



APEC

getting results for

Business





Asia-Pacific Economic Cooperation

APEC:

Getting Results for Business

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BUSINESS



Introduction

The key to APEC's success is a strong partnership with business. Business has always been the driver of economic growth in the Asia-Pacific and APEC recognises that creating an environment in which business can flourish is vital to generating jobs and raising living standards. It is contributing to this goal by working closely with business to identify obstacles to trade and investment and to put in place practical measures to reduce or remove them. In short, APEC aims to make doing business in the region easier and less costly.

So what progress has APEC made in achieving this objective? What has APEC done to cut through the red tape that adds unnecessary costs and delays for business, to

build a stronger and more stable business environment, and to create opportunities for business to get better access to new markets?

As APEC passes its tenth anniversary, how better to answer these important questions than to highlight APEC's achievements in 10 priority areas for business: standards, customs, electronic commerce, business travel, telecommunications, energy, fisheries, automotive, banking and financial services, and government procurement.

In each of these areas, APEC has taken concrete, practical steps to make doing business cheaper and easier. APEC's work on standards, for example, helps companies

*APEC is taking concrete,
practical steps to cut the cost
of doing business in the
Asia-Pacific region.*



APEC is helping small and medium-sized enterprises get access to new markets and respond to the challenges of globalisation.

avoid additional testing and inspection costs. Customs processes have been simplified allowing goods to be processed in minutes instead of weeks. Business travel has been speeded up, the cost of telecommunications equipment has been cut, domestic financial systems have been strengthened, and business now has access to on-line, up-to-date information on regulations and market opportunities.

These are just some of the many examples of the benefits of APEC's work for business.

They demonstrate how APEC is matching the dynamics of the new, electronic marketplace and helping business respond to the

challenges of globalisation. In particular, they highlight APEC's relevance to the needs of its developing economy members and to small and medium-sized

enterprises (SMEs), the engines of growth and innovation in many APEC economies. APEC is committed to ensuring that SMEs have access to the new technologies that are rapidly becoming the cornerstone of regional business networks.

In the new Millennium, APEC will look to strengthen its partnership with business and build on its achievements over the past decade. It will continue to adopt a strategic and flexible approach to this task. And it will continue to be resolute in pursuing its goal of getting results for business.





Standards:

Saving Time and Money

Complying with different national inspection and testing standards represents a major cost to business and consumers as products have to be adapted each time they enter a new market. These costs have been estimated at as high as 15 per cent of sales in new markets. Increasing the compatibility of standards regimes makes for a more integrated market in the Asia-Pacific region.

APEC is responding to these challenges by working to align national standards with international standards to allow for the easier flow of products within the region. In order to make early progress, APEC has targeted four priority sectors – food labelling, industrial robots, and select electrical and rubber goods – where there is substantial trade between APEC economies. The alignment target date in these sectors is

2005 for developed economies and 2010 for developing ones. Manufacturers will save time and money by not having to meet different product standards in each APEC economy.

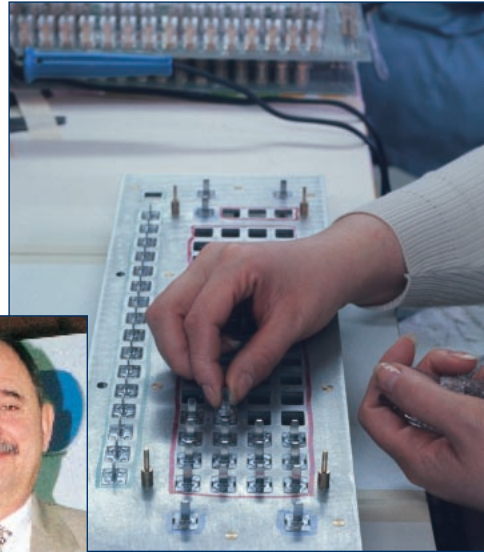
Complementing progress on standards is APEC's work on conformance – the procedures used to test the compliance with specific requirements of products. The most effective way to reduce compliance costs is for economies to recognise the validity of testing and certification systems in place elsewhere. APEC is progressively putting in place mutual recognition arrangements (MRA) which will allow one economy to accept product from another which meets its own requirements without the need for further testing.

In addition to cutting production costs and saving time, APEC's work also means that consumers throughout the region will be able to buy better quality and safer goods at lower prices.

Electrical Mutual Recognition Arrangement

The 1999 APEC Mutual Recognition Arrangement on Conformity Assessment of Electrical and Electronic Equipment could save billions of dollars for manufacturers and exporters of electrical goods in the APEC region. Goods covered by the MRA include computers, TVs, radio receivers, refrigerators, lighting products and power tools.

The Electrical MRA will make market access much quicker and easier and manufacturers will avoid the costs and delays of having to meet inconsistent import standards in different economies.



“Through the MRA all Philips lighting products can now be delivered faster to our consumers, enabling us to lower costs and reduce time to market.”

George Bobin, Country Manager, Philips Electronics and Lighting (Philippines)



APEC's trade in electrical and electronic products is worth around USD 250 billion a year and conformity assessment testing adds between 2 and 10 per cent to production costs.

It is estimated that the MRA could deliver savings of around 5 per cent of total production costs resulting in a potential saving of up to USD 12.5 billion a year for the region's exporters.

The Electrical MRA will work at three levels allowing all APEC economies to participate, including the less-developed economies with limited production testing and quality assurance standards.

Part one involves information exchange so that all APEC economies can know and understand each other's regulatory systems. Part two covers product testing in the exporting country with the results recognised by the importing country. Part three provides for recognition of product certifications, including initial testing and ongoing surveillance of product quality.

The Electrical MRA will benefit companies like Philips Electronics and Lighting Inc (Philippines). The company is making a significant contribution to the local economy, providing work for over 4500 Filipinos in its three semiconductor and consumer electronics factories.

Philips Country Manager, George Bobin, says the MRA will help his company reduce costs and inefficiencies and overcome trade barriers in regional markets.

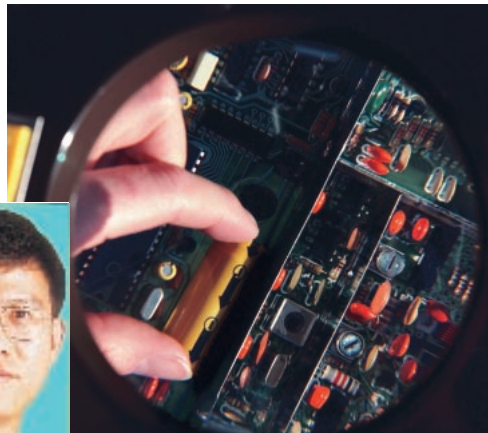


“Through the MRA, all Philips lighting products can now be delivered faster to our consumers since the Philippine Standard seal can be given prior to shipment, enabling us to lower costs and reduce time to market,” says George.

“In the end, this system gives great benefits not only to the manufacturers but ultimately to the consumers as the MRA enables us to provide them with faster service and better products.”

Malaysian electrical manufacturer, Kind Holdings Berhad (KHI), is another company that will be assisted by the MRA. KHI manufactures a wide range of electrical home appliances including electric fans, colour TVs, VCDs, emergency and sensor lights, and sockets which it exports to markets in Asia, the Middle East and Europe.


KHI Managing Director, Cheng Ping Keat, says the MRA will help his company make inroads into new overseas markets and result in cost and time savings as the company's



“When fully implemented, the MRA will result in the company making substantial savings which shall be passed on to its customers.”

Cheng Ping Keat, Managing Director, Kind Holdings Berhad





Customs B

Customs:

Faster and Smarter

The efficient transfer of goods across borders is a key element of APEC's goal of free and open trade in the Asia-Pacific region. APEC is working to achieve this by harmonising and simplifying customs procedures, improving access to markets and cutting costs for importers and exporters in the process.

Reducing or eliminating the requirement for paper documents needed for customs and other cross-border trade administration, that is, "paperless trading", is another key APEC goal. In the APEC Blueprint for Action on Electronic Commerce, APEC members agreed to achieve "paperless trading" for trade in goods, where possible, by 2005 for developed and 2010 for developing economies, or as soon as possible after those dates.

APEC Customs administrations are using technology to achieve faster, more predictable and transparent customs clearance and inspection. Regional customs administrations will use modern electronic communications systems to process transactions, communicate directly with importers and exporters and dramatically reduce requirements for paperwork. Currently an average trade transaction involves 40 documents, 200 data elements and the re-keying of 60 to 70 per cent of the data. Computerisation of customs procedures cuts these requirements dramatically, speeding up the flow of goods and reducing transaction costs in the process.

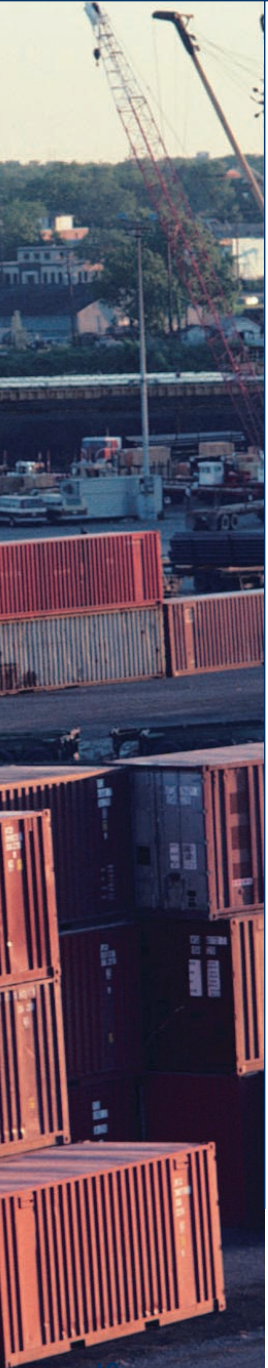
APEC economies are adopting a common system for consistent and transparent customs valuation and classification of



“APEC’s electronic risk management initiatives have benefited business by allowing us to provide a faster and more predictable delivery service to our customers.”

James Goh, Regional Vice President, United Parcel Services





goods. This will help importers to know the duties and taxes owing as a result of clear and consistent rules. Exporters will also benefit from having similar customs rules and procedures apply across the entire APEC market.

And APEC is promoting risk management techniques to better target customs enforcement efforts while facilitating "paperless trading" and the movement of low-risk shipments in the region.

The benefits to business from APEC's customs initiatives are clear:

- More efficient clearance will result in time and cost savings for importers and exporters and provide the certainty required to exploit modern business practices such as "just in time" inventory.
- Improvements in communications, access to information and transparency in customs processes increase the level of certainty and fairness.
- Customs brokers can refocus their services from dealing with paperwork and procedural complexity to using their

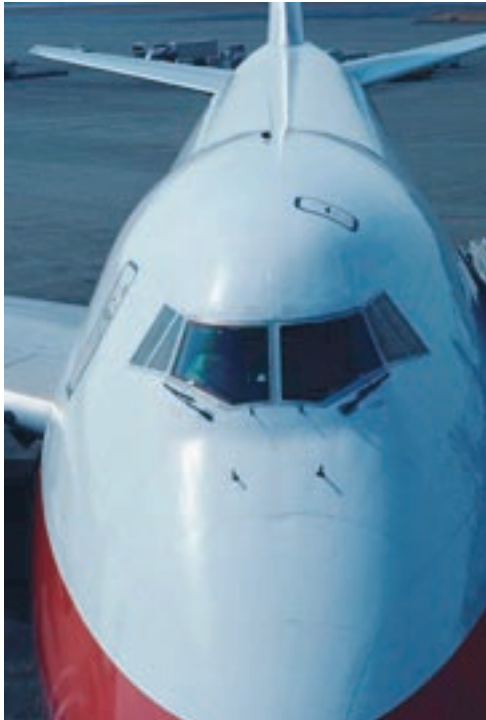
expertise and knowledge to bring a new range of professional services to clients.

- Carriers will benefit from faster service, lower costs and the ability to use their equipment to maximum capacity.

Underpinning this progress has been a strong partnership between the APEC business community and customs administrations. For example, the Conference of Asia Pacific Express Carriers (CAPEC), which represents the integrated express industry in the region and whose members include DHL International, Federal Express Pacific (FedEx), TNT International Express and United Parcel Services (UPS), is one group working closely with customs officials to develop an efficient and modern customs system in the region.

CAPEC has, for example, supported APEC with the implementation of electronic risk management systems that allow for low risk consignments to be cleared quickly.

FedEx aims to provide delivery of every package the day it arrives in a country and at a reasonable cost. According to the President of its Asia Pacific operations, David



“There is no more important factor in ensuring same-day delivery than the customs clearance process.”

David Cunningham, President
(Asia-Pacific), Federal Express

Cunningham, "to accomplish this there is no more important factor than the customs clearance process and FedEx is committed to working closely with APEC on the modernisation of customs clearance."

FedEx has joined APEC in building a customs tariff database under which tariff information is published on the internet making it more accessible and valuable to business. Mr Cunningham says the faster turnaround time for updating tariff information has improved the service FedEx provides to its customers.

UPS Regional Vice President, James Goh, identifies APEC's risk management initiatives as being particularly beneficial in facilitating the flow of legitimate consignments. "We have seen a number of regional customs administrations improving in this area and this has benefited businesses by allowing us to provide a faster and more predictable delivery service to our customers," says James.





Electronic Commerce: Smart Trading

Electronic commerce is revolutionising the way business is done. In the electronic economy it won't necessarily be the big companies or economies beating the smaller ones or vice versa. Speed, agility and ingenuity will be the keys to success and survival.

Behind this dramatic change in the way business is conducted is the internet. Use of the internet as a channel for business is growing fast. By 2003, e-commerce is estimated to be worth around US\$2 trillion and its potential as a catalyst for economic growth is enormous.

APEC has been quick to recognise the potential of e-commerce to expand business opportunities, reduce costs, increase efficiency and facilitate the greater

participation of small business in global commerce. Its Blueprint for Action on Electronic Commerce is designed to help member economies realise this potential through a work program covering critical issues for business such as electronic authentication, paperless trading, consumer protection and support for small and medium-sized enterprises (SMEs).

Working closely with business, APEC is assisting its members through cooperative projects and activities to make doing business on the internet easier. Adapting appropriate legal and policy regimes is a priority as it helps create business and consumer trust and confidence. Predictability, transparency and consistency are vital to online businesses.

APEC is also supporting the development of the information and communications infrastructure in the region through a range of human resource development and technical cooperation activities.

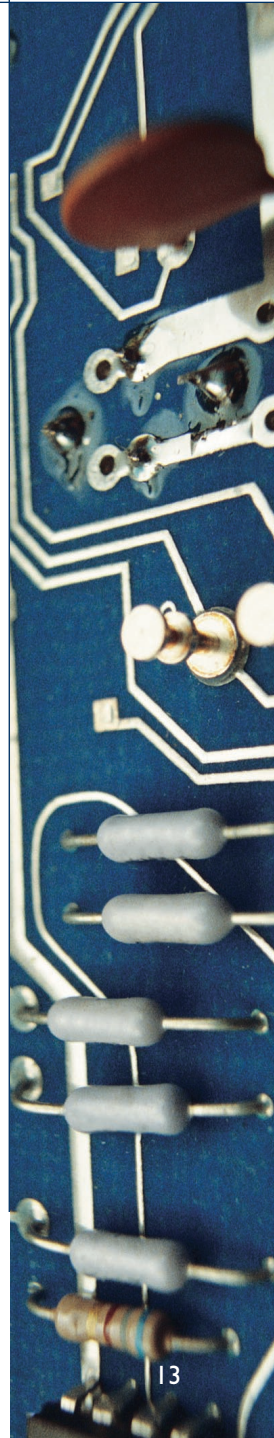
Action by APEC to build business awareness, improve the information infrastructure across the APEC region, develop compatible legal and policy frameworks, and promote best practice on e-commerce are all aimed at creating an open, non-restrictive regional trading environment for online traders.

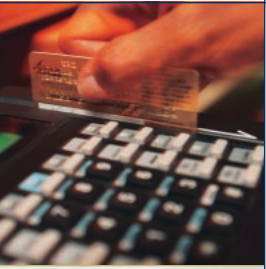
SMEs are a major source of economic growth in APEC economies, accounting for nearly 35 per cent of exports. E-commerce promises to be a boon for SMEs. APEC is identifying ways to promote e-commerce use by SMEs



“E-commerce will be a key to the growth of the Asia-Pacific trading network. Bringing together world-leading technology companies such as Equant with regional industries is a valuable role APEC can play.”

Peter Pastars, Regional General Manager (Asia-Pacific), Equant





which stand to gain significantly from the better access to information, supply networks and markets that the internet brings.

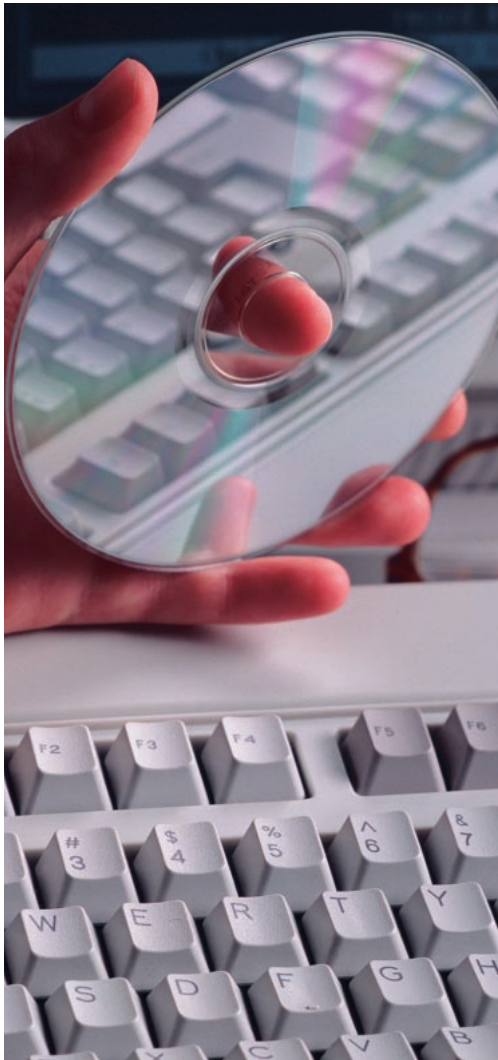
Creating a competitive advantage by adopting e-commerce business solutions is a priority for the Indonesia Port Corporation II. This state-owned Indonesian company operates 11 ports throughout the Indonesian archipelago with its business activities covering port basins, pilotage and stowage, warehouse storage, container and general cargo handling, and passenger terminals.

The company aims to provide world class quality port services to its customers and increase its market share and sees electronic commerce as a good way to do this. President Director, Mr Herman Prayitno, draws attention to the company's new Electronic Data Interchange (EDI) messaging system and Access Control System (ACS) as examples of e-commerce applications that give his company an edge over his competitors.

Indonesia Port Corporation II places considerable importance on e-commerce training for company staff, an area in which APEC is playing a leading role through its e-commerce technical cooperation programs. One company supporting these programs is Equant, the world's leading provider of international data network services to multinational businesses, including in the Asia-Pacific region.

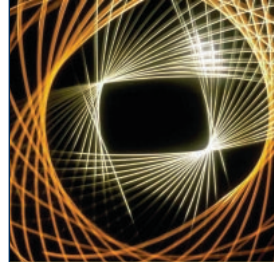
In 1999, Equant conducted a series of courses on behalf of APEC aimed at promoting the use of e-commerce within air and sea freight industries in APEC economies. Participants from Hong Kong, Singapore, Thailand, Indonesia, Philippines, Thailand and Mexico were provided with a strong base of knowledge and skills that will enable them to plan, design and implement e-commerce within their own organisations.

Equant's Regional General Manager (Asia Pacific), Peter Pastars, says developing a substantial skills base is critical to the implementation of e-commerce in these and other APEC economies. "E-commerce will be a key to the growth of the Asia Pacific



trading network and bringing together world-leading technology companies such as Equant with regional industries in this way is a valuable role APEC can play," says Peter. "Equant looks forward to working with APEC to provide other regional industries with the knowledge to implement paperless e-commerce solutions."

Equant was selected to conduct the courses because of its extensive experience in developing paperless trading systems in the region. It was a key player, for example, in implementing a Japanese freight initiative that enables freight agents to gain instant access to information on schedules, space availability, bookings and shipping rates through a standard web browser. This reduced the need for paper-based systems and streamlined freight delivery through one of the world's largest trade hubs.





Business Travel:

Time is of the Essence

APEC recognises the need for people to move quickly in pursuing trade and investment opportunities. APEC members are making it easier for business people to travel around the region and get rapid access to APEC economies by:

- Expanding the use of multiple entry visas for APEC business travellers.
- Extending visa free arrangements within APEC.
- Granting longer periods of initial stay and visa validity.
- Using fast-pass clearance systems such as the APEC Business Travel Card.
- Streamlining temporary residency processing for senior executives being transferred within their companies to other APEC economies.

- Providing easily accessible, up-to-date information on the visa and entry requirements of APEC members.

The APEC Business Travel Card ends the time consuming need for holders to visit visa offices each time they need to travel to certain Asia-Pacific destinations. It is now being used by over 3000 APEC business people when travelling on business to Australia, Chile, Hong Kong, Korea, Malaysia, New Zealand, Philippines and Thailand. More APEC economies are expected to sign on by the end of the year. In addition to facilitating travel by business people at very short notice, holders also enjoy faster immigration processing on arrival.

APEC's Business Travel Handbook is a valuable source of information for the business traveller. The Handbook can be



accessed through the new APEC business website, *BizAPEC.com*, and sets out the short-term and temporary residency visa and entry requirements of APEC members. It also contains contact details for offices that issue visas across the region.

Working closely with business, APEC is exploring a new range of initiatives to facilitate the movement of business people within the APEC region. APEC economies are implementing streamlined temporary residency procedures for senior business people on intra-company transfer within the



APEC region. Streamlined, faster processing of applications and expanding the use of the Travel Card will reduce the cost and difficulty of doing business and help maintain the region's international competitiveness.

APEC is also providing support and training to its members to help them put in place better procedures and systems for managing the movement of people across their borders. Training programs on the detection of travel document fraud, for example, and other measures to build the capacity of members to control borders are essential to

“Companies have an increasing need to quickly move skilled personnel between countries on longer-term assignments.”

Roberto Romulo, Chairman, Equitable
CardNetwork

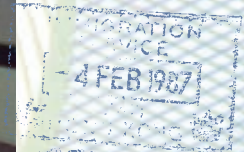
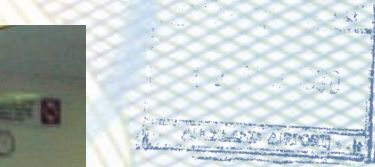


improving the mobility of business people within the APEC region.

Roberto Romulo, Chairman of the Philippines company Equitable CardNetwork Inc. and member of the Pacific Economic Cooperation Council and APEC Business Advisory Council (ABAC) understands the value of APEC's business mobility work. He regards business mobility as a fundamental reality of

globalisation and a key to building a more productive, borderless regional business community.

Mr Romulo is a holder and advocate of APEC's Business Travel Card. "The idea of a travel card facilitating movement is a positive departure from the traditional concept of border controls and immigration processes," he says.





Mr Romulo sees putting in place arrangements to facilitate temporary business residence as another priority area for APEC. "Companies have an increasing need to quickly move skilled personnel between countries on longer-term assignments to enhance and maintain firm competitiveness," he says.

Timothy Ong of Brunei Darussalam is another leading businessman who places a high priority on APEC's business mobility work. As Chair of ABAC and an investor with interests throughout the region, Mr Ong is a regular visitor to other APEC economies.

"My APEC Travel Card makes it much easier for me to travel to those economies taking part in the scheme."

Timothy Ong, Chair, APEC Business Advisory Council

Mr Ong says the Business Travel Card is an example of how APEC can be directly relevant to business in the region. "My Travel Card certainly makes it much easier for me to travel to those economies taking part in the scheme," he says.

"One of ABAC's priorities this year is to broaden participation in the Travel Card scheme from the present eight economies to at least 12," says Timothy. "I believe this will facilitate cross-border trade and investment opportunities, particularly for smaller businesses."



Telecommunications: Linking the Region

A modern, efficient and reliable telecommunications system is vital to increased economic growth and cooperation in the Asia-Pacific region. With strong support from business, APEC is enhancing the provision of efficient telecommunications services to business by:

- Promoting the expansion of telecommunications infrastructures and human resource development to sustain the growth of the regional telecommunications sector.
- Encouraging the application of modern and compatible means of communication to improve the flow of information.
- Encouraging the flow of telecommunications goods, services, capital and technology.

A major APEC achievement for business was the recent conclusion of the world's first multilateral Mutual Recognition Arrangement for Telecommunications Equipment (MRA). This Arrangement will result in potential savings to business of around 5 per cent in the cost of developing new telecommunications products and significantly reduce lead times on the delivery of products to market. It should also reduce marketing costs for new products by up to 30 per cent resulting in savings in excess of US\$100 million a year.

APEC is promoting the expansion of regional telecommunications services through its Framework for Telecommunications Interconnection. The Framework is a resource for use by business and aims to support secure and competitive supplies of



“No matter what kind of business you are in – large, medium or small – the information revolution is now a main driver of business strategies.”

Ziggy Switkowski, CEO, Telstra

services to users. For example, it makes the negotiation of regional telecommunications contracts easier by setting out principles and terms on which these contracts might be based. Easier commercial access to telecommunications networks and greater certainty for both suppliers and purchasers of services give investors confidence in the ongoing development of existing networks as well as the development of new networks.

APEC has also been quick to build on the benefits of electronic commerce for regional telecommunications. Its Reference Framework for Action on Electronic Commerce will help position it to play a lead role in the global expansion of electronic commerce activities by:



- Promoting e-commerce for use by business and consumers.
- Contributing to the harmonisation of the region's e-commerce policies as well as legal and regulatory practices.
- Enhancing the development of e-commerce infrastructure.
- Facilitating the electronic delivery of government services.

Many of the businesses in APEC's developing member economies are small and medium sized enterprises (SMEs). APEC is helping these businesses participate in the electronic economy through a range of human resource development activities including awareness seminars, distance learning workshops, training to meet the challenges of competition, and personnel exchange programs. APEC is also supporting infrastructure development partnerships between the public and private sectors that will benefit its developing economy members.

A new telecommunications challenge for APEC is to foster agreement on a market-

based, pro-competitive approach to international charging arrangements for internet services. APEC is the first international body to tackle this sensitive issue and its strong record of involving business puts it in a good position for this task.

Dr Ziggy Switkowski, CEO of the Australian-based telecommunications company, Telstra, is acutely aware of the way the information revolution is reshaping the dynamics of doing business in the Asia-Pacific region. "No matter what kind of business you are in – large, medium or small – the information revolution is now a main driver of business strategies," says Ziggy. Telstra has long-standing interests in the region and is positioning itself to be a key regional player in supporting e-commerce through the internet.

Dr Switkowski considers APEC is playing a practical role of great benefit in the new regional information environment. "APEC's agenda is sufficiently relevant and flexible to address the new era business issues arising from the information revolution," he says. Dr Switkowski identifies APEC's work

on international charging arrangements for internet services as particularly relevant to the region and believes APEC is the ideal forum for dealing with this important issue.

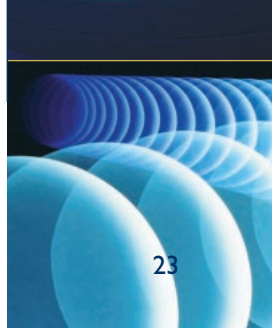
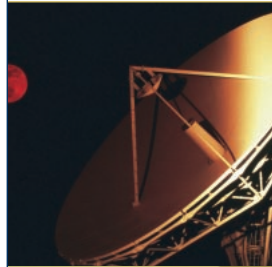


Kjell Sorme, President of Ericsson Asia-Pacific is another business leader who endorses APEC's work in the telecommunications sector, highlighting the value of the introduction of MRAs into the region. "I believe there will be strong economic growth derived by each economy in having a free flow of telecommunication goods in the region," says Kjell. "The introduction of products incorporating new technology is now happening so quickly that regulatory procedures need to be upgraded to ensure all economies have the opportunity to benefit from them."

"The Telecommunications MRA is an excellent example of how business and APEC can work together to achieve significant benefits for consumers in the region."

Kjell Sorme, President, Ericsson Asia-Pacific

Mr Sorme views close cooperation between APEC governments and business on issues such as the implementation of the telecommunications equipment MRA as vital to the growth of the telecommunication industry in the region. "This is an excellent example of how business and APEC can work together to achieve significant benefits for consumers in the region," he says. "There are positive benefits already becoming apparent to industry as a result of the participation of a number of economies in phase I of the MRAs, and Ericsson will continue to strongly support the process."





Energy:

Powering Future Growth

Efficient and reliable sources of energy are essential if economic growth in the Asia-Pacific region is to be sustained. With regional energy demand expected to grow by 40 per cent over the next 10 years, APEC is underpinning growth in the energy sector and contributing to economic recovery in the region through energy initiatives on investment, domestic market reform, technology and skills development.

Billions of dollars will be required for energy infrastructure in APEC economies over the coming decade. This money cannot be provided by governments alone; private sector finance will be crucial. APEC is working to reduce risks and costs for the

business sector to invest in energy infrastructure.

APEC has provided the impetus for developing the project approval, regulatory and financial conditions necessary to mobilise private investment capital. Its Manual of Best Practice Principles for Independent Power Producers is being used to benchmark procedural and contractual arrangements for power infrastructure projects.

Another specific APEC initiative developed in close cooperation with business is in natural gas. Meeting increased demand for natural gas will require increased trade in natural gas and natural gas-related products among

APEC economies. Recognising this, APEC's Natural Gas Initiative seeks to:

- Introduce predictable legal, regulatory and trade frameworks governing the natural gas sector.
- Introduce fiscal regimes that take account of the risks confronting investors and project sponsors.
- Develop open, transparent and competitive markets throughout the natural gas chain and between different energy sources.
- Remove inefficient pricing of natural gas and natural gas products and services.

These measures will help to accelerate investment in natural gas supplies, infrastructure and trading networks in the region.

APEC is concerned to ensure the region's energy supplies are used efficiently. It also wants to make sure the potential negative environmental effects of new



“APEC has been an important vehicle in fostering cooperation and promoting more open trade and investment in the energy sector among APEC members.”

Worawit Khamkanist, Managing Director, EGCO, Thailand



energy developments are minimised. To promote the harmonisation of these twin environmental and economic objectives, APEC has taken a number of steps including:

- Encouraging the adoption of environmental policies and practices that facilitate transparency and consistency.
- Development of energy efficiency indicators and testing standards.
- Cooperation to promote the development and deployment of energy technologies to reduce the growth of greenhouse gas emissions.

In May 2000, APEC Energy Ministers gave further impetus to energy reform by endorsing a set of energy policy principles developed by APEC's Energy Business Network that recognise the need for a common frame of reference for dealing with regional energy issues.

Thailand's Electricity Generating Public Company (EGCO) is one business working to meet the energy needs of the region.



EGCO Khanom Power Plant, Thailand

Established in 1992, EGCO was formerly a state-owned enterprise but was privatised in accordance with the Thai Government's policy of encouraging the private sector to be more involved in power generation to ease the burden on government. EGCO has since extended its operations beyond Thailand's borders to meet the increasing demands for power from major infrastructure projects.

EGCO's Managing Director, Mr Worawit Khamkanist, acknowledges the value of APEC's work in helping to pull the Asian

region out of its economic slump and for its support for the development of the region's energy sector. "APEC has been an important vehicle in fostering cooperation and promoting more open trade and investment in the energy sector among APEC members," he says.

Mr Khamkanist says that as Thailand's first independent power producer, his company is keen to support APEC's work which he believes will contribute to the longer-term prosperity and stability of economies in the Asia-Pacific region.

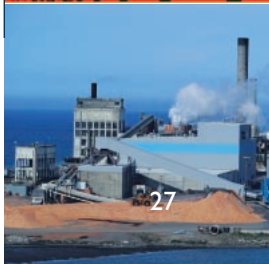
The focus of the China National Offshore Oil Corporation (CNOOC) is on exploiting China's oil and natural gas resources in cooperation with foreign companies. CNOOC has benefited from APEC's natural gas initiatives which it sees as having given impetus to private sector investment in the region's natural gas industry. A senior company executive, Mr Yang Xiaoguang, described the initiatives as having "positive repercussions around the APEC region, including for the

"The APEC Energy Working Group plays a positive role in promoting the natural gas industry and independent power production."

Yang Xiaoguang, China National Offshore Oil Corporation

development of China's own natural gas industry."

CNOOC is also a keen supporter of APEC's energy policy research and dialogue which it regards as critical to the development of the energy industry. "APEC's efforts help to maximise the contribution of the energy sector to regional economic development which is consistent with the development strategy of CNOOC," says Mr Yang. "Specifically, the APEC Energy Working Group plays a positive role in promoting the natural gas industry and independent power production."





Fisheries:

Sustaining the Ocean's Wealth

The Asia-Pacific region's fishing industry is big business. The Pacific Ocean alone accounts for around half the world's harvest and exports of fish and fish products. The region's aquaculture output represents three quarters of total global aquaculture production and is playing an increasingly important role in trade and economic development in the region.

Securing the future of this valuable resource is a priority for APEC. Its comprehensive fisheries program aims to:

- Promote the conservation and sustainability of fisheries resources.
- Promote sustainable development of aquaculture.
- Seek solutions to common fisheries resource management problems.

- Help the seafood industry improve the quality and safety of its products.
- Promote investment and more open trade in seafood products.

Working with business, APEC has taken a number of practical steps to help achieve these goals. APEC's 'how to' manual on the air shipment of fresh and live seafood is a valuable resource for exporters of seafood to APEC markets. This manual, which sets out customs, health and technical guidelines, is helping business minimise wastage and transport times ensuring the delivery of fresher products. Trade in fresh seafood is one of the region's fastest growing food industries and is estimated at over US\$1.2 billion a year.



In aquaculture, APEC is implementing a number of projects on grouper research, aquaculture education and women in aquaculture. It is helping to coordinate members' inspection systems, standards and other requirements to improve the efficiency of seafood inspection regimes, and has conducted workshops on responsible fishing techniques to conserve natural resources and protect the marine environment.

“The APEC airfreight manual provides useful advice for traders of chilled and live seafood products.”

David Sharp, Chairman, New Zealand Seafood Industry Council



A new initiative to support APEC fishing, aquaculture and fish processing industries is the development of an internet-based marketing information service. When completed, this service will be of significant benefit to business.

These concrete business facilitation activities are complemented by detailed APEC studies on issues such as the impact of tariff, non-tariff measures and investment, and strategies to implement international agreements.

New Zealand is one APEC economy that takes a keen interest in APEC's fisheries work and the reasons are clear. Over 90 per cent of the New Zealand seafood industry's US\$700 million annual earnings comes from international trade with 85 per cent of exports going to economies in the Asia-Pacific region.

Chairman of the New Zealand Seafood Industry Council, David Sharp, says the New Zealand seafood industry is a strong supporter of APEC, highlighting APEC's

commitment to free trade as a positive development for the industry.

Mr Sharp acknowledges the practical support APEC provides to the fishing industry. "The APEC airfreight manual provides useful advice for traders of chilled and live seafood products, a part of the seafood trade that contributes nearly 20 per cent of international earnings for New Zealand exporters," he says.

The New Zealand seafood industry is also taking a close interest in APEC's current study of subsidies to the fishing industry and is a firm supporter of APEC's efforts to facilitate co-operation among member economies to discourage illegal, unregulated and unreported fishing in the High Seas.

"Developing sustainable, successful fisheries and fishing industries challenges governments and commercial stakeholders to manage wild resources for today's growing populations, while safeguarding them for future generations," says David. "Fishing is an international business and co-operation



among APEC member economies can only be helpful in maintaining sustainable fisheries."

Across the other side of the Pacific, APEC's work in aquaculture is the focus of attention for Mexico. Aquaculture is a growth industry in Mexico that creates jobs, produces high quality food and is a source of foreign exchange. In 1999, its shrimp industry alone employed over 6000 people with production topping 30,000 tons from the country's 253 shrimp farms.

A particular concern of Mexico's shrimp farming industry is the threat posed by the

international transfer of viral diseases which have the potential to cause substantial losses to the industry. APEC has picked up on this concern and is examining the harmonisation of policies and standards for the prevention, diagnosis and control of aquatic diseases.

Progress in these areas will be welcomed by Javier Corella, General Director of one of the Mexico's largest private shrimp farms. The farm, which has 285 hectares under production, uses a combination of local and imported larvae as shrimp feed.

Mr Corella is conscious of what a disease outbreak could do to his business. "We belong to a shrimp farm park that has tough sanitary controls and which is free of high risk diseases," he says. Mr Corella believes APEC's work to help prevent the spread of aquatic diseases and maintain safe production will benefit Mexico's shrimp industry.





Banking and Financial Services: The Foundations of Business

The disruption created by the Asian economic crisis posed major reform challenges for the region. APEC has responded to these challenges with a range of initiatives to promote and strengthen regional financial and capital markets and create stronger legal foundations for doing business.

Steps taken by APEC Finance Ministers to strengthen the foundations for business, as well as ongoing work, include:

- Promoting the development of domestic bond markets through a compendium of sound practices.
- Developing a Voluntary Action Plan to promote policies that facilitate freer and more stable cross-border capital flows, including strengthening financial markets through the application of international codes and standards.
- Improving corporate governance in APEC economies through assessing the regimes and encouraging implementation of recommendations to strengthen them.
- Holding symposiums on insolvency law to discuss and recommend measures to improve insolvency systems in APEC economies.
- Strengthening financial market supervision through improved domestic training of banking supervisors and securities regulators.
- Modernising life insurance regulation and training for insurance regulators.

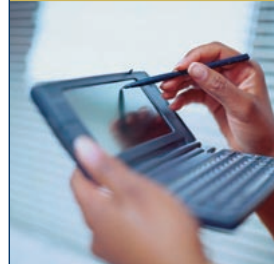


- Establishing a Task Force on Company Accounting and Financial Reporting to encourage adoption of international accounting, disclosure and auditing standards and practices by companies.

“By helping to build stronger regional financial systems and more transparent financial markets, APEC can contribute to a more stable environment for all businesses in the region with more readily available and reasonably priced capital.”

David Murray, Managing Director, Commonwealth Bank of Australia

The APEC Business Advisory Council (ABAC), through its Financial Architecture Task Force, is also active in building stronger regional financial systems. One of the Task Force's key initiatives, which complements the work of APEC Finance Ministers on strengthening domestic financial markets, is an exercise designed to promote acceptance of





international standards for financial architecture and domestic financial systems.

The adoption of international standards will give economies better access to development capital on commercial terms and at a lower cost. For instance, better standards for financial markets will help develop deeper domestic bond markets, allowing the region's savings to be marshalled in a way that reduces reliance on foreign debt.

Building skills and capacity in the region is another priority for the Task Force which is exploring ways of using the internet for distance learning. Information technology such as the internet can help to narrow differences among APEC economies by supporting the development of essential skills.

David Murray, Managing Director of the Commonwealth Bank of Australia and Chair of ABAC's Financial Architecture Task Force, appreciates the significance of APEC's work in bolstering the region's banking and financial services sector.



In addition to providing a full range of financial services to over 7.5 million Australians and 800,000 New Zealanders, the Commonwealth Bank Group has branches in Singapore, Tokyo and Hong Kong and representative offices in Beijing, Shanghai, Hanoi and Jakarta.

Mr Murray says the Commonwealth Bank is mindful of the importance of being globally relevant at a time when trade, particularly in financial services, is becoming borderless through the emerging world of e-commerce.

"By helping to build stronger regional financial systems and more transparent financial markets, APEC can contribute to a

more stable environment for all businesses in the region with more readily available and reasonably priced capital," says David.

Corporate Governance

Building reliable and efficient markets and a transparent and stable investment environment are important for business. The easier that environment becomes, the greater the amount of business that can be done and the greater the benefit to communities.

One of the ways APEC is working to achieve these goals is by strengthening corporate governance frameworks. Corporate governance is the mixture of laws, regulations and prudential standards, and customary business practices which determine how managers run companies. It is about putting in place stable institutions and sound policies that underpin investor confidence and growth in living standards.

APEC's work in strengthening regional financial systems is a practical example of its contribution to fostering good corporate governance. But its role extends well beyond

this to advocating measures governments, judiciaries, regulators and the private sector can take to raise corporate standards and encourage greater accountability and transparency in corporate structures.

Developing effective insolvency regimes, for example, has been a particular reform priority for APEC. Corporate governance training and developing and applying agreed corporate governance principles have also contributed to restoring investor confidence and a return of capital flows in the region.





Automotive: Driving APEC Forward

The automotive sector is a driver of economic growth in the Asia-Pacific region. To maximise the potential of the sector, APEC established the Automotive Dialogue, a unique forum bringing together senior government and industry representatives to exchange views and map out strategies for increasing integration and the development of the region's automotive sector.

Identifying and promoting effective automotive industry policies is a key objective of APEC's automotive work. In Manila in April 2000, the Automotive Dialogue commended to APEC economies a comprehensive joint industry report on effective automotive policies. This report contained specific recommendations from the region's automotive industry to governments, providing a clear framework

for developing policies that will support the sustained development of the automotive sector.

APEC is promoting practical measures to assist the regional automotive industry, including projects to encourage sustained growth by improving quality and cost competitiveness and participation in e-commerce. The auto work program also seeks to achieve concrete outcomes on issues such as automotive standards and customs procedures, and traffic congestion and the environment.

In customs, APEC is tackling specific issues identified by the auto industry, including customs regulations, technology adoption and the quality of customs services. Similarly, APEC is promoting increased

compatibility of auto standards and certification systems to cut the costs involved in meeting different regulatory requirements.

The ASEAN Automotive Federation takes an active interest in APEC's automotive work. The combined production capacity of the automotive industry in Indonesia, Malaysia, Thailand and the Philippines is around 2 million units per year and the industry plays a significant role in supporting economic development in the region.

The Federation's Secretary General, Mr Gunadi Sindhuwinata, values the work being carried out by APEC to support the auto industry in APEC's developing member economies. He says the industry was hard hit by the economic crisis in the region and upgrading technical knowledge and skills as well as measures to improve product quality will be vital to increasing the efficiency and competitiveness of the industry in regional and global markets. Mr Gunadi regards these as areas where APEC can make an important contribution, including through its economic and technical cooperation programs.

Mr Gunadi acknowledges the value of the Automotive Dialogue in promoting cooperation within the Asia-Pacific region's automotive industry. "The industry will also benefit from APEC's work in transport harmonisation, the environment and simplification of customs procedures," he says.



“The automotive industry will benefit from APEC's work in transport harmonisation, the environment and simplification of customs procedures.”

Gunadi Sindhuwinata, Secretary General, ASEAN Automotive Federation





Government Procurement: Value for Money

APEC economies annually source billions of dollars worth of goods and services from the private sector. Conservative estimates put the size of government procurement markets in the region at between 10–15 per cent of GDP, and growth in demand in sectors such as national infrastructure is expected to be particularly strong over coming years.

APEC is committed to freeing-up these important markets throughout the Asia-Pacific region. It has been at the forefront of efforts to develop a consistent regional approach to procurement policies, processes and practices that make good business sense for governments and business.

Improving transparency of government procurement information and opportunities in the region is a high priority. APEC's

Government Procurement Home Page, which can be accessed through *BizAPEC.com*, provides up-to-date survey information on procurement policies, regulations, procedures, and the key people to contact in each APEC economy. Links to related sites provide business with details of specific procurement opportunities.

Another key part of APEC's work has been to develop a set of non-binding Principles on Government Procurement that support APEC's free trade goals. These Principles cover elements of:

- Transparency
- Value for Money
- Open and Effective Competition
- Fair Dealing



- Accountability and Due Process
- Non-Discrimination

Through their voluntary Individual Action Plans (IAPs), APEC economies will progressively implement these best-practice Principles which will help:

- Create a smarter procurement culture.
- Ensure that competition for government business is fair, ethical and transparent.
- Reduce the costs of doing business in the region.

- Improve business relationships between government and industry.
- Increase opportunities for exporters in regional government procurement markets.
- Result in more efficient delivery of government services to communities.

APEC also conducts regional educational programs on a range of significant procurement issues including electronic tendering, tendering processes, bid challenge systems and existing international procurement agreements.

APEC is committed to freeing-up government procurement markets and promoting consistent regional procurement policies and practices that make good business sense.





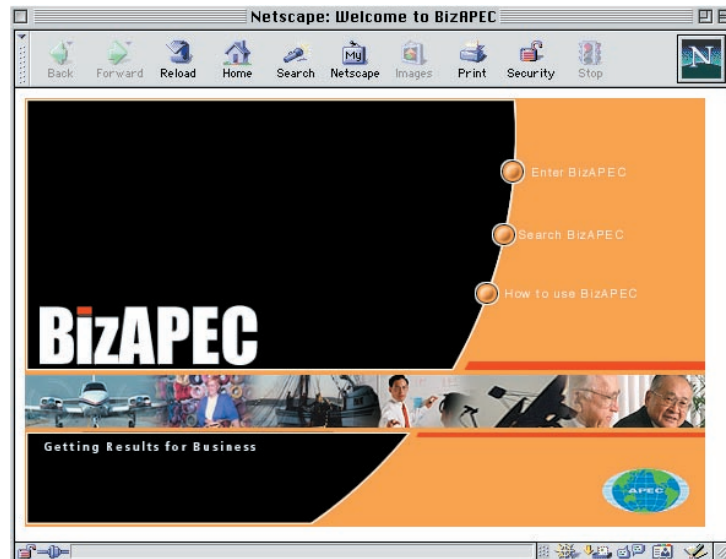
BizAPEC.com

Business Information On-line

Today, business runs on information. APEC is breaking new ground for business through the provision of a vast range of business information on-line. APEC's new business website, *BizAPEC.com*, provides business with access to information to help identify and access regional markets more easily and quickly, and cut through bureaucracy to save valuable time and money.

BizAPEC.com will enable an APEC exporter to explore business opportunities, compare export markets, check tariff levels, customs and standards requirements, access relevant laws and regulations, find business

visa information and make contact with government agencies and industry associations around the region, all through a single APEC web address.



BizAPEC.com will be a particular asset for small and medium business exporters who often lack the resources needed to track down information and cut through government bureaucracy in diverse markets around the region.

Information available through *BizAPEC.com* includes:

- **Business Opportunities:** business matching, government procurement, industry specific opportunities, business advice.
- **Industry Information:** accounting, agriculture, architecture, automobiles, banking and finance, biotechnology, e-commerce, electrical goods, energy and mining, engineering, fisheries, food, science and technology, services, shipping, SMEs, telecommunications, tourism, toys, transport.
- **Getting Goods to Market (rules and regulations):** business travel, competition laws, customs procedures, dispute resolution, e-commerce, fisheries, import regulations, intellectual property,

investment, standards, rules of origin, services, tariffs, transport.

- **Regional Export Markets:** business opportunities, industry information, rules and regulations, economic indicators, economy contacts, individual progress towards meeting APEC's trade liberalisation and facilitation goals.
- **Business Involvement in APEC:** APEC events and contacts, rules for non-member participation, business relations in member economies.
- **Small and Medium Enterprises:** SME meetings and fora, business opportunities, advice and training.



BizAPEC

Business Opportunities

Industry Information
by Sector

Getting Your Goods
To Market

Regional Export
Markets

Small and Medium
Enterprises

APEC Business Advisory
Council (ABAC)

Business Participation
in APEC

APEC Home

APEC Member Economy Data

1 Australia

Area ^a :	7,682
Population ^b :	18.3
GDP ^c :	394
GDP per capita ^d :	20,650
Exports ^f :	64.9
Imports ^f :	63.0

2 Brunei Darussalam

Area:	5.8*
Population:	0.31*
GDP:	5
GNP per capita:	17,246
Exports:	2
Imports:	4

3 Canada

Area:	9,971
Population:	30.3
GDP:	608
GDP per capita:	19,640
Exports:	217.4
Imports:	199.9

4 Chile

Area:	757
Population:	14.62
GDP:	77
GDP per capita:	4,820
Exports:	16.9
Imports:	18.2

5 People's Republic of China

Area:	9,561
Population:	1,244.2
GDP:	902
GDP per capita:	860
Exports:	182.7
Imports:	136.4

6 Hong Kong, China

Area:	1
Population:	6.5
GDP:	163.8
GDP per capita:	25,200
Exports:	188.1
Imports:	209.2#

7 Indonesia

Area:	1,919
Population:	203.4
GDP:	221.5
GDP per capita:	1,110
Exports:	56.3
Imports:	46.3

8 Japan

Area:	378
Population:	126
GDP:	4,812.1
GDP per capita:	38,160
Exports:	409.2
Imports:	307.6

9 Republic of Korea

Area:	99
Population:	45.7
GDP:	485.2
GDP per capita:	10,550
Exports:	138.6
Imports:	141.8

10 Malaysia

Area:	333
Population:	21.0
GDP:	98.2
GDP per capita:	4,530
Exports:	77.9
Imports:	40

11 Mexico

Area:	1,973
Population:	94.3
GDP:	348.6
GDP per capita:	3,700
Exports:	110.4
Imports:	109.8

12 New Zealand

Area:	271
Population:	3.8
GDP:	59.5
GDP per capita:	15,830
Exports:	13.9
Imports:	13.9

13 Papua New Guinea*

Area:	453
Population:	4.21
GDP:	5
GDP per capita:	946
Exports:	3
Imports:	2

14 Peru

Area:	1,285
Population:	24.4
GDP:	63.7
GDP per capita:	2,610
Exports:	6.8
Imports:	8.6

15 Republic of the Philippines

Area:	300
Population:	71.4
GDP:	88.4
GDP per capita:	1,200
Exports:	25.2
Imports:	36.4

16 Russia

Area:	17,075
Population:	147.7
GDP:	349.9
GDP per capita:	2,680
Exports:	88.9
Imports:	71.4

17 Singapore

Area:	1
Population:	3.4
GDP:	101.8
GDP per capita:	32,810
Exports:	125.8
Imports:	124.6

18 Chinese Taipei

Area:	36
Population:	21.7
GDP:	283.4
GDP per capita:	13,060
Exports:	121.7
Imports:	107.8

19 Thailand

Area:	513
Population:	59.7
GDP:	165.8
GDP per capita:	2,740
Exports:	56.7
Imports:	55.1

20 United States of America

Area:	9,373
Population:	271.8
GDP:	7,783
GDP per capita:	29,080
Exports:	681.3
Imports:	877.3

21 Viet Nam*

Area:	325
Population:	76.55
GDP:	26
GDP per capita:	335
Exports:	9
Imports:	14

^aArea: In thousands of square kilometers

^bPopulation: Millions

^cGDP: Current Price GDP (US\$ billion)

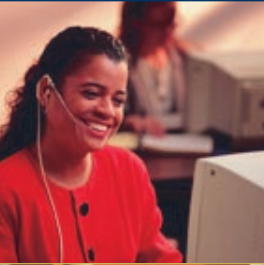
^dGDP per capita: Current GDP per capita (US\$)

^fExports and Imports: Merchandise trade (US\$ billion) Exports, fob Imports, fob

Source: The Economist: Pocket World in Figures, 2000 Edition

Source, Trade Statistics: *The APEC Region Trade and Investment, November 1998

Figure of Imports, cif



About APEC

APEC

The Asia-Pacific Economic Cooperation (APEC) forum was established in 1989 to promote growth and economic development in the Asia-Pacific region. Since its inception, APEC has grown to become the premier organisation for promoting open trade and practical economic cooperation in the region.

The combined output of APEC members accounts for around half of world exports and more than half the world's economic output (GDP). Its membership, numbering 21 economies spanning the Asia-Pacific, gives it a size and diversity that rivals other major international forums.

APEC's work covers three main areas: trade and investment liberalisation, trade facilitation, and economic and technical

cooperation. In 1994, APEC set itself the ambitious goal of achieving free trade and investment between APEC members by 2010 for developed economies and 2020 for developing ones. It is a leader in building a better environment for doing business in the region through its business facilitation work. Business expertise and resources help APEC achieve its objectives and business participates in many of APEC's activities.

APEC is also helping to strengthen the institutional capacity of its developing member economies. By promoting long-term sustainable economic growth, APEC is making a valuable contribution to creating jobs and raising the living standards of the people of the region.

getting results for business

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