



Asia-Pacific  
Economic Cooperation

Committee on  
Trade & Investment  
Annual Report  
to Ministers

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## Foreword

I am pleased to submit to APEC Ministers the 2002 Annual Report of the Committee on Trade and Investment (CTI).

Under Mexico's chair, 2002 has been a challenging year for the CTI. As a working level forum, the CTI has the primary task to implement the sharpened vision encapsulated in the 2001 Shanghai Accord. Towards this end, we have made good progress in 2002 in implementing the vision and ensuring that APEC remains relevant, effective and progressive in meeting the challenges of globalisation and deliver real and measurable benefits to the economies and to the people.

The Osaka Action Agenda was broadened to include actions relating to the new economy and the strengthening of the functioning of markets in particular the economic legal infrastructure. 2002 also saw intensified work to develop a Trade Facilitation Action Plan. The Plan identifies concrete actions and measures to ensure a streamlined, smooth and fast movement of goods and business people across borders to facilitate business transactions without impediments in standards requirements and using electronic means for greater efficiency. Implementation of the 2001 Trade Facilitation Principles is in progress.

The CTI completed exchange of information on trade policies in the new economy with the view to promoting the adoption of appropriate trade policies. The CTI engaged in extensive and intensive discussions on this and the transparency principles. Capacity building activities relating to the WTO and the multilateral trading system were also undertaken. CTI and its sub-fora identified two pathfinder initiatives.

In all, the CTI has a full, busy and productive year, all done in the spirit of co-operation and community bonding amongst the CTI members. It has made my first year as CTI Chair an enriching one.

A handwritten signature in black ink, appearing to read 'Ng Kim Neo', with a horizontal line underneath.

**Ms NG Kim Neo**

Chair

APEC Committee on Trade and Investment

## I. Introduction

The Committee on Trade and Investment (CTI) Annual Report to Ministers for 2002 outlines the CTI's accomplishments and recommendations in the key priority areas of APEC's trade and investment liberalization and facilitation (TILF) agenda.

Implementation and enhancement of the Collective Action Plans (CAPs) remains a core activity of the Committee and its sub-fora. The CAPs continued to be the Committee's main vehicle for advancing APEC's agenda on trade and investment liberalization and facilitation. These CAPs were first reported in 1996 under the Osaka Action Agenda (OAA). Their aim is to promote progress across economies towards achieving the Bogor goals of free and open trade and investment in the Asia-Pacific no later than the year 2010 for industrialized economies and 2020 for developing economies. They are supported by economic and technical cooperation (ECOTECH) initiatives, primarily in capacity building to implement the CAPs as APEC moves towards the Bogor Goals.

The Committee's key tasks for 2002, as mandated by Ministers and Leaders at their meetings in Shanghai in October 2001, fall into the following broad areas:

- *Broadening and Updating the Osaka Action Agenda (OAA)* – to broaden the OAA to reflect the fundamental changes in the global economy since Osaka, such as the development of new economy including through the implementation of relevant aspects of e-APEC Strategy, and strengthening the functioning of markets;
- *Trade Facilitation* – to identify concrete actions and measures to implement the APEC Trade Facilitation Principles in close partnership with the private sector towards the objective of realizing a significant reduction in the transaction costs by endeavoring to reduce them by 5% across the APEC region by 2006; to explore the possibility of setting objective criteria on trade facilitation; and to develop assistance programs to help build the capacity of developing economies in trade facilitation;
- *Trade Policies for the New Economy* – to exchange trade policy information among economies and, on this basis develop targets in these areas for economies to adopt;
- *Adoption of Transparency Principles* – to implement APEC's agreed transparency principles by preparing a set of transparency principles;
- *Pathfinder Initiatives* – to contribute towards identifying possible pathfinder initiatives that will help to move APEC's progress towards the Bogor goals;
- *CAPs* - to produce tangible deliverables in CAPs that are directly relevant to business and that can bring credible outcomes on trade in the region; to review progress in implementing the CAPs and assess their effectiveness towards meeting the Bogor goals;
- *Contributions to the WTO* – to accelerate implementation of the APEC Strategic Plan for WTO-related capacity building; and undertake activities to build confidence in support of the Doha Development Agenda (DDA); and
- *Strengthening the Functioning of Markets* – to continue work on strengthening the functioning of markets particularly the implementation of the Cooperation Framework for Strengthening Economic Legal Infrastructure, APEC-OECD Co-operative Initiatives on Regulatory Reform and APEC Principles to Enhance Competition and Regulatory Reform.

In addition to focusing on the above directives, CTI continued with its coordinating role in carrying forward work on early voluntary sectoral liberalization (EVSL), a task delegated to it by Senior Officials in 1998. It also continued to work on improving the electronic Individual Action Plan (e-IAP) system that was launched in November 2000.

## II. CTI Activities in 2002: An Overview

The Committee met three times during 2002 in Mexico: in Mexico City, 25-26 February; in Merida, 21-22 May; and in Acapulco, 16-17 August. Ms Ng Kim Neo of Singapore chaired these meetings.

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

- Market Access Group (MAG) – Mexico City, 21 February; Merida, 19-20 May; and Acapulco, 14 August
- Group on Services (GOS) – Mexico City, 19-20 February; Merida, 16-18 May; and Acapulco, 13-15 August
- Investment Experts' Group (IEG) – Lima, Peru, 28 February – 1 March; Merida, 19-20 May; and Acapulco, 11-12 August
- Sub-Committee on Standards and Conformance (SCSC) – Mexico City, 23-24 February; Merida, 19-20 May; and Acapulco, 15-16 August
- Sub-Committee on Customs Procedures (SCCP) – Mexico City, 22-25 February; and Acapulco, 13-15 August
- Intellectual Property Rights Experts' Group (IPEG) – Hong Kong, 19-20 March; and Los Angeles, the United States of America, 22-23 July
- Competition Policy and Deregulation Group (CPDG) – Merida, 17-18 May
- Government Procurement Experts' Group (GPEG) – Mexico City, 19-20 February; and Acapulco, 12-13 August
- Informal Experts' Group on the Mobility of Business People (IEGBM) – Mexico City, 21-22 February; Merida, 27-28 May; and Acapulco, 14-15 August
- WTO Capacity Building Group (WTO Group) – Mexico City, 23 February; and Acapulco, 14 August

CTI continued to utilize the informal exchange of views in the Trade Policy Dialogue (TPD) as a useful means of broadening perspectives and sharing approaches on issues. In this process, the TPD helps to contribute towards confidence-building among APEC members especially on new issue areas. The Committee conducted two half-day TPDs on business mobility and the "DDA Mandate on the Relationship between Trade and Investment". The latter is one of a series of TPDs on new WTO issues which are to be held to share information and build confidence amongst APEC members in the WTO DDA.

*Third CTI Meeting, Acapulco, Mexico, 13-21 August 2002*





# A. Collective Action Plans

## 1. Implementation and Enhancement of CAPs in 2002

In 2002, CTI and its sub-fora continued to implement, revise and enhance work on the CAPs, making continued and significant progress towards achieving the OAA objectives in pursuit of the Bogor Goals. See Appendix I for the Convenors' Summary Reports and the revised CAPs for 2002.

Many of these revisions/enhancements were implemented in response to the priorities set by Leaders and Ministers, particularly the directive to produce tangible deliverables in CAPs that are directly relevant to the business sector and that can bring credible outcomes on trade in the region. 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 of the operating environment for the business community. Highlights of main outcomes are shown in Box 1.

### Box 1

Highlights of Trade and Investment Liberalization and Facilitation (TILF)  
Deliverables for 2002 by CTI/CTI Sub-Fora

#### CTI/CTI Sub-forum

##### Highlights of TILF Deliverables

#### Committee on Trade and Investment (CTI)

- Implemented further improvements to the e-IAP system for better presentation, functionality and user-friendliness of the site, to enhance business access to the IAP information
- Developed a Framework for APEC Trade Facilitation Action Plan and a menu of concrete actions and measures to implement the Leaders' trade facilitation goal of significantly reducing transaction costs

#### Committee on Trade and Investment (CTI) /all CTI sub-fora

- Updated Part I of Osaka Action Agenda on TILF to broaden it to include the fundamental changes in the new economy including through the implementation of relevant aspects of e-APEC strategy and strengthening the functioning of markets

#### Market Access Group (MAG)

- Enhanced the APEC Tariff Database (TDB) with current and accurate trade and tariff information and updates of tariff data provided to the WTO Integrated Database (IDB)
- Expanded the MAG home page with links to websites and access to relevant publications
- Enhanced dialogue with the OECD and WTO on non-tariff measures (NTMs) and trade facilitation
- Started an electronic newsletter of the MAG

#### Group on Services (GOS)

- Conducted work on transparency and domestic regulation toward completion of Phase III of the Menu of Options for Voluntary Liberalization, Facilitation, and Promotion of Economic and Technical Cooperation in Services Trade and Investment
- Worked on innovation in service industries including e-commerce
- Conducted a seminar on 'Seaport Infrastructure Services'
- Started work on a study on environmental services liberalization and a study on cost and benefits of services trade liberalisation

#### Investment Experts' Group (IEG)

- Completed Phase I of the 'Study on Cross-Border Mergers and Acquisitions (M&A)', which identified and assessed the shortcomings and gaps in the current literature, studies and other sources of information on cross-border M&A
- Conducted the 7th Investment Symposium and the 3rd Investment Mart
- Conducted a seminar on 'Regional and Bilateral Investment Rules/Agreements'
- Conducted a seminar on Investment's One-Stop Shop

## CTI/CTI Sub-forum

### Highlights of TILF Deliverables

#### **Sub-committee on Standards and Conformance (SCSC)**

- *Published the '2002 APEC Handbook on Notification Authorities and National Enquiry Points under the WTO Agreements on Sanitary and Phytosanitary Measures (SPS) and Technical Barriers to Trade (TBT)'*
- *Reviewed APEC Mutual Recognition Arrangements (MRAs)*
- *Deepened the discussion on Good Regulatory Practice*

#### **Sub-committee on Customs Procedures (SCCP)**

- *Completed Phase 3 of the Paperless Trading CAP under which economies undertook self-assessment and technical needs analysis with assistance from appointed consultants.*
- *Completed the 'Best Practices Compendium for Customs and Business Partnership'*
- *Agreed on the adoption of the Revised Kyoto Convention provisions as a Pathfinder Initiative*

#### **Intellectual Property Rights Experts' Group (IPEG)**

- *Completed an APEC IP Experts Capacity Building Program for TRIPS Implementation*
- *Conducted a Symposium on Traditional Medicine*
- *Organized an Intellectual Property Enforcement Seminar*
- *Adopted the APEC IP Toolkit to provide a framework for IPEG IP enforcement projects*

#### **Competition Policy and Deregulation Group (CPDG)**

- *Continued the APEC/OECD Co-Operative Initiative on Regulatory Reform*
- *Completed the APEC Competition Law and Policy Internet Database*
- *Started training programs to build capacity on competition policy issues*

#### **Government Procurement Experts Group (GPEG)**

- *Reviewed and reported on the consistency of member economies' government procurement regimes with the Non-Binding Principle (NBP) of Transparency*
- *Reviewed and reported on the consistency of member economies' procurement regimes with the NBP of Accountability and Due Process*

#### **Dispute Mediation**

- *Updated the 'Guide to Arbitration and Dispute Resolution in APEC Member Economies'*

#### **Informal Experts Group on the Mobility of Business People (IEGBM)**

- *Expanded participation in the APEC Business Travel Card (ABTC) scheme*
- *Agreed on a unilateral Advance Passenger Information (API) System as a Pathfinder*
- *Agreed on Professional Immigration Service standards and development of standards for Travel Document Security and for Immigration legislation*
- *Completed a TILF project on Document Examination*

#### **WTO Capacity Building Group (WTO Group)**

- *Implemented projects to address the needs identified in the APEC Strategic Plan on Capacity Building*
- *Produced economy matrices describing all WTO-related capacity building programs offered by APEC economies to other APEC developing economies*
- *Launched a website containing all information on WTO-related capacity building projects as listed in the matrices ([www.apec-trta.org](http://www.apec-trta.org))*



The Sub-Committee on Standards and Conformance (SCSC) completed several technical infrastructure development projects. SCSC undertook a review of the MRAs on various sectors working on improving their effectiveness and relevance to regulators. Two economies (Australia and Singapore) will be pathfinders to upgrade from information exchange as in Part I of the APEC MRA on Electrical and Electronic Products (EEMRA) to mutual recognition of test reports and certification as in Parts II and III of the EEMRA. The EEMRA was first implemented in December 1999 with 10 APEC member economies participating in Part I. Today, there are 14 member economies participating in Part I.

The Sub-Committee on Customs Procedures (SCCP) continued with the implementation of its multi-year technical assistance programs aimed at assisting members in CAP implementation. For this purpose, economies can voluntarily offer to be peer reviewed for those CAPs for which technical assistance for implementation has been completed. In 2002, Mexico offered itself for this peer review. The SCCP completed a best practices compendium of customs and business partnership.

The Market Access Group (MAG) focused on intensifying its confidence-building work on tariffs and NTMs, including through conducting TPDs on (i) NTMs and Trade Facilitation and (ii) Domestic Consultations for WTO negotiations. Building on its report entitled "APEC Economies: Breaking Down the Barriers" published last year, MAG collected further case studies on regulatory and administrative reforms and examined how the benefits of regulatory and administrative reform might be assessed, in order to contribute towards showing how these reforms help to achieve trade facilitation within APEC. MAG started an electronic newsletter as an outreach initiative to promote its trade liberalization and facilitation work to business in the region.

The Group on Services (GOS) conducted work on transparency and domestic regulations under Phase III of the Development of the Menu of Options for Voluntary Liberalization, Facilitation and Promotion of ECOTECH in Services Trade and Investment. GOS will deepen this work, which is related to the WTO services negotiations, next year. GOS is also responsible for two studies that will be undertaken concerning services liberalization. Work has begun on a study of environmental services liberalization. Work is to be commenced on a study of the Costs and Benefits of Services Trade Liberalization, and this will focus on particular sectors. GOS had a useful exchange of information on economies' approaches to agreements on mutual recognition of professional standards/qualifications.

The Investment Experts' Group (IEG) completed Phase I of the Study on Cross-border Mergers and Acquisitions. The Group expanded the Menu of Options to include "Competition Policy and Regulatory Reform" and also provided a text for possible inclusion in the 2002 APEC Ministerial Statement which would provide impetus to the Group to review economies' progress in implementing the Menu of Options.

The Intellectual Property Rights Experts' Group (IPEG) commenced implementation of its newly overhauled CAP, to focus on enforcement, appropriate protection of Intellectual Property Rights (IPR) in new fields, cooperation to improve the operation of Intellectual Property (IP) systems, and facilitation of technology transfer, etc. IPEG endorsed the IP Toolkit proposal to allow member economies to have access to IP-related enforcement information. It also conducted an IP Enforcement Seminar in conjunction with the IPEG Meeting held in Los Angeles in July. The objective of the seminar was to provide IP enforcement personnel with the opportunity to discuss with industry representatives, the techniques and process for investigating IP infringement and preparing effective prosecutions.

The Competition Policy and Deregulation Group (CPDG) continued to promote dialogue, information exchange and study of competition policy, competition laws, their enforcement and interrelationship with other policies related to deregulation, trade and investment. The Group also embarked on a series of training programs to build capacity in competition policy

The Government Procurement Experts' Group (GPEG) continued work undertaken by individual economies to voluntarily review and report on the consistency of their respective government procurement regimes with the Non-Binding Principles (NBPs) on Government Procurement adopted in 1999. They also completed similar reviews against the NBP of Transparency. The Group also received a series of presentations on e-procurement aimed at demonstrating the contribution electronic government procurement systems can make to the achievement of the NBPs and capacity building through the sharing of technical information. GPEG also received approval from the Budget and Management Committee (BMC) to hold a Symposium and workshops to promote SME access to government procurement markets and enhance

the transparency and quality of government services and the promotion of e-procurement initiatives.

The Informal Experts' Group on Mobility of Business People (IEGBM) saw positive response to the APEC Business Advisory Council's (ABAC's) call for expanding participation of the ABTC. To date, 13 economies are participating in the Scheme. The IEGBM undertook several capacity building activities during the year, such as the completion of a capacity building project in document examination techniques, where developing APEC member economies were provided training in the use of a generic resource package to assist implementation of effective and speedy document examination regimes. The Group agreed to develop standards for travel document security and immigration legislation, to enhance border management; endorsed a set of Standards for Immigration Professional Service; and commenced the first of three feasibility studies on APP/API. The IEGBM identified unilateral API systems as a pathfinder initiative. The IEGBM launched a website ([www.businessmobility.org](http://www.businessmobility.org)) that will enhance dialogues with the APEC business community, other APEC fora and within IEGBM itself.

A full report on TILF Activities in Other APEC Fora is attached as Appendix II and the highlights are noted in Box 2.

*Box 2*

*Highlights of TILF Deliverables in Other APEC Fora*

## **APEC Working Group**

### *Highlights of TILF Deliverables*

#### **Energy Working Group (EWG)**

- *APEC Coal Trade and Investment Liberalization and Facilitation Workshop*
- *2nd Workshop on Addressing the Barriers to the Inter-Connection of Power Grids*
- *Conducted "Sealand Disruption Exercise"*

#### **Human Resources Development Working Group (HRDWG)**

- *Completed a program on Alternative Dispute Resolution – Executive Education Project 2000*
- *Continued the Capacity-Building Program for Trade and Investment Insurance Practitioners*

#### **Marine Resource Conservation Working Group (MRCWG)**

- *Continuation of program on Development and Validation of Phycotoxin Analytical Method*

#### **Small and Medium Enterprises Working Group (SMEWG)**

- *Seminar on Opportunities and Challenges: APEC SME after China's Accession into WTO"*
- *Innovative Forum on International Business Cooperation in the Sphere of Innovative Entrepreneurship*

#### **Telecommunications and Information Working Group (TEL)**

- *Commenced a Mutual Recognition Arrangements training project*
- *Developed a road map on interoperability*

#### **Tourism Working Group (TWG)**

- *Completed the Tourism Impediments Study to facilitate the development of Individual and Collective Action Plans required under Policy Goal No.1 of the Seoul Declaration on an APEC Tourism Charter*
- *Sixteen economies completed and delivered Individual Action Plans outlining their current state of tourism policy and where appropriate, planned improvements to the 2nd Tourism Ministerial meeting in Manzanillo, Mexico in July 2002*

## APEC Working Group *Highlights of TILF Deliverables*

### **Transportation Working Group (TPT)**

- Completed a research on *Efficiency in the Facilitation of International Seaborne Trade*
- Completed a program on *Assistance in the Implementation of Electronic Commerce for Commercial Messages*
- Completed a project on *Non-Tariff Measures in the Transport Sector* to produce a "best practice model to demonstrate how an ideal competitive transport regulatory regime should function while preserving the necessary elements of safety and environmental regulations"

### **Economic Committee (EC)**

- Completed a research project on the *Benefits of APEC Trade and Investment Liberalization and Facilitation*
- Completed a compilation of individual projects under the overarching theme of "New Economy: Issues and Policy Challenges in APEC Economies"

Appendix III provides a comprehensive matrix of TILF deliverables in 2002 across APEC fora. The TILF deliverables include: policy initiatives (e.g., road map on interoperability to provide for cross-border e-commerce); public information products (e.g., SCCP Blueprint); databases; dialogues; capacity building, training and technical cooperation programs; and information collection and surveys.

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

CTI reviewed those ABAC's recommendations to APEC Leaders that deal with standards and conformance, intellectual property, business mobility, support of the WTO and the New Round and improving the e-IAP website. While some of the recommendations were already being addressed by relevant CTI sub-fora, others required more time and closer dialogue between ABAC and the relevant fora. Examples of areas being addressed are highlighted in Box 3 below. CTI also continued to encourage wider working-level dialogues with business and professional groups to promote better understanding of the issues involved and to devise specific ways of addressing them.

*Box 3.*

*CTI Response to ABAC Recommendations*

### **ABAC Recommendation** *CTI Response*

#### **STANDARDS AND CONFORMANCE**

- **To align standards with international standards, according to agreed timetables**
  - SCSC's work program seeks alignment with international standards in four priority areas: electrical and electronic appliances (air conditioners, television, refrigerators, radios and their parts and video apparatus); food labeling; rubber gloves and condoms; and machinery. Seven economies have aligned their standards by the target year of 2000 for developed economies.
  - The Automotive Dialogue has endorsed the revised Principles of Automotive Technical Regulation Harmonization and has recommended that APEC economies use the principles to guide their harmonization and regulatory programs.
  - The APEC Chemical Dialogue agreed to adopt the Global Harmonization System for chemicals.

## ABAC Recommendation

### CTI Response

- **To improve MRAs concluded in the APEC process**
  - SCSC commenced its review of APEC MRAs, with the aim of improving their effectiveness and encouraging more active participation.
- **To adopt MRAs on conformance testing and to report these commitments in the Individual Action Plans (IAPs)**
  - SCSC oversees the implementation of the APEC MRAs on Conformity Assessment for Telecommunications Equipment. To date, 10 economies are participating in Phase I (mutual recognition of test reports) and 5 economies are participating in Phase II (mutual recognition of equipment certification).
  - Most economies have reported on their participation in the MRAs under the SCSC.
- **To report progress on the implementation of WTO agreements relevant to standards, such as the SPS Agreement**
  - SCSC published a 2002 APEC Handbook on Notification Authorities and National Enquiry Points under the TBT and SPS agreements of the WTO. The publication of the Handbook has been reported to the WTO TBT and SPS Committees.

### **INTELLECTUAL PROPERTY RIGHTS**

- **To develop “Guiding Principles for IPR Enforcement”**
- **To take steps to further strengthen cooperation among IPR administration, IP policy makers and enforcement agencies including customs authorities.**
  - IPEG has conducted seminars/workshops on IP enforcement, copyright and IPR in the New Economy which enable participants to exchange information and views in these areas.
  - IPEG plans to deepen its dialogue on IP policy, including discussing solutions for reducing costs for applicants and reducing duplication of workload by patent offices.
  - IPEG plans to strengthen the dialogue on enforcement of IPR after TRIPS Implementation.
  - IPEG has undertaken to work to ensure support for easy and prompt acquisition of rights through discussion of simplification and streamlining procedures to promote IP-related activities, in particular through technology transfer among economies.

### **BUSINESS MOBILITY**

- **Continued expansion of participation in the ABTC Scheme**
- **Implementation of automated travel clearance systems, such as pre-clearance procedures to expedite the movement of travelers**
  - Participation in the ABTC Scheme has increased to 13 economies with Indonesia’s announcement in May 2002 that it will join the scheme.
  - IEGBM convenor is negotiating with interested economies to participate in a multilateral APP project.
  - IEGBM started a second APP project for conducting feasibility studies in three interested economies to assess their capacity to join the Advanced Passenger Information (API) system. This project will provide these economies with a fully costed blueprint for the implementation of an APP system in their economies, tailored to meet local arrangements.

**SUPPORT OF THE WTO AND THE NEW ROUND**

- **Further capacity-building initiatives that would enhance member economies' ability to benefit from the liberalization of trade and investment**
  - *Nineteen project proposals utilizing APEC TILF Funds were developed since endorsement of the APEC Strategic Plan for WTO-Related Capacity-Building to assist developing economies to address concerns over certain aspects of the implementation of WTO agreements. Nine of these projects have been completed.*
  - *Compilation of a series of economy matrices describing all WTO-related capacity building programs offered by APEC economies to other APEC economies.*
  - *Development of a website ([www.apec-trta.org](http://www.apec-trta.org)) that provides easy access to all information contained in the matrices.*

**IMPROVE THE E-IAP WEBSITE**

- **To provide links from major regional business sites as well as business groups within each member economy to the e-IAP website**
  - *Plans are underway to undertake work to integrate the BizAPEC and e-IAP websites to enhance business access to IAP information. Meanwhile, a link has been provided for in the homepage of the BizAPEC.com website to the e-IAP website.*
- **To register a more user-friendly domain name for the e-IAP website to enable easy location by internet search engines**
  - *A new domain name for the e-IAP website has been established: [www.apec-iap.org](http://www.apec-iap.org)*
  - *Since its launch as a beta site in November 2000, the e-IAP website has been further improved and refined to make the IAP preparation process easier for coordinators, to enhance the user friendliness of the system and to improve business access to the IAP information contained in the system.*
- **Provide a mechanism for business feedback on the e-IAP website, enabling visitors to comment on information contained in the IAPs**
  - *An email link to the APEC Secretariat is provided in the e-IAP website for users to provide general feedback on the e-IAP system.*
  - *A separate contact database system has been developed within the e-IAP system to enable regular updating of contact information/details for persons or agencies responsible for particular IAP chapter/sub-chapter.*
- **Provide links to government websites in APEC economies for more access to information on policies and steps taken to achieve the Bogor goals**
  - *Extensive improvements to the IAP reporting system have been implemented with the introduction of the 2001 IAP Format Guidelines and the e-IAP system.*
  - *In the preparation of IAPs for the e-IAP system, member economies are encouraged to provide relevant website links/cross-references which would direct readers to key pieces of legislation, policy documents, government agencies or private organizations as well as contact points for specific subject areas within an IAP chapter.*
  - *Updated and expanded links in the MAG website, and initiated an e-newsletter for distribution to business groups in the region.*

### 3. Support for Multilateral Trading System

CTI and its sub-fora remained proactive in undertaking activities that help APEC play a continuously positive and leading role in the multilateral trading system. CTI, as tasked by SOM, also discussed how APEC could contribute to the WTO in support of the DDA. Several ideas were considered, including (i) accelerated realization of the objectives of the APEC Strategic Plan on WTO-related Capacity Building; (ii) further enhancement of understanding and confidence-building on the Singapore issues; and (iii) recommending language on the need to meet the various scheduled deadlines in the DDA so as to conclude WTO negotiations by 2005. Box 4 presents some of the highlights of CTI's work in support of the WTO.

Box 4

CTI Work in Support of the WTO

#### Sub-forum

#### *Activities Undertaken in Support of the WTO*

##### **MAG**

- *Deepened consultative process with other international fora such as WTO and OECD in order to advance work on tariff, NTMs and trade facilitation*
- *Encouraged members to provide up-to-date tariff and trade data as well as import regulations required as inputs to MAG homepage, the APEC TDB and the WTO IDB*

##### **GOS**

- *Conducted work on transparency and domestic regulation based on papers delivered by five experts*
- *Monitored the developments in the WTO negotiations on services with an aim to assisting the process where possible and appropriate*
- *Undertook information exchange and technical assistance to support GOS members' participation in WTO services negotiations*

##### **IEG**

- *Held a seminar on Bilateral/Regional Investment Rules and Agreements in Merida on 22-23 May 2002*

##### **SCSC**

- *Published the 2002 APEC Handbook on Notification Authorities and National Contact Points under the SPS and TBT Agreements of the WTO*
- *Held a seminar on SPS issues in the margins of SOM II*

##### **SCCP**

- *Maximized utilization of the Mechanism on the Implementation of Customs-related WTO Agreements to build capacity of customs administrations*
- *Held a seminar on the WTO Customs Valuation Agreement in Bangkok on 25-29 March 2002*
- *Held a regional seminar on Rules of Origin in Jakarta, Indonesia in June 2002.*

##### **IPEG**

- *Conducted an APEC IP Experts Capacity Building Program for TRIPS implementation from 25 February to 1 March in Hong Kong*
- *Deepened the consultative process on issues such as extension of geographical indications (GIs), multilateral notification and registration system, and access to medicines to help advance work under the DDA*

##### **CPDG**

- *Followed closely the discussions and advances on the relationship between trade and competition policy in the WTO*



## Sub-forum

### *Activities Undertaken in Support of the WTO*

#### **GPEG**

- *Compiled reports on the consistency of economies' GP systems with the non-binding principles of transparency with a view to forwarding them to the WTO Working Group on Transparency in Government Procurement*

#### **IEGBM**

- *Developed standards in temporary business entry processing, which are consistent with Mode 4 of the General Agreement on Trade in Services (GATS) (presence of natural persons)*
- *Progressed a capacity building strategy which uses standards to implement best practice in immigration, consistent with WTO guidelines*

#### **WTO Group**

- *Contributed to the WTO New Round through further progress in WTO-related capacity building activities stipulated in the DDA*
- *Compiled matrices describing the current status of WTO-related capacity building activities in the APEC and its on-line delivery [www.apec.trta.org](http://www.apec.trta.org)*
- *Included confidence-building in the Group's mission for better coordination of confidence-building activities*

CTI conducted a half-day TPD on the "DDA Mandate on the Relationship between Trade and Investment" as part of confidence-building exercise on the Singapore issues in the WTO DDA. Experts from WTO, World Bank and UNCTAD were invited to share their views at this session. Another TPD session to discuss the "DDA Mandate on the Relationship Between Trade and Competition Policy" is being scheduled for 2003. A TPD on trade facilitation is scheduled for 2003; and subject to further consultation with the TPT, one may also be scheduled in 2003 on air services. To enable confidence-building activities to be better coordinated, CTI also approved the inclusion of confidence-building in the mission of the WTO Group.

Recognizing that implementation of WTO-related capacity building activities should remain a priority area in APEC's agenda, CTI, through the WTO Group, continued to coordinate and oversee the implementation of the APEC Strategic Plan for WTO-related capacity building. In 2002, the WTO Group, under the co-chairmanship of Canada and Japan, met twice and made significant progress in advancing the objectives of the APEC Strategic Plan. These include:

- The development of 7 additional projects to assist developing economies in addressing concerns over certain aspects of the implementation of WTO agreements, bringing the total number of projects to 19. Box 5 lists the projects approved by the BMC;
- The compilation of a series of economy matrices describing all WTO-related capacity building programs offered by APEC economies to developing APEC economies; and
- The development and launch of a website ([www.apec-trta.org](http://www.apec-trta.org)) in June 2002 to house the matrices and provide easy access to all information contained in them. This on-line directory delivery of all capacity building activities in APEC takes APEC a step ahead of the WTO in this area.

With the expansion of its terms of reference to include confidence-building, the WTO Group will be widening and deepening the development of bilateral and regional confidence-building activities.

In 2002, the WTO Group also invited representatives of the WTO Secretariat to provide a briefing on the application of the DDA Global Trust Fund, the Coordinated WTO Secretariat Annual Technical Assistance Plan 2002 and 2003, and cooperation with other related international organizations. Representatives from the World Bank and Asian Development Bank were also invited to attend the WTO Group meetings to brief on trade-related capacity building activities that they were involved in as part of their lending activities.

## Project Title

### Description

#### **Facilitation of Developing Economies' Participation in OECD Workshop in Cooperation with APEC**

##### **– Development Dimension of Singapore Issues**

- *The project enabled developing economies to participate in an OECD Workshop on Singapore Issues held in Hong Kong on 19-20 June 2002. Participation in the seminar assisted developing economies in building confidence in these issues.*

#### **Coordination of APEC's Capacity Building Response to Doha**

*This project is comprised of two parts:*

- *Phase I: Development of an Internet-Based Co-ordination Tool for coordinating capacity building programs in the Asia-Pacific region. The APEC WTO Capacity Building Website was completed and launched in June 2002.*
- *Phase II: Organization of a workshop on WTO Capacity Building Coordination in the Asia-Pacific Region to publicize the new coordination tool to stakeholders.*

#### **Facilitation of Developing Economies Participation in a WTO (Non-Agricultural) Market Access Seminar**

- *The project enabled 13 officials from 9 developing economies to participate in a WTO Seminar on non-agricultural market access issues (tariffs and NTMs) held in Geneva on 29-31 May 2002.*

#### **SCCP Program to Improve Implementation of Customs-Related WTO Agreements**

- *This is Phase III of a multi-year project aimed at building the capacity of APEC Customs administrations that face difficulties in implementing customs-related WTO agreements. A regional workshop on the Customs Valuation Agreement and Post-Clearance Audit, and five national workshops on the Customs Valuation Agreement, TRIPS Agreement and Rules of Origin Agreement will be scheduled for 2003-2004.*

#### **APEC Seminar on WTO Trade Facilitation**

- *This project is to provide for a 1.5-2 day seminar for the purposes of (i) deepening/enhancing members' understanding of the issues to pave the way for possible negotiations, (ii) introducing the latest developments in global trade facilitation including input from the private sector and discussions on trade facilitation in the WTO and (iii) enhancing the APEC contribution to the WTO through strengthening of the multilateral trading system.*

#### **Forum on Trade and Investment (New WTO Issue)**

- *The proposal is for a symposium on trade and investment to find common understandings on the issue among stakeholders with different views. The symposium will invite both private and public sector representatives from developed and developing economies to discuss their needs and challenges for trade and investment rules, a new WTO issue.*

#### **APEC Seminar on WTO New Issue (Trade and Investment)**

- *The proposal is for a seminar on trade and investment, where both developed and developing economies will be invited to discuss their needs and challenges for trade and investment rules, a new WTO issue.*

## **4. A. Review of Collective Action Plan (CAP) Implementation**

CTI and its sub-fora drew up work plans to undertake a review of progress in implementing CAPs and to assess their effectiveness towards meeting the Bogor goals. The framework developed by the SCCP to evaluate their CAP was used as a reference.

## **B. Broadening and Updating of Osaka Action Agenda (OAA)**

In 2002, the CTI and its sub-fora updated the OAA to take into account changes and developments in trade and investment liberalization and facilitation, which had taken place since 1995, when the OAA was drafted. APEC Leaders applauded this work at their meeting in Shanghai and called for the OAA "... to be broadened to reflect the fundamental changes in the global economy since Osaka, such as the development of new economy including through the implementation of relevant aspects of e-APEC Strategy, and Strengthening the Functioning of Markets".

At its first meeting in 2002, the CTI responded to this by adopting an approach, which required all convenors to undertake a review of their activities or work programs and identify aspects of their activities/work programs that (i) were already corresponding to the developments in the new economy or strengthening the functioning of market issues and (ii) did not fit into the current structure of the OAA. In the course of this review CTI noted that some aspects of the new economy and strengthening the functioning of markets were not adequately covered in the existing chapters of the OAA. A number of additions to existing chapters were drafted to address these gaps. CTI also found that issues relating to economic legal infrastructure to strengthen the functioning of markets did not fit easily into existing OAA chapters and agreed to recommend a new chapter on Strengthening Economic Legal Infrastructure (SELI) for inclusion in OAA Part 1.

A consolidated text incorporating the agreed changes was presented to Ministers' for consideration.

## **C. Trade Facilitation**

CTI affirmed the importance of trade facilitation as a means of bringing real benefits to businesses and people. As a first step in response to the Leaders' call to identify concrete actions and measures to implement the APEC Trade Facilitation Principles, the CTI developed a reporting template for sub-fora to report on their implementation of the Trade Facilitation Principles. The template essentially requires the sub-fora to outline their general approaches to trade facilitation, strategies and means to advance trade facilitation with a view to improving the business environment in the Region, as well as identifying the direct beneficiaries of each work program. CTI sub-fora were also encouraged to adopt appropriate measures to evaluate the effectiveness of their work on trade facilitation and to ensure that they deliver concrete outcomes for businesses.

The returns showed that almost all CTI sub-fora had concentrated on ensuring the transparency of their respective trade and investment regimes and co-operating in capacity-building to implement trade facilitation measures. While these activities help strengthen APEC's ability to facilitate trade and investment, more tangible outcomes for business are needed. An assessment of the sub-fora returns is attached as Appendix IV.

Last year APEC Leaders agreed to reduce international trade transaction costs significantly (the goal being 5%) over the next five years (by 2006). Leaders instructed Ministers and officials to work closely with the private sector to achieve this objective. In May APEC economies reached agreement on a blueprint for implementing this initiative - the "Framework for APEC Trade Facilitation Action Plan". This Plan, including all sub-fora activities was endorsed by Ministers Responsible for Trade at their Meeting in Puerto Vallarta on 29-30 May 2002. A copy of this is attached as Appendix V. To achieve the 5% reduction in transaction costs, the Plan calls for individual economies, working groups working with their private sector to identify specific actions in four key areas viz movement of goods (i.e. customs), standards, business mobility, and e-commerce.

Under the Action Plan, individual economies in cooperation with their private sector were asked to submit specific "actions or measures" that economies could implement to reach the five percent threshold. At SOM III a preliminary list of these actions and measures was compiled from the submissions offered by individual economies. This, together with actions and measures initiated or in progress within CTI sub-fora on customs, standards and conformance, and business mobility, plus those from the Electronic Commerce Steering Group's (ECSG) activities provided the initial menu of options for trade facilitation actions and measures. Ministers and Leaders will be asked to approve APEC's work on trade facilitation at their Meeting in October 2002.

For the 2002 IAP reports, individual economies were tasked to highlight their trade facilitation actions and measures. For this purpose, an IAP template was developed by Hong Kong, China and approved for use by member economies commencing in 2003. Economies were however encouraged to use it for their 2002 IAP reporting if they are able to do so.

CTI also recognized the need for capacity building activities to be carried out throughout the program to facilitate the implementation of the Action Plan. A Workshop on implementing the APEC Trade Facilitation Principles, which was co-organized by Canada; Hong Kong, China; and Thailand, was held in Bangkok on 5-6 August 2002 to assist officials from developing economies in putting in place measures to implement the APEC Trade Facilitation Principles. A Project on "The Economic Impact of Trade Facilitation Measures: A Development Perspective in the Asia-Pacific", implemented jointly with the World Bank, was completed and the published report will be presented to Ministers and Leaders in Los Cabos.

## **D. Adoption of Appropriate Trade Policies for the New Economy**

CTI was tasked with undertaking the technical work needed to implement the Leaders' instruction to exchange trade policy information by mid-2002 and, on this basis, to develop targets for the adoption of appropriate trade policies in the new economy area by this year's Ministerial Meeting. To meet the Leaders' instruction, CTI developed a concise template in February for economies to use in exchanging trade policy information on the extent to which certain services, particularly related to the digital economy, had been liberalized, and on economies' adherence to tariff and intellectual property regimes. The template was approved intersessionally after the first CTI meeting and economies began to complete the templates thereafter.

By SOM III, 19 economies had completed their templates. This exchange of information enabled the identification of the current state of trade policies and practices in APEC economies that are particularly relevant to trade in the digital economy. It served as the basis for drawing up specific trade policy targets to promote a more open and liberal environment for digital trade to be conducted. These targets were considered at CTI3 and SOM III. Further work will be undertaken in advance of the concluding SOM Meeting this year for onward transmission of the results, per Leaders' instructions, to Ministers in October.

## **E. Adoption of Transparency Principles**

In recognizing the importance of transparency in economic governance, Leaders directed Ministers to pursue the implementation of APEC's agreed transparency principles, taking into account economies' specific circumstances and to report on the progress in 2002 and thereafter. CTI undertook the technical work necessary to draw APEC's transparency principles into a single document. This document was considered at CTI and SOM as well as by Ministers Responsible for Trade, who directed officials to deliver a set of transparency principles for adoption by Leaders in October. Work on the document continued intersessionally with a view to finalizing it in the lead up to the Leaders' meeting in Los Cabos.

## **F. Pathfinder Initiatives**

Like other APEC fora, CTI was tasked to identify possible Pathfinder Initiatives that will help APEC's progress towards the Bogor goals. In considering how the Committee and its sub-fora could contribute to the exercise, CTI noted that the Pathfinder Initiative itself is not a new concept and is consistent with APEC principles. The underlying principle is that it is an initiative that two or more economies are prepared to pioneer to demonstrate the substantive contribution that initiative can make towards achieving the Bogor goals. CTI also agreed that

the key was to identify activities that would bring about concrete outcomes and tangible benefits for business and invigorate progress towards the Bogor goals. Within the APEC scope of work to work towards achieving the Bogor goals, there are already many activities in varying stages of progress that could be described as Pathfinder Initiatives such as the MRAs in SCSC and the ABTC in the IEGBM.

CTI and its sub-fora reviewed their activities/work programs to identify those which could fall within the above parameters and meet APEC principles of voluntarism, comprehensiveness, consensus-based decision-making, flexibility, transparency, open regionalism and differentiated timetables for developed and developing economies. CTI agreed that the unilateral API System and adoption of the Revised Kyoto Convention provisions could be 'branded' as Pathfinder Initiatives and referred to SOM.

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

CTI continued to oversee the implementation of recommendations to improve the e-IAP system, launched in November 2000. Since the launch, several improvements have already been made to enhance the presentation, functionality and user friendliness of the system.

Following instructions from the Leaders and Ministers at their Meetings in Shanghai, China last year, action was taken to incorporate the following functionalities into the e-IAP website:

- (i) a new system to enable the regular updating of the e-IAP contact database;
- (ii) full formatting capability in the e-IAP reporting templates;
- (iii) hosting of the paperless trading IAPs; and
- (iv) hosting of reports from the IAP Peer Review Process

CTI will continue to work on improving the inter-linking between the BizAPEC and the e-IAP websites to enhance business access to the IAP information.

## **H. Strengthening the Functioning of Markets**

The implementation of the Cooperation Framework for Strengthening Economic Legal Infrastructure, APEC-OECD Cooperative Initiatives on Regulatory Reform and the APEC Principles to Enhance Competition and Regulatory Reform remained as the core of CTI's work on Strengthening the Functioning of Markets. The coordinating group led by Australia, Japan and Peru and comprising other interested economies continued to steer the implementation of the Cooperation Framework on Strengthening Economic Legal Infrastructure. Australia, Indonesia and Japan jointly organized the second APEC Symposium on Strengthening Economic Legal Infrastructure. The Symposium, which took place in Jakarta on 11-12 July 2002, concluded that strengthening economic legal infrastructure was essential to achieving sustained economic growth in the APEC region. They also recognized the legal needs of business before focusing on the difficulties of enforcing commercial and insolvency laws and on future cooperation between APEC economies.

Successful Australian-sponsored seminars on commercial laws were held in Viet Nam and the Philippines in April and June respectively. Such seminars demonstrated the potential APEC contribution to addressing gaps in regulatory and institutional reform. Japan conducted the "APEC Academic Conference on Competition Policy and Economic Development" in Beijing on 17-20 September. The conference was aimed at promoting the sound development of competition policy law and policy in the APEC region, by means of addressing specific substantive and procedural issues and problems confronted by competition agencies in APEC economies in light of the "APEC Principles to Enhance Competition and Regulatory Reform".

The Coordinating Group also implemented an APEC Training Program on Competition Policy jointly with the CPDG. The Program provided technical cooperation and assistance, and built capacity especially in developing economies by better utilizing the accumulated APEC knowledge and expertise on competition policy and regulatory reform. The first phase of this Program, jointly organized by Japan and Thailand, was held on 6-8 August in Bangkok. The second phase is scheduled to take place in Viet Nam next year.



The CPDG continued to oversee the work relating to the implementation of the APEC Principles to Enhance Competition and Regulatory Reform and the joint APEC-OECD Co-operative Initiative on Regulatory Reform. Under the joint APEC-OECD Co-operative Initiative, a series of related events (a conference and three workshops) focusing on an exchange of information on good regulatory practices and concepts built around the common agenda established by the APEC and OECD, was launched to cover two years, 2001 and 2002 (Phase 1). The opening Conference and the First Workshop were held in 2001. The second Workshop took place in Merida on 24-25 April 2002 to discuss the design and practical operation of Regulatory Impact Analysis as a necessary tool for sustaining regulatory reform; and the integration of market openness into the regulatory system as an important component of regulatory reform. The third and last Workshop under Phase 1 of the initiative was held in Cheju on 16-17 October 2002. This workshop focused on the role of transparency in regulatory reform and on the state and future regulatory reform in key economic sectors. The CPDG also agreed to embark on Phase 2 of the Initiative for 2003-4.

In order to promote a better understanding and implementation of the APEC Principles to Enhance Competition and Regulatory Reform, as well as a better enforcement of existing laws and regulations, a training program was developed by CPDG. Under this overall training program, Mexico conducted three seminars on economic competition in APEC economies, covering developments in the regulated sectors of electricity, transportation and telecommunications. A seminar on the fourth sector of financial services is scheduled for February 2003.

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

CTI continued to oversee the overall implementation of the various EVSL initiatives with much of actual work undertaken being captured in the mainstream activities of CTI and its sub-fora. MAG, as the designated focal point for organizing the NTM work, continued to maintain a dialogue with other APEC fora on the NTM aspects of their work programs. GOS has included as part of its CAP support to the services element of ongoing EVSL Initiatives, while one initiative on energy services is coordinated by the EWG. GOS also agreed to undertake a project in 2003 to study the impact on APEC economies of measures to liberalize and facilitate trade in environmental services. In the area of standards, the SCSC undertook an information sharing exchange with the Chairs of the Automotive and Chemical Dialogues and the lead economy for the medical equipment and instruments initiative.

Further progress was made in the implementation of the ECOTECH projects formulated to support the various sectoral initiatives. All ECOTECH projects approved in 1999/2000 have been completed, the last of which was done in November 2001 -- a two-day furniture symposium with the theme "Breakthroughs in the Furniture Trade of APEC developing Economies in the Global Market" held in Manila on 26-27 November 2001. Of the two TILF ECOTECH projects approved for implementation beginning 2002, the second Seminar on Government Regulators: Harmonization of Medical Equipment Regulation was held in Singapore on 17-18 May 2002. Preparatory work on the second project, Adoption of Quality Management Systems in Auto Parts and Components Industry, has commenced.

The Automotive Dialogue and the newly launched Chemical Dialogue are public-private sector dialogues recognized as important for improving the mutual understanding of key imperatives for the development of future policy and for enhancing the competitiveness of the relevant industries. The 4th Automotive Dialogue held in Singapore on 17-19 April attracted more than 150 participants from industry and government. Following the agreement reached in its Bangkok meeting last year, the Dialogue has been re-organized into six working groups (customs, technical regulatory harmonization, environment, information technology, ECOTECH and market access) to progress the substantive work program it had put in place since its inception. The Dialogue endorsed the revised Principles of Automotive Technical Regulation Harmonization. The Principles document was sent to all APEC Trade and Transportation Ministers with a recommendation that their economies use the principles to guide their harmonization and regulatory programs. In affirming the importance of improving members' understanding of WTO laws and processes, the Dialogue approved a letter sent by the Dialogue Chair to the Director-General of the WTO expressing the Dialogue's interest in the new round and its possible contributions to it.

The 1st APEC Chemical Dialogue was held in Merida on 22-23 May, attended by approximately 50 participants from industry and government. The Dialogue agreed to adopt and implement, on a voluntary basis, the Globally Harmonized System on Hazard Classification and Labeling



of Chemicals and Safety Data Sheets as soon as feasible after its adoption by the United Nations in 2002, as a contribution to APEC trade facilitation work. As a next step, the Steering Group for the Dialogue will develop an implementation plan that includes a significant capacity building element through education and training programs and pilot projects. The Steering Group also agreed that the Chemical Dialogue should respond to an issue that could severely impact trade between member economies of the APEC region and the EU. The EU is currently drafting regulations to put to the Council of Ministers and the European Parliament in the fall that reflect the policies for the regulation of chemicals and downstream products (all manufactured products) contained in the EU White Paper: Strategy for a Future Chemicals Policy. Senior officials endorsed the letter by the Chemical Dialogue to relevant EU commissioners to request that APEC members be given the opportunity and adequate time to comment on this draft regulatory framework before it is submitted to the Council and the Parliament.

## **J. Cooperation with Observers**

### **1. Pacific Economic Cooperation Council (PECC)**

The CTI continues to have a close working relationship with PECC, especially through PECC's Trade Forum. PECC's work program underwent a substantial restructuring in 2001 in order to focus on delivery of key outcomes for its constituents. The Trade Forum is especially active in a number of sub-fora; MAG, GOS, IEG and CPDG.

The Trade Forum's work on trade issues focuses on two key issues which PECC believes are vital to achieving the Bogor goals: the contribution that APEC can make to the DDA and the proliferation of regional trading arrangements in the Pacific Rim.

PECC's contributions to APEC this year include: Phase III of the "Menu of Options for Voluntary Liberalization, Facilitation, and Promotion of Economic and Technical Cooperation in Services Trade and Investment", "A Review of Cross-border Mergers and Acquisitions in APEC" for the IEG, and contributions to a TPD on Trade Facilitation and NTMs for the MAG.

PECC believes that it is vital for the APEC region to make a substantive and coordinated contribution to the WTO process. APEC's principles approach, to which PECC has made substantive contributions, could help to resolve a number of the most difficult issues for the global trading system. The Trade Forum will be undertaking complementary work in trade facilitation to help APEC to achieve its goal of a 5% reduction in transactions costs, building on the existing body of knowledge in APEC. PECC also believes that the proliferation of regional trading arrangements needs to be addressed in a systematic way to ensure that these agreements are consistent with the APEC vision.

### **2. ASEAN Secretariat**

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

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

The Pacific Islands Forum has continued to convey information received on the Committee's developments to its members. This has supported the Forum members' efforts towards economic, trade and investment policy reforms, especially in relation to the region's economic integration process. Interactions have thus been beneficial and the Forum looks forward to the continuation of this collaborative relationship with CTI.

### III. Recommendations

#### It is recommended that Ministers:

- *Endorse* CTI's 2002 Annual Report and the revised/enhanced CAPs it contains;
  - *Welcome* the commendable TILF achievements in 2002 which appear in Appendix III (Matrix of 2002 TILF Deliverables);
  - *Endorse* the agreed changes to the OAA, including the incorporation of an additional chapter on Strengthening Economic Legal Infrastructure;
  - *Approve* the APEC Trade Facilitation Action Plan, the initial menu of concrete actions and measures to implement trade facilitation in APEC, and the reporting template for economies to highlight trade facilitation and achievements in their IAPs;
  - *Approve* the unilateral Advance Passenger Information Systems (API) and adoption of the Revised Kyoto Convention provisions as pathfinder initiatives;
  - *Agree* that, in carrying forward the CTI's work, a major focus should continue to be the implementation and progressive improvements of CAPs, as envisaged in the OAA;
- **Note:**
- progress achieved in the implementation of the APEC Trade Facilitation Principles, which appears in Appendix IV;
  - work on transparency and domestic regulations under Phase III of the Development of the Menu of Options for Voluntary Liberalization, Facilitation and Promotion of ECOTECH in Services Trade and Investment;
  - the agreed text for inclusion in the 2002 APEC Ministerial Statement to provide impetus to the IEG review of economies' progress in implementing the menu of options;
  - progress achieved in the respective Automotive and Chemical dialogues;
  - development of seven further TILF projects under the APEC Strategic Plan on Capacity Building Related to Implementation of WTO Agreements;
  - compilation of matrices describing the current status of WTO-related capacity building activities in APEC;
  - the launch of an APEC-WTO Capacity Building website ([www.apec-trta.org](http://www.apec-trta.org)) to house and provide easy access to the information contained in the matrices on WTO-related capacity building activities in APEC;
  - execution of confidence-building activities in support of the WTO DDA in the form of TPD sessions, seminars and symposiums;
  - the exercise undertaken to exchange of trade policy information on the new economy;
  - completion and publication of a report on "Economic Impact of Trade Facilitation Measures: A Development Perspective in the Asia-Pacific" to assess the benefits of trade facilitation in APEC and identify capacity building projects in the most beneficial areas;
  - work undertaken to draw all APEC's agreed transparency principles into a single document to enable reporting on their implementation;
  - commencement of a review of progress in implementing CAPs and assessment of their effectiveness in meeting the Bogor goals.
- *Direct* CTI, in executing its 2003 work program, to give priority to:
- producing tangible deliverables in CAPs that are directly relevant to the business sector and that can bring credible outcomes on trade in the region;
  - selecting actions and measures from the Menu of Concrete Trade Facilitation Actions and Measures to implement collectively, individually or through a Pathfinder Approach;
  - completing the review of CAP implementation;
  - developing further the APEC Strategic Plan with emphasis on confidence and capacity building activities in support of the WTO DDA;
  - reviewing reporting requirements in TILF areas.

## **APPENDIX I**

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# **CONVENORS' SUMMARY REPORTS AND COLLECTIVE ACTION PLANS**



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

### **1. Introduction**

The Market Access Group was established by the Committee on Trade and Investment at its meeting in St John's Canada in August 1997. Its role was to coordinate and undertake work on Tariffs and Non-Tariff Measures (NTMs), which includes developing Collective Action Plans (CAPs) and collating NTMs work notified in the various early voluntary sectoral liberalisation. Since its inception, MAG has had 12 meetings with the last one held on 14–15 August 2002 in Acapulco, Mexico. Mr Arnold Jorge, Department of Foreign Affairs and Trade, Australia, became convenor of the MAG at the beginning of 2002.

With the new round of WTO negotiations launched at Doha, Qatar, in 2001, MAG has focussed its efforts this year on concrete measures to assist preparations for the round such as providing up-to-date data to the WTO IDB, and on increasing business awareness of APEC efforts to improve market access, including highlighting efforts of trade facilitation in the region. The year also provided an opportunity for MAG to build its knowledge-base through a trade policy dialogue on NTMs and trade facilitation work undertaken elsewhere, including in the WTO and OECD, and a trade policy dialogue on member's individual approaches to domestic consultations on WTO issues. MAG has launched a report on *Realising the Benefits of Trade Facilitation* and restarted efforts on NTMs.

### **2. 2002 Highlights of Collective Actions Achieved**

- Members reported updating of their data on the APEC Tariff Database (TDB).
- Preliminary steps taken to improve administration/management of the APEC TDB – the APEC TDB can now be updated at any time: two working days for complete upload after members provide their updated data.
- Members updated links in the MAG website, and initiated discussions with the APEC Secretariat to improve the MAG website. A number of documents have been nominated for uploading/posting on the MAG website.
- Members reported provision of new data to the WTO IDB.
- Conducted a Trade Policy Dialogue in MAG II (19-20 May 2002 in Merida, Mexico), in which WTO, OECD and PECC representatives delivered presentations on NTMs, the WTO IDB and trade facilitation.
- Member economies, including the MAG convenor, participated in the *WTO Seminar on Market Access* held on 29-31 May 2002 in Geneva, Switzerland.
- Conducted a Trade Policy Dialogue in MAG III (14 August 2002 in Acapulco, Mexico), in which a number of economies shared experiences on their respective domestic consultation processes on WTO and WTO related issues.
- Members restarted work on NTMs, including preparing for an NTMs workshop to be held in Thailand in 2003, and considered proposals for a central reference document/database for NTMS (including those already identified by other APEC subfora/working groups).
- Members agreed to continue to hold dialogue with other international fora such as the WTO, OECD and PECC, and APEC subfora/working groups including the Chemical and Automotive Dialogues and SME Working Group.

- Published and disseminated the report *Realising the Benefits of Trade Facilitation*, which presented quantifiable evidence of the benefits of regulatory and administrative reforms undertaken to date in the region.
- Began work on an electronic newsletter, to be distributed twice a year, to inform APEC businesses and the wider community of the liberalisation and trade facilitation work being undertaken by the Group.

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

As trade facilitation is now a fundamental part of MAG's activities, specific reference to trade facilitation has been added to its Collective Action Plan. The new collective action for immediate inclusion in MAG's CAP is to: "pursue a series of seminars/policy discussions on trade facilitation".

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

MAG's ongoing work on tariffs and NTMs and trade facilitation remains focused on business concerns, in particular improving market access. The development and refinement of the MAG website and APEC Tariff Database are designed to provide business with comprehensive, up-to-date and accurate information on tariffs and trade regulations.

On 20 May 2002, MAG conducted a Trade Policy Dialogue on NTMs and Trade Facilitation at which officials from the OECD, PECC and the WTO participated. The exchange of information was useful in increasing awareness of efforts elsewhere, in helping progress debate on NTMs and trade facilitation within APEC, and in identifying capacity-building gaps that APEC could possibly address.

This was complemented by the participation of APEC member representatives, including the MAG Convenor, in the *WTO Seminar on Market Access* held on 29-31 May 2002 in Geneva, and by the trade policy dialogue on member's individual approaches to domestic consultations on WTO issues held in MAG III on 14 August 2002. These provided members with insight on the preparatory process for the new round of WTO negotiations.



### Tariffs and Non-Tariff Measures 2002 Collective Action Plan (CAP)

OAA Objectives	Action	Time Frame
<p>CAP Item: <b>Tariffs</b></p> <p>(a) Participate and ensure the expeditious supply and updates of the WTO Integrated Database and any other APEC databases.</p>	<p>Individual: Submit current data, and any other information which is collectively agreed to be required to implement suggested enhancements by users of the APEC Tariff Database (TDB), to the TDB Manager.</p> <p>Individual: Provide regular updates of tariff information as changes occur, and provide annual updates of trade and other agreed data to the APEC database. To support the WTO, provide tariff and trade data annually in accordance with WTO obligations. Non-WTO members may provide the information as a voluntary measure.</p> <p>Collective: Co-ordinate with SCCP to continuously review existing functions and explore new enhancements with the TDB Manager/other service providers to ensure continuous development and maintenance of the TDB.</p> <p>Collective: Continuously review and improve upon the format for the tariffs chapter of the IAP for use as the electronic-IAP template for reporting progress on liberalisation in tariffs by member economies.</p> <p>Collective: Review the Terms of Reference of the MAG in tariffs area with a view to providing clearer guidance on the roles and functions of the group.</p>	<p>On-going (A number of members reported updating their data on the TDB)</p> <p>On-going (Members reported provision of new data to the WTO IDB)</p> <p>On-going (The MAG Convenor wrote to the SCCP Convenor on the provision of up-to-date data on the TDB, and discussed potential improvements to the TDB with FedEx (Administrator of the TDB)).</p> <p>(The APEC TDB can now be updated at any time – allow 2 working days for complete upload after members make the request.)</p> <p>On-going</p> <p>Completed in 2001</p>

OAA Objectives	Action	Time Frame
(b) Arrange for seminars and/or workshops on industrial tariffs negotiations in consultation with international organisations, where appropriate, including WTO Secretariat on WTO IDB.	Collective: Organise periodically seminars on the WTO IDB with a view to providing capacity-building for member economies in preparatory work towards future tariff negotiations.	On-going (Conducted a Trade Policy Dialogue in MAGII, in which WTO, OECD and PECC representatives delivered presentations on NTMs, the WTO IDB and trade facilitation. A Trade Policy Dialogue on Best Practice in Domestic WTO Consultations was held at MAG III, with presentations from Canada; Papua New Guinea; the United States; Australia; Mexico; and Hong Kong, China.)
(c) Study lessons from modalities for tariff reduction and elimination in sub-regional arrangements.	Collective: Undertake study in the tariff area with respect to trade data and tariff information, including issues of particular interest to developing member economies, with a view to building capacity to participate in the WTO negotiations.	On-going
CAP Item: <b>Non-Tariff Measures</b>  (a) Pursue incorporation of information on non-tariff measures into a future version of the APEC tariff database and compile a list of measures recognised as non-tariff impediments and a list of products affected by these impediments.	Collective: Exchange through the CTI, and where possible make available electronically (e.g. through the APEC Secretariat Homepage), information on NTMs utilising existing WTO formats as a reference.  Collective: Examine how information on NTMs can be made available on electronic or other platforms for sharing and exchange, so as to help businesses to better understand member economies' trade regimes/practices.	On-going  On-going (At MAG III, members discussed building on past work on NTMs. Members considered proposals for updating any existing reference documents on NTMs that may have been previously prepared by other APEC subfora/ working groups.)

OAA Objectives	Action	Time Frame
<p>(b) Develop a list of trade regulations and associated administrative arrangements with the potential to affect trade patterns.</p>	<p>Collective: Develop improved format on NTMs chapter of the IAP for use as the electronic-IAP template to enhance transparency of NTMs and for reporting progress on their reduction.</p>	<p>On-going</p>
	<p>Collective: Further develop the MAG Homepage of links to websites of APEC member economies dealing with trade regulations and associated administrative arrangements as a resource to business and other economies.</p>	<p>On-going (Members updated links in the MAG website.) (Initiated discussions with the APEC Secretariat to improve MAG website.)</p>
	<p>Collective: Expand the MAG website by posting other appropriate MAG papers on the website.</p>	<p>On-going (A number of documents have been nominated for uploading/posting on the MAG website.)</p>
	<p>Collective: Review the Terms of Reference of the MAG in non-tariffs measures area with a view to providing guidance on the roles and functions of the group.</p>	<p>Completed Reviewed in 2001.</p>
	<p>Collective: Develop and update contents of the APEC database in association with other international organisations (e.g. WTO and UNCTAD)</p>	<p>On-going (Members considered proposals for updating any existing reference documents on NTMs that may have been previously prepared by other APEC subfora/ working groups.)</p>
	<p>Collective: Continuously review and improve upon the format for the non-tariff measures chapter of the IAP for use as the electronic-IAP template to enhance transparency of non-tariff measures and for reporting progress on their reduction.</p>	<p>On-going</p>

OAA Objectives	Action	Time Frame
<p>(c) Identify industries in which the progressive reduction of non-tariff measures may have positive impact on trade and on economic growth in Asia-Pacific region or for which there is regional industry support for early liberalisation.</p>	<p>Collective: Develop a framework and database for reporting progress on liberalisation in tariffs and NTMs, including product specific information about tariff peaks and tariff quotas.</p> <p>Collective: Follow the progress of the approved work program on NTMs in EVSL and consolidate the overall results of this work.</p>	<p>On-going (Members have agreed for PECC, who has undertaken work in this area, to present position papers on a regular basis to MAG.)</p> <p>On-going (Members considered proposals for a central reference document/database for NTMs, including those already identified by other APEC subfora/working groups.)</p>
<p>(d) Progressively reduce export subsidies with a view to abolishing them.</p> <p>(e) Elaborate the scope of NTMs affecting significant volume of trade in APEC economies.</p>	<p>Collective: Undertake a stock-take of work in the non-tariff measures area by various fora, including identifying types of non-tariff measures, with a view to intensifying work on reducing non-tariff measures.</p> <p>Collective: Maintain a dialogue with other APEC fora on aspects of their work program, which addresses NTMs.</p>	<p>On-going</p> <p>On-going (Preliminary discussions have been initiated with representatives from the Auto Dialogue.)</p> <p>(Representatives from other APEC subfora/working groups will be invited on a regular basis to help ensure cross-fertilisation of ideas.)</p>

OAA Objectives	Action	Time Frame
<p>(f) Abolish unjustifiable export prohibitions and restrictions and endeavour to refrain from taking any such new measures.</p>	<p>Collective: Exchange through the CTI, and where possible make available electronically (e.g. through the APEC Secretariat Homepage), information on all export subsidies, utilising existing WTO formats as a reference. As a starting point, individual economies could use their respective notifications to WTO under the Agreement on Subsidies and Countervailing Measures.</p> <p>Collective: Discuss further measures to enhance transparency in unjustifiable export prohibitions and restrictions, building on the exchange of information among APEC members and consider other APEC collective actions which are appropriate and possible.</p> <p>Collective: Develop approaches leading to the progressive reduction of export subsidies by members, with a view to abolishing them in support of WTO agreements.</p>	<p>On-going</p> <p>On-going (2001 – 2005)</p> <p>On-going (2001 – 2010/2020)</p>
<p>(g) Pursue a series of seminars/policy discussions on non-tariff measures (NTMs)</p> <p>(h) Discuss how NTMs might be implemented in a manner which does not distort trade flows</p>	<p>Collective: Undertake a series of policy discussions on NTMs with a view to exploring issues surrounding their progressive reduction, and devising practical options for their progressive reduction on a voluntary basis.</p>	<p>On-going (A MAG TPD was held as part of MAG II 2002 on market access issues including NTMs.) (The US and Australia initiated an NTMs and Trade Facilitation workshop to be held in Thailand in 2003. The workshop will assist members to better understand the nature of NTMs and their impact on trade of goods and services, which may assist individual economies set appropriate policies on NTMS, and prepare for the new round of WTO negotiations.)</p>
<p>(i) Undertake a series of policy discussions on NTMs with a view to exploring issues surrounding their progressive reduction, and devising practical options for their progressive reduction on a voluntary basis.</p>		<p>On-going</p>

OAA Objectives	Action	Time Frame
<p>(j) Undertake research to develop best practices to enhance transparency and progressively reduce NTMs.</p> <p>(k) Undertake research and provide a basis for policy discussions on trade regulations and administrative arrangements that focus on procedural elements of trade processes in collaboration with other APEC fora</p>	<p>Collective: Undertake research on “best practices” trade regulations and administrative arrangements that focus on procedural elements of trade processes.</p>	<p>On-going (Australia; Canada; Hong Kong, China; Mexico; Papua New Guinea; and the United States shared experiences on their respective domestic consultation processes on WTO and WTO related issues as part of a TPD held at MAG III.)</p>
<p>(l) Pursue a series of seminars/policy discussions on trade facilitation</p>	<p>Collective: Undertake a series of policy discussions on trade facilitation with a view to encouraging members to continue reforms and reduce trade related transaction costs.</p>	<p>On-going (Held a TPD at MAG II on NTMs and trade facilitation, provided members with insight on the work of the WTO, OECD and PECC in these areas, and an opportunity to consider gaps that APEC might fill.)</p> <p>(At the APEC Joint Ministerial Meeting in October 2002, MAG launched a follow-on report to <i>Breaking Down the Barriers</i> that presents quantifiable evidence of the benefits of regulatory and administrative reforms to date. The report encourages continuing reforms and contribute to APEC’s goal of reducing trade related transaction costs by 5% in five years time. Analysis focussed on both “at the border” and “behind the border” measures.)</p>



## CONVENOR'S SUMMARY REPORT ON SERVICES

### 1. Introduction

The Group on Services (GOS) was established by the CTI as an informal subgroup in 1997 to address the TILF tasks in the area of services as mandated in the *Osaka Action Agenda* and instructed by Leaders, Ministers, SOM and CTI. Since 1997, the GOS has held 19 meetings, with the last one being held in Acapulco, Mexico on the 13–15 August 2002. The current Convenor of the GOS is Mr. Jose F. Poblano, Director General for Negotiation of Services at the Ministry of the Economy, Mexico.

In addition to the continuous progress on various CAP items, including information gathering and analysis, experience sharing and transparency, in 2002 the GOS carried out several activities towards the completion of Phase III of the “Menu of Options for Voluntary Liberalization, Facilitation and Promotion of Economic and Technical Cooperation in Service Trade and Investment”, which presents an organized framework for GOS’ future work and also provides concrete elements for individual member economies to adopt for advancing of their services work. This effort will be continued during 2003, with the objective of completing the Menu of Options Phase III.

For 2003, the GOS will continue contributing, where possible and appropriate, to the WTO’s work on services, particularly the on-going negotiation.

### 2. Collective Actions Achieved

- Carried out of activities towards the completion Phase III of the “Menu of Options for Voluntary Liberalization, Facilitation and Promotion of Economic and Technical Cooperation in Service Trade and Investment.” (Please see Annex)
- Monitored the development of the WTO negotiation on services with an aim to assist the process where possible and appropriate.
- Promoted the completion and use of service chapter template of the e-IAP for services IAP reporting.
- Improved the communication among the services experts from specific sectors (i.e. Energy, Telecommunications and Transportation) of all APEC economies by creating a data base of experts on services trade negotiations.
- Built up APEC support for WTO’s work/negotiations on services trade, through information exchange and technical assistance, to support GOS Members’ preparations for successful participation in WTO services negotiations.
- Held a “Seminar on Seaport Infrastructure Services” wherein the private and public sectors built up the partnership between relevant authorities and private sector of APEC economies.

### 3. New Collective Actions Agreed

- Undertake the study on impacts of trade liberalization and facilitation of environmental services on APEC economies.
- Completion of Phase III of the Menu of Options for Voluntary Liberalization , Facilitation and Promotion of Economic and Technical Cooperation in Service Trade and Investment
- Carry out the study on the Costs and Benefits of Services Trade Liberalization.

- Complete the database on Service Experts.
- Continue the ongoing work under existing CAPs, including to improve the understanding of the impact of the liberalization of services trade by voluntary experience sharing among member economies.
- Promote the completion and use of service chapter template of the e-IAPs for services IAP reporting.
- Build up APEC support for WTO's work/negotiations on services trade, through information exchange and technical assistance, to support GOS Members' preparations for successful participation in WTO services negotiations.

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

**The GOS Menu of Options** has served to better organize the GOS' current and future work and to facilitate more efficient operation of the GOS. It can also facilitate the IAP process for it will provide concrete elements for individual member economies to adopt based on the need of each economy, in advancing their work on the three-pillars for services trade and investment.

The above collective actions add "APEC value" to the WTO services work for implementation to complement on-going WTO services negotiations and to increase APEC Members capacity to participate fully in the WTO process.

#### **5. 2002 Highlights**

- Two workshops within the Phase III of the development of the Menu of Options for Voluntary Liberalization, Facilitation and Promotion of Economic and Technical Cooperation in Service Trade and Investment.
- Improvement in the communication among services experts across APEC economies.
- Enhancement of private sector participation on GOS activities with the "Seminar on Seaport Infrastructure Services" in order to identify possible policies, procedures and measures towards the enhancement of trade flows in the APEC region.

## ANNEX

### Accomplishments of the GOS in carrying out work on Phase III of the Menu of Options during 2002: Background papers and presentations

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

- i) *What Constitutes Good Regulation for Services*, by Peter Mumford
- ii) *Transparency in Regulation of Services*, by Sherry Stephenson and Soonhwa Yi;
- iii) *Issues in Domestic Regulations of Services: Horizontal vs. Sectoral Disciplines*, by Alexandra Sidorenko and Christopher Findlay;
- iv) *Deepening Sectoral Disciplines for Services Regulation*, by Geza Feketekuty;
- v) *The 'Necessity Test' in Domestic Services Regulation*, by Joel Trachtman;

Additionally, three presentations were made to the GOS in 2002 for the purpose of the practical exercises carried out during two workshops on "Towards Improving Regulation in the Services Sector". These presentations are the following:

- i) Presentation on *Good Regulatory Practices for Energy Services* by Michele Foss
- ii) Presentation on *Regulatory Impact Analysis for Service* by Peter Mumford
- iii) Presentation *Improving Capacity for carrying out an enforcing Regulatory Impact Analysis* by Ali Haddou

In 2003, the GOS will complete Phase III of the Menu of Options by carrying out a substantive discussion of the issues contained in these papers and presentations, and in the document prepared by the PECC entitled ***Towards Improving The Understanding And Application Of Services Regulation***, with the objective of preparing conclusions that represent GOS' members understanding of these issues.

## SERVICES 2002 COLLECTIVE ACTION PLAN

<b>All Sectors other than Energy, Telecommunications, Tourism, and Transportation</b>			
<b>Collective Action</b>	<b>Steps to Implement</b>	<b>Time Frame</b>	<b>Last implemented actions</b>
<p>I. Develop and Implement the Menu of Options for Voluntary Liberalization, Facilitation and Promotion of ECOTECH in Service Trade and Investment</p> <p>a. Review and exchange information on all trade and investment in services arrangements within APEC and study common elements.</p> <p>b. Gather and analyze information on the services section contained within the Individual Action Plans.</p> <p>c. Identification of measures affecting trade and investment in all service sectors.</p>	<p>Develop the Menu of Options.</p> <p>Promote the use of developed template for service IAP reporting.</p> <p>Develop the Menu of Options.</p> <p>Member economies to volunteer papers and studies in this area and consider cases of "best practices."</p> <p>Develop the Menu of Options.</p> <p>Implement the Policy Framework.</p>	<p>Ongoing (2000 – 2003)</p> <p>Ongoing</p> <p>Ongoing (2000-2002)</p> <p>Ongoing</p> <p>Ongoing (2000-2002).</p> <p>Ongoing.</p>	<p>A workshop called "Towards Improving Regulation in the Service Sector" took place as a part of Phase III of the Menu of Options</p>
<p>d. Study and carry out work concerning the development and adoption of common professional standards, in conjunction with professional accreditation bodies and needed legislative measures.</p>	<p>Discussion of possible actions on means to facilitate the provision of professional services in all member economies.</p>	<p>Ongoing.</p>	

<b>All Sectors other than Energy, Telecommunications, Tourism, and Transportation</b>			
<b>Collective Action</b>	<b>Steps to Implement</b>	<b>Time Frame</b>	<b>Last implemented actions</b>
e. Enhance transparency in service sectors	Member economies to present cases of their experiences on a voluntary basis aiming to generate momentum for services liberalization in light of perceived benefit of such process.  Develop the Menu of Options.	Ongoing.  Ongoing	
f. Continue discussion of issues related to possible APEC principles or guidelines that may be necessary to achieve free and open trade and investment in this area	Develop the Menu of Options	Ongoing	
II. Compile information on services trade statistics		Ongoing	
	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  Studies on the costs and benefits of services trade liberalization	Ongoing  Ongoing. Project Proposal approved at BMC II – 2001	The project overseer submitted a progress report to BMC 2
IV. Pursuant to SOM instructions, GOS will provide support to the ongoing EVSL initiatives	Continue monitoring the progress of WTO work in this area and provide assistance where the need arises.	Ongoing	
V. Where appropriate and possible to the WTO's work on services, including through:  i) identification of APEC services related work projects as inputs to consideration of services trade issues by the WTO Council for Trade in Services and its subsidiary bodies;	Monitor WTO work through Watch Group  Monitor the WTO work on environmental services  Case studies and best practice in innovation in services to help build capacity in developing economies	Ongoing  Ongoing  Ongoing	

<b>All Sectors other than Energy, Telecommunications, Tourism, and Transportation</b>			
<b>Collective Action</b>	<b>Steps to Implement</b>	<b>Time Frame</b>	<b>Last implemented actions</b>
and ii) information exchange and technical assistance, to support GOS Members' preparations for successful participation in WTO services negotiations	Project on Innovation in Service Industries including e-Commerce	Ongoing	Australia submitted the project to GOS members for comments.

Note: In addition to the above existing collective actions, and additional collective action was also undertaken in 2002.

### 1. The Seminar on Seaport Infrastructure Services

The self-funded project undertaken by Mexico was finalized at GOS III (Acapulco). The private and public sectors participated presenting its experiences, particularly, in loading and unloading of goods in seaports; levels of equipment and productivity in the handling of containers, bulks and loads in general, overhauls, delivery reception of the merchandise and inter-connection with different transportation modes.

## 2002 CONVENOR'S SUMMARY REPORT ON INVESTMENT

### 1. Introduction

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

### 2. Collective Actions Achieved

- Completed APEC Seminar on Venture Capital and Start-up Companies (Beijing, China; 10-12 December)
- Completed the 7<sup>th</sup> APEC Investment Symposium (Vladivostok, Russia; 4-7 September)
- Held successfully the 3<sup>rd</sup> APEC Investment Mart (Vladivostok, Russia; 9-12 September)
- Held successfully a Workshop on “Bilateral/Regional Investment Rules and Agreements” (Merida, Mexico; 17-18 May)
- Completed APEC Seminar on “Investment’s One Stop Shop” (Lima, Peru; 26-27 February)
- PECC representative presented a report on the Phase 1 Study on APEC Cross-border Mergers and Acquisitions
- Revised wording of the Osaka Action Agenda, Items (b) and (d) under Investment Guidelines
- Conducted a gender information session
- Outside expert presented his evaluations of the IEG’s performance
- Conducted Policy Discussion Forum on members’ investment regimes (Mexico, Philippines).

### 3. New Collective Actions Agreed

- Conduct a project proposal on Cross-border M&As: Case Studies of Korea, China and Hong Kong, China
- Conduct a study proposal on Venture capital investment in APEC economies
- Phase II of a Study on Cross-border M&As in APEC to be discussed
- Update the Menu of Options
- Update the Investment Guidebook
- Review and build upon the Investment chapter of the OAA Guidelines and Collective Actions on Investment

### 4. Benefit and Beneficiary

The collective actions will enhance transparency of APEC investment regimes, facilitate investment activities and promote investment liberalization. The activities also provide useful opportunities for the business/private sector, experts/academicians and government officials to exchange views on investment related issues, help enhance

better understanding of the aims and aspirations of member economies, identify means to improve the investment environment, and promote investment flows in the region.

## **5. 2002 Highlights**

- Completed APEC Seminar on Venture Capital and Start-up Companies (Beijing, China; 10–12 December)
- Completed the 7<sup>th</sup> APEC Investment Symposium (Vladivostok, Russia; 4–7 September)
- Held successfully the 3<sup>rd</sup> APEC Investment Mart (Vladivostok, Russia; 9–12 September)
- Held successfully a Workshop on “Bilateral/Regional Investment Rules and Agreements” (Merida, Mexico; 17–18 May)
- Completed APEC Seminar on “Investment’s One Stop Shop” (Lima, Peru; 26–27 February)
- Mr. Carlos Garcia Fernandez, Director-General of the Ministry of Economy in Mexico was nominated by the Group to become the next IEG Chair



## INVESTMENT 2002 COLLECTIVE ACTION PLAN

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

Action	Steps to Implement	Time Frame
	Collaboration with outside experts in conducting these studies.	Ongoing
F. Study possible common elements between existing subregional arrangements relevant to investment.	Review the investment provisions of current subregional arrangements .  Consider further study of possible relationships between these provisions in the future.	Ongoing  1999 onwards
<i>Medium-term</i> G. Refine APEC's understanding of free and open investment.	Assess evolving elements of global investment disciplines and policy debate with a view to reaching agreement on the endpoint objective for APEC investment liberalization.	Medium-term
<i>Long-term</i> H. Assess the merits of developing an APEC-wide discipline on investment in the light of APEC's own progress through the medium -term, as well as developments in other international fora.	To be determined in the light of progress with policy dialogue in the medium -term.	Long-term
I. Study the advantages and disadvantages of creating investment rules - bilateral, regional, or multilateral- with a view to fostering a more favorable investment environment in the Asia-Pacific region.	Hold a seminar on "Bilateral/Regional Investment Rules and Agreements"	Completed
<b>Facilitation</b> <i>Short-term and continuing</i> J. 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.  Hold the 7 <sup>th</sup> APEC Investment Symposium  Hold the 3 <sup>rd</sup> APEC Investment Mart  Hold the APEC Seminar on "Investment's One Stop Shop"	Ongoing  2002  2002  Completed
<b>Economic and Technical Cooperation</b> <i>Short-term</i> K. Identify ongoing technical cooperation needs in the Asia-Pacific region and organize training programs which will assist APEC economies in fulfilling APEC investment objectives.	Identify target areas for technical cooperation including 'best practice' policy/administrative frameworks.  Conduct training programs for officials related to investment:  ▪ Coordinate efforts with other relevant bodies involved in technical cooperation;  ▪ An annual exchange of experience program for	Ongoing    Ongoing  1999 onwards

Action	Steps to Implement	Time Frame
<p><b>Capacity Building Initiatives</b> L. Undertake new activities that contribute to capacity building.</p>	<p>APEC investment officials and private sector;</p> <p>Identify the elements of capacity building to strengthen the economies of APEC member economies and undertake the following activities:</p> <ul style="list-style-type: none"> <li>▪ Prepare for trade and investment liberalization: <ul style="list-style-type: none"> <li>- A study/studies on the impact of EVSL on investment;</li> <li>- Based on the findings of the study/studies, identify the challenges and the opportunities EVSL presents to local and foreign investors;</li> </ul> </li> </ul> <p>And</p> <ul style="list-style-type: none"> <li>- Identify and implement assistance/strategic measures so that member economies can build confidence and the capacity to sustain their development agenda for mutual benefit.</li> </ul> <p>Developing guidelines for the Workplan to create good investment climates in APEC member economies.</p>	<p>1999 onwards</p> <p>Ongoing</p>
<p><b>Menu of Options</b> M. Ongoing improvements to the Menu of Options.</p>	<p>Cross-reference between the IAPs and Menu of Options.</p> <p>Expand the Menu of Options by adding language regarding "Competition Policy and Regulatory Reform".</p>	<p>Ongoing</p> <p>Completed</p>

## CONVENOR'S SUMMARY REPORT ON STANDARDS AND CONFORMANCE

### Introduction

The APEC Sub-Committee on Standards and Conformance (SCSC) was established by the "Declaration on an APEC Standards and Conformance Framework" of November 1994.

The main objectives of the SCSC comprise the reduction of the negative effects on trade and investment flows in the region due to differing infrastructure and standards and conformance systems in the region.

The SCSC contribution to the APEC strategic goals of advancing trade and investment liberalization and facilitation is achieved by progressing four main areas of activity: Alignment with international standards, recognition of conformity assessment, technical infrastructure development and transparency.

In 2002, Mr. Héctor Márques Solís, Director General for International Trade Agreements of the Mexican Ministry of Economy was the SCSC Chair. The SCSC meetings were held as follows: First meeting 21-24 February in Mexico City, second meeting 16-20 May in Merida; and third meeting 11-16 August in Acapulco.

### 1. Collective Actions Achieved (please see 5 below for highlights)

- The SCSC agreed to the broadening and updating of the to the Standards and Conformance chapter of OAA and recommended this review to CTI.
- 4<sup>th</sup> APEC Conference on Standards and Conformance.
- 2<sup>nd</sup> APEC Conference on Good Regulatory Practice.
- The SCSC held the first Seminar on the Implementation of the WTO SPS Agreement with the participation of the WTO SPS Secretariat staff.
- The SCSC completed the following technical infrastructure development project for the implementation of the APEC Strategic Plan for WTO-related Capacity Building:
  - APEC/SCSC Training Programs on Standards and Conformity Assessment; and
  - APEC Resource Pack and Symposiums for Operation of National Point-of-Enquiry under the SPS and TBT Agreements under the WTO
- The SCSC endorsed and published the 2002 APEC Handbook on Notification Authorities and National Inquiry Points under the Technical Barriers to Trade and Sanitary and Phytosanitary Agreements of the World Trade Organisation and reported the Handbook to the WTO TBT and SPS Committees.
- The SCSC completed the following technical infrastructure development projects:
  - APEC Speakers' Bureau on Standard-Based Management Systems (joint project with HRDWG);
  - APMP Expert Training to Assist Participation in Global MRA in Measurement Standards;
  - Promoting Active Participation in the APEC-MRAs;
  - APLMF Training Project on Rice Moisture Measurement;
  - SCSC Workshop on Evaluation of Measurement Uncertainty;
  - Training on Testing and Calibration Laboratory Assessment;

- PAC Peer Evaluators Workshop
- The SCSC held two policy dialogues.
- Two Member Economies participating in Part II and Part III of the of the APEC Mutual Recognition Arrangement on Conformity Assessment of Electrical and Electronic Equipment.
- The SCSC advanced the process for the APEC Mutual Recognition Arrangement on Conformity Assessment of Electrical and Electronic Equipment in terms of improving its relevance to regulator and its administrative facilities.
- The SCSC advanced the review and improvement of 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.
- The SCSC hold the fourth seminar on good regulatory practice.
- The SCSC endorsed the Criteria for APEC TILF Funding of Project Proposals by Specialist Regional Bodies
- The SCSC endorsed the establishment of the Food Experts Network
- The SCSC agreed to incorporate the Food/Drug Interface in the Regional Directory of Food Trade Contact
- Implementation of the Work Program on Trade Facilitation in Information Technology Products

## **2. New Collective Actions Agreed**

- The SCSC to consider the possibility of expanding the TOR of TG 3 ad-hoc technical groups
- Member Economies to exchange information about performance-based regulations
- The SCSC asked the Working Group on Information Technology Management Systems for the APEC MRAs to liaise with interested parties and report back
- The SCSC to implement the following technical infrastructure development projects:
  - APEC/PASC Training Programmes on Adoption of International Standards
  - Survey of Accredited Calibration and Testing Laboratory Performance: APLAC Calibration and Testing Proficiency Testing Programs, 2003 – 2005
  - Training on Good Regulatory Practice
  - Symposium on Traceability in Legal Metrology
  - A Joint APMP-SIM Workshop Addressing the Implementation of Quality Systems in National Metrology Institutes
  - Training Program on ISO 14000 Series Product Oriented Standards: EL, LCA and DfE (2<sup>nd</sup> year)
  - WTO Compliance – Capacity Building Training in the Development of Food Standards (based on a risk management framework)
  - WTO Compliance – Capacity Building Training in the Safety Assessment of Genetically Modified (GM) Foods
- Member economies to support and actively participate in APEC Conferences on Good Regulatory Practice
- The SCSC to continue the identification of priority areas for technical infrastructure development programs

- Member Economies to complete food/drug interface regulatory profiles and continue to establish country pages.
- Member economies to pursue closer cooperation with the Specialist Regional Bodies (SRBs) in line with the: 1) Statement of Commitment to Mutually Agreed Objectives between the SCSC and the SRBs, and 2) the Criteria for APEC TILF Funding of Project Proposals by Specialist Regional Bodies
- The SCSC to continue seminar series to exchange information about the implementation of the WTO SPS Agreement
- 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
- The SCSC to hold Policy Dialogue sessions on standards and conformance and follow-up the policy implications arising from them
- The SCSC to consider the outcomes of the Food Experts Network
- The SCSC to suggest that the high level meetings in APEC should recognize the importance of participation in international measurement standards' activities from the aspect of trade facilitation.

### **3. Benefits and Beneficiary**

The main outcomes of SCSC activities provide benefits to business and consumers from reduced technical barriers to trade, lower transaction costs, time gains in placing products in markets, while ensuring better quality of products at competitive cost, consumer safety and market relevance to international standards.

### **4. 2002 Highlights**

Through its various work programs the SCSC continues to achieve sound progress in its main areas of activity which contributes to further develop open regionalism and market driven economic interdependence.

Progress in the SCSC trade facilitation agenda stimulates competition, thereby leading to efficiency gains.

## STANDARDS AND CONFORMANCE 2002 COLLECTIVE ACTION PLAN

OAA Objectives	Actions	Time frame
<b>1. Alignment</b>		
Align APEC economies' domestic standards with international standards.	<ul style="list-style-type: none"> <li>• Member economies to align their standards with international standards in the following priority areas: electrical and electronic appliances (air conditioners, televisions, refrigerators, radios and their parts and video apparatus); food labeling; rubber gloves and condoms; and machinery.</li> </ul>	1996 to 2000/2005
	<ul style="list-style-type: none"> <li>• Member economies to align their standards with international standards in the additional priority area of electrical and electronic equipment to include all electrical safety (IEC 60335) and relevant EMC (CISPR) standards.</li> </ul>	1998 to 2004/2008
	<ul style="list-style-type: none"> <li>• Member economies to align their standards with international standards in the additional priority area related to safety of information technology equipment (IEC 60950 standard).</li> </ul>	2000 to 2004/2008
	<ul style="list-style-type: none"> <li>• Member economies to align their standards with international standards in the additional priority areas related to standards and guides on conformity assessment and management systems.</li> </ul>	2000 to 2002/2005
	<ul style="list-style-type: none"> <li>• The SCSC to continue identifying additional priority areas for alignment with international standards.</li> </ul>	From 1997
	<ul style="list-style-type: none"> <li>• Member economies to actively participate in the standardization activities of international standardization bodies (ISO &amp; IEC) in the following priority sectors: building and construction and hazardous area equipment.</li> </ul>	From 1996
	<ul style="list-style-type: none"> <li>• Member economies to participate in ad-hoc technical groups, which work with PASC in developing coordinated regional input into the development of international standards in selected areas.</li> </ul>	From 1997
	<ul style="list-style-type: none"> <li>• The SCSC to consider the possibility of amending the TOR of TG 3.</li> </ul>	From 2002
	<ul style="list-style-type: none"> <li>• Member Economies to exchange information about performance-based regulations</li> </ul>	From 2002
	<ul style="list-style-type: none"> <li>• Member economies to promote the use of <i>the Principles and Features of Good Practice for Technical Regulation</i> to be used on a voluntary basis.</li> </ul>	From 2001
	<ul style="list-style-type: none"> <li>• Member economies to update and promote the use of <i>Information Notes on Good Practice for Technical Regulations</i>.</li> </ul>	From 2001
	<ul style="list-style-type: none"> <li>• The SCSC to continue to investigate means of enhancing regulatory practices in the APEC region through a program of case studies and seminars.</li> </ul>	From 2000
	<ul style="list-style-type: none"> <li>• The SCSC to conduct comprehensive reviews of their alignment work.</li> </ul>	2005
	<ul style="list-style-type: none"> <li>• Member economies to update each year the results in their respective alignment plans. These will be placed on the APEC Secretariat's homepage.</li> </ul>	From 1998
	<ul style="list-style-type: none"> <li>• Member economies to continue to report on the progress in aligning their standards with international standards</li> </ul>	From 1998
<b>2. Recognition of Conformity Assessment</b>		
Achieve recognition of conformity assessment including mutual recognition arrangements in regulated and voluntary sectors.	<p><b>Regulated sector:</b></p> <ul style="list-style-type: none"> <li>• Member economies to develop recognition arrangements of conformity assessment including bilateral, multi-sectoral, and plurilateral mutual recognition arrangements.</li> </ul>	From 1997

OAA Objectives	Actions	Time frame
	<ul style="list-style-type: none"> <li>• Member economies to consider participation in the Arrangement for the Exchange of Information on Toy Safety and encourage the involvement of their regulators.</li> <li>• Member economies to consider participation in the APEC Mutual Recognition Arrangement on Conformity Assessment of Foods and Food Products.</li> <li>• Member economies to consider participation in Part I of the APEC Mutual Recognition Arrangement on Conformity Assessment of Electrical and Electronic Equipment through providing information in the agreed common format.</li> <li>• Member economies to consider participation in further Parts of the MRA and encourage the involvement of their regulators.</li> <li>• Member economies to consider participation in the APEC Arrangement for the Exchange of Information on Food Recalls.</li> <li>• The SCSC to review the implementation and use of the mutual recognition arrangements.</li> <li>• The SCSC to continue to further consider additional priority areas for MRA in the regulated sector.</li> <li>• The SCSC to consider alternative mechanisms to facilitate the recognition of conformity assessment results.</li> <li>• The SCSC to review and improve the effectiveness of the APEC MRA on Conformity Assessment of Foods and Food Products; the Arrangement for the Exchange of Information on Toy Safety; the APEC Arrangement for the Exchange of Information on Food Recalls; and the APEC MRA on Conformity Assessment of Electrical and Electronic Equipment.</li> <li>• Member economies to implement the program on trade facilitation in information technology products which has been developed in collaboration with the Information Technology Industry Council (ITI).</li> <li>• Member economies to consider participation in a pilot of the DeclareNet.</li> <li>• The SCSC asked the Working Group on Information Technology Management Systems for the APEC MRAs to liaise with interested parties and report back</li> </ul> <p><b>Voluntary sector:</b></p> <ul style="list-style-type: none"> <li>• Member economies to enter into mutual recognition agreements (bilateral and multilateral) in cooperation with Specialist Regional Bodies, where applicable.</li> <li>• Member economies to encourage participation in APLAC-MRA ,PAC MLAs and CIPM Global MRA.</li> </ul>	<p>From 1996 (15 economies)</p> <p>From 1997 (7economies)</p> <p>From 2000 (14 economies in Part I)</p> <p>From 2000 (2 economies in Part II and Part III)</p> <p>From 1999 (2 economies)</p> <p>From 1998</p> <p>From 1997</p> <p>From 1999</p> <p>From 2001</p> <p>2000 to 2005/2008</p> <p>From 2001</p> <p>From 2002</p> <p>1996 to 2000/2005</p> <p>From 1998</p>
<b>3. Technical Infrastructure Development</b>		
Promote cooperation for technical infrastructure development to facilitate broad participation in mutual recognition arrangements in both regulated and voluntary sectors.	<ul style="list-style-type: none"> <li>• Member economies to identify specific requirements, assistance and/or activities for technical infrastructure development.</li> </ul>	From 1996
	<ul style="list-style-type: none"> <li>• Member economies to consider the provision of assistance for the improvement of other economies' technical infrastructure.</li> </ul>	From 1996



OAA Objectives	Actions	Time frame
	<ul style="list-style-type: none"> <li>• The SCSC to undertake the following technical infrastructure projects: <ul style="list-style-type: none"> <li>- APEC Speakers' Bureau on Standard-Based Management Systems (joint project with HRDWG);</li> <li>- APMP Expert Training to Assist Participation in Global MRA in Measurement Standards;</li> <li>- Promoting Active Participation in the APEC-MRAs;</li> <li>- APLMF Training Project on Rice Moisture Measurement;</li> <li>- SCSC Workshop on Evaluation of Measurement Uncertainty;</li> <li>- Multilateral Recognition Arrangement (MLA) Readiness Project in Product Certification;</li> <li>- Peer Review and Its Criteria of Quality System in National Metrology Institutes;</li> <li>- Training Program on ISO 14000 Series Product Oriented Standards: EL, LCA and DfE;</li> <li>- Training in Risk Assessment in Support of Food Safety Measures;</li> <li>- Training on Testing and Calibration Laboratory Assessment;</li> <li>- Training on Calibration of Rice Moisture Meters;</li> <li>- PAC Peer Evaluators Workshop;</li> <li>- APEC/PASC Training Programmes on Adoption of International Standards</li> <li>- Survey of Accredited Calibration and Testing Laboratory Performance: APLAC Calibration and Testing Proficiency Testing Programs, 2003 – 2005</li> <li>- Training on Good Regulatory Practice</li> <li>- Symposium on Traceability in Legal Metrology</li> <li>- A Joint APMP-SIM Workshop Addressing the Implementation of Quality Systems in National Metrology Institutes</li> <li>- Training Program on ISO 14000 Series Product Oriented Standards: EL, LCA and DfE (2<sup>nd</sup> year)</li> <li>- WTO Compliance – Capacity Building Training in the Development of Food Standards (based on a risk management framework)</li> <li>- WTO Compliance – Capacity Building Training in the Safety Assessment of Genetically Modified (GM) Foods</li> </ul> </li> <li>• The SCSC to conduct reviews of the Mid-Term Technical Infrastructure Development Program implementation.</li> <li>• The SCSC to revise the Mid-Term Technical Infrastructure Development Program.</li> <li>• Member economies to undertake activities from among those recommended in the revised Mid-Term Technical Infrastructure Development Program.</li> <li>• Member economies to strengthen participation in Specialist Regional Bodies activities.</li> <li>• Member economies to support and actively participate in APEC Conferences on Standards and Conformance.</li> <li>• Member economies to support and actively participate in APEC Conferences on Good Regulatory Practice.</li> <li>• The SCSC to compile member economies' regulatory profile and develop information and case studies on decision tree analysis for Food/Drug Interface policy development and regulation.</li> </ul>	<p>From 1999</p> <p><b>Completed 2001</b></p> <p><b>Completed 2001</b></p> <p>From 2001</p> <p>From 1996</p> <p>4<sup>th</sup> Conference August 2002 2<sup>nd</sup> Conference August 2002 From 2001</p>
	<ul style="list-style-type: none"> <li>• The SCSC to consider the outcomes of the Food Experts Network</li> </ul>	<p>From 2002</p>
	<ul style="list-style-type: none"> <li>• The SCSC to continue the identification of priority areas for technical infrastructure development programs</li> </ul>	<p>From 2002</p>

OAA Objectives	Actions	Time frame
	<ul style="list-style-type: none"> <li>• Member Economies to fill out their Country Page</li> </ul>	From 2002
<b>4. Transparency</b>		
Ensure the transparency of the standards and conformity assessment of APEC economies	<ul style="list-style-type: none"> <li>• Member economies to update the APEC Contact Points for Standards and Conformance Information, including member economies' participants in the Specialist Regional Bodies and member economies SCSC Contact Points. Member economies agreed that this information should be maintained on the APEC Secretariat's homepage.</li> <li>• Member economies to endeavor to establish Internet websites to disseminate standards and conformance information.</li> <li>• Member Economies to develop a database on conformity assessment operators and their activities/services offered and establish an APEC Cooperation Center for Conformity Assessment.</li> </ul>	<p>From 1997</p> <p>From 1997</p> <p>1999 to 2002</p>

<b>Cross-Cutting Activities</b>		
<b>5. Review of OAA Guidelines</b>		
	<ul style="list-style-type: none"> <li>The SCSC to recommend the revisions to the OAA and draft the IAP Template for the standards and conformance area.</li> </ul>	<b>Completed</b> 2000/2001
<b>6. Cooperation with Specialist Regional Bodies</b>		
	<ul style="list-style-type: none"> <li>Member economies to pursue closer cooperation with the Specialist Regional Bodies (SRBs) in line with the:               <ol style="list-style-type: none"> <li>Statement of Commitment to Mutually Agreed Objectives between the SCSC and the SRBs, and</li> <li>The Criteria for APEC TILF Funding of Project Proposals by Specialist Regional Bodies</li> </ol> </li> </ul>	From 2000
<b>7. Cooperation with International Bodies</b>		
	<ul style="list-style-type: none"> <li>The SCSC to monitor the developments within the WTO Committees on the TBT and SPS and discuss implementation issues.</li> <li>The SCSC to continue seminar series to exchange information about the implementation of the WTO SPS Agreement</li> <li>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</li> <li>The SCSC to undertake the following projects for the implementation of the APEC Strategic Plan for WTO-related Capacity Building:               <ul style="list-style-type: none"> <li>APEC/SCSC Training Programs on Standards and Conformity Assessment; and</li> <li>APEC Resource Pack and Symposiums for Operation of National Point-of-Enquiry under the SPS and TBT Agreements under the WTO; and</li> <li>APEC/WTO Capacity Building: SPS Implementation Program.</li> </ul> </li> <li>The SCSC to hold a dialogue with the European Commission on technical issues of mutual interest in the area of standards and conformance.</li> </ul>	Ongoing  From 2002  From 2002  From 2001  <b>Completed</b> February 2001
<b>8. Cooperation with Other APEC Fora</b>		
	<ul style="list-style-type: none"> <li>The SCSC to pursue better coordination with other APEC fora.</li> </ul>	From 2001
<b>9. Reform of SCSC</b>		
	<ul style="list-style-type: none"> <li>The SCSC to implement its reform through the rationalization of its agenda, priority setting exercise and better coordination with other groups</li> <li>The SCSC to hold Policy Dialogue sessions on standards and conformance and follow-up the policy implications arising from them</li> <li>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.</li> </ul>	From 2001  From 2002

## **CONVENOR'S SUMMARY REPORT ON CUSTOMS PROCEDURES**

### **1. Introduction**

The CTI Sub-Committee on Customs Procedures (SCCP) was established in 1994 in response to the APEC Ministers' priority of harmonizing and simplifying Customs procedures within the Asia-Pacific region, in order to facilitate trade among APEC economies. The 2002 SCCP Chair is Mr. Mauricio Mireles, Central Administrator of Customs Planning of the Mexican Administration General of Customs, who undertook this responsibility after the celebration of the First 2002 SCCP Meeting.

Since 1995, with the development of the SCCP's guiding principles and its Collective Action Plans (CAP) work program, which is supported by a comprehensive framework for technical assistance, much progress has been made to date. Initially, this same year 9 CAP's were developed, being expanded to 12 CAP items in 1997, to 13 items with the element of UN/EDIFACT being replaced by Paperless Trading in 2000. In 2001, one item was added to the SCCP work program by incorporating the Customs – Business Partnerships CAP. The SCCP's technical assistance framework comprises multi-year assistance programs which include training courses, workshops, conferences and expert missions to assist members in the implementation of their CAP elements. The SCCP cannot ensure implementation of the CAP items collectively. This can only be achieved by individual economies implementing the CAP objectives in their respective economies.

The SCCP met twice in 2002: February and August. In 2001, the SCCP focused its efforts towards an implementation phase in all possible tasks previously undertaken. For this reason, special significance has been given to the evaluation process and all its tools, which allow measuring the level of compliance and thus the possibility to determine whether the CAP's implementation has been appropriately conducted.

To respond to APEC Ministers' instructions the SCCP strove to ensure the continuity and building upon past achievements, taking into account the changes in the trading environment. In particular, the SCCP has agreed to set up a new mechanism to improve the implementation of Customs-related WTO Agreements by APEC members in the context of strategic APEC plan for WTO-related capacity building. In addition, the SCCP has also endorsed an assessment approach to measure the effectiveness of its work program, in particular its technical assistance programs, which were developed six years ago. For these purposes, in 2002 the SCCP applied for the first the "peer review project". In this sense, the SCCP has completed successfully a number of technical assistance activities under the TILF fund. The SCCP has also continued to engage the private sector in some of its activities and for this purpose, and this year an important deliverable was reached by the publication of a Best Practices on Customs – Business Partnership Compendium, intended to inform the trade community of the current agreements between Customs and Business in APEC economies.

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

- Completed a comprehensive multi-year technical assistance program for member economies in the following CAP items by the agreed target date of 2002:
  - HS Convention
  - Express Consignments Clearance
  - Integrity
  - Risk Management

- Paperless Trading
- Customs-Related WTO Agreements
- Participated in the Broadening of the OAA – Part I, by extending its objective and guidelines, specifically to include actions on Counter – Terrorism.
- Completed measurement, by using the agreed assessment/evaluation approach, of the implementation of the SCCP CAP's, in particular the multi-year technical assistance programs as well as to identify future requirements.
- Published the *SCCP Blueprint for 2002 – Implementing Stage towards the New Economy – Customs Partnerships and Modernized Procedures*.
- Provided updates on relevant tariffs, Customs-related information and other agreed data to APEC Tariff Database (TDB) Manager.
- Conducted for the first time the SCCP “Peer Review Project”, which will assist in the CAP assessment/evaluation process.
- Developed an exercise for the implementation of the Trade Facilitation Principles, through a matrix intended to show how those Principles are already contemplated in all SCCP's CAP's and programs.

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

- Assisted members in conducting integrity self-assessment by all economies as a follow-up of SCCP Integrity Self-Assessment Workshop held in July 2001.
- Continued the process of improving direct involvement of the business sector in SCCP activities in particular with regard to the APEC Tariff Database and Express Consignment Clearance. This process involves interested business sector groups in partnerships to progress SCCP CAP work programs.
- Convened APEC Customs-Business Dialogue 2002 to promote communication and cooperation between Customs and business sector.
- Agreed to develop high level criteria to allow the SCCP to determine when a CAP item should be considered complete and not further reported is required.
- Developed a strategy to comply with the instruction contained in the Leaders' Statement on Counter-Terrorism.
- Ensure the continuation of the APEC Customs – Business Dialogue by requesting a funding proposal for 2003, which was endorsed by CTI and approved by BMC.

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

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

### **5. 2002 Highlights**

- The completion of the “Best Practices on Customs – Business Partnership Compendium”.

- Continue to reinforce the mechanism to implement Customs-related WTO Agreements in the context of the strategic APEC plan for the WTO-related capacity building.
- Completed a number of comprehensive multi-year technical assistance programs on HS Convention, Express Consignments Clearance, Risk Management, Integrity, and Customs-Related WTO Agreements, aimed to assisting members in their implementation of these CAP items.
- Conducted for the first time the SCCP “Peer Review Project”, which will assist in the CAP assessment/evaluation process.
- Participated in the Broadening of the OAA – Part I, by extended the objective and guidelines of Customs Procedures, by including, among others, the Counter – Terrorism task given to APEC customs administrations.
- Published the *SCCP Blueprint for 2002 – Implementing Stage towards the New Economy – Customs Partnerships and Modernized Procedures*.
- Developed new technical assistance projects to assist members to further implement the SCCP CAP items.
- Organized APEC Customs-Business Dialogue 2002 attended by over 80 participants from APEC administrations and business community to promote these types of fora as useful means to strengthen their relationships.
- Developed a strategy to comply with the instruction contained in the Leaders’ Statement on Counter – Terrorism.

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

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



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

## **CONVENOR'S SUMMARY REPORT ON INTELLECTUAL PROPERTY RIGHTS**

### **1. Introduction**

Recognizing that intellectual property rights is key to the realization of APEC goals, APEC Ministers established the Intellectual Property Rights Experts Group (IPEG) in 1996 to coordinate and to undertake the work related to ideas, designs and creativity.

Since 1996, the IPEG has held fifteen meetings with the last one on 22-23 July 2002 in Los Angeles, USA. The current Convenor of the IPEG is Mr. Peter S. Kang, Director of General Planning Department of the Intellectual Property Office (IPO) of the Ministry of the Economic Affairs, Chinese Taipei.

The IPEG has implemented a work program that enhanced APEC-wide cooperation by achieving Collective Actions with objectives such as: deepening the dialogue on intellectual property policy; surveying and exchanging information on the current status of IPR protection and administrative systems; studying measures for the effective enforcement of IPR; fully implementing the Agreement on Trade-related Aspects of Intellectual Property (TRIPS) no later than 2000; and facilitating technical cooperation.

### **2. Collective Action Achieved**

- Agreed to broaden IPR section of the OAA to take into account strategies identified in the e-APEC Task Force.
- Began its review of CAP implementation.
- Completed Survey of Intellectual Property Law and Organizations and uploaded to IPEG website. It will be regularly updated.
- Endorsed the IP Toolkit proposal to provide a framework for IPEG IP enforcement projects including publications, training and public awareness.
- Commenced a 2-year project on Public education and awareness of intellectual property.
- Finalized IP and Biotechnology Training Handbook and loaded onto IPEG website.
- Conducted a APEC IP Experts Capacity Building Program for TRIPS Implementation to provide an opportunity for Member Economies to enhance their capacity for the implementation of TRIPS Agreement.
- Organized a Symposium on Traditional Medicine along with the IPEG XIV meeting in March 2002 in Hong Kong, China to deepen the understanding of traditional medicine from the perspectives of intellectual property, sociology, commerce, and research.
- Organized IP Enforcement Seminar in association with the IPEG XV in July 2002 in Los Angeles of the United States to provide IP enforcement personnel the opportunity for discussion of the techniques and process on investigating IP infringement, and preparing effective prosecutions with industry representatives.

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

- Deepened DDA discussion in the WTO TRIPS Council. Agreed to formulate solutions that would reduce costs on the part of applicants and decrease the amount of duplicated workload on the part of IP Offices.

- Agreed to exchange information on strategies for promoting IPR digitized procedures, especially for electronic interaction with users, and endorsed the IPEG Technical Cooperation Project of IP Automation in APEC Region to provide strategic plans for implementing information technology for IPO automation in order to expedite the modernization and computerization of IP system.
- Planned to survey a snapshot list of domestic geographical indication examples protected by each APEC economy.
- Agreed to discuss on the IP-related international jurisdiction issues raised in the Hague Conference on International Private Law, as well as the issues associated with the Genetic resources, Traditional Knowledge, and Folklore.

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

- Studied IPR protection practices in each member economy and the contribution of their strategies of electronic IPR procedures promotion has toward the development of efficient IP systems.
- Established appropriate IP asset management practices in the government authorities of member economies that improved public understanding of the practices.
- Improved common understanding on international IPR developments and promoted the adoption of recent international developments aimed at streamlining and harmonizing IP protection.
- Enhanced Member Economies' capacity on implementing the TRIPS Agreement through the APEC IP Experts Capacity Building Program for TRIPS Implementation.
- Escalated the level of understanding for traditional medicine from the perspectives of intellectual property, sociology, commerce, and research through the Symposium on Traditional Medicine.
- Provided an opportunity for IP enforcement personnel to discuss with industry representatives the techniques and process on investigating IP infringement, and preparing effective prosecutions during the Intellectual Property Enforcement Seminar.

#### **5. 2002 Highlights**

- Deepened Doha Development Agenda discussion in the WTO TRIPS Council.
- Began the review of CAP implementation.
- Completed Survey of Intellectual Property Law and Organizations to facilitate access to National IP laws and relevant Agency in APEC region on IPEG website.
- Commenced the APEC Project on Public Education and Awareness of Intellectual Property TFP to improve skills of IP Offices in developing and disseminating information on Intellectual Property.
- Finalized the APEC IP and Biotechnology Training Handbook to provide training resource for courses aimed at assisting researchers to better manage IP issues relating to biotechnology.
- Endorsed IP Toolkit proposal to greater capacity of Governments to combat IP infringement and compliance with TRIPS obligations to IP enforcement.
- Conducted the APEC IP Experts Capacity Building Program for TRIPS Implementation to enhance member economies' capacity for TRIPS implementation.

- Organized the Symposium on Traditional Medicine to deepen understanding of interrelation between traditional medicine and IP protection.
- Organized the APEC IP Enforcement Seminar to better understanding the techniques and process of investigating IP infringement.

## INTELLECTUAL PROPERTY RIGHTS 2002 COLLECTIVE ACTION PLAN

Item	Summary of member economies' actions
<p><b>a) Deepening the Dialogue on Intellectual Property Policy<sup>1</sup></b></p> <p>(Lead Economy: Convenor)</p> <p><i>The members will continue to deepen the dialogue on intellectual property policies. Deepening the dialogue among members will be crucial in achieving a shared understanding of the latest trends in intellectual property policies. The CAP should have the flexibility to take in new questions when the need arises, and new problems that have been presented should be considered under this item or other relevant items.</i></p>	<p><b>Implemented actions in 1996 – 2000 (under previous CAP item a):</b></p> <ul style="list-style-type: none"> <li>- Member economies held/participated in various APEC related seminars and symposia.</li> <li>- The calendar of IPR-related meetings and events has been put on the Japan Patent Office website since April 1997 and linked with the APEC Secretariat website since June 1997. It is updated when needed.</li> </ul> <p><b>Implemented actions in 2001:</b></p> <ul style="list-style-type: none"> <li>- IPEG agreed to discuss on solutions regarding reduction of costs on the part of applicants and reduction of duplicated workload on the part of patent offices under CAP item (b-2) and (b-3) as well as item (a).</li> <li>- IPEG agreed to discuss on the Hague Conference on International Private Law, Genetic resources, Traditional Knowledge, and Folklore under CAP item (d).</li> </ul> <p><b>Implemented actions in 2002:</b></p> <ul style="list-style-type: none"> <li>- IPEG agreed to the introduction of Doha issues into the APEC-IPEG forum, including negotiations on the establishment of a multilateral system of registration for wines; review on application of Geographical Indication (GI) protection; review and recommendation on scope and modelities for non-violation complaint.</li> </ul> <p><b>Future plans in and after 2003:</b></p> <ul style="list-style-type: none"> <li>- Members will circulate specific proposals and issue papers on new policy dialogue items.</li> <li>- The calendar is to be updated whenever needed.</li> </ul>

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<sup>1</sup> Item (a) of the previous CAP will continue to be dealt with under this item.

Item	Summary of member economies' actions
<p><b>b) Support for Easy and Prompt Acquisition of Rights</b></p> <p><i>Globalizing economy and cross-border R&amp;D activities mean a need for systems which enable the prompt acquisition of rights in multiple countries through simple procedures. Support will therefore be given to establish systems which meet these needs, by encouraging efforts to participate in international IP-related systems and establish internationally harmonized domestic systems.</i></p>	
<p><b>b-i) Participation in International IP-related Systems<sup>2</sup></b> (Lead Economy: the US)</p> <p><i>Support will be given for modifications to domestic systems to enable participation in the various international IP-related systems that are currently operating or under consideration.</i></p>	<p><b>Implemented actions in 1996 – 2000 (under previous CAP item e-2):</b></p> <ul style="list-style-type: none"> <li>- Information exchanges on the current administrative system were conducted.</li> <li>- Guidelines for the simplification and standardisation of administrative procedures were adopted and published on the Internet.</li> </ul> <p><b>Implemented actions in 2001-2002:</b></p> <ul style="list-style-type: none"> <li>- Information exchanges on participation in the various international IP related systems have been conducted.</li> </ul> <p><b>Future plans in and after 2003:</b></p> <ul style="list-style-type: none"> <li>- Information exchanges will be continued.</li> </ul>
<p><b>b-ii) Establishing Internationally Harmonized IPR Systems<sup>34</sup></b></p> <p><i>Efforts will be made toward the further harmonization of the various domestic IP systems, while ensuring the effectiveness of the TRIPS Agreement by considering the detailed matters of procedure not stipulated in the Agreement. A consensus has been reached on administrative guidelines, and their implementation on a proactive basis will be encouraged. Discussions on the format for trademark applications will also proceed, while taking care to ensure consistency with the existing international norms.</i></p>	<p><b>b-ii-1) Establishing Internationally Harmonized IPR Systems</b> (Lead Economy: Japan)</p> <p><b>Implemented actions in 2001-2002:</b></p> <ul style="list-style-type: none"> <li>- Information exchanges on harmonization of IPR Systems have been conducted.</li> </ul> <p><b>Future plans in and after 2003:</b></p> <ul style="list-style-type: none"> <li>- Information exchanges will be continued.</li> </ul>

<sup>2</sup> This item is relevant to item (e) of the previous CAP, "Simplification and Standardization of Administrative Systems."

<sup>3</sup> Item (d) of the previous CAP "Well-known Trademarks" led by Thailand will continue to be dealt with under this new item.

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

Item	Summary of member economies' actions
	<p><b>b-ii-2) Standardization of Trademark Application Form</b> (Proposed by Singapore)</p> <p><b>Implemented actions in 1996-2000 (under previous CAP item e-4):</b></p> <ul style="list-style-type: none"> <li>- Efforts to establish a Common Trademark Application Form were made.</li> <li>- It was agreed that the Common Trademark Application Form be a model document or a guide be used as an instrument for members to devise their own forms.</li> </ul> <p><b>Implemented actions in 2001-2002:</b></p> <ul style="list-style-type: none"> <li>- Additional requirements of the respective member economies' trademark application forms have been attached to the Common Trademark Application Form as annexes.</li> </ul> <p><b>Future plans in and after 2003:</b></p> <ul style="list-style-type: none"> <li>- The annexes will be updated and the Common Trademark Application Form will be finalized.</li> </ul> <hr/> <p><b>b-ii-3) Well-known Trademarks</b> (Lead Economy: Thailand)</p> <p><b>Implemented actions in 1996– 2000 (under previous CAP item d):</b></p> <ul style="list-style-type: none"> <li>- Surveys on practices concerning the protection of well-known marks were conducted.</li> <li>- IPEG members endorsed the WIPO Joint Recommendation Concerning Provisions on the Protection of Well-known marks and the text of Recommendation by APEC (IPEG) concerning the Protection of Well-known Marks was agreed upon in 2000.</li> </ul> <p><b>Implemented actions in 2001-2002:</b></p> <ul style="list-style-type: none"> <li>- Information exchanges on development related to protection of well-known trademarks have been conducted.</li> </ul> <p><b>Future plans in and after 2003:</b></p> <ul style="list-style-type: none"> <li>- Survey results will be compiled by Thailand to develop a directory of member economies' practices concerning the criteria for well-known trademarks. The compiled survey results will be published.</li> <li>- Information exchanges will be continued.</li> </ul>
<p><b>b-iii) Cooperation on Searches and Examinations<sup>5</sup></b> (Lead Economy: Japan)</p> <p><i>A system will be considered which will make use of search and examination results from other member economies, or mutually recognize them, in order to secure fast and accurate examinations.</i></p>	<p><b>Implemented actions in 2001-2002:</b></p> <ul style="list-style-type: none"> <li>- Information exchanges on different modes of cooperation on searches and examinations have been conducted.</li> </ul> <p><b>Future plans in and after 2003:</b></p> <ul style="list-style-type: none"> <li>- Members will consider possible APEC IPEG models for cooperation in search and examination based upon their experiences.</li> <li>- Information exchanges on sharing examination results among IP Offices will be conducted.</li> </ul>

<sup>5</sup> Similar activity has been taken as “Examination Cooperation” under the item (a) of the previous CAP “Deepening the Dialogue on IP Policy.”



Item	Summary of member economies' actions
<b>b-iv) Streamlining the IP Process</b> (Lead Economy: USA)	<p><b>Implemented actions in 2001-2002:</b></p> <ul style="list-style-type: none"> <li>- The IPEG agreed the USA's proposal to raise this issue.</li> <li>- Information exchange on the issue of geographical indications in Internet domain names.</li> </ul> <p><b>Future plans in and after 2003:</b></p> <ul style="list-style-type: none"> <li>- Information exchanges will be continued.</li> </ul>

Item	Summary of member economies' actions
<p><b>c) Electronic Processing of IPR-related Procedures</b></p> <p><i>Rapidly-developing computer technologies, including the Internet, have the potential to make an enormous contribution to ensuring efficient and transparent procedures. Discussions should be held on the potential for using this new technology to enable efficient systems and practices for IP protection and pooling or integration of software resources.</i></p>	
<p><b>c-i) Electronic Filing Systems<sup>6</sup></b></p> <p>(Lead economy: the US)</p> <p><i>Efforts should be made toward simplified procedures by accepting applications using electronic means such as the Internet.</i></p>	<p><b>Implemented actions in 1996 – 2000 (under previous CAP item e-1):</b></p> <ul style="list-style-type: none"> <li>- Information exchanges on electronic filing system were conducted.</li> </ul> <p><b>Implemented actions in 2001-2002:</b></p> <ul style="list-style-type: none"> <li>- Strategies for overcoming customer resistance to e-filing were studied and working with user groups was realized as one of the most important approaches on this issue.</li> <li>- Information exchanges on electronic filing system have been continued.</li> </ul> <p><b>Future plan in and after 2003:</b></p> <ul style="list-style-type: none"> <li>- Information exchanges on strategies for promoting use of e-filing, especially on outcomes of their contacts with users, will be continued.</li> <li>- Implementing the IPEG Technical Cooperation Project of IP Automation in APEC Region.</li> </ul>
<p><b>c-ii) Dissemination of Information by Electronic Means<sup>7</sup></b></p> <p>(Lead Economy: Australia)</p> <p>The information concerning applications accumulated at intellectual property offices constitutes highly significant data concerning legal status and technology, and efforts should be made to widely publicize such information using the Internet or other electronic means in order to encourage the use of IP information.</p>	<p><b>Implemented actions in 1996 – 2000 (under previous CAP item e-3):</b></p> <ul style="list-style-type: none"> <li>- Quick-Link Matrix, the first product of IP Information Mall, is accessible on the website of Japan Patent Office.</li> </ul> <p><b>Implemented actions in 2001:</b></p> <ul style="list-style-type: none"> <li>- Re-development of the IPEG website has been proceeded by Australia and will go on-line in September.</li> <li>- The draft report on the survey of laws compiled by Australia will be finalised.</li> </ul> <p><b>Implemented actions in 2002:</b></p> <ul style="list-style-type: none"> <li>- The redesign of the IPEG website was completed and information regularly updated. It will be more easily accessible for Member Economies and the general public.</li> <li>- The Survey of Intellectual Property Law and Organizations for each APEC Economy was completed and downloaded onto the IPEG website.</li> </ul> <p><b>Future plan in and after 2003:</b></p> <ul style="list-style-type: none"> <li>- Information exchanges on the ideal method of dissemination of information by electronic means will be conducted.</li> </ul>

<sup>6</sup> Similar activity has been taken under the item (e-1) of the previous CAP.

<sup>7</sup> This activity is relevant to item (e-3) of the previous CAP, "IP Information Mall".

Item	Summary of member economies' actions
<p><b>d) Appropriate Protection of IPR in New Fields</b>  <i>Consideration should be given to the systems and practices needed to provide appropriate protection of intellectual properties in new fields, or to resolve newly arising issues in existing fields.</i></p>	
<p><b>d-i) Protection for Biotechnology and Computer-related Inventions</b>  (Lead Economy: the US )  <i>Consideration should be given to systems and practices, including guidelines, for ensuring appropriate patent protection for new technologies.</i></p>	<p><b>Implemented actions in 1996 – 2000 (under previous CAP item a):</b></p> <ul style="list-style-type: none"> <li>- Policy dialogues on biotechnology, electronic commerce (such as business method inventions) were conducted.</li> <li>- The biotechnology training package was prepared by Australia.</li> </ul> <p><b>Implemented actions in 2001:</b></p> <ul style="list-style-type: none"> <li>- Information exchanges have been conducted on developments in members' jurisdictions on patents in the fields of biotechnology, computer software-related inventions, and business methods.</li> </ul> <p><b>Implemented actions in 2002:</b></p> <ul style="list-style-type: none"> <li>- The IP and biotechnology training handbook was finalized and downloaded onto the IPEG website.</li> </ul> <p><b>Future plan in and after 2003:</b></p> <ul style="list-style-type: none"> <li>- Information exchanges will be continued.</li> </ul>
<p><b>d-ii) Protection for Geographical Indications<sup>8</sup></b>  (Lead Economy: Mexico)  <i>Consideration should be given to an adequate way for ensuring the appropriate protection as intellectual property for geographical indications.</i></p>	<p><b>Implemented actions in 1996 – 2000 (under previous CAP item a):</b></p> <ul style="list-style-type: none"> <li>- Policy dialogues on geographical indications (GIs) were conducted.</li> <li>- The survey on GI protection among members was conducted.</li> </ul> <p><b>Implemented actions in 2001-2002:</b></p> <ul style="list-style-type: none"> <li>- Survey results on GI protection among members has been updated.</li> <li>- Information exchanges have been conducted on GI protection, the relation between GIs and Internet domain names, and implications of TRIPs Agreement provisions relating to GIs</li> </ul> <p><b>Future plan in and after 2003:</b></p> <ul style="list-style-type: none"> <li>- Survey results on GI protection among members will be finalized and published.</li> <li>- A snapshot list of domestic GI examples protected by each APEC economy will be surveyed.</li> <li>- Information exchanges will be continued.</li> </ul>

<sup>8</sup> Similar activity has been taken under item (a) of the previous CAP, "Deepening the dialogue on IP policy."

Item	Summary of member economies' actions
<p><b>d-iii) Electronic commerce<sup>9</sup></b> (Lead Economy: Australia)</p> <p><i>Consideration should be given to ways in which existing IP systems could address the consequences of the rapid development and spread of electronic commerce, and to promote the effective and balanced protection of IPRs in the digital environment, with particular regard to the coordinated implementation of new international standards.</i></p>	<p><b>Implemented actions in 1996 – 2000 (under previous CAP item a):</b></p> <ul style="list-style-type: none"> <li>- Policy dialogues on electronic commerce were conducted.</li> </ul> <p><b>Implemented actions in 2001-2002:</b></p> <ul style="list-style-type: none"> <li>- Australian draft paper on e-commerce roadmap was finalized at IPEG XIV held in Hong Kong, China.</li> <li>- Information exchanges on domestic developments related to IPR protection in the context of e-commerce have been conducted.</li> </ul> <p><b>Future plan in and after 2003:</b></p> <ul style="list-style-type: none"> <li>- Policy dialogues and information exchanges on domestic developments related to IPR protection in the context of e-commerce will be continued.</li> </ul>
<p><b>d-other-1) Hague Conference on International Private Law</b> (Proposed by the United States)</p>	<p><b>Implemented actions in 2001-2002:</b></p> <ul style="list-style-type: none"> <li>- Information exchanges on the Genetic resources, Traditional knowledge and Folklore have been conducted.</li> </ul> <p><b>Future plan in and after 2003:</b></p> <ul style="list-style-type: none"> <li>- Information exchanges will be continued.</li> </ul>
<p><b>d-other-2) Genetic resources, Traditional knowledge, and Folklore</b></p>	<p><b>Implemented actions in 2001-2002:</b></p> <ul style="list-style-type: none"> <li>- Information exchanges on the Hague Conference on International Private Law have been conducted.</li> </ul> <p><b>Further plan in and after 2003:</b></p> <ul style="list-style-type: none"> <li>- Policy dialogues and information exchanges on genetic resources, traditional knowledge, and folklore will be continued.</li> </ul>

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<sup>9</sup> Ditto.

Item	Summary of member economies' actions
<p><b>e) Cooperation for Improvements to the Operation of IP Systems<sup>10</sup></b>            (Lead Economy: Korea)  <i>The conclusion of the TRIPS Agreement means that certain minimum standards of intellectual property rights protection are set, but the problems of lack of personnel and know-how remain on the operational side. To deal with these problems, efforts should be made for considering better technical cooperation, including that through international programs, in areas such as human resources development, computerization and improvement in administrative procedures.</i></p>	<p><b>Implemented actions in 1996 – 2000 (under previous CAP item g):</b></p> <ul style="list-style-type: none"> <li>- The table of Technical Cooperation/Assistance Requested and Offered was drawn up to facilitate technical cooperation.</li> <li>- The APEC IPR International Symposium was held in Korea in June 1999 to assist the implementation of the TRIPS Agreement.</li> <li>- Surveys on current status toward TRIPS implementation were conducted.</li> <li>- IPEG member economies agreed on the draft of the Joint Statement on the WTO/TRIPS Agreement Implementation and it was adopted with some modifications at the Meeting of Ministers Responsible for Trade held in June 2000.</li> <li>- The Self-Checklist concerning Issues on the Enhancement of Efficiency in Office Operation with emphasis on Search and Examination was prepared and revised taking into account members' comments.</li> </ul> <p><b>Implemented actions in 2001:</b></p> <ul style="list-style-type: none"> <li>- Surveys on current status toward TRIPS implementation have been conducted.</li> <li>- The Self-Checklist was finalized.</li> <li>- Information exchanges on developments in members' IP systems, particularly with bearing on TRIPS implementation have been conducted.</li> <li>- Information exchanges on technical assistance in relation to preparation of TRIPS documentation have been conducted.</li> <li>- The APEC IPEG IT International Symposium was held in Korea in November 2001 as an IPEG technical cooperation program to promote the operation of the IPR system in APEC Region.</li> </ul> <p><b>Implemented actions in 2002:</b></p> <ul style="list-style-type: none"> <li>- CTI endorsed APEC/IPEG Technical Cooperation Project of IPO Automation in the APEC Region.</li> </ul> <p><b>Further plan in and after 2003:</b></p> <ul style="list-style-type: none"> <li>- The APEC/IPEG Technical Cooperation Project of IPO Automation in the APEC Region will be implemented beginning in 2003.</li> <li>- Information exchanges will be continued on developments in members' IP systems, particularly with bearing on TRIPS implementation and technical assistance in relation to preparation of TRIPS documentation.</li> </ul>

<sup>10</sup> This item is relevant to item (g) of the previous CAP, "Implementation of the TRIPS Agreement and Technical Cooperation."

Item	Summary of member economies' actions
<p><b>f) Establishing Effective Systems for IPR Enforcement<sup>11</sup></b></p> <p>(Lead Economies: Australia, Japan, Mexico, the Philippines, and Thailand<sup>12</sup>)</p> <p><i>This item aims to strengthen APEC cooperation on IPR enforcement. There are a number of possible outcomes for this proposal, including the establishment of IPR enforcement or "best practices" guidelines; the establishment of regular, structured exchange of practical information on trends in infringement and on IPR enforcement; and the increased cooperation between agencies involved in IPR enforcement. Best efforts will be given to help members establish appropriate and effective systems for supporting IPR enforcement.</i></p>	<p><b>Implemented actions in 1996 – 2000 (under previous CAP item g):</b></p> <ul style="list-style-type: none"> <li>- Survey results on the IPR enforcement system were compiled and published on the Internet.</li> <li>- IPEG had dialogues with the private sector to share real -life experience at the IPEG meeting in March 2000 and APEC/ IPEG Separate Meeting on IPR Enforcement in Cheju, Korea in July 2000.</li> </ul> <p><b>Implemented actions in 2001</b></p> <ul style="list-style-type: none"> <li>- The Government/Industry Workshop on IP Enforcement in the APEC Region was held in Sydney, Australia in March 2001 to foster private and public sectors cooperation on IPR enforcement.</li> <li>- The draft 'resource manual' on enforcement was prepared by Australia.</li> </ul> <p><b>Implemented actions in 2002</b></p> <ul style="list-style-type: none"> <li>- IPEG endorsed the APEC IP Toolkit which will provide a framework for IPEG IP enforcement projects including publications, training and public awareness.</li> <li>- The IP Enforcement Seminar was held in Los Angeles, California USA in July 2002 to provide IP enforcement personnel the opportunity to discuss with industry representatives the techniques and process on investigating IP infringement, and preparing effective prosecutions.</li> </ul> <p><b>Further plan in and after 2003:</b></p> <ul style="list-style-type: none"> <li>- The specific projects related to the toolkits will be consolidated and further developed in 2003.</li> <li>- The draft 'resource manual on enforcement' will be finalized.</li> <li>- Holding of a follow-up information exchange forum on enforcement between members of the private and public sectors, including enforcement authorities, will be considered.</li> </ul>
<p>f-i) Establishment of Enforcement Guidelines</p> <p><i>In order to ensure that the effective enforcement of IPR is consistent with the enforcement related provisions of the TRIPS Agreement, consideration will be given to establishing guidelines covering the detailed procedures necessary when implementing these provisions.</i></p>	<p><b>Implemented actions in 2001:</b></p> <ul style="list-style-type: none"> <li>- Best practices on enforcement of industrial property rights were proposed by Japan.</li> </ul> <p><b>Implemented actions in 2002:</b></p> <ul style="list-style-type: none"> <li>- Japan's proposal will be revised taking into account member's comments and information.</li> </ul> <p><b>Further plan in and after 2003:</b></p> <ul style="list-style-type: none"> <li>- IPEG will continue to review the paper with the goal being a deliverable by the end of 2003.</li> </ul>

<sup>11</sup> Item (f) of the previous CAP will continue to be dealt with under this item.

<sup>12</sup> Responsibility would be shared among the five economies for each of the three items.

Item	Summary of member economies' actions
<p>f-ii) Exchange of Information Concerning IPR Infringement  <i>To assist effective cooperation on IPR enforcement between APEC economies, a framework should be established to exchange relevant information among member economies and to investigate measures for accurately surveying the current status of IPR infringements.</i></p>	<p><b>Implemented actions in 2002</b></p> <ul style="list-style-type: none"> <li>- IPEG discussed the content of the survey on Laws and Regulations and Enforcement Practices to Control Export of Counterfeit/Pirated Products among APEC Economies</li> </ul> <p><b>Further plan in and after 2003:</b></p> <ul style="list-style-type: none"> <li>- The survey on Laws and Regulations and Enforcement Practices to Control Export of Counterfeit/Pirated Products among APEC Economies will be conducted and finalized.</li> </ul>
<p><b>iii) Cooperation with other fora/authorities</b></p> <p>A comprehensive IPR enforcement policy should be discussed through cooperation between intellectual property rights offices and intellectual property rights enforcement authorities. As the first step, close relationships should be established among related APEC fora, especially the IPEG and Sub-committee on Customs Procedure (SCCP).</p>	<p><b>Implemented actions in 2002</b></p> <ul style="list-style-type: none"> <li>- Japan proposed to establish APEC IPR Service Center.</li> </ul> <p><b>Further plan in and after 2003:</b></p> <ul style="list-style-type: none"> <li>- Ideas to facilitating cooperation with other fora/authorities will be considered.</li> </ul>

Item	Summary of member economies' actions
<p><b>g) Promoting IP Asset Management in APEC Economies</b>  <i>Authorities in APEC Member Economies, as some of the largest consumers of intellectual property, can play an essential role in setting the example as lawful users of IP. By establishing and publicizing strong management practices for software and other IP assets in their own offices, authorities will have a tremendous impact on the public's perception of what is right and wrong with respect to IPR. Information on current practices within Member Economies should be collected and disseminated, with a view to identifying best practices and opportunities for technical assistance. As an initial step, Member Economies should focus their efforts on software asset management practices.</i></p>	<p>Lead Economy: the US</p> <p><b>Implemented actions in 2001:</b></p> <ul style="list-style-type: none"> <li>- The survey into the legal framework governing use of legal software by government agencies was conducted and survey results have been compiled by the US.</li> <li>- Information exchanges on the nature and practical implementation of government mechanisms for ensuring legitimate software use by government agencies have been conducted.</li> </ul> <p><b>Implemented actions in 2002:</b></p> <ul style="list-style-type: none"> <li>- The Software Asset Management Follow-Up Survey was conducted by USA.</li> </ul> <p><b>Further plan in and after 2003:</b></p> <ul style="list-style-type: none"> <li>- Survey results will be finalised.</li> <li>- Information exchanged will be continued.</li> </ul>
<p><b>h) Raising Public Awareness<sup>13</sup></b>            (Lead economies: Australia and Hong Kong, China)</p> <p><i>Examine ways of increasing cooperation on promoting public awareness and education of IPRs, including specific programs for target groups, such as potential users of the IP systems, schoolchildren etc, with a focus both on general awareness of the potential benefits of the IP systems and on sector-specific IP management skills. Pool materials and experience relating to public education and awareness programs.</i></p>	<p><b>Implemented actions in 1996-2000 (under previous CAP item other):</b></p> <ul style="list-style-type: none"> <li>- The IPEG collected existing materials for public education.</li> </ul> <p><b>Implemented actions in 2001-2002:</b></p> <ul style="list-style-type: none"> <li>- Information exchanges on members' efforts to raise public awareness have been conducted.</li> <li>- APEC/IPEG IP Project on Public Education and Awareness of Intellectual Property was started in January 2002.</li> </ul> <p><b>Further plan in and after 2003:</b></p> <ul style="list-style-type: none"> <li>- APEC/IPEG IP Project on Public Education and Awareness of Intellectual Property will be completed by end of 2003.</li> <li>- Information exchanged will be continued.</li> </ul>

<sup>13</sup> This activity has been taken under an informal part of the previous CAP.



Item	Summary of member economies' actions
<p><b>i) Facilitation of Technology Transfer through Ensuring of IP Protection</b>            (Lead Economies: Australia and Japan)  <i>Approaches will be considered for contributing to the economic and technological development of APEC economies by facilitating dissemination, transfer and uptake of technology within the context of the IP systems, and promoting IP management skills.</i></p>	<p><b><i>Implemented actions in 2001-2002:</i></b></p> <ul style="list-style-type: none"> <li>- Information exchanges on facilitation of technology transfer in the APEC region, particularly with ensuring of IP protection,</li> <li>- ' Patent commercialization and technology transfer ' was taken up at the APEC Symposium on Intellectual Property Rights In the New Economy held in Taichung, Chinese Taipei in July 2001.</li> </ul> <p><b><i>Further plan in and after 2003:</i></b></p> <ul style="list-style-type: none"> <li>- Information exchanged will be continued.</li> </ul>

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

Item	Summary of member economies' actions
<p><b>Others</b> Public involvement</p>	<p><b>Implemented actions in 1996-2002:</b></p> <ul style="list-style-type: none"> <li>- A joint symposium between public and private sectors was held in February 1999, with an invitation to ABAC.</li> <li>- International Trademark Association (INTA: the representative of trademark users) made recommendations on trademark issues at the IPEG X meeting.</li> <li>- IPEG members responded to the APEC Automotive Dialogue's request and a meeting between public and private sectors on IPR enforcement was held in association with the IPEG XI in July 2000.</li> <li>- The Government/Industry Workshop on IP Enforcement in the APEC Region was held in association with the IPEG XII in March 2001 to foster private and public sectors cooperation on IPR enforcement.</li> <li>- The APEC Symposium on Intellectual Property Rights In the New Economy was held in association with the IPEG XIII in July 2001 to exchange viewpoints and share knowledge among the experts from public and private sectors on the challenging intellectual property issues and technology transfer issues.</li> <li>- The APEC Symposium on Traditional Medicine was held along with IPEG XIV meeting in March 2002 to deepen the understanding of traditional medicine from the perspectives of intellectual property, sociology, commerce, and research.</li> <li>- The APEC IPEG USPTO-sponsored IP Enforcement Seminar was held in association with the IPEG XV meeting in July 2002 to provide IP enforcement personnel the opportunity to discuss with industry representatives the techniques and process on investigating IP infringement, and preparing effective prosecutions.</li> </ul> <p><b>Further plans in and after 2003:</b></p> <ul style="list-style-type: none"> <li>- IPEG will continue to respond to ABAC or other private sector's recommendations.</li> <li>- IPEG members will continue a dialogue with private sector.</li> </ul>
<p>Others</p>	<p><b>Implemented actions in 1996-2001:</b></p> <ul style="list-style-type: none"> <li>- The APEC/PFP course was held five times.</li> <li>- The APEC copyright seminar was held in Tokyo, Japan in March 2001.</li> </ul>

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

### **1. Introduction**

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

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

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

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

- Held one workshop on the APEC OECD Cooperative Initiative on Regulatory Reform in Mexico and organization of the workshop to be held in Korea next October, is in process. In this way the CAP related to deepening the dialogue between APEC economies and relevant international organizations was accomplished.
- Held the Seminar on Electricity in Mexico City which is the first component of the Training Program to Promote Economic Competition in APEC economies. Organization of the second seminar on transportation to be held in September, is in process.
- Continued dialogue, information exchange and study of competition policy, competition laws, their enforcement and their interrelationship with other policies related to deregulation, trade and investment. This was advanced through:
- The annual Workshop on Competition Policy and Deregulation during SOM II in Merida, Mexico in which various presentations were made. Worth mentioning are the following:
  - United States made a presentation on the paper "U.S. Perspective on the International Competition Network (ICN)".
  - United States made a presentation on joint FTC-DOJ public hearings on "Competition and Intellectual Property Law and Policy in the Knowledge-Based Economy".
  - Mexico made a presentation on "The Role of Competition Policy in Economic Development".
  - The CPD Group discussed the proposals made by CTI chair regarding the introduction of New Economy issues of OAA, the results of the discussion and the new version of the OAA was attached to the report as submitted to CTI II.
  - The group agreed to follow the work to be done by the WTO Working Group on the Interaction between Trade and Competition Policy. According to the Doha Development Agenda, this work will focus on core principles and provisions for

hardcore cartels, as well as support for progressive reinforcement of competition institutions in developing countries through capacity building.

- Chinese Taipei reported on the progress on the Law Database. Chinese Taipei announced that at current stage, the competition database covering whole APEC geographic areas available for public access has been completed. The private sector, including academic organizations and business enterprises, will also be able to retrieve useful information from the database for improving trade and investment.

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

- Undertake capacity building programs to assist economies in implementing the APEC Principles to Enhance Competition and Regulatory Reform.
- Continue to develop an understanding of competition policies and/or laws within their respective governments and within relevant domestic constituencies, thereby fostering a culture of competition.
- Continue support for the joint APEC-OECD Cooperative Initiative in the field of Regulatory Reform for 2003.
- Deepening the dialogue with other APEC Fora and Subfora on the understanding and reporting of the implementation of the APEC Principles to Enhance Competition and Regulatory Reform.
- Develop a Training Program on Competition Policy (2003).

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

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

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

### **5. 2002 Highlights**

- Information exchange and deepened policy dialogue on the region’s competition laws and policies.
- The 2002 APEC Workshop on Competition Policy and Deregulation was held in Merida, Mexico on 17–18 May 2002.
- Two workshops of the APEC-OECD Joint Co-Operation Program on Regulatory Reform for 2002, one held in Mexico and the other will take place in Korea, project CTI08/2002T
- Completion of the APEC Competition Law and Policy Internet Database.
- Development of a Training Program to Promote Competition in APEC Economies (2002) including three workshops during this year related to energy, transportation and telecommunications, project CTI 23/2002T.

## COMPETITION POLICY 2002 COLLECTIVE ACTION PLAN

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

Collective Action	Steps to Implement	Time Frame
c) Continue to develop understanding in the APEC business community of competition policy and/or laws and administrative procedures	Collective action: Individual economies to further develop dialogue with the business community on competition policy and/or laws and administrative procedures.	Ongoing
d) Continue to develop an understanding of competition policies and/or laws within their respective governments and within relevant domestic constituencies, thereby fostering a culture of competition	Collective action: Individual economies will develop and implement strategies to explain the benefits of competition policy/laws to their citizens and government.	Ongoing
e) Encourage cooperation among the competition authorities of APEC economies with regard to information exchange, notification and consultation	A. Collective action: consider further actions for promoting cooperation among competition authorities.	Ongoing
f) Contribute to the use of trade and competition laws, policies and measures that promote free and open trade, investment and competition	A. Interaction with other APEC Subfora.	Ongoing
g) Encourage all APEC economies to implement the "APEC Principles to Enhance Competition and Regulatory Reform"	A. Individual Economies: Action oriented undertakings directed to the implementation of the "APEC Principles to Enhance Competition and Regulatory Reform" by APEC Fora and Subfora.	Ongoing
h) Undertake capacity building programs to assist economies in implementing the "APEC Principles to Enhance Competition and Regulatory Reform"	A. Collective Action: Participation in the APEC-OECD Cooperative Initiative for Regulatory Reform B. Collective Action: Participation in the Training Program to Promote Economic Competition in Regulated Sectors. C. Collective Action: Training Program on Competition Policy.	Feb 2001 to Sep 2002 Feb 2002 to Feb 2003 Aug 2002

## DEREGULATION 2002 COLLECTIVE ACTION PLAN

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

## CONVENOR'S SUMMARY REPORT ON GOVERNMENT PROCUREMENT

### 1. Introduction

The Government Procurement Experts Group (GPEG) was established in 1995 to consider ways to increase transparency of, and liberalize, government procurement markets in accordance with the goals of the Bogor Declaration. Australia has chaired the GPEG since August 2001.

The GPEG had two meetings in 2002: February and August. In 2002 GPEG's work has focused on continuing the agreed process of voluntary reviews and reports by member economies on the consistency of their government procurement framework with the APEC GPEG Non-Binding Principles (NBPs) on government procurement, which were adopted in 1999.

The APEC GPEG NBPs are Transparency; Value for Money; Open and Effective Competition; Fair Dealing; Accountability and Due Process; and Non-Discrimination. APEC member economies are encouraged to align their procurement framework with the APEC GPEG NBPs.

Another main focus of GPEG has been promoting the uptake of e-procurement systems by APEC member economies through a series of workshops and presentations and a planned symposium in 2003.

### 2. Collective Actions Achieved

- The program of voluntary reviews (including updates on previous reports) on consistency of government procurement regions with the NBPs continued in 2002, with the majority of member economies completing their reviews and reports on *Transparency*; half of the member economies completing their reviews and reports on *Accountability and Due Process*. Seven member economies have completed their reviews and reports against all six NBPs.
- Continuation of a series of presentations on e-procurement, with a particular focus on the consistency of electronic government procurement systems with the NBPs and capacity building through the provision of technical information, with presentations by Canada, Mexico, New Zealand, Singapore and the United States of America (20 February) and People's Republic of China and Japan (13 August).
- Australia sponsored a survey aimed at gaining a greater understanding and appreciation of e-procurement readiness and adoption amongst member economies was completed. The results of the survey were presented in a draft report to the GPEG meeting in February 2002. The findings identified possible future capacity building projects.
  - BMC approved funding for a GPEG Symposium and Workshops, co-sponsored by Australia and Chile, to be held in Thailand in August 2003.
- A summary of member economies' reports on the consistency of their procurement systems within the *Transparency* NBP was updated in a standardised format. Copies will be provided to the WTO Working Group on Transparency in Government Procurement.



### **3. New Collective Action Agreed**

- Following analysis of the results of an Australian sponsored survey of the e-readiness of GPEG member economies, a number of high value projects were identified. The first of these, a symposium and workshop to promote uptake of e-procurement by member economies with a particular focus on improving SME access to government procurement markets is being co-sponsored by Australia and Chile. The United States of America has agreed to explore options with a view to developing a project proposal to implement the second of these projects to develop a set of APEC standards for e-procurement.
- As the program of presentations on member economies' experience in implementing e-procurement systems was well received, there is a commitment to continue with this program.

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

The process of voluntary reviews and reporting on consistency of government procurement regimes with the APEC GPEG NBPs, will:

- assist the business community in the region by promoting the liberalisation of government procurement markets throughout the APEC region in accordance with the principles and objectives of the Bogor goals; and
- assist member economies develop a greater understanding on government procurement policies and systems, as well as on each APEC member economy's government procurement practices.

Capacity building programs including the Symposium and Workshops *Identification of opportunities to improve SME access to government procurement markets through the promotion of e-procurement initiatives* will benefit both the business community in the region as well as member governments through:

- the identification of mechanisms to reduce barriers to small and medium enterprises wishing to access the government procurement markets within the APEC region;
- encouraging the adoption of electronic commerce methods that are consistent with the APEC GPEG NBPs;
- establishing strong networks with the private/public sector; and
- providing a forum for exchanging views between relevant experts.

### **5. Highlights**

- Significant progress in the program of member economies' reporting to GPEG on their voluntary review of the consistency of their government procurement systems with the APEC GPEG NBPs.
- Funding approval for the GPEG capacity building proposal to conduct a symposium and workshop on SME e-procurement access.
- Information exchange on a range of procurement related issues including e-procurement experience and case studies.

## GOVERNMENT PROCUREMENT 2002 COLLECTIVE ACTION PLAN

	Objectives	Actions	Status/Target Date
<b>1.</b>	<b>Ongoing</b>		
1.1	To improve understanding of member economies' government procurement systems and regional/plurilateral/ multilateral agreements on government procurement.	<ul style="list-style-type: none"> <li>a. Maintain contact points to facilitate ongoing exchange of information.</li> <li>b. Workshops, seminars and briefings by member economies on government procurement procedures, laws and regulations, regional/plurilateral/multilateral agreements and best practice developments, including electronic procurement systems.</li> </ul>	Ongoing  Ongoing
1.2	To increase transparency in government procurement through dissemination of publicly available information.	<ul style="list-style-type: none"> <li>a. Members to update the surveys on their government procurement systems and publication arrangements for government procurement information as required and publish this information on the APEC homepage.</li> <li>b. Encourage members to develop databases or expand their existing databases on government procurement to include information such as legal framework, requirements for participation in tendering procedures, procurement opportunities, outcomes of tenders, bid-challenge procedures and contact points, consistent with the elements of transparency in government procurement identified by GPEG; on a voluntary basis, link their databases on government procurement with the APEC GPEG homepage.</li> </ul>	Ongoing  Ongoing
1.3	To contribute to the WTO's work on Transparency in government procurement	<ul style="list-style-type: none"> <li>a. Continue to monitor progress of the WTO Working Group on Transparency in government procurement and consider further contributions, if appropriate.</li> <li>b. Provide a copy of member economies' reports against the Non-Binding Principle of <i>Transparency</i>.</li> </ul>	Ongoing  October 2002
1.4	To exchange information on development of e-procurement in government procurement in ways consistent with the APEC GPEG NBPs, and consider/develop relevant capacity building approaches.	<ul style="list-style-type: none"> <li>a. 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.</li> </ul>	Ongoing
<b>2.</b>	<b>Short Term</b>		
2.1	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.	<ul style="list-style-type: none"> <li>a. Encourage members to include in their Individual Action Plans plans to review the consistency of their government procurement systems with the APEC GPEG NBPs and, if there are any inconsistencies, voluntarily endeavour to achieve greater alignment with the APEC GPEG NBPs.</li> <li>b. Encourage member economies to report to the GPEG on their voluntary reviews of the consistency of their government procurement systems with the APEC GPEG NBPs.</li> </ul>	Ongoing  Ongoing

	<b>Objectives</b>	<b>Actions</b>	<b>Status/Target Date</b>
		c. Encourage members to report on the consistency of their procurement systems with the APEC GPEG NBPs in a standardised format.	Ongoing
<b>3.</b> 3.1	<b>Long Term</b> To achieve liberalisation of government procurement markets throughout the Asia-Pacific region in accordance with the principles and objectives of the Bogor Declaration.	a. Encourage members to endeavour to implement the APEC GPEG NBPs with a view to liberalising government procurement markets in the Asia-Pacific region, contributing in the process to the evolution of work on government procurement in other multilateral fora.	Ongoing 2010/2020

## **CONVENOR'S SUMMARY REPORT ON DISPUTE MEDIATION**

### **1. Introduction**

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

In line with the management reform process, the 2nd CTI Meeting held in Christchurch on 3–4 May 1999 agreed to realign work in the area of Dispute Mediation. It was agreed that under the Uruguay Round (UR) Agreements, the new WTO Dispute Settlement Mechanism had just started functioning. There was therefore no need for APEC to concentrate resources in this area. However given that B2G and G2B disputes are not covered in the WTO, there would be scope for APEC to undertake follow-up work. But this does not necessitate a work group. It was therefore left to the CTI Chair to coordinate the work.

### **2. Collective Action Achieved**

- Updated Guide to Arbitration and Dispute Resolution in APEC Member Economies.
- Coordinated with the Human Resources Development Working Group on the use of the Dispute Resolution Guide web-site as a vehicle for publishing the outcome of its project, HRD 01/2000T- Alternative Dispute Resolution – Executive Education Project 2000, thus bringing all of APEC's work on Alternative Dispute Resolution (ADR) into a single portal.

### **3. New Collective Action Agreed**

- Provide regular updates to the Guide to Arbitration and Dispute Resolution in APEC Members to ensure that information, particularly on private to government disputes remained current.
- Monitor developments in the WTO negotiations on the Dispute Settlement Understanding as mandated in the Doha Development Agenda.
- Build support for the negotiations through information exchange, seminars or training programs. This could be tied in with the implementation of Strategic Plan to build capacity in APEC to implement WTO Agreements.
- Review developments in the context of APEC, including the necessity of continuing discussion on the issue area.

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

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

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

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

### 1. Introduction

In November 1995 in Osaka, APEC leaders agreed to adopt the Osaka Action Agenda, setting out the process for implementing free and open trade and investment in the region by 2010/2020. The enhancement of Business Mobility was identified as one of APEC's 15 Action Areas. A Collective Action Plan (CAP) on the Mobility of Business People was agreed with four key objectives:

- **Information exchange** on regulatory regimes relating to the mobility of business people in the region;
- Building regional cooperation to streamline and accelerate the processing of **visas for short-term business travel**;
- Building regional cooperation to extend streamlined processing to arrangements for **temporary residency for business people**;
- Develop and implement the mutually agreed standards and benchmarks essential to capacity building, and engage in **capacity building initiatives** necessary to provide streamlined visa application and immigration entry, stay and departure arrangements; and
- Establish and maintain a dialogue on mobility issues with the business community.

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

### 2. Collective Actions Achieved

#### *Information Exchange*

Economies maintain up-to-date information on their requirements for short-term business entry and business temporary residency in the online version of the APEC Business Travel Handbook. The Handbook includes contact details for visa offices across the APEC region. Improvements to the online version of the travel handbook have been completed and APEC economies can now update their entries in the handbook online. The Handbook can be found at: <http://www.businessmobility.org>.

#### *Streamlined Short Term Business Travel*

- The IEGBM continues to support the ABAC aim of expanding the membership of the APEC Business Travel Card (ABTC) scheme. There are 13 participating economies (at August 2002). The ABTC removes the need for business people to separately apply for visas for entry to participating economies, and provides the additional benefit of streamlined airport processing.

Economies have agreed to issue multiple-entry visas to frequent business travellers from other APEC economies and have acted individually to facilitate business travel, for

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

### ***Streamlined Temporary Residency***

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

### ***Capacity Building – Technical Cooperation and Assistance***

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

#### 1. Travel and Identity Document Examination

- Document examination is the first area in which standards have been developed under the IEGBM's capacity building strategy and a paper was considered and agreed at SOMIII 2001. The standards provide the benchmarks for individual economies to self-assess their current position and to develop individual action plans for capacity building through initiatives to improve their legislative, technology, organisational and people infrastructure.

Technical cooperation and training programs have been conducted to build the capacity of APEC members in the detection of travel document fraud. As part of the capacity building program a generic document examination training resource package was developed in May 2001 for all APEC economies to train their border officers in the detection of fraudulent documentation. Trainers from all APEC economies have been trained in the use of the resource package. Economies have agreed to report at SOM I, 2003 on the implementation of the training package strategy in the national training program.

#### 2. Project on Professional Service

The professional service project is the second project under the IEGBM's capacity building program and was approved by the BMC in August 2001. The project is to improve the level of professional service in economies, thereby enhancing the capacity of economies to provide efficient, streamlined practices across all key areas of immigration processes, to the benefit of business and other travellers within the APEC region. A standards document outlining a set of guidelines for Professional Service was endorsed by the members at the August 2002 meeting of the IEGBM.

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

The BMC approved TILF funding for a multilateral trial of APP to be completed by end 2002 and for a series of three APP feasibility studies to be completed by June 2003. The APP is a best practice travel facilitation system and will have significant benefits for business people, governments and airlines in terms of faster border processing of genuine travellers, increased levels of travel security and a reduced number of undocumented arrivals.

### ***Dialogue with the Business Community***

- The Business Mobility meeting outcomes are conveyed to the ABAC.
- The Convenor attended the ABAC meeting in Sydney in May 2002 to report on the IEGBM's activities.
- Economies consult their business communities and report on any identified business mobility issues of concern.
- Other APEC fora were invited to address the Group on business concerns and members have attended appropriate APEC events.

The IEGBM Group has completed development of a Business Mobility website that provides the APEC business community with access to information about the Group's activities and also the opportunity to provide feedback on BMG initiatives. The website can be found at <http://www.businessmobility.org>

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

#### ***Information exchange***

Economies will continue to refresh their entries in the APEC Business Travel Handbook to reflect agreements reached on streamlined temporary residency processing arrangements for Intra Company transfer of executives and senior managers, and specialists, the short term entry requirements for each economy and any other initiatives adopted designed to facilitate the mobility of business people.

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

The IEGBM will continue to support the ABAC aim of expanding the APEC Business Travel Card (ABTC) scheme. Additional announcements are expected before SOMI 2003.

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

The IEGBM will continue, on a best endeavours basis, to process visa applications for temporary residency of executives, senior managers and specialists, *as defined by each individual economy*, within 30 days upon receipt of all necessary documents. Economies note that processing time may extend beyond 30 days where circumstances require more detailed checks, the application is not complete or correspondence with the applicant is necessary.

The IEGBM agreed, on a best endeavours basis, to consider the streamlining of access to work permission/authorisation for spouses of personnel on intra company transfer on request.

#### ***Capacity Building - Technical Cooperation and Training***

Travel and Identity Document Examination

- These standards cover document examination. Individual economies are to self-assess their current position and to develop individual action plans for capacity building through initiatives to improve their legislative, technology, organisational and people infrastructure. Economies are to report on the incorporation of the



training material into their national training programs at SOMI 2003.

#### Project on Professional and Efficient Service

- The IEGBM completed the first phase of this project in August 2002, which was the agreement to a set of specific immigration professional service standards. The next phase will be a workshop prior to SOMI 2003 to assist economies conduct their self-assessments and to commence the development of their individual action plans to implement the mutually agreed standards. Approval has been received from the BMC for funding of phase three of this project to be conducted in 2003-4.

#### Advance Passenger Processing (APP)

- Three economies have nominated for an APP feasibility study. The feasibility study has commenced in Thailand and is expected to be completed in September 2002.

#### *Dialogue with the business community*

The IEGBM completed development of the Business Mobility website in August 2002 and all parts of the website are now 'live' to the Internet. The website provides numerous dynamic and interactive features and will provide a portal for the business community to obtain information and provide feedback on IEGBM initiatives. The website will continue to provide a valuable resource to the business community on entry requirements and promote transparency principles of APEC.

The IEGBM has considered strategies for the integration of gender issues into the Group's work, and plans to conduct a survey of business women by end 2002 to assess any issues or difficulties they encounter when planning and undertaking business travel. Specifically, the survey plans to identify any barriers to business mobility on the basis of gender.

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

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

**The development and implementation of standards** across all key areas of immigration will increase the capacities of economies to provide significant time and cost saving benefits for business people and economies.

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

The **APEC Business Travel Card** facilitates frequent business travellers to participating economies by streamlining entry and departure arrangements, providing express immigration lanes at international airports.

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

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

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

## **5. 2002 Highlights**

The ABTC scheme continued to expand with the formal signing on of China and Indonesia and more announcements are expected by SOMI 2003.

Based on the methodology and principles from the '*Business Mobility Standards: A Key to Building Capacity*' paper, the following capacity building activities have been undertaken by the BMG in 2002:

- The IEGBM endorsed a *Standards for Professional Service* paper at its SOM III 2002 meeting; the second area in which standards have been developed under the IEGBM's Capacity Building Strategy;
- The IEGBM conducted successful document fraud training sessions in Malaysia and the USA to deliver training in the use of a resource package for use by APEC economies to provide standardised training for the efficient and effective examination of travel documents;
- The BMC approved an APEC TILF project proposal to conduct feasibility studies in three eligible economies to assess requirements to establish Advance Passenger Information (API) systems. The first feasibility study has been undertaken in Thailand;
- The BMC approved APEC TILF capacity building proposal to establish and standards in Travel Document Security and Issuance Systems; and
- The BMC approved TILF funding for a project to develop economies' Immigration legal infrastructure.

The IEGBM continued its strong links with the APEC Business Advisory Council (ABAC) and appointed a Gender Focal Point to assist the Network's contribution to implementation of the APEC Framework for the Integration of Gender. A survey targeting business women to identify any barriers to business mobility will be completed by end 2002.

The IEGBM has completed development of a website that will enhance dialogue with the APEC business community, other APEC fora and within the IEGBM itself. A dynamic feature of the website will allow economies to provide online updates to their entries in the *APEC Business Travel Handbook*, making updated entries simpler to manage.

## MOBILITY OF BUSINESS PEOPLE 2002 COLLECTIVE ACTION PLAN

OAA Objectives	Action	Timeframe
<p>Collective Actions APEC economies will:</p> <p><b>EXCHANGE INFORMATION</b></p> <p>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 APEC Business Travel Handbook.</p> <p><b>SHORT-TERM BUSINESS ENTRY</b></p> <p>Streamline short term entry requirements for business people. APEC economies will strive on best endeavours basis, and according to own immigration procedures, to implement one or more of the following options: 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.</p> <p><b>BUSINESS TEMPORARY RESIDENCY</b></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>Regularly update the APEC Business Travel Handbook informing business of members' short-term business and business temporary residence entry, visa and other requirements and processing arrangements.</p> <p>Continue to improve the Business Mobility website to act as a conduit for meeting papers and to provide information about the IEGBM's activities.</p> <p>Experts' Group to determine and implement goals for the Group to pursue.</p> <p>Economies to continue review and improve their arrangements for short term business travellers.</p> <p>Experts' Group to continue to support ABAC's aim of expanding the APEC Business Travel Card (ABTC) scheme. Scheme has 13 participating economies (as at August 2002).</p> <p>BMG has agreed, on a best endeavours basis, to a 30 day service standard for the temporary residency processing of executives, senior managers and specialists (as defined by individual economies), where all necessary documentation is completed. Majority of economies have reported they have implemented the agreed service standard.</p> <p>Members have agreed to consider streamlining access to work permission/authorisation for spouses of personnel on intra company transfer, on request, and on a best endeavours basis.</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>

OAA Objectives	Action	Timeframe
<p><b>CAPACITY BUILDING (TECHNICAL COOPERATION AND TRAINING)</b></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>Capacity Building Strategy:</p> <p>A paper on standards for travel, entry, stay and departure was endorsed by economies at SOM II 2001. The paper provides benchmarks and a framework for economies to strive for in building their capacity to implement improved immigration arrangements for business people, and a basis for future capacity building projects.</p> <p>The IEGBM endorsed at SOM III 2002, a paper proposing standards for professional service for immigration administrations, as part of the first phase of an APEC TILF funded project. The second phase of the project will commence just prior to SOM I 2003, and the project is scheduled for completion in 2004. Funding for Phase 3 of the project was approved by the BMC on 1 August 2002, to continue the current project to the stage of assisting economies to develop and implement their individual action plans.</p> <p>At SOM III 2001, the IEGBM endorsed a standards paper for Document Examination and Fraud detection. These standards are being used by economies to develop their current capacity based on economies assessments of their current arrangements. Technical and training programs have been conducted in 2002 by lead economies in the use of a generic training package, which was developed in May 2001. A survey of economies' progress against the agreed standards was undertaken in 2002 and the BMG has agreed to a number of follow up actions to improve economies' capacity to attain the standards. Agreed actions include economies reporting to SOMI 2003 on the implementation of the training strategy in their national training programs on document examination; sharing information on legislative regimes; supporting the development of a proposal for sharing information on lost, stolen and fraudulent documents.</p> <p>The IEGBM has received funding from the BMC (1 August 2002) to develop standards and a capacity building program to implement standards in travel document security and related issuance systems. The standards and guidelines will take into account the latest technological advances in document security features, and incorporate all relevant global and regional standards. The first phase of the project will commence in 2003 with a workshop of experts on document security to develop draft standards.</p> <p>Negotiations are continuing for the conduct of a multilateral APP trial.</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. Formal interest has been expressed by 3 economies and the first feasibility study has been completed in Thailand.</p>	<p>Ongoing</p> <p>May 2002 – 2004</p> <p>Training completed June 2003.</p> <p>Follow on work ongoing.</p> <p>May 2003 - 2004</p> <p>2002-2003</p> <p>2002- 2003</p>

OAA Objectives	Action	Timeframe
	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 will convene in 2003 to draft standards for a legislative framework.	May 2003 - 2004
<p><b>DIALOGUE WITH BUSINESS</b></p> <p>Continue to maintain a dialogue with the APEC Business Mobility Group and the APEC business community (including with APEC fora) on mobility issues important to the APEC region and the APEC business community.</p>	<p>Experts' Group to utilise the Business Mobility website to facilitate dialogue between the Group and the business community.</p> <p>Experts Group to conduct a survey of business women to identify any issues or difficulties encountered relevant to business mobility.</p> <p>Experts' Group to continue to brief ABAC members on meeting outcomes and to attend ABAC meetings on invitation.</p> <p>Experts' Group continue to invite other APEC fora to address the Experts' Group on business concerns.</p> <p>IEGBM to continue to work with ABAC to engage the APEC business community in improving business mobility (strategy agreed at SOMII, 2000).</p> <p>Members continue to seek input from the business community in their home economies on mobility issues and report on any identified issues of concern to the Experts' Group.</p> <p>Members to participate in appropriate outreach events in the APEC calendar.</p> <p>Members to continue to update and to encourage feedback from business representatives on utility of <i>APEC Business Travel Handbook</i>.</p> <p>Members to provide information and encourage feedback from the business community about the IEGBM's initiatives via the Business Mobility website.</p>	<p>Ongoing</p> <p>By end 2002</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>

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

### **1. Introduction**

The WTO Capacity Building Group (hereafter the "WTO Group") was reinstated during SOM in 2001 as the "Informal Group on the Implementation of WTO Obligation and Rules of Origin", under the Co-Convenors, Mr Syed Sajjadur Rahman (Canada) and Mr. Michitaka Nakatomi (Japan). The WTO Group's mission is to coordinate and facilitate WTO-related capacity building activities which realize the objectives of the APEC Strategic Plan. At SOM III in 2002, Mr. Nakatomi was replaced by Mr. Kazuo Yuhara as a Co-Chair of the Group.

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

In 2002, the WTO Group met twice, on 23 February (the 3<sup>rd</sup> meeting) and 14 August (the 4<sup>th</sup> meeting), and made significant progress as follows:

- The WTO Group developed the Capacity Building Matrices and its Website<sup>14</sup> housing the Matrices and reported them to MRT in May 2002 as well as to the WTO and OECD Secretariats in June and July 2002, respectively. The Matrices and Website will be certainly useful for better coordination of WTO-related capacity building activities in APEC area.
- The Canadian delegation of the WTO Group demonstrated how to use the APEC WTO Capacity Building Website. The Group agreed that all economies would update their projects and needs assessments to the Website by 15 September 2002.
- The WTO Group invited the WTO Secretariat and World Bank to its third meeting for briefing on the application of the DDA Global Trust Fund and cooperation with other related international organizations, and trade-related capacity building activities, respectively. The Group also invited the WTO Secretariat to its fourth meeting for briefing on the needs expressed from developing economies regarding the "Coordinated WTO Secretariat Annual Technical Assistance Plan 2003", the progress of the work for the Capacity Building Database, and the condition of deliberation of the plan of 2002. It was agreed that the WTO Capacity Building Group would be consulted on the WTO Secretariat's Technical Assistance Plan with a view to increasing collaboration and developing joint projects.
- The WTO Group implemented seven WTO-related capacity building projects for 2002 with the APEC TILF Fund. Four 2003 TILF projects were approved at the April and July BMC meetings<sup>15</sup>.
- Co-Chairs encouraged the developing WTO Group members to submit their needs and/or requests to the WTO Secretariat by the deadline, the end of July, so that their needs and/or requests will be reflected and incorporated in the "Coordinated WTO Secretariat Annual Technical Assistance Plan 2003".

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<sup>14</sup> URL: <http://www.apec-trta.org>

<sup>15</sup> ANNEX 3: List of Projects Approved by the APEC TILF Approval Process

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

- In response to the Trade Ministers' instruction, the WTO Group agreed to add "Confidence Building" to the mandate of the Group<sup>16</sup>. The WTO Group also agreed to amend its Terms of Reference accordingly<sup>17</sup>.
- The WTO Group agreed to invite the WTO Secretariat, World Bank, and Asia Development Bank to its meetings.

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

- The WTO Group helps member economies and international organizations to share information and better coordinate their WTO-related capacity building activities which realize the objectives of the APEC Strategic Plan.
- In response to the Trade Ministers' instruction, the WTO Group agreed to add "Confidence Building" to the mission of the Group. The WTO Group also agreed to amend its Terms of Reference accordingly.

### **5. 2002 Highlights**

The WTO Group developed the Capacity Building Matrices and its website housing the Matrices and reported them to MRT in May 2002 as well as to the WTO and OECD Secretariats in June and July 2002, respectively.

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<sup>16</sup> ANNEX 1: Proposal on Confidence Building activities of the WTO Capacity Building Group (Canada, Japan, Korea, Mexico and Singapore)

<sup>17</sup> ANNEX 2: Amended Terms of Reference of WTO Capacity Building Group

## Annex

### PROPOSAL ON CONFIDENCE BUILDING ACTIVITIES OF THE WTO CAPACITY BUILDING GROUP (CANADA, JAPAN, KOREA, MEXICO AND SINGAPORE)

16 August 2002

#### 1. COMMITMENTS ON CONFIDENCE BUILDING AT MRT

You would recall APEC Trade Ministers' commitments on "Confidence Building", which were articulated in the Chair's statement at the MRT meeting of May 2002, as follows:

##### **b) Confidence building**

APEC has played a key role in strengthening the multilateral trading system in the past. The challenge now is to continue to do so with actions that go beyond technical assistance and capacity building. APEC is well placed to build confidence on a broad range of issues in the DDA.

Ministers explored concrete steps in which APEC can contribute to a successful 5th WTO Ministerial Conference and completion of the DDA by 1 January 2005, and directed Senior Officials to present recommendations on such steps by the Leaders' meeting, including in areas such as investment, competition, trade facilitation, transparency in government procurement and trade and environment. In this context, Ministers welcomed the CTI Trade Policy Dialogue on Investment held during SOM II and those to be organized in the future on Trade and Competition Policy and Trade Facilitation.

There we have committed to conducting "Confidence Building" in order to contribute to a successful Fifth WTO Ministerial Conference and the completion of the Doha Development Agenda (hereafter the "DDA"). This implies that "Confidence Building" requires going beyond "Capacity Building" which we have mainly pursued in the work program of APEC fora, including the WTO Capacity Building Group (hereafter the WTO Group). In this connection, Ministers directed Senior Officials to present recommendations on such steps to the Leaders' meeting.

#### 2. PROPOSAL ON "CONFIDENCE BUILDING"

Reaffirming the commitments of the Trade Ministers, the WTO Capacity Building Group will support "confidence building" to achieve a successful outcome of the Fifth WTO Ministerial, and meet the goals established in the DDA by 1 January 2005 by:

- encouraging bilateral and regional "confidence building" activities, including TILF-funded projects (Example of such APEC activities are attached);
- coordinating such activities in APEC to ensure that they will be implemented in a way that APEC can contribute to a successful Fifth WTO Ministerial Conference and completion of the DDA by 1 January 2005; and
- reporting "confidence building" activities in APEC to CTI, SOM, Ministers and Leaders as appropriate.



## **WTO Capacity Building Group**

### Terms of Reference

#### **Origin and Authority**

The WTO Capacity Building Group (the Group) is a subsidiary body to the Committee on Trade and Investment (CTI).

#### **Mission**

- To co-ordinate and facilitate WTO-related capacity-building activities which realize the objectives of the Strategic APEC Plan (herewith referred to as “WTO-related capacity building activities”).
- To co-ordinate and facilitate confidence building activities which realize the commitment in the MRT statement (May 2002).

#### **Mandate**

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

#### **Membership**

- Representatives of APEC's 21 member economies

- Observers: the Secretariat of the Association of South East Asian Nations (ASEAN Secretariat); the Pacific Economic Co-operation Council (PECC); and the Pacific Islands Forum (PIF)

### **Frequency and Structure**

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

**PROGRESS REPORT OF WTO –RELATED CAPACITY BUILDING PROJECTS (2001–2003)**

**As of 5 August 2002**

<b>FY</b>	<b>Number of Projects Approved</b>	<b>Number of Projects Completed</b>
2001	TILF Special Account: 8	TILF Special Account: 7
2002	TILF Special Account: 7	TILF Special Account: 3
2003	TILF Special Account: 6	TILF Special Account:

## 2001 Projects

Project No.	Project Name	Overseeing Economy/Forum	Budget (US\$) /Status	Progress and Schedule
CTI 17/2001T (urgent)	Facilitation of Developing economies participation of WTO Industrial Tariff Seminar	Australia (WTO)	44,800 (Completed)	Helped developing economies participate in the seminar in March 2001.
CTI 18/2001T (urgent)	APEC/WTO Capacity Building: GATS Basic Telecommunications Training Program	Canada (WTO)	64,500 (Completed)	The Seminar was held on 27-31 August 2001 in Singapore.
CTI 19/2001T (urgent)	SCCP Program to Improve Implementation of Customs-Related WTO Agreements	Japan (SCCP/WTO)	219,500 (Completed)	Was held in May 2001 in Japan.
CTI 20/2001T (urgent)	APEC/WTO Capacity Building: GATS Financial Services Agreement Training Program	Canada (WTO)	64,500 (Completed)	The Seminar was held on 14-18 January 2002 in Singapore.
CTI 24/2001T (urgent)	APEC/SCSC Training Programmes on Standards and Conformity Assessment	Japan and Malaysia (SCSC/WTO)	191,230 (In progress)	The training workshop was held in Malaysia on 21-24 January 2002. The second training course is scheduled on 28-31 October 2002 in Malaysia.
CTI 25/2001T (urgent)	Seminar on WTO TRIMS Agreement Implementation: Capacity Building for a Better Investment Environment	China (IEG/WTO)	98,600 (Completed)	Seminar took place on 9-10 September 2001 in Xiamen, China.
CTI 26/2001T (urgent)	APEC/WTO Capacity Building: WTO Overview of Negotiations Agreement	Peru (WTO)	107,500 (Completed)	Held on 12-14 June 2002 in Lima, Peru.
CTI 27/2001T (urgent)	APEC Resource Pack and Symposiums for Operation of National Points-of-Enquiry under the SPS and TBT Agreements of the WTO	New Zealand (SCSC/WTO)	177,450 (Completed)	Supported 6 developing members participation in the WTO TBT meeting on 28-29 June 2001. Supported 6 developing members participation in the WTO SPS meeting on 30 October-2 November 2001. The Handbook was approved by SCSC in February 2002. Symposiums on SPS and TBT Notification and Point-of-Enquiry were held in May 2002 in Lima and Bangkok.

## 2002 Projects

Project No.	Project Name	Overseeing Economy/Forum	Budget (US\$) /Status	Progress and Schedule
CTI 01/2002T	SCCP Program to Improve Implementation of Customs-Related WTO Agreements	Japan (SCCP/WTO)	97,800 (Completed)	Phase 2 (Three National Workshops on ROO and one on TRIPS) are in the process of implementation this year (2002).
CTI 09/2002T	APEC/WTO Capacity Building: SPS Implementation Program	China (SCSC/WTO)	40,000 (In progress)	Training courses on phytosanitary, animal health and food safety and a wrap-up seminar to take place after September 2002.
CTI 10/2002T	IP Experts Capacity Building Program for TRIPS Implementation	Hong Kong, China (IPEG/WTO)	31,560 (Completed)	Symposium to take place in Hong Kong, China from 25 February to 1 March 2002.
CTI 13/2002T	IPEG Public Education and Awareness of Intellectual Property	Australia (IPEG/WTO)	151,000 (In progress)	Three initial activities have been implemented. A questionnaire was sent to each participating economy. Indonesian DGIPR officials visited IP Australian in May. The scoping study visit to Viet Nam, Indonesia and the Philippines took place on 14-27 June.
CTI 32/2002T (urgent)	Facilitation of Developing economies Participation in OECD Workshop in Cooperation with APEC – Development Dimension of Singapore Issues	Japan (WTO)	26,000 (Completed)	The workshop took place in Hong Kong, China on 19-20 June 2002.
CTI 34/2002T (urgent)	Coordination of APEC's Capacity Building Response to Doha	Canada and Japan (WTO)	116,450 (Completed)	The website WTO Capacity Building was developed and the matrix WTO Capacity Building is on line.
CTI 39/2002T (urgent)	Facilitation of Developing Economies Participation in a WTO (Non-Agricultural) Market Access Seminar	Australia (WTO)	42,250 (Completed)	Seminar was held in Geneva on 29-31 May 2002. Project Overseer has to write the evaluation of this project.

### 2003 Projects (after July BMC Meeting)

Project No.	Project Name	Overseeing Economy/Forum	Budget (US\$) /Status	Progress and Schedule
CTI 01/2003T	SCCP Program to Improve Implementation of Customs-Related WTO Agreements	Japan (SCCP/WTO)	182,200 (In preparation)	Approved. Waiver to fund government officials and expert from WCO per diem for trainees, advance payment for US customs officials and early implementation of project are approved
CTI 06/2003T	APEC Seminar on WTO Trade Facilitation	Japan (WTO)	139,160 (Approved by BMC)	Approved after deducting US\$1,300 per diem. Waiver to fund government officials and experts from WCO/WTO/UNCTAD is approved
CTI 10/2003T	Forum on Trade and Investment (New WTO Issue)	China/Japan (WTO)	142,250 (Approved by BMC)	Approved after deducting US\$1000 photocopying cost and US\$3,000 secretariat room. Waivers to fund government officials, advance payment for experts and early implementation of project are approved.
CTI 12/2003T	APEC Seminar on WTO New Issue (Trade and Investment)	Japan (WTO)	85,275 (Approved by BMC)	Approved after deducting US\$1,000 photocopying cost. Waiver to fund government officials, advance payment for experts, early implementation of project are approved.

**APPENDIX II**

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**REPORT ON TILF ACTIVITIES IN OTHER APEC FORA**





## REPORT ON TILF ACTIVITIES IN OTHER APEC FORA

### Human Resources Development Working Group

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

The series of workshops, seminars and a wrap-up symposium arising from the 'APEC Alternative Dispute Resolution (ADR) Executives Education' project were held this year. The project aims to raise awareness about ADR, enhance skills of business people and their professional advisers in negotiation and dispute resolution, and promote use of ADR methods for commercial dispute resolution, as well as develop curricula and teaching material. In 2002, three events were held to further the project's objectives: in Hawaii in April, followed by two seminars in Manila in July and September.

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

The third phase of the 'Trade and Investment Insurance Training Programme (TITTP),' which is also jointly conducted with the Trade Promotion Working Group (TPWG), was continued and is registered a high rate of participation from members. The Program trains Export Credit Agencies (ECAs) in the field. As many as five separate events in several economies have been held to implement this program throughout the year.

A conference on Corporate and Nonprofit Governance in the APEC region held in conjunction with the Pacific Asian Capital Market (PACAP)'s 14<sup>th</sup> conference was held in July in Tokyo, the results of which will be published in a special edition of the Pacific Basin Finance Journal.

A project on Executive Capacity Building on International Rules and Standards-based Management to develop training materials for managers engaged with the regulatory environment created by institutions such as the World Trade Organization commenced with a workshop to define the regulatory areas in which the materials will be developed and establish the procedures for their production. These materials will be developed and then piloted in three APEC member economies.

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

### Marine Resource Conservation Working Group

In 2002, the Marine Resource Conservation working Group (MRCWG) continued with the implementation of the three-year TILF-related project on 'Development and Validation of Phycotoxin Analytical Methods, Standards and Reference Materials for the Seafood

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

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

In 2002, the Small and Medium Enterprises Working Group (SMEWG) contributed to the TILF agenda through two of its activities. The first activity was a Seminar on "Opportunities and Challenges: APEC SME after China's Accession into WTO" that was held in Qingdao, China on 11–12 June 2002. The purpose of the Seminar was to identify opportunities and challenges faced by APEC SMEs after China's Accession into the WTO and help improve the business environment for APEC SMEs. The Seminar also enabled participants to exchange experiences and information on policies adopted to promote SME development in APEC region.

The second activity was the Innovation Forum on International Business Cooperation in the Sphere of Innovative Entrepreneurship that took place in Moscow, Russian Federation on 26-28 June 2002. The Forum aimed at creating a more efficient platform for APEC venture investors to network and do business. Participants at the Forum exchanged experience and best practices in the area of innovative SME development. The Forum also enabled them to overcome information barriers, establish new business contacts, linkages and implement joint business projects.

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

In 2002, the Telecommunications and Information Working Group (TEL) carried out a number of TILF related activities.

The TEL continues to move forward with the implementation of the 'APEC TEL Mutual Recognition Arrangement (MRA) for Telecommunications Equipment'. Twelve economies are participating in the implementation of Phase I procedures (mutual recognition of test reports). Five are participating in Phase II (mutual recognition of equipment certification). The TEL is also conducting an 'MRA Outreach Program' aimed at industry and conformity assessment bodies. A Workshop on orientating and training regulators for MRA implementation is planned to take place in November 2002 with a follow up workshop in Malaysia, March 2003.

Because competing networks require interconnection to each other to facilitate full services to users, interconnection arrangements are critical to the TILF agenda in the telecommunications sector. Following the adoption of the "APEC Principles of Interconnection" at TELMIN 4, member economies continue to report on the implementation of these principles in their economies. The completed Interconnection Resources Project has developed tools to speed the settlement of vexed costing and pricing issues for network interconnection. The Interconnection Training project is providing structured and participatory learning opportunities for key people in

government and industry who have responsibility for the resolution of interconnection issues.

Following the adoption of the 'APEC Principles on International Charging Arrangements for Internet Services' by the 4th Ministerial Meeting on the Telecommunications and Information Industry (TELMIN 4) in 2000, TEL has continued to discuss and exchange views on international charging arrangements for Internet services. This work has been expanded with a project to develop useful measurement tools that will assist discussion between business/private sector and government parties on the appropriate means to assess and reward the value of products and services exchanged in the provision of converged Internet services among APEC economies. New work is commencing to raise awareness of issues for the next generation of internet technology.

Government and industry benefit from advice on the modernization of regulatory arrangements to facilitate developments that are occurring with the convergence of information and communications technologies and the emergence of competing services. Work under the 'APEC Regulatory Structures' project will be completed at the end of 2002. The project aims to increase understanding throughout the communications (telecommunications, broadcasting and information technology) community of the current status of regulatory structures across APEC member economies to encourage investment and broad economic growth. It also assists discussion among economies of regulatory options that may facilitate the convergence of their telecommunications, broadcasting and information technology industries. It builds on work already underway within the TEL, in particular, the focus on Interconnection, Internet Peering and MRAs. In addition, it will give practical effect to work on competition policy and principles and market access rules.

In the area of electronic commerce and e-government, TELWG supports trade and investment facilitation with activity focused on security, authentication, interoperability, accessibility, skill building, awareness raising and pilot projects.

Information security issues received particular attention at the Ministerial Meeting on the Telecommunications and Information Industry in 2002, giving impetus to a number of initiatives including implementation of measures to combat criminal misuse of information technology. The publication of e-security resource documents, developed by the TEL e-Security Task Group will assist business users and policy makers with a comprehensive guide to electronic security issues, noting that concerns about security are recognized as inhibiting commitment to electronic systems. A training program in e-security will enhance awareness of e-security issues. A workshop on Computer Emergency Response Teams will focus specifically on critical computer security issues in March 2001. Both business and government will benefit from improved understanding of e-security measures required to protect electronic business activities.

The TEL conducted a capacity building WTO Workshop in Moscow, August 2002. The activity was aimed at supporting participation in WTO services negotiations related to telecommunications and information services. A follow up workshop is planned for March 2003 in Malaysia.

The TEL has agreed to undertake a Liberalization Stocktake to commence in 2003. Government and industry will benefit from a realistic examination of the progress and benefits achieved with market opening. Expectations will be reviewed in the light of experience and in the context of technological change and convergence

## **Tourism Working Group**

During 2002, the Tourism Working Group (TWG) has concentrated its efforts on the completion of a work plan that was based upon the Four Policy Goals that gave substance to the *Seoul Declaration on an APEC Tourism Charter*. These are “Removal of Impediments to Tourism Business and Investment”; “Increase Mobility of Visitors and Demand for Tourism Goods and Services”; “Sustainable Management of Tourism Outcomes and Impacts”, and “Enhance Recognition and Understanding of Tourism as a Vehicle for Economic and Social Development”.

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

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

The TWG presented a report entitled “*APEC Tourism Impediments Study*” to the second Tourism Ministerial meeting held in Manzanillo, Mexico in July. The objectives of the study were to review the extent of impediments affecting the movement of travelers and the development and operation of tourism businesses. As a result of greater willingness on the part of agencies whose policies affect tourism to assist in responding to the needs of the tourism, relatively few significant impediments were found.

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

The TWG presented three deliverables at the APEC Tourism Ministerial meeting which directly address Policy Goal Four. These deliverables were:

- The Tourism Information Network (TIN). The network ([www.apec-tourism.com](http://www.apec-tourism.com)) which is up and running contains a collective knowledge base of tourism information via a single, convenient point of access. Its purpose is to assist target audiences to network and collaborate, in particular APEC research networks.
- The APEC International Centre for Sustainable Tourism (AICST). The centre is the result of a project that was endorsed at the first Tourism Ministers Meeting in Seoul. The TWG’s task was to establish a collaborative research network. This network is a multilateral tourism research consortium actively drawing together interested organizations to build linkages, research and education capacities especially enhancing opportunities to develop tourism that are of mutual interest to participants.
- The research project on “Best Practice in the Development of Tourism Satellite Accounts (TSAs) in the APEC region”. The project is intended to assist APEC member economies to establish a credible and internationally comparable set of standards that track tourism growth and measure the contribution of tourism member economies. The research results have been compiled into a publication which

include survey results of 11 case studies of member economies that have already developed, or are in the process of developing, TSAs of their own.

In addition TWG Policy Groups are also responsible for overseeing the TILF related projects such as the Application of Electronic Commerce to Small and Medium Tourism Enterprises, Training for Sustainable Development in the Tourism Industry and Public-Private Partnership for Sustainable Tourism. These projects were all completed in 2002 and presented at the Tourism Ministerial Meeting in Manzanillo in July.

The TWG also discussed with particular detail the need to develop Tourism Individual Action Plans (IAPs) and TWG Collective Action Plans (CAPs) on issues relating to the Policy Goals agreed in the *Seoul Declaration on an APEC Tourism Charter*. The Schedule to the Charter outlines the process for developing IAPs and CAPs and for nominating issues relating to Policy Goals to be included as well as nominating issues which the TWG considers should be addressed by other APEC fora. By the Tourism Ministerial Meeting in Manzanillo, sixteen economies have completed and presented IAPs on Tourism. These IAPs represented the current state of the tourism policy in each of the member economies and, where appropriate, set out planned improvements. With the delivery of these IAPs the TWG will now concentrate its efforts towards developing the CAP and nominating issues arising from the CAP for consideration by other APEC fora.

### **Trade Promotion Working Group**

In 2002, the Trade Promotion Working Group (WGTP) continued to undertake work on the trade promotion, trade skills and training, trade information and networking. Its activities are consistent with OAA II and its annual report to SOM. On the basis of Ministers' and Leaders' instructions, the group and individual Trade Promotion Organizations (TPOs) developed initiatives in human capacity building following the principles contained in the Beijing Initiative, and gave emphasis to incorporating priorities of SMEs.

Activities pursued during the year included: the revamp of APECNET; the Core Characteristics Survey IV of APEC Trade Promotion Organizations (TPOs); APEC Seminar on Complete E-trade; Reverse Exhibitions by JETRO; The APEC Pavilion in Thailand Food Fair; Seminar on Product Packaging.

Work on revamping the APECNet was completed in 2002. The revamped site includes updated features such as "New Profiles Alerts" and "HS Product Code Search" as well as a database and administration module for updating, broadcasting, and statistic reporting purposes by APECNet administrators

The 'Core Characteristics Survey (CCS)' is an annual survey conducted by Australia, with all APEC economies. CCS collects data on key performance and operational mechanisms engaged by APEC TPOs in the delivery of trade and investment facilitation services. Such successive surveys have also provided a summary of developments in APEC TPOs, such as a leaner workforce among TPO staff, higher numbers of domestic staff posted overseas, and dramatic increase in number of locally engaged staff. They have also noted a preference for quantitative performance indicators among TPOs, and a wide disparity in hit rates on TPO websites. The fourth edition (CCS IV) which was completed during the year, incorporated new categories, such as performance measures and profile on women. It also revealed budget increases in real terms for most TPOs over the 1998-2001 periods. Work on the fifth edition which was approved at the 13th WGTP meeting will commence soon.

The Seminar on Complete E-trade was held on 5-6 Sept 2002 in Beijing, China. A total of 90 participants from E-trade related department of business, research institutions, and government agencies of member economies. Topics encompass four aspects of e-trade and include party identity validation, legal and technical aspects of online contracts, payment platforms, e-trade dispute settlement, and others.

Four reverse exhibitions (also known as “procurement exhibitions”) were held during the April 2001 to March 2002 fiscal year in China under the sponsorship of Japan External Trade Organization (JETRO) with particular emphasis on efficiency and attention to SME needs. The exhibitions in China generated thousands of talks and hundreds of contracts.

An APEC Pavilion was organized in Thailand International Food Exhibition (THAIFEX) and the Thailand International Muslim Food Exhibition (THAIMEX) that were held on 29 May-2 June 2002. The exhibitions drew attention of thousands of suppliers and buyers in the food industry in the APEC Region.

### **Economic Committee**

The principal TILF-related activities for the Economic Committee (EC) in 2002 are its research projects, namely:

- *2002 APEC Economic Outlook;*
- *New Economy report;*
- *The Benefits of APEC Trade and Investment Liberalization and Facilitation; and*
- *A Plan for the Implementation of Knowledge-based economy (KBE).*

The structural topic of the *2002 Outlook* addresses the TILF agenda by examining the development, regulation and supervision of microbanking in the Asia-Pacific region. The study, which is being coordinated by Mexico, is expected to show the contribution of microbanking activities to the development and strengthening of more sophisticated financial intermediaries, and their concrete effects on the targeted beneficiaries, such as the low-income population and micro-enterprises.

The analytical foundation for the New Economy issue is not sufficient and the EC could contribute to the provision of the necessary knowledge for decision-makers through deeper study. The EC “New Economy” project will involve coming up with a working and useful definition of the New Economy. The project aims to: examine innovation in APEC service industries with special reference to e-commerce; compare the keys drivers of the New Economy in the US and Canada; examine the seriousness of the digital divide in APEC; compare the state of entrepreneurship among member economies; and study whether e-commerce benefits actually exist at the macro level. It will also study the policy fundamentals underpinning the New Economy including such areas as fiscal, financial structure, trade and cross-border investment, and competition (including legal issues), where the policy regime is key to the development of the characteristics of the knowledge-based economy.

As APEC is at the halfway towards the Bogor goals, the project on “The Benefits of APEC Trade and Investment Liberalization and Facilitation” will build upon previous work in APEC. The project will emphasize the important positive effects to trade facilitation, since they are expected to be greater than those resulting from trade liberalization by reducing or eliminating tariff and non-tariff barriers. The project will try to measure the impact of trade facilitation measures on transaction costs.

The 'Plan for Implementation of KBE' is a follow-up study on how to implement the recommendations cited in the EC's 2000 report to Ministers and Leaders entitled *Towards Knowledge-based Economies in APEC*. These recommendations are as follows: (1) establishment of a KBE Clearing House; (2) generation of start-up policies for triggering the transition to KBEs; and (3) inclusion of KBE status indicators in the Economic Outlook. The EC will draw an Advisory Group from member economies on a voluntary basis. This group will advise the managers of the Knowledge Clearing House (KCH) database about the scope, priorities, and broad technical directions of the KCH website and database. The EC will also form a KBE Task Force to handle the inclusion of KBE Status Indicators in the *2002 APEC Economic Outlook* Report.

**APPENDIX III**

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**2002 MATRIX OF TILF DELIVERABLES**



## TILF DELIVERABLES IN 2002

### 1. TARIFF/NON-TARIFF MEASURES

Name of CTI Sub-fora/ Working Groups	TILF Deliverables for 2002	Description/Timeframe	Expected Benefits and Beneficiaries
1. Market Access Group (MAG)	<p><b>Tariffs</b></p> <p>Participate and ensure the expeditious supply and updates of the WTO Integrated Database (IDB) and any other APEC databases</p>	<p>2002 and ongoing. Members made efforts to ensure that data on the TDB are up-to-date. A number of member economies, including Mexico, Chile and Hong Kong, China, responded positively to the challenge by providing up-to-date data to the WTO IDB. The SCCP Convenor reaffirmed commitment to the continuous maintenance and development of the TDB. The APEC TDB can now be updated at any time – allow 2 working days for complete upload after members make the request</p>	<p>An enhanced APEC Tariff Database (TDB) with current and accurate trade and tariff data and information</p> <p>Updated WTO IDB</p>
2. MAG	<p>Arrange for seminars and/or workshops on industrial tariffs negotiations in consultation with international organizations</p>	<p>2002 and ongoing. Conducted a Trade Policy Dialogue in MAGII, in which WTO, OECD and PECC representatives delivered presentations on issues such as NTMs, the WTO IDB and trade facilitation. A Trade Policy Dialogue on Best Practice in Domestic WTO Consultations was held at MAG III, with presentations from Canada; Papua New Guinea; the United States; Australia; Mexico; and Hong Kong, China.)</p>	<p>Improved member capacity for preparatory work towards future tariff negotiations</p> <p>Regular seminars on the WTO, including on WTO IDB, and domestic 'best practices' preparatory work experiences</p>
3. MAG	<p><b>Non-tariff measures</b></p> <p>Further develop the MAG homepage of links to websites of APEC member</p>	<p>2002 and ongoing. Members have ensured that links in the MAG website</p>	<p>An expanded MAG homepage with links to websites of APEC member economies</p>

Name of CTI Sub-fora/ Working Groups	TILF Deliverables for 2002	Description/Timeframe	Expected Benefits and Beneficiaries
	economies dealing with trade regulations and associated administrative arrangements as a resource for business and other economies	are current and relevant. A number of documents have been nominated for uploading/posting on the MAG website.	dealing with trade regulations and associated administrative arrangements as a resource to business and other economies  An expanded MAG website that includes access to or copies of relevant publications
4. MAG	Pursue a series of seminars/policy discussions on non-tariff measures	2002 and ongoing. MAG has initiated a Workshop on NTMs and Trade Facilitation to be held in Thailand in 2003. The workshop will assist members to better understand the nature of NTMs and their impact on trade of goods and services, which may assist individual economies set appropriate policies on market access issues. The workshop is co-sponsored by the United States and Australia.  Australia; Mexico; the United States; Canada; Papua New Guinea; and Hong Kong, China delivered presentations on their respective domestic consultation processes on WTO and WTO related issues.	Improved understanding of NTMs—their nature and impact on trade and investment—and improved efforts in identifying and abolishing them  Improved dialogue on non-tariff measures

Name of CTI Sub-fora/ Working Groups	TILF Deliverables for 2002	Description/Timeframe	Expected Benefits and Beneficiaries
5. MAG	<p><b>Trade facilitation</b></p> <p>Report on APEC members' efforts<sup>1</sup> on trade facilitation including indication of benefits from such efforts</p>	<p>2002 and ongoing. A report on <i>Realisation of Trade Facilitation Benefits</i> will be launched at the Joint Ministerial Meeting in October 2002. An electronic newsletter will be distributed twice a year on MAG activities.</p>	<p>Improved members' confidence in undertaking further trade facilitation initiatives, taking into account "best practice" arrangements</p> <p>Increased awareness by APEC communities of APEC efforts in trade facilitation</p> <p>Better publicized APEC achievements on trade facilitation</p>
6. MAG	<p>Pursue a series of seminars/policy discussions on trade facilitation</p>		<p>Improved understanding at the strategic level of the challenges, costs and benefits of trade facilitation</p> <p>Improved dialogue on trade facilitation</p>
7. Transportation Working Group (TPTWG)	<p>Non-Tariff Measures in the Transport Sector</p>	<p>The project entitled, "Non-Tariff Measures in the Transport Sector" which actually started in June, 2002 aims to produce an abstract "best practice model" to demonstrate how an ideal competitive transport regulatory regime should function while preserving all the necessary elements of safety and environmental regulations.</p>	<p>Economic benefits will accrue to producers and consumers as well as contribution to the attainment of the Bogor Goals of free and open trade and investment by 2010 and 2020.</p>

<sup>1</sup> MAG should play a complementary role, thereby utilising expertise of relevant sub-fora (e.g. SCCP, SCSC) and avoiding duplication.

Name of CTI Sub-fora/ Working Groups	TILF Deliverables for 2002	Description/Timeframe	Expected Benefits and Beneficiaries
5. MAG	<p><b>Trade facilitation</b></p> <p>Report on APEC members' efforts<sup>1</sup> on trade facilitation including indication of benefits from such efforts</p>	<p>2002 and ongoing. A report on <i>Realisation of Trade Facilitation Benefits</i> will be launched at the Joint Ministerial Meeting in October 2002. An electronic newsletter will be distributed twice a year on MAG activities.</p>	<p>Improved members' confidence in undertaking further trade facilitation initiatives, taking into account "best practice" arrangements</p> <p>Increased awareness by APEC communities of APEC efforts in trade facilitation</p> <p>Better publicized APEC achievements on trade facilitation</p>
6. MAG	<p>Pursue a series of seminars/policy discussions on trade facilitation</p>		<p>Improved understanding at the strategic level of the challenges, costs and benefits of trade facilitation</p> <p>Improved dialogue on trade facilitation</p>
7. Transportation Working Group (TPTWG)	<p>Non-Tariff Measures in the Transport Sector</p>	<p>The project entitled, "Non-Tariff Measures in the Transport Sector" which actually started in June, 2002 aims to produce an abstract "best practice model" to demonstrate how an ideal competitive transport regulatory regime should function while preserving all the necessary elements of safety and environmental regulations.</p>	<p>Economic benefits will accrue to producers and consumers as well as contribution to the attainment of the Bogor Goals of free and open trade and investment by 2010 and 2020.</p>

<sup>1</sup> MAG should play a complementary role, thereby utilising expertise of relevant sub-fora (e.g. SCCP, SCSC) and avoiding duplication.

1. Group on Services (GOS)	Accomplishment of activities towards the completion of Phase III of the "Menu of Options for Voluntary Liberalization, Facilitation, and Promotion of Economic and Technical Cooperation in Service Trade and Investment."	Three seminars on regulation improvement were carried out.  These seminars involved at least seven experts from Australia, USA and Mexico.	The current and future work under the Menu of Options serves to organize GOS works. It can also facilitate the IAP process by providing concrete elements for individual member economies to adopt to further advance their work on the three pillars for services trade and investment
2. GOS	To provide support for the WTO negotiations on services.	For example on transparency and domestic regulation that can be considered by the WTO Council for Trade in Services and its subsidiary bodies; information exchanges and technical assistance sessions, to support GOS member's participation in the WTO services negotiations.	The action adds APEC value to the WTO services work for implementation to complement on-going WTO services negotiations and to increase APEC Members capacity to participate fully in the WTO process
3. GOS	Innovation in Service Industries including e-Commerce	This document aims to examine innovation in APEC services industries with special reference to e-commerce, and economic and policy implications for member economies.	Member economies will have a better understanding of the role of innovation in services industries towards productivity in these industries.
4. GOS	Costs and benefits of Services Trade Liberalization.	The project's primary objective is to study the process of service sector liberalization in a selected number of APEC economies and the impact of services liberalization in those economies.	This project will allow member economies to learn more about the advantages and possible disadvantages of services trade liberalization and will contribute to the WTO's work on services

Name of CTI Sub-fora/ Working Groups	TILF Deliverables for 2002	Description/Timeframe	Expected Benefits and Beneficiaries
5. GOS	Seminar on Sea Ports Infrastructure Services	The seminar took place during the GOS III in Acapulco, with the participation of private and public sectors	To exchange information amongst member economies and private sector about best practices on seaports infrastructure services.
6. Telecommunications and Information Working Group (TEL)	Mutual Recognition Arrangements training project has commenced.	The project provides detailed information to technical regulators about the steps that need to be taken for full participation in the Mutual Recognition Arrangement for Conformity Assessment of Telecommunications Equipment.	Reduced costs and time to market will benefit suppliers, and users of telecommunications equipment. Regulators benefit from a trusted framework for approval of equipment against the requirements of their own standards.
7. TEL	Interconnection Resource project was completed. Interconnection Training Project has commenced.	Information will be made available to regulators and industry participants on the implementation of agreed principles on telecommunications network interconnection.	Regulators and industry participants will benefit from greater clarity and speed in the resolution of interconnection arrangements between competing communications carriers.
8. TEL	A "road map" on interoperability has been produced	The document, "APEC e-Business: What Do Users Need", provides advice on cross-border e-commerce, published on CD-ROM 2002 and at <a href="http://www.noie.gov.au/Projects/international/APEC/CSIRO_report/index.htm">http://www.noie.gov.au/Projects/international/APEC/CSIRO_report/index.htm</a>	Government and industry efforts to promote sustainable investment in electronic commerce will be assisted by this compilation of information on the alternate standards, applications, technologies and business systems available.
9. TEL	Project funding was approved for the publication of e-security resource documents, developed by the TEL e-Security Task Group.	The publication will provide advice on e-security issues including Public Key Infrastructure (PKI) interoperability.  Delivery in late 2002.	Business users and policy makers will be assisted with a comprehensive guide to electronic security issues, noting that concerns about security are recognized as inhibiting commitment to electronic systems.
10. TEL	A training program in e-security, funded by the United States, has been approved	The training program will enhance awareness of e-security issues.	Business and government will both benefit from improved understanding of e-security measures required to protect

Name of CTI Sub-fora/ Working Groups	TILF Deliverables for 2002	Description/Timeframe	Expected Benefits and Beneficiaries
			electronic business activities.
11. TEL	Capacity Building to Support Participation in WTO Services Negotiations	Workshop was held in August 2002 in Moscow.	Improved capacity of APEC members to participate in WTO negotiations related to telecommunications and information services.
12. TEL	A review of regulatory structures in the communications sector has been undertaken	Reports to be completed in 2002.	Government and industry benefit from advice on the modernization of regulatory arrangements to facilitate developments that are occurring with the convergence of information and communications technologies and the emergence of competing services.
12. TEL	Liberalization Stocktake	Funding has been allocated for a review of liberalization to commence in 2003.	Government and industry will benefit from a realistic examination of the progress and benefits achieved with market opening. Expectations will be reviewed in the light of experience and in the context of technological change and convergence.
13. Tourism Working Group (TWG).	Best Practices on Development of Tourism Satellite Accounts (TSA)	<p>This TWG Project (TWG01/2001) entails the conduction of a survey to gauge the current status of where all APEC Member Economies stand in terms of adopting and implementing a Tourism Satellite Account structure. The survey will help identify the hurdles faced by those APEC Economies who have yet to implement TSA.</p> <p>The project seeks to raise the level of awareness on TSAs among member economies and to assist them in</p>	The development of TSAs will allow member economies to establish a credible and internationally comparable set of standards that track tourism growth and measures the contribution of tourism to their economies.

Name of CTI Sub-fora/ Working Groups	TILF Deliverables for 2002	Description/Timeframe	Expected Benefits and Beneficiaries
		<p>setting up TSAs; harmonize methodologies for key tourism statistical collections, consistent with the activities of other international tourism organizations; promote comprehensive analysis of the role of tourism in member economies in promoting sustainable growth and facilitate the exchange of tourism information among member economies. The final report was presented at the second Tourism Ministerial Meeting in Manzanillo, Mexico, in July 2002.</p> <p>The development of TSA is related to policy Goal No.4 of the Seoul Declaration on an APEC Tourism Charter.</p>	
14. TWG	Tourism Impediments Study (Phase 1)	<p>The task is being carried out through the funding of APEC TWG Project 04/2001. It follows through the work in this area that has been achieved by the TWG since 1996. The objectives of the study were to review the extent of impediments affecting the movement of travelers, and the development and operation of tourism operators.</p> <p>The final report was presented to the second Tourism Ministerial Meeting in Manzanillo, Mexico, in July 2002.</p>	The target audience for the results of this project includes the Ministries of Tourism, Trade and Development, as well as Transportation authorities from APEC Member Economies; International and National Tourist Industry representatives; Regional, State and Provincial Agencies with responsibility for specific tourism areas and Foreign Investment Regulatory Agencies.
15. TWG	Implementation of a Tourism Information Network (TIN)	This TWG Project (TWG01/2001T) seeks to establish a mechanism through which information flows	The Project will result in considerable progress towards the development of a Knowledge Based Tourism Sector in the



Name of CTI Sub-fora/ Working Groups	TILF Deliverables for 2002	Description/Timeframe	Expected Benefits and Beneficiaries
		<p>between member economies is improved by providing access to information about tourism in APEC. The project aims to enhance access to current and future information made available by economies and other tourism related organizations. The TIN will be an integral part of the existing APEC TWG website. The information from this existing TWG site will be supplemented by a more diverse range of information and further supplemented by hyperlinks to member economies' sites. This project is complete and the website is operational. The report was presented at the second Tourism Ministerial Meeting in Manzanillo, Mexico, in July 2002.</p>	<p>region. It aims to assist the tourism industry in reaching its potential as a driver of economic growth in the region.</p>
16. TWG	Implementation of a Tourism Research Network (TRN)	<p>In the first APEC Tourism Ministerial Meeting in Seoul, Korea, Ministers endorsed the concept of establishing an APEC Tourism Research Network as a means of creating and/or improving linkages between Tourism Research Institutions in the APEC Region. The APEC International Center for Sustainable Tourism (AICST) has been established and is currently being housed at Griffith's University in Australia.</p> <p>A status report and business plan were presented at the second Ministerial meeting in Manzanillo, Mexico, in July 2002.</p>	<p>This project (TWG 02/2001), which is linked to the Tourism Information Network Project, will allow participating member economies, universities, institutions and private sector organizations to build research and education capacities, contribute to relevant and collaborative projects, and more effectively use existing resources in order to generally enhance research cooperation within APEC.</p>

Name of CTI Sub-fora/ Working Groups	TILF Deliverables for 2002	Description/Timeframe	Expected Benefits and Beneficiaries
17. TWG	IAPs and nomination of Issues to be included in Tourism Collective Action Plan	As set forth in the Seoul Declaration on an APEC Tourism Charter, endorsed by Tourism Ministers, a set of procedures for the development of Tourism IAPs and CAPs as well as the identification of issues for consideration by other APEC Fora pursuant to the APEC Tourism Charter is to be reached. Sixteen IAPs were presented at the second Tourism Ministerial Meeting in Manzanillo, Mexico, in July 2002. The nomination of issues for consideration by other APEC Fora and development of a CAP will take place at the 21 <sup>st</sup> TWG meeting to be held in Chinese Taipei in November 2002.	The Nomination of Issues process will better organize the TWGs current and future work and facilitate a more efficient work relationship between the TWG and other APEC Fora. The process will facilitate the IAP process and help economies advance their work in this important services-related area.
18. TWG	Application of Electronic Commerce to SME Tourism Enterprises(SMETEs)	This APEC Project (TWG02/2001T) is designed to increase the mobility of visitors and the demand for tourism goods and services in the APEC region. Its completion will lead to reducing current barriers to trade in tourism services and investment in SMETEs, empowering these to be represented in the electronic marketplace; to network with consumers and partners in the region; to facilitate the amalgamation of independently produced tourism products and enable the delivery of seamless tourism experiences. It will allow the development of strategies for electronic commerce for small and medium sized tourism enterprises; examine current problems and	The tourism industry is private sector-driven, comprised largely of Small and Medium Enterprises (SMEs), and regionally dispersed between and within member economies. Project beneficiaries will be SMETEs. Specially, the e-commerce technology provides a highly effective new market access channel and information access to SMETEs in the APEC region. More SMETEs using e-commerce mean more beneficiaries of APEC's efforts and it will empower TWG to improve the trade and investment between member economies. And, this project aims to produce a significant value to increase mobility of visitors and demand for tourism goods and services in the APEC region. Therefore, it will help SMETEs achieve competitive

Name of CTI Sub-fora/ Working Groups	TILF Deliverables for 2002	Description/Timeframe	Expected Benefits and Beneficiaries
		solutions related to electronic commerce in SMETEs; review successful cases of e-commerce that can be applied to SMETEs; boost online booking through e-commerce and analyze the attitudes of stakeholders such as government officials and tourism entrepreneurs toward e-commerce. The project was presented to the second Tourism Ministerial in Manzanillo, Mexico in July 2002.	advantages, establishing their niche as unique and authentic.
19 Energy Working Group (EWG)	The proceedings of the fourth workshop held in Malaysia in March 2002 will be published and distributed in June 2002	Fourth in a series of APEC Coal Trade and Investment Liberalization and Facilitation Workshops	<i>Benefits:</i> improve the efficiency and reliability of coal mining operations and; facilitate coal trade and investment.  <i>Beneficiaries:</i> business and government policy makers.
20.EWG	A report has been produced and a first workshop held in April 2001. A second workshop is planned for the last half of 2002.	Addressing the Barriers to the Inter-connection of Power Grids	<i>Benefits:</i> improve access to information and strategies on barriers; facilitate investment in energy infrastructure necessary to generate trade.  <i>Beneficiaries:</i> business, investors, government policy makers and regulators.
21. EWG	This project provides a temporary, initial response to the San Diego meeting of Energy Ministers, where it was agreed that part of the work on energy standards was to be the "establishment of the position of an APEC Energy Efficiency Test Procedures Coordinator". This project establishes the position for a period of	Energy Standards Information Development	<i>Benefits:</i> reduce to a reasonable minimum the number of different testing standards and to have energy performance requirements compatible with each other.  <i>Beneficiaries:</i> manufacturers of the appliances that are affected by regulatory requirements and their customers.

Name of CTI Sub-fora/ Working Groups	TILF Deliverables for 2002	Description/Timeframe	Expected Benefits and Beneficiaries
	two years only, i.e., the position will no longer be APEC funded at end 2002.		Reduced costs of manufacture and trade and lower prices for consumers. Domestic standards setting bodies and member economy governments, which will benefit from increased international dialogue and cooperation on the alignment and eventual harmonization of energy related standards and regulations.
22. EWG	Recommendations for action will be developed at a workshop to be held after the research component of the project has been completed - workshop in April 2002.	Clean Transportation Fuels Supply Security	<p><i>Benefits:</i> Through the Study member economies will develop and gain a greater and more practical understanding of how clean fuel specifications will affect demand and supply and prices in the region. The Workshop will allow member economies to review and discuss the implications for the region of possible supply shortages of clean fuels.</p> <p><i>Beneficiaries:</i> General industry and consumers will benefit from the ready availability of the main transport fuels, petroleum products, and alternative fuels at competitive prices. Energy policy makers will also gain from improved information on current and future trends in clean fuels, and the impact on security of fuels supply in the APEC member economies.</p>
23. Transportation Working Group(TPTWG)	Improvement of the perishable goods handling skills of middle level managers and handlers in the APEC Region	Expected to start at the middle of 2002, the project entitled, "Identification of Competency Standards of Perishable Goods Handling and Development of Training Programs", seeks to identify key skills	It is expected that the public sector will have the opportunity to educate officials from various levels of government on the benefits of improved cool chain practice. Importers and exporters will benefit from more reliable seamless chain systems,

Name of CTI Sub-fora/ Working Groups	TILF Deliverables for 2002	Description/Timeframe	Expected Benefits and Beneficiaries
		which are necessary for cost efficient and cost-effective supply chain management for perishable goods with special reference to middle-level managers and handlers. It also attempts to establish a compendium of training needs and available training program.	delivering goods on time, in peak condition at an agreed value. Consumers will receive quality product and value for their money.
24. TPTWG	Commencement of a training to regulators to implement harmonized automotive technical regulation systems	A project on "Harmonization of Automotive Technical Regulations: Training Regulators to Implement Harmonized Regulatory Systems" has actually commenced in early part of 2002. The project aims to assist member economies to implement efficient certification systems and harmonized regulations that meet their needs for safety and emissions control and ensure that automotive products can be traded internationally without unnecessary impediments due to differences in technical regulations and conformity assessment requirements.	Since economies are expected to finalize and begin implementation of their Action Plans for the implementation of regulatory requirements for vehicle safety and environment protection to achieve internationally harmonized regulatory systems for the automotive sector, consumers will benefit as a result of the reduced costs of production and regulation. Harmonized regulations and the establishment of efficient certification systems will likewise reduce production and regulatory compliance costs and improve international competitiveness of exporters.
25. TPTWG	Assistance in the implementation of electronic commerce for commercial messages	Successfully completed in June 2002, the project on program to assist the implementation of electronic commerce for commercial messages aims to assist business involved in international transport and related trading activities to implement electronic commerce systems that best meet their needs.	The kinds of institutions in member economies intended to benefit from the results of the project. Highlight the direct benefits to the institutions, the types of business in member economies which will benefit from the results of the project and what the direct benefits are. This project will benefit the various business sectors involved in international transport and related trading activities between APEC economies. These include shipping, air freight carriers, freight

Name of CTI Sub-fora/ Working Groups	TILF Deliverables for 2002	Description/Timeframe	Expected Benefits and Beneficiaries
			forwarders, importers, exporters and container terminal operators.
26. TPTWG	Analysis of sea and air container tracking and tracking technology developments in the Asia Pacific economies	Expected to commence in June 2002 and to end in April 2004. The project on Sea and Air Container Tracking and Tracing Technology -Analysis and Case Studies endeavors to facilitate the uptake of new technology computer tracking and temperature monitoring systems to improve the visibility, quality and reliability of delivery of product to export markets.	The benefits for importers and exporters will be accrued through greater confidence and efficiencies in both the movement and security of goods by air and sea. Consumers and the community will benefit from long-term competitive and efficient air and shipping services, with a flow-on through the economy.
27. TPTWG	Identification of Needed Intermodal Skills	Phase 2- "Development of Required Training Programs" seeks to address the training shortfall identified in Phase 1- "Identification of Needed Intermodal Skills and Development of Required Training Programs. Phase 2 consists of the development of a one-week course in "Intermodal Basic Competencies," with appropriate curricular and pedagogical materials to be used by trained facilitators and/or subject matter experts, and its delivery as a pilot project in a member economy.	The public sector will be able to choose from a workforce of individuals skilled in intermodal transportation. Having this knowledge will enhance the public sector's ability to educate officials from various levels of government on the barriers to intermodal transportation with the possibility of eliminating these barriers. Importers and exporters will benefit from a more streamlined and greater reliability of shipping services and thereby allow for just-in-time delivery of goods and services. The safety of the transportation system will be improved as the skills and training of those involved in

			the transportation industry are improved.
28. TPTWG	Analysis of the Economic Benefits of the Provision of Hydrographic Services in the APEC Region	<p>The project on "Analysis of the Economic Benefits of the Provision of Hydrographic Services in the APEC Region" will have two phases:</p> <p>Phase (I):- Conduct desktop review into complementary<sup>2</sup> work undertaken by other bodies e.g. hydrographic organizations, IMO, OECD</p> <p>Collate and analyze information received and follow up with personal interviews with service providers and observation of services provided and its relevance to the modern marine industry.</p> <p>Prepare final report which would include recommendations on appropriate levels of investment in hydrographic services within the APEC region using results of Phase (I).</p> <p>The Project is expected to have been finished in February 2003.</p>	Through promoting safe navigation and improving the efficiency and safety of shipping, this project will implement APEC Transportation Policy objectives; promote the implementation of and compliance with IMO standards as agreed in the Osaka Action Agenda; contribute to the efficiency and safety of maritime transport; contribute to increased protection of the marine environment and the safety of seafarers; and development of the common good of its people and their equitable participation in the international shipping industry.

<sup>2</sup> Level of shipping activity in the APEC region, level of incidents involving loss of vessels, life and environmental damage and costs hydrographic organizations on the current level of hydrographic services provided. Information on the adequacy of existing charts/services should be obtained from other relevant organizations including shipping, fishing and port authorities.

1. Investment Experts' Group (IEG)	APEC Seminar on Investment's One Stop Shop	Lima, Peru; 26–27 February 2002.	Encourage the sharing of experiences as well as assist government officials and the private sector.
2. IEG	APEC Workshop on Regional and Bilateral Investment Rules/Agreements	Merida, Mexico; 17–18 May 2002.	Enhance understanding to government officials and the private sector.
3. IEG	7 <sup>th</sup> APEC Investment Symposium	Vladivostok, Russia; 4–7 September 2002.	Facilitate the flows of new investment in the APEC economies. Investment policy makers and private business sectors are the beneficiaries.
4. IEG	Menu of Options will be expanded	On going process for the rest of the year.	Facilitate investment flows in the APEC economies/international investors.
5. IEG	Review and build upon the Investment Chapter of the OAA Guidelines and Collective Actions on Investment	On going process for the rest of the year.	Enhance transparency of APEC investment regimes, facilitate investment activities and promote investment liberalization in the APEC region. Investment policy makers and private business sectors are primary beneficiaries.
6. IEG	APEC Investment Mart	Vladivostok, Russia; 9–12 September 2002.	Facilitate investment flows in the APEC economies. International investors and host economies are the primary beneficiaries.
7. IEG	Seminar on Venture Capital and Start-up Companies	China; December 2002	Enhance the understanding of government officials and the private sector on venture capital and start-up companies.



8. IEG	Study on Cross-border M&As in APEC	Phase I completed, Phase II discussed at the IEG III, Acapulco.	Enhance the understanding of government officials and the private sector on the issue of M&As.
9. IEG	APEC Investment Guidebook	Detailed Plans will be developed for the Start date of January 2003.	Enhance the understanding of and facilitate investment flows in the APEC economies/ international investors.
10. IEG	Korea's Study Proposal on Cross-border M&As: Case Studies of Korea, China and Hong Kong, China	Preliminary Literature Survey will begin for the Start date of January 2003	Enhance the understanding of government officials and the private sector on the issue of M&As.
11. IEG	Chinese Taipei's Study Proposal on Venture Capital and Start-up Companies	Preliminary Literature Survey will begin for the Start date of January 2003.	Enhance the understanding of government officials and the private sector on Venture Capital and Start-up companies

1. Sub Committee on Standards and Conformance(SCSC)	Review of APEC Mutual Recognition Arrangements (MRAs)	Taking into account the suggestions arising from the project "Promoting Active Participation of the APEC Member Economies in the APEC-MRAs (CTI 07/2001T), SCSC agreed to the measures to be taken to improve the effectiveness of the APEC MRAs. The APEC MRAs include the APEC Food MRA; the Arrangement for the Exchange of Information on Food Recalls; the Arrangement for Exchange of Information on Toy Safety; and the APEC Electrical and Electronic MRA.	Reduction of both business costs associated with conformity assessment, and time taken in placing products in markets, while ensuring consumer safety.
2. SCSC	Advancing the process for the APEC Electrical and Electronic MRA (EEMRA)	Increased participation in the EEMRA (Part 1 on information exchange) by SOM III. Parts II and III (mutual recognition of test reports and certification, respectively) are ready for operation with the participation of a few member economies.	Enhanced trade in electrical and electronic equipment through lower costs while ensuring consumer safety.
3. SCSC	Deepening the discussion on Good Regulatory Practice	SCSC will further advance the discussion on Good Regulatory Practice with a particular focus on performance-based regulations and sector-specific good practice. SCSC conducted a seminar at SOM I and a conference at SOM III.  SCSC will upload new materials to the good regulatory practice data base, to enrich the information available, facilitate information exchange and	Provide member economies with guidance for adoption of efficient regulatory arrangements leading to reduction in technical barriers to trade.

		better assist member economies to access materials most relevant to their situation	
4. SCSC	Publication of the <i>2002 APEC Handbook on Notification Authorities and National Enquiry Points under the TBT and SPS Agreements of the WTO</i>	SCSC endorsed and published the Handbook in February 2002. SCSC reported on this Handbook to the WTO TBT and SPS Committee meetings in March 2002. The symposiums were held in May 2002 in Lima and Bangkok for the promotion of this Handbook. This Handbook is the outcome of the project CTI 27/2001T.	Facilitate the establishment and effective operation of Enquiry Points and Notification Authorities under the WTO TBT and SPS Agreements. Help WTO members, particularly developing ones, implement the obligations under these agreements.
5. SCSC	Implementation of the Work Program on Trade Facilitation in Information Technology Products	SCSC will follow up member economies' alignment of their product safety and EMI regulations and adoption of supplier's declaration. SCSC will work with ITI to facilitate an exchange of information on implementation, including the development of roadmaps. The SCSC will consider the elements for a workshop.	Benefits to manufacturers through simplified procedures in placing their products in the markets.
6. SCSC	Establishment of a pilot of the DeclareNet	SCSC consider whether and how it could facilitate launch a DeclareNet pilot.	Facilitate exchange of conformance information between regulatory authorities and manufacturers. In addition, provide consumers with easy access to information on regulations and conformance.

7. SCSC	4 <sup>th</sup> APEC Conference on Standards and Conformance	The Conference was held on 13–14 August in Acapulco.	Business/private sector, non-governmental organization representatives and government officials can exchange information and views on broad issues in the area of standards and conformance.
8. SCSC	Regulatory Profiles of Food/Drug Interface	SCSC members completed their regulatory profiles of food/drug interface in the Food Trade Contacts Directory. The training workshop was held in May 2002 in Singapore. 12 member economies elaborated economy pages.	Enhance transparency of information on the regulatory regime of foods, medicines and related products.
9. SCSC	Holding of Industry Symposia and workshops and publishing web-based Strategic Guide on Standard-based Management	SCSC in cooperation with HRDWG held 11 industry symposia and workshops in 9 economies on APEC Speakers' Bureau on Standards-Based Management Systems (CTI 21/2000T). Strategic Guide for executives on SBM will be placed on website for wider dissemination of the project outputs.	Build up human resources in the APEC member economies by applying standards-based management systems. Executives in the small and medium industries and APEC experts on executive educational institutions were the primary beneficiaries of the project, with expanded knowledge of the best practices of standard-based management from around APEC economies.
10. SCSC	TIC-CAR Project through the APEC Cooperation Center of Conformity Assessment	SCSC enlarged and updated the TIC-CAR database.	Easy access to information about conformity assessment operators and systems in member economies. Benefits to the industry sectors, Conformity Assessment Operators (CAOs), vendors, public procurement officers and authorities, universities, etc. who are interested in conformity assessment systems in the region.

11. SCSC	Implementation of TILF projects for technical infrastructure development	<p>SCSC is implementing the following TILF projects:</p> <ul style="list-style-type: none"> <li>- Multilateral Recognition Arrangement (MLA) Readiness Project in Product Certification (CTI 29/2001T);</li> <li>- Peer Review and Its Criteria of Quality System in National Metrology Institutes (CTI 11/2002T);</li> <li>- Training Program on ISO 14000 Series Product Oriented Standards: EL, LCA and DfE (CTI 21/2002T);</li> <li>- Training of Risk Assessment in Support of Food Safety Measures (CTI 21/2002T);</li> <li>- Training on Testing and Calibration Laboratory Assessment (CTI 22/2002T);</li> <li>- Training on Calibration of Rice Moisture Meters (CTI 24/2002T); and</li> <li>- PAC Peer Evaluators Workshop (CTI 27/2002T).</li> </ul>	Promote cooperation for technical infrastructure development to facilitate broader participation in mutual recognition arrangements.
12. SCSC	Contribution to the implementation of the TBT and SPS Agreement of the WTO	SCSC monitors the developments within the WTO Committees on the TBT and SPS. SCSC held a Seminar on the Implementation of the SPS Agreement at SOM II. SCSC	Assist member economies in understanding better the WTO TBT and SPS Agreements. Contribute to building capacity of developing member economies to implement the WTO TBT

		undertakes the following TILF projects for the implementation of the APEC Strategic Plan for WTO-related Capacity Building:  - APEC/SCSC Training Program on Standards and Conformity Assessment (CTI 24/2001T); and  APEC/WTO Capacity Building: SPS Implementation Program (CTI 09/2002T).	and SPS Agreements.
13. SCSC	Review of SCSC CAP Implementation	SCSC reviewed the implementation of its CAP.	To respond to the call by Leaders to clarify APEC's roadmap for achieving the Bogor goals on schedule with a mid-term stock-take of the overall progress in 2005.
14. SCSC	Review of Alignment work	SCSC member economies will further implement their alignment work to achieve the work by the decided timeframe. SCSC, in cooperation with the Pacific Area Standards Congress (PASC), identified possible constraints by member economies in their alignment work and consider how they can overcome such constraints.	Acceleration of trade facilitation through the alignment of national standards with international standards among SCSC member economies.
15. SCSC	Active Participation in International Standardization	SCSC will continue to promote active participation in international standardization. SCSC held Policy Dialogue session on "Fostering Sound National Voluntary Standardization System" at SOM II. SCSC will follow up the discussion at the session.	Benefits to industries from reduced technical barriers to trade and ensuring market relevance to international standards.

16. Human Resources Development Working Group (HRDWG)	Completion of research on Cross-cultural Understanding of Implementation of Standards and Accreditation in Supply Chain Management in strategic industries such as electronics, and supporting industries which facilitate trade such as transportation.	Research on best practices and a series of workshops and forum involving academia, business and public sectors commenced in 2001 and expected to be completed before end of 2002. Expected outputs include case studies on best practices.	Will enhance capacity of certification and accreditation institutions in their work, build capacity of SMEs involved in supply chain of strategic industries, disseminate information to industry associations and improve government training institutions.
17. HRDWG	Executive Capacity Building on International Rules and Standards-Based Management	In August an experts' workshop was held to design training courses. These courses will commence later in the year and into 2003. By end of 2003 the evaluation and reports from the courses will be completed. Project will encompass needs assessment, design and pilot delivery of management development programs that focus on international rules and standards.	Business executives must increasingly operate in a global economy in which rules and standards-based management play important roles, especially for the international trade system and its key institutions, the WTO and regional and sub regional trade arrangements. To build capacity of business executives from both private sector and state owned organisations by strengthening their adaptability, effectiveness and creativity to manage in this environment.

1. Sub-Committee on Customs Procedures (SCCP)	The Completion of PHASE 3 on Paperless Trading CAP	The Consultant finalized providing assistance with self- assessment and technical needs analysis to the requesting economies in early August 2002.	Ultimately, the reduction of paper transactions through the use of electronic technology.  Importers, exporters and travelers benefit through the increase in technology that will improve customs clearance times and reduce the amount of paper required.
2. SCCP	The Comparison of Data Requirements of the APEC economies with G7 Data Sets on the Common Data Elements CAP	Economies began to compare their own data requirements with the G7 Data Sets and report on their progress. The deadline was extended to December 2002.	Better Information exchange between and among economies  Reduction of costs to all traders by allowing traders to use international data sets, codes and definitions
3. SCCP	The “ Best Practices Compendium on the Customs Business Partnership”	The execution of the Best Practices Compendium on Customs Business Partnerships has been completed. The SCCP Convenor will provide a hard copy and a CD Rom with this document to the CTI Chair.	The private sector in general, by having a compendium which reflects the best programs to enhance the understanding and communication with the trade.
4. SCCP	The Implementation of APEC Trade Facilitation Principles	The SCCP will elaborate a matrix which will indicate how the TFP's are already incorporated in the CAP's and programs, added with specific programs undertaken by individual economies that constitute concrete evidence of the implementation process currently in place. The final exercise will be completed before end December 2002.	



5. SCCP	Definition of a Strategy to comply with the Leaders Declaration on Counter Terrorism	In order to implement the instruction from the Leaders, the SCCP agreed on a strategy to accomplish this goal, consisting in the enhanced utilization of existing models of other international organizations, the promotion of Customs Mutual Assistance Agreements and the appropriate CAP items. The strategy has been approved by the majority of the economies.	
6. Transportation Working Group(TPTWG)	Research and analysis through internet and libraries	Finished in April 2002. The project on Electronic Port Manifests aims to identify options for creating an electronic document for port manifests, which could be combined with harmonized electronic customs declaration.	<p>For port authorities and corporations, there would be significant reduction in vessel turnaround times, paperwork processing and clearances thus making ports more efficient.</p> <p>On the part of shipping companies, there will be more consistency of approach with customs and other agencies; vessel movements will improve resulting in competitive freight rates.</p> <p>For importers and exporters, benefits will be accrued through greater confidence and efficiencies in time for document lodgment and scrutiny.</p>

7. TPTWG	Increase in the efficiency of processes and procedures relating to vessel arrival and stay and departure in the Southeast Asia Region through streamlined and simplified customs, immigration quarantine and port authority procedures.	In 2001, the TPT commenced the project, "Efficiency in the Facilitation of International Seaborne Trade" and finished it in March 2002. The project undertook a research study to identify possible mechanisms to increase the efficiency of maritime trade through prioritization of activities and issues affecting procedures and processes involving arrival and departure.	The project aims to establish a contact group to develop a best practice model based on existing requirements of the International Maritime Organization (IMO). It is believed that the establishment of a contact group will strengthen the cooperative links between APEC member economies with similar interests in the issue and explore ways in which existing procedures can be harmonized.

1. Intellectual Property Rights Experts Group (IPEG)	APEC IP Experts Capacity Building Program for TRIPS Implementation	Held in Hong Kong, China on 25 February to 1 March 2002	To provide an opportunity for Member Economies to enhance their capacity for the implementation of TRIPS Agreement.
2. IPEG	Symposium on Traditional Medicine	Held in Hong Kong, China on 19–22 March 2002 and was open to the public	To deepen the understanding of traditional medicine from the perspectives of intellectual property, sociology, commerce, and research.
3. IPEG	IP Enforcement Seminar	Held in Los Angeles, USA on 24–25 July 2002	To provide IP enforcement personnel the opportunity to discuss with industry representatives the techniques and process on investigating IP infringement, and preparing effective prosecutions.
4. IPEG	IPEG website (www.apecipeg.org)	The redesign of the website was completed and information regularly updated	It will be more easily accessible for Member Economies and the general public. The site can also enable developing Member Economies to have an online presence when they may not have their own website.
5. IPEG	Survey of Intellectual Property Law and Organization	The survey has been completed and uploaded to IPEG website.	It will be more easily accessible for Member Economies and the general public to log in on such information.
6. IPEG	APEC IT Toolkit	Endorsement at IPEG XV meeting	To provide a framework for IPEG IP enforcement projects including publications, training and public awareness.
7. IPEG	Project on public education and awareness of intellectual property TFP	Commenced in January 2002	To improve access to information on the intellectual property system.

8. IPEG	IP and Biotechnology Training Handbook Related Trade Facilitation Principle.	Finalized at IPEG XV meeting and loaded onto IPEG Website	To provide the training resource for courser aimed at assisting researchers to better manage IP issues relating to biotechnology.

1. Competition Policy and Deregulation Group	APEC OECD Cooperative Initiative on Regulatory Reform (CTI08/2002T)	Two workshops are proposed under this initiative for 2002, one took place in Merida, Mexico April 24–25 the other one will be held in Korea, in October 2002. The issues discussed in the Merida meeting were Regulatory Impact Analysis and Market Openness.	-Government Officials Building capacities and networks on regulation and exchange experiences.  -Business sector A transparent and high quality regulatory regime will benefit businesses and investment.
2. Competition Policy and Deregulation Group	Training Program to Promote Economic Competition in APEC economies	This project has three components to be delivered during 2002, all of them related to sector specific regulations. The first one dealt with the Energy Sector and the meeting for them was held in Mexico City, 30–31 May 2002. The second one, dealing with the Transportation Sector, took place in August 2002, and the third one which will deal with Telecommunications, will be held in November 2002.	-Government Officials Building capacities and networks on regulation and exchange experiences.  -Business sector A transparent and high quality regulatory regime will benefit businesses and investment.
3. Competition Policy and Deregulation Group	APEC Training Program on Competition Policy	A 3-day workshop was held in Thailand, 6–8 August 2002. This workshop dealt with two main issues: Competition Advocacy and Effective Law Enforcement Issues.	-Government Officials Building capacities and networks on regulation and exchange experiences.  -Business sector A transparent and high quality regulatory regime will benefit businesses and investment.

1. Government Procurement Experts' Group (GPEG)	Voluntary reviews of consistency of government procurement systems with the Non-binding Principles (NBP)	<p>Voluntary reviews and reports on consistency of economies' government procurement systems with the NBPs continue. Progress to date:</p> <ul style="list-style-type: none"> <li>- reviews against the NBP of Transparency are nearly complete;</li> <li>- reviews against the NBP of Accountability and Due Process are half complete; and</li> <li>- reviews against all NBPs are complete for seven member economies.</li> </ul>	Improved Transparency and progress towards the Bogor goals in government procurement markets thereby improving opportunities for businesses community and value for money for governments in the APEC region.
2. GPEG	Capacity building in the area of electronic government procurement systems	<p>A series of presentations continued on economies' experience in implementing e-procurement systems and the contribution these systems can make to achievement of consistency with the NBPs.</p> <p>A survey was conducted of all member economies examining current capacities in this area, identifying opportunities for future capacity building projects.</p> <p>Funding for the first of these, a symposium and workshops on improving SME access to government procurement opportunities through the promotion of e-procurement initiatives was approved in August 2002.</p>	Improved transparency and progress towards Bogor goals in government procurement markets thereby improving opportunities for businesses and value for money for governments in the APEC region.

3. GPEG	GPEG contributions to the WTO Working Group on Transparency in Government Procurement	Updated copies of reports against the NBP of Transparency in a standardized format will be provided to the two WTO Working Group on Transparency in Government Procurement.	Improved transparency of government procurement will assist in improving opportunities for business and value for money for governments in the region.

<p>1. Informal Experts' Group on Business Mobility (IEGBM)</p>	<p><b>Exchange Information</b></p> <p>APEC Business Travel Handbook:</p> <p>Maintain and update Handbook detailing temporary business residency and short term business residency requirements in each APEC economy.</p> <p>Short-Term Business Entry Expand participation in ABTC scheme.</p>	<p>Updated on the internet throughout the year as economies provide information to the APEC Secretariat. A mechanism for economies to update their entries online has been developed as part of the BMG website project.</p> <p>The handbook web interface can now be found at <a href="http://www.businessmobility.org/">http://www.businessmobility.org/</a></p> <p>China and Indonesia formally signed onto the ABTC scheme in 2002. It is expected additional announcements will be made prior to SOMI 2003.</p>	<p>Convenient and comprehensive reference guide for business people who travel on within the APEC region, or who intend to take up temporary residence in an APEC economy.</p> <p>A greater number of participating economies provides consequently provides greater benefits in streamlined travel to cardholders and to facilitating trade and investment activities.</p>
<p>2. IEGBM</p>	<p><b>Business Temporary Residency</b></p> <p>Economies continue to implement and report on agreed in principle, on a best endeavors basis, streamlined arrangements for processing intra company transfers of executives and senior managers and specialists, as defined by economies. Economies note that processing time may extend beyond 30 days where circumstances require more detailed checks, the application is not complete or correspondence with the applicant is necessary.</p>	<p>Majority of economies now meet the standard of 30 days to process applications of intra company transfers. Economies to provide regular reports on their efforts to meet the mutually agreed streamlined processing standards at IEGBM meetings.</p>	<p>Promote international competitiveness and facilitate business and investment growth through the ready availability of key personnel.</p> <p>Removal of unnecessarily complex procedures for business will speed up the capacity for business to move staff quickly to meet business needs.</p>



3. IEGBM	<p><b>Capacity Building Strategy</b></p> <p>Document Examination and Fraud Detection</p>	<p>The final workshop to complete the APEC TILF funded capacity building project to develop standards for Document Examination was completed in April 2002. Workshops were held in Malaysia and US in 2002 to provide training in the use of a generic document examination training package, developed by regional experts travel document examination. Economies are to report to SOMI 2003 on implementation of the training package strategy in their national training programs.</p>	<p>Regional border processing agencies have received training in the use of best practice document examination training techniques and can pass this knowledge onto border officials. Efficient travel document examination enhances the speed and safety of cross border travel.</p>
4. IEGBM	Professional and Efficient Service	<p>Phase One of the TILF project to develop standards in Professional and Efficient service was completed in August 2002, with the endorsement by the BMG of a set of mutually agreed standards of Professional Service. This document will form the benchmark for the implementation of further TILF funded capacity building training and assistance to meet these standards. Phase 2 to commerce prior to SOMI 2003 with a workshop to assist economies to self assess against the agreed standards.</p>	<p>Regional immigration agencies will receive training and assistance to enhance economies' improve levels of service to business travelers.</p> <p>Participating economies will have access to world's best practice in passenger processing, delivering shorter processing times for passengers at immigration check points and reducing the numbers of undocumented arrivals.</p>
5. IEGBM	Advanced Passenger Information Systems(API)	<p>Negotiations on a multilateral APP trial continuing. Second approved TILF project will provide three eligible APEC economies with feasibility studies to assess their capacity to implement an</p>	<p>Participating economies will have access to world's best practice in passenger processing, delivering shorter processing times for passengers at immigration check points and</p>

		APP/API system. The first feasibility study commenced in August 2002 in Thailand.	reducing the numbers of undocumented arrivals.  Enhance passenger and border security and enable faster clearance on arrival.
6.IEGBM	Travel Document Security and Issuance Systems	TILF funding approved in August 2002 to develop standards on document security.	Improve economies' border management capacity and ability to streamline genuine business travelers.
7.IEGBM	Legal Infrastructure	TILF funding approved in August 2002 to develop Immigration legislation standards.	Improve economies legal infrastructure and ability to streamline genuine business travelers.
8.IEGBM	Dialogue with Business	Ongoing maintenance and improvement to the Business Mobility Group website. Enables members to update the APEC <i>Business Handbook</i> online.	Provide business community with access to information on the progress made in the implementation of the Business Mobility agenda and information about economies' temporary entry requirements and procedures.

1.WTO Capacity Building Group (WTO Group)	Facilitation of Developing Economies Participation in OECD Workshop in Cooperation with APEC	APEC TILF funding was approved for an urgent project to help APEC members to participate in the OECD Workshop on the Development Dimension of Singapore Issues that was held in Hong Kong on 19–20 June 2002.	This workshop was aimed at improving and building confidence among WTO members.
2.WTO Group	Facilitation of Developing Economies Participation in a WTO(non agricultural) Market Access Seminar	APEC TILF funding was approved for an urgent project to assist APEC members from developing economies to participate in the WTO Seminar on non-agricultural market access issues (tariffs and NTMs) that was held in Geneva in May 2002.	This Seminar is a part of the APEC WTO Capacity Building Strategy to improve knowledge of government officials in WTO Market access process.
3.WTO Group	Coordination of APEC's Capacity Building Response to Doha	APEC TILF funding was approved for an urgent project to develop WTO Capacity Building website by Canada.  The WTO Capacity Building Website was completed and launched in June 2002.	Web site will assist developing and developed economies to make reference to the relevant Capacity building Programs in WTO area. This website makes the information available in the matrices developed by Japan.
4.WTO Group	APEC/WTO Capacity Building: WTO Overview of the Negotiations Agreements	APEC TILF funding was approved for the Seminar to be held in Peru, Lima in June.	The main objective of this Seminar was to promote APEC members' knowledge on the negotiation process in different areas.

1. Economic Committee (EC)	2002 APEC Economic Outlook	A publication that will be prepared in time for the Ministers' and Leaders' Meetings in October.	The 2002 Outlook addresses the TILF agenda by examining the development, regulation and supervision of microbanking in the Asia-Pacific region. The study is expected to show the contribution of microbanking activities to the development and strengthening of more sophisticated financial intermediaries, and their concrete effects on the targeted beneficiaries, such as the low-income population and micro-enterprises.
2. EC	New Economy	A compilation of individual projects under the overarching theme of "New Economy: Issues and Policy Challenges in APEC Economies" that will be carried out during the EC's Work Program for 2001-2002.	The analytical foundation for the New Economy issue is not sufficient and the EC could contribute through deeper study to provide the necessary knowledge for decision-makers. The research project will study the policy fundamentals underpinning the New Economy including such areas as fiscal, financial structure, trade and cross-border investment, and competition (including legal issues), where the policy regime is key to the development of the characteristics of the knowledge-based economies.
3. EC	The Benefits of APEC Trade and Investment Liberalization and Facilitation	A research project to be carried out in the course of EC's Work Program for 2001-2002.	As APEC is at the halfway mark towards the Bogor goals, this study will build upon previous work in APEC, including the 1997 EC study on the "Impact of Trade Liberalization in APEC" and the 1998 EC study on the "Impact of Investment

			Liberalization in APEC.” The project will emphasize the important positive effects of trade facilitation since they are expected to be greater than those resulting from trade liberalization by reducing or eliminating tariff and non-tariff barriers. The project will try to measure the impact of trade facilitation measures on transaction costs.
4. EC	A Plan for the Implementation of Knowledge-Based Economy (KBE)	A study to be done in the course of EC’s Work Program for 2001–2002.	A follow-up study on how to implement the recommendations cited in the EC’s 2000 report to Ministers and Leaders entitled, <i>Towards Knowledge-based Economies in APEC</i> . These recommendations are as follows: (1) establishment of a KBE Clearing House; (2) generation of start-up policies for triggering the transition to KBEs; and (3) inclusion of KBE status indicators in the Economic Outlook.
5. Human Resources Development Working Group (HRDWG)	Completion of program on Alternative Dispute Resolution–Executive Education Project 2000 (ADR EEP) to enhance understanding of commercial disputes resolution mechanism.	Project consists of a workshop, a series of seminars and a symposium to address these needs. Will also produce curricula and teaching material for the use of such seminars in various APEC economies. A workshop held in Hawaii in April identified issues of commercial disputes which affect APEC region, and generated different approaches for enhanced understanding of ADR in the region. Participants also refined the design and tested approaches for ADR executive education. A pilot seminar for executives followed in July in	Wider dissemination of knowledge on commercial dispute resolution mechanisms to business people and their professional advisers will enable them to utilize mechanisms to resolve disputes in the most efficient and least disruptive ways.

		Manila. The project culminated with a final seminar in Manila in September.	
6. HRDWG	Continuation of program on Capacity-Building Program for Trade and Investment Insurance Practitioners (CBP TIIP 2001) from its predecessors in 1997–8.	A series of workshops/seminars will be held targeted at different levels of practitioners and experts, to enhance the capabilities of Export Credit Agencies (ECAs) to improve their services, build linkages with other institutions, share information on issues of common interest, etc. In 2002, five workshops were held: for experts (Manila, January) practitioners (Manila, April; Bangkok, June; Kuala Lumpur, August) and trainers (Seoul; Aug/Sep).	Will strengthen the institutional capacity of ECAs that provide trade and investment insurance. Also contributes to capacity building of middle to senior level managers and sustains the impact of previous APEC-TILF programs (1997–98) which have trained participants from several APEC economies. Ultimate beneficiaries are the exporters/ importers who benefit from improved services and better linkages between ECAs.
7. HRDWG	Corporate and Nonprofit Governance and the Restoration of Prosperity in the APEC Region: Perspectives and Principles	Presents dialogue opportunities on alternative perspectives and principles of governance for publicly-held corporations, as well as for private- and family-owned firms, and for state-owned enterprises. Conferences were held in Manila in March 2000 with PBEC, in Tokyo in July 2002 with the Pacific Asian Capital Markets (PACAP); and in Hawaii in October.	Project is expected to articulate requirements of Governance for improved prosperity in APEC, and enhances capacity to meet the requirements by focusing on the practical steps organizations can take in improving their Governance processes. Collaboration with Pacific Basin Economic Council and other NGOs.
8. Marine Resources Conservation Working Group (MRCWG)	Continuation of program on Development and Validation of Phycotoxin Analytical Methods, Standards and Reference Materials for the Seafood Product Certification and Safety.	A three-year project started from 2000, which is to facilitate trade of seafood products between APEC economies and to protect public health.	Will assist member economies in the establishment of a domestic regulatory framework with respect to seafood product safety that is transparent and based on legitimate, performance-based criteria for the analysis and certification of products.  The beneficiaries are business in APEC

	<b>TILF Deliverables for 2002</b>	<b>Description/Timeframe</b>	<b>Expected Benefits and Beneficiaries</b>
			economies that produce, process and export seafood products. They will be able to provide a safety guarantee and increase sales as a result of consumer confidence.
9. Small and Medium Enterprises Working Group (SMEWG)	Seminar on "Opportunities and Challenges: APEC SME after China's Accession into WTO"	The Seminar will prepare APEC SMEs on the effects of China's entry into the WTO. Member economies exchanged experiences and information on policies adopted to promote SME development complying with WTO related principles under the circumstance of increasing trade and investment liberalization. The Seminar also developed policy recommendations conducive to the promotion of SME development in APEC region under the new circumstance.	Many governments and enterprises, mainly SME's, are worried about China's entry into the WTO. So the Seminar would have a lot of benefits to draw up the future promotion of SME development in APEC region.
10. SMEWG	Innovative Forum "International Business Cooperation in the Sphere of Innovative Entrepreneurship"	The Forum will contribute to liberalization and facilitation of trade and investment through the development of international cooperation and implementation of innovative projects. It will create a more efficient platform for APEC venture investors to network and do business.	Definitely one of the main objectives of the SMEWG is to foster innovative entrepreneurship. That is the reason this Forum can contribute to develop venture investors utilizing networks to do business.

## **APPENDIX IV**

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### **ASSESSMENT OF CTI SUB-FORA'S IMPLEMENTATION OF THE APEC TRADE FACILITATION PRINCIPLES**





## **ASSESSMENT OF CTI SUB-FORA'S IMPLEMENTATION OF THE APEC TRADE FACILITATION PRINCIPLES**

### **Introduction**

1. To enable the CTI to keep track of their progress, sub-fora are required to submit work plans and reports on the implementation of the Trade Facilitation Principles periodically. Based on their returns to CTI2, a matrix summarizing the measures/activities they have planned or undertaken as reported against the various Trade Facilitation Principles was compiled and submitted to SOMII and Trade Ministers for reference. It is pleased to note that sub-fora have made progress in a number of areas in bringing forward the Trade Facilitation Principles. The ensuing paragraphs summarize sub-fora's work plan in assisting in the implementation of the Trade Facilitation Principles.

### **Summary of Actions**

2. The Market Access Group (MAG) will focus on improving members' understanding of the strategic concept of trade facilitation. It will organize seminars/workshops to improve members' awareness of best practices to facilitate trade, as well as publicize members' trade facilitation achievements to help make the wider APEC community aware of the efforts underway. The MAG will also encourage members to enhance the transparency of their tariff regimes and non-tariff measures.
3. For the Group on Services (GOS), it hopes to improve members' understanding of how to implement good regulatory practices through identification of operational measures that promote regulatory transparency.
4. The initiatives proposed by the Investment Experts' Group (IEG) concern mainly the principle of transparency. Apart from conducting studies on policies relating to mergers and acquisitions and venture capital investment, the IEG will also continue organizing Investment Symposium and Investment Mart with a view to providing more handy information on members' investment regimes to the private sector.
5. The Sub-Committee on Standards and Conformance's (SCSC) work is closely related to the Principle of "Harmonization, Standardization and Recognition". The SCSC has been advancing trade facilitation by aligning APEC members' domestic standards with international ones, pursuing recognition of conformity assessment, promoting cooperation for technical infrastructure development, and ensuring the transparency of the standards and conformity assessment of APEC economies.
- 6.. As for the Sub-Committee on Customs Procedures (SCCP), it aims to promote the cooperation amongst the Customs administrations of APEC economies to simplify and harmonize customs procedures. Technical assistance programmes on application of the Harmonized System Convention, implementation of the Kyoto Convention, risk management techniques, express consignment clearance, etc will be organized to build up members' capacity in facilitating trade. The SCCP will also promote customs-business partnership in the furtherance of facilitation work.
7. The trade facilitation work undertaken by the Intellectual Property Rights Experts' Group (IPEG) concentrates on three fronts. Firstly, to enhance the transparency of the information on members' IPR regimes. Secondly, to promote harmonization of IPR-related administrative procedures such as Trademark Application Form. And thirdly to encourage electronic processing of IPR-related procedures.

8. Regarding the Competition Policy and Deregulation Group (CPDG), it will keep on organizing training programmes to assist economies to build up transparent and high quality regulatory regimes.
9. The Government Procurement Experts' Group (GPEG) in 2002 focuses primarily on transparency and capacity building. The voluntary reviews and reports on members' GP regimes against the Non Binding GP Principles will be carried out. A capacity building programme on e-government is also being developed.
10. Similar to a number of other sub-fora, the Informal Experts' Group on Business Mobility (IEGBM) will also actively pursue implementation of the Trade Facilitation Principles through capacity building projects. The Group continues to set service standards in specific areas in immigration processing, such as pre-arrival, entry, stay and exit, and then develops cooperative capacity building projects to assist economies to achieve such standards with a view to contributing to the reduction of transaction costs to business.

### **Assessment and Suggested Ways Forward**

11. The above suggests that sub-fora are focusing mainly on promoting transparency of trade-related measures and building the capacity of member economies in implementing the Trade Facilitation Principles. However, we should not simply conclude that Trade Facilitation Principles other than "Transparency" and "Cooperation" are left unattended by sub-fora. The coverage of sub-fora's work programmes has been fairly wide to encompass a number of Trade Facilitation Principles. That notwithstanding, we should acknowledge that given the strong emphasis on capacity building, the economic benefits brought by sub-fora's current work might not be seen as very impressive by the business sector.
12. With the impending endorsement of the Menu of Concrete Trade Facilitation Actions and Measures by Leaders/Ministers in this October, it is recommended that sub-fora should sharpen their focus in advancing trade facilitation work beginning next year. The collective actions pursued by sub-fora should aim to complement those action items selected by economies by organizing tailor-made capacity building programmes. Sub-fora should also be more active in developing results-oriented initiatives with specific and tangible benefits to the business. This is the most direct way to demonstrate that APEC is really getting results for business. Where possible, sub-fora may consider adopting a staged approach to advance trade facilitation work – to organize capacity building programmes in the first stage, and as a logical next step to proceed to substantial work, preferably with quantitative performance targets set, so as to deliver tangible benefits to the business in the subsequent stage.

**Measures/Activities Undertaken by Sub-fora that Respond to Trade Facilitation Principles (TFPs)**

APEC TFPs	MAG	GOS	IEG	SCSC	SCCP	IPEG	CPD	GPEG	IEGBM
<b>Transparency</b>	<ul style="list-style-type: none"> <li>- Input of data to WTO IDB/APEC TDB</li> <li>- Compile information on NTMS</li> <li>- Report on members' trade facilitation efforts</li> </ul>	<ul style="list-style-type: none"> <li>- Phase III of Menu of Options</li> </ul>	<ul style="list-style-type: none"> <li>- Study on venture capital investment in APEC economies</li> <li>- Case studies on M&amp;As of Korea, China and HKC</li> <li>- Seminar on one-stop shop</li> <li>- Study on cross-border M&amp;As in APEC</li> <li>- Seminar on regional and bilateral investment rules/agreements</li> <li>- 7th Investment Symposium</li> <li>- APEC Investment Guidebook</li> </ul>	<ul style="list-style-type: none"> <li>- Expansion of the regional directory to include regulatory profile information for products at the food/drug interface</li> <li>- Update of contact points for standards and conformance information</li> <li>- TIC-CAR Project through the APEC Cooperation Centre for Conformity Assessment</li> </ul>	<ul style="list-style-type: none"> <li>- Harmonized System Convention</li> <li>- Kyoto Convention</li> <li>- Advanced classification rulings</li> <li>- Common data elements</li> <li>- Express consignment clearance</li> <li>- Integrity</li> <li>- Customs-Business partnership</li> <li>- Workshop on Customs-related WTO Agreements</li> <li>- Peer review</li> <li>- Survey on transparency of customs procedures</li> <li>- Technical assistance on WTO Valuation, TRIPS, clear appeals and temporary importation</li> </ul>	<ul style="list-style-type: none"> <li>- Redesign the APEC IPEG Website</li> <li>- Survey of Intellectual Property Law and Organization</li> </ul>	<ul style="list-style-type: none"> <li>- APEC/OECD cooperative initiative on regulatory reform</li> <li>- Training programmes to promote competition in four selected services sectors</li> <li>- Menu of Options on Competition Policy</li> <li>- Updating of APEC Competition Law and Policy Internet Database</li> </ul>	<ul style="list-style-type: none"> <li>- Symposium and workshop on e-procurement</li> <li>- Voluntary review of members' GP regime against the NBP of "accountability and due process"</li> </ul>	<ul style="list-style-type: none"> <li>- Update APEC business Travel Handbook and use of Business Mobility Website</li> <li>- Streamlining temporary entry (business travel)</li> <li>- Development and implementation of standards and capacity building on: document examination, travel document security systems, professional and legal infrastructure</li> <li>- Online resource on Business Mobility issues in regional bilateral and multilateral Free Trade Agreements</li> <li>- Business-Community Cooperation</li> </ul>

APEC TFPs	MAG	GOS	IEG	SCSC	SCCP	IPEG	CPD	GPEG	IEGBM
<b>Communication &amp; Consultations</b>	<ul style="list-style-type: none"> <li>- Input of data to WTO IDB/APEC TDB</li> <li>- Compile information on NTMS</li> <li>- Seminars/policy discussions on NTMs</li> <li>- Report on members' trade facilitation efforts</li> </ul>	<ul style="list-style-type: none"> <li>- Study on costs and benefits services trade liberalization</li> <li>- Seminar on Sea Ports Infrastructure Services</li> <li>- Study on Impacts of Trade Liberalization and Facilitation of Environmental Services on APEC economies</li> </ul>	<ul style="list-style-type: none"> <li>- Seminar on one-stop shop</li> <li>- Seminar on regional and bilateral investment rules/agreements</li> <li>- 7th Investment Symposium</li> <li>- 3rd Investment Mart</li> <li>- Seminar on Venture Capital and Start-up Companies</li> </ul>	-	<ul style="list-style-type: none"> <li>- Customs-Business partnership</li> <li>- Peer review</li> <li>- Survey on transparency of customs procedures</li> <li>- Technical assistance on clear appeals</li> </ul>	<ul style="list-style-type: none"> <li>- APEC IP Experts Capacity Building Program for TRIPS Implementation</li> <li>- APEC Symposium on Traditional Medicine</li> <li>- APEC IPEG IP Enforcement Seminar</li> <li>- APEC IP Toolkit</li> <li>- Project on public education and awareness of intellectual property TFP</li> </ul>	<ul style="list-style-type: none"> <li>- APEC/OECD cooperative initiative on regulatory reform</li> <li>- Training programmes to promote competition in four selected services sectors</li> <li>- Menu of Options on Competition Policy</li> </ul>	<ul style="list-style-type: none"> <li>- Symposium and workshop on e-procurement</li> </ul>	<ul style="list-style-type: none"> <li>- BMG Survey on gender issues related to Business Mobility</li> <li>- Consultation on development of BMG Web Site and online Travel Handbook Facility</li> <li>- Consultation with business</li> </ul>
<b>Simplification, Practicability &amp; Efficiency</b>	<ul style="list-style-type: none"> <li>- Seminars/policy discussions on NTMs</li> <li>- Report on members' trade facilitation efforts</li> </ul>	<ul style="list-style-type: none"> <li>- Seminar on Sea Ports Infrastructure Services</li> </ul>	-	<ul style="list-style-type: none"> <li>- Seminar &amp; conference on Good Regulatory Practice</li> <li>- Trade facilitation in IT products</li> </ul>	<ul style="list-style-type: none"> <li>- Kyoto Convention</li> <li>- Support development &amp; adoption of electronic technologies &amp; procedures to reduce paper documentation requirement</li> <li>- Common data elements</li> <li>- Risk management</li> <li>- Express consignment clearance</li> <li>- Peer review</li> <li>- Time release study</li> <li>- Technical assistance on temporary importation</li> </ul>	<ul style="list-style-type: none"> <li>- IPEG Technical Cooperation Project of IP Automation in APEC Region</li> </ul>	<ul style="list-style-type: none"> <li>- APEC/OECD cooperative initiative on regulatory reform</li> <li>- Training programmes to promote competition in four selected services sectors</li> <li>- Menu of Options on Competition Policy</li> <li>- Updating of APEC Competition Law and Policy Internet Database</li> </ul>	-	<ul style="list-style-type: none"> <li>- Update APEC business Travel Handbook and use of Business Mobility Website</li> <li>- Streamlining temporary entry (business travel)</li> <li>- Development and implementation of standards and capacity building on document examination, APP/API, travel document security systems and legal infrastructure</li> <li>- Business-Community Cooperation</li> </ul>

APEC TFPs	MAG	GOS	IEG	SCSC	SCCP	IPEG	CPD	GPEG	IEGBM
<b>Non-discrimination</b>	- Report on members' trade facilitation efforts	-	-	-	-	-	-	- Voluntary review of members' GP regime against the NBP of "accountability and due process"	-
<b>Consistency &amp; Predictability</b>	- Seminars/policy discussions on NTMs - Report on members' trade facilitation efforts	-	- Seminar on regional and bilateral investment rules/agreements	-	- Harmonized System Convention - Kyoto Convention - Advanced classification rulings - Express consignment clearance - Integrity - Workshop on Customs-related WTO Agreements - Peer review - Time release study - Survey on transparency of customs procedures - Technical assistance on WTO Valuation, TRIPS and temporary importation	-	- APEC/OECD cooperative initiative on regulatory reform - Training programmes to promote competition in four selected services sectors - Menu of Options on Competition Policy - Updating of APEC Competition Law and Policy Internet Database	- Voluntary review of members' GP regime against the NBP of "accountability and due process"	- Update APEC business Travel Handbook and use of Business Mobility Website - Standard Short Term Business Entry arrangements: visa free, multiple entry, and/or APEC Business Travel Card - Standard Business Temporary Residence Arrangements: 30-day processing standard for Intra-company transfer - Development and implementation of standards and capacity building on document examination, professional service, APP/API, travel document security systems and legal infrastructure - Business-Community Cooperation

APEC TFPs	MAG	GOS	IEG	SCSC	SCCP	IPEG	CPD	GPEG	IEGBM
<b>Harmonization, Standardization &amp; Recognition</b>	<ul style="list-style-type: none"> <li>- Seminars/policy discussions on NTMs</li> <li>- Report on members' trade facilitation efforts</li> </ul>	<ul style="list-style-type: none"> <li>- Exchange information on agreements on mutual recognition of professional standards/ qualifications</li> </ul>	-	<ul style="list-style-type: none"> <li>- Alignment of domestic standards with international standards</li> <li>- Seminar &amp; conference on Good Regulatory Practice</li> <li>- Active participation in international standardization</li> <li>- Advancing the process of APEC EEMRA</li> <li>- Review of APEC Food MRA</li> <li>- Implementation of MRAs in voluntary sector</li> <li>- Building confidence in &amp; capacity of conformity assessment bodies</li> <li>- Trade facilitation in IT products</li> <li>- Implementation of the mid-term technical infrastructure development programme</li> </ul>	<ul style="list-style-type: none"> <li>- Harmonized System Convention</li> <li>- Kyoto Convention</li> <li>- Support development &amp; adoption of electronic technologies &amp; procedures to reduce paper documentation requirement</li> <li>- Common data elements</li> <li>- Express consignment clearance</li> <li>- Workshop on Customs-related WTO Agreements</li> <li>- Peer review</li> <li>- Technical assistance on WTO Valuation, TRIPS and temporary importation</li> </ul>	<ul style="list-style-type: none"> <li>- Common Trademark Application Form</li> <li>- Best practice of enforcement of industrial property rights</li> <li>- Survey on laws and regulations on enforcement practices to control export of counterfeit/pirated products</li> <li>- Software asset management initiative</li> <li>- IP and Biotechnology Training Handbook Related Trade Facilitation Principle</li> </ul>	<ul style="list-style-type: none"> <li>- APEC/OECD Cooperative initiative on regulatory reform</li> <li>- Training programmes to promote competition in four selected services sectors</li> <li>- Menu of Options on Competition Policy</li> <li>- Updating of APEC Competition Law and Policy Internet Database</li> </ul>	<ul style="list-style-type: none"> <li>- Voluntary review of members' GP regime against the NBP of "accountability and due process"</li> </ul>	<ul style="list-style-type: none"> <li>- Standard Short Term Business Entry arrangements: visa free, multiple entry, and/or APEC Business Travel Card</li> <li>- Standard Business Temporary Residence Arrangements: 30-day processing standard for Intra-company transfer</li> <li>- Development and implementation of standards and capacity building on document examination, professional service, APP/API, travel document security systems and legal infrastructure</li> </ul>

APEC TFPs	MAG	GOS	IEG	SCSC	SCCP	IPEG	CPD	GPEG	IEGBM
<b>Modernization &amp; the Use of New Technology</b>	<ul style="list-style-type: none"> <li>- Input of data to WTO IDB/APEC TDB</li> <li>- Seminars/policy discussions on NTMs</li> <li>- Compile information on NTMS</li> <li>- Report on members' trade facilitation efforts</li> </ul>	<ul style="list-style-type: none"> <li>- Case studies on innovation in services industries including e-commerce</li> <li>- Seminar on Sea Ports Infrastructure Services</li> </ul>	-	-	<ul style="list-style-type: none"> <li>- Kyoto Convention</li> <li>- Support development &amp; adoption of electronic technologies &amp; procedures to reduce paper documentation requirement</li> <li>- Common data elements</li> <li>- Risk management</li> </ul>	<ul style="list-style-type: none"> <li>- Redesign the APEC IPEG website</li> <li>- IPEG Technical Cooperation Project of IP Automation in APEC Region</li> </ul>	<ul style="list-style-type: none"> <li>- APEC/OECD Cooperative initiative on regulatory reform</li> <li>- Training programmes to promote competition in four selected services sectors</li> <li>- Menu of Options on Competition Policy</li> <li>- Updating of APEC Competition Law and Policy Internet Database</li> </ul>	<ul style="list-style-type: none"> <li>- Symposium and workshop on e-procurement</li> </ul>	<ul style="list-style-type: none"> <li>- Development and implementation of standards and capacity building on APP/API and travel document security systems</li> </ul>
<b>Due Process</b>	<ul style="list-style-type: none"> <li>- Seminars/policy discussions on NTMs</li> <li>- Report on members' trade facilitation efforts</li> </ul>	-	-	-	<ul style="list-style-type: none"> <li>- Integrity</li> <li>- Peer review</li> <li>- Technical assistance on clear appeals</li> </ul>	-	-	<ul style="list-style-type: none"> <li>- Voluntary review of members' GP regime against the NBP of "accountability and due process"</li> </ul>	<ul style="list-style-type: none"> <li>- Project to develop standards and capacity in Professional service</li> </ul>
<b>Cooperation</b>	<ul style="list-style-type: none"> <li>- Compile information on NTMs</li> <li>- Seminars/policy discussions on NTMs</li> <li>- Report on members' trade facilitation efforts</li> </ul>	<ul style="list-style-type: none"> <li>- Exchange information on agreements on mutual recognition of professional standards/ qualifications</li> </ul>	<ul style="list-style-type: none"> <li>- Study on venture capital investment in APEC economies</li> <li>- Case studies on M&amp;As of Korea, China and HKC</li> <li>- Seminar on one-stop shop</li> <li>- Study on cross-border M&amp;As in APEC</li> <li>- 7th Investment Symposium</li> <li>- 3rd Investment Mart</li> <li>- Seminar on Venture Capital and Start-up Companies</li> </ul>	<ul style="list-style-type: none"> <li>- Implementation of the mid-term technical infrastructure development programme</li> </ul>	<ul style="list-style-type: none"> <li>- Express consignment clearance</li> <li>- Customs-Business partnership</li> <li>- Workshop on Customs-related WTO Agreements</li> <li>- Peer review</li> <li>- Time release study</li> </ul>	<ul style="list-style-type: none"> <li>- APEC IP Toolkit</li> <li>- IPEG Technical Cooperation Project of IP Automation in APEC Region</li> <li>- Project on public education and awareness of intellectual property TFP</li> </ul>	<ul style="list-style-type: none"> <li>- APEC/OECD Cooperative initiative on regulatory reform</li> <li>- Training programmes to promote competition in four selected services sectors</li> <li>- Menu of Options on Competition Policy</li> <li>- Updating of APEC Competition Law and Policy Internet Database</li> </ul>	-	<ul style="list-style-type: none"> <li>- Update APEC business Travel Handbook and use of Business Mobility Website</li> <li>- Streamlining temporary entry (business travel)</li> <li>- Development and implementation of standards and capacity building on document examination, APP/API, travel document security systems and legal infrastructure</li> <li>- Business-Community Cooperation</li> </ul>



**APPENDIX V**

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**FRAMEWORK FOR APEC TRADE FACILITATION  
ACTION PLAN**



## FRAMEWORK FOR APEC TRADE FACILITATION ACTION PLAN

### SOM II - MRT, 2002:

CTI to develop and SOM to agree on *the framework and schedule* to achieve Shanghai Accord Trade Facilitation targets and report to the MRT.

### SOM III, 2002:

APEC fora and economies develop list of concrete actions and measures as *a menu* to implement Trade Facilitation in APEC.

### Leaders' and Ministerial Meeting, 2002:

Obtain approval of the APEC Trade Facilitation Action Plan.

### By SOM I, 2003:

Economies and relevant APEC fora select actions and measures from the *menu* to implement collectively, individually or through a Pathfinder Approach. Collaboration with the private sector and experts may assist this process.

### After SOM I, 2003:

As necessary, relevant sub-fora develop action plans for related capacity-building activities and provide technical assistance utilizing the TILF fund.

### Year 2003:

SOM/CTI examines review methods including objective criteria and capacity building efforts and reports on them to the Ministerial Meeting

### Year 2004:

Each economy reports to SOM/CTI III on status of implementation to carry out a mid-term review of overall progress – on the basis of the above noted review methods and objective criteria – and capacity building efforts. This may take place at an expanded Trade Facilitation Dialogue, in collaboration with the private sector and experts.

### Years 2005 – 2006:

SOM/CTI and other relevant APEC fora monitor implementation of Trade Facilitation activities results on an ongoing basis.

### Year 2006:

SOM/CTI undertakes final review on input from individual economies, APEC fora, business and experts and reports fully implemented actions and measures to the Leaders and Ministerial Meetings.

### Year 2008:

SOM/CTI and other relevant APEC fora in collaboration with the private sector and experts report on final cost savings to business resulting from the 2006 implementation.

## **ADVANCING COMMERCE: THE APEC TRADE FACILITATION ACTION PLAN**

### **Background**

Trade facilitation is one of APEC's three main pillars of work to achieve the Bogor goals of free and open trade and investment, and APEC's work on trade facilitation will help boost the economies, especially developing economies, in this region and bring clear benefit to our business communities. Taking fully into account the diversity among APEC members as well as the progress achieved on trade facilitation in their respective economies, appropriate capacity building for developing economies will enhance the overall benefit of APEC's trade facilitation work throughout the region. In the Shanghai Accord, Leaders instructed Ministers to identify concrete actions and measures to implement the APEC Trade Facilitation Principles in close partnership with the private sector, taking into account the diversity among members and the progress achieved so far. The objective is to realize a significant reduction in transaction costs by endeavoring to reduce them by 5 percent across APEC region over the next five years. Leaders also asked Ministers to consider setting objective criteria on trade facilitation.

### **Approval of the Framework (SOM II, 2002)**

At CTI II and SOM II, the framework, including a schedule for implementation, of the Action Plan should be agreed and reported to MRT in order to meet the trade facilitation objectives specified by Leaders in the Shanghai Accord.

### **Identification of Actions and Measures (SOM III, 2002)**

By SOM III this year, APEC member economies, as appropriate, working with each other and with domestic and foreign firms with a presence in their economies, should develop possible concrete actions and measures to reduce the costs of international trade transactions. Such actions and measures should fall under one of the following four categories: movement of goods (to include customs, port, health and quarantine and similar procedures), standards, business mobility and e-commerce. Some APEC fora whose responsibilities lie in these areas have already identified specific actions and measures as part of their work. These APEC fora will be key drivers in working to develop actions and measures, but other APEC fora, individual economies and the private sector should also contribute to identifying actions and measures. Collective actions and measures, as well as those identified by individual member economies, will play an important role in meeting our trade facilitation objectives.

### **Approval of the APEC Trade Facilitation Action Plan (AMM and AELM, 2002)**

The framework and a menu of concrete actions and measures for trade facilitation noted above will obtain approval of Ministers and Leaders in October 2002 as the "APEC Trade Facilitation Action Plan."

### **Selection of Actions and Measures (SOM I, 2003), and Estimating Cost Savings (2003)**

At SOM I in 2003, each economy should report on actions and measures it intends to implement to reach the overall goal of a substantial reduction in trade transaction costs. Economies should make best endeavors to estimate the potential benefits from implementing these measures as soon as practical. Determining benchmarks or baselines for current performance in measures selected for implementation will be important to measure progress.

Wherever possible, quantitative methodologies should be used to measure the effect on transaction costs. In cases where the selected action is a specific reduction in a government fee, the quantification of the action's effect on cost is likely to be straightforward. Where the selected action is a change of rule or regulation, not expressed in terms of cost (e.g., speeding up customs clearance procedures), estimating the degree of cost reduction is likely to be more difficult. In this latter case, surveying private sector companies involved in the affected trade may be necessary to achieve an estimate of cost reduction. Consultation with academics and other experts in the area of the quantification of non-tariff trade measures may provide useful guidance on additional approaches.

Given the inherent difficulty in measuring the effect of some measures, economies may wish to consider using reductions in the "Time Required for the Release of Goods" (time taken between the arrival of goods at seaports/airports and their release (customs' permission)) as a proxy for improvements in a range of activities relating to customs clearances, port management and cargo handling, and brokering/forwarding, as well as other procedures affecting the transit of goods. Member economies may wish to explore this measure and work conducted by the World Customs Organization to further define the elements of "Time Required for the Release of Goods."

Where specific quantification is not possible, detailed qualitative analysis should be provided to explain the expected level of cost reduction. Such analysis might concentrate on detailed a description of the selected action and its linkages to the cost of trade transactions. It may also reflect the views of experts concerning the order of magnitude of potential cost reductions. Private sector input would again be useful in this regard.

### **Mid-Term Review (SOM III, 2004)**

At SOM III in 2004, economies should report on the status of implementation, including problems encountered and progress made. For any fully implemented actions or measures, qualitative or quantitative analysis of the cost reducing effects would be most useful. Economies should also identify any unforeseen circumstances arising during implementation with a view toward expediting cost reduction and trade facilitation APEC-wide through the sharing of information.

As a follow-on, the CTI should convene an Expanded Dialogue on Trade Facilitation (EDTF) involving member economies and sub-fora, government and non-government experts, and representatives of the private sector. The dialogue would serve to promote the exchange of information and ideas. In light of the progress reported by member economies, experts could discuss different approaches to quantitative analysis and the likely effects on trade facilitation. Experts could also provide assistance to those economies and sub-fora with questions regarding quantitative methodologies, specific actions and measures, and other relevant issues. In response to Leaders' instructions that there be cooperation with the private sector, representatives of the business community (i.e., ABAC) could provide their perspective on progress made, and offer

suggestions. Rather than identify specific economies in an oral presentation, private sector officials could make general observations on trade facilitation across the Asia-Pacific region. A more detailed written report by the business community containing economy-specific issues/concerns could be made available to member economies.

### **Final Implementation Status (2006)**

Economies should report on their fully implemented actions and measures with completed quantitative and qualitative analysis of each action and measure selected at SOM I in 2003. Full information should be provided by economies on each implemented action and measure, thus facilitating outside examination and possible additional assessment and quantification by private academic and research groups. The CTI (with SOM approval) should conduct an overall assessment of these reports for presentation to the AMM and AELM in 2006, inviting input from the private sector, and possibly engaging outside resources (i.e., experts) to measure the potential cost reducing effects of the actions and measures reported.

### **Follow-on (2008)**

Two years may need to pass from the 2006 target implementation date before the true benefits (dollar amounts of transaction cost reductions) to business can be known. Two further initiatives could therefore be the subject of a 2008 meeting. SOM/CTI, other relevant APEC fora and member economies in collaboration with the private sector and experts could report on actual cost savings in 2008 of the measures implemented by 2006. At the 2008 meeting, economies could also report on the possibilities for further cost saving measures beyond those implemented in 2006.

### **APEC Fora**

Senior officials should direct CTI sub-fora and other APEC fora to assist in identifying concrete actions and measures to reduce the costs of international trade transactions. Primary responsibility would lie with those fora that work in the areas of movement of goods (to include customs, port, health and quarantine and similar procedures), standards, business mobility, and e-commerce. APEC fora not directly involved in these four areas could also suggest concrete actions and measures.

APEC fora should continue reporting on their efforts to implement APEC's Trade Facilitation Principles. In their reports (see attached reporting template), sub-fora are invited to outline their general approaches, strategies and means to advance trade facilitation work with a view to improving the business environment in the Region, and to identify the direct beneficiaries of each work program. APEC fora should also adopt appropriate measures to evaluate the effectiveness of their work on trade facilitation and to ensure that it delivers concrete outcomes for business. It will be important to involve ABAC and other private sector partners in this process. Experts may be requested to participate in APEC fora meetings to discuss ways in which trade facilitation can be advanced through fora activities. The Collective Action Plans of APEC fora should contain information regarding each group's efforts to improve trade facilitation.

Relevant APEC fora should participate in the 2004 Mid-Term Review. Along with member economies, APEC fora could report on the progress that they have made in reaching their trade facilitation objectives, as well as any difficulties encountered.

## **Capacity Building**

### **Individual Economies**

Depending on the actions identified, it may be the case that economies and their officials could benefit from outside technical assistance in order to: (1) determine the actions and measures that would be most appropriate for their economy to implement; (2) assess the cost savings from selected actions and measures; and (3) implement measures selected. A proposal for TILF funding could be put forward calling for APEC to contract with experts experienced in quantitative analysis. (These experts may need to be available prior to the selection of action plans at the SOM I 2003 meeting.) Assisting developing economies to implement measures selected may require special focus.

With such an orientation, the 2003 meeting should provide an opportunity for an exchange of information on cost saving measures as well as methods of quantification and measurement. The 2003 meeting would also provide economies the opportunity to comment on each other's proposals early in the process.

Selected experts could also provide assistance and views at the 2004 Expanded Dialogue on Trade Facilitation and the 2006/2008 assessments.

### **Sub-Fora**

Sub-fora have a key role in implementing capacity building projects to facilitate trade among member economies. They should be encouraged to bring forward TILF requests for projects that will assist member economies develop the expertise required to implement trade facilitation measures. These capacity building projects should be developed in close collaboration with the private sector and lead to concrete outcomes for business. These projects could include workshops to share best practices or training programs for officials.

### **Future Capacity Building Initiatives**

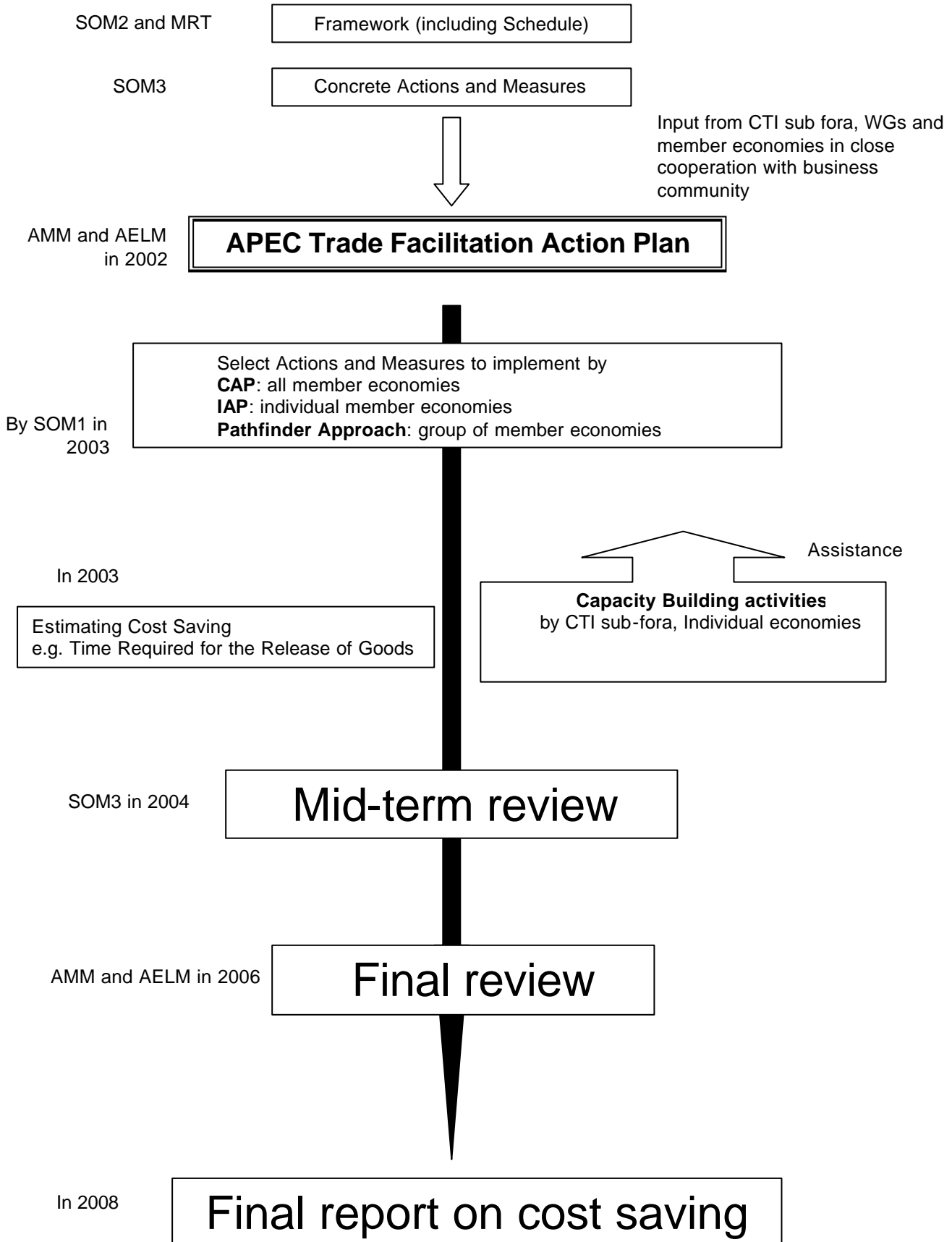
#### **a) Individual Reporting on Capacity Building**

Economies could report on trade capacity building activities they are currently sponsoring in the area of trade facilitation. The CTI should continue to encourage APEC fora and economies to organize relevant capacity building projects to assist in developing members in creating a more conducive business environment.

#### **b) Working with Other International Organizations**

It will be important for both member economies and sub-fora to make every effort to leverage the resources of international development organizations in their trade facilitation-related capacity-building efforts. In this respect, the current project overseen by Canada on "Assessing the Economic Benefits of Trade Facilitation in APEC and Recommendations for a Coordinated Capacity Building Programme" will make an important contribution to the development of a partnership with the World Bank for trade facilitation in APEC. Further such joint initiatives should be pursued.

# Overview of APEC Trade Facilitation Action Plan





**Committee on Trade and Investment**

**2002 Collective Action Plans:  
Progress Report to CTI 2 on the Implementation of the APEC Trade Facilitation Principles (TFPs)**

Sub-forum: \_\_\_\_\_

**Part I: General Approach to Trade Facilitation Work**

[Please restate, in a few sentences, how your sub-forum will advance trade facilitation work in 2002 and beyond (e.g. your sub-forum's prime focus of facilitation work, strategy and means to take forward such work, and benefits to the business sector).]

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**Part II: Concrete Trade Facilitation Initiatives**

[Please refer to the guidance notes.]

Specific Initiative and Brief Description [Note 1]	Related Trade Facilitation Principle(s) [Note 2]	Involvement of the Business Sector [Note 3]	Specific Expected Outcomes and Benefits [Note 4]		Latest Progress and/or Next Step [Note 5]
			for Business	for Other Beneficiaries	

## Guidance Notes for Part II

1. Please insert the **title** and, where appropriate, a **brief description** of the trade facilitation initiative. Sufficient information should be provided to enable readers to understand the content of the initiative. If a sub-forum plans to use its CAP as a framework to advance trade facilitation, it should **elaborate** on what short/medium-term initiative(s) has/have been designed to take forward such work, instead of mentioning only the titles of the CAP items. The initiatives reported should also be **specific** and **trade facilitation related**. For instance, “dialogue with the business sector” in itself is rather an approach to trade facilitation work instead of a specific trade facilitation initiative, and hence should be reported in Part I. Besides, if an initiative is relevant to trade liberalization and/or ECOTECH but not trade facilitation, it should **not** be included in the report even though some TFPs (e.g. communication and consultations) have been applied in the course of developing the initiative.

Separately, as new economy policies (e.g. e-commerce, internet development) could positively impact trade facilitation, sub-fora may consider incorporating, where appropriate, their specific trade facilitating work items relating to new economy policy in this report.

2. Please state which TFP(s) is/are relevant to the initiative. The nine TFPs are transparency; communication and consultations; simplification, practicability and efficiency; non-discrimination; consistency and predictability; harmonization, standardization and recognition; modernization and the use of new technology; due process; and cooperation.
3. If the business sector will be/has been involved in the formulation and/or implementation of the initiative, please briefly state which group(s) of the business sector is/are involved and describe its/their involvement.
4. Please state how the business community and other beneficiaries (including government officials) respectively will **directly** benefit from the initiative. The benefits should be **closely related to trade facilitation** and described in **concrete terms** (elaboration would be appreciated on such general statements as “increased public awareness of the matter”, “implementation of relevant APEC principles/menus of options”, “work load of government officials relieved”, “enhanced dialogue with the business sector”, “more technology transfer”, etc, which fall short in specifying the beneficiaries and/or the benefits from a trade facilitation angle). Members broadly agreed at CTI 1 that sub-fora should develop **results-oriented** work plans with **specific outcomes** for business. Sub-fora may therefore wish to report, if applicable, measurable objectives for their initiatives. For illustrative purpose, such objectives may be number of seminars organized, number of trainees/participating economies in the activity, frequency of updating information on internet database, percentage of service using new technology, reduction in average service turn-round time, etc. If necessary, sub-fora may set two-tier objectives (e.g. one for industrialized economies and one for developing economies) to take into account the different levels of economic and technological development among economies, and their diverse circumstances.

Sub-fora are also suggested to make use of the information reported in this column to review the balance of their initiatives so that **both government officials and the business sector** can benefit from their activities.

5. For the completed initiative, please report the outcome(s) (including whether the identified objective(s) is/are reached and the number of participating economies) and whether follow-up action(s) would be required. For those initiatives in progress, please report the latest development and the estimated completion date.

## **DIRECTORY OF TERMS**

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## DIRECTORY OF TERMS

ABAC	APEC Business Advisory Council
ABTC	APEC Business Travel Card
ADB	Asian Development Bank
ADR	Alternative Dispute Resolution
AELM	Annual Economic Leaders Meeting
AICST	APEC International Centre for Sustainable Tourism
AMM	Annual Ministers Meeting
APEC	Asia-Pacific Economic Cooperation
API	Advance Passenger Information
APII	Asia-Pacific Information Infrastructure
APLAC	Asia-Pacific Laboratory Accreditation Cooperation
APLMF	Asia Pacific Legal Metrology Forum
APMP	Asia Pacific Metrology Program
APMP-SIM	Asia Pacific Metrology Program-Inter American Metrology Cooperation
APP	Advance Passenger Processing
ASEAN	Association of Southeast Asian Nations
B2G	Business-to-Government
BMC	Budget and Management Committee
CAOs	Conformity Assessment Operators
CAP	Collective Action Plan
CCS	Core Characteristics Survey
CIPM	The International Committee for Weights and Measures
CISPR	International Special Committee on Radio Interference
CPDG	Competition Policy and Deregulation Group
CTI	Committee on Trade and Investment
DDA	Doha Development Agenda
DfE	Design for Environment
DMEG	Dispute Mediation Experts' Group
EC	Economic Committee
ECAs	Export Credit Agencies
E-Commerce	Electronic Commerce
ECOTECH	Economic and Technical Cooperation
EEMRA	Electrical and Electronic MRA
e-IAP	Electronic Individual Action Plan
EL	Environment Labels and Declarations
EMC	Electromagnetic Compatibility
EMI	Electromagnetic Interference
EU	European Union
EVSL	Early Voluntary Sectoral Liberalization
EWG	Energy Working Group
FTA	Free Trade Agreement
FTC	Federal Trade Commission
G2B	Government to Business
GATS	General Agreement on Trade in Services
GI	Geographical Indication
GM	Genetically Modified
GOS	Group on Services
GP	Government Procurement

GPEG	Government Procurement Experts' Group
HRD	Human Resources Development
HRDWG	Human Resources Development Working Group
HS	Harmonized Commodity Description and Classification System
IAP	Individual Action Plan
IDB	WTO Integrated Database
IEC	International Electrotechnical Commission
IEG	Investment Experts' Group
IEGBM	Informal Experts' Group on the Mobility of Business People
IMO	International Maritime Organization
INTA	International Trademark Association
IPEG	Intellectual Property Rights Experts' Group
IPO	Intellectual Property Office
IPR	Intellectual Property Rights
IQAS	International Quality Assurance Systems
ISO	International Organization for Standardization
ITI	Information Technology Industry Council
KBE	Knowledge-Based Economies
KCH	Knowledge Clearing House
LCA	Life Cycle Assessment
M & A	Mergers and Acquisitions
MAG	Market Access Group
MLA	Multilateral Recognition Arrangement
MRA	Mutual Recognition Arrangement
MRCWG	Marine Resource Conservation Working Group
MRT	Ministers Responsible for Trade
NBPs	Non-binding Principles
NTM	Non-Tariff Measures
OAA	Osaka Action Agenda
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
PAC	Pacific Accreditation Cooperation
PACAP	Pacific Asian Capital Market
PASC	Pacific Area Standards Congress
PATA	Pacific Asia Travel Association
PECC	Pacific Economic Cooperation Council
PFP	Partners for Progress
PIF	Pacific Islands Forum
PKI	Public Key Infrastructure
SCCP	Sub-Committee on Customs Procedures
SCSC	Sub-Committee on Standards and Conformance
SELI	Strengthening Economic Legal Infrastructure
SMEs	Small and Medium Enterprises
SMETEs	SME Tourism Enterprises
SMEWG	Small and Medium Enterprises Working Group
SOM	Senior Officials' Meeting
SPS	WTO Agreement on Sanitary and Phytosanitary Measures
SRBs	Specialist Regional Bodies
STIPs	Science and Technology Industrial Parks
TBT	WTO Agreement on Technical Barriers to Trade
TDB	APEC Tariff Database

TELMIN	APEC Telecommunications Ministers' Meeting
TEL	Telecommunications and Information Working Group
TFPs	Trade Facilitation Principles
TIC-CAR	Testing Inspection, Calibration, Certification, Accreditation and Mutual Recognition
TILF	Trade and Investment Liberalization and Facilitation
TIN	Tourism Information Network
TITTP	Trade and Investment Insurance Training Program
TOR	Terms of Reference
TPD	Trade Policy Dialogue
TPOs	Trade Promotion Organizations
TPTWG	Transportation Working Group
TRIMS	WTO Agreement on Trade-Related Investment Measures
TRIPS	WTO Agreement on the Trade-Related Aspects of Intellectual Property Rights
TSA	Tourism Satellite Account
TWG	Tourism Working Group
UN/EDIFACT	United Nations Rules for Electronic Data Interchange for Administration, Commerce and Transport
UNCTAD	United Nations Conference on Trade and Development
UR	Uruguay Round
WCO	World Customs Organization
WGTP	Working Group on Trade Promotion
WIPO	World Intellectual Property Organization
WTO	World Trade Organization