the region by 5% by 2006, APEC Economic Leaders agreed to an additional 5% reduction by 2010 as one element of the Busan Roadmap to the Bogor Goals. The second Trade Facilitation Action Plan (TFAP II) was developed to give effect to this initiative. As a means to monitor collective actions and pathfinders, sub-fora are requested to report to CTI on an annual basis progress towards their implementation.

Area	Action	Key Performance Indicator(s)	Improvements Made in Current Year	Cumulative Improvements since 2006
<u>Customs Procedures</u> <u>or</u> <u>Standards and Conformance</u> <u>or</u> <u>Business Mobility</u> <u>or</u> <u>Electronic Commerce</u>			Description of progress made against each action and steps made in meeting KPI(s).	Description of cumulative progress made against each action and steps made in meeting KPI(s).

Annex C - Other APEC Business Facilitation Activities

Making it Easier for Small and Medium Business

Small and medium enterprises (SMEs) are important drivers of economic growth and a major source of employment in the APEC region. In 2005 and 2006, APEC Leaders and Ministers recognised the critical economic role that SMEs play, and highlighted the impact that a favourable business environment has on private sector success, especially for micro, small and medium enterprises. To improve the business environment, APEC's SME Working Group is undertaking work to promote regulatory best-practice among member economies, including through their support for a Private Sector Development Agenda (PSDA).

As called for by Leaders in 2005, the PSDA focuses on several core themes that form the basis of a multi-year private sector development workplan. The first priority issues to be addressed are "Starting a Business" (2007), "Obtaining Licences" (2008) and "Access to Capital" (2009). The centrepiece of PSDA activity each year is a workshop on one of these themes during the annual SME Ministerial Meeting. Over the long-term, the PSDA will help reduce the costs of doing business in APEC, promote economic development within APEC economies, and increase awareness among APEC members of concepts and applications related to private sector development.

A Secure Trading Environment

Following the September 11 terrorist attacks, APEC Leaders identified enhanced security for trade and people movement as a major priority. The Secure Trade in the APEC Region (STAR) Initiative was launched in 2002 to develop APEC activities to respond to this new reality. Priorities for the STAR Initiative include: accelerating efforts to develop closer and more effective public-private partnerships to address security issues affecting trade and people movement; developing more effective screening techniques for people and cargo for security before transit; increasing security on ships and aircraft while en route; making business supply chains more secure; enhancing security in airports and seaports; and harmonising standards and practices among APEC economies.

Annual STAR Conferences are the primary vehicle for progressing this agenda. They provide an important platform for dialogue between the public and private sectors, which enables the development of recommendations for APEC Ministers and Leaders on new ways to enhance the secure movement of people and trade within the APEC region. They are also a significant contributor to APEC's trade facilitation agenda as they seek to ensure that business can be conducted among APEC economies securely as well as efficiently.

Promoting Business Confidence through Integrity

In recent years APEC has given increasing priority to cooperation on measures to fight corruption and improve transparency through the auspices of its Anti-Corruption and Transparency Expert Task Force (ACT). Corruption poses a significant threat to domestic economic growth and regional trade and reduces significantly the effectiveness of international development activities.

An important element of the ACT's work plan includes the preparation of a voluntary business code of conduct to strengthen coalitions with the private sector in combating corruption. This work addresses the vision of APEC Leaders in 2006 to "usher in an APEC community of integrity" and builds on the 2004 recommendations of the APEC Business Advisory Council.

Guarding Against Malware

"Malware" (malicious software) is a general term that refers to a program inserted into a computer system for the purpose of causing harm to that system or other systems. It is increasingly used to steal personal financial information to conduct fraud and deny users access to information and services. Raising awareness and mitigating the effects of malware are of particular importance to businesses, which are becoming progressively more dependent on the tools of electronic commerce to conduct and expand their trade across the globe.

Recognising the potential impacts of malware on facilitating business and trade, APEC and the OECD co-organised a workshop in 2005 to share information on security, discuss the evolving risks to the private and public sectors, and explore further areas for cooperation. Subsequently, both organisations agreed that the need to encourage a safer and more secure online information environment was more pressing than ever given the continued growth of the Internet and the increased severity and sophistication of online malicious activity.

As a result, the APEC Telecommunications and Information Working Group's Security and Prosperity Steering Group and the OECD Working Party on Information Security and Privacy have embarked on a joint project to examine the issue of malware. This work will assist in raising awareness about the issue within member economies and contribute to the development of the joint *APEC/OECD Analytical Report on Malicious Software*. Through their collaboration, APEC and the OECD combine their considerable experience and expertise in developing policy on security of information systems and networks to tackle a problem with truly global implications.

APEC Model Guidelines To Strengthen IPR Capacity Building

APEC member economies continue to recognize that strong protection and enforcement of Intellectual Property Rights (IPR) is a critical component for economic growth and development in the Asia-Pacific region. As such, they have developed five Model Guidelines on IPR that were approved by APEC Ministers and Leaders in 2005 and 2006. Those Model Guidelines will be useful for member economies to take appropriate measures to strengthen their IPR regimes, especially with respect to reducing trade in counterfeit and pirated goods, protecting against unauthorized copies of copyright materials, preventing the sale of counterfeit and pirated goods over the Internet, securing supply chains against counterfeit and pirated goods, and informing citizens about the importance of IPR protection and enforcement.

Effective IPR protection and enforcement is a global issue and a common challenge faced by all APEC members. Although many developing economies are making efforts to provide stronger IPR protection, they sometimes lack the resources to conduct the training needed for effective enforcement, to consistently carry-out effective enforcement activities, and to undertake public awareness activities intended to convey to the general public the value of IPR and the many reasons it needs to be protected.

On November 19, 2006, APEC Economic Leaders agreed in Viet Nam in their Declaration that “we recognized the need for continued efforts to increase capacity building to assist economies of different levels of development to strengthen IPR protection and enforcement.” In their November 16, 2006 Joint Statement, APEC Ministers called on economies “to increase capacity building efforts to help implement the IPR guidelines.” “Given the importance of actively pursuing strong IPR protection and enforcement in the region,” Ministers also “called on economies to take further steps in the coming year in order to build on the APEC Anti-Counterfeiting Initiative.” In addition, “Ministers stressed the importance of building effective information sharing channels to strengthen IPR border enforcement.” In this context, they “instructed officials to explore the possibilities of establishing the APEC information exchange mechanism of IPR customs protection.”

In addition to continuing efforts to strengthen IPR protection and enforcement, a strong knowledge-based economy requires a comprehensive and balanced IP system as well as an environment that encourages creation and innovation and provides the tools for successful management and exploitation of IPR. Capacity building is important for supporting member economies to work towards achieving this objective. Strengthening capacity building cooperation would also complement the five IPR Model Guidelines already developed. IPR capacity building could be undertaken plurilaterally and/or bilaterally among economies and relevant stakeholders. The following general guidelines serve to aid APEC member economies in the design and implementation of capacity building activities and programs.

MODEL GUIDELINES

1. CAPACITY BUILDING APPROACHES

It is very important to raise public awareness of IP, to strengthen the education and training of staff in IP offices and to equip various stakeholders, both IP owners and users, with appropriate skills and resources to fully appreciate and utilize their IPR. There is also a need to facilitate information exchange for efficient administration and effective enforcement. APEC economies should endeavor to take a strategic and structured approach to designing, implementing and evaluating capacity building programs. A checklist detailing the different stages of this process is listed in the attached Annex to these guidelines for economies’ reference. Some of the approaches to capacity building could include the following:

- Designing capacity building programs that identify and prioritize IPR development goals, and set objectives and measurement criteria for success;
- Implementing capacity building activities in support of these IPR development goals, and

where appropriate, in cooperation with suitable partners and stakeholders; and

- Evaluating the effectiveness of capacity building activities to ensure they meet clear objectives and work towards achieving defined IPR development goals.

Capacity building activities could include:

- Training and education cooperation between member economies of APEC, among APEC fora and with key stakeholders, to jointly organize quality training courses and educational seminars utilizing available sources of funding;
- Encouraging more effective dialogue between government agencies and the private sector on IP protection, enforcement, management and exploitation;
- Cooperating with the private sector to co-sponsor IPR training courses and seminars; and
- Encouraging right holders to cooperate more closely with relevant government agencies by providing information and assistance where appropriate.

2. INFORMATION EXCHANGE AND TRAINING ON IP SYSTEM

With the enormous increase in international trade, IPR protection has become a global challenge for all APEC members. It is therefore necessary to build more effective international cooperation mechanisms between APEC member economies. IPR information exchange and training are vital to improving the IP system, including IP protection, enforcement, management and utilization. To support this effort, member economies could consider the following:

- Exchanging relevant information about infringed and infringing goods where appropriate and possible;
- Exchanging relevant information about IP management and utilization and providing training to concerned parties where appropriate; and
- Assisting member economies that require help in improving their IP system by conducting training activities on IP issues needed.

3. MUTUAL COOPERATION

It is important to recognize that considerable resources are required in implementing effective capacity building programs to strengthen IPR regimes. It will be very helpful for member economies to cooperate in identifying, designing and implementing appropriate measures to address gaps in capacity building and involve relevant stakeholders, where appropriate.

Annex:

Checklist for Designing and Implementing IP Capacity Building Programs

1. Designing Capacity Building Programs

- Determine economy's IP development goals
- Identify gaps in capacities
- Consult and validate needs with key stakeholders
- Undertake a stocktake of available resources
- Prioritize needs and areas of focus
- Set objectives and measures for success
- Identify and involve stakeholders and partners
- Determine approach and tactics

2. Implementing Capacity Building Programs

- Establish a capacity building roadmap in support of economy's IP development agenda
- Identify suitable partners and stakeholders for implementation
- Facilitate information exchange between IP agencies (both intra and inter government) for better execution of IP development agenda
- Ensure effective succession planning and skills and knowledge transfer processes
- Capitalize on opportunities for resource/cost sharing, learning, collaboration whether bilaterally or multi-laterally e.g. secondment of experts or frequent exchange of personnel between economy's IP Offices and even with the private sector, jointly organized seminars, etc.

3. Evaluating Capability Building Programs and Next Steps

- Ensure feedback capture processes to measure the level of success and effectiveness of capacity building activities, and to help inform next steps
- Review outputs and outcomes against economy's IP development agenda and goals
- Fine tune and improve execution at the next cycle

APEC Cooperation Initiative on Patent Acquisition Procedures

(September 2, 2007)

Overview

Reflecting the dynamic economic developments in the Asia-Pacific, the number of patent applications filed within the region has been continuously increasing. In order to help facilitate trade and investment in the Asia-Pacific and develop the regional economy, this initiative sets out to increase cooperation among the APEC economies on patent acquisition procedures. APEC member economies agree to cooperate on patent acquisition procedures on a voluntary basis, by taking into account their diverse development levels and legal systems, as well as the capacity, necessity and available resources of individual economy. Each member economy has its own right to choose the appropriate approach and method.

Objectives

The objectives of this initiative are to enable applicants to more efficiently obtain higher quality patents in the APEC region, to assist IP offices of APEC member economies to handle their patent applications, and to improve the patent examination capability of economies.

The implementation of this initiative shall be fully consistent with the principle of the patent independence set forth by the Paris Convention for the Protection Industrial Property, while taking account of the existing international framework, particularly the Patent Cooperation Treaty (PCT) administered by WIPO.

Specific Actions

Each member economy has its own right to choose the approach and measures deemed appropriate by that economy to take the following collective actions on a voluntary basis:

(1) Patent examination cooperation

Explore ways to exchange search reports and examination results, and discuss making databases for examination more readily available among the IP offices of economies to facilitate and expedite the patent granting processes.

(2) Human resource development to improve patent examination capability

Develop the human resources necessary to raise the patent examination capability of the IP offices of economies.

(3) Promotion of computerization

Promote the computerization necessary to issues and receive through electronic media the priority documents required under the Paris Convention, and to provide and receive search reports and patent examination results.

(4) Assistance

In order to undertake this initiative, establish a framework and system to provide assistance by some economies to other economies. Such assistance would include but not limited to human resource development (such as in-depth training and continuing learning and upgrading of examination personnel), the provision of examination tools and resources, and availability to databases.

Possible discussion in the future

In addition to the specific actions mentioned above, member economies will discuss, on the basis of consensus, further possible specific actions under this initiative with regard to cooperation on patent acquisition procedures in the future.

**APEC Economies' Submissions for:
Best Practices Paper on Innovative Techniques for IPR Border
Enforcement
August 22, 2007**

APEC economies have been increasing their efforts to strengthen enforcement practices to address the growing problem of counterfeit and pirated goods moving across borders. In recent years, some economies have begun adopting new and innovative techniques for analyzing risk and selecting shipments for examination, intercepting and detaining suspect shipments, and seizing shipments containing IPR infringing goods at the borders. Seizure data, for example, is being collected and researched, and this data is used as a tool for future interdictions and for assisting efforts to improve border enforcement through international cooperation. While trade in IPR infringing products continues to be on a massive and increasing scale, these innovative techniques are proving successful in helping stem the tide.

The purpose of this Best Practices paper is to provide APEC economies with information on a number of innovative techniques currently in use or under development. This information exchange can both provide lessons learned to those already using these techniques and act as a useful resource to those economies that are contemplating and developing such techniques. The experiences below are illustrative and are not intended to be comprehensive. Moreover, they are designed to meet the specific needs of the economies that are using them. Member economies are encouraged to continue to make submissions to this paper so as to expand information sharing in this area.

Innovative Techniques for Enhancing Border Enforcement Activities

Australian Intellectual Property Enforcement Consultative Group (Australia):

Close collaboration between Australian Customs and the business sector is an essential component of effective intellectual property rights (IPR) enforcement. As such, Australian Customs is a member of the Australian Intellectual Property Enforcement Consultative Group, which is a joint business/government initiative focused on IP crime. This group was established during 2001 under the leadership of the Australian Federal Police to facilitate cooperation between various Australian law enforcement agencies and bodies representing IP rights holders. A primary focus of the group is to exchange intelligence and other information about IP crime, particularly relating to copyright and trademarks. The group meets quarterly to discuss current issues and explore possible solutions or initiatives.

Counterfeit Detection Kit (Canada):

The Canada Border Services Agency (CBSA) Enforcement Programs Directorate and the CBSA Laboratory have developed training and tools to assist front line officers to identify counterfeit goods. In 2003, the Counterfeit Detection Kit was created to allow officers to conduct a series of scientific examinations on products they suspect are counterfeit (currently limited to tobacco and batteries). Some 40 kits have been distributed across the country and more than 200 officers and investigators have been trained and certified to use the kit.

Customs Examiner's Handbook and IPRRS and IPRES System (China):

Handbook

To help the customs examiners to find possible infringing shipment in their routine examination of import and export containers, the General Administration of Customs (GAC) is going to print a Customs Examiner's Handbook, which will include information of nearly 200 trademarks and copyrights which have been recorded with GAC and are frequently counterfeited or pirated according to recent port customs' seizure information. The Handbook will be a loose-leaf picture album, with essential information on rights protected to assist port officials in detecting infringing goods e.g. the logos of trademarks, photo of copyrighted works, layout of commodities and their packages, telephone numbers and address of the right owners or their agents. The Handbook is designed for easy updating of information by the right holders.

IPRRS

Since mid-June of 2007, General Administration of Customs (GAC) began to use a newly developed computer system called "IPR Recordation System." The IPRRS is designed to facilitate the recordation of trademarks, copyrights and patents for customs' protection. The system was designed in 2000 and keeps more than 10,000 records up to end of May of 2007. GAC began to modify the IPRRS in early of 2007 and the modified system provides some new functions: automatically informs IPR owners by email of the results of the application i.e. whether the application is granted or refused; and IPR owners can use this modified system to update their information such as the name of their contact person, telephone numbers or postal address, list of manufactures or traders who are licensed to use the recorded trademarks, copyrights and patents.

IPRES System

Recently, GAC created a new database called the IPR Enforcement System. The system can be accessed by all of China's 300 ports. The IPRES contains information on all seizures for IPR violations during the past 3 years nationwide. Customs can use this information to analyze the risks of infringement of any traders and create a monitoring plan. The IPRES contains nearly 4000 records and all the records are attached by the photos of genuine and infringing products. The IPRES also serves as a good training centre for the frontier customs officers on identifying the counterfeit and piracy.

Customs Intelligent Database System and Intranet Bulletin Board System (Japan):

Japan Customs has been utilizing the Customs Intelligent Database System (CIS) since 1991 to analyze various types of information related to Customs operations including the import/export of goods infringing IPR. When a front-line official suspects that cargo includes counterfeit or pirated goods, the official can access the CIS to ascertain the risk level of the cargo using the accumulated information of CIS.

In addition to this existing system, the Japan Customs has recently introduced a new Intranet bulletin board system that specializes in IPR enforcement. While the CIS is based on both past records and advance information, the new Intranet bulletin board system places an emphasis on raising the precaution and awareness levels of front-line officials by providing all Customs official who examine import/export declarations and cargo with up-to-date and useful information, including the following:

- List of applications for suspension;
- Explanation of each application for suspension with a brief description of distinguishing features between genuine goods and infringing goods;
- Reports of recent methods or deceptive practices; and
- Explanations of enforcement procedures on IPR.

Since IPR border enforcement is very complex and requires officials to gather all necessary information on a timely basis, this bulletin board system is effective in supporting front-line officials' efforts to implement effective and appropriate IPR enforcement.

Spider Web System (Korea):

In February 2006, Korea Customs Service introduced *Spider Web System*, which is specifically designed to screen out IPR-violative imports/exports by analyzing data of ex-infringers including traders, forwarders and warehouses.

Overview

The Spider-Web System is a counterfeit selectivity system designed to identify crime factors and screen out high-risk import declarations from the previously detected cases, and, based on the correlation analysis of those crime factors, select import declarations to be subject to a special investigation.

Data Mining

It is a process to establish about 40 hypotheses of smuggling based on the crime factors including suppliers and payment methods found in the existing seizure records and information obtained in the

work process. From these hypotheses, a data mining model is built by adopting significant factors as variables using the SEMMA technique (Sample, Explore, Modify, Model, Assess)

Visual Link

Visual Link is to analyze the correlation of importers and suppliers of high-risk import declarations selected by a data-mining model and to single out those to be subject to a special investigation.

Analysis of Smuggling Pedigree

Based on the data of smuggling seizures, a smuggling pedigree of the detected importers and overseas suppliers is drawn up. The pedigree is used for future investigation into importers, suppliers, sellers, distributors, etc.

Outcome

Utilizing Spider-Web System, Korea Customs seized 41.3billion KRW (44 million USD) worth of counterfeits in 18 cases in 2006.

Usage of ASYCUDA -- Automated System for Customs Data (The Philippines):

In the Philippines, the Bureau of Customs has been utilizing the ASYCUDA system. The ASYCUDA software is the core component of a comprehensive, Integrated Customs Information Systems to help countries facilitate trade by strengthening the Customs administrations' capacity to carry out operations by using modern and reliable systems.

The core functionalities of the system are designed to:

- facilitate and improve the calculation, collection and accounting of Customs duties and other charges related to Customs Operations; and
- speed up the clearance of goods and prevent smuggling.

The system provides a full risk-assessment and selectivity capability. Such functions as the integration of images or the use of barcodes are utilized, as well as the on line access to external databases. As such, all consumption and warehousing entries are categorized into low, medium and high-risk shipments. Low or non-risk shipments are released on minimized manual document handling and medium risks undergo documentary examination. The high risks shipments are subjected to a thorough documentary and physical examination.

The system generally insures the complete coverage of the clearance process and includes the built-in capability to support national specific requirements and/or frequent regulation changes. Changes & updates of the system can be made without programming. Furthermore, it provides increased customs control capabilities (e.g. risk- assessment, on-line access to external databases, images control...) and bridging of the gap between goods and supporting documents and facilitate goods identification, inspection and tracking. Lastly, the system provides the capability to inter-operate on-line with external/governmental systems and databases.

In the near future, the Bureau of Customs, in cooperation with the Government of Japan, will embark on a project to develop a database to contain a wide range of relevant information on seizure cases. Such a database would operate as a central integrating data facility and would provide a common data transmission system that would allow different entities to share information.

Eagle Eye Operation (Chinese Taipei):

Chinese Taipei Customs has adopted risk management system with regard to IPR cases. Based on the risk indicators such as mode of transport, way of concealment, country of origin, and description of goods, we establish the strategic and organizational context in which risk management will take place. Then, we analyze and rank the risks to identify management priorities and targeting. The frontline officers at the checkpoints will do the inspection according to the assessment, and report the result back to risk management system.

We have adopted the following measures:

1. Layered enforcement to screen the suspected shipment such as alongside ship inspection, warehouses inspection, examination of goods, inspection before release and post-clearance audit. Make use of related computerized tool to find out suspected shipments.
2. Cooperate with right holders to establish IPR Information Database including the Right Holders' Complaints/Advice Database. Customs officers at all check points shall inquire at any moment.
3. Analyse mode of transport, port, consigner, consignee, broker and shipper. Information sources: seizure cases report, Right Holders' Complaints/Advice Database, information provided by agencies, domestic and international information or intelligence.
4. Established Real-time Information Reporting System (with picture): The local Customs offices report their seizure cases on the system for feedback. Intelligence gathered domestically and internationally are also dispatched on the system for inspector reference.
5. Adopting auto analysis tool:
 - (1) Customs Intelligence & Information Reporting System-The inspection point will get the instruction immediately, and pay attention to it. Furthermore, the system is capable of sorting out and managing various information from reporting data.
 - (2) History Record of Declaration Database is designed as a database, covering 5 years' declaration data.
 - (3) Registered Business Database includes all registered business data.
 - (4) Registered Permanent Residence Database includes all registered permanent residence record.
 - (5) Customs Information System is designed as a database consisting of information and records on business firms, brokers, shipping companies, forwarders, tallymen and drivers of container trailers, etc.
6. Adopting Automated Targeting System: Manifest Targeting System, Cargo Targeting System, Express Consignment Targeting System, Post-Clearance Audit System and Containers Tracking System.
7. Established strategic alliance with private sector: We give some Customs clearance convenience to strategic alliance partnership with private sector. This has been set up to fight illicit activities.
8. Established Risk Management Center and Information & Intelligence Center to collect information, analyze and access risk, target suspicious shipment, monitor and review.

Risk Modeling (United States):

Given the enormous and growing number of shipments processed at U.S. ports of entry on a daily basis, the United States has adopted new risk analysis methods that are intended to:

- sharpen focus on high-risk shipments to increase interdictions;
- reduce unproductive examinations of low-risk shipments; and
- use IPR border enforcement resources more efficiently.

As one part of this risk analysis approach, the United States has developed an IPR Risk Model, which expands the agency's current portfolio of IPR targeting methods. The Risk Model represents an innovative, technology-based targeting tool that calculates risk "scores" as a means of indicating relative IPR infringement risk for imports into the U.S. market.

The United States' IPR Risk Model is a computer-based program that applies statistical analysis techniques to create a data-driven model of IPR risk. The model is built on the basis of risk factors that are characteristic of IPR infringing imports. These factors are drawn primarily from information provided to the United States when an importer presents goods for entry into the United States. The factors, which include data such as country of origin, port of entry, tariff number, and past import history related to these, are statistically weighted based on known risk. For example, each country, port and tariff classification is assigned its own statistically determined weight. The model then applies a mathematical formula to combine these factors and generate risk scores for imports. Customs officers subsequently rely on this output to assist in the identification of inbound shipments which may merit particular attention, or which may represent a low risk and can consequently be processed for entry without physical inspection.

The output of the Risk Model is used to enhance current, more traditional tools used by the United States to identify and interdict counterfeit and pirated goods at U.S. borders. These include:

- visual review of packaging;
- manual review of entry and manifest information;
- computerized targeting based on a small number of equally weighted elements such as importer, country, and/or tariff number; and
- leads provided by industry and other U.S. agencies.

The United States' IPR Risk Model was implemented nationally in February 2007.

The United States can share the methodology used to create the IPR Risk Model with other APEC members, but the model itself was tailored for the U.S. system; therefore, it is not transferable. Economies can use the same methodology to conduct an analysis of risk factors applicable to their systems to create a model tailored to meet their needs.

Report on the Implementation of APEC Transparency Standards

Transparency is an essential component in the openness of decision-making related to the introduction and enforcement of new and amended regulations. In both social and economic terms, it plays an important role in revealing the basis for, and the full range of possible costs and benefits of, regulatory decisions and implementation. Globalization has highlighted the need to enhance competitiveness by reducing the regulatory burden on business. Differences in regulatory requirements of individual economies may actually impede gains from trade liberalization. A smooth functioning, transparent regulatory system can have positive effects on trade and investment flows. At the same time, regulatory efficiency helps ensure better consumer protection. Consequently regulatory issues are increasingly becoming part of the global and international trade agenda.

In recent years, APEC has made impressive commitments in the area of transparency. In 2002, Leaders agreed to a set of General Transparency Standards that committed members to such measures as publishing all laws and regulation, and establishing appeal mechanisms for administrative decisions. In 2003 and 2004, the general standards were mapped onto specific trade policy areas with nine sets of Area-Specific Transparency Standards², and agreement was reached on incorporating the transparency standards into Individual Action Plan (IAP) templates for annual reporting starting in 2005.

Leader's Statement to Implement Transparency Standards

Transparency is an essential principle in the APEC process for both promoting economic stability and in meeting APEC's free trade and investment goals. In their 2004 "Statement to Implement APEC Transparency Standards", APEC Economic Leaders observed that transparency:

- is an important element in promoting economic growth and financial stability at the domestic and international levels;
- is conducive to fairer and more effective governance and improves public confidence in government;
- is a General Principle in the Osaka Action Agenda which requires its application to the entire APEC liberalization and facilitation process;
- is a basic principle underlying trade liberalization and facilitation, where the removal of barriers to trade is in large part only meaningful to the extent that the members of the public know what laws, regulations, procedures and administrative rulings affect their interests, can participate in their development, can participate in administrative proceedings applying them and can request review of their application under domestic law;
- in monetary, financial and fiscal policies, and in the dissemination of macroeconomic policy data ensures the accountability and integrity of central banks and financial agencies, and provides the public with needed economic, financial and capital markets data; and
- will be enhanced through well-targeted, demand-driven capacity building to assist developing economies make progress toward greater openness.

Accordingly, they committed to implementing the APEC Transparency Standards, taking into account the General Principles in the Osaka Action Agenda.

Assessment of the Implementation of Transparency Standards

At the 18th APEC Ministerial Meeting (AMM) held in Hanoi, Viet Nam on 15–16 November 2006, Ministers reaffirmed the importance of robust implementation of APEC's General and Area-Specific Transparency Standards and encouraged Senior Officials to fully complete the assessment of implementation of the Transparency Standards.

At SOM III last year, CTI agreed on a set of 10 templates to assess economies' implementation of the Transparency Standards and agreed that economies will complete these templates by CTI2, 2007.

² Services, Investment, Competition Policy and Regulatory Reform, Standards and Conformance, Intellectual Property, Customs Procedures, Market Access, Business Mobility and Government Procurement.

Fourteen economies have submitted completed returns and another six economies have submitted partial returns. A review of economies' submissions indicates that for the most part, members have implemented APEC's General and Area-Specific Transparency Standards.

Recommendations

Drawing on the results of this self-assessment exercise, it is recommended that:

- the completed templates, which contain very useful information for the business community and other stakeholders on members' laws, regulations, procedures and administrative rulings, be made publicly available; and
- the completed transparency templates of those economies that are to be reviewed under APEC's IAP Review Process in 2008 and 2009 be made available to the independent experts that are commissioned to develop the questionnaire for the Peer Review and prepare the Study Reports.

Future APEC Work on Transparency

Transparency is an important aspect of trade facilitation, which recognizes that it is not only the restrictiveness of at-the-border and behind-the-border policies that matters for trade and investment, but also the way in which those policies are designed and administered. Making trade policy more predictable reduces uncertainty, and therefore costs, for business. Simplifying trade policy makes it easier, and therefore less costly, for importers, exporters and exporters to identify, assess, and comply with regulations. These issues should be explored further by CTI.

The recent study on "Transparency and Trade Facilitation in the Asia-Pacific: Estimating the Gains from Reform" commissioned by APEC from the World Bank, indicates that APEC economies stand to gain a collective US\$148 billion to their trade performance from greater trade policy predictability and simplification.

CTI Sub-fora's Collective Action Plan

Tariffs and Non-Tariff Measures: 2007 Collective Action Plan

Objectives	Action	2007 Work Plan Item
A. Support for the multilateral trading system		
(a) Ensure the expeditious supply of updates to the WTO Integrated database and any APEC databases.	<p><i>Individual:</i> provide annual updates of tariff information as changes occur as well as updates of trade and other agreed data to the APEC Tariff Database.</p> <p><i>Individual:</i> support the WTO by providing tariff and trade data annually in accordance with WTO obligations. Non-WTO members may provide this information as a voluntary measure.</p> <p><i>Collective:</i> seek ways to improve the accessibility and format of the IAP tariffs chapter as well as the electronic-IAP template.</p>	<ul style="list-style-type: none"> • MAG members will regularly update their tariff data for inclusion in the WTO Integrated Database and the APEC Tariff Database.
(b) Undertake practical work in support of the multilateral trading system	<p><i>Collective:</i> Continue work on sectoral issues of particular trade interest to members.</p>	<ul style="list-style-type: none"> • Explore the possibility of more specific work on environmental goods. • Explore ways contribute to multilateral work on information technology products. • Organise a workshop at MAG I (2007) on remanufactured goods. • Organise a workshop at MAGII or MAG III on environmental goods
(c) Arrange seminars and/or workshops in support of industrial tariff negotiations.	<p><i>Collective:</i> Organise periodically seminars on tariff issues.</p>	<ul style="list-style-type: none"> • Organise in 2007 a workshop on databases and software available in support of trade negotiations. • Further workshops and seminars in support of the multilateral trading system.
(d) Pursue incorporation of information on non-tariff measures into a future version of the APEC tariff database.	<p><i>Collective:</i> Exchange through the CTI, and where possible make available electronically, information on non-tariff measures using existing WTO formats as a reference.</p> <p><i>Collective:</i> Examine how information on non-tariff measures can be made available on electronic or other platforms for sharing and exchange,</p>	

Objectives	Action	2007 Work Plan Item
	so as to help businesses to understand better member economies' trade regimes.	
(d) Pursue a series of seminars/policy discussions on non-tariff measures.	<p><i>Collective:</i> develop a program of workshops and seminars aimed at promoting a better understanding of non-tariff measures.</p> <p><i>Collective:</i> Undertake capacity-building activities for economies with a view to reducing NTMs.</p>	<ul style="list-style-type: none"> • Develop jointly with the SCSC and other relevant APEC fora and sub-fora a workshop in support of the objectives of the APEC Food System.
B. RTAs/FTAs		
(a) Examine the impact of and modalities for tariff reduction and elimination in preferential trade arrangements.	<i>Collective:</i> Undertake a study in the tariff area with respect to trade data and tariff information, including issues of particular interest to developing member economies, with a view to building capacity to participate in the negotiations.	<ul style="list-style-type: none"> • Conduct an advanced training course on negotiating free-trade agreements in late 2006.
(b) Examine non-tariff aspects of preferential trade agreements.	<i>Collective:</i> undertake a program of activities promoting an enhanced understanding of the non-tariff aspects of preferential trade agreements.	<ul style="list-style-type: none"> • Conduct a follow-up workshop on preferential rules of origin. • Explore the possibility of more specific work on preferential rules of origin
(c) Undertake work in support of the APEC best-practice principles for RTAs/FTAs	<i>Collective:</i> contribute to the development of model measures for RTAs/FTAs	<ul style="list-style-type: none"> • Submit draft model measures on market access for goods for consideration at CTI III (2006). • Contribute to the development of draft model measures in other areas relevant to the MAG.
C. Trade facilitation		
(a) Pursue a series of seminars /policy discussions on trade facilitation.	<i>Collective:</i> Undertake dialogues with private sector, as appropriate, with a view to identifying the issues of NTMs encountered by businesses, in particular SMEs.	<ul style="list-style-type: none"> • Develop jointly with the SCSC and other relevant APEC fora and sub-fora a workshop in support of the objectives of the APEC Food System.
D. Transparency and anti-corruption		
<p>(a) Promote the APEC transparency principles in the market access area.</p> <p>(b) Support the <i>APEC Course of Action on Fighting and Ensuring Transparency</i> through appropriate</p>	<i>Individual and Collective:</i> promote the implementation of the APEC transparency principles in the market access area.	<ul style="list-style-type: none"> • MAG members will continue to progress implementation of the area-specific <i>Transparency Standards on Market Access</i>. • MAG members will regularly revise and update their links to import regulations on the MAG website. • MAG will ensure that its own operations are transparent by

Appendix 7

Objectives	Action	2007 Work Plan Item
activities in the market access area.		keeping the MAG website up to date, publishing MAG meeting documents on-line and contributing to the APEC Secretariat newsletter.

Services: 2007 Collective Action Plan

All Sectors other than Energy, Telecommunications, Tourism, and Transportation			
Collective Action	Steps to Implement	Time Frame	Last Implemented Actions
I. Develop and Implement the Menu of Options (MOO) for Voluntary Liberalization, Facilitation and Promotion of ECOTECH in Service Trade and Investment	Adopted the MOO.	Completed	GOS discussed measures to follow up the MOO with regard to: <ul style="list-style-type: none"> - Transparency in services through the e-IAPs; - Recognition in the area of professional services; and - Capacity building in the area of regulatory impact analysis.
	Discussion on ways to follow up the MOO.		
	a. Review and exchange information on all trade and investment in services arrangements within APEC and study common elements.	Maintained a database on experts on services trade negotiations.	Ongoing
	Foster closer co-operation and synergy with other APEC fora/groups	Ongoing	GOS discussed how to foster closer co-operation and synergy with the SME Working Group (SMEWG) for the benefit of the SMEs in the region.
			GOS discussed with the Convenor of the Investment Experts Group (IEG) about an IEG/GOS Joint Workshop on the Relationship between Investment and Trade in Services in RTAs/FTAs and other Investment Agreements at GOS II, and agreed to hold the joint workshop in the margins of SOM II next year.
			Indonesia briefed GOS on the progress of its project on "Tourism Occupational Skill Standard" under the purview of the Tourism Working Group at GOS I.

All Sectors other than Energy, Telecommunications, Tourism, and Transportation			
Collective Action	Steps to Implement	Time Frame	Last Implemented Actions
b. Gather and analyze information on the services section contained within the Individual Action Plans.	Promote the use of developed template for service IAP reporting.	Ongoing	GOS considered whether transparency in services through the e-IAPs could be an item for follow-up work on the MOO.
	Incorporate the services transparency standards in the services chapter of the IAP.	Completed (2004)	
	Follow-up on the MOO.	Completed	
c. Identification of measures affecting trade and investment in all service sectors.	Member economies to volunteer papers and studies in this area and consider cases of "best practices."	Ongoing	GOS considered whether capacity building in the area of regulatory impact analysis could be an item for follow-up work on the MOO. GOS discussed with the IEG Convenor about an IEG/GOS Joint Workshop on the Relationship between Investment and Trade in Services in RTAs/FTAs and other Investment Agreements at GOS II.
	Implement the Policy Framework.	Ongoing	
	Follow-up on the MOO.	Ongoing	
d. Study and carry out work concerning the development and adoption of common professional standards, in conjunction with professional accreditation	Discussion of possible actions or means to facilitate the provision of professional services in all member economies.	Ongoing	GOS discussed about creating links from the
		Ongoing	

All Sectors other than Energy, Telecommunications, Tourism, and Transportation			
Collective Action	Steps to Implement	Time Frame	Last Implemented Actions
bodies and needed legislative measures.	Update the APEC Directory on Professional Services. Research on "Skill Standardization for the Nursing Profession". Follow-up on the MOO.	2005–2006 (April 2005 – December 2006) Ongoing	APEC website into the websites of members which contained the relevant information of their professional services. GOS discussed the progress of the project on skill standardization for the nursing profession. GOS considered whether recognition in the area of professional services could be an item for follow-up work on the MOO.
e. Enhance transparency in service sectors	Adopted the transparency standards for services. Incorporated the services transparency standards in the services chapter of the IAP. Develop a template for sharing information on mode 4 commitment Follow-up on the MOO.	Completed (2003) Completed (2004) Completed (2005) Ongoing	GOS considered whether transparency in services through the e-IAPs could be an item for follow-up work on the MOO. GOS discussed a proposal on the development of a blueprint for the implementation of Services CAPs.
f. Continue discussion of issues related to possible APEC principles or guidelines that may be	Follow-up on the "Statement to Implement APEC Policies on Trade and the Digital Economy" (the Statement).	Ongoing	

All Sectors other than Energy, Telecommunications, Tourism, and Transportation			
Collective Action	Steps to Implement	Time Frame	Last Implemented Actions
necessary to achieve free and open trade and investment in this area	Follow-up on the MOO.	Completed	GOS considered whether capacity building in the area of regulatory impact analysis could be an item for follow-up work on the MOO.
II. Compile information on services trade statistics		Ongoing	
III. To improve understanding of the impact of liberalization of services.	<p>Member economies to present case studies of their experiences on a voluntary basis aiming to generate momentum for services liberalization in light of perceived benefit of such process</p> <p>Studies on the costs and benefits of services trade liberalization</p> <p>Study of impacts on APEC economies of measures to liberalize and facilitate trade in environmental services</p> <p>Completion of services chapter for model measures for RTAs/FTAs</p>	<p>Ongoing</p> <p>Completed (2002-2004)</p> <p>Completed (2003-2004)</p> <p>Aim for 2006</p>	<p>Extensive discussions in 2006 of draft model measures</p>
IV. Where appropriate and possible to the WTO's work on services, including through:	Monitor WTO work through Watch Group	Ongoing	Chile debriefed the group on recent developments in WTO at GOS II.
a. Identification of APEC services related work projects as inputs to consideration of services trade	More detailed consideration, including a possible workshop, in 2007 of issues related to the development of an emergency safeguard	Ongoing	GOS discussed the concept of emergency safeguard measures and the need for more focused discussion in the future.

All Sectors other than Energy, Telecommunications, Tourism, and Transportation			
Collective Action	Steps to Implement	Time Frame	Last Implemented Actions
issues by the WTO Council for Trade in Services and its subsidiary bodies; and	mechanism for services.		GOS had a Workshop on WTO Rules Negotiations of Trade in Services, which was held in Kunming, China on 28–29 June 2006. GOS discussed with the IEG Convenor about an IEG/GOS Joint Workshop on the Relationship between Investment and Trade in Services in RTAs/FTAs and other Investment Agreements at GOS II.
b. Information exchange and technical assistance, to support GOS Members' preparations for successful participation in WTO services negotiations	A seminar was organized on greater transparency in mode 4 commitments on 1 March 2005.	Completed (2005)	
	A seminar was organized on mutual recognition mechanisms in the Asia Pacific Region on 1 March 2005.	Completed (2005)	
	A seminar was organized on scheduling of commitments under the GATS on 2 March 2005.	Completed (2005)	
	A seminar was organized on WTO Rules Negotiation on Services on 28-29 June, 2006.	Completed (2006)	

Investment: 2007 Collective Action Plan

Action	Steps to Implement	Time Frame
<p>Transparency Short-Term</p> <p>A. Increase the transparency of APEC Investment regimes by:</p> <p>(i) Updating the APEC Guidebook on Investment Regimes;</p> <p>(ii) Establishing software networks on investment regulation and investment opportunities;</p> <p>(iii) Following the commitment made by the APEC Economic Leaders, to pursue implementation of APEC's transparency principles.</p> <p>(iv) Following the adoption of APEC's Best Practice for RTAs and FTAs and commitment by Leaders to enhance transparency.</p>	<p>The <i>6th Edition of the Investment Guidebook</i> is to be published</p> <p>a) Improving the state of statistical reporting and data collection; and</p> <p>b) Increasing understanding among member economies on investment policy-making issues.</p> <p>▪ Report on implementation of the APEC Transparency Standards as required by Leaders.</p> <p>1. Report on implementation of APEC Best Practice for RTAs/FTAs in the area of investment as required by Leaders in IAP, where appropriate.</p> <p>2. Between IAPs, ensure information on and website links to the investment chapters in RTAs and FTAs maintained by the APEC Secretariat is kept up to date.</p>	<p>2nd half of 2007.</p> <p>Ongoing</p> <p>Complete new templates by CT12 2007</p>
<p>Policy Dialogue Short-Term</p> <p>B. Promote dialogue with the APEC business community on ways to improve the APEC investment environment</p>	<p>1. Undertake regular discussions with business representatives from member economies including on specific investment challenges and ways to improve APEC investment environment.</p> <p>2. Maintain regular contact with ABAC and PECC and other relevant business organizations including:</p> <p>(i) discussion at IEG meeting of relevant ABAC recommendations to Leaders in the previous year;</p> <p>(ii) consider possible joint projects suggested by IEG or business organizations.</p>	<p>At least annually</p> <p>Continuous.</p>

Action	Steps to Implement	Time Frame
	3. Request input from ABAC and PECC on major APEC investment initiatives including through participation at IEG meetings and other IEG events such as workshops, seminars, or investment symposia. <ul style="list-style-type: none"> ▪ Seminar for Promoting Public-Private sector Dialogue 	Ongoing IEG3 2007
C. Continue a dialogue with appropriate international organizations dealing with global and regional investment issues.	Establish a policy dialogue process with other fora, where appropriate: <ul style="list-style-type: none"> ▪ Consider possible cooperation with the IMF on surveying investment environments. ▪ To continue dialogue with UNCTAD on current and emerging international investment issues with a view to undertaking joint studies and capacity building projects. ▪ To continue dialogue with OECD on current and emerging international investment issues with a view to undertaking joint studies and capacity building projects. 	Ongoing Ongoing Ongoing
Study and Evaluation Short-Term Define and implement follow-on training to the WTO implementation seminars.	Continue the development of training and seminars on WTO implementation.	Ongoing
D. Undertake an evaluation of the role of investment liberalization in economic development in the Asia-Pacific region.	Implement the project "Enhancing Investment Liberalisation and Facilitation in the APEC Region Reducing Barriers to Investment across APEC to Lift Growth and Lower Poverty"	Completed Stage 2 by June 2007
F. Study possible core elements between existing sub-regional arrangements relevant to investment	Review the investment provisions of current sub-regional arrangements including RTA/FTA and BITs, and identify possible core elements. Engage consultant to assist in analysis and reporting. Consider further study of possible relationships between these provisions in the future.	Stage 1 : completed Stage 2 by SOM3 2007 Stage 3 by end 2007

Action	Steps to Implement	Time Frame
G. Refine APEC's understanding of free and open investment.	In the context of the 2005 mid-term stocktake of the Bogor Goals, assess the recommendations of Leaders as far as investment liberalization and facilitation and as necessary developing a new work program.	Ongoing
Long-Term		
H. Assess the merits of developing an APEC-wide discipline on investment in the light of APEC's own progress through the medium-term, as well as developments in other international fora.	To be determined in the light of progress with policy dialogue in the medium-term.	Long-term
I. Study the advantages and disadvantages of creating investment rules – bilateral, regional, or multilateral – with a view to fostering a more favourable investment environment in the Asia-Pacific region.	Contribute to studies on ways and means to promote regional economic integration including a Free Trade Area of the Asia Pacific	Long-term
J. Steps to implement: the completion of Phase 1 of the Study on APEC Cross-Border Mergers and Acquisitions undertaken by PECC.		
Facilitation Short-Term and Continuing		
K. Undertake practical facilitation initiatives by: (i) Progressively working towards reducing impediments to investments including those investment related to e-commerce; (ii) Undertaking the business facilitation measures to strengthen APEC economies; and (iii) Initiating investment promotion and facilitation activities to enhance investment flow within APEC economies.	Drawing on business and other advice, identify possible areas for improved practices. <ul style="list-style-type: none"> ▪ Survey report on Identifying high priority investment barriers and propose necessary policy measures based on surveys of WB, IMD, WEF and JMC, and ▪ Symposium on Investment Liberalization and Facilitation at ABAC meeting in Tokyo Hold 1 day Workshop on Achieving Better Practice by APEC Investment Promotion Agencies: their Role in Policy Advocacy and Dispute Resolution	Ongoing By IEG2 2007 May 2007 Cairns, June 2007

Action	Steps to Implement	Time Frame
<p>Economic and Technical Cooperation Short-Term</p> <p>L. Identify ongoing technical cooperation needs in the Asia-Pacific region and organize training programs which will assist APEC economies in fulfilling APEC investment objectives.</p>	<ol style="list-style-type: none"> 1. Identify target areas for technical cooperation including 'best practice' policy/administrative frameworks. <ol style="list-style-type: none"> (i) model measures for investment chapter of RTAs/FTAs (ii) work cooperatively with OECD and ABAC to provide further capacity building on the Policy Framework for Investment <ul style="list-style-type: none"> ▪ IEG-OECD Seminar on the PFI ▪ High Level Policy Dialogue on the PFI 2. Conduct training courses for officials related to investment: <ul style="list-style-type: none"> ▪ Coordinate efforts with other relevant bodies involved in technical cooperation; and ▪ An annual exchange of experience program for APEC investment officials and private sector. 	<p>Ongoing</p> <p>Meeting –April 2007.</p> <p>Completed 25–27 April 2007</p>
<p>Capacity Building Initiatives</p> <p>M. Undertake new activities that contribute to capacity building.</p>	<p>Identify the elements of capacity building to strengthen the economies of APEC member economies and undertake the following activities:</p> <ol style="list-style-type: none"> 1. Prepare for trade and investment liberalization: <ul style="list-style-type: none"> - Identify the challenges and the opportunities that voluntary investment liberalization present(s) to investors; and - Identify and implement assistance/strategic measures so that member economies can build confidence and the capacity to sustain their development agenda for mutual benefit. 2. Developing guidelines for the Workplan to create good investment climates in APEC member economies. 3. Explore joint capacity building initiatives with other APEC fora/sub-fora: <ol style="list-style-type: none"> (i) Capacity Building for Investment Liberalisation and Facilitation – (delivered 	<p>Ongoing</p> <p>Ongoing</p> <p>2007/8</p>

Standards and Conformance: 2007 Collective Action Plan

OAA Objectives	Actions	Starting year	Target year Developed/ developing	Status Completed/ in process
1. Alignment				
Align APEC economies' domestic Standards with international standards	1) Member economies to actively participate in the standardization activities of international standardization bodies (ISO & IEC) in the following priority sectors: <ul style="list-style-type: none"> • building and construction. • Hazardous area equipment. 	From 1996	On-going	in Process
	2) Member economies to review and update their alignment work having consultations with business: ABAC and SMEs	From 2003	On-going	in Process
	3) Member economies to align their standards with international standards in the area of IEC standards for electrical equipment. particularly those used in the IECEE CB Scheme	2006	2010	in Process
2. Good Regulatory Practice				
	1) Member economies to promote the use of the Principles and Features of Good Practice for Technical Regulation to be used on a voluntary basis.	From 2001	On-going	in Process
	2) Member economies to update and promote the use of Information Notes on Good Practice for Technical Regulations.	From 2001	On-going	in Process
	3) Member Economies to exchange information about performance-based regulations	From 2002	On-going	in Process
	4) The SCSC to continue identifying additional priority areas for alignment with international standards.	From 1997	On-going	in Process
	5) The SCSC to continue to investigate means of enhancing regulatory practices in the APEC region through a program of case studies and seminars.	From 2000	On-going	in Process
	6) The SCSC to organize TTF meeting in conjunction with SCSC I meeting in 2007	2007	2007	in Process
3. Recognition of Conformity Assessment				
	In regulated sector:			
Achieve recognition of conformity assessment including mutual recognition arrangements in regulated and	1) Member economies to consider participation in the Arrangement for the Exchange of Information on Toy Safety and encourage the involvement of their regulators. (16 economies)	From 1996	On-going	in Process
	2) Member economies to develop recognition arrangements of conformity assessment including:	From 1997	On-going	in Process

OAA Objectives	Actions	Starting year	Target year Developed/ developing	Status Completed/ in process
voluntary sectors	<ul style="list-style-type: none"> • Bilateral MRAs 			
	<ul style="list-style-type: none"> • multi-sectoral, and plurilateral MRAs 			
	<p>3) Member economies to consider participation in the APEC Mutual Recognition Arrangement on Conformity Assessment of Foods and Food Products. (7 economies)</p>	From 1997	On-going	in Process
	<p>4) Member economies to consider participation in the APEC Arrangement for the Exchange of Information on Food Recalls. (2 economies)</p>	From 1999	On-going	in Process
	<p>5) Member economies to consider participation in Part I of the APEC Mutual Recognition Arrangement on Conformity Assessment of Electrical and Electronic Equipment through providing information in the agreed common format. (15 economies in Part I)</p>	From 2000	On-going	in Process
	<p>6) Member economies to consider participation in further Parts of the MRA and encourage the involvement of their regulators. (3 economies in Part II and Part III,)</p>	From 2000	On-going	in Process
	<p>7) Member economies to implement the program on trade facilitation in information technology products which has been developed in collaboration with the Information Technology Industry Council (ITI).</p>	2000	2005/ 2008	in Process
	<p>8) Member economies to consider participation in the Sectoral Arrangement of APEC Food MRA.</p>	From 2003	On-going	in Process
	<p>9) The SCSC to continue to further consider additional priority areas for MRA in the regulated sector.</p>	From 1997	On-going	in Process
	<p>10) The SCSC to review the implementation and use of the mutual recognition arrangements.</p>	From 1998	On- going	in Process
	<p>11) The SCSC to consider alternative mechanisms to facilitate the recognition of conformity assessment results.</p>	From 1999	On-going	in Process
	<p>12) The SCSC to review and improve the effectiveness of the APEC MRA on Conformity Assessment of Foods and Food Products; the Arrangement for the Exchange of Information on Toy Safety; the APEC Arrangement for the Exchange of Information on Food Recalls; and the APEC MRA on Conformity Assessment of Electrical and Electronic Equipment.</p>	From 2001	On-going	in Process
	<p>13) The SCSC to organize 1st meeting of food safety cooperation forum in Australia in April 2007</p>	2007	2007	in Process

OAA Objectives	Actions	Starting year	Target year Developed/ developing	Status Completed/ in process
	14) The SCSC to organize a seminar on the development of the APEC Sectoral Food MRA in August 2007 in Thai land	2007	2007	in Process
	Voluntary sector:			
	1) Member economies to encourage participation in APLAC-MRA, PAC MLAs and CIPM Global MRA.	From 1998	On-going	in Process
4. Technical Infrastructure Development				
Promote cooperation for technical infrastructure development to facilitate broad participation in Promote cooperation for technical infrastructure development to facilitate broad participation in mutual recognition arrangements in both regulated and voluntary sectors	1) Member economies to identify specific requirements, assistance and/or activities for technical infrastructure development.	From 1996	On- going	in Process
	2) Member economies to consider the provision of assistance for the improvement of other economies' technical infrastructure.	From 1996	On-going	in Process
	3) Member economies to strengthen participation in Specialist Regional Bodies activities.	From 1996	On-going	in Process
	4) Member Economies to fill out their Country Page.	From 2002	On-going	in Process
	5) Member economies to support and actively participate in APEC Conferences on Standards and Conformance.	2006	On-going	in Process
	6) Member economies to support and actively participate in APEC Conferences on Good Regulatory Practice.	2006	On-going	in Process
	7) Member Economies to fill in the SCSC Trade Facilitation Template	From 2006	On-going	in Process
	8) The SCSC to undertake the following technical infrastructure projects:	From 2005	2010	
	• Seminar and Training Courses in Legal Metrology (CTI 11/2006T)	2006		
	• 6th Conference on Standards and Conformance (CTI 13/2006T)	2006	2006	Completed
	• Peer Review Assessment of Quality Systems in National Metrology Institutes (NMIs) (CTI 15/2006T)	2006		
	• Methods and Criteria for Effectiveness Assessment of APEC/SCSC's TFAP Implementation (CTI 16/2006T)	2006	2006	completed
	• E-learning on the Practical Use of the Environmental Product Standards: ISO 14000 on EL, LCA, Ecodesign, and Product Related Environmental Regulations (CTI 17/2006T)	2006		
	• 4th Conference on Good Regulatory Practice (CTI 18/2006T)	2006	2006	Completed
	• HACCP Cooperation Among APEC Members (CTI 20/2006T)	2006		

OAA Objectives	Actions	Starting year	Target year Developed/ developing	Status Completed/ in process
	<ul style="list-style-type: none"> Promotion of Mutual Understanding on Organic Certification (CTI 22/2006T) 	2006		
	<ul style="list-style-type: none"> APEC Strategic Standards Education Program: Phase I – Case Studies and Curricula Development 	2007		
	<ul style="list-style-type: none"> Market Surveillance Workshop 	2007		
	<ul style="list-style-type: none"> Latest Developments and Challenges in Food Safety and Opportunities for Practical Actions in the APEC Region 	2007		
	<ul style="list-style-type: none"> Seminar and Training Courses in Legal Metrology 	2007		
	<ul style="list-style-type: none"> HACCP Cooperation Among APEC Members 	2007		
	<ul style="list-style-type: none"> Joint APMP-SIM Workshops on Senior Metrologist Approval Program (SMAP) and Measurement Uncertainty 	2007		
	9) The SCSC to continue the identification of priority areas for technical infrastructure development programs, and to be reflected in development of guidelines for project prioritization.	From 2002	On-going	in Process
	10) The SCSC to support capacity building oriented to training business, especially SMEs, improving their knowledge, expertise and skills on standards and conformance matters, including public consultation	From 2003	On – going	in Process
	11) The SCSC to develop new TF CAP Template in line with CTI guidance and direction and submit at SCSCI meeting in Australia 2007 for comments and approval	2007	2007	in Process
5. Transparency				
Ensure the transparency of the standards and conformity assessment of APEC economies	1) Member economies to update the APEC Contact Points for Standards and Conformance Information, including member economies' participants in the Specialist Regional Bodies and member economies SCSC Contact Points. Member economies agreed that this information should be maintained on the APEC Secretariat's homepage.	From 1997	On-going	in Process
	2) Member economies to endeavour to establish Internet websites to disseminate standards and conformance information.	From 1997	On-going	in Process
	3) Member economies to exchange information on experiences of the transparency provisions in the RTAs/FTAs	From 2003	On-going	in Process
	4) Member economies to implement the APEC Leaders Transparency Standards on Standards and Conformance	From 2003	On-going	in Process
	5) Member economies to establish and maintain the country pages in the Directory of Food Trade Contacts to maximize transparency of food regulatory systems and standards.	From 2003	On-going	in Process

OAA Objectives	Actions	Starting year	Target year Developed/ developing	Status Completed/ in process
6. Cooperation with Specialist Regional Bodies				
	1) Member economies to pursue closer cooperation with the Specialist Regional Bodies (SRBs) in line with the:	From 2000	On-going	in Process
	a. Statement of Commitment to Mutually Agreed Objectives between the SCSC and the SRBs, and			
	b. The Criteria for APEC TILF Funding of Project Proposals by Specialist Regional Bodies			
	2) The SCSC to develop “standards education” in cooperation with SRBs, particularly with PASC and to continue to share information and experience on standards education in its future meetings	From 2005	On – going	in Process
7. Cooperation with International Bodies				
	1) Member Economies to promote the use of the APEC Handbook on Notification Authorities and National Enquiry Points under the SPS and TBT Agreements of the WTO	From 2002	On-going	in Process
	2) The SCSC to monitor the developments within the WTO Committees on the TBT and SPS and discuss implementation issues.	From 2001	On-going	in Process
	3) The SCSC to continue seminar series to exchange information about the implementation of the WTO SPS Agreement	From 2002	On-going	in Process
	4) The SCSC to encourage member economies to actively joint in ISO, IEC, ITU activities.	From 2003	On-going	in Process
8. Cooperation with Other APEC For a				
	1) Member economies to support capacity building activities oriented to training business, especially SMEs, improving their knowledge, expertise and skills on standards and conformance matters, including public consultation	2006	On-going	in Process
	2) Member economies to support the implementation of workplan for improving SMEs access to standards and conformance information.	2006	On-going	in Process
	3) The SCSC to pursue better coordination with other APEC fora.	From 2001	On-going	in Process
	4) The SCSC to implement Trade Facilitation action Plan collectively	From 2003	On-going	in Process
	5) The SCSC to contact SMEWG for the possible coordination of work to reduce the compliance cost for small and medium enterprises and distribution of relevant information (e.g. Blueprint for APEC SCSC) to SME	From 2003	On-going	In Process

OAA Objectives	Actions	Starting year	Target year Developed/ developing	Status Completed/ in process
	6) The SCSC to implement recommendations by SCSC-CDSG on effective communication and strategic and results-oriented approach in dealing with issues of common interest such as: EU REACH, SAICM, EuP, RoHS and GHS	2005	On-going	In Process
	7) The SCSC to develop work plan on the promotion of the interaction with Business in SCSC's activities	2006	On-going	In Process
9. Reform of SCSC				
	1) The SCSC to implement its reform through the rationalization of its agenda, priority setting exercise and better coordination with other groups	From 2001	On-going	In Process
	2) The SCSC to hold Policy Dialogue sessions on standards and conformance and follow-up the policy implications arising from them	From 2002	On-going	In Process
	3) The SCSC to encourage members to use power point presentations and upload the documents one month in advance of meetings	From 2004	On- going	In Process

Customs Procedures: 2007 Collective Action Plan

Ongoing Work

Harmonisation of Tariff Structure with the HS Convention	
Commenced	1994
Leader	Japan
Co-leaders	Korea, Papua New Guinea
Goal	<ul style="list-style-type: none"> The accurate, consistent and uniform application of the HS Convention by all APEC member economies

Simplification and Harmonisation on the basis of the Revised Kyoto Convention	
Commenced	1995
Leader	New Zealand
Co-leader	Japan
Goal	<ul style="list-style-type: none"> Simplified and standardised customs procedures implemented by all APEC member economies

Harmonised APEC Data Elements	
Commenced	1996
Leader	Canada
Co-leader	Australia
Goals	<ul style="list-style-type: none"> The development of a comprehensive, harmonized and simplified set of trade data elements supported by UN/EDIFACT, which will satisfy the requirements of the majority of APEC trade transactions.

Integrity	
Commenced	1999
Leader	Australia
Co-leader	Hong Kong, China
Goal	<ul style="list-style-type: none"> More accountable, consistent, reliable and transparent customs administrations

Implementation of APEC Framework based on the WCO Framework of Standards to Secure and Facilitate Global Trade	
Commenced	2005
Leader	United States
Goal	<ul style="list-style-type: none"> For APEC member economies to adopt and implement the provisions contained within the APEC Framework for Secure Trade

Time-Release Surveys (TRS)	
Commenced	2005
Leader	Japan
Co-leader	Indonesia; Korea
Goal	<ul style="list-style-type: none"> Contribution to further trade facilitation by reducing costs and time in the transaction of goods

SCCP Collective Action Plan

Previous Work

Public Availability of Information on Customs Laws, Regulations, Administrative Guidelines and Rulings	
Commenced	1995
Concluded	2007
Leaders	Hong Kong, China; Singapore
Goals	<ul style="list-style-type: none"> To improve transparency of APEC customs administrations To enhance APEC customs administrations' competency in the dissemination of information on customs laws, regulations, procedures, rulings and guidelines provided to the business sector on an ongoing basis

Adoption and Support for the UN/EDIFACT / Paperless Trading	
Commenced	1996
Concluded	2006
Leader	Australia
Goals	<ul style="list-style-type: none"> The implementation by member administrations of UN/EDIFACT international electronic messaging standards as the basis for their computerisation programs

Adoption of the Principles of the WTO Valuation Agreement	
Commenced	1996
Concluded	2004
Leader	Canada
Co-leader	United States
Goals	<ul style="list-style-type: none"> The implementation of the Agreement by members, in a timely and orderly manner, to meet members' international obligations under the Agreement

Adoption of the Principles of the WTO Intellectual Property Rights (TRIPS) Agreement	
Commenced	1996
Concluded	2001
Leader	United States
Goals	<ul style="list-style-type: none"> A strategic program designed and developed to implement the Agreement by members, in a timely and orderly manner and to meet international obligations under the Agreement

Introduction of Clear Appeals Provision	
Commenced	1996
Concluded	2005
Leader	Canada
Co-leader	Philippines
Goals	<ul style="list-style-type: none"> Implementation of customs appeal mechanisms by all members The enhanced transparency and effectiveness of the appeals process and client service initiatives within APEC customs administrations

Introduction of an Advance Classification Ruling System	
Commenced	1996
Concluded	2004
Leader	New Zealand
Co-leader	Korea
Goals	<ul style="list-style-type: none"> The introduction of simplified procedures for an advance classification ruling system to the customs procedures of each APEC member economy

Provisions for Temporary Importation e.g. acceding to the A.T.A. Carnet Convention or the Istanbul Convention	
Commenced	1996
Concluded	2001
Leader	United States
Co-leader	Chinese Taipei
Goals	<ul style="list-style-type: none"> The implementation of the terms of the A.T.A. Carnet and Istanbul Conventions The provision of a common import/export documents for the temporary importation of goods An internationally accepted security for goods entitled to temporary admission without payment of duties and taxes

Risk Management Techniques	
Commenced	1997
Concluded	2006
Leader	Australia
Co-leader	United States
Goals	<ul style="list-style-type: none"> To focus customs enforcement efforts on high-risk goods and travellers and facilitate the movement of low-risk shipments, through a flexible approach tailored for each APEC member economy. The implementation of a systematic risk management approach will allow APEC customs administrations to facilitate legitimate trade and travel while maintaining control

Guidelines on Express Consignments Clearance	
Commenced	1997
Concluded	2001
Leader	United States
Co-leader	China
Goals	<ul style="list-style-type: none"> The timely implementation of the international standard for customs clearance of express shipments Trade facilitation while maintaining essential customs control responsibilities

Customs-Business Partnership	
Commenced	2001
Concluded	2007
Leader	Hong Kong, China
Co-leader	Mexico; Chinese Taipei
Goals	<ul style="list-style-type: none"> • The development of Customs-Business Partnership with the relevant players/parties in the business sector through the signing of MOUs or other instruments of cooperative arrangement • The establishment of permanent and regular liaison/consultation channels between customs and the relevant players/parties in the business sector

Government Procurement: 2007 Collective Action Plan

	Objectives	Actions	Status/Target Date
A	Support for the multilateral trading system		
		Continue to monitor progress of the WTO Working Group on Transparency in government procurement and consider further contributions, if appropriate.	Ongoing
		GPEG to keep a watching brief over options for GPEG support for the WTO.	Ongoing
	Share and discuss GPEG members' experience with regional and bilateral free trade agreements in the area of government procurement.	Member economies are encouraged to provide updates where appropriate.	Ongoing
B	Trade Facilitation		
	To review consistency of government procurement systems with APEC GPEG Non-Binding Principles (NBPs) on government procurement, noting that actions to achieve this are voluntary.	Member economies are invited to provide updates where appropriate. All member economies should regularly review and update their summary information on the AIMP.	Ongoing Ongoing
	To exchange information on development of e-procurement in government procurement in ways consistent with the newly revised GPEG NBPs, and consider/develop relevant capacity building approaches.	Encourage member economies to present on their experience in implementing e-procurement systems for government procurement and discuss ways of advancing GPEG work in this area.	Ongoing
	Capacity Building Project – Business Outreach. To provide greater access for business to government procurement information.	China will host “A Workshop on Government Procurement in WTO and FTA” with the fund from the BMC.	October 2007
C	Transparency and Anti-corruption		
	To review consistency of government procurement systems with the newly revised NBPs To complete revision of NBPs	Encourage member economies to complete voluntary reviews of the consistency of their government procurement systems with the newly revised NBPs. Revision of NBPs completed	Ongoing
	To implement GPEG's anti-corruption and transparency workplan Capacity Building Project -	Publish the GPEG paper summarizing the elements of the NBPs relevant to anti-corruption and transparency. Research the outcomes of the recent	Ongoing Ongoing

	Objectives	Actions	Status/Target Date
	ACT	ADB/OECD anti-corruption survey in government procurement and feedback to GPEG members.	
D	Promoting the Digital Economy and better IPR protections	Share with IPEG areas of mutual interest, including IPEG presenting at a GPEG meeting.	
E	Other Areas		
	Build greater links with the business sector and other stakeholders.	Build a closer relationship between the SME Working Group.	2007
		Increase accessibility by business to information on AIMP.	2007
		Form a working relationship with ABAC to build better ties with the business community, particularly in regard to transparency.	Ongoing
		The APEC Communications Unit to disseminate information to business.	Ongoing
	Contribute to the mid- term review of progress toward Bogor Goals	In addition to the information already provided by GPEG and the member economies, work with CTI to provide further information as required.	Ongoing
	Contribute to APEC reform agenda	Examine ways to reduce duplication in reporting on government procurement, including in IAP templates.	Ongoing

Competition Policy: 2007 Collective Action Plan

Collective Action	Steps to Implement	Time Frame
<p>a) Gather information and promote dialogue on and study:</p> <p>i) The objectives, necessity, role and operation of each APEC economy's competition policy and/or laws and administrative procedures, updating on a permanent basis the database on competition policy;</p> <p>ii) competition policy issues that impact on trade and investment flows in the Asia-Pacific region;</p> <p>iii) Exemptions and exceptions from the coverage of each APEC economy's competition policy and/or laws in an effort to ensure that each is no broader than necessary to achieve a legitimate and explicitly identified objective;</p> <p>iv) Areas for technical assistance and the modalities thereof, including exchange and training programs for officials in charge of competition policy, taking into account the availability of resources; and</p> <p>v) The interrelationship between competition policy and/or laws and other policies related to trade and investment.</p>	<p>A. Continue policy dialogue and information exchange and study on competition policy, competition laws and their enforcement and their interrelationship with other policies related to trade and investment, including through further workshops if members so decide.</p> <p>B. Utilize the common/unity format for reporting on members' respective updates and development of competition policy and law as well as regulatory reform efforts.</p> <p>C. Individual economies to provide further information (update) on their competition policies, competition laws and their enforcement, exemptions and exceptions from the coverage of competition policy and/or law, thereby enhancing transparency and contributing to the development and enhancement of the APEC database on competition law and policy.</p> <p>D. Individual economies to seek technical assistance and/or consider providing training programs with a view to sharing their experience in operating competition policies and laws with other Members.</p>	<p>Continuous</p> <p>Continuous</p> <p>Continuous</p> <p>Continuous</p>
<p>b) Deepen competition policy dialogue between APEC economies and relevant international organizations.</p>	<p>Maintain dialogue with other international organizations considering competition policy and law issues.</p>	<p>Continuous</p>
<p>c) Continue to develop understanding in the APEC business community of competition policy and/or laws</p>	<p>Individual economies to further develop dialogue, on a permanent basis, with the business community on competition policy and/or laws and administrative</p>	<p>Continuous</p>

Collective Action	Steps to Implement	Time Frame
and administrative procedures.	procedures.	
d) Continue to develop an understanding of competition policies and/or laws within their respective governments and within relevant domestic constituencies, thereby fostering a culture of competition.	Individual economies will develop and implement strategies to explain the benefits of competition policy and/or laws to their citizens and government agencies.	Continuous
e) Encourage cooperation among the competition authorities of APEC economies with regard to information exchange, notification and consultation.	<p>A. Consider further actions for promoting cooperation among competition authorities.</p> <p>B. Individual economies to list and update contact points of competition authorities periodically with a view to transparency and information exchange where deemed appropriate.</p>	<p>Continuous</p> <p>Continuous</p>
f) Contribute to the use of trade and competition laws, policies and measures that promote free and open trade, investment and competition.	Interaction with other APEC Sub-fora, especially with the Strengthening Economic Legal Infrastructure (SELI) Coordinating Group with regard to the issue of Competition Policy.	Continuous
g) Encourage all APEC economies to implement the "APEC Principles to Enhance Competition and Regulatory Reform".	Individual Economies to take action oriented undertakings directed to the implementation of the "APEC Principles to Enhance Competition and Regulatory Reform" by APEC Fora and Sub-fora.	Continuous
h) Encourage all APEC economies to utilize "the APEC-OECD Integrated Checklist on Regulatory Reform" as a self-assessment tool on a voluntary basis.	<p>A. Disseminating the APEC-OECD Integrated Checklist on Regulatory Reform, particularly the Competition Policy element of the checklist.</p> <p>B. Following the endorsement of the APEC-OECD Integrated Checklist on Regulatory Reform by the 17th APEC Ministerial Meeting in 2005, members will voluntarily report on the utilizing the Checklist.</p>	<p>Continuous</p> <p>Continuous</p>
i) Undertake capacity building programs to assist economies in implementing the "APEC Principles to Enhance Competition and Regulatory Reform".	<p>A. Organizing the APEC Training Course on Competition Policy (CTI 09/2006T)</p> <p>B. Formulate a capacity building project (APEC funded) to assist members in utilizing the APEC-OECD Integrated Checklist</p>	<p>Implementation in 2006</p> <p>Implementation in 2007</p>

DEREGULATION: COLLECTIVE ACTION PLAN FOR 2007

Collective Action	Steps to Implement	Time Frame
(a) Publish annual reports detailing actions taken by APEC economies to deregulate their domestic regulatory regimes.	Individual economies agreed that this would occur within their IAP (Individual Action Plan) reporting on reforms to their domestic regulatory regimes, and to update such reports annually.	Continuous
<p>(b) Develop further actions taking into account the above reports, including:</p> <p>i) Policy dialogue on APEC economies' experiences with regard to best practices in deregulation, including the use of individual case studies to assist in the design and implementation of deregulatory measures, and consideration of further options for a work program which may include:</p> <ul style="list-style-type: none"> - identification of common priority areas and sectors for deregulation - provision of technical assistance in designing and implementing deregulation measures; and - exploration of the possibility of establishing APEC guidelines on domestic regulation. 	<p>A. Take stock of information already gathered in APEC on regulatory regimes and regulatory reform with a view to identifying common experiences, and technical assistance needs and availability.</p> <p>B. Promote dialogue and understanding within APEC, through focused discussion, on the experiences of APEC economies and on the principles applied to and best practices in, regulatory reform (drawing on the short-term information gathering exercise).</p> <p>C. Formulate a capacity building project (APEC funded) to assist members in utilizing the APEC-OECD Integrated Checklist</p> <p>D. Develop a common understanding of the interrelationships between competition policy, deregulation and trade liberalization.</p> <p>E. Individual Economies to take action oriented undertakings directed to the implementation of the "APEC Principles to Enhance Competition and Regulatory Reform" by APEC Fora and Sub-fora.</p> <p>F. Maintain and deepen dialogue with other international organizations considering competition policy and deregulation issues.</p>	<p>Continuous</p> <p>Continuous</p> <p>Implementation in 2007</p> <p>Continuous</p> <p>Continuous</p> <p>Continuous</p>

Mobility of Business People: 2007 Collective Action Plan

OAA Objectives	Action	Time Frame
Collective Actions APEC economies will:		
EXCHANGE INFORMATION Exchange information on regulatory regimes in regard to the mobility of business people in the region, including through regularly updating the information in the online <i>APEC Business Travel Handbook</i> .	Members to continue to regularly update the online <i>APEC Business Travel Handbook</i> informing business of economies' short-term and temporary residence entry requirements and processing arrangements (standing item at BMG meetings), in accordance with agreed BMG Transparency Standards.	Ongoing
	Continue to improve the Business Mobility website to act as a conduit for meeting papers and exchange of information on trade agreements and other key BMG activities.	Ongoing
	Members to continue to implement enhancements to the online <i>APEC Business Travel Handbook</i> and other official immigration/consular affairs websites to improve the transparency and accessibility of public immigration information, in line with agreed actions to address the findings of the 2005 TILF funded Temporary Entry Review.	Ongoing
SHORT-TERM BUSINESS ENTRY Streamline short term entry requirements for business people. APEC economies will strive on best endeavors basis, and according to own immigration procedures, to implement one or more of the following options: <ul style="list-style-type: none"> • visa free or visa waiver arrangements; • participate in the APEC Business Travel Card scheme; • multiple short-term entry and stay visas which are valid for 3 years. 	Members to continue review and improve their arrangements for short term business travelers, including the progressive implementation of e-commerce arrangements consistent with agreed standards.	Ongoing
	Continue to support ABAC's aim of expanding the APEC Business Travel Card (ABTC) scheme to all remaining non-participating economies. At SOM III 2006, the BMG agreed to establish an ABTC Working Group to consider possible arrangements, including ABAC proposals to facilitate the participation of these economies in the ABTC scheme.	ABTC working group to report to SOM I 2007
	Members to report to BMG meetings on progress in implementing e-commerce facilities (standing item).	Ongoing

OAA Objectives	Action	Time Frame
<p>BUSINESS TEMPORARY RESIDENCY</p> <p>Implement streamlined temporary residence processing arrangements for the intra company transfer of executives, senior managers and specialists, as defined by individual economies.</p>	<p>Members to continue to implement, on a best endeavors basis, the agreed 30 day service standard for the temporary residency processing of executives, senior managers on intra-company transfers, and specialists (as defined by individual economies), where all necessary documentation is completed. Members to continue to report on processing times (standing item). Members to consider streamlining access to work permission/authorization for spouses of personnel on intra company transfer, on request, and on a best endeavors basis.</p>	Ongoing
	<p>Members to report to BMG meetings on implementing e-commerce facilities (standing item).</p>	Ongoing
<p>CAPACITY BUILDING (TECHNICAL COOPERATION AND TRAINING)</p> <p>Develop and implement the mutually agreed standards and benchmarks essential to capacity building and engage in the capacity building initiatives necessary to provide streamlined visa application and immigration entry, stay and departure processing.</p>	<p>Professional Service</p> <p>Economies to report on progress at BMG SOM meetings on implementation of agreed professional service standards (standing item).</p> <p>At SOM III 2006, Members agreed to establish a BMG Professional Service Working Group and to its Terms of Reference. In the first instance, the Working Group will review the current standards and make recommendations on any proposed changes or amendments to update or otherwise improve the standards document.</p>	<p>BMG Working group on Professional Service to report to SOM I 2007.</p>
	<p>At SOM III 2001, the BMG endorsed a standards paper for Document Examination and Fraud detection. These standards are being used by economies to develop their current capacity.</p>	<p>Implementation of the standards is ongoing on an individual, best endeavors basis.</p>
	<p>Document security and related issuance systems. The standards and guidelines take into account all relevant international standards. The first phase of the project to develop draft standards</p>	<p>Phase One completed July 2003</p>

OAA Objectives	Action	Time Frame
	<p>was completed with a workshop conducted in July 2003.</p> <p>A workshop was conducted in March 2004 in Sydney by Australia (phase 2) to raise economies' awareness of the standards and international best practice and developments in respect of biometrics.</p> <p>At SOM III 2004 the BMG agreed that all APEC economies will begin issuing Machine Readable Travel Documents (MRTDs), if possible with biometrics by 2008, and on a best endeavors basis, endeavor to accelerate replacement of non-MRTDs by MRTDs as well as implement ICAO travel document security standards. Economies report on progress at BMG on implementation of the standards, including MRTDs at meetings (standing item).</p> <p>Biometrics</p> <p>The BMG received funding from the BMG (March 2006) to undertake a TILF funded project to build the capacity on biometric technology in travel documents and border systems (CTI 30/2006T) via the conduct of two capacity building events: a seminar in Ho Chi Minh on 22–23 May attended by 54 experts from 19 economies and a workshop in July 2006 in Hong Kong, China attended by 45 experts from 18 economies.</p> <p>At SOM III 2006, Members agreed to continue capacity building. Subject to BMC approval, Australia will lead a TILF funded project to produce a reference document covering the technical and non-technical issues, best practices and options for financing, cost recovery, procurement and other issues associated with adopting biometric machine readable travel</p>	<p>Phase 2 completed by March 2004</p> <p>Ongoing with implementation by end 2008, on a best endeavours basis.</p> <p>Project completed July 2006.</p> <p>Subject to TILF approval, under the project an Experts' editorial workshop is to be held on the margins of SOM II 2007. A Publication Launch and seminar will be held on the margins of SOMIII 2007.</p>

OAA Objectives	Action	Time Frame
	documents and related border systems.	
	<p>API Pathfinder Initiative</p> <p>The BMC approved TILF funding (1 August 2002) for a project to conduct feasibility studies in three APEC economies to assess the requirements for the implementation of Advance Passenger Information systems, to be conducted during 2002 and 2003. A second project to conduct feasibility studies was approved in July 2003 by the BMC.</p> <p>Since then, some 10 economies have had an API feasibility study: Thailand (Aug 02), The Philippines (Nov 02), Indonesia (Feb 03), Korea (July 03), Chile (Sept 03), Chinese Taipei (Oct 03), China (Jul 04), Viet Nam (Oct 05), Brunei (Feb 06) and Peru (July 2006) To date, 11 economies have either implemented or have announced their commitment to implementing an API system, including: Australia; Canada; Hong Kong, China; Korea; Japan; Malaysia, Mexico; New Zealand; Chinese Taipei; Thailand; and the United States.</p>	<p>Ongoing</p> <p>More economies to implement API in 2005.</p>
	<p>Immigration Legal Infrastructure Standards</p> <p>The BMC approved TILF funding (1 August 2002) for a project to develop standards and benchmarks for Immigration legislation. A workshop of Immigration law experts was convened in July in 2003 and Legal Infrastructure standards, covering all aspects of Immigration processes and issues, were ratified by the BMG at its 2004 SOMI meeting in Santiago.</p>	<p>Standards ratified February 2004. Implementation ongoing</p>
	<p>Regional Movement Alert System (RMAS) (Formerly RMAL)</p> <p>The BMG is overseeing the</p>	<p>Ongoing, more economies expected to join RMAL in 2007.</p>

OAA Objectives	Action	Time Frame
	<p>conduct of a pilot Regional Movement Alert System (RMAS) and a report will be presented to Leaders in 2006. The RMAS pilot has enhanced border security and facilitated the travel of genuine business travelers. At SOM III 2006, the BMG noted:</p> <ul style="list-style-type: none"> • the success of the multilateral phase of the RMAS pilot between Australia, the United States and New Zealand; • that RMAL was ready to move from a pilot to a fully operational system and that a number of economies have expressed interest in joining; and • the renaming of RMAL to the Regional Movement Alert System (RMAS), to reflect the design of the system which accesses economies' lost and stolen databases not a shared data list. <p>Multi-Lateral Framework</p> <p>At SOM III 2006, the BMG endorsed the final Multi-lateral Framework (MLF), Model Economy MOU and Management Board Governance Charter for RMAS. The MLF states the principles, standards and operational arrangements which will enable RMAS to operate consistently and effectively in the region for economies that join the initiative.</p>	Completed and endorsed September 2006.
	<p>Contribution to Interpol ICPO Database</p> <p>The BMG agreed at SOM I 2005 to a recommendation that members cooperate to ensure that members provide lost and stolen travel documents to the International Criminal and Police Organization (ICPO) database by end 2006, on a best endeavors basis. Economies are reporting on implementation at BMG meetings.</p>	Ongoing/until end 2006

OAA Objectives	Action	Time Frame
	<p>Dialogue with ABAC and Business Community</p> <p>BMG to continue to brief ABAC members on meeting outcomes and to attend ABAC meetings on invitation. During 2006, the BMG considered further recommendations by the ABAC to improve the operation of the card. The BMG will continue to consult closely with the ABAC, and ABAC members were in attendance at all BMG meetings in 2006.</p>	Ongoing
	<p>BMG to continue to work with ABAC to engage the APEC business community in improving business mobility (strategy agreed at SOM II, 2000).</p>	Ongoing
	<p>Members continue consult with their business community in their home economies on mobility issues and report on any identified issues of concern to the BMG</p>	Ongoing
	<p>Members provide information (including on the ABTC Scheme) and encourage feedback from the business community about the BMG's initiatives via the Business Mobility website.</p>	Ongoing

APEC Data Privacy Pathfinder

APEC has developed a Privacy Framework, which has been endorsed by Ministers in November 2004. Economies have been working for the last year on implementing the APEC Privacy Framework related to cross-border transfers of personal information through instruments such as cross-border privacy rules. The goal is to create a foundation of trust that promotes accountable data flows across the region. These cross-border data flows are the currency of the digital economy that fuels growth in the information age that was the subject of both the ambitious Bogor Goals and the Ha Noi Action Plan to implement the Busan Roadmap.

Both the 2006 Leaders' Declaration and APEC Ministerial Meeting (AMM) Statement "...recognized the significance of the cross border privacy rules concept in ensuring responsible and accountable cross-border information flows without creating unnecessary barriers".

In the 2006 AMM Statement, Ministers further "...encouraged officials to facilitate this goal by developing and disseminating implementation frameworks..." and "...reaffirmed the importance of developing policies and capacity building projects conducive to realizing the benefits of electronic commerce".

In support of the direction by both Leaders and Ministers, economies agree to work together to create implementation frameworks by pursuing multiple projects that work toward achieving an overarching set of objectives and accountable cross-border information flows.

Specifically, the Data Privacy Pathfinder's main objectives are:

1. **Conceptual Framework Principles.** Promoting a conceptual framework of principles of how cross-border rules should work across economies, in consultation with the various parties that may be actors in the implementation and enforcement of these rules.
2. **Consultative Process.** Promoting the development of consultative processes on how best to include stakeholders including regulators, responsible agencies, lawmaking bodies, industry, third party privacy solutions providers and consumer representatives both in the creation of the rules and processes and in their operational review and optimization.
3. **Practical Documents.** Promoting the development of the practical documents and procedures that underpin cross-border privacy rules such as self-assessment forms, review criteria, recognition/acceptance procedures and dispute resolution mechanisms.
4. **Implementation.** Exploring ways in which various documents and procedures may be implemented in practice with due consideration to the mandates of the parties involved and the legal frameworks in which they operate, in a manner which is flexible, credible, enforceable, predictable and less bureaucratic.
5. **Education and Outreach.** Promoting education and outreach that will be needed to allow stakeholders and potential participants to consider how to enable accountable data flows across the participating economies.

The approach under the Data Privacy Pathfinder recognizes that economies are at differing levels of development and implementation of privacy frameworks within their economies.

List of Participating Economies:

Australia
Canada
Chile
Hong Kong, China
Japan

Republic of Korea
Mexico
New Zealand
Peru
Chinese Taipei
Thailand
United States
Viet Nam

Suggested Guidelines for Pathfinder Initiatives (Annex A³)

1) Before an initiative could be considered for Pathfinder status, it should be tabled in the CTI or appropriate working group as an 'interim Pathfinder' for the purposes of discussion and exploration of likely participation.

- a) In order to table an initiative as an 'interim Pathfinder', an economy would need to have at least two other economies ready to participate in the initiative.
- b) Implementation of 'interim Pathfinders' can proceed, but should not be proposed to SOM at this stage.
- c) 'Interim Pathfinders' would be reviewed on an annual basis by the CTI or appropriate working group to determine whether they should remain on the agenda.

2) In order for an 'interim Pathfinder' to become a Pathfinder:

- a) the initiative must retain the status of 'interim Pathfinder' for one year to allow thorough discussion;
- b) more than 25 percent of APEC member economies would need to be ready to participate in the initiative from the beginning, and the remaining economies would need to support the launch of the initiative, including by considering participation in capacity building activities that might facilitate their eventual participation; and
- c) the lead economy would need to develop a detailed proposal document, elaborating the objectives, implementation and proposed outcomes of the initiative, including:
 - i. how the initiative supports the achievement of the Bogor goals or other Ministerial or Leaders' goals;
 - ii. how it intends to meet the ultimate objective of Pathfinder initiatives, which is to achieve full participation by APEC members;
 - iii. how business will benefit from the initiative and how participating economies and APEC generally can promote benefits of the initiative to the business community;
 - iv. how it will ensure it does not duplicate work being conducted by other Pathfinders; and
 - v. a detailed plan for capacity building, aimed at securing wide participation.

Or, if at least 50 percent of members agree to participate in the initiative at any time, an 'interim Pathfinder' can be fast-tracked into becoming a Pathfinder immediately.

3) Where an 'interim Pathfinder' meets the criteria in 2), CTI or relevant working groups could propose to SOM that the initiative be granted Pathfinder status. Based on the CTI/working group advice, SOM would decide whether to agree to Pathfinder status.

4) Pathfinders would be reviewed on an annual basis. Lead economies would prepare brief annual progress reports for the CTI or relevant working group on membership, implementation, business views and describing progress made by non-participants to join the Pathfinder.

- a) On the basis of advice from CTI or the relevant working group, SOM would decide whether to continue a Pathfinder in its current form, or invite the lead economy to revise it to better fit members' views.
- b) In some cases, it might be appropriate to terminate a Pathfinder if, after three years of Pathfinder status, less than 50 percent of member economies were participating in the initiative or if there appears little prospect of membership increasing in the short-term.

³ ANNEX A TO PATHFINDER INITIATIVE GUIDELINES adopted in 2004

Directory of Terms

ABAC	APEC Business Advisory Council
ABTC	APEC Business Travel Card
APEC	Asia-Pacific Economic Cooperation
ACT	Anti-Corruption and Transparency Expert Task Force
AEO	Authorised Economic Operator
AMM	APEC Ministerial Meeting
API	Advanced Passenger Information
BITs	Bilateral Investment Treaties
BMG	Business Mobility Group
BTB	behind-the border
CAPs	Collective Action Plans
CBSA	Canada Border Services Agency
CBSG	Capacity Building Steering Group
CIPM	International Committee of Weights and Measures
CIS	Customs Intelligent Database System
CPDG	Competition Policy and Deregulation Group
CTI	Committee on Trade and Investment
ECOTECH	Economic and Technical Cooperation
ECSG	Electronic Commerce Steering Group
ESM	Emergency Safeguard Mechanism
FOTC	Friends of the Chair
GAC	General Administration of Customs
GBDe	Global Business Dialogue on Electronic Commerce
GHS	Globally Harmonised System
GHTF	Global Harmonization Task Force
GOS	Group on Services
GPA	Government Procurement Agreement
GPEG	Government Procurement Experts Group
ICC	International Chamber of Commerce
ICPO	International Criminal and Police Organization
ICT	Information and Communication Technology
IEG	Investment Experts Group
IFAP	Investment Facilitation Action Plan
IPAs	Investment Promotion Agencies
IPEG	Intellectual Property Rights Experts Group
IPR	Intellectual Property Rights
IPRRS	IPR Recordation System
ITA	Information Technology Agreement
JMC	Japan Machinery Center for Trade and Investment
KPIs	Key Performance Indicators
LAISR	Leaders' Agenda to Implement Structural Reform
LSIF	Life Sciences Innovation Forum
MAG	Market Access Group
MCP	Multi-Chip Integrated Circuit
MLF	Multilateral Framework
MOO	Menu of Options
MRA	Mutual Recognition Agreement
MRT	Ministers Responsible for Trade
NAMA	Non-Agriculture Market Access
NBPs	Non-Binding Principles

NMIs	National Metrology Institutes
NTM	Non-Tariff Measure
OAA	Osaka Action Agenda
OCED	Organization for Economic Cooperation and Development
PAA	Pan-Asian E-Commerce Alliance
PCT	Patent Cooperation Treaty
IAP	Individual Action Plan
PSDA	Private Sector Development Agenda
REACH	Registration, Evaluation, and Authorisation of Chemicals
RMAS	Regional Movement Alert System
RoHS	Hazardous Substances
ROOs	Rules of Origin
RTAs/FTAs	Regional Trading Arrangements/Free Trade Agreements
SCCP	Sub-committee on Customs Procedures
SCSC	Sub-committee on Standards and Conformance
SELI	Strengthening Economic and Legal Infrastructure Coordinating Group
SEMMA	Sample, Explore, Modify, Model, Assess technique
SMAP	Senior Metrologist Approval Program
SMEs	Small and Medium Enterprises
SOM	Senior Officials' Meeting
SPS	Sanitary and Phytosanitary Measures WTO
SRBs	Specialist Region Bodies
TBT	Technical Barriers to Trade WTO
TFAP II	Second Trade Facilitation Action Plan
TILF	Trade and Investment Liberalisation
TRS	Time-release Survey
UNCTAD	United Nations Conference on Trade and Development
WB	World Bank
WCO	World Customs Organization
WEF	World Economic Forum
WTO	World Trade Organization