



Asia-Pacific
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2005 Key APEC Documents

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INTRODUCTION

Key APEC Documents 2005 is the 12th in a series produced by the APEC Secretariat. The *Key Documents*' publication provides a reference set of the key policy decisions and initiatives endorsed by APEC Leaders and Ministers each year. Collectively, these documents frame the policy directions for APEC's annual work programmes.

This issue presents a compilation of the statements from each of the APEC Ministerial Meetings held during 2005 together with the APEC Economic Leaders' Declaration from their recent meeting in Busan, Republic of Korea. The Executive Summary of the annual APEC Business Advisory Council Report to APEC Economic Leaders is also included for easy reference.

The enclosed CD provides the complete text of all documents contained in this publication together with supplementary policy papers, reference papers and selected key APEC 2005 Reports.

The APEC website, www.apec.org, provides a further source of documentation and information relating to the wide-ranging activities of APEC.

APEC Secretariat
December 2005

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| | Document Reference |
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| 1. "Achieving the Brunei Goals – Moving Forward" - TEL's Response to Senior Officials | 2005/AMM/002anx17 |
| 2. "Voluntary Initiatives for Sustainable Production, Trade and Consumption in APEC" - Summary Report and Recommendations | 2005/AMM/003 |
| 3. 2005 APEC Anti-Corruption & Transparency Symposium - Summary Report by KICAC | 2005/AMM/002anx15B |
| 4. 2005 APEC Food System Report to Ministers | 2005/AMM/002anx8 |
| 5. 2005 Report of the Executive Director of the APEC Secretariat to the Seventeenth APEC Ministerial Meeting | 2005/AMM/002anx22B |
| 6. 2005 Stocktake of Electronic Commerce Activities in APEC | 2005/AMM/002anx18C |
| 7. A Compilation of 2005 IAP Highlights on Trade Facilitation Work cum Progress of Implementation of Trade Facilitation Action Plan | 2005/AMM/002anx7 |
| 8. A Mid-term Stocktake of Progress Towards the Bogor Goals - Busan Roadmap to Bogor Goals | 2005/AMM/002anx1rev1 |
| 9. ABAC's Letter on the DDA Negotiations | 2005/AMM/006 |
| 10. APEC Anti-Corruption and Transparency Task Force (ACT) Chair's Report to SOM III | 2005/AMM/002anx15A |
| 11. APEC Anti-Counterfeiting and Piracy Initiative | 2005/MRT/006anx5 |
| 12. APEC Initiative on Preparing for and Mitigating an Influenza Pandemic | 2005/AMM/002anx13B |
| 13. APEC Initiative on Radioactive Sources | 2005/AMM/002anx12A |
| 14. APEC Initiative on Reducing the Threat of MANPADS to Aviation Security | 2005/AMM/002anx12B |
| 15. APEC Model Measures for Trade Facilitation in RTAs/FTAs | 2005/AMM/002anx3 |
| 16. APEC Privacy Framework | 2005/AMM/002anx18A |
| 17. APEC Strategy to Address IAS Threats to Trade and Economic Development | 2005/AMM/002anx10C |
| 18. APEC Symposium on Emerging Infectious Diseases | 2005/AMM/002anx13C |
| 19. APEC Work Plan on LAISR towards 2010 (LAISR 2010) | 2005/AMM/002anx11B |
| 20. APEC-OECD Integrated Checklist on Regulatory Reform: Addressing Regulatory, Competition Policy, and Market Openness Policy Issues | 2005/MRT/006anx3 |
| 21. ASEAN Statement to APEC Ministers | 2005/AMM/008 |

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| 22. | BMC Chair's Report of the August 2005 BMC Meeting to SOM III | 2005/AMM/002anx21A |
| 23. | Co-Chairs' Report of APEC Human Security Seminar | 2005/AMM/005 |
| 24. | Findings of the Regional Movement Alert List (RMAL) System Pilot ²⁵ . | 2005/CSOM/030 |
| 25. | GFPN Chair's Report to SOM III | 2005/AMM/002anx20 |
| 26. | Guidebook on APEC Procedures and Practices | 2005/AMM/002anx22D |
| 27. | HTF Chair Report - Health Task Force Updates and Potential Deliverables | 2005/AMM/002anx13A |
| 28. | Implementation of APEC Framework Based on the WCO Framework of Standards to Secure and Facilitate the Global Trade | 2005/SOM3/SCCP2/013 |
| 29. | Individual Action Plan Peer Review Guidelines | 2005/AMM/002anx5B |
| 30. | PECC Statement to APEC Ministers and PECC Seoul Declaration | 2005/AMM/007rev1 |
| 31. | Quality Assessment, Monitoring and Evaluation for APEC Projects | 2005/AMM/002anx10B |
| 32. | Recommendations on APEC Reform and Financial Sustainability | 2005/AMM/002anx16 |
| 33. | Report and Recommendations of the Third APEC Life Sciences Forum, 8–9 September 2005, Gyeongju, Korea, and Covering Message to Leaders | 2005/AMM/002anx9rev1 |
| 34. | Report of the 12th APEC Electronic Commerce Steering Group Meeting, 8–9 September 2005, Gyeongju, Korea | 2005/AMM/002anx18B |
| 35. | Report of the APEC Focal Point Network on Cross-Cultural Communication (CFPN) | 2005/AMM/002anx19 |
| 36. | Report on APEC Sectoral Ministerial Meetings Held in 2005 | 2005/AMM/004 |
| 37. | Report to Ministers on APEC Emergency Preparedness Work | 2005/AMM/002anx14 |
| 38. | Report to Ministers on the Progress of the APEC Support Fund | 2005/AMM/002anx21B |
| 39. | Revised Version of the Paperless Trading Individual Action Plan | 2005/AMM/002anx18D |
| 40. | Senior Officials' Report to Ministers | 2005/AMM/002 |
| 41. | SOM Chair's Summary Report on 2005 Individual Action Plans Improvements | 2005/AMM/002anx5A |
| 42. | Statement by Pacific Islands Forum | 2005/AMM/009 |
| 43. | Suggestions for the Revision of the Revised Consolidated Guidelines on Non-Member Participation in APEC Activities | 2005/AMM/002anx22A |
| 44. | Supplemental Agreement Pertaining to the Maintenance Responsibilities for the APEC Secretariat Building | 2005/AMM/002anx22C |
| 45. | Three Model Guidelines APEC Anti-Counterfeiting and Piracy Initiative | 2005/AMM/002anx4rev1 |
| 46. | Total Supply Chain Security in APEC | 2005/AMM/002anx12Crev1 |
| 47. | Trade Facilitation Action Plan Roadmap to 2006 | 2005/MRT/006anx4 |
| 48. | Update on SELI Reporting Mechanism | 2005/AMM/002anx6 |

Other Publications:

1. APEC Business Advisory Council: Report to APEC Economic Leaders 2005
Networking Asia-Pacific: A Pathway to Common Prosperity
2. *2005 CTI Annual Report to Ministers*
3. *2005 APEC Senior Officials' Report on Economic and Technical Cooperation*
4. *2005 APEC Economic Outlook*
5. *Patterns and Prospects on Technological Progress in APEC, 2005*
6. *Impact of APEC Investment, Liberalisation and Facilitation: Follow up Study, 2005*

NOTE FOR SUPPLEMENTARY PAPERS:

For the supplementary papers listed, they can be found at the APEC website at http://www.apec.org/content/apec/documents_reports/. Please refer to the Documents and Reports section, the papers under Annual Ministerial and Senior Official Meetings. The electronic file (in PDF) of the *Key APEC Documents 2005* does not contain the supplementary papers.

The printed copy of the *Key APEC Documents 2005* (with a CD-Rom of the supplementary papers) can be purchased from the APEC Secretariat. Please send enquiries to jt@apec.org. Thank you.

THIRTEENTH APEC ECONOMIC LEADERS' MEETING

**BUSAN, REPUBLIC OF KOREA
18–19 NOVEMBER 2005**

BUSAN DECLARATION

We, Economic Leaders of the member economies of the Asia Pacific Economic Co-operation (APEC), gathered in Busan, Korea, for the 13th APEC Economic Leaders' Meeting, under the APEC 2005 theme, "Towards One Community: Meet the Challenge, Make the Change," to advance our common vision of achieving stability, security and prosperity for our peoples. We reiterated the importance of the Bogor Goals of free and open trade and investment in the Asia-Pacific, and we pledged to work towards this with the Busan Roadmap. With this renewed commitment, this year, we dedicated ourselves to ensure a transparent and secure business environment in this region in order to lay a stepping stone towards our vision. We also confronted the challenges and exerted our utmost efforts to bridge the various gaps and differences existing in the region. As a result, APEC, as the single forum encompassing the Asia-Pacific region, has not only kept its past pledges but also has succeeded in presenting the future direction that APEC should be heading towards.

Advancing Freer Trade

With a firm belief that the engine of this region's economic growth is a strengthened multilateral trading system, APEC Economic Leaders have supported the World Trade Organisation (WTO) since the inception of the Leaders' Meeting. We believe that APEC, as a forum of the world's leading trading economies must manifest leadership in strengthening the multilateral trading system. We showed our strong political will in a separate statement, in which we declared our firm support for the WTO Doha Development Agenda (DDA) negotiations to proceed expeditiously so as to achieve an ambitious and overall balanced outcome at the end of the Round. We also supported the efforts to promptly conclude the accession of Russia and Viet Nam to the WTO.

We welcomed the outcomes of the Mid-term Stocktake on the progress towards achieving the Bogor Goals, which confirm that APEC has made momentous strides towards free and open trade and investment. We are convinced that both our individual and collective efforts towards the Bogor Goals have contributed to rapid and sustained economic growth as well as to significant improvements in the welfare of our people.

To respond to new challenges that emerged from the evolving international trade environment and to reach the Bogor Goals by the declared timelines, we endorsed the Busan Roadmap to the Bogor Goals composed of:

- Support for the Multilateral Trading System;
- Strengthening Collective and Individual Actions;
- Promotion of High-Quality Regional Trade Agreements and Free Trade Agreements (RTAs/ FTAs);
- Busan Business Agenda;
- A Strategic Approach to Capacity Building; and
- The Pathfinder Approach.

We reaffirmed our commitment to advance economic and technical cooperation (ECOTECH) to ensure equitable growth and shared prosperity in the region. We underscored that ECOTECH was not only important by itself, but also a cross-cutting issue relevant to advance trade and investment liberalisation and facilitation.

We welcomed, in particular, one element of the Busan Roadmap, the Busan Business Agenda, which, in response to the specific concerns of our business community, calls for further reductions in trade transaction costs by five percent by 2010, a comprehensive business facilitation program, and new work on intellectual property rights (IPR), trade facilitation, anti-corruption, investment, and secure trade.

We agreed that high-quality RTAs/FTAs were important avenues to achieve free and open trade and investment and called for ongoing work to pursue high quality, transparency and broad consistency in RTAs/FTAs in the region. We also welcomed the APEC Trade Facilitation Model Measures for RTAs/FTAs that would serve to function as a meaningful reference for negotiating RTAs/FTAs, and called for the development of model measures for as many commonly accepted FTA chapters as possible by 2008.

In recognition of the importance of strong IPR protection and enforcement to economic growth and trade in the Asia-Pacific region, we welcomed the APEC Anti-Counterfeiting and Piracy Initiative and endorsed the model guidelines to stop international trade in counterfeit and pirated goods, reduce on-line piracy, and prevent the sale of counterfeit and pirated goods over the Internet. We also called for future work to address IPR protection and enforcement challenges in the region in 2006 in close consultation with the private sector.

We instructed Ministers to work on behind-the-border issues in order to enhance the business-friendly environment in the Asia-Pacific. We welcomed the adoption of the APEC Work Plan on the Leaders' Agenda to Implement Structural Reform toward 2010 (LAISR 2010) as a policy-oriented approach to bring about needed structural reforms. We also welcomed the initiative to develop a Private Sector Development agenda for APEC to create an enabling environment for small businesses.

We took note of the recommendations from the APEC Business Advisory Council (ABAC). We will continue to work with the business sector in our venture towards improving the business environment in the Asia-Pacific.

Safe and Transparent Asia-Pacific Region: Enhancing Human Security

We condemned terrorist acts in the region that took thousands of lives and aimed to destabilise economic prosperity and security in the Asia-Pacific region. These acts constitute a clear challenge to APEC's goal of advancing prosperity and its complementary mission of enhancing security. To confront these ongoing threats, we reaffirmed our commitment made in Bangkok and Santiago to review progress on our efforts to dismantle trans-boundary terrorist groups, eliminate the threat of weapons of mass destruction and their means of delivery, and confront other direct threats to our region, and to take the appropriate individual and joint actions to further these important goals. We affirmed our commitment to ensure that any measure taken to combat terrorism comply with all relevant obligations under international law, in particular international human rights, refugee and humanitarian law.

We encouraged implementation of APEC counter-terrorism, secure trade and safe travel commitments. We welcomed new initiatives on the safe handling of and trade in radioactive sources, the reduction of airport vulnerability to Man-Portable Air Defense System (MANPADS), Total Supply Chain Security and the APEC Framework for the Security and Facilitation of Global Trade. We welcomed the successful Regional Movement Alert List (RMAL) pilot and work on its expansion in 2006, and capacity building undertaken to advance ship and port security standards and other security initiatives.

We recalled the horrific regional natural disasters of the past year and conveyed our condolences to the bereaved families. We committed to protecting our economies by taking action to lessen the impact from future disasters and improve our collective response capability. We commended Ministers for their swift response to disasters this year.

We endorsed the APEC Initiative on Preparing for and Mitigating an Influenza Pandemic, which commits our economies to effective surveillance, transparency and openness, and close domestic, regional and international coordination and collaboration. We also committed to multi-sectoral preparedness planning, timely data and sample sharing, science-based decision-making regarding trade and travel, and early implementation, where appropriate, of the revised International Health Regulations. We supported efforts of the WHO, FAO, OIE, and the International Partnership on Avian and Pandemic Influenza, the outcomes of the APEC Meeting on Avian Influenza Preparedness and the Health Ministerial on Global Pandemic Influenza Readiness in 2005, and looked forward to the APEC Symposium on Emerging Infectious Diseases in 2006.

We agreed on collective, practical measures, including: strengthening cooperation and technical assistance among APEC economies to limit avian influenza at its source and prevent human outbreaks; developing a list of available and funded regional experts and capabilities for responding rapidly to pandemic influenza in its early stages; testing pandemic preparedness, beginning with a desk-top simulation exercise in early 2006 to test regional responses and communication networks; enhancing public and business outreach and risk communication; and exchanging information on border screening procedures and controls to increase transparency and to reduce risk to trade and travellers.

We shared our concern on the impact of high oil prices and agreed to respond to it urgently by addressing the supply and demand of the energy market simultaneously through: cooperative efforts to increase investment, to expand cross-border trade and to accelerate energy technology development, thereby reducing the region's vulnerability and securing its energy supply; and promotion of energy efficiency and conservation and diversification measures, which would help to reduce the demand of fossil fuels and lower speculative demand in the oil industry.

We emphasised the need to develop increased energy resources in ways that addressed poverty eradication, economic growth, and pollution reduction, and the need to address climate change objectives. In this context, we welcomed the UN Climate Change Conference to be held in Montreal, Canada, later this year.

We agreed to intensify regional cooperation to deny a safe haven to officials and individuals guilty of corruption, those who corrupt them and their illicitly-acquired assets, and to prosecute those engaged in bribery, including in international business transactions. We further agreed that the implementation by our relevant economies of the principles of the United Nations Convention against Corruption can have a positive impact in advancing our commitment towards a cleaner and more honest and transparent community in the Asia-Pacific region. We welcomed the signing of the ABAC Anti-corruption pledge by the CEOs at the APEC 2005 CEO Summit and encouraged public-private partnership in this campaign.

APEC's Progress into the Future

We are confident that important milestones have been set this year in paving the way for APEC's future. We firmly believe APEC will increasingly contribute to its members' prosperity and meet any new challenge with confidence.

We acknowledged the importance of ensuring that all of our citizens have the opportunity to share the benefits generated by trade liberalisation and economic growth. We agreed to conduct a study of ways to confront the challenges and impediments related to socio-economic disparity issues. APEC intends to build on its ongoing work to expand the circle of beneficiaries of economic growth through such means as providing economic and technical cooperation, particularly, measures of capacity building, encouraging economic reforms and fighting corruption.

We recognised the significant contributions that women have made to the economic development of the region and committed to ensuring the integration of gender in the activities across all APEC fora.

We highlighted the importance of innovation and sharing advanced technologies among members in the years to come. We acknowledged the efforts made in reaching the Brunei Goals and instructed Ministers to maintain the momentum. We endorsed in full the message that APEC imparted to the World Summit on Information Society (WSIS).

We welcomed the concrete outcomes of APEC Reform efforts taken this year in making APEC more efficient and result-oriented. We instructed Ministers to continue to work on APEC Reform to respond to new concerns from member economies, civil society and business. We endorsed the measures taken to increase the productivity of APEC activities related to economic and technical cooperation.

We noted that our efforts have contributed to creating an Asia-Pacific community and welcomed the contribution of the cultural agenda to the efforts by facilitating a deeper understanding among the people and lowering psychological barriers.

We endorsed in full the Joint Statement agreed by Ministers at the 17th APEC Ministerial Meeting.

THIRTEENTH APEC ECONOMIC LEADERS MEETING

**BUSAN, REPUBLIC OF KOREA
18–19 NOVEMBER 2005**

APEC ECONOMIC LEADERS STATEMENT ON DOHA DEVELOPMENT AGENDA (DDA) NEGOTIATIONS

1. We, the APEC Economic Leaders, believe that the WTO Doha Development Agenda (DDA) negotiations have an unmatched potential to strengthen the multilateral trading system, promote global economic growth and, in particular, improve economic development opportunities for developing countries. Achieving the DDA is a crucial component of the global partnership to achieve the Millennium Development Goals. For this reason, the Doha Round must be carried to a successful conclusion—at the high level of ambition established in the Doha Declaration—by the end of 2006.
2. APEC economies, which represent close to 50 per cent of world trade and almost 60 per cent of global GDP, have benefited greatly from an open trading system. Average tariffs of APEC economies have been reduced by two-thirds in the last 15 years. This has been a period of rapid economic growth, particularly for APECs lower income economies. The Doha Round is essential to keeping APEC economies on this path of growth and development. It is also essential for all WTO Members.
3. The Hong Kong Ministerial will be a critical step in achieving this goal. Significant progress must be made in Hong Kong, China in resolving still remaining considerable divergences and a clear roadmap for completion of the Round in 2006 must be established. There is more at stake here than just another phase of economic liberalization. A successful conclusion of the Doha Round is crucial for the future credibility of the WTO and the rules-based multilateral trading system.
4. All WTO Members must achieve an ambitious and overall balanced outcome at the end of the Round, which include, among others: a comprehensive package in agriculture to ensure substantial reductions in trade distorting domestic support, substantial improvements in market access by significantly lowering tariffs and reducing quantitative restrictions, and the elimination of all forms of export subsidies of developed Members by 2010; an agreement on non-agricultural market access through a Swiss formula with ambitious coefficients and sectoral agreements on a voluntary basis that will ensure real market access improvements for all WTO Members; an agreement in services that will create commercially meaningful and real market access opportunities in all WTO Members; clarification and improvement of the WTO rules for securing and enhancing benefits in market access that will ensure clearer and more predictable trade disciplines; and clearer and improved WTO rules for trade facilitation that will contribute to further expediting the movement, release and clearance of goods.
5. We call for breaking the current impasse in agricultural negotiations, in particular in market access, which will unblock other key areas, including non-agricultural products and services. Unless progress is made in this area, we cannot make progress in the Round as a whole. Avoiding or compromising our ambition on this issue would mean that we would lower expectations for the Round as a whole.
6. We must ensure that the DDA reflects the development dimension in all negotiating areas and delivers real development benefits. The DDA should also take into account the needs and interest of developing Members and, in particular, the special needs of the least developed countries (LDCs). We look forward to a considerable progress on the LDC issues at the Hong Kong Ministerial.

7. We, the APEC Leaders, are committed to face up to the political challenges associated with the DDA. We are ready to provide strong political leadership and the commitment necessary to produce in Hong Kong, China a sound platform for successfully concluding the negotiations. We urge all other WTO members, and especially those that have the largest stake in the global trading system and derive the biggest benefits there from, to show the flexibilities needed to move the negotiations forward by and beyond Hong Kong, China

THE SEVENTEENTH APEC MINISTERIAL MEETING

**BUSAN, REPUBLIC OF KOREA
15–16 NOVEMBER 2005**

JOINT STATEMENT

APEC Ministers from Australia; Brunei Darussalam; Canada; Chile; the People's Republic of China; Hong Kong, China; Indonesia; Japan; the Republic of Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; the Philippines; Russia; Singapore; Chinese Taipei; Thailand; the United States of America; and Viet Nam, representing economies which collectively account for forty-six percent of world trade, fifty-seven percent of the global GDP and forty-five percent of the global population, gathered in Busan, Korea, on 15–16 November 2005, in order to participate in the Seventeenth Asia-Pacific Economic Cooperation (APEC) Ministerial Meeting. The APEC Secretariat was also present. The Association of Southeast Asian Nations (ASEAN) Secretariat, the Pacific Economic Cooperation Council (PECC) and the Pacific Islands Forum (PIF) attended as official observers. The meeting was chaired by H.E. Ban Ki-moon, Minister of Foreign Affairs and Trade and H.E. Hyun Chong Kim, Minister for Trade of the Republic of Korea.

Ministers focused discussions around the APEC 2005 theme: "Towards One Community: Meet the Challenge, Make the Change." They reaffirmed their commitment to achieving trade and investment liberalisation and facilitation in the APEC region by 2010 and 2020, and resolved to continually push it forward in this regard.

Ministers reviewed the key achievements of APEC 2005, which was hosted by the Republic of Korea, and agreed upon initiatives to be undertaken during the APEC 2006 year, which will be hosted by Viet Nam.

Ministers agreed to the following:

Strengthening the Multilateral Trading System

1. APEC's Contribution to the World Trade Organisation (WTO) Doha Development Agenda (DDA) negotiations

Ministers reaffirmed the utmost importance APEC economies attached to the successful conclusion of the DDA negotiations by the end of 2006 with an ambitious and overall balanced outcome.

Ministers agreed that the 6th WTO Ministerial Conference in Hong Kong, China would be a critical step in achieving this goal and that significant progress must be made in the Ministerial in resolving considerable divergences, and a clear roadmap for completing the Round in 2006 must be established.

In this regard, Ministers recommended the Leaders to adopt a stand-alone statement on the DDA negotiations that provided strong political leadership and commitment necessary to produce a sound platform for successfully concluding the negotiations in Hong Kong, China, and urged all other WTO Members to show flexibilities needed to move forward the negotiations by and beyond the Hong Kong Ministerial.

2. WTO Capacity Building

Ministers reaffirmed the importance of trade-related capacity building as a tool to enable developing economies to accede to the WTO, fully participate in the WTO negotiations, enjoy the full benefits of

the WTO membership, and maximise the potential of trade as a tool for social and economic development.

Ministers welcomed the first policy-oriented WTO Capacity Building Workshop on Best Practices in Trade Facilitation Capacity Building held in Jeju in May, and urged Officials to continue work in this area based on the workshop's recommendations. Ministers welcomed the outcomes of the APEC/WTO Trade Facilitation Roundtable 2005 held in Geneva in February, which provided a unique opportunity to share APEC's expertise in trade facilitation with WTO members. They also welcomed the Seminar on the Information Technology (IT)/Electronics Industry held in Gyeongju in September as an effective measure for capacity building and raising awareness of future trade expansion of IT/electronic products.

Ministers instructed Officials to continue to implement capacity building activities across the full range of areas included in the WTO DDA negotiations, and to continue to evaluate APEC's past capacity building activities, drawing on the expertise of APEC members as well as international organisations, and to report their progress at the Ministers Responsible for Trade (MRT) meeting next year. They called for further APEC attention to the issues of multi-stakeholder and intra-governmental consultations, recognising that these were crucial tools for APEC members to identify their interests and build consensus before and during trade negotiations.

3. Accession of APEC members to the WTO

Ministers welcomed the progress that has been made in the WTO accession negotiations for the Russian Federation and Viet Nam, and looked forward to the rapid conclusion of these negotiations for their early accession.

4. APEC Geneva Caucus

Ministers commended the work undertaken by the APEC Geneva Caucus to advance the DDA negotiations, especially in the area of tariff elimination of IT products and of trade facilitation, and instructed it to continue its work with a view of sharing APEC's experience with WTO Members, contributing to the successful outcome of the 6th WTO Ministerial Conference and promoting an ambitious and balanced conclusion of the DDA negotiations. They highly welcomed the visit by members of the APEC Business Advisory Council (ABAC) to Geneva in June in an effort to provide business input into the DDA negotiations.

Mid-term Stocktake of the Bogor Goals

Ministers endorsed the report, A Mid-term Stocktake of Progress Towards the Bogor Goals: Busan Roadmap to the Bogor Goals. They commended the report for demonstrating APEC's good progress towards the Bogor Goals and for developing a roadmap to achieve the Bogor Goals and to meet the expectations of the business community in facilitating business activities. Ministers agreed to recommend that Leaders endorse the report.

Ministers recognised that APEC economies had achieved significant liberalisation and facilitation of trade and investment since 1994. They also noted that the rewards from these policy choices had been substantial and had contributed to sustained economic growth and significant welfare improvements in the region.

Ministers remained fully committed to achieving the Bogor Goals of free and open trade and investment in the Asia-Pacific by 2010 for developed members and 2020 for developing members as stipulated in the Bogor Declaration. Ministers emphasised that the Bogor Goals, the core organising principle of APEC, aimed at promoting sustainable growth and prosperity in the region.

Recognising that the environment for trade was constantly evolving, Ministers expressed the need for APEC to adapt its focus accordingly and to continue to deliver concrete and business relevant

outcomes in the years ahead to realise the Bogor Goals. They agreed that, while the APEC agenda should be revitalised to keep pace with the new international trade environment, APEC must ensure the achievement of the Bogor Goals.

In order to accelerate progress towards the Bogor Goals, Ministers particularly emphasised the Busan Roadmap to the Bogor Goals, which outlines key priorities and frameworks, such as support for the multilateral trading system, strengthening collective and individual actions, promotion of high-quality regional trade agreements and free trade agreements (RTAs/FTAs), the Busan Business Agenda, a strategic approach to capacity building and the pathfinder approach, ensuring APEC to better respond to the new business environment and continuing to drive free and open trade and investment in the region through work on intellectual property rights (IPR), trade facilitation, anti-corruption, investment, and secure trade.

Ministers reaffirmed their deep commitment to the multilateral trading system and their support for the WTO. They agreed that APEC economies would continue to make contributions towards the successful outcome of the WTO DDA negotiations and that the APEC Geneva Caucus must redouble its collective efforts to advance the negotiations in all areas of the DDA. They agreed that, once the results of the DDA negotiations were known, APEC members would need to consider what further liberalisation steps would be needed to help reach the Bogor Goals.

Ministers agreed that Individual Action Plans (IAPs) and Collective Action Plans (CAPs) were the major vehicles in achieving the Bogor Goals. They agreed to strengthen the IAP Peer Review processes and make them more transparent and accessible to business. Ministers consequently agreed that the next round of the IAP peer reviews would be conducted from 2007-2009 under the strengthened review framework.

They agreed that high-quality RTAs/FTAs maximised the contribution of these agreements to APEC-wide progress towards the Bogor Goals. Ministers agreed that APEC would develop by 2008 comprehensive model measures on as many commonly accepted RTA/FTA chapters as possible by building on its work in developing model measures for trade facilitation, taking into account the diversity of APEC economies. They agreed that this would be a valuable contribution to maintaining consistency and coherence across RTAs/FTAs in the region.

Ministers agreed that APEC must develop a comprehensive business facilitation program along with strategies, taking into account the diversity of member economies with respect to economic development and domestic policy objectives that also addressed behind-the-border administrative burdens and impediments to trade and investment.

They also underscored the need for APEC to continue to put emphasis on economic and technical cooperation (ECOTECH) to ensure that the Bogor Goals were not only reached, but that their potential benefits were distributed as broadly as possible within the Asia-Pacific community.

Ministers encouraged the implementation of the decisions and commitments taken in the APEC context, both individually and collectively, while preserving APEC's core principles of voluntarism, comprehensiveness, and consensus-based decision-making.

Trade and Investment Liberalisation and Facilitation (TILF)

Ministers endorsed the 2005 Committee on Trade and Investment (CTI) Annual Report to Ministers on APEC's Trade and Investment Liberalisation and Facilitation activities, including the revised/enhanced CAPs, and commended the progress made by the CTI in implementing the CAPs. They welcomed the achievements, in particular, in the following areas:

1. Advancing Trade and Investment Liberalisation and Facilitation

Individual and Collective Action Plans:

Ministers reaffirmed the importance they attached to the Individual Action Plans (IAPs) as one of the principle vehicles for reaching the Bogor Goals. Ministers endorsed the 2005 IAPs and welcomed the measures undertaken by individual economies to liberalise and facilitate trade. Ministers also welcomed the report of the newly included issues in the IAPs: RTAs/FTAs and Implementation of General and Area-Specific Transparency, all of which would contribute to greater transparency in the activities undertaken by member economies.

Ministers welcomed the successful completion of the IAP Peer Reviews of all twenty-one (21) member economies as our Leaders had instructed in 2001, which confirmed that all member economies were making good progress towards achieving the Bogor Goals. Ministers also welcomed the continuation of the IAP Peer Review Process for the next three (3) years in a strengthened manner, including a greater focus on what APEC members were doing individually and collectively to implement specific APEC commitments and priorities. Ministers endorsed the revised IAP Peer Review Guidelines and the timetable to carry out the next round of reviews, noting that this would provide greater opportunities for business to raise its views.

Ministers welcomed the progress made in the CAPs and instructed Officials to continue to review and update them in order to substantially contribute to APEC's commitment to free and open trade and investment in the Asia-Pacific region by 2010/2020.

Ministers endorsed the APEC-OECD Integrated Checklist on Regulatory Reform (Checklist), which is a voluntary tool that member economies may use to assess their respective regulatory reform efforts. They instructed Officials to continue to explore ways of working with the OECD to disseminate the Checklist as well as to assist economies in utilising this tool.

Ministers noted the progress in improving the reporting mechanism of Strengthening Economic Legal Infrastructure (SELI) and a work plan to develop a new SELI IAP template in 2006.

Investment:

Ministers noted the importance of investment flows to and from the APEC region and reaffirmed the importance of investment liberalisation and facilitation in the progress towards the Bogor Goals. The APEC Investment Opportunities Conference 2005 to be held in Busan in November would provide a useful overview of diverse investment climates in the APEC members, offering a forum for member economies to exchange information on individual investment frameworks. Ministers welcomed Viet Nam's proposal to hold an APEC Seminar on Experiences in Attracting Investment from Trans National Corporations (TNCs).

Ministers noted the important contribution made by the APEC Non-Binding Investment Principles (NBIP), which were concluded in 1994 to achieve more liberal investment regimes in the APEC region. Ministers welcomed the efforts to strengthen interaction with ABAC and reaffirmed the need to improve the investment environment for business in the region and instructed Officials to further intensify their efforts to achieve investment liberalisation and facilitation.

Ministers welcomed the outcomes of the APEC Seminar held in Tokyo in September, focusing on the recent developments of the investment elements in RTAs/FTAs and bilateral investment treaties (BITs). Ministers stressed the need to strengthen work in the investment area, including assistance to APEC economies in identifying the impact of investment liberalisation and a further study on the interaction and relationship between various agreements on investment.

Ministers noted the APEC-OECD seminar on policy framework for investment held in November, which identified many areas where APEC and the OECD could strengthen cooperation on investment for development.

Customs Procedures:

Ministers commended the work done to reflect the growing needs of trade facilitation and security through simplification and harmonisation of customs procedures in the region and in that context welcomed two new CAP items, *i.e.* the Time Release Survey, which is a useful tool to find and improve bottlenecks in customs related procedures, thereby facilitating trade.

Ministers welcomed the release of an 'APEC Customs and Trade Facilitation Handbook', which would give Asia-Pacific businesses better access to information on customs laws and regulations in APEC member economies. The handbook offers an invaluable resource for business people to avoid costs incurred by a lack of knowledge of procedures and regulations.

Business Mobility:

Ministers noted the importance of business mobility in trade facilitation. They welcomed the entry of Viet Nam as the 17th member of the APEC Business Travel Card (ABTC) Scheme and commended efforts within APEC to facilitate business mobility while making travel more secure.

Standards and Conformance:

Recognising that the alignment of domestic standards with international standards contributed to trade facilitation in the region, Ministers welcomed the results of a comprehensive review that showed a very high level of achievement of the alignment work in the agreed upon priority areas. Ministers instructed Officials to launch new voluntary alignment works on the International Electro-technical Commission (IEC) standards for electrical equipment, especially for those that were covered under the IEC System for Conformity Testing to Standards for Safety of Electrical Equipment (IECEE) Certification Bodies (CB) Scheme to be completed by 2010.

Ministers also welcomed the publication of the first CTI Sub-Committee on Standards and Conformance (SCSC) blueprint, which summarised the activities undertaken in the areas of Standards and Conformance in APEC, noting that it would enhance the knowledge of the business community on standards and conformance related work.

Private Sector Development:

Ministers acknowledged that issues like trade facilitation, transparency and business regulations and administrative procedures had noteworthy effects on the development of the private sector, especially SMEs. They welcomed the initiative to develop a Private Sector Development agenda to improve the business environment in the region and to continue to support the development of SMEs in terms of raising their competitiveness in the marketplace. They noted that such efforts would build on existing areas of APEC work such as trade facilitation, transparency and regulatory reform, promote the sharing of best practices and support the outcomes of the 12th APEC SME Ministerial Meeting and focus on capacity building.

2. Trade Facilitation Action Plan (TFAP)

Ministers welcomed the progress made by economies towards meeting the target established under the 2001 TFAP of a five (5) percent reduction in trade facilitation costs by 2006. They agreed to another five (5) percent reduction by 2010.

- Ministers commended the progress made by the member economies in implementing the APEC TFAP and welcomed the reports by the economies on actions and measures taken in the areas of movement of goods, standards and conformance, business mobility and e-commerce.
- Ministers welcomed the preparatory work underway for the final review in 2006 and endorsed the TFAP Roadmap to 2006 that proposed a work program to ensure that APEC accomplished the goal of the aforementioned five (5) percent reduction in transaction costs across the region by 2006. They also instructed Officials to develop a work plan that would take the TFAP beyond 2006.
- Ministers instructed Officials to carry out further concrete actions in identified priority areas, such as improving customs procedures, enhancing the alignment of domestic standards

with international standards, facilitating business mobility and fostering a paperless trading environment, with a view of producing tangible benefits for the business community and stressed the need to promote capacity building in the aforementioned four (4) areas to enable all economies to fully implement the TFAP.

Ministers welcomed the fruitful outcomes of the APEC Symposium on Assessment and Benchmark of Paperless Trading held in China in September. Ministers urged all member economies to strengthen cooperation in this area with a view of reinforcing mutual cooperation and pushing forward the achievement of APEC's paperless trading goals.

They welcomed the initiative by Australia and Viet Nam for a targeted process of 2006 and endorsed the development of a comprehensive business facilitation program, which builds on the gains made by the TFAP and the Santiago Initiative for Expanding Trade in APEC and also draws in the APEC Finance Ministers' Process and ABAC to develop effective strategies and modalities.

Ministers welcomed outreach efforts by the CTI and the APEC Secretariat to showcase APEC's achievements and future plans in the area of trade facilitation, including the publication of a business outreach brochure.

3. RTAs/FTAs

Ministers emphasised the importance they attached to APEC's work on RTAs/FTAs. APEC members view high-quality and comprehensive RTAs/FTAs as one of the principal avenues for reaching the Bogor Goals. Ministers noted that there was a window of opportunity for APEC to help ensure that the spread of RTAs/FTAs in the region was consistent with the Bogor Goals. Ministers instructed Officials to continue their work on developing policies towards RTAs/FTAs.

They agreed that APEC should continue to play a constructive role in this area by exchanging information and experiences on APEC member economies' RTAs/FTAs as well as by taking concrete measures to enhance transparency in IAPs and to strengthen targeted capacity building. In this regard, they welcomed efforts by the parties to the Trans-Pacific Strategic Economic Partnership to brief other APEC members on the recently concluded agreement.

Ministers agreed that the RTAs/FTAs Best Practices document agreed upon last year helped to promote a common understanding of and greater convergence and coherence among RTAs/FTAs. Ministers also agreed to continue efforts to use the Best Practices document on a voluntary basis as a meaningful reference in RTAs/FTAs negotiations.

Ministers took note of the successful 3rd Trade Policy Dialogue on RTAs/FTAs held in Jeju in May and welcomed the work program, initiated at the Dialogue, on developing model measures for RTAs/FTAs chapters. In this regard, they welcomed the Model Measures for Trade Facilitation in RTAs/FTAs and expressed their conviction that these non-binding model measures, which APEC members were encouraged to follow, would serve as a reference for APEC member economies achieving high-quality free trade agreements, making a genuine contribution to the liberalisation and expansion of trade in the Asia-Pacific region.

Ministers supported capacity building assistance to help member economies, especially developing economies, to enhance negotiations skills for RTAs/FTAs and for addressing the concerns of domestic industries. They welcomed expanding initiatives in this area, including the Workshop on Preferential Rules of Origin in Seoul, and looked forward to the forthcoming workshop on investment and market access issues in Malaysia, the advanced workshops on negotiating FTAs in Indonesia, and the APEC Workshop on Best Practices in Trade Policy for RTAs/FTAs: Practical Lessons and Experiences for Developing Economies to be held in Viet Nam in 2006.

4. Strengthened Intellectual Property Protection and Enforcement

Ministers recognised that the protection and enforcement of Intellectual Property Rights (IPR) is essential to building a knowledge-based economy and are key factors for boosting economic development, promoting investment, spurring innovation, developing creative industries and driving economic growth.

Ministers fully supported the APEC Anti-Counterfeiting and Piracy Initiative adopted at the June 2005 meeting of APEC Ministers Responsible for Trade. Ministers endorsed the APEC Model Guidelines to Reduce Trade in Counterfeit and Pirated Goods, to Protect Against Unauthorised Copies, and to Prevent the Sale of Counterfeit Goods over the Internet, as called for in the APEC Anti-Counterfeiting and Piracy Initiative. Ministers agreed that the model guidelines and templates were a timely policy response to the emerging challenges of online piracy and trade in counterfeit and pirated goods and are valuable tools to help economies strengthen their IPR protection and enforcement regimes, as well as to raise public awareness about the importance of this issue. Given the importance of strong IPR regimes in the region, Ministers instructed economies to take further steps that build on the APEC Anti-Counterfeiting and Piracy Initiative in the coming year, in consultation with the private sector so as to reduce trade in counterfeit and pirated goods, curtail online piracy, and increase cooperation and capacity building in this area.

Ministers called on economies to complete the exchange of information on their IPR websites, IPR enforcement officials and steps they had taken to apply the APEC Effective Practices for Regulations Related to Optical Disc Production before SOM II 2006, and to take steps to further this work.

Ministers welcomed members' progress in advancing the CAPs on IPR including the establishment of eleven (11) IPR Service Centres and encouraged members to make further progress.

Ministers noted the success of the APEC High-level Symposium on IPR held in Xiamen in September, which marked an important step to strengthen cooperation on IPR protection among members and to enhance the dialogue between the public and private sectors.

5. Pathfinder Initiatives

Recognising that pathfinder initiatives were valuable tools for furthering trade and investment liberalisation and facilitation, Ministers stressed the importance of ensuring progress and retaining momentum in such initiatives. They encouraged Officials to hold further discussions on the implementation of current initiatives as well as to continue their efforts to identify additional areas in APEC that could serve as potential candidates for the pathfinder approach in accordance with the Guidelines on Pathfinders adopted last year, and encouraged further discussions on their implementation.

Trade and Digital Economy:

Ministers welcomed the progress made in implementing the Pathfinder on Trade and Digital Economy, in particular, the completion of the survey of member economies' Best Practices for Combating Optical Disk Piracy and the discussions on possible technology choice principles. Ministers recognised the outcome of the dialogue on technology choice in February 2005, which focused on the relationship between the promotion of innovation and the development of knowledge-based economies and technology neutral policies and regulations; open, international, and voluntary standards; and non-discriminatory, transparent, technology neutral, and merit-based government procurement policies. Ministers agreed to continue discussion on these concepts in 2006, with a view to developing a set of technology choice principles for inclusion in the Leaders' Pathfinder Statement to implement APEC Policies on Trade and the Digital Economy.

APEC Sectoral Food Mutual Recognition Agreement (MRA) Pathfinder Initiative:

Ministers welcomed the fruitful outcome of the first APEC Sectoral Food MRA Pathfinder Initiative Meeting hosted by Thailand in June and endorsed Thailand's proposal to host a Seminar on the

Development of Sectoral Food MRAs in June 2006. Member economies' active participation in this event is encouraged as it would help this pathfinder initiative make progress and facilitate trade in food products, which is important to the region and APEC's overall goals.

6. Food Cooperation

Ministers welcomed the progress made by economies towards strengthening food safety cooperation across APEC and noted the outcomes of the Food Safety Cooperation Seminar held in Gyeongju, co-sponsored by China, Australia, Thailand and Viet Nam. Ministers were encouraged by the ongoing work towards achieving a stocktake of the activities of relevant international and regional organisations aimed at promoting food safety, and they welcomed the establishment of an Ad Hoc Steering Group on food safety cooperation under the CTI SCSC. In completing its mandate, the Ad Hoc Group was expected to take input from and work in close collaboration with the Agricultural Technical Cooperation Working Group (ATCWG).

APEC Food System (AFS):

Ministers also welcomed the joint and cross-cutting actions being implemented by all APEC member economies and APEC fora, such as the ATCWG, to implement the APEC Food System. They encouraged further work to develop agriculture in the APEC region, including further work to develop rural infrastructure, to promote trade in food products and to disseminate technological advances in food production and processing.

Anti-Corruption and Transparency Standards

Ministers recognised that APEC's goal of economic prosperity could not be achieved unless corruption, both in the domestic economies and in international business transactions, was effectively addressed and those individuals guilty of corruption were denied a safe haven.

Ministers agreed that corruption undermined economic performance, weakened democratic institutions and the rule of law, disrupted social order, destroyed public trust and provided an environment for organised crime, terrorism and other threats to human security to flourish. As it is one of the largest barriers to APEC's road to free trade, to increase economic development and to greater prosperity, Ministers reaffirmed that they would continue to look for avenues to effectively address this important issue within APEC as well as in other fora.

Ministers welcomed the outcomes of the APEC Anti-Corruption and Transparency Symposium (ACT Symposium) and urged greater action to combat corruption and to improve transparency. They applauded Korea for hosting the ACT Symposium and commended the APEC Anti-Corruption and Transparency (ACT) Task Force for beginning its important work. Ministers stressed the importance of capacity building programs and encouraged member economies to develop and submit capacity building projects in support of APEC works in transparency as well as in anti-corruption.

Ministers encouraged all APEC member economies to take all appropriate steps towards effective ratification and implementation, where appropriate, of the United Nations Convention Against Corruption (UNCAC). Ministers encouraged relevant APEC member economies to make the UNCAC a major priority. They urged all member economies to submit brief annual progress reports to the ACT Task Force on their APEC anti-corruption commitments, including a more concrete roadmap for accelerating the implementation and tracking progress. Ministers also encouraged the ACT Task Force to continue closer coordination with the APEC CTI and all other relevant APEC sub-fora.

Ministers welcomed the anti-corruption pledge that would be made by CEOs at this year's APEC CEO Summit and encouraged continued collaboration between the APEC ACT Task Force and ABAC. Ministers welcomed the private sector's call for a synergistic collaboration with the ACT Task Force to improve corporate governance and seek to strengthen this important public-private partnership. Ministers pledged to intensify regional cooperation to deny a safe haven to officials and individuals guilty of corruption, and encouraged greater cooperation in the areas of mutual legal

assistance where appropriate, extradition, asset recovery, and forfeiture of the proceeds of corruption. Accordingly, Ministers supported greater cooperation and information exchange among member economies as well as the sharing of expertise and experiences and supported capacity building on the denial of a safe haven, the UNCAC implementation, anti-bribery best practices, anti-corruption and SMEs, and other relevant areas including those as recommended in the ACT Course of Action (COA).

Ministers agreed to continue APEC's collective efforts to promote good governance, integrity, and transparency, as they were indispensable to APEC members' aspirations for a more secure and prosperous community in the Asia-Pacific region and beyond.

Ministers reiterated the importance of fulfilling the APEC Transparency Standards and the area-specific Transparency Standards. They welcomed the first comprehensive submission of IAP reports on the implementation of Transparency Standards, as formulated at APEC Los Cabos and Bangkok Leaders' Meeting in the Leaders' Statement to Implement Transparency Standards.

Human Security

Ministers shared the pain of bereaved families in the areas stricken by terrorist attacks and natural disasters, and expressed their deep condolences. They stressed the need to achieve the objectives of human security and trade and investment liberalisation and facilitation and highlighted the activities being undertaken in the areas of counter-terrorism, non-proliferation, infectious diseases, emergency preparedness and energy security.

1. Counter Terrorism and Secure Trade

Ministers reiterated that terrorism was a serious threat to the security, stability and growth of the APEC region. They continued to review the progress on APEC's commitments to dismantle transnational terrorist groups, to eliminate the danger posed by the proliferation of weapons of mass destruction, their delivery systems and related items, as well as to confront other direct threats to the security of our region in the future. Ministers encouraged APEC economies to continue to develop new initiatives in these areas, and to implement existing commitments to eliminate the danger of terrorism and secure trade unilaterally, bilaterally, multilaterally and in APEC, building on the comparative strengths of APEC.

They applauded the improved counter-terrorism coordination measures adopted by APEC within its own fora as well as other international counter-terrorism action groups. Ministers highlighted the benefits to human security of the APEC Counter Terrorism Action Plans (CTAP) in identifying capacity and gaps in regional security frameworks. Ministers looked forward to sharing the results of the APEC CTAP Cross-Analysis with relevant donor bodies. Ministers reiterated their resolve to securing trade in the APEC region. They welcomed the outcomes of the 3rd Secure Trade in the APEC Region (STAR III) Conference in Incheon in February, and looked forward to the 4th STAR Conference (STAR IV) in Viet Nam. They stressed the need for enhancing public-private partnerships to strengthen cooperation in combating terrorism and stressed the importance of building business confidence by working closely with private sectors and publicising information on measures taken to secure trade. In this connection, Ministers welcomed Singapore's initiative to host a symposium on Total Supply Chain Security in 2006.

Ministers recognised the need to further facilitate secure trade, to reduce public health hazards and to reduce the threat of economic disruption through incidents related to radioactive materials, and applauded the agreement of relevant APEC economies to aim at implementing the International Atomic Energy Agency Code of Conduct on the Safety and Security of Radioactive Sources as well as the Guidance on the Import and Export of Radioactive Sources by the end of 2006. Ministers underscored the efforts to mitigate the threat of Man-Portable Air Defense Systems (MANPADS) to civil aviation and welcomed the agreement by all APEC economies to undertake a MANPADS Vulnerability Assessment at international airports by the end of 2006. Mitigating the threat of MANPADS

attacks and enhancing the security of civil aviation in APEC would ensure the continued flow of people and services for business and tourism.

Ministers commended the significant progress made by the CTI Informal Experts' Group on Business Mobility to secure people in transit, including the development of improved standards for border control and enhanced immigration services.

Ministers thanked Australia and the United States for the report on the start of the pilot Regional Movement Alert List (RMAL), which is an important step in fighting terrorism in the region. They welcomed the expansion of the pilot RMAL to New Zealand in the near future. Ministers noted the supporting progress in developing a Multilateral Legal Framework for those economies choosing to join RMAL and in examining legal issues associated with accessing lost and stolen passport data and instructed Officials to progress this work in 2006. Ministers instructed officials to advance an APEC initiative on capacity building for machine readable travel documents and biometrics technology to enhance regional security. They also called for further cooperation to ensure that all APEC member economies issue machine-readable travel documents, if possible, with biometric information by the end of 2008. Ministers thanked Korea for raising the awareness on international conduct standards for Immigration Liaison Officers (ILO) and best practices of Regional Immigration Liaison Officer Cooperation.

Ministers confirmed their agreement to voluntarily begin providing information on lost and stolen travel documents to the existing database of the International Criminal and Police Organisation - Interpol (ICPO-Interpol) on a best endeavours basis by the end of 2006.

Ministers instructed Officials to advance an APEC initiative on capacity building for machine readable travel documents and biometrics technology to enhance regional security, and they encouraged the development of capacity building initiatives for developing economies to achieve this goal.

Ministers reiterated their common understanding that APEC needed to continue building capacities and stressed that appropriate capacity building activities and best practices should be identified and made available to developing economies for the implementation of security measures. They commended the additional APEC work this year to help enhance security and welcomed, in particular, the following capacity building and implementation actions undertaken by APEC economies this year:

- Steps to advance compliance with the International Maritime Organisation's International Ship and Port Facility Security (ISPS) Code through cooperative capacity building efforts and by encouraging follow-up visits to Viet Nam, Indonesia, the Philippines, Malaysia, Thailand, Peru and Papua New Guinea to enhance the work already completed;
- Continued work in APEC to develop effective export control systems, such as Japan's export control survey on APEC Key Elements for Effective Export Control Systems and the efforts this year by individual economies to offer voluntary capacity-building on export controls;
- Commencement of the projects to strengthen the anti-money laundering regime in Indonesia, Thailand and the Philippines through the Asian Development Bank's Regional Trade and Financial Security Initiative, as well as the pending launch of four additional projects to combat terrorist financing and to strengthen maritime and civil aviation security;
- Delivery of a workshop on Airport Vulnerabilities and Counter Measures to APEC economies, as well as interested regional partners;
- Delivery of MANPADS Component Pocket Guides by the United States to all APEC economies to assist the detection and prevention of MANPADS smuggling;
- Progress on the STAR goal of 100 percent baggage screening for passengers, expected to be reached by the end of 2005; and
- Progress in implementing, concluding, or aiming to conclude an Additional Protocol with the International Atomic Energy Agency, reflecting APEC's determination not to allow illicit nuclear activities in our region through the collective commitment to expanded transparency on nuclear-related activities. They welcomed the recent signing of the IAEA Additional Protocols by Singapore and Thailand as well as the Board approval of the Protocol with Malaysia, and

encouraged relevant APEC economies to conclude such agreements on a priority basis. Assistance of other APEC economies to relevant non-signatory economies in this field is welcomed.

In implementing counter-terrorism commitments, Ministers noted the importance of minimising costs associated with cross-border business transactions. With this in mind, as APEC continues its progress on trade facilitation, economies will work to apply improved technology and procedures, and offer capacity-building to this end. Ministers affirmed their commitment to ensure that any measures taken to combat terrorism comply with all relevant obligations under international law, in particular international human rights, refugee law and humanitarian law. Ministers welcomed the outcomes of the APEC Human Security Seminar co-hosted by Japan and Thailand in Tokyo in October.

Ministers welcomed the work on the APEC Framework for the Security and Facilitation of Global trade, which is based on the World Customs Organisation (WCO) Framework of Standards to Secure and Facilitate Global Trade and to create an environment for the secure and efficient movement of goods, services and people across the borders. They noted that the APEC Framework would lead to the implementation of international standards for securing and facilitating the global supply chain within the APEC region.

2. Health Security

Avian and Pandemic Influenza:

Ministers noted with concern the threat that the highly pathogenic avian influenza posed to the APEC region as well as to the world. In this regard, Ministers committed to accelerating APEC's ongoing work on infectious disease threats such as avian influenza and HIV/AIDS. They agreed it was critical to ensure that APEC was prepared for and had the capacity to effectively respond to infectious diseases at the individual, regional and international levels, in cooperation with specialised international organisations, in particular the World Health Organisation (WHO), the Food and Agricultural Organisation, and the World Organisation for Animal Health (OIE).

Ministers noted with particular satisfaction the outcomes of the APEC Meeting on Avian Influenza Preparedness held in Brisbane in October and November, and they endorsed the report and recommended it to Leaders. They further called for support to strengthen their regional and international surveillance and response systems. Ministers welcomed Singapore's offer of the use of the Regional Emerging Diseases Intervention (REDI) Centre to assist APEC's efforts in enhancing rapid regional pandemic response. Ministers welcomed Viet Nam's proposal to host an APEC Ministerial Meeting Responsible for Avian Influenza in 2006 to consolidate APEC work, taking into account Brisbane's recommendations and ongoing regional and international efforts.

Ministers endorsed the initiative on Preparing for and Mitigating an Influenza Pandemic, with the aim of strengthened collective action and individual commitment on a multi-sectoral basis to prepare for and respond to an influenza pandemic. Ministers welcomed the proposed extension of the scope of the APEC LSIF disease biomarker project to include infectious diseases, such as avian influenza, and noted that the associated cohort study would facilitate monitoring of these diseases if conducted across multiple economies. Ministers also endorsed the recommendations of the cross-sectoral APEC Symposium on Response to Outbreak of Avian Influenza and Preparedness for a Human Health Emergency held in San Francisco in July, which sought to minimise the threats to animal and human health, including the threat of transmission from animal to human, as well as the economic consequences of avian and other pandemic influenza.

Ministers welcomed the efforts of the Health Task Force (HTF) and Task Force on Emergency Preparedness (TFEP) projects initiated by member economies in enhancing preparedness for pandemic influenza. Ministers instructed all APEC fora to continue to work cooperatively with the TFEP and the HTF to achieve this goal.

They underscored the importance of timely and accurate reporting and capacity building efforts to enable adequate, systematic and well-coordinated prevention. In this connection, Ministers looked forward to active participation in the APEC Symposium on Emerging Infectious Diseases to be held in China in April 2006.

HIV/AIDS:

Ministers commended the HTF's efforts to address the growing threat of HIV/AIDS in the APEC region, as directed by Leaders last year, and called for further work in this area. They welcomed the outcome of the APEC Workshop on HIV/AIDS Management in the Workplace in Bangkok and the APEC Workshop on HIV/AIDS and Migrant-Mobile Workers to be held in Manila in December. They welcomed these two initiatives as demonstrating ways in which APEC could add value and work with various working groups and fora in APEC and relevant international organisations, such as the Joint United Nations Programme on HIV/AIDS (UNAIDS) and WHO, as appropriate, in the fight against HIV/AIDS. They noted that, as the private sector was the largest employer in the region, it had the greatest potential to contribute to the well-being of the people living with HIV/AIDS by providing them with the opportunity to live with dignity as a productive working member of society. In this regard, Ministers recognised the importance of the activities of the Global Fund and called for its further contribution. Ministers welcomed the upcoming international AIDS Conference in Toronto in August 2006 and encouraged the effective engagement of APEC economies in the conference.

Ministers stressed the need to enhance prevention, treatment, and care capacity in developing economies, including the provision of anti-retroviral (ARV) in developing economies.

3. Emergency Preparedness

Ministers recalled that APEC Leaders stated when they met in Vancouver in late 1997 that they "recognised that unexpected disasters which affect one of us can affect all of us, and that we can benefit from sharing expertise and collaborating on emergency preparedness and response." Ministers noted that the Leaders' statement had proved particularly true when the APEC region was hit by a series of devastating natural disasters rarely seen before in human history: the earthquake and seismic tidal waves that struck the regions bordering the Indian Ocean last December; earthquakes in Indonesia; Hurricane Katrina and Rita in the United States; Hurricane Wilma in Mexico; and a series of typhoons in China. These natural disasters reminded Ministers that APEC had exerted collective efforts to fight against and respond to natural disasters in the past and that APEC should build on the past and continue to play its value-added role in strengthening emergency preparedness and disaster recovery measures, to complement activities in other fora, such as those under the Hyogo Framework for Action adopted by the UN World Conference on Disaster Reduction in January.

As a response to the earthquake and seismic tidal waves in December 2004 and to enhance preparedness for future disasters of all kinds, Ministers endorsed the APEC Strategy on Response to and Preparedness for Emergency and Natural Disasters and welcomed the establishment of the APEC TFEP to coordinate work in APEC, identify gaps in member economies and explore ways to enhance APEC's preparedness for disasters and emergencies of all kinds. They looked forward to the launching of the APEC Website on Emergency Preparedness.

Ministers noted the outcomes of the TFEP stocktake and commended the work in relation to emergency preparedness done or to be done by various APEC fora. They acknowledged the Task Force's report on the progress to date and commended the work that had been conducted under its auspices.

Ministers called upon Officials to explore new initiatives and to continue the development of appropriate measures to enhance disaster preparedness and response in the Asia-Pacific region and instructed all APEC fora to work in a coordinated way, trying to get all APEC economies better prepared for future natural disasters: from natural disaster early warning systems, to the best practices for

emergency management, and to rapid social and economic recovery from the damages caused by natural disasters.

Ministers welcomed the development of the APEC Small and Medium Enterprises (SMEs) Disaster and Emergency Preparedness Checklist and emphasised the importance of preparedness and mutual cooperation between member economies in reducing the costs arising from disasters.

Ministers welcomed the Transportation Working Group (TPTWG) Seminar on Post Tsunami Reconstruction and Functions of Ports Safety held at the 26th TPTWG meeting in Vladivostok. They recognised the importance of information and communication technology (ICT) in response to natural disasters and acknowledged the need to deploy the communication infrastructure in each economy to disseminate warning messages and gather information for initial reaction. They also welcomed the Seminar on Tourism Crisis Management organised by Korea in October in Hanoi, which laid out a plan to reduce the damage by the devastating crisis to the tourism industry.

Ministers welcomed the APEC-EqTAP Seminar on Earthquake and Tsunami Disaster Reduction co-hosted by Japan and Indonesia held in Jakarta in September, which contributed to both disaster management capacity building and the enhancement of preparedness for natural disasters in APEC member economies, as an indispensable step towards attaining sustainable development in the region.

Ministers underscored the importance of the All Hazards Workshop hosted by the United States in June that brought together high-level decision-makers from around the region and experts to examine the requirements and capabilities of establishing end to end early warning systems essential to saving lives and protecting property. They noted that this effort strengthened regional and within-economy cooperation and preparedness to provide better warning capabilities in the immediate future. Ministers looked forward to an all hazards forecast and warning compendium, a product of the workshop to be disseminated in 2006 to continue the effort.

4. Energy Security

Ministers noted with concern that sustained high oil prices caused by factors such as increased demand, low spare production capacity, insufficient refining capacity, speculative trading and heightened concerns on the longer-term adequacy of oil supply, might have adverse impacts on the economies of APEC, and emphasised that access to adequate, reliable, affordable and cleaner energy was fundamental to the region's economic, social and environmental well-being.

Ministers agreed that effective responses to high and increasingly volatile oil prices required a broad range of supply and demand-side measures to increase oil production, enhance the security of oil supply, improve the efficient operation of the global oil market and promote energy diversification, efficiency and conservation. Ministers also noted that the economies of APEC faced considerable challenges in bringing energy supply and demand into balance while reducing the environmental impact from energy production and consumption and agreed that, to address this, it was essential to promote efficiency and conservation, expand cross-border trade, attract investment and accelerate technology development.

In recognising the need to urgently respond to these challenges, Ministers noted that Energy Ministers met in October to consider individual and collective responses, such as holding a dialogue with the Organisation of Petroleum Exporting Countries (OPEC) and discussing findings from recent APEC studies on the impact of high oil prices on trade and the downstream oil market. Ministers welcomed outcomes from this meeting, and instructed the Energy Working Group (EWG) to continue their broad-based approach by implementing measures developed under the APEC Energy Security Initiative (ESI), the CAIRNS Initiative as well as the APEC Action Plan to Enhance Energy Security.

Ministers also encouraged the EWG to undertake further actions, including engaging more closely with other international energy fora; implementing initiatives on LNG public education and

communication, and financing high performance buildings and communities; establishing a biofuels task force, building the capacity of the economies of APEC to collect and analyse energy data; identifying best practices, benchmarks and indicators to assess energy efficiency improvements; and supporting the establishment of the APEC Gas Forum. In undertaking these actions, Ministers instructed the EWG to work closely with business and also financial and research communities.

Ministers highlighted the important role of renewable energy among APEC economies, especially developing economies. They welcomed the APEC Workshop on the Development of Renewable Energy held in China in September.

Ministers joined APEC Energy Ministers in recognising the need to accelerate energy technology development and instructed the EWG to increase its cooperative activities to support the development and uptake of technologies for new and renewable energy, clean fossil energy including clean coal, carbon capture and storage, hydrogen and fuel cells and methane hydrates. Ministers also recognised the growing importance of nuclear energy in the APEC energy mix, and encouraged interested APEC economies to join the ad hoc group on nuclear energy and to progress activities identified in the nuclear framework endorsed at EWG27 to support nuclear power while ensuring optimal safety, security, seismic protection, health and waste handling, including trans-border effects.

Ministers emphasised the need to develop increased energy resources in ways that addressed poverty eradication, economic growth, and pollution reduction, and the need to address climate change objectives. In this context, they welcomed the UN Climate Change Conference in Montreal later this month.

Economic and Technical Cooperation (ECOTECH)

Ministers reaffirmed the importance of ECOTECH in contributing to sustainable growth and achieving common prosperity, and its significant role in ensuring the achievement of the Bogor Goals. Ministers commended the progress made this year in advancing the ECOTECH agenda and in reinforcing the complementarity of TILF and ECOTECH and called for efforts to further advance ECOTECH. They stressed that the benefits of globalisation and liberalisation should be shared by all, through APEC's better-focused and more targeted economic and technical cooperation activities, particularly capacity building. Ministers also recognised the need for APEC to interact with bilateral, regional, and international organisations and financial institutions with a view to fostering cooperation, broadening support and leveraging financial resources to boost ECOTECH activities.

Ministers commended the achievement of the SOM Committee on Economic and Technical Cooperation (ESC) in making progress to promote ECOTECH activities in APEC and endorsed the 2005 Senior Officials' Report on Economic and Technical Cooperation and the recommendations therein. They welcomed the Officials' decision to strengthen the coordination of ECOTECH activities by establishing the Steering Committee on ECOTECH (SCE).

Ministers noted the conclusion of the second Policy Dialogue between APEC and International Financial Institutions (IFIs) and the Organisation for Economic Cooperation and Development (OECD) held in Gyeongju in September, which was convened to find synergy in promoting capacity building for Micro, Small, and Medium Enterprises (MSMEs) and trade facilitation for developing member economies in APEC. They noted the way forward as recommended by the meeting to enhance collaboration with International Financial Institutions (IFIs) and relevant international organisations and acknowledged that the Financial Ministers' Process should be closely consulted in any future dialogues. Ministers also welcomed the collaboration between the APEC Secretariat and the World Bank's Global Development Learning Network (GDLN). They looked forward to concrete programs supported by IFIs and other relevant international organisations.

Ministers recognised that a complete quality assurance process, from the initial project proposal to the implementation and evaluation stage, was key to enhancing the successful implementation of ECOTECH activities, and had the potential to attract external resources from IFIs as well as the

private sector. Ministers welcomed the addition of the Monitoring and Evaluation Framework, as contained in the 2005 Senior Officials Report on Economic and Technical Cooperation, as an important tool to significantly improve the quality of APEC's ECOTECH projects.

Ministers welcomed the establishment of the APEC Support Fund (ASF) as an important means to supplement resources available for APEC's capacity building work and welcomed Australia's contribution of three (3) million Australian dollars towards the establishment of the fund. Ministers urged member economies to consider bestowing contributions to either the ASF or the TILF accounts as a means to broaden APEC's funding base.

Ministers welcomed the outcomes of the APEC Workshop on Invasive Alien Species held in Beijing in September and co-sponsored by China and the United States, and endorsed the APEC Strategy on Invasive Alien Species. Ministers commended on the progress regarding the establishment of the Asia-Pacific Finance and Development Centre (AFDC) in Shanghai and recognised it as an important step forward for promoting financial stability and development, financial system reform and capacity building in the region.

Ministers welcomed the work undertaken this year on the issue of sustainable development. They endorsed the recommendations of the Workshop on the Role of Voluntary Initiatives in Sustainable Production, Trade, and Consumption Chains held in Santiago, which is to be coordinated by the SCE. Ministers looked forward to the outcomes of the upcoming High-level Meeting on Sustainable Development to be held in July next year in Santiago.

Human Resources Development:

Ministers recognised human resources development as an important foundation for the economic and social development of the APEC region. Ministers noted the important role of the Human Resources Development Working Group (HRDWG) in building the capacity of economies, through policy dialogues and exchanges in areas such as education. Ministers also commended the work on developing a Strategic Action Plan for English and other Languages in the APEC Region, while noting that the scope of a comprehensive strategy extended beyond the mandate of the HRDWG as such.

Ministers recognised the important role that the Labour and Social Protection Network (LSPN) could play in promoting training and employment policies, enhanced productivity, improved workplace practices and strong and flexible labour markets through the development of useful labour market information and policies.

Ministers welcomed the successful conclusion of the APEC Symposium on Strengthening Social Safety Nets under Rapid Socio-economic Changes held in Seoul in August. Ministers noted the symposium's finding that globalisation and liberalisation needed a complementary social agenda to ensure that change was brought about smoothly, minimising negative social consequences and maximising its benefits to all. Ministers welcomed the intention of the Social Safety Nets Capacity Building Network (SSN-CBN) to develop a future work programme in 2006. Ministers also encouraged Viet Nam and Australia to host meetings of the SSN-CBN in 2006 and 2007, respectively.

Reaffirming the great importance of promoting education and training, Ministers welcomed the achievements made by the APEC Future Education Consortium and the APEC Education Foundation in accomplishing a learning community and a stable supporting system for educational development in the APEC region. Ministers also welcomed the APEC e-Learning Training Program as a systematic and sustainable initiative to expand digital opportunities for education policymakers, school administrators and teachers in the region.

Ministers noted the significant work being carried out by Human Resources Development - Capacity Building Network (HRD-CBN) in preparing business leaders and managers for globalisation, focusing on such themes as entrepreneur development, risk management, international rules and standards,

and trans-boundary environmental issues. Ministers also welcomed the close collaboration between APEC and ABAC in implementing the project, Capacity Building for Recycling Based Economy (RBE) in APEC.

Industrial Science and Technology:

Ministers envisioned APEC as providing a platform where member economies could promote common prosperity through enhanced cooperation in industrial science and technology.

Ministers welcomed the establishment of the APEC Climate Centre (APCC) and underscored the need to set up an institutionalised communication channel for more effective exchanges of information on regional climate prediction and innovative techniques to mitigate adverse effects caused by extreme weather and climate events in the APEC region. They also welcomed the establishment of the electronic International Molecular Biology Laboratory (eIMBL) to facilitate a more effective network in the biotechnology sector.

Ministers recognised the importance of the Emerging Technologies in APEC Workshop scheduled for December 2005 in Bangkok, which would provide an opportunity for member economy experts to discuss and share information on successful approaches to understanding emerging technologies, including information technology, biotechnology, and nanotechnology; and the challenges faced by domestic and organisational innovation systems in nurturing investment, capacity, development, and commercialisation of such technologies.

Ministers welcomed the outcome of the APEC Biotechnology Conference held in Chinese Taipei, which identified factors needed for the growth of the biotech industry in the APEC region.

SMEs and MEs:

Ministers recognised that innovation was the main driving force that created dynamic SMEs and MEs, and sustained growth in the current globalised marketplace. Ministers also recognised that SMEs in developing as well as developed economies had the potential to play a vital role in advancing innovation, given their flexibility and ability to respond more quickly to current conditions. Ministers emphasised the importance of APEC cooperation in developing appropriate economic and policy environments for APEC SMEs to reach their full innovative potential.

Ministers welcomed the Daegu Initiative on SME Innovation Action Plan adopted at the 12th APEC Ministerial Meeting on SMEs, which provided the Innovation Action Plans for member economies to review and improve their economic and policy environments for SME innovation, both individually and collectively. They welcomed the APEC SME Innovation Centre in Korea that would link SMEs with supporting organisations of member economies. They also recognised the importance of the APEC process in developing and supporting the emergence and sustainable growth of SMEs in the Asia-Pacific region.

Ministers were encouraged by the progress made to advance the goals of the APEC SME Coordination Framework, and applauded the efforts undertaken by the SME Working Group (SMEWG) in this regard. Ministers encouraged the SMEWG to continue its outreach to other APEC fora and to consider highlighting other SME-related activities at the next SME Ministerial Meeting.

Ministers stressed the need for additional APEC activities to promote international trade for SMEs and MEs that had high export potential but lacked a formal channel to export their products and services and committed to continue working to reduce and remove existing impediments for SMEs and MEs to enter international markets. They agreed on the need to continue building on entrepreneurship as well as on the need for further emphasis on microfinance.

Ministers placed particular importance on capacity building, mostly while addressing the social dimension of globalisation with regards to the poverty alleviation dimension of MSMEs.

Ministers welcomed the continued participation of the Women Leaders' Network (WLN) in the Micro Enterprises Sub Group, the SMEWG and the SME Ministerial Meetings, and reaffirmed the importance of the WLN and its efforts to work with APEC on the advancement of gender issues and the promotion of women as an engine for economic growth and job creation throughout the region.

Transportation:

Ministers affirmed the importance of the transportation sector in trade and economic development. Ministers affirmed that measures to secure transportation services should not be operated in a way that reduced trade in the sector.

Ministers affirmed the current policy emphasis of the TPTWG, including the eight (8) options to liberalise air services and nine (9) shipping policy principles to encourage free and competitive access to international liner shipping markets, maritime auxiliary and intermodal services as well as use of technology to enhance efficiency in the transport sector, capacity building, harmonisation of vehicle standards and measures to enhance the security of aviation and maritime services in the region.

Sharing Prosperity of the Knowledge-Based Economy (KBE)

In today's global economy that is increasingly interconnected by technology, Ministers recognised the importance of expanding and improving the digital capabilities and skills of all APEC member economies. Ministers were confident that this would greatly enhance the ability of economies to participate in and contribute to the global economy, thus facilitating trade and investment. Ministers noted the liberalisation process of the telecommunications sector in the APEC region and commended the ongoing work of Telecommunications and Information Working Group (TEL) in advancing this objective.

Ministers welcomed the Best Practices on Implementing the WTO Telecommunications Reference Paper mentioned in the 2005 Lima Declaration by Telecommunications and Information Ministers (TELMIN), which can serve as a guide for economies to implement the principles contained in the WTO Telecommunications Reference Paper.

Ministers welcomed TEL's continuous work on updating Progress Towards Adopting and Implementing the WTO Reference Paper on Basic Telecommunications.

Ministers also recognised the importance of developing regimes that would enhance the ICT regulatory investment and user environments in each economy and welcomed the Effective Compliance and Enforcement Principles adopted by TELMIN. Ministers noted that these documents were important capacity building tools for APEC members towards supporting the WTO Doha Round and achieving the Bogor Goals.

Ministers also noted the progress that had been made by APEC economies in implementing the APEC Mutual Recognition Arrangement on Conformity Assessment, which has facilitated the free flow of telecommunications equipment within the region.

Ministers reaffirmed that the Asia-Pacific Information Infrastructure (APII) was an essential basis for ensuring competitiveness of the region and instructed Officials with TEL to intensify their efforts to achieve an Asia-Pacific Information Society (APIS).

Ministers commended the achievement of more than doubling Internet access in the APEC region since 2000, noted the TEL report *Achieving the Brunei Goals Moving Forward* and welcomed the Key Principles for Broadband Development in the APEC Region that were adopted at the 6th APEC Telecommunications and Information Industry Ministerial Meeting (TELMIN), which set a new objective of universal broadband access. They recognised the tremendous economic and social benefits that access to and increased use of the internet and broadband could provide, such as increased

productivity and commerce, access to education, health and medical services, as well as information dissemination in cases of pandemics and disasters. Therefore, Ministers encouraged APEC economies to follow these principles and to develop and implement domestic policies and regulatory frameworks that maximised broadband deployment, access and usage, including people with disabilities and special needs; facilitation of continued telecom market competition and liberalisation; and confidence building in the use of broadband networks and services.

Ministers reaffirmed the understanding shared among TELMIN that in ensuring marketplace choice and competition, promoting security, encouraging innovation, affirming transparent, technology-neutral and balanced policies, and realising open standard-based interoperability, both open source software and commercial software played an important role.

Ministers recognised the importance of the second phase of the World Summit on the Information Society (WSIS) to be held in Tunisia in November, commended the work undertaken by TEL regarding APEC's input to the WSIS II, and welcomed the report of From APII to APIS: A Contribution to the World Summit on the Information Society to be delivered to the WSIS II meeting.

Ministers continued to encourage efforts aimed at enhancing the digital capabilities of all APEC economies. For this reason, Ministers noted the significant progress made by the APEC Digital Opportunity Centre (ADOC) aimed at turning the digital divide into digital opportunities. Ministers acknowledged the need for continuing APEC's work in this increasingly important area, and looked forward to future progress that enabled all APEC economies to better participate in the Digital Economy.

Ministers recognised that fulfilling the e-APEC Strategy depended on the integrity and security of the e-commerce environment and commended the work TEL had undertaken in this area. Ministers welcomed the APEC Strategy to Ensure a Trusted, Secure and Sustainable Online Environment developed by TEL; encouraged APEC member economies to take action in the areas identified; and instructed TEL and other appropriate APEC fora to consider means to facilitate implementation of this strategy. Ministers further welcomed TEL's outreach to other relevant international fora, in particular, the successful APEC-OECD workshop on e-Security and Spyware that resulted in a commitment to intensify cooperation and information sharing between the OECD and APEC, including joint research and analysis.

Recognising the importance of uninterrupted information flow, Ministers endorsed the International Implementation Guidance Section of the APEC Privacy Framework and commended the Electronic Commerce Steering Group (ECSG) for its completion and publication of the APEC Privacy Framework, taking note of the two successful technical assistance seminars on domestic and international implementation of the Framework.

Macroeconomic Issues

Ministers supported the Finance Ministers' statement that all economies had a shared responsibility to take advantage of relatively strong global economic performance to address key risks and vulnerabilities in their respective economies. This would help ensure the orderly adjustment of global imbalances and to help achieve more sustainable external positions and stronger medium-term growth.

Ministers endorsed the Economic Committee's (EC) reports for 2005: 2005 APEC Economic Outlook; KBE/New Economy project titled Patterns and Prospects on Technological Progress in the APEC Region; and TILF project titled Follow-up Study on the Impact of APEC Investment Liberalisation and Facilitation.

Ministers commended the EC's continued efforts in maintaining its analytical functions while becoming more policy and action-oriented in its mandate to coordinate and contribute to the structural reform agenda in consultation with the relevant APEC fora and the Finance Ministers' Process.

Structural Reform

Ministers acknowledged that structural reform was a key “behind the border” issue facing APEC economies and an essential vehicle to realise the benefits of trade and investment liberalisation and facilitation.

Ministers, therefore, welcomed the new role of the EC of coordinating structural reform activities across APEC and encouraged the development of capacity building initiatives to narrow gaps identified in the APEC Structural Reform Action Plan.

Ministers welcomed the success of the APEC-OECD Structural Reform Capacity-Building Symposium, which facilitated the sharing of experiences by APEC and the OECD. Ministers welcomed the key findings of the symposium with regard to the contribution that regulatory reform, a key part of structural reform, could make to more open and competitive markets in the APEC region and encouraged the EC to undertake additional work in this area.

Ministers welcomed the APEC Work Plan on LAISR towards 2010 (LAISR 2010) established by the EC, which set out a roadmap to address structural reform issues across APEC over the next five (5) years consistent with the LAISR declaration. Ministers looked forward to further developing this ‘whole of APEC’ approach to structural reform in 2006, which would include establishing closer links and better coordination with other relevant APEC fora, including the CTI SELI and the CTI CPDG, and the Finance Ministers’ Process. Ministers encouraged these groups to collaborate closely with the EC on structural reform issues.

Interaction with the Business Community

1. Dialogue with the APEC Business Advisory Council (ABAC)

Ministers recognised the role of ABAC in providing advice on concrete initiatives to improve the business environment in the Asia-Pacific region. They committed themselves and instructed Officials to take such advice into account, where appropriate. Ministers also appreciated ABAC’s contribution to the Mid-term Stocktake of APEC’s Progress Towards the Bogor Goals. Ministers emphasised the need to continue to strengthen the working relationship between the government and the business sector and affirmed the continuation of a partnership between ABAC representatives and Officials through closer communication so that APEC could share the views of the business community in a timely manner.

2. Industry Dialogues

Cooperation with the industries and other stakeholders in APEC through industry dialogues has developed as a highly effective mechanism for the implementation of key APEC trade facilitation objectives. Ministers welcomed the work of the industry dialogues to improve understanding between the public and private sector and to bolster APEC’s contribution to the DDA, including trade facilitation, tariff and non-tariff barriers and transparency.

Automotive Dialogue:

Ministers noted the Auto Dialogue’s efforts to respond to their call for support of the DDA and encouraged the group to expand on its work. Ministers noted the group’s growing attention to IPR issues and encouraged the group to more clearly identify issues of concern to the automotive industry, and to coordinate with the Intellectual Property Rights Experts’ Group (IPEG), when appropriate. Ministers endorsed the Auto Dialogue’s ECOTECH activities, which focused on aiding ASEAN parts suppliers as well as a project to implement customs best practices at the Manila Port in the Philippines.

Chemical Dialogue:

Ministers continued to be concerned over the potential impact of product-related environmental regulations, including the proposed EU Registration, Evaluation and Authorisation of Chemicals

(REACH) legislation and the Restriction of Hazardous Substances (RoHS) on international trade, and the burden they could impose on businesses. Ministers called for continued consultations bilaterally and in appropriate international fora to ensure that these initiatives resulted in the protection of human health and the environment without placing unnecessary restrictions on the facilitation of trade. Ministers welcomed the chemical dialogue's report to the MRT on the role of APEC in the implementation of the Globally Harmonised System of Classification and Labelling (GHS). They encouraged APEC member economies to continue to implement the GHS and welcomed the planned APEC Seminar on GHS Implementation and Technical Assistance in Thailand next year.

Life Science Innovation Forum (LSIF):

Ministers noted that there was a growing imperative for enhanced cooperation to develop an environment that fostered innovation in the region to promote the development of a bio-medical life sciences economy and to meet emerging health and economic challenges, including infectious and chronic diseases and the trend in ageing demographics. Ministers welcomed the successful conclusion of the 3rd APEC Life Sciences Innovation Forum (LSIF) in Gyeongju in September. Ministers noted the progress and encouraged continued efforts in implementing the APEC Strategic Plan for Promoting Life Sciences Innovation endorsed by Leaders in Santiago in 2004. They endorsed the recommendations of the LSIF to implement projects in priority areas, including research, access to capital, harmonisation with international standards, and health services.

Non-Ferrous Metals Dialogue (NFMD):

Ministers welcomed the 1st Non-Ferrous Metals Dialogue (NFMD) and looked forward to its contribution to a better understanding on the issues related to facilitating the non-ferrous metals trade. Ministers also welcomed the work plan agreed upon at the 1st NFMD containing the following elements: formation of a network of non-ferrous metals industries, development of questionnaires for industries to identify the most important areas of cooperation, and development of a matrix of non-ferrous metals industries business recommendations. Ministers noted, particularly, that collaboration with the Chemicals Dialogue and the CTI SCSC this year set a good example of creating synergy in APEC.

High Level Policy Dialogue on Agricultural Biotechnology (HLPDAB):

Ministers acknowledged the importance of realising the benefits of agricultural biotechnology through increased agricultural productivity, improved food security and the protection of environmental resources. Ministers welcomed the outcomes of the 4th APEC High Level Policy Dialogue on Agricultural Biotechnology held in the margins of SOM I in Seoul in March. Ministers noted the Dialogue's recommendations that many factors, including cost implications and the value of a transparent, science-based approach to agricultural biotechnology, were relevant to a discussion on the implementation of international treaty obligations, including the Cartagena Protocol on Biosafety. Ministers also acknowledged the value of encouraging intra-governmental dialogue as member economies considered the development and implementation of biotechnology policies, including the implementation of the Cartagena Protocol on Biosafety.

Ministers supported the 5th High Level Policy Dialogue on Agricultural Biotechnology, which will be held in Viet Nam in 2006.

Ministers also encouraged APEC economies to participate in the upcoming Conference on Biosafety Policy Options, which will take place in January 2006 in Manila, and to facilitate discussions at the 5th High Level Policy Dialogue. The conference will focus on exploring policy options for Biosafety regulations in the APEC region.

Cross Cultural Communication

Ministers welcomed the 2005 report of the APEC Focal Point Network on Cross-Cultural Communication (CFPN) and endorsed its recommendations. Ministers commended the work of the CFPN in identifying areas to foster mutual understanding among member economies.

Ministers instructed Officials to make an effort to undertake CFPN's recommendations to enhance intercultural understanding and the visibility of APEC. These included: strengthening information sharing through the APEC website; APEC Cultural Cooperation Events; an APEC Young Artists Gala; and an Annual Coordinator's Report to Senior Officials on CFPN Activities.

Ministers welcomed the successful hosting of the APEC Film Week: A Special Screening for APEC Films held in Busan in October. Ministers recognised that it contributed to enhancing mutual understanding among APEC member economies and paved the way for further development of APEC's cultural cooperation activities.

Ministers noted that cultural exchange and cooperation would allow APEC to advance closer towards APEC's vision of an Asia-Pacific community. They encouraged members to continue to work for promoting cross-cultural communication within APEC.

Gender Integration

Ministers welcomed the report of the Gender Focal Points' Network (GFPN) and commended the efforts of the GFPN to integrate gender issues into APEC processes and activities.

Ministers reaffirmed the important contributions of women in APEC economies and acknowledged that women's participation in trade and investment as workers, entrepreneurs, and investors, particularly through women-owned and -managed MSMEs, was a key factor to sustained regional economic growth.

Ministers recognised that critical to achieving and reinforcing APEC's goals on gender integration, further initiatives to promote and facilitate the increased participation of women in decision-making was needed. Ministers welcomed the proposal of the GFPN to deliver periodic gender information sessions and gender analysis training to Officials to improve their understanding of the differential impact of trade liberalisation and facilitation on men and women and to increase the effectiveness of the design, implementation, monitoring, and evaluation and communication of policies and projects so as to include gender considerations through gender-responsive policies and projects.

Ministers noted the need to improve the implementation of the Framework for the Integration of Women in APEC and called upon fora and economies to take measurable steps to apply and advance the Framework. Ministers also encouraged APEC fora and economies to appoint a Gender Focal Point who could participate in the GFPN meetings. Ministers welcomed the Initiative for APEC Women's Participation in the Digital Economy 2005 Training for Women's IT Capacity Building in APEC economies. They also noted the progress in follow-up activities to the APEC project Supporting Potential Women Exporters by the CTI to identify and implement trade facilitation and transparency measures that met the needs of women exporters and small business and called for the adaptation of research results in local languages and wide dissemination in APEC member economies. Ministers endorsed two GFPN project proposals - Integrating Gender Expertise Across Fora and Gender Analysis Training - to further promote and intensify gender integration in APEC.

Youth

Ministers welcomed the success of the APEC 2005 Youth Plaza held in Korea in August under the theme APEC Youth in the Cyber World. They also welcomed the Seoul Declaration towards a Healthy e-World and recognised the need to expand digital opportunities to APEC Youth. Ministers welcomed the APEC Youth Technology Innovation Collaboration (TIC100) Conference that was held in September. Ministers encouraged and supported Viet Nam's proposal to organise APEC Youth Camp 2006.

Non-Member Participation

Ministers endorsed the newly Revised Consolidated Guidelines on Non-Member Participation in APEC Activities, which will replace the 2002 Guidelines when it expires at the end of the year.

Ministers welcomed the newly revised Guidelines as an effective way to strengthen the cooperation between APEC and ABAC by facilitating ABAC's participation in APEC activities.

APEC Reform

Ministers endorsed the report on APEC Reform and Financial Sustainability that focuses on three areas: APEC financial reform, higher efficiency through better coordination and continuous reform. They commended the 2005 APEC reform achievements as they contributed to keeping APEC relevant and effective in the rapidly-changing international environment with the adoption of measures that secured financial sustainability, developed a more effective work structure and pursued continuous reform.

Ministers noted the shared understanding among Officials to increase members' annual contributions in 2007 and 2008 in accordance with each member's financial procedures as a way to ensure APEC financial sustainability. They also welcomed the decision of improving the project assessment procedure through appropriate division of labour between the Budget and Management Committee (BMC) and the APEC Secretariat.

Ministers welcomed the decision of Officials to transform the SOM Committee on ECOTECH (ESC) into the SOM Steering Committee on ECOTECH (SCE). They acknowledged that an enhanced mandate to undertake the coordination function and to rank project proposals of Working Groups by the reconstituted SCE would contribute to strengthening coordination of ECOTECH activities. They also welcomed the decision for better coordination among the sub-fora, Working Groups and Task Forces through such measures as reviewing their terms of reference and quorum.

Ministers instructed Officials to keep the APEC reform agenda a priority item in the future and to make APEC more effective and reliable.

Ministers urged member economies to consider bestowing contributions to either the ASF or the TILF account as a means to broaden APEC's funding base.

Sectoral Ministerial Meetings

1. Energy and Mining Ministerial Meetings

Ministers welcomed and supported the outcomes of the 7th Energy Ministers' Meeting held in Gyeongju in October, as aforementioned in the Energy Security section. Ministers also welcomed the success of the 2nd Meeting of Ministers Responsible for Mining held in Gyeongju in October and confirmed their commitment to the economic, environmental, and social dimensions of sustainable development, and recognised the importance of the mining and metals industry as a platform for reaching greater development in many APEC economies.

2. APEC Ocean-Related Ministerial Meeting

Ministers welcomed the outcomes of the 2nd APEC Ocean-Related Ministerial Meeting held in Bali in September. Ministers commended the Bali Plan of Action (BPA), which contained practical commitments to progress the 2002 Seoul Oceans Declaration by taking substantial and concrete steps to balance sustainable management of marine resources and the marine environment with economic growth. Ministers instructed all relevant APEC fora to take due note of the BPA in order to ensure coherence and consistency among the broad range of APEC activities that were supportive of it.

3. Finance Ministers' Meeting

Ministers welcomed and supported the outcomes of the 12th APEC Finance Ministers' Meeting (FMM), which had noted that all member economies needed to put in place the appropriate policies and strategies to address the importance and urgency of the challenges that came with ageing populations in the APEC region, and emphasised the importance of open, well-supervised and systemically sound financial services sectors in promoting free and stable capital flows in the region.

Ministers also welcomed domestic reform and international cooperation espoused in the Finance Ministers' Jeju Declaration, aimed at addressing the common concerns of member economies regarding the issue of population ageing.

Ministers also welcomed the FMM's deliberations on the financial services negotiations in the Doha Development Round, combating terrorist financing, promoting FDI, and the need for further improvements in remittance services and their oversight to facilitate more efficient transmission of this increasingly important international financial flow.

4. SME Ministerial Meeting

Ministers welcomed the aforementioned outcomes of the 12th APEC Ministerial Meeting on SMEs held in Daegu in September, in particular the adoption of the Daegu Initiative on SME Innovation Action Plan and the APEC SME Innovation Centre.

5. Ministerial Meeting on the Telecommunications and Information Industry

Ministers welcomed the aforementioned outcomes of the 6th Ministerial Meeting on the Telecommunications and Information Industry (TELMIN 6) held in Lima in June, in particular the adoption of the Lima Declaration and the Program of Action for TEL.

APEC Secretariat

Ministers noted with satisfaction the Report of the Executive Director of the APEC Secretariat and commended the APEC Secretariat for its efforts throughout the year in support of the host economy and the APEC process at large.

Ministers welcomed the successful conclusion of negotiations on the Supplemental Agreement to the Agreement between the Government of Singapore and the Secretariat of the Asia-Pacific Economic Cooperation Organisation relating to the Privileges and Immunities of the APEC Secretariat and noted that the Supplemental Agreement would provide greater clarity to the maintenance responsibilities of the APEC Secretariat and the Government of Singapore.

Ministers took the opportunity to express their appreciation to the Government of Singapore for the hospitality it had extended to the APEC Secretariat since its inception in 1993.

ACMS and AIMP:

Ministers welcomed the development by the APEC Secretariat of the APEC Collaboration and Meeting System (ACMS) and an APEC Information Management Portal (AIMP).

Guidebook on APEC Procedures and Practices:

Ministers welcomed the Guidebook on APEC Procedures and Practices prepared by the APEC Secretariat as a key reference document for hosts in preparing future APEC meetings.

Official Observers

Ministers welcomed APEC's interaction with its Official Observers, the ASEAN Secretariat, Pacific Economic Cooperation Council (PECC) and the Pacific Islands Forum (PIF), and noted their recommendations for APEC such as contained in the PECC Seoul Declaration adopted this year.

Future meetings

Ministers noted the preparations for APEC 2006 by Viet Nam. They noted that future APEC Ministerial Meetings would be held in Australia in 2007, Peru in 2008, Singapore in 2009 and Japan in 2010.

Approval of SOM Report

Ministers approved the SOM report, including the decision points therein, in particular, the proposed APEC budget and the assessment of members' contributions for 2006.

THE SEVENTEENTH APEC MINISTERIAL MEETING

**BUSAN, REPUBLIC OF KOREA
15–16 NOVEMBER 2005**

A MID-TERM STOCKTAKE OF PROGRESS TOWARDS THE BOGOR GOALS: BUSAN ROADMAP TO BOGOR GOALS

CHAPTER ONE - OVERVIEW

The Bogor Declaration

In 1994, APEC Leaders agreed in the Bogor Declaration to a common goal of free and open trade and investment in the Asia-Pacific region – by 2010 for industrialised economies and 2020 for developing economies. These targets became known as the Bogor Goals.

The Declaration gave a sharp focus to the vision of regional economic cooperation that had driven APEC's creation five years earlier, and set an ambitious target for APEC economies' emerging trade and investment work program. It reflected the basic principles of APEC cooperation: voluntary participation, comprehensiveness, mutual respect and consensus-based decision making.

In adopting the Bogor Goals, APEC Leaders made two key commitments:

- Free and open trade and investment in the Asia-Pacific should encourage and strengthen trade and investment liberalization in the world as a whole. APEC must not be an inward-looking trading bloc that diverts from the pursuit of global free trade.
- Trade liberalization efforts alone are insufficient to generate trade expansion. Trade and investment facilitation must also be expanded and accelerated to further promote the flow of goods, services, and capital among APEC economies.

The mid-term stocktake (MTST) commissioned by APEC Leaders in 2001, assesses how far APEC has moved towards the Bogor Goals and what further actions are needed to reach the target. The MTST is based on the self-assessment reports from 21 member economies and the expert analysis thereon as well as the results from the MTST symposium held in May 2005.

The Impact of the Bogor Goals

Eleven years later, the Bogor Goals remain a key organising principle for APEC and the driving force behind its trade and investment liberalisation and facilitation work program. Driven by this shared commitment, the APEC region has emerged as the engine of world economic growth over the last decade, outpacing the rest of the world in opening itself to international trade and investment and increasing its share of global output and trade as a result.

The results of the Stocktake demonstrate that APEC economies have achieved significant liberalisation and facilitation of trade and investment since 1994. Multilateral, regional, bilateral and unilateral initiatives all have contributed to a more open regional environment. Tariff and non-tariff barriers have been removed in many cases and lowered in many others, though liberalisation has clearly been more successful in some sectors than others. Foreign investment has been liberalised. Outcomes in a range of other areas designated by the Osaka Action Agenda (OAA), such as services, competition policy, intellectual property rights and customs procedures have improved. Economic and technical co-operation (ECOTECH) activities have developed in parallel to the progress made on the liberalisation and facilitation fronts. The rewards from these policy choices have been substantial

and have contributed to sustained economic growth and significant welfare improvements in the region.

The Evolving International Trade Environment

These achievements are significant and should be recognised as such, and APEC's progress towards trade liberalization must be maintained and strengthened. However, as the global economy and the world trading system have changed significantly since 1994, an assessment of progress towards the Bogor Goals now also has to take into account factors such as:

- the negotiations under the Doha Development Agenda (DDA), launched in 2001, which have now entered a critical phase
- the globalisation of business accelerating the movement of people, goods, services, and capital in the region
- the widening international trade and investment agenda that is now more focused on issues such as business mobility, anti-corruption, intellectual property rights and secure trade
- the rapid spread of free trade agreements seen by most APEC members as one means to accelerate economic development as well as trade and investment liberalization and facilitation
- the additional challenges imposed on trade and investment through the changing international security environment

Commitment to the Bogor Goals

As the process of globalisation unfolds and regional integration intensifies, new ways of conducting business are emerging and new barriers to trade and investment, both actual and potential, are surfacing.

It is important that APEC does not interpret the goals of free and open trade and investment in a finite or static manner. The expanding international trade agenda has since 1994 broadened to include not only border issues directly related to trade liberalization, but also facilitation and behind-the-border¹ issues such as standards and conformance, customs procedures, e-commerce and business mobility. Only in recognising this reality and the fact that the environment for trade is constantly evolving, will APEC be able to adapt its focus accordingly and continue to deliver concrete and commercially relevant outcomes in the years ahead to realise the Bogor Goals.

While recognizing that the Bogor Goals are dynamic, APEC Leader's pledge in 1994 to achieve free and open trade must be maintained.

¹ *Behind-the-border issues* arise from economic and social policies concerned primarily with the internal regulation of an economy and the institutions required implementing and enforcing them. They include laws, policies and regulations and practices administering competition, consumer protection, education, government procurement, judicial systems, health services, infrastructure problems, investment regulation, labour market policies, protection of intellectual property rights, standards, structural reform, taxation, transparency, etc. Some of these laws and policies may also have an effect on foreigners wishing to engage in economic activities within the economy.

Key Tasks

APEC must revitalise its current agenda in order to meet the challenges presented by the changing regional and global business environment. Key components of a future APEC agenda should involve:

- continuing work on the World Trade Organisation (WTO)
- more ambitious and effective Collective Action Plans (CAPs) and Individual Action Plans (IAPs) with strengthened implementation and review processes
- a more intensive focus on trade and investment facilitation and improving the business environment behind the border
- more focused and action-oriented cooperation on ECOTECH and a strategic approach to capacity building
- a comprehensive workplan on RTAs/FTAs

CHAPTER TWO – ACHIEVEMENTS

The Mid-Term Stocktake has identified an array of APEC economies' achievements in the areas of trade and investment liberalisation and facilitation. Guided by the Bogor Goals, APEC economies have outpaced the rest of the world over the last decade-and-a-half in opening their markets to international trade and investment, resulting in higher-than-average economic growth in the region.

More importantly, this growth has accompanied significant improvements in governance and social policy, resulting in greatly improved health and welfare outcomes for their citizens.

Trade and Investment Barriers have Fallen

Tariffs and Non-tariff Measures

Average applied tariffs of APEC economies have been reduced significantly since APEC's inception, from 16.9 per cent in 1989 to 5.5 per cent in 2004. Almost half of all APEC economies' tariff lines are at less than 5 per cent, and tariffs on many goods are now set at zero or negligible levels. Tariff information has been available "on-line" in most APEC economies since 1996, enhancing transparency across the region. The APEC Secretariat maintains an APEC Tariff Database which provides an on-line service for information on-line by line tariff rates, related customs information and links to member economies' tariff and trade statistics. A range of non-tariff barriers including quotas, import and export levies and licensing and export subsidies have also been removed or converted into tariffs within the Asia-Pacific region since APEC's inception. This has resulted in reduced overall levels of protection and increased transparency of trade regimes. The major challenges remaining for APEC in this area are to continue to liberalize tariffs and non-tariff measures in line with the Bogor Goals.

Trade in Services

There has been substantial growth in services trade among APEC member economies over the past decade. A vibrant regional market for services has emerged due to the efforts of individual APEC economies to eliminate market access restrictions, extend national treatment and MFN, pursue a process of deregulation and de-bureaucratisation and enhance domestic capacity building. Some of this progress on services has been made legally enforceable through commitments in the GATS. However, further progress is needed, including high quality services offers from APEC member economies in the WTO Doha Round and substantial services liberalization through FTAs.

Investment

The APEC region has become much more open to foreign direct investment (FDI) due to members' efforts to eliminate barriers and improve measures for promoting investment. Administrative

procedures including investment screening have also been simplified in a number of economies. The APEC Non-Binding Investment Principles (NBIP), adopted in 1994, has served as a reference for APEC members to make the region more open to foreign investment. However, progress in moving towards Bogor deadlines for investment has been uneven. Although 100 per cent foreign ownership is permitted in many APEC economies for most types of investment, caps on foreign ownership in key sectors are common. More needs to be accomplished, particularly in reducing restrictions on foreign ownership in key sectors.

Trade and Investment Facilitation

More importantly, APEC has shown a willingness to tackle other significant non-border barriers to trade and investment beyond the formal WTO agenda as reflected in the 2002 Trade Facilitation Action Plan (TFAP) for reducing the costs of trading and the Santiago Initiative for Expanding Trade in APEC adopted in 2004. While work in some areas is at a more formative stage, collective action to promote paperless trading, transparency, business mobility, alignment of standards with international standards, improved competition and anti-corruption policies and regulatory reform is now a feature of APEC's trade and investment facilitation work program.

High-quality RTAs/FTAs

APEC has led the world in recognising and developing the link between high-quality RTAs/FTAs and the broader trade and investment liberalisation and facilitation agenda. APEC Leaders and Ministers have repeatedly referred to the constructive role that RTAs/FTAs can play in contributing to the Bogor Goals and accelerating the WTO process, while recognising the necessity for such agreements to be WTO consistent, comprehensive, transparent and truly trade-liberalising as described in the 2004 APEC Best Practice for RTAs/FTAs. RTAs/FTAs can also have a positive flow-on effect on trade liberalisation by demonstrating the advantages of opening markets. As more APEC economies have sought to use RTAs/FTAs to liberalise their economies and pursue their development ambitions, APEC has accelerated its work in this area to encourage members to conclude comprehensive, high-quality agreements to maximise their contribution to achieving the Bogor Goals. Ministers and Leaders endorsed the APEC Best Practice for RTAs/FTAs in November 2004 and work has commenced in 2005 on model measures for trade facilitation in RTAs/FTAs. In addition, APEC economies seek to promote high-quality FTAs through targeted programs of technical assistance and capacity building.

APEC has Strengthened the Multilateral Trading System

APEC, which represents close to 50 per cent of world trade and almost 60 per cent of global GDP, has consistently lent its weight to pushing forward WTO negotiations. APEC was a significant force in bringing the Uruguay Round negotiations to a conclusion, and has played a similarly positive role in progressing the Doha Round. Recent examples include: the APEC Ministerial Meetings and Leaders' Declaration in October 2003 which re-energised the Doha Round following the setback at Cancun; the strong 2004 Ministers Responsible for Trade statement in the lead-up to the July package, including an agreement that trade facilitation be launched as a negotiating item in the Doha Round; the 2004 APEC Ministerial Joint Statement identifying three new information technology products to forward to the WTO for consideration and possible tariff elimination in the context of a balanced outcome of negotiations; the 2005 intersessional Ministerial statement on services; and the breakthrough agreement of APEC Ministers Responsible for Trade in June 2005 endorsing a Swiss formula for tariff reductions on non-agricultural goods.

APEC's impressive record in dealing with trade facilitation issues and tackling non-border barriers to trade and investment beyond the formal WTO agenda has resulted in elevating some of these issues into the global trade negotiations agenda. It has also fostered ideas and programs for the WTO such as the Information Technology Agreement.

Economic and Technical Cooperation (ECOTECH)

APEC has also led the way in linking closely economic and technical cooperation (ECOTECH) with trade and investment liberalisation and facilitation. With a firm belief that trade and investment liberalization progresses at a faster pace with capacity building, APEC has played a constructive capacity building role, helping to reduce technological gaps between its members, foster sustainable development and achieve greater common prosperity. ECOTECH activities have included fostering of human resources and improvements in systems supporting trade and investment flows with particular emphasis on trade facilitation, technical collaboration, the digital economy and small and medium enterprises. They have been funded collectively through the APEC budget and unilaterally by economies in a position to do so.

Trade and investment flows have grown

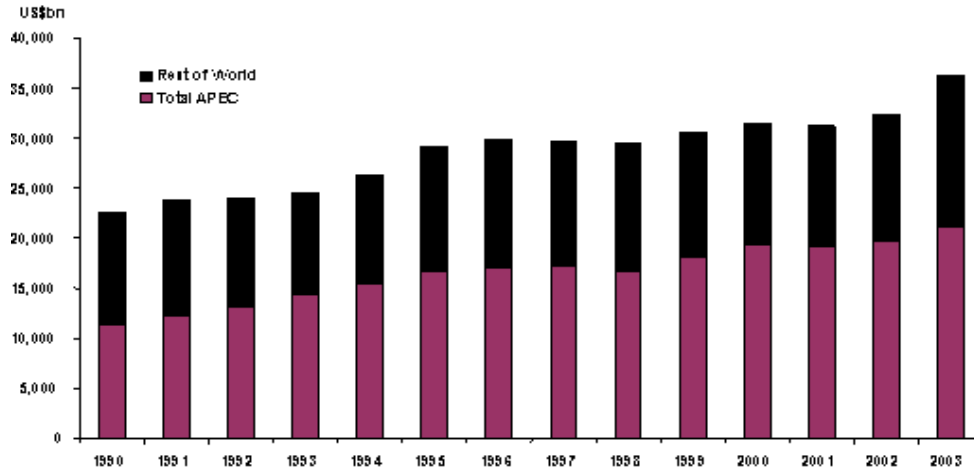
Reductions in tariff, non-tariff and behind-the-border barriers have correlated directly with increased trade and investment flows in the APEC region. In dollar terms, intra-APEC trade in goods and services more than tripled between 1989 and 2003, and account for an ever-growing share of APEC economies' GDP (18.5 per cent in 2003, compared to 13.8 per cent in 1989). Trade in services for the APEC region as a whole more than doubled over the same period. Trade between APEC economies and the rest of the world has also strengthened, with exports more than doubling since APEC was formed.

Foreign investment flows have also increased, supplementing domestic savings and facilitating transfer of technology, skills, and improved production processes. Foreign Direct Investment outflows from the APEC region more than doubled from 1989 to 2003, while inflows increased more than five-fold to a maximum of \$565 billion in 2000, before falling off considerably to a level still some 50 per cent higher than in 1989. APEC economies accounted for 28 per cent of world FDI inflows and 42 per cent of FDI inward stocks in 2003. Lower-income economies were particular beneficiaries of foreign direct investment, with inflows into these economies remaining positive even during the Asian financial crisis.

Trade and investment policy has generated economic growth

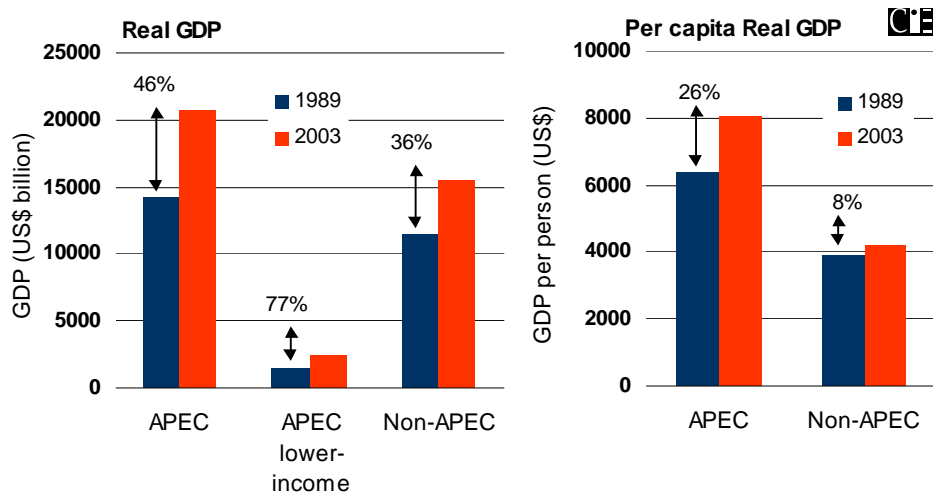
APEC economies have grown strongly since the inception of APEC, making up 61 per cent of world growth from 1989 to 2003. By 2003, APEC economies made up 57 per cent of the world economy. Real GDP in the APEC region grew by 46 per cent between 1989 and 2003, compared to 36 per cent for non-APEC economies over the same period. APEC's lower income economies have grown particularly strongly, with real GDP increasing by 77 per cent since APEC's inception. Per capita GDP has increased at similarly impressive rates, growing by 26 per cent between 1989 and 2003 (or about 1.7 per cent per year) compared to 8 per cent for non-APEC economies. (see Figures 1 and 2).

Figure 1: APEC's Contribution to World GDP 1989–2003



Source: *Open Economies Delivering to People* (2005)

Figure 2: Real and Per Capita GDP Growth 1989–2003



Source: *Open Economies Delivering to People* (2005)

Employment grew by 18 per cent in the APEC region between 1990 and 2002. While unemployment edged slightly higher over this period, it remains at a particularly low level given the negative impact of the Asian financial crisis on employment in some APEC economies. Unemployment in the APEC region averaged 4.3 per cent in 2003, compared to the world average of 6.2 per cent.

International Openness

Commentators on international economic affairs generally agree that the APEC region is significantly more open to international trade than the rest of the world. Improvement in this regard has been particularly notable among APEC developing economies.

APEC economies' impressive trade and investment liberalisation and facilitation gains are largely a result of each individual economy's policy choices. Economies have chosen to liberalise their trade and investment regimes based on the potential gains of such policy actions. However, APEC's work has also made a significant contribution to this process. It has promoted multilateralism through its commitment to open economies, and its efforts have helped set the agenda for WTO negotiations and the promotion of regional goodwill and cooperation by providing a forum for Leaders and Ministers to discuss key issues and develop strategies to address them. It has also provided a forum for discussion and of commitment to the benefits of open markets.

CHAPTER THREE – OPPORTUNITIES AND CHALLENGES AHEAD

The Stocktake clearly demonstrates that APEC has played an active and supportive role in sustainable economic development and growth in the region. All APEC economies are making genuine efforts, individually and collectively, to reduce impediments to international commerce, and are all making real progress towards the Bogor Goals. The Stocktake also concludes that the Bogor Goals remain as relevant today as when first agreed by APEC Leaders in 1994, even within a changing business environment. APEC economies should use this opportunity to renew with vigour their joint commitment to these Goals and the principle of open economies.

APEC economies should also recognise that while the Goals remain valid, the trade and investment policy landscape has changed considerably since the Bogor commitment was made. Today, the definition of free and open trade and investment is much more ambitious and complex. More importantly, there is now broad acceptance that openness is good for an economy. APEC developing economies have led the way in demonstrating to the broader international economic community the benefits of outward-looking systems. Reducing tariff and non-tariff barriers and further improving market access remain priorities for APEC. However, at the same time, policy attention is increasingly shifting beyond border measures to behind-the-border market conditions such as intellectual property rights, government procurement, competition policy, good regulatory practice and anti-corruption.

Trade in services represents the fastest growing component of global trade, with significantly increasing contributions to individual economies' GDP, employment and investments and to the future growth and development of the Asia-Pacific region. Increasing globalization of production and regional economic integration will no doubt continue to expand the international trade and investment policy agenda.

Features of the New Business Environment: An ABAC View

In its contribution to the Mid-term Stocktake, the APEC Business Advisory Council identified a range of features associated with the new business environment. These included:

- Rapid global economic integration
- Expansion of information technology
- Spread of RTAs and FTAs
- Diminished regional business confidence following the Asian financial crisis
- Changing demographics in certain APEC economies
- Increased importance of trade in services and intellectual property
- Growing importance of sustainable development in the region
- Threats of regional and global crises, including the rise in terrorism, epidemics such as SARS and bird flu and natural disasters such as earthquakes and tsunamis
- Increased volatility of energy prices and supply, which has a disruptive effect on APEC economies as a whole

The *ABAC list of features of the new business environment* illustrates clearly how essential it is for APEC economies to accept that new issues will continue to arise, and that there will always be new challenges ahead. The pursuit of free and open trade and investment is demanding and requires ongoing commitment.

A Consensus-based and Non-Binding Forum

One of APEC's strengths is that it is a flexible forum in which decisions are consensus-based and non-binding. APEC must remain focused on its institutional strengths and comparative advantage in promoting policy development aimed at openness, transparency, and improved regulatory practices.

From an organisational perspective, APEC needs to respond to the challenges of the new business environment in a range of different ways. Member economies must be more committed to implement APEC decisions and these decisions must be supported by more effective, targeted and demand-driven capacity-building. The IAP process can be fine-tuned to make it more efficient and effective in helping economies monitor progress towards the Bogor Goals.

APEC must also lift its performance as an organisation through closer cooperation and prioritisation across fora. To assist APEC fora and sectoral ministerial processes to work in closer alignment with Leaders' priorities and to improve the organisation's strategic focus, APEC Senior Officials will provide more direction to APEC's work and in particular, apply greater attention to its oversight role. Strategies are currently being developed to ensure APEC's financial sustainability, enhance APEC's efficiency and reinforce a culture of ongoing institutional improvement and reform.

Supporting the Multilateral Trade Negotiations

As a region of global traders, with a large stake in the world trading system, APEC places high priority on the effective functioning of the WTO. Without a timely and positive outcome to the Doha Development Agenda, regional aspirations for a freer trade and investment environment will be challenged.

Given its ability to make trade-offs across sectors, the WTO DDA negotiations represent the best channel for addressing many of these complex issues at the present time. Reflecting this, it will be important for APEC to continue to provide strong support for the WTO's work. APEC, however, must also spare no effort to push for greater market openness through its Individual Action Plans (IAPs) and Collective Action Plans (CAPs). So far, these two vehicles have underpinned APEC's successes by sustaining a steady momentum of concerted unilateral and collective trade liberalisation.

ECOTECH and Capacity Building

Achievement of the Bogor Goals and APEC's vision of a commonly prosperous region will require a renewed focus on APEC's third pillar: ECOTECH and capacity building.

ECOTECH is the pursuit of APEC's common objectives and goals through comprehensive and effective economic and technical cooperation. These activities are aimed at promoting sustainable growth and equitable development, while reducing economic disparities among APEC economies. Recognising the central importance of this cooperative capacity building effort, APEC economies are committed to using and developing skills and other resources from all APEC economies through better focused and, more targeted economic and technical cooperation.

The Spread of Free-Trade Agreements

As of 1 July 2005, at least 180 free-trade agreements and regional trade agreements (RTAs/FTAs) have entered into force, 53 of them undertaken by APEC members. An important trade policy feature in all APEC economies is their determination to liberalise trade and investment through free-trade agreements. Economies share the conviction that for RTAs/FTAs to contribute to broader trade liberalisation and progress towards Bogor they must be of high quality, transparent and broadly consistent in their rules. As a result, APEC members are encouraged to implement the APEC Best Practice for RTAs/FTAs by using it as a meaningful reference when undertaking RTAs/FTAs negotiations. APEC needs to continue to find ways to promote best practice in this area and to ensure that RTAs/FTAs help lower the cost to business of trading internationally.

Strengthening APEC's work on investment

Investment does not figure fully on the WTO agenda, but it is critically important to economic development and growth in the region and will remain an essential part of the APEC agenda. APEC Ministers adopted a set of Non-Binding Investment Principles in 1994. Since then, many APEC economies have liberalised their policies on international investment, making them more consistent with these Principles. In this regard, member economies are encouraged to further implement the Principles aimed at increased investment liberalization and facilitation.

Trade Facilitation

The Trade Facilitation Action Plan (TFAP) and the associated 5 per cent reduction in business transactions costs by 2006 is well on track. Individual APEC economies undertake these actions and measures voluntarily. This objective represents the beginning of what must be a sustained APEC effort to target specific impediments to regional commerce. This will include collective actions if we are to maximise business cost reductions and efficiency. It is therefore important to set some objective criteria to assess progress with the facilitation agenda. Managing and monitoring progress towards such targets would need to be supported by a more focused approach to the Individual and Collective Action Plans as well as to the IAP peer review process.

The Santiago Initiative also responded to calls from business in relation to the importance of trade facilitation, by calling for further work to reduce transaction costs by cutting red tape, embracing automation, harmonizing standards and eliminating unnecessary barriers to trade. Leaders committed to work together to advance the trade facilitation negotiations in the WTO, to promote secure trade, and to build on the APEC Best Practice for RTAs/FTAs in the area of trade facilitation. APEC must respond in a decisive way to this call.

Against this background and in order to accelerate progress towards the Bogor Goals, the following **Busan Roadmap to Bogor** is recommended for Ministers and Leaders endorsement. The Roadmap outlines key priorities to reshape APEC work so that it can better respond to the new business environment and continue to drive free and open trade and investment in the region.

CHAPTER 4 – BUSAN ROADMAP TO THE BOGOR GOALS

The Mid-term Stocktake of Progress towards the Bogor Goals has demonstrated that APEC economies have contributed significantly to the growth and prosperity in the Asia-Pacific region by promoting free and open trade and investment. The Stocktake has also demonstrated that for APEC to remain relevant, it must be prepared to evolve in a dynamic and responsive way to today's more complex and integrated business environment and the changing trade and investment policy landscape. APEC must also encourage implementation of decisions and commitments taken in the APEC context, both individually and collectively, while preserving APEC's core principles of voluntarism, comprehensiveness, and consensus-based decision-making.

APEC will continue to support trade and investment liberalisation through multilateral, regional and bilateral trade arrangements. It will look for opportunities to undertake work on pressing issues, specifically in ways that add value to activities under way in other fora. In addition, it sees significant benefit in devoting increased attention to comprehensive business facilitation with particular focus on behind-the-border issues.

APEC economies acknowledge the clear link between security and prosperity and recall Leader's 1993 Blake Island vision of achieving stability, security and prosperity for our peoples. APEC members note the commitments of its Leaders and Ministers to take all essential actions to dismantle transnational terrorist groups that threaten the APEC economies; eliminate the severe and growing danger posed by the proliferation of weapons of mass destruction and their means of delivery; and confront other direct threats to the security and economic prosperity of our region, be they health, natural disaster or energy-related. Stability and security are a necessary foundation for APEC members to achieve the Bogor Goals. In this context, APEC's human security agenda has been evolving in response to the challenges posed to the regional economy.

APEC economies acknowledge that the development of effective policy responses in the following areas is crucial to true free and open trade and investment in the APEC region. Above all, APEC member economies reaffirm their commitment to achieving the Bogor Goals.

(a) Support for the Multilateral Trading System

APEC is not a negotiating forum but rather a voluntary process of cooperation in support of open and efficient markets. APEC economies have made good progress on trade liberalisation and recognise that further liberalisation is necessary to maximise economic benefit. Accordingly, APEC reaffirms its deep commitment to the multilateral trading system and its support for the WTO.

The Doha Development Agenda offers an immediate opportunity to bring all APEC economies rapidly closer to achievement of the Bogor Goals. APEC has demonstrated with good effect the value of bringing concerted regional weight and critical mass to the WTO negotiations. APEC economies and their Geneva Caucus must redouble their collective efforts to advance negotiations in all areas of the DDA.

APEC will make strategic interventions on aspects of negotiations where there is deadlock.

Once the results of the DDA negotiations are known, APEC members will need to consider what further liberalization and facilitation steps may be needed in the WTO context to help reach the Bogor Goals. They will also need to look at possible follow-up activities including capacity-building to support the implementation of the DDA results.

(b) Strengthening Collective and Individual Actions

APEC's Collective Action Plans will require updating to ensure they too reflect revised priorities and are suitably outcome-oriented. For example, the services CAP can be strengthened by integrating a

robust program of trade and investment liberalization, coupled with a focused capacity building program, to ensure widespread benefits particularly for developing members.

IAPs must be more transparent and accessible to business and the IAP Peer Review process needs to be made more robust, forward-looking and policy relevant interaction as well as to include a greater focus on what APEC members are doing individually and collectively to implement specific APEC commitments and priorities. The review process also needs to address capacity building strategies to assist individual economies in reaching APEC targets.

Consequently, the 2nd round of the IAP peer reviews will be conducted from 2007-2009 under the strengthened review framework to effectively monitor the progress achieved by member economies towards the Bogor Goals.

(c) Promotion of High-Quality RTAs/FTAs

APEC will also continue to contribute to trade and investment liberalisation through the pursuit of high quality RTAs/FTAs. To help maximise the contribution of these agreements to APEC-wide progress towards the Bogor Goals, APEC should develop a more comprehensive workplan on RTAs/FTAs. This program should include work in developing model measures for a wide range of RTA / FTA chapters to encourage a high quality and comprehensive approach to the design and content of these agreements.

In pursuit of high quality, transparency and broad consistency in RTAs/FTAs, APEC will develop by 2008 comprehensive model measures on as many commonly accepted RTA/FTA chapters as possible by building on its work in developing model measures for trade facilitation.

APEC also encourages ABAC's participation in its work related to FTA developments in the region.

(d) Busan Business Agenda

The Stocktake has also made it clear that the agenda required to further drive growth in the region is much broader than what was envisaged in 1994 and encapsulated in the Bogor Goals. At that time, the major focus was on tariffs and on a limited range of non-tariff measures. Accordingly, while APEC must ensure that the Bogor Goals are achieved, the APEC agenda should also be revitalised to keep pace with this new business environment.

Issues like trade and investment facilitation, transparency and behind-the-border regulations and administrative procedures are now acknowledged as important determinants of economic progress, because of their powerful impacts on the development of the private sector. Improving the business environment amounts to facilitating trade and investment, and at the same time, as a key strategy to alleviate poverty, furthers APEC's economic and technical cooperation objectives.

APEC must develop a comprehensive business facilitation program, with due consideration given to private sector development, building on the commitments made in the Trade Facilitation Action Plan (TFAP), the APEC Transparency Standards, and the Santiago Initiative, along with strategies that also address behind-the-border administrative burden and impediments to trade and investment taking into account the diversity of member economies with respect to economic development and national policy objectives. The program responds to ABAC's consistent calls for APEC economies to become more active in this area. Based on consultations with ABAC and the business community in general, the program must identify specific priorities and targets in areas where substantial improvements in the business environment are achievable and where APEC's current work can be better focused to respond to the needs of the private sector and especially of SMEs. APEC will then support the implementation of these priorities and targets through focused capacity building programs. These areas may include, but are not limited to: customs procedures; standards and conformance; business mobility; e-commerce; transparency; anti-corruption and corporate governance; food

cooperation; security in trade; intellectual property rights protection and enforcement; structural and regulatory reform; competition policy and financial systems.

In this regard, APEC will:

- Build on the 2001 Shanghai target which is currently on track to be met by 2006, by further cutting transaction costs by another five percent by 2010 and identifying a list of collective actions that all 21 APEC economies will take to facilitate trade;
- Build on the APEC Anti-counterfeit and Piracy Initiative and model guidelines to reduce on-line piracy and trade in counterfeit and pirated goods with additional measures to strengthen IPR protection and enforcement in the region;
- Develop, in collaboration with the APEC business community, an expanded work program targeting increased investment liberalization and facilitation;
- Continue to develop new areas of work in curtailing public and private corruption that build on the 2004 Santiago Commitment and the APEC Course of Action to Fight Corruption and Ensure Transparency, including the denial of safe haven, asset recovery and legal cooperation among authorities in the region;
- Accelerate APEC's existing work plans that are most relevant to business, including SMEs in particular, specifically to address issues of human resource and technology, business regulation and related administrative procedures;
- Continue to combat threats to secure trade in the APEC region by measures including increased public private partnerships in the implementation of the Secure Trade in the APEC region (STAR) initiative and the provision of capacity building assistance to help members meet their STAR commitments; and
- Develop a fully integrated approach to structural reform issues, with the aim of promoting greater market openness and competition and improving the resilience of economies in the face of structural adjustment and adverse shocks, thereby lifting growth prospects.

(e) A Strategic Approach to Capacity Building

Comprehensive and effective economic and technical cooperation (ECOTECH) among APEC member economies is fundamental to the achievement of the Bogor Goals and helps to promote sustainable growth in the Asia-Pacific region. Recognizing the central importance of this cooperative capacity building effort, APEC economies commit to better focused and, more targeted economic and technical cooperation in order to develop and utilize skills and other resources from all APEC economies. To better serve its members, APEC's improved, systematic approach to capacity building should be linked to APEC's policy agenda. This system should include features to:

- Incorporate capacity building components into the full range of APEC activities;
- Tailor capacity building programs to accommodate the specific needs of each member economy;
- Explore additional sources of technical capacity building;
- Assess outcomes of programs with the cooperation of the private sector;
- Ensure that successful public-private partnerships in capacity-building are established.

(f) The Pathfinder Approach

APEC members must also continue to acknowledge the diversity in our economies and the respective differences in domestic policy priority settings amongst our broad membership. APEC economies remain committed to the concept of "pathfinder" initiatives, recognising that it may not be possible for all APEC economies to do the same things at the same pace. The pathfinder approach is a valuable tool in furthering trade and investment liberalisation and facilitation.

SECOND MEETING OF APEC MINISTERS RESPONSIBLE FOR MINING

GYEONGJU, REPUBLIC OF KOREA
20 OCTOBER 2005

JOINT STATEMENT

Introduction

1. We, the Ministers Responsible for Mining representing APEC Member Economies, convened our Second Meeting in Gyeongju, Korea, on 20 October 2005, presided by Chairman Hee-Beom Lee, Minister of Commerce, Industry and Energy of the Republic of Korea.
2. In the spirits of the APEC 2005 and MRM2, themes of “Towards one community” and “Towards the future of mining” respectively, we recognized, especially in the era of globalization, the need for establishing a common view on the development of the region’s mineral resources. This view, which should transcend borders, aims to foster sharing and prosperity, recognizing the different mineral resources endowments and development stages of economies.
3. As noted in the first APEC Meeting of Ministers Responsible for Mining (MRM1) in Chile, we recognized that the APEC is the world’s largest producer and consumer of mineral resources, and the minerals and metals sector is an important growth engine to member economies.
4. We welcomed the Business Dialogue that was held on 19 October 2005 as side event of MRM2, which was attended by senior industry and government representatives in the APEC region. The participants of the Dialogue indicated a benefit from regular meetings to strengthen and enhance the cooperation between the business sector and governments.
5. We discussed and analyzed three main issues for minerals and metals, recognizing the two issues of the MRM1 in 2004.
 - a. Market Transparency and Trade Facilitation
 - b. Promoting and Facilitating Mineral Exploration and Development
 - c. Mining and Sustainable Development

Market Transparency and Trade Facilitation

6. We noted that the mineral resources market has been volatile in recent years with demand outpacing supply in some regions. We, thus, recognized the need to improve market transparency and facilitate trade through information-sharing, recognizing that more transparent information on minerals and metals market, including better data on salient statistics, can improve the functioning of minerals and metals market and possibly yield a better balance of supply and demand.

Promoting and Facilitating Mineral Exploration and Development

7. Recognizing the importance of the minerals and metals sector to economic growth of APEC Economies, we agreed on:
 - a. The need to foster mineral exploration and development as a way to promote the long-term viability of the sector
 - b. The importance of ensuring that the investment and regulatory climates for mining are conducive to domestic and foreign investment
 - c. The need to facilitate exploration through the availability of geoscientific information

- d. The importance of strengthening mining-related fora in APEC to promote exchange of information between governments and to enhance consultation with the industry sector

Mining and Sustainable Development

8. We recognized that the mining sector increasingly faces environmental and social challenges. We also recognized the contributions that are being made by mining, minerals and metals to sustainable development. The task for government and the mining industry is to ensure that mining proceeds in a way that balances social, economic and environmental considerations. We agreed that:
 - a. With effective management, mining can contribute to economic and social development within APEC, while minimizing environmental impacts
 - b. The trade in, and use of, minerals and metals and their products are facing new challenges in regional and multilateral fora
 - c. Mining has made significant strides in improving productivity and energy efficiency and thereby contributing to sustainable development.

Action Items

9. We agreed to examine ways to improve the functioning of minerals and metals markets through efforts, such as information sharing, to improve transparency.
10. We agreed that Expert Group on Minerals and Energy Exploration and Development (GEMEED) can contribute to our common objectives through an examination of current challenges, both institutional and otherwise, to the trade in minerals and metals within APEC and globally.
11. We agreed that GEMEED examine ways to contribute to facilitating exploration and development within APEC.
12. We agreed that GEMEED should facilitate the establishment of Mining Industry Forum to provide industry perspectives and suggest key issues for consideration by Ministers.
13. We agreed that GEMEED explore ways to improve the activities of the APEC Network of Minerals and Energy Data (ANMED), in order to promote information sharing among APEC economies.
14. We agreed that for sustainable development of the mining industry, GEMEED encourage information exchange and cooperation on environment-friendly mining technology, such as energy efficient technology, and mining pollution control technology as well as after-mining land management.
15. We agreed to continue to monitor, share information and communicate our concerns about the European Union's proposed chemicals legislation Registration, Evaluation and Authorisation of Chemicals (REACH), as well as other regulatory initiatives of interest, such as Strategic Approach to International Chemicals Management (SAICM).
16. We agreed to direct GEMEED to develop the strategic plan included in the Work Plan approved and attached to this Statement

SEVENTH MEETING OF APEC ENERGY MINISTERS

GYEONGJU, REPUBLIC OF KOREA
19 OCTOBER 2005

SECURING APEC'S ENERGY FUTURE: RESPONDING TO TODAY'S CHALLENGES FOR ENERGY SUPPLY AND DEMAND

Message from APEC Energy Ministers

1. *We, Energy Ministers of the APEC economies, gathered for the 7th time in Gyeongju, Republic of Korea, on 19 October 2005 under the theme "Securing APEC's Energy Future: Responding to Today's Challenges for Energy Supply and Demand".*
2. *We met for the second consecutive year within the context of growing concerns about the impact of rising oil prices on APEC economies while significant demand growth and supply constraints continue. In doing so, we considered ways to respond to high oil prices and oil dependency, as well as the region's broader energy supply and demand challenges.*
3. *We shared our views that those energy challenges are serious concerns for our sustainable economic development and should be responded to urgently. We agreed that effective responses to high and increasingly volatile oil prices require a broad range of supply and demand-side measures, for example, strategic oil stocks for supply disruption response, facilitation of investment in oil exploration, production and refining, and measures to promote energy efficiency and diversification, including vehicle fuel efficiency and alternative transport fuels.*
4. *We expressed our condolences to the APEC economies affected by the Indian Ocean Tsunami and Hurricanes Katrina and Rita, noting the significant human and economic costs of these natural disasters and highlighting the need for regional cooperation on energy security and emergency preparedness.*
5. *We welcomed the address by the Acting Secretary General of the Organization of Petroleum Exporting Countries (OPEC) and directed the Energy Working Group (EWG) to more closely collaborate with OPEC, other producers, the International Energy Agency and other international energy organisations as part of efforts to improve the transparency of energy markets and reduce price volatility.*
6. *We reaffirmed our belief that access to adequate, reliable, affordable and cleaner energy is fundamental to the region's economic, social and environmental wellbeing and noted that energy efficiency and conservation measures will be vital to these efforts. Recognising the significant and evolving nature of the region's energy demand and supply challenges, and the need to acknowledge the individual circumstances of each APEC economy, we agreed that our cooperative efforts must continue to be substantial, flexible, sustainable and responsive.*
7. *We acknowledged the contribution of the EWG since our last meeting and directed it to continue its broad-based approach developed under the APEC Energy Security Initiative (ESI) and the CAIRNS Initiative and APEC Action Plan to Enhance Energy Security that enhance and expand the ESI.*
8. *We encouraged APEC economies to adopt best practice principles developed to facilitate cross-border energy trade, energy investment and energy emergency preparedness, and to share information and experiences on the implementation of these principles. We also*

encouraged APEC economies to accelerate cooperation to develop and deploy technologies that allow for more efficient energy use and energy diversification, furthering the region's energy security and sustainable development.

Responding to the Impact of High Oil Prices and Oil Dependency

9. High oil prices, resulting from factors such as increased demand, low spare production capacity, insufficient refining capacity, speculative trading and heightened concerns about the longer-term adequacy of oil supply, present APEC economies with significant challenges. We note the findings of recent EWG studies into the impact of high oil prices and the downstream oil market, but also recognise that high oil prices may increase the potential for exploration and production from unconventional sources, for cost-effective improvements in vehicle fuel efficiency and for the development of alternative transport fuels.
10. As oil is essential to the region's economic and social development, APEC economies must respond to increasing oil import dependency and the continued growth in oil demand. This will be achieved through measures that increase oil production, enhance the security of oil supply, improve the efficient operation of the global oil market and promote energy diversification, efficiency and conservation.
11. Transparent and efficient markets and an improved business environment will facilitate oil exploration, development and trade, encourage investment in new upstream and downstream oil infrastructure, and support the more effective utilisation of existing refining infrastructure. Markets operate more efficiently with data that is timely and of high quality, and through greater harmonisation of quality standards for oil products. We acknowledge that oil price subsidisation distorts market signals, preventing demand from properly responding to market prices and diverting government resources away from other priorities. Effective responses to oil supply disruptions may include establishing strategic oil stocks, developing emergency preparedness plans, and information sharing and real-time communication.
12. The continued growth in oil demand can be reduced through energy efficiency and conservation measures, particularly in the transport sector. This may include adopting fuel efficiency standards, promoting the development and uptake of more fuel-efficient vehicles and supporting a shift to less oil-dependent modes of freight transport. Reducing subsidies for petroleum products, where they exist, may also enhance the efficiency with which such products are used.
13. Energy diversification can also reduce the growth of oil demand, particularly through the increased use of alternative fuels. Higher oil prices have made alternative transport fuels such as biofuels, hydrogen and dimethylether more economically competitive and provide major incentives to further diversify away from using oil in power generation, buildings and industry.
14. To respond to high oil prices and reduce our oil dependency, and to build on EWG efforts since EMM6:
 - we encourage APEC economies to remove market impediments to oil exploration and development, and we direct the EWG to support capacity building efforts in this regard;
 - we encourage APEC economies to facilitate investment in new, and more effective utilisation of existing, downstream oil infrastructure;
 - we encourage APEC economies to make every effort to report timely and quality data under the Joint Oil Data Initiative (JODI) and direct the EWG to continue to build the capacity of APEC economies to undertake this task; we also encourage APEC economies to support efforts to improve the comprehensiveness and quality of all reporting to JODI;
 - we support APEC efforts to remove barriers to oil trade in the APEC region, for example, domestic and regional harmonisation of quality standards for oil products, and direct the EWG to support initiatives regarding the freer trade of oil products;

- we encourage APEC economies to participate in the Real-Time Emergency Information Sharing System, to develop emergency mechanisms and contingency plans, and to move towards best practice for the establishment and management of strategic oil stocks, appropriate to our individual economies' energy situations;
- we direct the EWG to develop practical measures to enhance cooperation supporting the development of alternative transport fuels, including the establishment of a Biofuels Task Force;
- we direct the EWG to develop initiatives to support APEC economies in their efforts to diversify away from using oil for stationery energy; and
- we direct the EWG to examine current measures to improve transport and vehicle efficiency and to support APEC economies in adopting measures appropriate to their individual situations.

Responding to the APEC Region's Broader Energy Supply and Demand Challenges

15. APEC economies account for more than half of world energy demand and with a growth rate of two per cent per annum forecast for the next three decades, increased pressure is being placed on supply. Energy is essential to the region's economic and social development and APEC economies face considerable challenges in bringing supply and demand into balance while reducing environmental impact from energy production and consumption. Efficiency and conservation, cross-border trade, investment and technology development are essential to meeting these challenges.

Promoting Energy Efficiency and Conservation

16. Energy efficiency and conservation are important measures to help bring energy supply and demand into balance and provide a range of economic, social and environmental benefits. By developing and adopting more efficient technologies, processes and practices, including conservation measures, APEC economies can reduce energy demand and their vulnerability to high energy prices, lessen CO₂ emissions and other environmental impacts, and benefit from lower economic costs, sustainable economic growth and enhanced security of supply.
17. To promote energy efficiency and conservation, and to build on EWG efforts since EMM6:
 - we encourage APEC economies to make every effort to share information on energy efficiency policies and programs under the EWG Pledge and Review Program, including best practices for improving energy efficiency;
 - we encourage APEC economies to participate in the Energy Standards and Labelling Cooperation Initiative and the web-based Standards Notification Procedure;
 - we direct the EWG to identify best practices, benchmarks and indicators to assess efficiency improvements; and
 - we encourage APEC economies to adopt further measures to promote energy efficiency and conservation and direct the EWG to support capacity building efforts in this regard.

Expanding Cross-Border Energy Trade

18. Cross-border trade enables APEC economies to better access the energy resources and technologies necessary to meet their energy needs. Expanding trade of all energy types increases the availability of affordable energy and helps APEC economies diversify their energy mix, furthering the region's energy security and sustainable development.
19. To expand cross-border energy trade, and to build on EWG efforts since EMM6:
 - we encourage APEC economies to move towards best practice in facilitating natural gas trade, and to support the establishment of the APEC Gas Forum;
 - we direct the EWG to implement the LNG Public Education and Communication Information Sharing Initiative and to continue efforts to improve the collection of natural gas data; and
 - we direct the EWG to develop further initiatives to increase cross-border energy trade.

Attracting Energy Investment

20. Urgent and significant investment is essential if APEC economies are to increase supply and improve demand-side efficiency to meet our growing energy needs. In financing the estimated \$US5.3-6.7 trillion in infrastructure required over the next three decades, it is imperative that governments, the private sector and financial institutions work together to create conditions to facilitate investment in the full range of energy projects, including energy infrastructure, renewable energy and energy efficiency.
21. To attract energy investment, and to build on EWG efforts since EMM6:
 - we encourage APEC economies to join the Renewable Energy and Energy Efficiency Financing Task Force and direct it to continue to implement the recommendations from the Energy Investment Report endorsed at our last meeting, including an initiative to facilitate the construction of high performance, energy efficient buildings and communities through innovative financing approaches;
 - we encourage APEC economies to create conditions that facilitate energy infrastructure investment, directing the EWG to continue to engage with financial institutions and the private sector in this regard, and noting the EWG Business Network's Ten Priorities for Financing Energy Infrastructure Projects within the APEC Region and previously endorsed best practices principles for the natural gas and electricity sectors.

Accelerating Energy Technology Development

22. The development and uptake of energy technologies will help APEC economies bring supply and demand into balance through increased production, diversification and efficiency and will reduce the environmental impact of energy production and use. It is estimated that adopting more advanced energy technologies could reduce growth in energy consumption of the region's electricity sectors by forty per cent to 2030, saving more than 500 million tonnes of oil equivalent. APEC economies are global leaders in the development of many energy technologies, and the challenge is to leverage and build on this strength through effective cooperation and collaboration.
23. To accelerate energy technology development, and to build on EWG efforts since EMM6:
 - we direct the EWG to increase its cooperative activities to support the development and uptake of technologies for new and renewable energy, clean fossil energy including clean coal, carbon capture and storage, hydrogen and fuel cells, and methane hydrates; and
 - recognising the growing importance of nuclear energy in the APEC energy mix, we encourage interested APEC economies to join the ad hoc group on nuclear energy, and to progress activities identified in the nuclear framework endorsed at EWG27, to support nuclear power with ensuring optimal safety, security, seismic, health and waste handling, including trans-border effects.

Harnessing all expertise available to the EWG

24. In recognising the important role of the business, financial and research communities in helping APEC economies respond to today's challenges for energy supply and demand, we call upon the EWG to continue to work with, and draw expertise from, the APEC business and financial communities, including through the EBN, the EWG Expert Groups and APERC.
25. We encourage the EWG to continue cooperation with other organisations, where it is in our interest to do so, and to make our activities and achievements known, as appropriate, to other relevant fora. We also recognise that the work of the EWG complements other regional and global initiatives to promote energy security and the development of cleaner and more sustainable energy, and we acknowledge the commitment of APEC economies to these efforts

SECOND APEC OCEAN-RELATED MINISTERIAL MEETING (AOMM2)

BALI, INDONESIA
16–17 SEPTEMBER 2005

JOINT MINISTERIAL STATEMENT

Introduction

1. We, the APEC Ocean-related Ministers representing 20 member economies, met on 16–17 September 2005, in Bali, Indonesia. The meeting was co-chaired by H.E. Mr Freddy Numberi, Minister of Marine Affairs and Fisheries, Indonesia, and the Hon. Geoff Regan, the Minister of Fisheries and Oceans, Canada. The meeting was also attended by the Executive Director of the APEC Secretariat and a number of Guests.
2. We last met in April 2002 in Seoul, Korea when we adopted the Seoul Oceans Declaration as our commitment to domestic and regional action for the sustainable development of our oceans, seas and coasts, including their resources.
3. Our discussions in Bali, and the Bali Plan of Action “*Towards Healthy Oceans and Coasts for the Sustainable Growth and Prosperity of the Asia Pacific Community*” that we have adopted, furthers our collective resolve to take action to ensure our oceans and their resources provide a permanent and sustainable foundation to the economic and social well-being of our economies and people.
4. In advancing the overall APEC agenda, we focused our discussions around the theme of “*Our Coasts, Our Oceans... an Action Plan for Sustainability*” in recognition also of the theme of APEC in 2005 “*Towards One Community: Meet the Challenge, Make the Change*”. In this regard we recognize that sustainable economic growth and the well-being and resilience of our communities are impossible without healthy and productive oceans and coasts.
5. The issues we have discussed are critical to APEC, and the wellbeing of the Asia-Pacific region is critical to global sustainable development. Our Economies, which account for 57% of global GDP and 45% of the global population, also account for over 75% of the world's capture fisheries, over 90% of world aquaculture production, 70% of the world's global consumption of fish products, and account for 47% of world trade.
6. The Bali Plan of Action contains practical commitments for the rest of this decade and which we expect will guide the priorities of APEC and its working groups that deal with oceans related issues, as well as demonstrate our regional commitment to global oceans and fisheries priorities.

Balancing Conservation and Management of Marine Resources with Economic Growth

7. The oceans and their resources are essential to our respective cultures, livelihoods and economic wellbeing, in particular, those of our coastal communities. We stress the need to ensure that these resources and opportunities are available for future generations. We note, with concern, the increasing vulnerability of our oceans, fisheries and coasts and renew our commitment to take action to address this.
8. We also recognize the critical role played by APEC in providing technical advice and assistance to enhance member economies' capacity to engage in this collective effort.

9. The Bali Plan of Action reflects our resolve to undertake tangible domestic and regional actions, as resources and capacity permit, in the areas of:
- ensuring the sustainable management of the marine environment and its resources;
 - providing for sustainable economic benefits from the oceans; and
 - enabling sustainable development of coastal communities.

Ensuring the Sustainable Management of the Marine Environment and its Resources

10. We need to better understand our oceans and coastal zones, biological diversity, ecologically significant areas and vulnerable ecosystems and the impact of human activities on them. We stress the critical need for adequate science and economic information, data and Earth observation systems on which to base our decisions, including the need for increased research on fish stocks and other oceans resources, ecosystems and the marine and coastal environment. We also commit to make better use of oceans modeling and information systems in our decision making.
11. We note the importance of an ecosystem-based approach to management to address the serious and continuing threats from land- and sea-based pollution, the emerging problems from marine invasive species, marine debris and derelict fishing gear, and unsustainable farming and harvesting of ocean resources. Our region also contains a wide range of particularly significant and vulnerable marine ecosystems such as coral reefs and other coastal and marine features that need greater protection. We commit to act on measures outlined in the Bali Plan of Action as a contribution to sustainable management of our region's marine environment.
12. Fisheries and aquaculture resources contribute to food security, local livelihoods, and are key drivers of our economies and that of the region. We express, with great concern, the continuing serious threats to fisheries sustainability, including fishing overcapacity, illegal, unreported and unregulated fishing, discards and by-catch. Accordingly, we resolve to increase our efforts to strengthen and update fisheries governance and management, including through reform of and cooperation in Regional Fisheries Management Organisations to improve their effectiveness. We also emphasize the importance of aquaculture to our economies, and we commit to actions to improve its sustainability and viability.

Providing for Sustainable Economic Benefits from Oceans

13. It is crucial that we develop effective, practical and holistic steps to realize the full economic potential of our ocean resources for our communities and economies. We underscore the APEC goal of trade and investment liberalization and facilitation. We also stress the need for strengthened conservation and resource management, and safe seafood and sustainable aquaculture products. Institutional and human capacity building and technical assistance is also needed at all stages of the production and distribution chain to ensure that all our economies can share in the benefits of our ocean resources.

Enabling Sustainable Development of Coastal Communities

14. The tragic consequences of the Indian Ocean Tsunami have brought into sharp focus the socioeconomic importance of oceans and coastal resources for the wellbeing of many communities in the region. We resolve to take action to raise awareness and engagement of coastal communities in integrated oceans and coastal management, and stress the importance of building capacity and sharing knowledge to support this. The swift rehabilitation and reconstruction of coastal areas and communities affected by the Tsunami is a high priority. The Bali Plan of Action also outlines actions that we can take to reduce our communities' vulnerability to future natural disasters and the threat posed by the effects of climatic change and variability, especially to small island developing economies.

Concluding Remarks

15. We express our heartfelt appreciation to Indonesia for hosting the second APEC Ocean-related Ministerial Meeting and the excellent arrangement of this important event. We thank Canada for co-chairing the meeting.
16. We intend to bring the outcomes of this meeting, and their importance to APEC, to the attention of our Leaders, who will be meeting at the APEC Summit in Busan, Korea, in November 2005.
17. We direct the Marine Resources Conservation Working Group and the Fisheries Working Group to rapidly set priorities and to implement the Bali Plan of Action in collaboration with relevant APEC bodies.
18. We look forward to seeing productive outcomes for the Asia Pacific region emanating from the Bali Plan of Action, and we welcome the invitation to meet again in Peru at an appropriate time to consider the progress that has been made in its implementation.

2ND APEC OCEAN-RELATED MINISTERIAL MEETING (AOMM2)

**BALI, INDONESIA
16–17 SEPTEMBER 2005**

JOINT MINISTERIAL STATEMENT

BALI PLAN OF ACTION

Towards Healthy Oceans and Coasts for the Sustainable Growth and Prosperity of the Asia-Pacific Community

Recognizing that healthy oceans and coasts are particularly crucial for food security, poverty alleviation and sustainable and equitable economic growth as well as environmental and resource sustainability in the Asia-Pacific region;

Mindful of the need for conservation and sustainable management of marine resources, responsible fishing and aquaculture practices, including improved management, enforcement and monitoring, the use of best available science and technology, as well as the need for capacity-building and technology transfer;

Noting the findings of the 2005 Food and Agriculture Organization (FAO) State of World Fisheries and Aquaculture Report, that since the 1950s there has been a consistent increase in the proportion of marine fish stocks classified as overexploited or depleted, underscoring the urgent need for action;

Mindful of the need to enhance public awareness of the importance of oceans and seas, and to better integrate our oceans management activities to promote the sustainability of the marine environment and resources, and of the need to accelerate ocean outreach programs engaging relevant stakeholders in APEC fora;

Acknowledging the instructions of the APEC Economic Leaders, the guiding principles of the Seoul Oceans Declaration (SOD), and responsibilities under oceans and fisheries instruments, including the United Nations Convention on the Law of the Sea (UNCLOS), the United Nations Fish Stocks Agreement (UNFSA), the FAO Compliance Agreement, the Convention on Biological Diversity (CBD), and the Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES) and commitments in the FAO Code of Conduct for Responsible Fisheries, the World Summit on Sustainable Development (WSSD) Johannesburg Plan of Implementation, internationally-agreed development goals, including those contained in the Millennium Declaration, and commitments through the International Maritime Organization (IMO), the World Trade Organization (WTO), the Intergovernmental Oceanographic Commission (IOC), and the United Nations Environment Programme (UNEP); and,

Taking into account APEC's basic principles *inter-alia*, of cooperation, voluntary participation, mutual respect, flexibility and open regionalism;

We, the APEC Ocean-related Ministers, reaffirm our commitment to progress the 2002 Seoul Oceans Declaration by taking, subject to available resources and capabilities, substantial and concrete steps to balance sustainable management of marine resources and the marine environment with economic growth.

We, therefore, are determined to work domestically, regionally, and internationally, in the near to mid-term (2006–2009), towards:

- I. ensuring the sustainable management of the marine environment and its resources;
- II. providing for sustainable economic benefits from the oceans; and,
- III. enabling sustainable development of coastal communities.

We commit to reporting regularly on progress on the implementation of these actions, domestically and within APEC, and to strengthen the exchange of views and information with other related APEC fora and related regional and international organizations, in view of identifying overlaps and joint programs.

I. Ensuring the Sustainable Management of the Marine Environment and its Resources

To achieve this goal, it is necessary to: a) understand oceans, seas and coasts; b) manage the marine environment sustainably; and, c) manage living resources sustainably.

I.a. Understanding Oceans, Seas and Coasts

A clear and comprehensive understanding of the oceans, seas and coasts will enable APEC member economies to accurately assess their potential and to manage them appropriately. To these ends, we are determined to carry out the following concrete actions:

Oceans Observations and Data Collection

A better understanding of the nature and functions of the oceans, seas and coasts and resources requires capacity and cooperation to collect and share the necessary information for informed decision-making.

- i. Build the capacity of APEC economies to conform to the FAO Strategy for Fisheries Status and Trends Report, and increase the number of APEC economies providing comprehensive data on fisheries to relevant regional fisheries management organizations (RFMOs), including reporting on the impacts of fishing;
- ii. Strengthen regional research and data-sharing partnerships for Pacific and Indian Ocean *in-situ* observations to enhance global observations in the oceans and coasts;
- iii. Encourage the relevant APEC economies to participate in the Group on Earth Observations (GEO) and carry out the Global Earth Observation System of Systems (GEOSS) implementation plan;
- iv. Increase technical cooperation, assistance and capacity building to enable relevant APEC members to implement the Global Ocean Observing System (GOOS);
- v. Promote more active implementation of open, free and unrestricted, and at or near real-time sharing of relevant observational data for predictions, forecasts, watches and warnings, consistent with international obligations and domestic legislation;
- vi. Further develop the Ocean Models and Information Systems for APEC Region (OMISAR) as part of a regional contribution to GEOSS;
- vii. Promote the collection and sharing of information on the effects of climatic changes, including changes in sea levels and potential impact in the region;
- viii. Exchange research and information on ecosystems to ensure conservation and sustainable management;
- ix. Exchange research and information on those marine invasive species posing a risk to biosecurity in the Asia Pacific region;

Understanding the value of the marine sector

A better understanding of the short-term and long-term market and non-market value of the marine sector would better enable stakeholders and decision makers to achieve sustainable, integrated marine management.

- x. Study the market and non-market value of the marine environment and marine industries in the Asia-Pacific region, including by undertaking research, communication and information exchange on marine activities.

I.b. Managing the marine Environment Sustainably

Sustainable management of activities in the marine environment within the Asia-Pacific region should be aimed at improving the condition and productivity of marine and coastal ecosystems. We commit, where appropriate, to undertake the following actions:

Ecosystem-based Management

Sustainability of the environment is achieved through a holistic approach, whereby ecosystems are identified and managed as units with a range of interdependent components. There is a need to better understand these systems and manage the impact of human activities on them.

- i. Develop an agreed set of factors to be applied in defining marine ecosystems in the Asia-Pacific region, and establish a key set of variables to monitor and to assess changes in these ecosystems;
- ii. Initiate the identification of ecologically and biologically significant areas and apply, as appropriate, area-based measures, such as marine protected areas, consistent with international law and based on best available scientific information, to manage and conserve these areas;
- iii. Increase sharing of best practices on the roles and function of the business and private sectors and communities in the sustainability of marine environment, and promote their involvement;
- iv. Improve understanding and management of the impacts of human activities, including fishing practices and aquaculture, on environmental health and productivity;

Marine Pollution

Pollution in a variety of forms (i.e. physical, chemical and biological), presents a direct threat to the health and productivity of the oceans, seas and coasts and requires specific action to avoid and minimize the negative effects.

- v. Encourage relevant APEC economies to reduce land-based sources of marine pollution, both domestically and regionally, by implementing the UNEP Global Programme of Action for the Protection of the Marine Environment from Land-based Activities (GPA), and supporting its advancement through participation in the 2nd Intergovernmental Review of the GPA in China in 2006;
- vi. Study, in cooperation with UNEP GPA, the economic drivers that contribute to land-based sources of marine pollution;
- vii. Support international and regional cooperation, consistent with international obligations, on the prevention and control of sea-based pollution of the marine environment from various sources including oil spills and discharges from vessels;
- viii. Support efforts to address derelict fishing gear and derelict vessels, including the implementation of recommendations from research already undertaken in the APEC context;
- ix. Identify ways to: analyse ocean circulation, wind and drift patterns in the Asia-Pacific region, areas of accumulation and likely impacts; improve understanding of the harmful effects and costs of marine debris; improve understanding of impediments to proper disposal and recovery; and determine focal points to compile and disseminate member economy expertise and information and create practical guidelines, in cooperation with FAO and other relevant bodies;

Marine Invasive Species

Marine invasive species pose a threat to the region's marine species, ecosystems, and economy. There is a need to take appropriate action to limit introductions of marine invasive species and to further develop frameworks to manage incursions.

- x. Continue to develop and implement the Regional Management Framework for APEC Economies for Use in the Control and Prevention of Introduced Marine Pests, specifically in the support of the establishment of a network and capacity building;
- xi. Promote early ratification or adherence, as it is appropriate for the economy, to the IMO Ballast Water Convention and prepare for the requirements of the IMO Ballast Water Convention, including through investigation of a coordinated regional approach to marine

- invasive species in the Pacific Basin, with the involvement of IMO, FAO, APEC, South Pacific Regional Environment Programme (SPREP), Permanent Commission of the South Pacific (CPPS) and other relevant organizations;
- xii. Reduce introductions of marine invasive species through all vectors, by increased training of officials to prevent and manage marine invasive species and to implement domestic, regional and international requirements; and cooperation to establish scientific networks and information exchange;
 - xiii. Increase the communication among APEC fora relevant to addressing marine invasive species;

Coral Reefs and Other Vulnerable Areas

Because marine and coastal features, including shallow and deep water coral reefs, mangroves, seagrass beds, wetlands and seamounts, serve particularly valuable roles in the maintenance of marine productivity and biodiversity, sustaining coastal integrity, and are important in the socioeconomic and cultural development of coastal communities, special effort is required to maintain these systems.

- xiv. Improve the conservation of vulnerable areas by: managing activities having a destructive impact on these areas and associated species, based on the best available scientific information; increasing monitoring and research; and enhancing local management, as appropriate, to maintain environmental and economic benefits;
- xv. In particular, support the efforts of International Coral Reef Initiative (ICRI), and International Coral Reef Action Network (ICRAN) and other domestic and regional initiatives to ensure coral reef conservation, including by decreasing marine debris and addressing destructive practices such as reef bombing and cyanide fishing;
- xvi. Improve, through education and outreach efforts, public understanding of: the importance of corals, sea grass beds and mangrove areas to the overall marine ecosystem and to sustaining economic benefits; and, how to avoid degradation;
- xvii. Encourage member economies to develop their own sustainable coastal policies and integrated coastal management plans, to accommodate the conservation and protection of those vulnerable areas;
- xviii. Support international and regional efforts on the protection of wetlands and the promotion of wetland awareness.

I.c. Managing living Resources Sustainably

Managing resources sustainably is an integral component of the process towards achieving a healthy and productive marine environment. Accordingly, we commit, where appropriate, to undertake the following actions:

International Fisheries Governance

The shared nature of the oceans and their resources has resulted in a variety of multilateral instruments (i.e. regimes, institutions and norms) that represent the fundamental standards and means for cooperatively and sustainably managing fisheries resources. It is important that such instruments are supported.

- i. Increase the number of APEC economies that ratify, or adhere to, UNCLOS, UNFSA, FAO Compliance Agreement, and effectively implement provisions domestically and in RFMOs in which they are a member;
- ii. Increase the number of APEC economies that are a party to, or a cooperating non-member of, all relevant RFMOs, and cooperate in establishing new RFMOs, where gaps exist;
- iii. Increase the number of APEC economies that implement the FAO Code of Conduct for Responsible Fisheries, Strategy for Status and Trends, and International Plans of Action on Seabirds, Sharks, Fishing Capacity, and Illegal, Unreported and Unregulated (IUU) fishing;

Sustainable Fisheries and Aquaculture Management

Fisheries resources contribute not only to food security and local livelihoods but they support widespread commercial activity and are a key economic driver of the region. Dedicated efforts to ensure the long-term sustainability of these resources is of fundamental importance.

- iv. Engage in fisheries management reform, where appropriate, including through RFMO reform, by advocating the application of an ecosystem approach to fisheries management, improving decision-making processes to reflect a precautionary approach, ensuring capacity does not exceed long-term resource sustainability, enhancing monitoring, control and surveillance (MCS) programs, and establishing adequate sanctions to achieve deterrence;
- v. Strengthen efforts to combat IUU fishing including by pursuing the use of at-sea, port-state and trade-related measures, in accordance with international law, as key compliance tools, through APEC capacity building and sharing of best practices, and strengthen efforts to collaborate through MCS regimes and the MCS Network;
- vi. Identify mechanisms to better manage fishing capacity, such as through projects that facilitate the sharing of APEC economy experiences in fishing capacity reduction and adjustment, to help ensure a balance between such capacity and long-term resource sustainability;
- vii. Investigate the role and contribution of data collected by GEOSS to achieving sustainable fisheries;
- viii. Support capacity building and market-based conservation tools for live reef fish, including codes of conduct for sustainable trade in reef food and ornamental fish and measures, as appropriate, for eco-labelling of reef fish;
- ix. Assist APEC economies with implementing measures to reduce bycatch resulting in unintentional mortality. These include potential projects on capacity building and technical assistance to reduce bycatch and mortality of species incidentally caught, including marine turtles, in fisheries operations, by demonstrating the benefits of mitigating technology;
- x. Develop programs to help developing economies contribute to marine turtle conservation based on FAO Guidelines to Reduce Sea Turtle Mortality in Fishing Operations as well as to help implement, as appropriate, the Indian Ocean and South-east Asia (IOSEA) Turtle Memorandum of Understanding, and the Inter-American Convention on the Protection and Conservation of Marine Turtles;
- xi. Develop the capacity of APEC economies to implement domestic plans of action for shark conservation and management;
- xii. Develop a better understanding of the interaction between climate and fisheries in the Asia-Pacific region;
- xiii. Improve the protection of critical sites for the replenishment of fisheries, such as spawning and aggregation sites;
- xiv. Develop an APEC strategy on sustainable aquaculture;
- xv. Support efforts by APEC economies to cooperate with FAO to improve knowledge of deep sea fisheries species.

II. Providing for Sustained Economic Benefits from Oceans

It is crucial that APEC member economies develop effective and practical steps to realize the full economic potential of the ocean resources of the region by striving to achieve the APEC goals of trade and investment liberalization and facilitation, taking account of conservation and sustainable management of living marine resources. Institutional capacity building and technical assistance is needed at all stages of the production and distribution chain. Hence, we commit to the following actions:

Maximize Value from Use, Production and Harvesting

Economic sustainability depends not only on management for resource sustainability, but that economic value added for economies from the use of such resources is fully enabled.

- i. Undertake further work to improve understanding and management of impacts of aquaculture on environmental sustainability, to secure consumer confidence in aquaculture

- products, an emerging issue both domestically and regionally, and to facilitate aquaculture's sustainable contribution to coastal communities, wild stocks and food security;
- ii. Launch the Aquaculture Network of the Americas (ANA) and implement its proposed Action Plan, in cooperation with the FAO;
 - iii. Improve production and post-harvest practices by harmonizing standards to ensure healthy and safe seafood products;
 - iv. Improve traceability of fish and fish products;
 - v. Reduce and eliminate corruption that undermines sustainable fisheries management and fair trade in fisheries products;
 - vi. Promote the use of voluntary initiatives such as certification schemes, consistent with international standards, including FAO eco-labelling standards, as a complement to mandatory measures;
 - vii. Minimise fisheries discards and wastage in order to maximise economic benefits from fisheries and aquaculture;
 - viii. Reduce and eliminate maritime crimes to ensure the maritime safety of fishing and navigation.

Trade Facilitation and Market Access

Efforts to improve trade and access to markets of fish products are necessary to maximize sustained economic benefits from trade.

- ix. Support the WTO/Doha negotiations, including those related to market access for fish and fishery products, and fisheries subsidies;
- x. Build the capacity of the fisheries sector of APEC economies as a matter of highest priority, to adapt to the results of WTO negotiations;
- xi. Undertake stocktaking of existing commitments regarding fisheries and fish products in free trade agreements and regional trade agreements in the Asia-Pacific region and related cooperation agreements to complement broader APEC Review efforts overall;
- xii. Enable greater market access for the products of small and medium enterprises (SMEs), small-scale fisheries, and aquaculture;
- xiii. In accordance with international law, avoid the use of discriminatory practices and obstacles to trade for fish and fish products;
- xiv. Ensure that health and safety standards and practices for fish and fish products are transparent, non-discriminatory and based on best scientific information.

III. Enabling Sustainable Development of Coastal Communities

Healthy and productive oceans and coasts underpin the wellbeing of coastal communities, and are more resilient to human and natural impacts than degraded ecosystems. Cognizant of the human, economic and environmental impacts of climate variability and natural disasters (in particular the 26 December, 2004 Indian Ocean Earthquakes and Tsunami), we recognize the need for swift rehabilitation and reconstruction efforts to rebuild sustainable coastal economies in affected regions. In order to mitigate the effects of future hazards and climate extremes on society, we underscore the need for all future coastal development to be in accordance with the principles of sustainable development, disaster risk management and integrated coastal zone management. We, in a practical way, are determined to carry out the following specific measures:

Enabling Integrated Management

Working towards integrated coastal zone and watershed management to meet community needs while sustaining ocean health.

- i. Develop outreach tools that would increase the awareness and engagement of coastal communities' in various functions such as monitoring and conservation of the coastal environment;
- ii. Identify the various roles and functions of fishing communities, including the role of women, in conserving and restoring the marine environment;
- iii. Encourage coastal communities to contribute to environmental conservation through beach-cleaning, tree-planting and maintenance of tidal and aquatic plant-beds;

- iv. Promote best practices in integrated oceans and coastal management approaches;
- v. Advance regional capacity to address pressing marine resource use and coastal hazards issues by promoting a domestic and regional comprehensive approach that includes research, outreach and education through government, community and academic partnerships;
- vi. Reduce the adverse impacts of tourism on marine resources and the environment, including by promoting sustainable marine ecotourism;

Hazard Mitigation

Increasing knowledge and the coordination of information is essential to improve the prediction of and preparation for hazards and climate extremes

- vii. Increase coordination to fulfil responsibilities to implement the IOC's end-to-end tsunami warning system, including contingency planning;
- viii. Sustain and expand as required multi-hazard capabilities for disaster reduction at domestic, regional and international levels, including the use by APEC economies of the forthcoming All-Hazards Forecast and Warning Compendium that is a product of the June 2005 APEC/ US Workshop in Hawaii;

Post-Natural Disaster Rehabilitation and Planning

It is important to ensure the swift rehabilitation and reconstruction of affected coastal communities and their economies, and build capacity to mitigate the impact of possible future events.

- ix. Enhance the readiness of coastal communities for possible future tsunamis by increasing coordination with APEC Task Force on Emergency Preparedness and other relevant APEC fora, and increasing the use of expertise of the International Tsunami Information Center through the International Coordination Group for the Tsunami Warning System in the Pacific; and the Indian Ocean Tsunami Warning System;
- x. Re-establish income-generating activities of affected coastal communities, including re-establishing aquaculture and fishing effort, ensuring sustainability, and support coastal zone environmental rehabilitation;
- xi. Investigate the use of an on-line database to allow APEC economies to update and view details of all tsunami-related projects, programs and activities;
- xii. Develop integrated coastal zone management plans that anticipate and plan to mitigate the impact of hazards and climate extremes, allowing coastal communities to adapt and mitigate the affects.

TWELFTH APEC FINANCE MINISTERS' MEETING

JEJU, REPUBLIC OF KOREA
8–9 SEPTEMBER 2005

JOINT MINISTERIAL STATEMENT

I. Introduction

We, the Finance Ministers of the APEC economies, convened our twelfth annual meeting in Jeju, Republic of Korea, on 8–9 September 2005, under the chairmanship of Dr. Han, Duck-Soo, Korea's Deputy Prime Minister and Minister of Finance and Economy. The meeting was also attended by the Managing Director of the International Monetary Fund, the Managing Director of the World Bank, the President of the Asian Development Bank, and the Executive Director of the APEC Secretariat as well as by distinguished representatives from the private sector.

We met under the policy themes of “Free and Stable Movement of Capital” and “Meet the Challenge of Ageing Economies.” In discussing these themes, we were pleased to note that APEC economies are moving toward freer and more stable capital flows and acknowledged that we must all play our part by putting in place the appropriate policies and strategies to address the importance and urgency of the challenges that come with ageing economies in the APEC region. With the 4th anniversary of the September 11 terrorist attack approaching and the continued threats of terror worldwide, we reiterate the importance of actions to combat terrorist financing, money laundering, and other abuses of our financial systems, and in this regard, we urge FATF to make progress, as appropriate, in the enlargement of its membership.

We expressed our sympathy for the tragic human losses from natural disasters experienced since we last met, and stressed our commitment to work together in dealing with their consequences.

II. Global and Regional Economic Developments

We note that global economic growth has moderated over 2005, but is still likely to remain robust, despite high oil prices. Though growth in APEC regions is expected to ease in 2005, we observe that member economies are experiencing faster growth than the global economy. On the exchange rate front, we welcome the recent moves by China and Malaysia towards a more flexible exchange rate regime. We also reaffirmed that continued liberalization in trade and investment has been an essential driver for the economic prosperity in the member economies. In order to stimulate growth, and enhance the standard of living in the region, we agreed to promote continued progress towards the Bogor Goals of free and open trade and investment in the APEC economies. We reiterate our support for the successful conclusion of the WTO Doha Development Agenda negotiations within the context of a comprehensive agreement and, to that end, call for making significant progress at the upcoming Hong Kong Ministerial Conference. We also noted the upcoming UN Summit on MDG and look forward to cooperation on achieving the goals for development.

We reiterate that all economies have a shared responsibility to take advantage of the relatively strong global economic performance to address key risks and vulnerabilities in their respective economies. To ensure orderly adjustment of global imbalances and to help achieve more sustainable external positions and stronger medium-term growth, we emphasize the importance of appropriate policies and the need for concrete actions by all in a timely and effective manner. In the APEC region, these include fiscal consolidation to increase national savings in the United States; greater exchange rate flexibility for some economies as appropriate, supported by continued financial sector reform, in emerging Asia; and further structural reforms, including fiscal consolidation, in Japan.

We discussed the risks of sustained high energy prices to economic growth and on-going development in the APEC economies. In this context, we noted the importance of adequate investment in oil production and refining capacity, as well as technology transfer for energy conservation and developing renewable energy sources. In addition, we welcomed recent actions to reduce demand-distorting subsidies and urged continuation of these efforts. Noting the discussions at the G-8 and ASEM meetings, we call for the dialogue between the oil producing and consuming countries to be strengthened through forums such as the International Energy Forum and the G-20.

III. 12TH APEC FM Process Policy Themes

On the two policy themes under discussion, we noted the greatly increased importance of capital flows among member economies, and resolved to take measures to address the challenge of ageing population. In particular, bearing in mind the special characteristics of remittances as an alternative source of finance for development, we recognized the need to help improve the efficient flow of remittances in some member economies. We also adopted the “Jeju Declaration on Enhancing Regional Cooperation against the Challenges of Population Ageing” to renew our commitment to address the challenges and seize the opportunities of population ageing.

1. Free and Stable Movement of Capital

We noted the increasing importance of capital flows in the APEC member economies as evidenced by the size of global capital flows into and out of the APEC economies increasing almost 8 times to 1.4 trillion US dollars in the past 20 years, compared to the 3.7 fold increase in the size of APEC’s GDP during the same period.

We acknowledged the increasing level of FDI as well as portfolio investment flows into and out of the region. We observed that increased capital flows within the APEC region are, in general, economically beneficial, and these flows reflect the breadth and depth of increased economic activity among APEC economies and between APEC and the rest of the world. As detailed in Annex C, we also noted that worker remittances are an increasingly important component of international financial flows, and encouraged continued efforts to improve formal remittance services.

Recognizing the contribution of free and stable capital flows in supporting economic growth, we emphasized the importance of open, well-supervised, and systemically sound financial services sectors. In that context, we urge all member economies to pursue a meaningful outcome of the financial services negotiations in the Doha Development Round. We resolved to continue our efforts to promote capital account liberalization, in a manner consistent with maintaining financial stability, and to build deep, resilient and efficient capital markets including by developing institutional investor base. We also recognized that the pace and manner of liberalization needs to be well sequenced and tailored to the specific circumstances of each economy.

2. Meet the Challenge of Ageing Economies

We note that some APEC economies are undergoing an unprecedented demographic transition characterized by slowing population growth, a growing proportion of people over 65, and a declining proportion in the population of working age. While the dynamics of the transition vary among member economies, we concurred that all member economies would eventually face the challenge of population ageing.

Studies suggest that population ageing will likely bring significant fiscal pressures. On the one hand, ageing population will bring increased demands for health care, social security and public pension expenditures; on the other hand, tax revenue growth will slow as more taxpayers enter their retirement years. Research also suggests that population ageing may have important impacts on economic growth and on the growth of aggregate savings and investment.

In this context, we acknowledged the urgency and the importance of domestic economic, fiscal and financial market reforms including areas such as sustainable pension systems, wider array of savings products and enhanced financial literacy. We reaffirmed that international cooperation as set out in the “Jeju Declaration” is essential to meet these objectives.

IV. Other Matters and Venue of the Next Meeting

Considering the importance of private sector input, we welcomed the active informal dialogue with the APEC Business Advisory Council (ABAC). Also we appreciate the contribution of the Pacific Economic Cooperation Council (PECC) Finance Forum on ways to promote APEC economies’ cooperation and enhance the financial system. They provided both valuable insights from the private and academic perspective and support for the work under the themes of the 12th APEC Finance Ministers’ Process.

We thanked the Korean people for their warm hospitality, and the Korean Government and the Ministry of Finance and Economy for the well-organized arrangement of the 12th APEC Finance Ministers’ Meeting.

We agreed to meet again in Ha Noi, Viet Nam for the 13th APEC Finance Ministers’ Meeting on 7–8 September 2006.

TWEFLTH APEC FINANCE MINISTERS' MEETING

JEJU, REPUBLIC OF KOREA
8–9 SEPTEMBER 2005

JOINT MINISTERIAL STATEMENT

ANNEX A: JEJU DECLARATION ON ENHANCING REGIONAL COOPERATION AGAINST THE CHALLENGES OF POPULATION AGEING

We, the Finance Ministers of the Asia-Pacific Economic Cooperation (APEC), gathered in Jeju Island for the Twelfth APEC Finance Ministers' Meeting and held a discussion under the theme of "Meet the Challenge of Ageing Economies,"

Acknowledging that population ageing is a serious socio-economic challenge already experienced by some member economies and soon to be encountered by more economies in the near future;

Recognizing that it could have significant implications for labor force growth, productivity, savings and investment, financial markets, and fiscal burdens for social spending, including healthcare;

Aware that challenges brought about by population ageing could be transformed into new opportunities for enhancing productivity and achieving sustainable growth, with timely preparation and joint efforts, by such means as responding to the changes in the demand for financial services, deepening financial markets and implementing necessary policies;

Affirming the commitment of the APEC members to work together and cooperate with the purpose of addressing the common concerns related to population ageing;

HEREBY DECLARE:

1. We recognize the importance of undertaking reforms of domestic markets and regulatory systems in order to achieve resilient, flexible and open economies able to deal with the challenges posed by ageing and demographic change;
2. We underscore the need to reinforce our joint efforts to maintain medium- and long-term fiscal sustainability and to promote sound pension and health care system;
3. We reiterate that member economies need to improve the efficiency of the financial markets and develop the necessary financial infrastructure such as the asset management industry and wider range of financial instruments which above all will enhance the productivity of the APEC region;
4. We encourage the efforts to promote international cooperation among APEC member economies through sharing of knowledge and technical assistances with a view to achieving the aforementioned objectives;
5. We agree to the formation of an Expert Group within the APEC Finance Ministers' Process, consisting of around twenty experts from APEC member economies, to explore ways to cope with the challenges of population ageing and possible policy recommendations, in cooperation with the APEC Business Advisory Council (ABAC) and the international financial institutions, and to report their findings at the next Finance Ministers' Meeting in 2006.

TWEFLTH APEC FINANCE MINISTERS' MEETING

JEJU, REPUBLIC OF KOREA
8–9 SEPTEMBER 2005

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ANNEX B: POLICY INITIATIVES REVIEW

1. Voluntary Action Plan for Supporting Freer and More Stable Capital Flows (New Zealand and Chile)

As part of this ongoing initiative, New Zealand and Chile have proposed a policy dialogue on savings and the role of the state. The objective of this multi-year dialogue is to provide an opportunity to exchange views on the role of the state in enabling and providing for structured savings, and the attendant policy and design issues that governments interested in promoting savings need to consider.

Chile and New Zealand will be further developing the initiative over the next few months. In particular, the intended scope of the initiative in terms of policy areas to be covered will be refined in consultation with interested member economies. Chile and New Zealand welcome the interest in the initiative expressed by Viet Nam, and look forward to working closely with Viet Nam on the initiative during 2006.

2. APEC Finance and Development Program (AFDP) (China and the World Bank)

China reported to the meeting the progress made under the initiative since the last FM TWG meeting, as well as plans for the remainder of 2005. The Chinese government has announced the establishment of an Asia-Pacific Finance and Development Center (AFDC) at the APEC Leaders' Informal Meeting in 2004 in Chile, to further contribute to capacity-building in the region. The three main types of activities carried out under the AFDC are training workshops, a biennial forum, and the funding of research projects. The first biennial forum will be held in 2006. The themes are currently being decided on. AFDP has funded 13 research projects from 2003 to 2004, and 12 research teams have submitted their reports before November 2004. Among these reports, 11 were evaluated as qualified by the AFDP Academic Committee and compiled for dissemination. CDs were available at the meeting for those interested.

The AFDC will continue to fund research projects and is currently deciding on research themes.

3. Deepening Financial Regulatory Capacity (Australia)

Australia received endorsement for this initiative to run a life insurance and pensions' capacity building training course at the Finance Ministers' TWG meeting in Gyeongju (Korea) in December 2004. The training course is intended to take the form of a six day intensive format and is based on the model of the highly successful Managing Regulatory Change Finance Ministers' initiative which concluded in November 2003.

The core objectives of the training program are to develop an understanding and awareness of the International Association of Insurance Supervisors' core principles and their implications for 'best practice' international regulatory approaches; and to expand an understanding of the risks of life insurance and pensions and recognition of the roles and importance of the various stakeholders.

The economies targeted for the training program include: Brunei Darussalam; Chile; China; Indonesia; Malaysia; Mexico; Papua New Guinea; Peru; Philippines; Russia; Thailand; and Viet Nam.

Funding options (including an APEC TILF application) are still being pursued to run the training course in 2006, and the training course is being revised to include casualty insurance. The Finance Ministers' TWG agreed to extend the endorsement of this initiative to 2006 at the Gwangju meeting in June 2005.

4. APEC Future Economic Leaders' Think Tank (Australia)

The annual Think Tank initiative, which was proposed by Australia and formally launched at the Beijing TWG meeting in December 2000 without a sunset limit, aims to identify participants who will probably play a significant future leadership role in their home economies and institutions and to provide an experiential program that facilitates networking, problem-solving, and the development of creative solutions for priority regional economic and financial challenges.

The 2005 Think Tank was held in Sydney on 22–24 June, addressing the theme *Meeting the Challenge of Ageing Economies*. Thirty-two participants from a record 19 APEC economies considered the key policy challenges of ageing populations; suggested policy responses; and proposed a road map for reform.

The key policy challenges recognised by the participants include a slowing effect of population ageing on economic growth by reducing the proportion of populations within traditional working ages. The participants suggested that ageing may also slow the growth in public revenue at a time when many governments will face additional fiscal pressures associated with funding pensions, aged benefits, aged care and health care.

The participants also suggested that policy responses will need to focus on supporting strong economic growth; ensuring the sustainability of retirement incomes; and meeting aged care and health care costs. As a roadmap for reform, the delegates called for Finance Ministers to encourage dialogue between technical experts from APEC economies and international financial institutions; to publish regular long-term economic and fiscal projections of the impacts of ageing; and to prepare a policy framework to address these challenges, drawing on the experiences of other APEC economies and long-term projections.

5. APEC Financial Regulators Training Initiative (ADB and the United States)

The FRTI advisory groups are chaired by Malaysia (Central Bank of Malaysia, Securities Commission). At their meeting in Manila on 19 July, 2004, the Advisory Groups discussed regional training priorities, regional cooperation and delivery mechanisms for the financial regulators training. It was decided that:

- the chairmanship of the Advisory Group be extended from one to two years, with Malaysia holding the first chair;
- ADB to provide secretariat and financial support for the FRTI; and
- programmes to be organized to cover specialized areas like Pillar 2 of Basel II, Islamic Banking, consolidated supervision and IT-related areas. Under Securities Regulations, the need for more advanced, in-depth programmes on core topics were noted e.g. credit risk analysis, market risk analysis and operational risk to help junior and mid-level supervisors implement new supervisory approaches.

Member economies were invited to lodge their training syllabus and training materials in the FRTI website.

Work plan/training programmes for 2005 are as follows:

a) *Under the Banking Supervision component:-*

- Anti-Money Laundering Examination course was held in Sydney from 14–18 March, 2005;
- Market Risk Analysis Seminar was hosted by the Central Bank of Malaysia from 18–22 July in Kuala Lumpur with speakers from the Federal Reserve. 34 participants attended the seminar, including 11 from the Central Bank of Malaysia.

b) *Securities Regulation component:-*

- Investigation and Enforcement, co-hosted by the Securities Commission and ADB from 16–19 May in Kuala Lumpur, and
- Market Supervision (tbc)

The 10th Meeting of the Advisory Group (AG) on Bank Supervision was held in Kuala Lumpur on 15 July 2005. It was attended by Australia (via teleconferencing); Hong Kong, China; Indonesia; Chinese Taipei; Singapore; and Malaysia. Representatives from the SEACEN Centre, the Asian Development Bank and the Federal Reserve were also present. Decisions taken at the AG's Meeting, chaired by Central Bank of Malaysia, were as follows:

- the focus on training programmes for 2006 to be on operational risk/internal controls, risk focused supervision, interest rate risk, IT and e-banking;
- Hong Kong, China; Indonesia; Singapore; and Chinese Taipei offered to host the training programs in 2006;
- the initiative's website to be enhanced by the ADB by providing updated information, as well as facilitating interaction and communication amongst the AG members;
- the training programmes to include 'train the trainers' initiative, designed to assist AG members to develop pools of internal expert trainers; and
- the next AG meeting will be held in mid-2006.

Other planned regional seminars for 2005 include:-

- Fundamentals of interest rate risk management from 3-7 October, hosted by BNM; and
- Risk focused supervision from 14-18 November, hosted by HKMA.

The Advisory Group (AG) on Securities Regulations also met in Kuala Lumpur on 15 July, and among others, discussed and assessed the 2005 training needs. The meeting noted a strong need for Anti-Money Laundering training courses as well as training programmes on Enforcement / Investigation among APEC securities regulators. Training continues to remain a priority among most members. The Securities Commission will, as in the past, continue its work with the ADB Secretariat to develop/host training programmes for the initiative. The Securities Commission also offered its SIDC AMLA E-Learning course to all APEC securities regulators.

Since the inception of the FRTI in 1998, about 1400 junior/mid-level supervisors and regulators have benefited from about 40 regional and national courses relating to banking supervision and securities regulations.

6) Initiative on APEC Financial Institutions Dealing with SME (Thailand, China)

The Second Annual Meeting of APEC Financial Institutions Dealing with SMEs was held on 21 July 2005, in Beijing, China, under the chairmanship of China Development Bank. The Second Annual Meeting was made up of two parts: (1) a review of cooperative activities during the past year and discussion of future initiatives, (2) a conference with the theme of "Better Environment for Financing, Stronger Development of SMEs." Delegates from all 12 signatory member institutions attended the meeting. Invited guests from other government and non-government institutions also took part. Members agreed

to establish a secretariat to administer the website of the MOU and take charge of daily maintenance and updating of information. China Development Bank would like to host the secretariat and play a leading role in its daily maintenance work.

7. Insolvency Reform Initiative (Australia)

This initiative was endorsed at the December 2004 TWG meeting in Gyeongju, Korea. The aim of the initiative is to raise awareness and exchange views on key frameworks for insolvency reform.

The initiative will discuss the United Nations Commission on International Trade Law (UNCITRAL) and World Bank guidance on insolvency systems, effective institutional frameworks for insolvency systems, and frameworks for cross-border insolvency.

A policy dialogue will be held as part of the next Forum on Asian Insolvency (14–15 December 2005) which is organised by the OECD and sponsored by Japan, the World Bank and the Asian Development Bank.

Discussions with the OECD and other key stakeholders regarding the forum agenda are underway.

8. Initiative on Financial Reform in the APEC Region (Australia and Indonesia)

This initiative received endorsement at the APEC Finance Ministers' TWG meeting in Gwangju on 17 June 2005.

The aim of the initiative is to discuss how APEC member economies have developed and implemented reforms to improve their financial sector. Key issues include how economies are coping with the challenge of carrying out financial reform; prioritisation of the implementation of remaining reforms and assessing whether there are gaps in expertise and existing capacity building efforts.

A policy dialogue will be held in mid 2006 to exchange views on the progress of financial sector reforms in the member economies. The dialogue would cover the broad range of regulatory measures relevant to financial stability including capital standards and credit assessment, standards and practices in prudential supervision, and underlying legal frameworks (including insolvency regimes). The dialogue would involve the World Bank and the Asian Development Bank carrying out reviews of the progress of reform in the financial sector across the region. Member economies would discuss how their reforms fit together, their policy development processes and their forward plans. Reform gaps and capacity building needs could then be identified and expertise sought from other forum members.

9. Fiscal Management Initiative (Vietnam, Indonesia and Australia)

This collaborative initiative received endorsement at the APEC Finance Ministers' TWG meeting in Gwangju on 17 June 2005. The aim of the initiative is to build on the broad-ranging fiscal policy report to Finance Ministers in 2004 by undertaking a dialogue on a practical issue – the management of significant off-balance sheet risks, such as the contingent liabilities associated with financing of infrastructure projects or with explicit guarantees to public or private institutions. The extent to which these risks are reflected in government reporting and the potential impact on an economy's overall fiscal position are issues that are important to the sustainability and transparency of fiscal policy.

The initiative will discuss the measurement, monitoring and management of these fiscal risks and the consequences of contingent liabilities for the operation of fiscal rules. A policy dialogue is proposed to be held in early 2006 to discuss international experience and best practice, and share experiences in the Asia-Pacific region. The dialogue will be an important input to the development of principles to provide guidance to member economies and the identification of capacity building priorities.

TWELFTH APEC FINANCE MINISTERS' MEETING

JEJU, REPUBLIC OF KOREA
8–9 SEPTEMBER 2005

JOINT MINISTERIAL STATEMENT

ANNEX C: APEC FINANCE MINISTER'S STATEMENT ON REMITTANCES

We, the APEC Finance Ministers, welcome the final report of the APEC Finance Ministers' Working Group on Remittance Systems and urge economies to develop strategies to improve remittance services, as appropriate.¹ We note that global remittances contribute significantly to economic growth. However, these flows can be restricted by regulatory or technological barriers that raise the cost of or reduce access to remittance services. This initiative was launched in September 2002 to identify these economic and structural impediments contributing to the circumvention of formal remittance channels.

Led by Japan, Mexico, Singapore, Thailand, and the United States, the Working Group completed its initiative with recommendations on how APEC economies can facilitate improvements in remittance services to encourage the use of formal channels, boost savings for households, increase financing for local businesses, and make financial systems more resistant to money laundering and terrorist financing activities. Ministers also recognize the value of and urge further collaboration with multilateral development banks and the private sector to enhance competition in the remittance market, where appropriate.

In particular, we take note of the four priority areas that were identified to guide governments' actions to improve the efficacy of remittance systems. The following areas were identified as a result of the Remittance Symposium in Tokyo in June 2004 and the Remittance Policy Dialogue in Bangkok in May 2005², organized by the Working Group in conjunction with the World Bank and the Asian Development Bank.

1. Improve **knowledge** on remittance corridors and the availability of data on remittance flows.³
2. Strengthen domestic **financial infrastructure** to support cross border remittance flows.
3. Ensure **appropriate oversight** of remittance service providers and access to payment systems;⁴ and
4. Initiate or expand **financial literacy** programs by both the government and private sector, to broaden familiarity and use of remittance services.

In this context, we recognize the efforts and work programs being undertaken by some member economies and multilateral institutions. In particular, we note the report released by the Russian Federation at the Finance Ministers' Meeting.

¹ This third report of the Working Group summarizes the May 2005 Remittance conference and highlights the key findings of this initiative, drawing from the APEC bilateral case studies on remittance corridors and the first APEC conference in June 2004 as well.

² See www.remittance-initiative.org for details.

³ In response to a request by G-7 finance ministers, the World Bank, the IMF, the ADB and other members of an international working group are producing a report with recommendations for improving remittance statistics.

⁴ The Committee on Payment and Settlement Systems and the World Bank are working with national authorities on developing international principles for oversight for remittance service providers to be completed by early 2006.

APEC SMALL AND MEDIUM ENTERPRISE MINISTERIAL MEETING

DAEGU, REPUBLIC OF KOREA
1–2 SEPTEMBER 2005

JOINT MINISTERIAL STATEMENT

“Promoting Innovation of SMEs”

Introduction

1. APEC Ministers and their representatives responsible for SMEs from Australia; Brunei Darussalam; Canada; Chile; the People’s Republic of China; Hong Kong, China; the Republic of Indonesia; Japan; the Republic of Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; the Republic of the Philippines; Russian Federation; Singapore; Chinese Taipei; Thailand; the United States of America; and Viet Nam gathered during 1–2 September 2005 in Daegu, Republic of Korea for the Twelfth APEC Ministerial Meeting on Small and Medium Enterprises (SMEs).
2. The meeting was also attended by the Executive Director of the APEC Secretariat and the SOM Chair as well as by distinguished observers from the Pacific Economic Cooperation Council, the Pacific Islands Forum and business communities including the APEC Business Advisory Council (ABAC), the Women Leaders’ Network (WLN) and the Business Forum.
3. The theme of the meeting was “Promoting Innovation of SMEs,” in line with Korea’s APEC 2005 theme of “Towards One Community: Meet the Challenge, Make the Change.” Ministers aimed at identifying the best policy and entrepreneurial practices to promote the innovation of SMEs in the APEC community.
4. By supporting the APEC 2005 theme, Ministers agreed that it is important for APEC’s SME activities to contribute to ongoing progress intended “to build one economic community in the Asia-Pacific region.”
5. Prior to the formal plenary sessions, Ministers had a separate retreat session to share experiences and views on various aspects of the innovation of SMEs. There were practical discussions and meaningful exchanges of views by Ministers on the “Daegu Initiative on SME Innovation Action Plan” and current cross-cutting policy issues affecting SMEs within the Asia-Pacific region.

Promoting the Innovation of SMEs

6. Ministers recognized that innovation is the main driving force that creates dynamic SMEs and sustains growth in the current globalized marketplace. Further, Ministers recognized that SMEs in developing as well as developed economies have the potential to play a vital role in advancing innovation given their flexibility and ability to respond more quickly to current conditions. Ministers emphasized the importance of APEC cooperation in developing appropriate economic and policy environments for the APEC SMEs to reach their full innovative potential.

The Daegu Initiative on SME Innovation Action Plan

7. Ministers discussed and agreed to adopt the “Daegu Initiative on SME Innovation Action Plan” which is published in a separate document, and directed that the initiative be implemented according to its specified modality.
8. The Daegu Initiative recognizes that, due to the diverse nature of APEC member economies, APEC can identify various challenges faced by SMEs and member economies, and allow them to share knowledge, and to establish cooperatively economic and policy environments which best foster innovation. The Daegu Initiative, while wide-ranging, places emphasis on seven areas where government actions could improve innovation amongst APEC SMEs. Ministers highlighted the vital importance of IPR protection to the success of the Daegu Initiative.
9. The Daegu Initiative provides a framework, including Innovation Action Plans for member economies to review and improve their economic and policy environments for SME innovation, both individually and collectively.
10. Ministers will submit the “Daegu Initiative on SME Innovation Action Plan” to the APEC Economic Leaders’ meeting as well as APEC Annual Ministers meeting to be held in November in Busan, Korea, as a concrete outcome of the 12th APEC SME Ministerial Meeting. An endorsement by the APEC Ministers and Leaders will recognize the importance of the APEC process in developing and supporting the emergence and sustainable growth of SMEs in the Asia-Pacific region.

APEC SME Innovation Center

11. Ministers welcomed Korea’s proposal for an APEC SME Innovation Center that would link SMEs with supporting organizations of member economies. The Innovation Center will also serve as the foundation for sharing policy experiences to effectively enhance the innovation capacity of APEC SMEs.

APEC Micro-Enterprise Action Plan

12. Ministers welcomed the progress made by the Micro-enterprise Sub Group (MESG) during the fifth meeting of the Sub Group in Daegu. Ministers reaffirmed their commitment to the MESG.
13. The theme of the Sub Group’s Work Plan this year was “Innovative Micro-Enterprises for Sustainable and Balanced Growth.” Ministers received the results of various seminars, workshops and projects, and reiterated the importance of micro enterprises in the regional economy. Ministers encouraged further effort to facilitate the activities of MEs by member economies.
14. Ministers recognized the work carried out by the MESG related to the UN designation of 2005 as the “Year of Micro Credit.”
15. Ministers also received MESG’s recommendations, and noted the discussions on MESG management issues.

APEC SME Coordination Framework

16. In recognition of the cross-cutting nature of the APEC SME process, Ministers reaffirmed the importance of coordinating APEC efforts and activities of SMEs across all fora as outlined in the “APEC SME Coordination Framework.” The main objective is to direct related efforts and activities towards promoting the growth and competitiveness of APEC SMEs.

17. During the last year, the SMEWG Lead Shepherd sent letters to all APEC fora inviting them to improve the coordination of SME activities across APEC. The SMEWG Lead Shepherd and/or SMEWG members have attended the meetings of various other working groups deemed relevant to SME activities. Recognizing the importance of horizontal collaboration across APEC, most of the working groups contacted agreed to enhance communication with the SMEWG. For example, the Telecommunication and information (TEL) working group and the Government Procurement Experts' Group (GPEG) will designate liaison officers to promote information sharing with SMEWG, and the Lead Shepherd of the TEL working group attended the 21st SMEWG meeting to inform the group of their activities.
18. Ministers were encouraged by the progress made to forward the goals of the APEC SME Coordination Framework, and applauded the efforts undertaken by the SMEWG in this regard. Ministers also noted the recommendation that the proposed work plan of the SMEWG for the following year be circulated to the other fora for notification of their contributions to the process, and agreed that it could be presented to the senior officials for approval at SOM I. Ministers encouraged the SMEWG to continue its outreach to other APEC groups and to consider highlighting other SME-related activities at the next SME Ministerial meeting.

Report on SMEWG Management Improvement

19. Ministers commended efforts by the SMEWG to improve its management. Ministers noted that the SMEWG made several salient points about the need for improvement in the management of the SMEWG, and Members made important contributions and recommendations on such improvement.
20. Ministers accepted the SMEWG's decision to wait for the results of the independent assessment so that the SMEWG can better make the suggested changes in SMEWG management. Ministers thanked the SMEWG and all parties concerned for their efforts in completing the report.

Cooperation and Collaboration with Related Organizations

21. Ministers encouraged the SMEWG to continue its cooperation with the OECD Working Party on SMEs and Entrepreneurship through sharing of information and research results, and to strengthen further collaborative efforts.
22. Ministers thanked participation by and contributions from related organizations and business societies such as the APEC Business Advisory Council (ABAC), Women Leaders' Network (WLN), and Pacific Economic Cooperation Council (PECC) and noted the importance of the private sector perspectives and contributions to advancing APEC's SME work. Members were asked to review ABAC recommendations and to give them due consideration in the development of policies and programs in their own economies.
23. Ministers agreed with ABAC's recommendations that a successful conclusion of the WTO Doha Development Agenda round of trade negotiations, effective measures against corruption and removing unnecessary regulatory burdens on business would contribute greatly to the development and growth of SMEs in the APEC region.
24. Ministers also received the results and recommendations from the APEC SME Business Forum and the APEC Informatization Forum for SMEs. Ministers commended the participants of both fora, and asked that their recommendations, including APEC Innovation Committee and SME Informatization Consortium Network, be given due consideration by the SMEWG. Ministers emphasized the importance of strengthening networks of SME-related organizations in the Asia-Pacific region.

25. Ministers agreed that collaboration between APEC Finance Ministers and APEC SME Ministers will help to improve the financing environment for SMEs and Micro-enterprises. SME Ministers encouraged collaboration between the APEC SMEWG and the APEC Finance Ministers' Technical Working Group to continue. Ministers noted the outcomes of the Second Annual Meeting of APEC Financial Institutions Dealing with SMEs and the APEC Conference on Better Environment for Financing, Stronger Development of SMEs, which was held on 21 and 22 July 2005, in Beijing, China, under the chairmanship of the China Development Bank. Ministers welcomed their on-going efforts to improve access to financing, and stronger development of SMEs and Micro-enterprises.

Gender Issues

26. Ministers welcomed the continued participation of the WLN in the MESH, SMEWG and Ministerial meetings and commended its commitment to the advancement of women and gender issues throughout APEC.
27. WLN submitted the results and recommendations of the 10th WLN meeting. The theme of the meeting was "Prosperity of Women Entrepreneurs through Innovation: New Vision for Women Entrepreneurs." The SMEWG was asked to review WLN recommendations, and give them due consideration.

Disaster and Emergency Preparedness

28. Ministers noted the importance of contributing to APEC's work on disaster preparedness. Ministers welcomed the USA report on the development of an SME emergency preparedness checklist and were encouraged by the outcome of the APEC Virtual Task Force on Emergency Preparedness held on 2–3 May in Bali, Indonesia. Ministers emphasized the importance of preparedness and mutual cooperation between member economies in reducing the costs arising from disasters. Ministers endorsed the APEC SME Disaster and Emergency Preparedness Checklist, which will be forwarded as part of the overall package of 2005 work across APEC for recognition by the Leaders in their November meeting in Busan.
29. In addition to natural disasters like the Asian tsunamis, Ministers also recognized the growing threat of a potential influenza pandemic, which would not only affect public health, but also disrupt a broad range of economic and business sectors on a regional and global scale, and emphasized the importance of preparing SMEs for those disruptions.

SME and Trade Facilitation

30. Ministers reaffirmed the importance of trade facilitation, noting that it is especially important for SME traders, since trade-related ancillary costs impose relatively greater burdens on SMEs and MEs.
31. Ministers welcomed the reports on progress in the APEC-OECD joint project, SME Impediments Monitoring System, and the results of Brunei's workshop for SME Managers on Reducing SME's Compliance Costs. Ministers encouraged development of further measures and projects to help SMEs reduce their trade-related costs.

Other Issues

32. Ministers emphasized the important role of mentoring services in securing financial access, improving management and business capability and financial viability and reducing loan default among SMEs. Ministers applauded Thailand for its effort in organizing the workshop on Best Practices on Mentoring Systems: Keys to Reducing APEC SME Loans Default, and agreed that APEC members should continue to share and exchange best practices on mentoring systems.

33. Ministers recognized that industrial clusters provide SMEs with opportunities to exchange resource and knowledge, thereby strengthening their capacity of innovation. Ministers commended the success of the APEC Symposium on Industrial Clustering for SMEs hosted by Chinese Taipei, and encouraged APEC economies to improve cluster development using the Best Practice Guidelines developed in the seminar.

APEC SME 2006 Theme and Sub-Themes

34. Ministers welcomed Viet Nam's theme for 2006 "Overall Competitiveness Improvement for SME." There will be three sub-themes:
- enabling business environment for all enterprises;
 - human resource development for SMEs;
 - better access to basic resources for SMEs.
35. Ministers also took note that the next SME Ministerial and related meetings, such as the WLN and the Business Forum, will be held in Ha Noi, the capital city of Viet Nam, in late September or early October 2006.

SMALL AND MEDIUM ENTERPRISES MINISTERIAL MEETING

DAEGU, REPUBLIC KOREA
1–2 SEPTEMBER 2005

DAEGU INITIATIVE ON SME INNOVATION ACTION PLAN

1. Innovation and SMEs

Innovation is the main driving force of economic development for developing as well as developed economies. With their flexibility and responsiveness, Small and Medium Enterprises (SMEs) play a vital role in innovation. SMEs have to innovate to fill the opportunities created by the changing and globalizing marketplace.

However, in order to facilitate the innovative activities of SMEs, appropriate economic and policy environments are necessary. The Daegu Initiative on SME Innovation Action Plan is an opportunity for each economy to establish appropriate economic and policy environments, so that innovative SMEs can realize their potential, and increase the innovative capacity of the individual and regional economy.

2. Innovation and the Role of APEC

While SME innovation drives economic growth, SME innovation depends on the economic and policy environments. Depending on the individual economy, there may be areas for improvements, to facilitate innovation. APEC can play a crucial role in helping economies identify the areas and elements which could be addressed, and thus make positive contributions to improving the environment for innovation. APEC is in a unique position in that APEC includes a diverse group of member economies with different strengths and weaknesses. Thus, APEC can recognize the diversity of difficulties that economies face, and share the wide-ranging experiences and abilities of its members in suggesting possible approaches and alternatives.

3. The Objective and Strategy of the Daegu Initiative

The Daegu Initiative seeks to improve the economic and policy environments of all member economies, to make them more conducive to SME innovation. The objective of the Daegu Initiative is to help each APEC member economy identify those factors which can be improved to accelerate innovation. The Daegu Initiative is based on the spirit of voluntarism, consensus-building, combination of individual and collective actions, flexibility, comprehensiveness and open regionalism. The Daegu Initiative also complements “The APEC Integrated Action Plan for SME Development (SPAN)” by encouraging the member economies to take a more active and focused role in making their economies more friendly to innovative SMEs. The member economies will, through the Daegu Initiative, identify cooperative and efficient measures to facilitate SME innovation through preparing voluntary reviews, information sharing, and robust discussion among peers.

The Daegu Initiative will ask all members to consider submitting an Innovation Action Plan, based on a common Template. The Innovation Action Plan will be a set of activities which lists how the members will improve their environments for SME innovation by 2020.

Member economies will maintain discussions on specific areas of importance for innovation and on each member’s progress, and in 2010, the members will carry out self-assessment on their progress. In 2010, the members may decide to proceed with the second five-year cycle of the Daegu Initiative, which would last until 2015. The members may then decide to proceed with the third cycle, where the final self assessments would take place in 2020.

4. The Modality of the Daegu Initiative

The Daegu Initiative is intended as a long-term measure which will run in five year cycles. For each cycle, the SME Working Group will develop a common Template for “SME Innovation Action Plan” which each member economy will utilize. The Innovation Action Plan will ask each member to review its domestic economy and policies to examine specific elements deemed important for fostering SME innovation.

For the first cycle of the Daegu Initiative, the SME Working Group will determine, based on previous APEC-related research and discussions, what elements in the following areas are crucial for establishing an innovation-friendly economic environment, and list those elements in a common Template. These areas were identified as important for innovation by the SME Working Group and member economies:

- a. Developing Human resources and technology through linkage between industry and educational and research institutions

Human resources and technology development are the raw material for innovation. Since educational institutions are responsible for human resource development, and research institutions are responsible for research and development of science and technology, it is important to facilitate cooperation between industry and educational and research institutions.

- b. Accessing to specialist assistance and advice

SMEs face barriers in fully exploiting innovative opportunities due to size and capability constraints. Allowing them to gain easy and inexpensive access to specialist technical and managerial expertise should help them in getting their innovative products and services to market more quickly.

- c. Enhancing availability of capital to innovative SMEs

Capital is the fuel for SMEs engaged in innovation. Thus, healthy SME innovation requires adequate availability of capital, both debt and equity, for credit-worthy enterprises.

- d. Networking and clustering for innovative SMEs

Networking and clustering have been shown to have positive externalities. Further, networking and clustering accelerate innovation by gathering resources, for example, specialists and experts, and allowing them to share knowledge.

- e. Establishing appropriate legal and regulatory structures

Robust legal and regulatory structures designed to establish and enforce intellectual property rights, competition policy, and facilitate the quick and inexpensive establishment of firms are vital to all SMEs and especially important in encouraging innovation among SMEs. The absence of such structures can stifle innovation while undermining the ability of SMEs to compete.

- f. Establishing a market consistent economic environment

Under a market consistent economic environment, innovative, efficient SMEs will have the greatest opportunities to access the resources they merit and require while facilitating firms to freely enter and exit the market.

- g. Developing methodologies for effectively measuring progress in the implementation of innovation programs for SMEs

The development of statistics and other methodologies for measuring progress concerning SMEs

and innovation is required if further and more in-depth analyses of SMEs and innovation are to be made on a factual and scientific basis. In order to establish such statistics and measurements, APEC member economies may choose to develop mutually compatible definitions, so that data can be compared across members.

Members agree to implement a process for reporting progress, sharing best practices and knowledge of measures to enhance the environment for innovative SMEs that incorporate the following principles.

- (1) A common template for designing Innovation Action Plan will be drafted; agreed and distributed to all member economies.
- (2) Economies that wish to participate in this initiative will prepare, before the 2006 Ministerial meeting, an Innovation Action Plan setting out past achievements, short term plans and long term plans, for addressing each of the areas set out above. Long term plans should list plans to up to 2020, the target date for all members to achieve the Bogor Goal.
- (3) Each year, for the first five years, at least one of the seven areas, in turn, will be a theme for reporting and in-depth discussion at the Working Group meetings.
- (4) The areas should be used as a means for prioritizing SME Working Group projects.
- (5) In 2010, member economies may submit a self-assessment report on the progress of the Innovation Action Plan. The self-assessment reports will examine whether and how much the member economies implemented the measures which they had reported in their SME Innovation Action Plan, and how successful those measures have been in dealing with those elements.
- (6) Based on the self-assessments and the discussions in the SME Working Group, the Working Group may submit a report to the SME Ministers. This report will include the following:
 - Guidelines for facilitating SME innovation in APEC member economies
 - The best practices of member economies
 - The possible collective actions that the members can take
- (7) In 2010, the members will decide whether to proceed with the second round of the Daegu Initiative, and how that will be put into effect. Reviews based on the revised Innovation Action Plans will take place in 2015. If the members agree to proceed with the third cycle, the process will be repeated again with the final review to take place in 2020.

5. The Timeframe of the First Cycle

SMEWG I – 2006

A Task Force of member economies will prepare a detailed Implementation Plan to give effect to these principles. The Term of Reference of the Task Force is attached as Attachment A. That Plan will be submitted for approval at the SMEWG I meeting in March 2006.

SME Ministerial Meeting 2006

Member economies, which decide to participate, will publish their Innovation Action Plan based on the agreed template for distribution at the meeting.

2007–2010

Each of the seven areas of the Initiative will be, in turn, a theme of discussion in SMEWG meetings.

SME Ministerial Meeting 2010

Participating member economies may choose to submit self-assessment on the status of their Innovation Action Plan.

TERMS OF REFERENCE OF THE TASK FORCE

1. Mandate

- To prepare detailed Implementation Plan of the Daegu Initiative for report at SMEWG I of 2006.
- To prepare the Common Template for report.

2. Composition

- Two Co-chairs: Korea and Viet Nam
- Members: Canada, China, Mexico, New Zealand, the United States
- Ex officio member: One APEC Secretariat staff

3. Work Plan

- General: The Task Force will work, in principle, through on-line. Nonetheless, the Task force would convene a physical meeting, if necessary.
- By Nov. 30, 2005: First draft of Implementation Plan
- By Dec. 30, 2005: Comments on the first draft from all member economies
- By Jan. 30, 2006: Second draft of Implementation Plan
- By Feb. 15, 2006: Comments on the second draft from all member economies
- By Feb. 28, 2006: Final draft

SIXTH APEC MINISTERIAL MEETING ON THE TELECOMMUNICATIONS AND INFORMATION INDUSTRY (TELMIN6)

LIMA, PERU
1–3 JUNE 2005

LIMA DECLARATION

1. We, APEC Ministers responsible for the telecommunications and information industry, gathered in Lima, Peru, from 1-3 June, 2005, under the theme *Enabling Digital Opportunities: harnessing infrastructures to advance the Information Society*, make this Declaration to be presented at the next Economic Leaders' Meeting in Busan, the Republic of Korea in November 2005;
2. **reaffirming** our commitment to achieving the Bogor Goals of free and open trade and investment in the Asia Pacific region by 2010 for developed economies and 2020 for developing economies;
3. **further reaffirming** our commitment to the five objectives and ten core principles in the Seoul Declaration endorsed at TELMIN 1 (1995) as essential for the construction and the expansion of the Asia Pacific Information Infrastructure (APII) and the realization of the vision of the Asia Pacific Information Society (APIS);
4. **welcoming** the APEC Economic Leaders' Declaration entitled *One Community, Our Future*, issued in Santiago de Chile on 21 November 2004, in which APEC Economic Leaders reaffirmed the commitment to achieve sustainable and equitable growth and reduce economic disparities for the well-being of our people by meeting the Bogor Goals of trade and investment liberalization and facilitation, enhancing human security, and promoting good governance and a knowledge-based society;
5. **acknowledging** and **welcoming** the progress made by TEL in its work on telecommunications market liberalization, mutual recognition of telecommunications equipment test reports and certification, broadband development, e-government, e-commerce, interconnection, Internet charging arrangements traffic measurement and analysis, business and research models to promote greater deployment of information and communication technologies (ICT), human capacity building, cyber security and computer emergency response teams (CERTs), authentication and the development of initial implementation of the *Digital Divide Blueprint for Action*;
6. **commending** the achievement of more than doubling Internet access in the APEC region since 2000, noting the need for continued efforts and strengthened statistical gathering in order to fully recognize the goal endorsed by Economic Leaders in Brunei Darussalam in November 2000 to triple Internet access in the APEC region by the end of 2005, as referenced in the status report to Ministers on TEL Digital Divide activities;
7. **continuing** the effort to create digital opportunities in the APEC region, consistent with the vision of the APIS which will contribute to creating the evolving Global Information Society as stated in the Singapore Declaration endorsed at TELMIN3;
8. **recognizing** that infrastructure development, in which the private sector is playing an increasingly important role, and enabling its effective use, are primary drivers for digital opportunities in APEC economies;

9. **further recognizing** the importance of the private sector in developing opportunities offered by the continued introduction and evolution of information and communications technologies, **and acknowledging** the tremendous potential offered by the integration of networks and services;
10. **noting** that in some developing economies, limited telecommunications infrastructure is a great challenge for the sector, **and recognizing** the importance of policies to promote services development in a liberal and competitive environment, and for meeting economies' universal access and universal services goals;
11. **recognising** the contribution that competitive telecommunications markets make to promoting economic efficiency, growth, increased development opportunities and enabling new industries;
12. **stressing** the importance of the Doha Development Agenda (DDA) and the need for a successful World Trade Organisation (WTO) Ministerial Meeting in Hong Kong, China, in December 2005; **supporting** active participation in WTO services negotiations with a view to broadening and deepening continued liberalization;
13. **noting** the effort to conclude the accession of Russia and Viet Nam to the WTO;
14. **taking notice** of progress made in the liberalization of the telecommunications sector within the APEC region; **recognizing** the leadership demonstrated by APEC member economies in transforming the telecommunications and information industries; **reaffirming** the value of the principles outlined in the 1996 Reference List; and **urging** further work by the TEL to promote liberalisation within APEC economies;
15. **encouraging** APEC economies to renew efforts to liberalise telecommunications markets in line with the consensus of Economic Leaders to work "with a renewed sense of urgency" towards "substantially greater market access and fewer distortions" as reflected in the 2004 Santiago Declaration;
16. **further encouraging** the adoption and implementation of the WTO Telecommunications *Reference Paper*, taking into account the TEL's work on *Best Practices on Implementing the WTO Reference Paper*;
17. **welcoming** progress made to implement the Mutual Recognition Arrangement (MRA) on conformity assessment, and its impact on enabling the free flow of telecommunications equipment within the APEC region, and **encouraging** economies to implement and participate actively in this MRA;
18. **endorsing** the TEL's guidelines on conformity assessment procedures for telecommunications equipment, and encourage economies to implement their conformity assessment procedures according to the TEL guidelines;
19. **supporting** economies' work to develop a new MRA on technical requirements for telecommunications equipment, and encouraging the TEL to place a high priority on its development while duly respecting the commitments already made by APEC economies with respect to the MRA;
20. **acknowledging** and welcoming the TEL's work on *Effective Compliance and Enforcement Guidelines and Practices* as a tool to help economies create an environment of investor certainty and consumer confidence;
21. **also recognizing** the importance of spectrum resources as an important means for deploying infrastructure for basic as well as advanced services; and the importance of policies encouraging continued awareness of new technologies for the efficient use of spectrum;

22. **commending** the comprehensive work undertaken by the TEL on broadband deployment, and **encouraging** continued rapid deployment of broadband access as referenced in the Broadband Report to Ministers;
23. **supporting** continued work on next-generation networks (NGNs), including interconnection/ interoperability; trade facilitation; NGN security, reliability and confidence; and capacity building in NGNs for underdeveloped areas;
24. **reaffirming** the importance of economic and technical cooperation in achieving equitable growth and sustainable development;
25. **highlighting** that rapid technological advancement, convergence of telecommunications and information networks and the globalization of services and applications require sharing of information, exchanging best practices and experiences in approaches regarding policy-making and regulation amongst economies;
26. **recognizing** and sharing the understanding that, to ensure marketplace choice and competition, to promote security, to encourage innovation, to affirm transparent, technology-neutral and balanced policies, and to realize open standard-based interoperability, both open source software and commercial software play an important role;
27. **noting** that progress made in the TEL is supportive of the World Summit on the Information Society (WSIS), where world leaders have declared their common wish and commitment to build a people-centred, inclusive, and development-oriented information society, where everyone can create, access, utilize and share information and knowledge, and enabling individuals, communities and peoples to achieve their full potential in promoting their sustainable development and quality of life;
28. **confirming** the importance of life-long human capacity development, for all age groups and genders, as well as for people with disabilities or special needs, in terms of providing more opportunities for training and skill development; and improving the access, awareness, mastery, and application of ICT for the benefit of people in the region;
29. **noting** that Ministers urged the TEL to encourage information sharing and collaboration on e-Government initiatives in the Programs of Action agreed at TELMIN4 and TELMIN5;
30. **recognizing** the importance of ensuring the security and integrity of the APEC region's communications infrastructure, in particular the Internet, in order to bolster the trust and confidence of users and enable the continued advancement of this infrastructure;
31. **commending** the TEL's work in promoting network security to fulfil the APEC Economic Leaders' Statement on *Fighting Terrorism and Promoting Growth* (2002) and the APEC *Cybersecurity Strategy* (2002), especially in promoting the development of, and cooperation among, computer security incident response teams (CSIRTS) to exchange information on threats, vulnerabilities, and responses to security challenges; and **also recognizing** the assistance that has been provided through the TEL to economies in drafting legislation on cyber-crime as well as in conducting a series of regional and bilateral meetings of cybercrime experts, law enforcement officials, legislators and others;
32. **encouraging** all economies to study the *Convention on Cybercrime* (2001) and endeavour to enact a comprehensive set of laws relating to cybersecurity and cybercrime that are consistent with international legal instruments, including United Nations General Assembly Resolution 55/63 (2000) and the *Convention on Cybercrime* (2001);

33. **acknowledging** the need for regional cooperation to support communication networks and ICT applications for disaster mitigation and relief operations on APEC region and **recognizing** the importance of ICT infrastructure in the dissemination of early warning information in each economy and in providing medical and humanitarian assistance in disasters and emergencies;
34. **noting** that the *Tampere Convention on the Provision of Telecommunication Resources for Disaster Mitigation and Relief Operations* came into effect on 8 January, 2005; and
35. **recognizing** the effectiveness to date of the Steering Group structure of the TEL, **and encouraging** the TEL to conduct an ongoing review of this structure, particularly in light of challenges posed by the rapid advancement of new technologies and the changing regulatory and security environment.

HEREBY

36. **ADOPT** the *Program of Action* for the APEC Telecommunications and Information Working Group attached as Annex A;
37. **ADOPT** the *Key Principles for Broadband Development in the APEC Region* attached as Annex B;
38. **ADOPT** the *Compliance and Enforcement Principles* attached as Annex C;
39. **ADOPT** the *Guiding Principles for PKI-based Approaches to Electronic Authentication* attached as Annex D;
40. **ADOPT** the *Principles for Action Against Spam* and the *Implementation Guidelines for Action Against Spam* attached as Annex E;
41. **NOTE** that this *Program of Action* will contribute to the Action Plan to be considered at the APEC Economic Leaders' Meeting in Busan, Korea, in 2005.

SIXTH APEC MINISTERIAL MEETING ON THE TELECOMMUNICATIONS AND INFORMATION INDUSTRY (TELMIN6)

LIMA, PERU
1-3 JUNE 2005

ANNEX A

APEC TELECOMMUNICATIONS AND INFORMATION WORKING GROUP PROGRAM OF ACTION

This Program of Action outlines a forward agenda for the APEC Telecommunications and Information Working Group (TEL) to implement pursuant to the Lima Declaration. It reflects our commitment to achieving sustainable and equitable growth and reducing economic disparities for the well-being of our people by meeting the Bogor Goals of trade and investment liberalization and facilitation, enhancing human security, and promoting good governance and a knowledge-based society.

To achieve these goals and maintain our commitments, Ministers endorse and instruct the TEL to direct its attention towards the following activities and thematic areas.

I. Advancing Information and Communications Infrastructure

Ministers recognize that the advancement of information and communication infrastructure is a key factor in expanding digital opportunities. Ministers also reaffirm their commitment to the five objectives and ten core principles in the Seoul Declaration endorsed at the first meeting of APEC Ministers responsible for the Telecommunications and Information Industry (TELMIN 1, 1995) as essential for the construction and the expansion of the Asia Pacific Information Infrastructure (APII) and the realization of the vision of the Asia Pacific Information Society (APIS). In recognition of this, Ministers instruct the TEL to undertake activities that:

- a) Encourage investment and capitalization in expanding Internet access and infrastructure construction particularly in developing economies;
- b) Promote the use of information and communication technologies and related services to create digital opportunities;
- c) Strengthen and encourage information sharing, exchange of best practices and co-operation with other APEC fora and international and regional organizations on advancing information infrastructure and the information society;
- d) Encourage the development of policy approaches to enable the implementation and application of advanced technologies and services to expand access to unserved and underserved areas;
- e) Encourage APEC economies to implement the *Key Principles for Broadband Development* as each economy gains capabilities, and continue to work on broadband policies, emergent themes and issues such as broadband for small and medium enterprises; emergency response and disaster mitigation; universal service and access policies; and other policy issues related to broadband;
- f) Explore innovative next generation network (NGN) approaches arising from new technologies and services, consistent with the topic areas put forward in the Lima Declaration;

- g) Consider developing a clearer vision of the APIS and the new knowledge-based economy on which it is built, and identifying those areas in which the TEL could contribute most effectively;
- h) Consider undertaking an assessment in early 2006 of progress towards the Brunei Goal of tripling Internet access by the end of 2005.

II. Enabling Digital Opportunities through Effective Policy and Regulation

Recognizing the challenges and opportunities posed by the rapid technological advancement and convergence of telecommunications services, as well as the importance of responding to the constantly changing environment by promoting effective policy and regulatory frameworks within APEC economies, Ministers instruct the TEL to:

- a) Undertake a review of the current APEC *Principles of Interconnection* in light of issues raised by the transition to NGN, including the interoperability of services and networks;
- b) Continue to hold regulatory roundtables as an effective means to exchange views on a wide range of regulatory issues;
- c) Create information resources for consumers to increase consumer awareness and confidence in a changing technical environment; and consider the development of information to address the definition of service characteristics and their communication to consumers;
- d) Consider the regulatory challenges posed by the increasing supply of services across the boundaries of member economies;
- e) Encourage each economy to implement the APEC *Effective Compliance and Enforcement Principles*;
- f) Explore work on the emerging challenges to numbering and addressing, especially in the context of NGN and transitional environments;
- g) Continue work on the TEL Mutual Recognition Arrangement (MRA) implementation project; undertake a stocktake of progress by economies in implementing all facets of the MRA; continue work on the MRA Management System; commence development of a new MRA on the technical requirements of telecommunications equipment; encourage each APEC economy to implement the *Guidelines for the Use of Conformity Assessment Procedures for Telecommunications Equipment by APEC Economies* to promote the streamlining of conformity assessment procedures employed by APEC economies and further expedite the trade of telecommunications equipment with the APEC region; and support further work on a stocktake by regulators, designating authorities and conformity assessment bodies of the impact of the MRA;
- h) Encourage use of the *APEC Best Practices for Implementing the WTO Reference Paper* as a guide; continue the annual update of the TEL study on *Progress Towards Adopting and Implementing the WTO Reference Paper*; update relevant member economies' progress on implementing World Trade Organisation General Agreement on Trade in Services (WTO GATS) Reference Paper commitments; and encourage capacity building and other efforts to assist developing members to participate in the Doha Development Agenda (DDA) round;
- i) Consider how the APEC *Best Practice Guide for RTAs/FTAs*, welcomed by APEC Economic Leaders in Santiago, 2004, may apply to the telecommunications and information sector;
- j) Explore policies to promote innovation and competition in the use of spectrum, including for legacy networks, transitional situations and NGNs – taking into account work in other international organizations; share information on experiences regarding the efficient use of

spectrum; build on member economies' understanding of spectrum policy and regulatory frameworks and their implications for trade and competition; and consider potential training activities on spectrum policy and regulatory issues;

- k) Support policy and regulatory frameworks for standards that promote innovation and competition, including the development of NGNs; participate in mutual recognition arrangements with respect to one another's standards-related measures; and continue work on the *Comparison of the Equivalence of Selected Telecommunications Standards Project*;
- l) Undertake the proposed project on *Evaluation of Access to Domestic and International Leased Lines in the APEC Region*; and
- m) Complete the current *Survey Project on Virtual Private Networks*, with the maximum possible participation by member economies in this work.

Ministers also note that individual economies may consider the outcomes of the review of *Stocktake of Progress Towards the Key Elements of a Fully Liberalised Telecommunications Sector in the APEC Region* in their progress towards liberalisation of the telecommunications sector.

III. Strengthening Security and Prosperity through the Use of Information and Communication Technologies

Ministers confirm the importance of information and communication technologies (ICT) in advancing economic and social development. They reaffirm the necessity of ensuring the protection and security of information infrastructures and recognize the importance of safeguarding of the integrity of the Internet. Ministers recognize the importance of TEL leadership in these areas and commend the work of the TEL. Ministers also note the importance of continuously exploring new areas of work on the challenges which arise from the information society.

In the area of the **security of networks and infrastructure**, Ministers instruct the TEL to:

- a) Continue work on fulfilling the 2002 APEC *Cybersecurity Strategy* and develop a strategy to complement it to guide further APEC work to promote a trustworthy, secure and sustainable online environment;
- b) Strengthen effective response capabilities among APEC economies, including improving the ability to respond and cooperate rapidly and accurately in response to security incidents; and where needed, conduct training courses to improve the effectiveness of the computer emergency response teams (CERTs) and computer security incident response teams (CSIRTS) of APEC members;
- c) Continue its efforts to combat cybercrime, including malicious activities that attack the network infrastructure and the misuse of that infrastructure; and to promote capacity building to counter the threat of cybercrime;
- d) Continue its work on information security aimed at ensuring a trusted, secure, and sustainable online environment, including examination of the security implications of emerging technologies;
- e) Develop a set of guidelines which assist economies to protect from unwanted external attack on the electronic information systems of essential infrastructure and services; and
- f) Pursue cooperative work with other organizations on security issues; and strengthen work on creating a safe on-line environment in the information society, dealing with such issues as spam, to counter threats to the networks, including follow up actions on APEC *Principles for Action Against Spam* and the APEC *Implementation Guidelines for Action Against Spam* and cooperation with international and regional organizations such as the International

Telecommunication Union (ITU), Organization for Economic Cooperation and Development (OECD) and the Association of South East Asian Nations (ASEAN).

Economic Leaders, in their Santiago Declaration, welcomed the inputs from the business community. Economic Leaders further underscored the need to deepen capacity building initiatives in the region through private/public partnerships. Business is a key owner, developer and innovator in the area of telecommunications, and through partnerships the efforts of governments in regulatory and policy areas can best be targeted.

To broaden and deepen **business facilitation**, Ministers call upon the TEL to:

- a) Strengthen existing work and explore new work on information applications for business facilitation such as open standards-based interoperability;
- b) Continue work on user issues, mindful of the need to balance provider and user needs, and aware that e-enabled businesses thrive in an environment where users have the tools necessary to create confidence and trust;
- c) Continue to seek ways to facilitate the use of technology by users, especially small and medium enterprises. In this regard, open new channels of cooperation with other APEC forums as appropriate, such as the Small and Medium Enterprises Working Group;
- d) Explore the possibility of developing a work program for the ubiquitous network society, including in relation to content development;
- e) Continue exploring the use of information and communication technologies (ICTs) to lower trade costs, promote wider use of available information for business, link with universities and other institutions for business education, and provide other types of linkages for business advantages;
- f) Continue work to fulfill the *e-APEC Strategy* and, as appropriate, expand and adjust the strategy to reflect and respond to the changing communications and information environment and to foster greater global information policy coherence; and
- g) Strengthen work on the development of an APEC Informatization Strategy and an APEC Telematics Strategy.

In the rapidly evolving environment which faces the TEL, it will be important for the TEL to continuously cooperate with other relevant international and regional organizations to ensure that its work remains effective and relevant.

IV. Advancing the Information Society through Human Capacity Building

Ministers recognize that building human capacity through life-long learning for people of both genders within the region is essential in achieving the benefits and the realization of a digital society and in narrowing the digital divide. Ministers note the importance of the work currently carried out by the TEL in this regard and instruct the TEL to:

- a) Continue training and development for policy makers, regulators, service providers, chief information officers and users, in the areas of policy development, NGN, e-government, promoting digital opportunities, and good regulatory practices;
- b) Continue development and training to accelerate the TEL MRA;
- c) Continue capacity building initiatives to continue momentum towards the Asia-Pacific Information Society; and

- d) Explore different approaches to human resource development, such as a possible e-university to assist e-government, and the possible use of telecenters; and continue TEL e-Learning initiatives for capacity building by utilizing ICT and emerging NGN technologies.

V. Communication Networks for Disaster Mitigation and Relief Operation

Ministers welcomed the APEC *Strategy on Response to and Preparedness for Emergency and Natural Disasters* endorsed by the APEC Senior Officials at SOM1, 2005, recognizing the importance of effectively preparing for and responding to emergency and natural disasters. In this light, Ministers instruct the TEL to:

- a) Encourage the application of ICT for disaster/emergency detection, mitigation, response, and recovery including the delivery of medical and humanitarian assistance;
- b) Consider areas in which the TEL can support human capacity building related to emergency response and disaster relief initiatives within APEC as a whole;
- c) Continue work on ICT-based disaster early warning systems as part of the TEL's input to APEC-wide work on disaster and emergency response systems, including APEC i-DWS (Disaster Warning Systems) Development Strategy and APEC Guide(s) on i-DWS;
- d) Strengthen effective response capabilities among APEC economies as well as in each economy and recognize that work related to emergency preparedness is being conducted in other APEC fora and that the TEL should cooperate and coordinate with these efforts; and
- e) Explore means to exchange experiences and promote collaboration on crisis management procedures, identifying planning methods to ensure network integrity and information dissemination, including deployment of the infrastructure in cases of disasters and emergencies; and examine the application of existing and advanced information and communications technologies and services for disaster and emergency detection, mitigation, response, and recovery.

Road to the Future

Recognizing the need for the TEL to enhance its effectiveness, better respond to challenges and accommodate the different needs of economies, Ministers hereby direct the TEL to consider ways and means to further improve its working methods and structure to bring more focus into its work.

Ministers also direct the TEL to strengthen cooperation with other APEC fora and with relevant international and regional organizations and consider ways to encourage participation and contribution by the private sector in TEL activities in order to improve its outreach within APEC, as well as at global level.

Ministers congratulate the TEL on its considerable successes to date, and urge it to strive for continued success in the future.

SIXTH APEC MINISTERIAL MEETING ON THE TELECOMMUNICATIONS AND INFORMATION INDUSTRY (TELMIN6)

LIMA, PERU
1–3 JUNE 2005

ANNEX B

KEY PRINCIPLES FOR BROADBAND DEVELOPMENT IN THE APEC REGION

Information and communication technologies support economic prosperity in APEC and the development of the Asia Pacific Information Society. Broadband connectivity has become an essential component of these technologies. Since TELMIN 3 in 1998, Ministers have called upon the TEL to explore the development of broadband information infrastructures, stressing the need to extend broadband capabilities to rural and underserved areas. At TELMIN 5 in 2002, Ministers underscored the need to focus on broadband technology and its implications for economic growth. Noting the *e-APEC Strategy* and the *TEL Digital Divide Blueprint for Action*, Ministers also tied the TEL's broadband efforts to the Ministers and Leaders call to resolve the Digital Divide issues of universal access to ICTs.

Key Principles:

To meet the Bogor and Brunei Goals and other benchmarks for timely development set by Leaders, the APEC TEL Ministers recommend a new objective of universal broadband access. To attain this objective, economies are encouraged to develop and implement domestic broadband policies that:

Maximize Access and Usage

- Facilitate access to broadband services based on competitive and market-based principles within all communities in APEC economies, irrespective of location.
- Emphasize and enhance human capacity building to ensure business, community, and individual users' ability to take advantage of the full benefits of broadband services as well as to protect the integrity of networks.
- Promote the important social and economic benefits of broadband by encouraging the use of broadband in the delivery of government services and assist communities in capturing opportunities for broadband deployment.
- Encourage the development of broadband service technologies, local content, and applications to support the rapid expansion and usage of broadband for the strengthening of economies, societies, and cultures.
- Recognize the critical role of the private sector and academia in the research and development of new broadband technologies, and in the deployment, expansion, and use of broadband infrastructure.
- Consider the strategic use of targeted government incentives for infrastructure expansion to rural, remote, and underserved areas where broadband deployment is not yet commercially viable.

Facilitate Continued Competition and Liberalization

- Support effective competition and continued liberalization in infrastructure, network services and applications in the face of convergence across different technological platforms that supply broadband services.
- Promote competition between different network infrastructures that deliver broadband services, and encourage industry to work towards the compatibility and interoperability of these infrastructures.
- Support market liberalization and pro-competition policies that encourage broadband infrastructure investment and expansion to realize last mile connectivity.
- Promote and support technology choice so that competitive market forces are able to generate the best results for users, while giving due respect to legitimate domestic policy objectives for broadband deployment and taking into consideration the spirit of WTO objectives in this regard.
- Continue efforts towards liberalization and fair and effective competition that support and promote the growth of products, applications and services that can be delivered electronically via broadband.

Foster Enabling Regulatory Frameworks

- Ensure regulatory frameworks are transparent and non-discriminatory to reduce uncertainty and encourage investment.
- Ensure that regulatory frameworks allow the interests of all parties to be considered.
- Develop and maintain regulatory frameworks that promote access to existing infrastructure as well as provide appropriate incentives for new infrastructure investment.
- Promote efficient and effective spectrum use to encourage the provision of broadband services.

Build Confidence in the Use of Broadband Networks and Services

- Instill user confidence in information systems and telecommunications networks by ensuring that reliability, security, and privacy are properly addressed.
- Ensure effective protection of digital intellectual property rights (IPR) through domestic laws generally in accordance with the international treaties and agreements relevant to the individual economy, and promote awareness of respecting IPR while encouraging the use of information and the sharing of knowledge.
- Combat cybercrime by endeavoring to establish domestic legal frameworks that take account of the Convention on Cyber Crime (2001).
- Develop domestic computer incident response capabilities that can cooperate with those of other APEC economies in protecting networks from technological threats.
- Enhance the information and experience sharing of successful projects, practices, strategies and the benefits derived amongst economies to build confidence and facilitate broadband take-up.

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ANNEX C

COMPLIANCE AND ENFORCEMENT PRINCIPLES

Effective compliance and enforcement regimes are essential to enhancing the ICT regulatory, investment and user environment in any economy.

1. The Regulator

1.1. A regulator must be effective and empowered to convince the industry to comply with rules, and to enforce compliance:

1.1.1. The regulator should be independent—separate and not accountable to any telecommunications supplier—to ensure that regulated entities cannot intervene or influence decisions.

1.1.2. The regulator should be empowered with clear authority and jurisdiction over the telecommunications market.

1.1.3. The regulator should be granted a range of enforcement tools to enforce the decisions that it issues. These should include sanctions such as financial penalties, warnings, interim directions, and modification, suspension, and revocation of licenses.

1.1.4. The regulator should be fair and transparent in its rulemaking as well as its enforcement decisions.

2. Compliance

2.1. A compliance framework promotes industry self-regulation and would include:

2.1.1. A compliance statement that explains to operators the benefits of self-regulation;

2.1.2. A transparent set of instructions informing operators what constitutes both compliance and non-compliance;

2.1.3. A set of actions to be adopted by suppliers to demonstrate compliance; and

2.1.4. A process to oversee compliance and enforcement actions.

2.2. A compliance framework, or industry self-regulation, needs to be supported by an effective enforcement regime as a means to encourage industry to comply with a set of behaviours and practices as determined by the regulator.

3. Enforcement

3.1. An effective enforcement regime should embrace four principles:

3.1.1. Fast: Enforcement decisions must be made quickly, decisively and clearly to reduce uncertainty in the market, and deter future violations.

3.1.2. Firm: Penalties must be severe enough to deter violations.

3.1.3. Fair: The enforcement system should be perceived as fair and transparent and decisions for enforcement action must be based on evidence and made publicly available.

3.1.4. Flexible: The regulator must also have a wide variety of tools available to it to ensure that the severity of the punishment matches the severity of the violation.

3.2. To let the regulator enforce its rules effectively, there should be the following provisions:

3.2.1. The regulator should have the power to investigate the actions and records of all telecommunications providers. The regulator should be able to initiate an investigation where it has complete control over the process from start to end.

3.2.2. A timely way for carriers to bring complaints against other carriers with the regulator as the adjudicator.

3.2.3. A mechanism to appeal a decision to a higher level in the hierarchy, whether within the regulatory body, or to the court system.

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ANNEX D

GUIDING PRINCIPLES FOR PKI-BASED APPROACHES TO ELECTRONIC AUTHENTICATION

APEC member economies are encouraged to take the following Principles into consideration when establishing either voluntary or regulated PKI schemes. They are intended to facilitate inter-jurisdictional acceptance of foreign certification authorities (CAs) and the development of cross-jurisdictional recognition arrangements for this purpose. In this regard, they provide only the basis however, as a detailed mapping of all policy, legal and technical aspects is required in order for cross-certification to occur.

These Principles are also intended to help provide guidance to member economies in establishing their authentication policies and assist those with existing policies to identify and address potential deficiencies in their approach.

Finally, it should be noted that, while these Principles have been developed for the PKI environment, they should not be interpreted as advocating any one technology solution over another. Rather, they focus attention on considerations in the PKI environment in view of the predominant role played by public-key cryptography in the electronic authentication marketplace.

I. Legislative/Legal Framework

The development of frameworks that set out parameters for the establishment and operation of certification authorities (CAs) can facilitate cross-jurisdictional acceptance of the services they provide. Such frameworks should allow for the acceptance of services originating in other jurisdictions.

The establishment of legislative and legal frameworks that give legal effect to documents and signatures in electronic form produced by both domestic and foreign CAs will facilitate legal predictability on a cross-jurisdictional basis.

Such frameworks should not unduly require the use of particular technologies. In addition, they should allow for changing market standards, developments in existing technology and the introduction of new technology.

II. Policy Framework

Requirements for the institutional standing of CA service providers (including capital and financing requirements for the establishment and operation of CAs) can generate public trust and confidence and facilitate cross-jurisdictional recognition of certificates issued by those CAs.

Assessment schemes that utilise recognised standards and best practice to ensure technical interoperability between participants can facilitate cross-jurisdictional recognition of certificates.

The implementation of widely accepted technical standards and management in PKI assessment schemes can allow for CAs to be assessed.

Policies and procedures for cross-jurisdictional recognition of PKI assessment schemes can facilitate legal predictability and certainty in respect of certificates issued under those schemes.

III. Operational Framework (Pertaining To Ca Operations)

General

The use of the widely adopted Internet X.509 framework IETF/ RFC 2527 for the Certificate Policy (CP) and Certification Practice Statement (CPS) will facilitate cross-jurisdictional recognition.

Certificate Registration and Validation

The establishment of processes for registration and initial identity validation that are fit for purpose and take into account those processes used in other jurisdictions will facilitate cross-jurisdictional recognition of certificates.

Key Management

The use of key escrow of signature keys can undermine user confidence and impede cross-jurisdictional recognition of certificates.

The use of best practices derived from internationally recognized sources when performing key generation will facilitate cross-jurisdictional recognition of certificates.

The adoption of international best practice that confidentiality and signature key pairs should be different will improve user confidence and facilitate cross-jurisdictional recognition of certificates.

Cryptographic Engineering

The use of internationally recognized cryptographic algorithms of sufficient cryptographic length and strength will facilitate interoperability and cross-jurisdictional recognition of certificates.

Ensuring that cryptographic keys and algorithms are sufficiently strong to protect the cryptographic result from attack for the term of validity of the certificate (e.g. should not exceed 5 years) will increase security and facilitate the cross-jurisdictional recognition of certificates.

The assessment of cryptographic processes to a minimum level of FIPS 140-1 Level 3 or equivalent will facilitate cross-jurisdictional recognition of certificates.

Distinguished Names

The use of accepted best practice for standardizing the contents of Distinguished Names Components in the certificate will facilitate interoperability.

In particular, the use of standard X.509 extensions such as the Policy OID to represent the intended applicability of the digital certificate will facilitate cross-jurisdictional recognition.

Directory Standards

The use of the most commonly used international directory standards such as the X.500 Directory Service or LDAP (lightweight directory access protocol) v3 will facilitate interoperability of PKI applications

Systems and Operations

The use of international best practices for personnel security control and physical security control will enhance security and facilitate the cross-jurisdictional recognition of certificates.

The use of at least dual controls for the operation of CA services and processes (e.g. CA private key control and management) will facilitate cross-jurisdictional recognition of certificates.

The use of guidelines for systems and software integrity and control that are compliant with FIPS, the Common Criteria or equivalent recognised standards will enhance security and facilitate the cross-jurisdictional recognition of certificates.

Establishment of archival policies that ensure the retention of relevant material for a sufficient minimum duration (e.g. a minimum of 7 years) will facilitate the cross- jurisdictional recognition of certificates. The use of time stamps and security mechanisms to prevent any intentional changes to archival records such as the use of hashes should be advocated to facilitate cross- jurisdictional recognition of certificates

Ensuring that the general-purpose repository and certificate revocation list (CRL) are generally available when required will develop user confidence and facilitate cross-jurisdictional recognition of certificates.

Ensuring that facilities are generally maintained to receive and act on requests for suspension when required will develop user confidence and facilitate cross-jurisdictional recognition of certificates.

Management Guidelines

Establishment of business continuity and disaster recovery planning provisions will develop user confidence and facilitate cross-jurisdictional recognition of certificates.

The establishment of provisions or guidance in the event that a CA discontinues will develop user confidence and facilitate cross-jurisdictional recognition of certificates.

The use of compliance audits/assessments by an independent party as part of security best practice for accreditation or licensing will develop user confidence and facilitate cross-jurisdictional recognition of certificates.

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ANNEX E

APEC PRINCIPLES FOR ACTION AGAINST SPAM

Principles

These are the key principles to be considered as a means to reduce or eliminate spam.

1. High level Government commitment and a multilayered approach are cornerstones for the effective control of spam.
2. Strong domestic anti spam regulatory measures are a key component in the undertaking of anti spam activity.
3. Anti spam technology and standards are important in the fight against spam.
4. An agency/agencies should be identified to undertake domestic action and negotiate international coordination and cooperation.
5. The Marketing, ISP and ESP industries, as well as consumers, have key roles in promoting anti spam responses.
6. Domestic and international cooperation is essential to control spam and its effects.
7. The work of other organisations, domestic and international, are resources for anti spam action plans, efforts should be made to make proposals and activity coordinated and consistent.

APEC IMPLEMENTATION GUIDELINES FOR ACTION AGAINST SPAM

Guidelines for economies to consider when implementing actions in the fight against spam.

By Government:

- A. Designate, or appoint a responsible agency/agencies with domestic and international authority.
- B. Establish regulatory arrangements drawing upon appropriate existing and emerging work (OECD Toolkit, ITU activities, the experience of other economies).
- C. Establish bilateral and multilateral arrangements as appropriate (see attached Best Practice Template for indicative areas to include).
- D. Encourage and assist the anti spam activities of ISPs and ESPs, e-marketers, mobile telephony service providers and consumers.
- E. Encourage the development and implementation of an adequate legal and policy framework to combat spam.

By the Identified anti Spam Agency/Agencies

- F. Focus domestic activities and international cooperation and coordination against spam.
- G. Educate consumers (behaviour on the net, maintenance of software, use of appropriate technology, choosing ISPs, the implications of and damage caused by spam).
- H. Coordinate with ISPs, ESPs and e-marketers on responses to spam.
- I. Enforce anti spam regulatory measures, including, but not limited to, technical standards and requirements.
- J. Contribute to international cooperation (ITU work, MoUs with other economies).

By Industry

- K. E-Marketers set the extent of responsible and reasonable behaviour (to preserve the e-market).
- L. ISPs and ESPs should develop cooperative governance and technical arrangements to limit spam.
- M. Develop systems to gather evidence for anti spam regulatory enforcement action.
- N. Promote understanding of issues by relating to key stakeholders such as end users and business partners
- O. Explore the option of creating a Code of Conduct for the purposes of self-regulation.

By Consumers and the Public

- P. Become informed consumers
- Q. Adopt responsible behaviour to limit spammers access to email addresses.
- R. Maintain up to date computer operating systems, anti virus and anti spam software.
- S. Assist ISPs, ESPs and the anti spam agency by providing evidence to assist in the enforcement of anti spam regulations.

MEETING OF APEC MINISTERS RESPONSIBLE FOR TRADE

JEJU, REPUBLIC OF KOREA
2–3 JUNE 2005

STATEMENT OF THE CHAIR

We, the APEC Ministers Responsible for Trade (MRT), representing economies accounting for 46 percent of world trade, 57 percent of the global GDP and 45 percent of the global population met on 2 - 3 June 2005, in Jeju, Korea. The meeting was chaired by H.E. Mr. Hyun Chong Kim, Minister for Trade, Republic of Korea, and was also attended by the Director General of the World Trade Organisation (WTO). The APEC Business Advisory Council (ABAC), the Pacific Economic Cooperation Council (PECC), the Association of South-East Asian Nations (ASEAN), the Pacific Islands Forum (PIF) and the APEC Secretariat were also present.

In advancing APEC's work this year, we focused our discussions around the APEC 2005 theme: "Towards One Community: Meet the Challenge, Make the Change." We reaffirmed our commitment to achieving trade and investment liberalisation and facilitation in the APEC region by 2010 and 2020, and resolved to push it forward continually in this regard. We stressed the vital importance of the Doha Development Agenda (DDA) to an open and inclusive multilateral trading system that promotes both development and the rule of law, and the need for the success of the 6th WTO Ministerial Meeting in Hong Kong, China. We adopted a stand-alone statement on APEC's support for the WTO DDA negotiations in addition to our inter-sessional statement on the WTO DDA services negotiations adopted on 9 May 2005.

We welcomed the report of the Chair of the APEC Senior Officials' Meeting (SOM) on the progress of APEC-wide efforts since the beginning of the year, and urged officials to continue their efforts so that they could bring forward meaningful deliverables when we meet again at the APEC Ministerial Meeting (AMM) in November.

Strengthening the Multilateral Trading System

1. APEC's Contribution to the WTO Doha Development Agenda (DDA) negotiations

We issued a separate statement on the DDA, in which we expressed our strong, unwavering commitment to move the negotiations forward and to spare no efforts to achieve a successful outcome at the 6th WTO Ministerial Conference to be held on 13-18 December 2005 in Hong Kong, China, thereby setting the stage for a successful conclusion to the Doha Round in 2006.

We underscored that an ambitious and balanced outcome of the DDA is of major importance for the achievement of the Bogor Goals and will serve as a powerful engine for economic growth, and as a means to improve the welfare of millions of our citizens.

2. WTO Capacity Building

We reaffirmed the importance of trade-related capacity building as a tool to enable developing economies to fully participate in WTO negotiations and/or to accede to the WTO and maximize the potential of trade as a tool for social and economic development. We instructed officials to implement capacity building activities across the full range of areas included in the Doha Round negotiations, and to continue to evaluate APEC's past capacity building activities, drawing on the expertise of APEC members as well as international organisations and to report on their progress at the APEC Ministers' Meeting in November. Moreover, we called for APEC's further attention to the issues of

multi-stakeholder and intra-governmental consultations, recognizing that these are crucial tools for APEC members to identify their interests and build consensus before and during trade negotiations. We also welcomed the first policy-oriented WTO Capacity Building (WTOCB) workshop on Best Practices in Trade Facilitation Capacity Building held in May in Jeju, Korea, and urged officials to continue work in this area based on the workshop's recommendations.

3. Accession of APEC members to the WTO

We reaffirmed our strong support for the endeavours made to urgently conclude the accessions negotiations of the Russian Federation and Viet Nam to the WTO.

Mid-term Stocktake of the Bogor Goals

We recalled the important decision of Leaders made in Shanghai in 2001 to conduct a mid-term stocktake of APEC's overall progress towards achieving the Bogor Goals of free and open trade and investment in the region by 2010 for industrialised economies and 2020 for developing economies. We recognised the importance of this exercise for APEC as a forum composed of leading trading economies. We took note of the significant progress achieved thus far by member economies towards the Bogor Goals. APEC economies have made huge strides in opening and liberalising their economies since the Bogor Goals were agreed. Nevertheless, it is becoming clear that APEC will need to set new mid-term objectives to ensure that it keeps pace with the rapidly evolving trade and investment agenda and to support multilateral efforts to deal with sensitive sectors.

We welcomed the progress report from officials that the entire process of the stocktake was well underway and that a productive symposium on the issue was held in Jeju on 28 May 2005 at which members and stakeholders presented their views. We were encouraged to hear that a range of ideas have been raised for taking the APEC agenda forward.

We agreed that the mid-term stocktake is a priority for APEC 2005 and should provide a clear-sighted, forward-looking and policy-oriented assessment of APEC's progress, as well as practical recommendations on any further action required to achieve the Bogor Goals. These recommendations will also respond to the request made by Leaders in the 2004 Santiago Initiative.

We instructed officials to continue their work and to develop a roadmap towards the target years of the Bogor Goals with a view to creating open, predictable, and non-discriminatory trading environments in the Asia-Pacific region. We look forward to our officials' final report at the APEC Ministerial Meeting in November setting out areas including priorities to guide members towards achieving the Bogor Goals by 2010 for industrialized economies and by 2020 for developing economies.

Trade and Investment Liberalisation and Facilitation (TILF)

We reviewed APEC's trade policies and measures that contribute to trade and investment expansion and economic growth in the Asia-Pacific region and welcomed the progress in the implementation of the following areas:

1. Advancing Trade and Investment Liberalization

Individual and Collective Action Plans

We welcomed the successful Individual Action Plan (IAP) Peer Reviews of Brunei Darussalam, Malaysia, Indonesia, Viet Nam, Papua New Guinea, Russia, and the Philippines in March. We congratulated officials on their successful completion of the IAP Peer Reviews of all twenty one (21) member economies as our Leaders had instructed in 2001. We highly commended the dedication of officials and experts, and the efficient assistance of the APEC Secretariat in this regard.

We reaffirmed the critical value of providing information to the submitted IAPs on economies' trade and investment regimes in order to make APEC's work transparent and accountable in tracking

progress. We welcomed recommendations from officials to further improve the IAP Peer Review process and took note of their discussions on possible future modalities. We instructed officials to explore a framework for future IAP Peer Reviews and report back to us at the next AMM.

We welcomed the progress made in the Collective Action Plans (CAPs) and instructed officials to continue to review and update them in order to substantially contribute to APEC's commitment to free and open trade and investment in the Asia-Pacific region by 2010/2020. We endorsed the APEC-OECD Integrated Checklist on Regulatory Reform (Checklist). The Checklist is a voluntary tool that member economies may use to assess their respective regulatory reform efforts. Officials will continue to explore ways to work with the OECD to disseminate the Checklist, and to assist economies in utilising this tool.

Customs Duties on Electronic Transmissions

We instructed officials to continue discussions on the proposal for a permanent WTO moratorium on customs duties on electronic transmissions. We noted the value of a permanent moratorium in creating a predictable investment environment for business and fostering innovation, while noting that these discussions must take due consideration of the positions any APEC economy may take in the WTO.

2. Trade Facilitation

We welcomed the increasing attention that APEC has been devoting to trade facilitation, in recognition of its growing importance to our business community and the practical benefits it produces for business, particularly in the areas of movement of goods, standards and conformance, business mobility and e-commerce. We also welcomed the Trade Facilitation Action Plan – Roadmap to 2006 and instructed our officials to continue their efforts to accomplish the goal of a five percent reduction in transaction costs by 2006. We urged officials to accelerate their efforts to implement the APEC Leaders' commitment to trade facilitation in the Santiago Initiative for Expanded Trade in APEC and instructed officials to work with business and stakeholders and report on their progress at the AMM. In this regard, we appreciated the initiative made by Viet Nam on enhancing dialogue with the private sector in building up and implementing the trade facilitation agenda. This included a commitment to collaborate in reducing business transaction costs by cutting red tape, embracing automation, harmonising standards and eliminating unnecessary barriers to trade, advancing trade facilitation negotiations in the WTO, promoting secure trade, developing demand-driven capacity building activities for developing economies and building on the APEC Best Practices for RTAs/FTAs in the area of trade facilitation.

We look forward to tangible progress in these areas when officials report back to the AMM in November on the progress related to the Santiago Initiatives.

3. RTAs/FTAs in the Multilateral Trading System

We noted the rapid spread of Regional Trade Arrangements/Free Trade Agreements (RTAs/FTAs) in the APEC region. We also noted the benefits of high quality agreements to broaden trade liberalisation and to achieve the Bogor Goals. We agreed that APEC should play an active role in the area of RTAs/FTAs through, *inter alia*, exchanging information on best practices, exploring the best practices in certain fields, and pursuing other activities that would promote a common understanding on RTAs/FTAs among APEC economies, where possible, starting with trade facilitation. We instructed officials to develop further proposals in this area.

We reiterated our support for the APEC Best Practices on RTAs/FTAs agreed last year as a meaningful reference and noted that when applied, the Best Practices can contribute to trade and investment liberalisation and facilitation and improve the quality of RTAs/FTAs.

To further enhance transparency of RTAs/FTAs in the region, we agreed to ensure that our respective economies' notifications of RTAs/FTAs to the WTO are up to date.

We concurred that APEC members could continue to make positive contributions by supporting the efforts of the WTO to clarify and improve disciplines and procedures under the existing WTO provisions applied to RTAs/FTAs, and agreed to forward the APEC Best Practices to Geneva Caucus for discussion on possible ways to contribute to the WTO negotiation. We agreed that the Best Practices could make a substantial contribution to the Bogor Goals by showing economies a way to improve RTAs/FTAs. We also agreed to make efforts to use the Best Practices as a reference with respect to RTAs/FTAs currently being negotiated and with respect to those that may be negotiated in the future on a voluntary basis. In that regard, we instructed our officials to continue their important work on how Best Practices contribute to the improvement of the quality of RTAs/FTAs in the region and to promote greater convergence and coherence.

We also welcomed the discussion by our officials on trade facilitation in RTAs/FTAs at the Policy Dialogue on RTAs/FTAs and ABAC's call to prioritize trade facilitation in the APEC region. We welcomed the APEC International Workshop on Identifying and Addressing the Possible Impacts of RTAs/FTAs Development on Developing Member Economies to be held in Hanoi, Viet Nam from 28 - 30 June 2005 and encouraged APEC members to actively attend the workshop in order to bring about fruitful outcomes.

We agreed that provisions on transparency, consistency, release of goods, modernization and paperless trading, risk management, cooperation, fees and charges, confidentiality, express shipments, review and appeal, penalties, and advance rulings should be core elements of the trade facilitation chapters of RTAs/FTAs in the region. We instructed officials to use this list as a basis to develop possible model measures on trade facilitation for RTAs/FTAs, to be endorsed by Ministers and Leaders in November.

To enhance transparency, we encouraged all economies to submit their RTAs/FTAs IAP reporting templates this year to enable economies to share information on their RTAs/FTAs. We also welcomed the inclusion on the APEC Secretariat's website of links to information on APEC member economies' RTAs/FTAs, as provided by member economies and encouraged the APEC Secretariat and economies to maintain currency of the links.

4. Pathfinder Initiatives

We stressed the importance of ensuring progress and retaining momentum in the Pathfinder Initiatives. In accordance with the guidelines of the Pathfinder Initiatives that we adopted in Santiago last year, we tasked officials to examine all aspects of current Pathfinder Initiatives and to exercise proper discipline under the guidelines to ensure their implementation.

We supported the Leaders' mandate to allow technology choice in the October 2003 Leaders' Declaration and the 2004 Leaders' Pathfinder Statement to Implement APEC policies on Trade and the Digital Economy. We noted the successful workshop on technology choice held at SOM I.

We encouraged officials to continue their efforts to further identify areas in APEC that might serve as potential candidates for the pathfinder approach and encouraged further discussions on their implementation.

5. Strengthened Intellectual Property Protection and Enforcement

We reaffirmed the important contribution of effective intellectual property rights (IPR) protection and enforcement in promoting investment, spurring innovation and driving economic growth, and reiterated the need to build on APEC's work already underway in this area.

We urged economies to take concrete steps to reduce trade in counterfeit and pirated goods, curtail online piracy, as well as to increase cooperation and capacity building. We therefore endorsed the APEC Anti-Counterfeiting and Piracy Initiative and instructed officials to intensify their work in the coming months to develop the guidelines called for in the Initiative as concrete deliverables for the

November AMM. We stressed the need to provide capacity building and encouraged exchange of experience to strengthen intellectual property protection and enforcement cooperation among member economies. In this regard, we welcomed the APEC high-level symposium on IPR to be held in Xiamen, China in September this year.

6. Food Cooperation

We welcomed the initiative of China, Thailand, Australia and Viet Nam to advance food cooperation in APEC. We noted that over USD167 billion in food products were traded in the APEC region and commended officials for their work in identifying an appropriate role for APEC in the area of food cooperation.

Human Security

Sharing the pain of bereaved families in the recent tsunami-stricken areas, we expressed deep concerns and reiterated our commitment to strive for a safe and secure business environment in the region.

1. Fighting Terrorism

The continued threat of terrorism confronting the APEC region and elsewhere highlights the importance of international collaboration to undertake and enforce effective measures related to trade security. We recognised that a safe and secure business environment is an essential requirement for the security and long term prosperity of our economies and reaffirmed the importance of achieving security and facilitation of trade as mutually reinforcing goals.

We welcomed the work undertaken by the Counter-Terrorism Task Force (CTTF) on the human security agenda endorsed by Leaders in Santiago and the agreement of officials on the new terms of reference and work plan for the Task Force. We welcomed the successful completion of the first term of the Counter-Terrorism Task Force and the establishment of the Counter Terrorism Action Plan (CTAP), and reaffirmed the importance of achieving security and facilitation of trade as mutually reinforcing goals through concrete counter-terrorism and human security measures elaborated by the CTTF.

We welcomed the progress made in implementing the Secure Trade in the APEC Region (STAR) Initiative, including the successful holding of the third STAR Conference (STAR III). We noted the recommendations made at STAR III that APEC should engage in cooperative efforts with international organisations and adopt specific trade security programs proposed by these organisations including the World Customs Organisation (WCO) Framework of Standards to Secure and Facilitate Global Trade. In that regard, we welcomed the in-principle endorsement by a relevant CTI sub-forum of the APEC Framework for Secure Trade, which is based on the WCO Framework. We agreed to implement the APEC Framework as soon as possible and to report to Leaders in November on progress towards that end. We further encouraged the participation of the private sector in the implementation of the STAR Initiative, recognizing the importance of private-public partnerships in balancing the interest between security and trade.

We welcomed progress made last year to identify key elements of effective export control systems, to establish control guidelines for Man-Portable Air Defense Systems (MANPADS), and to urge implementation of the IAEA Additional Protocol within APEC. We affirmed the necessity of taking further action including building APEC members' and the private sectors' capacity to facilitate the flow of legitimate trade while taking actions to prevent illicit trafficking in weapons of mass destruction, their means of delivery and related items in line with our respective circumstances.

We welcomed the substantial progress made in the Regional Trade and Financial Security Initiative to support APEC's on-going work on counter-terrorism within the context of human security, and encouraged member economies to contribute to the Fund.

We acknowledged the necessity to balance the need for a heightened security environment against the additional burdens that such an environment would place on businesses. Therefore, we instructed officials to discuss and take effective trade facilitation measures to balance the objectives of facilitation and security, and to minimise the additional transaction costs brought about by security measures.

We agreed that capacity building is essential to help member economies to implement security related initiatives. We, therefore encouraged economies to assist one another in building safe and secure trading systems, and were pleased with the efforts made towards capacity and confidence building measures that have been undertaken so far to this end.

2. Energy Security

We reiterated the concerns of member economies on the impact of heightened oil prices on trade and look forward to the outcomes of the study by the Energy Working Group (EWG) to be conducted. We also encouraged the EWG to continue its implementation of the Energy Security Initiative, including work on liquefied natural gas (LNG) market development, emergency response measures including establishment and management of oil stockpiling, new and renewable energy, and clean and efficient energy. We encouraged the implementation of the CAIRNS Initiative by related APEC fora. We continue to support the development of data transparency, energy efficiency, and alternative and renewable energy sources.

3. Emergency Preparedness

We recalled with great sadness the tragic loss of lives and economic capacity in the APEC region as a result of the tsunami in the Indian Ocean and other emergencies and natural disasters.

We welcomed the APEC's Strategy on Response to and Preparedness for Emergency and Natural Disasters adopted by our officials at SOM I this year soon after the disastrous tsunami.

We welcomed the swift steps officials have taken to adopt APEC's Strategy on Response to and Preparedness for Emergency and Natural Disasters and to establish the APEC Task Force on Emergency Preparedness (TFEP) under joint Australian-Indonesian chairmanship. We endorsed the recommendations that emerged from the first meeting of the Task Force held in Bali, Indonesia, on 2-3 May including the mandate of the Task Force, the website strategy and the comprehensive work plan. We instructed officials to attach high priority to this valuable APEC work and to focus their efforts in areas where APEC could add value to the work of other organizations without duplicating previous efforts. We also instructed officials to report back on activities of all relevant APEC fora in this regard when we meet again at the AMM.

Strategic emergency and disaster management will aid APEC in mitigating the devastating economic effects on member economies from events such as the Indian Ocean tsunami. This work will also assist in the task of economic rehabilitation in affected APEC economies.

4. Health Security

We recognized that the APEC Health Task Force (HTF) is a vehicle for regional cooperation in health security and commended the efforts of the HTF in initiating projects in response to the tasking by Leaders. We welcomed the extension of the terms of the HTF and looked forward to further discussion on trade-related health matters in the HTF.

Anti-corruption and Transparency Standards

We recognized that corruption is a serious threat to good governance and deters investment and that fighting corruption is essential for the development of our economies.

We welcomed the launch of the APEC Anti-Corruption and Transparency Experts Task Force (ACTETF) and look forward to the International Symposium on Anti-Corruption and Transparency, which will take place in September along with its ensuing recommendations. We called for close coordination and collaboration amongst all economies, APEC fora, the business sector and other related international organisations in implementing the APEC ACT Course of Action and enforcement of anti-corruption commitments.

We reiterated the importance of the fulfilment of the APEC Transparency Standards and the area-specific Transparency Standards. We affirmed our commitment to complete the IAP templates for reporting on implementation of the Transparency Standards as part of our IAP submissions to the AMM.

We instructed all relevant APEC fora to work with the Anti-Corruption Task Force to explicitly include anti-corruption in their work plans, and report on concrete actions by the 2005 AMM.

We committed to taking all appropriate steps toward the early ratification and implementation, where appropriate, of the UN Convention Against Corruption (UNCAC). APEC member economies that are not members of the United Nations will positively consider and make efforts to achieve the measures, practices, and goals set out by the UNCAC through ways consistent with their respective status. We further agreed to intensify regional cooperation to deny a safe haven for officials and individuals guilty of public corruption, to investigate and prosecute corruption offences and to trace, freeze and recover the proceeds of corruption by developing best practices and training workshops. We welcomed our growing partnerships on anti-corruption and transparency with the United Nations (UN), the World Bank, the Asian Development Bank (ADB), the Organisation for Economic Cooperation and Development (OECD), and other multilateral organisations and called for greater coordination among APEC fora.

We welcomed ABAC's determination to promote the highest level of integrity and ethics in conducting their business affairs and in effectively implementing principles of good corporate governance.

Sharing Prosperity of the Knowledge-based Economy

In today's global economy increasingly interconnected by technology, we recognise the importance of expanding and improving the digital capabilities and skills of all APEC Member economies. In this context, we acknowledged the progress made by the APEC Digital Opportunity Centre (ADOC) in bridging the digital divide and look forward to reviewing ADOC's accomplishments following its upcoming ADOC Trainers Program, ICT Elite Camp, and ADOC Week 2005. We are confident that such events will greatly enhance the ability of economies to participate in and contribute to the global economy, thus facilitating trade and investment.

We affirmed the expansion of trade in information and electronic products that has contributed to economic development in the Asia-Pacific region. We look forward to the APEC Seminar on IT/Electronics Industry to be held in September.

Economic and Technical Cooperation (ECOTECH)

We reaffirmed the utmost importance of ECOTECH as a pillar of APEC and instructed our officials to develop concrete, demand-oriented actions to implement the ECOTECH priorities and to ensure the balance between ECOTECH and TILF. We welcomed progress in further exploring ways to interact and cooperate with international financial institutions (IFIs). We instructed officials, in close collaboration with the Finance Ministers' Process, to identify a specific issue area that would allow APEC and IFIs to focus their discussions on and to work together with all related APEC fora, and requested other sectoral ministerial meetings to join these efforts as well.

SMEs and MEs

We noted the importance of small and medium-sized enterprises (SMEs) and micro-enterprises (MEs) for economic growth in the APEC region. We affirmed that APEC's work on intellectual property rights, trade facilitation, transparency, anti-corruption, strengthening economic legal infrastructure and structural reform can benefit SMEs, MEs and female-owned enterprises. We instructed officials to work towards helping them join the formal economy if they have not done so and to continue to identify projects which will increase their competitive capabilities to enable them to participate gainfully in the international trading system. We encouraged the relevant fora and SMEWG to work together in these areas.

Gender

We recognised the different impacts and opportunities that trade presents for men and women, and the relevance of integrating gender concerns into trade policy. We instructed officials to proceed with follow-up activities to the project 'Supporting Potential Women Exporters,' including: reporting on economies' current policies to support women exporters; identifying the APEC region's best practices on the basis of those reports; and working to identify and implement trade facilitation and transparency measures that meet the needs of women exporters and small businesses.

Structural Reform

We noted the new mandate given to the Economic Committee (EC) to coordinate and contribute to structural reform work in APEC and instructed officials to make considerable progress based on the Leaders' Agenda to Implement Structural Reform (LAISR) and the concerted efforts of all related APEC fora. We look forward to the Structural Reform Capacity Building Symposium to be held in September.

Interaction with the Business Community

1. Dialogue with the APEC Business Advisory Council (ABAC)

We recognised the role of ABAC in providing advice on concrete initiatives to improve the business environment in the Asia-Pacific region.

We welcomed the ABAC 2005 Interim Report to APEC Economic Leaders. We committed ourselves to take ABAC's recommendations into account, where appropriate, as we pursue an ambitious agenda and concrete outcomes. We emphasized the need to continue strengthening the linkage and relationship between the government and the business sector.

We requested ABAC to continue its cooperation with officials for better collaboration and effective deliverables this year.

2. Industry Dialogues

We welcomed the work of the industry dialogues to improve understanding between the public and the private sector, and to bolster APEC's contribution to the DDA, including trade facilitation, non-tariff barriers and transparency.

Automotive Dialogue

We noted the efforts made by the Automotive Dialogue to contribute to the WTO DDA negotiations by collaborating with the Geneva Auto-Industry Dialogue and we encouraged the continuation of its discussions on trade facilitation, IPR, rules of origin and environmental issues in the automotive sector.

Chemical Dialogue

We welcomed the work of the Chemical Dialogue to advance APEC's contribution to the WTO on non-tariff barriers, which supports efforts in the Negotiating Group on Market Access for Non-

Agricultural goods (NAMA) to address barriers of commercial significance. We note our continued concern over the potential impacts of the EU's chemical policy, the REACH System, which could affect additional industries including minerals, ores and concentrates, as well as chemicals. While we support the goals of protecting human health and the environment, we reiterated our position that these measures should not constitute an unnecessary burden on industries or be more trade restrictive than necessary. Ministers welcomed the progress on GHS implementation and encouraged economies to coordinate closely on timelines and capacity-building.

Life Science Innovation Forum (LSIF)

We welcomed the progress in the implementation of the Life Sciences Strategic Plan as a way to promote global public health, as well as trade and investment in innovative life sciences products and services. We also recognized the important role of APEC's Life Sciences Innovation Forum as a vehicle for collaboration and partnership among government and the private sector.

Non-Ferrous Metals Dialogue (NFMD)

We welcomed the first Non-ferrous Metals Dialogue and look forward to its contribution to a better understanding on the issues related to trade liberalisation and facilitation in the non-ferrous metals sector. We acknowledged the action plan of the NFMD and took note of the NFMD's attention to the specific impact that EU REACH regulation may have on the minerals and metals sector of APEC economies and the importance of coordinating its actions on this issue with the Chemical Dialogue.

High Level Policy Dialogue on Agricultural Biotechnology (HLPDAB)

We welcomed the recommendations of the 4th HLPDAB to encourage intra-governmental dialogue as member economies consider the development and implementation of biotechnology policies, such as implementation of the Cartagena Protocol on Biosafety, and to better understand the cost implications of implementation of the Cartagena Protocol.

APEC Reform

We welcomed progress by officials to advance work on APEC Reform focusing on three areas: financial stability, continuous reform, and higher efficiency through better coordination. We instructed officials to continue this work and report back to the AMM.

We endorsed the guidelines agreed upon by officials on the establishment of an APEC Support Fund (ASF) to supplement resources available for APEC's capacity building work. We noted the importance of APEC's important capacity building work, welcomed Australia's commitment to the fund (one million Australian dollars) and urged other member economies to consider bestowing contributions. We instructed officials to have the Fund in operation by the end of 2005.

MEETING OF APEC MINISTERS RESPONSIBLE FOR TRADE

JEJU, REPUBLIC OF KOREA
2–3 JUNE 2005

MINISTERIAL STATEMENT ON DOHA DEVELOPMENT AGENDA (DDA) NEGOTIATIONS

1. We, the APEC Ministers Responsible for Trade¹, reaffirm APEC Economies' strong support for the multilateral trading system and the WTO Doha Development Agenda (DDA). The DDA negotiations offer a unique opportunity to significantly expand trade, promote global economic growth and foster development. We reiterate our commitment to conclude the DDA negotiations in 2006 in such a way that fulfills the high ambition set out in the Doha Ministerial Declaration.
2. This goal poses a formidable challenge; time is short, and a huge amount of work remains to be done, to which all WTO Members must contribute. We are thus gravely concerned that the progress of the negotiations since July 2004 has not matched our expectations, putting the negotiations seriously behind schedule. We, therefore, commit ourselves to working with a sense of utmost urgency to move the negotiations fast forward and invite all WTO Members to join us in this endeavor.
3. We stress the particular importance of the Sixth WTO Ministerial Conference, to be held in Hong Kong, China on 13-18 December 2005, paving the way for the conclusion of the DDA negotiations. We commit ourselves to producing an ambitious and balanced outcome at the Hong Kong Ministerial, including ambitious modalities for agriculture and non-agricultural market access (NAMA), an ambitious outcome in services, significant and substantial progress in rules and trade facilitation, and integration of the development dimension into all areas of the negotiations.
4. No efforts should be spared to establish a solid basis for a successful outcome of the Hong Kong Ministerial. We commit and direct our officials to make every effort to achieve by July 2005 substantive progress that includes:
 - a common understanding on the shape and core elements of the modalities for NAMA, commensurate with agriculture, that can deliver substantial improvements in market access opportunities, including a Swiss formula with coefficients to be negotiated for tariff reduction applied on a line-by-line basis, the principle of binding all tariff lines and making them subject to the tariff reduction formula while recognizing the need to address APEC Members' concerns regarding the treatment of low unbound lines and instructing our officials to find a pragmatic solution, a critical mass approach to developing sectoral initiatives on a voluntary basis, a pragmatic approach to addressing non-tariff barriers, and special and differential treatment for developing Members including less than full reciprocity in reduction commitments;
 - a common understanding on the shape and core elements of the modalities for agriculture, including the tiered formula for tariff reduction and treatment of sensitive products with necessary flexibility that will lead to substantial improvements in market access opportunities for all products, the tiered formula for achieving substantial and harmonizing reductions in

¹ APEC economies that are not WTO members, Russia and Viet Nam, are negotiating to become WTO members and their support to this stand-alone Statement on the WTO DDA negotiations should be without prejudice to the terms and position of their accession negotiations to the WTO.

trade-distorting domestic support, the process for eliminating all forms of export subsidies by a credible date to be agreed, and special and differential treatment for developing Members including special products and special safeguard mechanism;

- a critical mass of initial and revised offers in services, for which the APEC economies will lead by example, a framework for a collective assessment thereof with a level of ambition that will lead the way to creating commercially meaningful new business opportunities in sectors and modes of supply of export interest to all Members, particularly developing Members, as well as progress in rule-making aspects of the negotiations;
 - the development of a focused process to define the scope and direction of clarification and improvements of rules in preparation for text-based negotiations, as well as a solid roadmap up to and beyond the Hong Kong Ministerial, with a view to ensuring clearer and more predictable trade disciplines;
 - the intensification of the works on trade facilitation by identifying the possible elements of a final outcome, based on proposals and comments, that will enable all Members to further expedite the movement, release and clearance of goods; and
 - the reflection of the development dimension in all negotiating areas, recognizing that the most effective way to promote development is through the removal of market distorting measures and the improvements in real market access by all WTO Members, especially in the areas of interests to developing and least-developed countries, as well as progress in the works on making existing special and differential treatment more precise, effective and operational.
5. We note that high-level engagement, including informal and regional Ministerial Meetings, has played an important role in providing the necessary leadership and guidance for the Geneva process. We agree to provide continued political direction and support for multilateral trade liberalization to further facilitate the negotiations in Geneva. In this light, we welcome China's initiative to host an informal Ministerial Meeting in Dalian, China on 12–13 July 2005.
 6. We support the work undertaken by the APEC Geneva Caucus to advance the negotiations, in particular in the area of trade facilitation, and instruct it to continue its work with a view to sharing APEC's experience with the WTO Members, contributing to the success of the Hong Kong Ministerial and promoting an ambitious conclusion of the DDA negotiations. We also welcome the forthcoming visit of members of the APEC Business Advisory Council (ABAC) to Geneva on 13–14 June 2005 in an effort to provide business input to the DDA negotiations.
 7. We extend our sincere appreciation for the important contribution that Dr. Supachai Panitchpakdi has made to the multilateral trading system and the DDA negotiations as Director-General of the WTO over the past three years. Bringing the negotiations to a successful conclusion will require a continued strong leadership in the period ahead. We welcome the appointment of Mr. Pascal Lamy as Director-General from 1 September 2005 and offer him our full support.

MEETING OF APEC MINISTERS RESPONSIBLE FOR TRADE

JEJU, REPUBLIC OF KOREA
2–3 JUNE 2005

APEC MINISTERS CALL FOR PROGRESS ON SERVICES

We, the Ministers Responsible for Trade of APEC economies who are members of the WTO*, are seriously concerned about the slow progress in the services negotiations under the Doha Development Agenda (DDA). An urgent effort is required to impart momentum into these negotiations and to ensure a speedy and balanced outcome from the Round.

Competitive services sectors are of crucial importance for the efficient functioning of our economies. They promote innovation, and they permit the easy interaction of all economic sectors. Meaningful offers in sectors and modes of supply of interest to all economies, with particular attention to be given to developing economies, will support these aims further.

We recognize the importance of targeted technical assistance for WTO developing members with a view to enabling them to participate effectively in the negotiations. We also note that efforts should be made by WTO members to conclude the negotiations on rule-making under GATS Articles VI:4, X, XIII and XV in accordance with their respective mandates and deadlines.

In Santiago in November 2004 we called on all APEC members to submit urgently their initial offers if they had not yet done so, and to meet the agreed WTO deadline of May 2005 for improved revised offers. All APEC members are aiming to achieve this. We now call on all other WTO members to do likewise. Doing so will a substantial and tangible contribution to the Hong Kong WTO Ministerial Conference in December.

* APEC economies that are also WTO members are: Australia; Brunei Darussalam; Canada; Chile; China; Hong Kong, China; Indonesia; Japan; Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; the Philippines; Singapore; Chinese Taipei; Thailand and the United States. Russia and Viet Nam are negotiating to become WTO members and their support to this Ministerial Statement is without prejudice to the terms and position of their accession negotiations to the WTO.

APEC BUSINESS ADVISORY COUNCIL 2005

BUSAN, REPUBLIC OF KOREA
17–19 NOVEMBER 2005

REPORT TO APEC ECONOMIC LEADERS 2005 NETWORKING ASIA-PACIFIC: A PATHWAY TO COMMON PROSPERITY

EXECUTIVE SUMMARY

ABAC continues to believe in APEC as the regional institution that:

- can bring about the realization of the business vision of an Asia-Pacific community where goods, services, finance and people move freely;
- ensures that the prosperity resulting from this integration is enjoyed by all economies and societies within those economies; and,
- provides a sound framework for responding to regional crisis.

However, having reached the midpoint of the deadline to the Bogor Goals, questions are being raised whether APEC can achieve these goals. This comes at a time when the multilateral trading system is in danger of weakening and being supplanted by bilateral trading arrangements.

At the same time, while the world economy enjoyed one of its strongest years of growth last year and robust growth is expected to continue this year—albeit at a more moderate pace—there are risks to this outlook which include:

- the increasingly unbalanced nature of the expansion and rising imbalances between major economies;
- a tightening of financial market conditions which are leading to a rise in interest rates; and
- volatile and higher oil prices.

These risks and challenges notwithstanding, ABAC believes that the world economic conditions present APEC economies an opportunity to undertake reforms needed to bolster medium-term economic growth prospects. Against this backdrop, ABAC has put forward the following recommendations calling on APEC to:

1. Lead in the successful conclusion of the Doha Round.

ABAC strongly believes there is no issue more urgent or more deserving of greater attention in the APEC region and urge APEC Leaders to demonstrate leadership within the WTO negotiations, and redouble their efforts in the following areas:

- Agriculture – Major liberalization of trade in agricultural products including a major reduction in tariffs, a significant increase in minimum market access obligations and the elimination of export subsidies within five years.
- NAMA – Elimination or substantial reduction of barriers for nonagricultural products.
- Trade Facilitation – Enhance transparency, simplicity, standardization and expeditious movement of goods and WTO capacity building in this area.
- Services – Improve the quality of services offers. (APEC negotiators should be encouraged to use the ABAC checklists as benchmarks for the removal of investment impediments and to assess and improve the quality of offers in financial sectors.)

2. Respond to the Santiago Initiative.

ABAC has responded to the invitation of APEC Leaders to provide its views on emerging trade facilitation issues as well as the benefits and challenges that arise for business from the increasing number of RTAs/FTAs in the region and ways that these can be addressed with the following recommendations:

- Launch the Trans-Pacific Business Agenda as a more structured and concerted approach to trade and investment facilitation within APEC in priority areas such as customs processing, standards and conformance, professional qualifications, intellectual property and regulations;
- Establish a high level task force to examine the feasibility of a Free Trade Area of the Asia-Pacific; and
- Develop a more comprehensive work plan focusing on developing model measures to encourage free and open trade and convergence across the region in the design and content of regional and bilateral free trade agreements.

3. Keep APEC on Track to Achieve the Bogor Goals.

ABAC regards the mid-term stocktake as a critical milestone to the Bogor Goals and have recommended that APEC take the following suite of bold actions if it is to achieve these goals:

- Reaffirm their commitment to the Bogor Goals;
- Strive to be WTO plus by going beyond WTO commitments or coverage particularly in trade and investment facilitation;
- Establish more effective mechanisms for planning and executing ECOTECH programs to support the TILF agenda with the participation of the business sector and international financial institutions;
- Take concerted steps to strengthen financial systems and develop robust capital markets which underpin economic growth; and
- Reform the way it operates:
 - It should review whether it would make more effective progress by moving towards more binding commitments including examining the feasibility of a “Free Trade Area of the Asia-Pacific”.
 - The IAP Review process should be made more robust and should focus on what needs to be done by each economy to achieve the Bogor Goals.
 - Accord the APEC Secretariat the authority and commensurate resources to undertake policy review, advocacy, and research and analysis.

4. Adapt to the new security environment.

The lack of sufficient financial and technical resources to achieve higher levels of security in the trading system may render the region’s entire supply chain vulnerable. It is for this reason that ABAC has undertaken an assessment of the impacts businesses face that are directly related to the new security environment so that appropriate responses may be developed. ABAC also urges the adoption of an APEC Framework for Security and Facilitation of Global Trade by member economies.

5. Create an Environment Conducive for Business.

Promoting good business ethics and eliminating corruption in the region complement the number of initiatives taken towards improving the business environment.

To promote good business ethics, ABAC recommends that APEC:

- Continue regulatory reform and enhance the clarity of laws and regulations to remove fundamental sources of corruption;

- Enforce laws and regulations objectively and fairly when dealing with corporate disputes;
- Support measures which encourage businesses to voluntarily practice ethics in management; and
- Implement incentives to ensure compliance with laws, rules and regulations as they impact on business.

On corruption, ABAC urges Leaders to:

- Expedite implementation of their commitments to become signatories to the United Nations Convention against Corruption;
- Deny safe haven to corrupt officials and individuals; and
- Develop innovative and effective training programs and technical assistance for those in the field.

ABAC hopes to work in partnership with governments to create and implement anticorruption measures more widely in each of the APEC economies.

6. Strengthen Financial Systems.

Recognizing the need to address financial system weakness in vulnerable economies as well as region-wide concerns posed by corporate governance failures, ABAC continues to build on work developed in recent years to strengthen and deepen the region's financial systems and develop robust capital markets. ABAC recommends that APEC:

- Adopt measures to assist in making economies more resilient to the impact of volatile capital flows;
- Support joint public/private sector capacity building initiatives to strengthen and deepen financial systems and markets;
- Enable expanded private sector activity in the regional bond markets;
- Implement Basel 2;
- Adopt international accounting standards;
- Promote good corporate governance and business ethics;
- Strengthen security in financial systems and encourage remittance flows through formal financial sectors;
- Review policy frameworks relating to ageing and strengthen budgets going forward by promoting private pensions and savings and provide for generational equity in meeting obligations in public pensions; and
- Mobilize private funding to meet the growing infrastructure financing needs of the region.

7. Develop Emergency Preparedness.

In recent years, the APEC region has experienced a number of man-made and natural crises and disasters including terrorist attacks, the SARS outbreak, and most recently, the Indian Ocean tsunami. ABAC calls upon APEC to create a Regional Disaster Response Network to coordinate emergency preparedness efforts on a regional basis – building capacity to resist and respond to future crises.

8. Cope with Volatile Energy Situation.

Growing pressure on **Energy** sources and volatile prices highlights the need for APEC economies to give priority in long-term planning to ways of increasing energy supply, diversifying their sources, exploiting alternative and renewable options, and encouraging conservation and responsible energy use.

9. Encourage Innovation.

To encourage innovation, ABAC recommends that in 2005 APEC Leaders launch an initiative on **patent cooperation and harmonization; technology choice; and concrete measures on intellectual property rights enforcement**, including endorsement of a set of model principles to control online piracy.

In 2005, ABAC will also initiate steps to identify the likely content and possible far-reaching implications for the region of a **2010 Information Society Strategic Vision** which is an important step to realize the potential benefits that more ubiquitous based computing concepts could provide to APEC economies.

10. Environmental and Life Sciences-related Technologies.

ABAC has under consideration a range of **environmental and life sciences-related technologies** and initiatives. ABAC confirmed its endorsement of the APEC Life Sciences Innovation Strategic Plan and IT-based collaborative work underway in areas such as border control and biosecurity, environmental conservation and monitoring, food traceability and healthcare management

ABBREVIATIONS

| | | | |
|--------|---|---------|--|
| ABAC | APEC Business Advisory Council | DDA | Doha Development Agenda |
| ABTC | APEC Business Travel Card | DWS | Disaster Warning Systems |
| ACMS | APEC Collaboration and Meeting System | EC | Economic Committee |
| ACT | APEC Anti-Corruption and Transparency | ECOTECH | Economic and Technical Cooperation |
| ACTETF | Anti-Corruption and Transparency Experts Task Force | ECSG | Electronic Commerce Steering Group |
| ADB | Asian Development Bank | eIMBL | electronic International Molecular Biology Laboratory |
| ADOC | APEC Digital Opportunity Centre | ESC | SOM Committee on Economic and Technical Cooperation (now known as SCE) |
| AFDC | Asia-Pacific Finance and Development Centre | ESI | Energy Security Initiative |
| AFDP | APEC Finance and Development Program | ESP | E-commerce Service Provider |
| AFS | APEC Food System | EWG | Energy Working Group |
| AG | Advisory Group | FAO | Food and Agriculture Organization |
| AIMP | APEC Information Management Portal | FDI | Foreign Direct Investment |
| AMM | APEC Ministerial Meeting | FMM | Finance Ministers' Meeting |
| ANA | Aquaculture Network of the Americas | FRTI | Financial Regulators Training Initiative |
| ANMED | APEC Network of Minerals and Energy Data | GDLN | Global Development Learning Network |
| APII | Asia Pacific Information Infrastructure | GDP | Gross Domestic Product |
| APIS | Asia Pacific Information Society | GEMEED | Expert Group on Minerals and Energy Exploration and Development |
| ASEAN | Association of South East Asian Nations | GEO | Group on Earth Observations |
| ASF | APEC Support Fund | GEOSS | Global Earth Observation System of Systems |
| ATCWG | Agricultural Technical Cooperation Working Group | GFPN | Gender Focal Points' Network |
| BITs | Bilateral Investment Treaties | GOOS | Global Ocean Observing System |
| BMC | Budget and Management Committee | GPA | Global Programme of Action |
| BPA | Bali Plan of Action | GPEG | Government Procurement Experts' Group |
| CAP | Collective Action Plans | HLPDAB | High Level Policy Dialogue on Agricultural Biotechnology |
| CAs | Certification Authorities | HRD-CBN | Capacity Building Network |
| CBD | Convention on Biological Diversity | HRDWG | Human Resources Development Working Group |
| CERTs | Computer Emergency Response Teams | HTF | Health Task Force |
| CFPN | APEC Focal Point Network on Cross-Cultural Communication | IAP | Individual Action Plan |
| CITES | Convention on International Trade in Endangered Species of Wild Flora and Fauna | ICPO | International Criminal and Police Organisation |
| COA | Course of Action | ICRAN | International Coral Reef Action Network |
| CPPS | Permanent Commission of the South Pacific | ICRI | International Coral Reef Initiative |
| CSIRTS | Computer Security Incident Response Teams | ICT | Information and Communication Technologies |
| CTAP | Counter Terrorism Action Plans | IEC | International Electro-technical Commission |
| CTI | Committee on Trade and Investment | IFIs | International Financial Institutions |
| CTTF | Counter-Terrorism Task Force | ILO | Immigration Liaison Officers |
| | | IMO | International Maritime Organization |

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|-----------|--|----------|--|
| IOC | Intergovernmental Oceanographic Commission | SAICM | Strategic Approach to International Chemicals Management |
| IOSEA | Indian Ocean and South-east Asia | SCE | Steering Committee on ECOTECH (formerly known as ESC) |
| IPR | Intellectual Property Rights | SCSC | Sub-Committee on Standards and Conformance |
| ISP | Internet Service Provider | SELI | Strengthening Economic Legal Infrastructure |
| ISPS | International Ship and Port Facility Security | SMEs | Small and Medium-Sized Enterprises |
| ITU | International Telecommunication Union | SOD | Seoul Oceans Declaration |
| IUU | Illegal, Unreported and Unregulated | SOM | Senior Officials' Meeting |
| JODI | Joint Oil Data Initiative | SPAN | APEC Integrated Action Plan for SME Development |
| KBE | Knowledge-Based Economy | SPREP | South Pacific Regional Environment Programme |
| LAISR | Leaders' Agenda to Implement Structural Reform | SSN-CBN | Social Safety Nets Capacity Building Network |
| LDCs | Least developed countries | STAR | Secure Trade in the APEC Region |
| LNG | Liquefied Natural Gas | TEL | Telecommunications and Information Working Group |
| LSIF | Life Science Innovation Forum | TELMIN | Ministerial Meeting on the Telecommunications And Information Industry |
| LSPN | Labour and Social Protection Network | TFAP | Trade Facilitation Action Plan |
| MANPADS | Man-Portable Air Defense Systems | TFEP | Task Force on Emergency Preparedness |
| MEs | Micro-Enterprises | TILF | Trade and Investment Liberalisation and Facilitation |
| MoU | Memorandum of Understanding | TNCs | Trans National Corporations |
| MRA | Mutual Recognition Agreement | TPTWG | Transportation Working Group |
| MRM | Ministers Responsible for Mining | UN | United Nations |
| MRM | APEC Meeting of Ministers Responsible for Mining | UNCAC | United Nations Convention Against Corruption |
| MRT | Ministers Responsible for Trade | UNCITRAL | United Nations Commission on International Trade Law |
| MSMEs | Micro, Small, and Medium Enterprises | UNCLOS | United Nations Convention on the Law of the Sea |
| MTST | Mid-Term Stocktake (of Progress towards the Bogor Goals) | UNEP | United Nations Environment Programme |
| NAMA | Non-Agricultural Market Access | UNFSA | United Nations Fish Stocks Agreement |
| NFMD | Non-Ferrous Metals Dialogue | WCO | World Customs Organisation |
| NGNs | Next-Generation Networks | WLN | Women Leaders' Network |
| OAA | Osaka Action Agenda | WSIS | World Summit on the Information Society |
| OECD | Organization for Economic Cooperation and Development | WSSD | World Summit on Sustainable Development |
| OIE | World Organisation for Animal Health | WTO | World Trade Organisation |
| OPEC | Organization of Petroleum Exporting Countries | WTOCB | WTO Capacity Building |
| PECC | Pacific Economic Cooperation Council | | |
| PIF | Pacific Islands Forum | | |
| REACH | Registration, Evaluation and Authorisation of Chemicals | | |
| REDI | Regional Emerging Diseases Intervention | | |
| RFMO | Regional Fisheries Management Organizations | | |
| RMAL | Regional Movement Alert List | | |
| RTAs/FTAs | Regional Trade Arrangements/ Free Trade Agreements | | |