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Economic Cooperation

Key APEC Documents 2003

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INTRODUCTION

Key APEC Documents 2003 is the tenth in a series produced by the APEC Secretariat to provide a reference set of the key policy decisions and initiatives endorsed by APEC Leaders and Ministers each year. Collectively, these documents set the framework and priorities of APEC's annual work programmes.

This issue presents a compilation of the statements from each of the APEC Ministerial Meetings held throughout 2003 together with the APEC Economic Leaders' Declaration from their recent Bangkok meeting, including for the first time, the chair's summary of discussions from the Leaders' retreats. The Executive Summary of the annual APEC Business Advisory Council Report to APEC Economic Leaders is also included for easy reference.

Documents contained in this and all earlier editions are also accessible via the main APEC website www.apecsec.org.sg which offers a full range of information on the activities of APEC.

APEC Secretariat
December 2003

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11TH APEC ECONOMIC LEADERS' MEETING

Bangkok Declaration on Partnership for the Future

**Bangkok, Thailand
21 October 2003**

We gathered in Bangkok for the 11th APEC Economic Leaders' Meeting to combine our diverse strengths to meet the challenges facing our region. In line with APEC's theme for this year, "A World of Differences: Partnership for the Future," and its sub-themes, following our interactive and meaningful exchange of views, we agreed that strong partnership is vital in order to achieve the goals we set out in Bogor. To realize our vision amidst the rapidly changing international environment, we agreed to strengthen our partnership not only to liberalize and facilitate regional trade and investment, but also to protect our peoples and societies against threats to their security, while preparing them to benefit fully from free and open trade. By taking these steps, we can realize the APEC vision, established by Leaders in 1993, of "achieving stability, security and prosperity for our peoples."

1. Promoting Trade and Investment Liberalization

We reaffirmed the primacy of the multilateral trading system, and agreed that the Doha Development Agenda (DDA) offers the potential for real gains for all economies, particularly developing economies, in the areas of agricultural reform, improved market access for goods and services, and clarification and improvement of trade disciplines. We lent our strong support for continuing the valuable work done at the Cancun Ministerial Conference to advance the DDA. We agreed that for global free trade to flourish, regional and bilateral free trade agreements must be consistent with WTO principles, advance WTO objectives and contribute to the Bogor Goals.

To advance the DDA and the Bogor Goals of free and open trade and investment, as well as their supporting conditions, we agreed to:

- Press for an ambitious and balanced outcome to the DDA, reiterating that the development dimension is at its core.
- Re-energize the negotiation process, building on Chairman Derbez's text of 13 September 2003, recognizing that flexibility and political will are urgently needed to move the negotiations toward a successful conclusion.
- Work towards the abolition of all forms of agricultural export subsidies, unjustifiable export prohibitions and restrictions, and commit ourselves to work in the negotiating group on rules in accordance with the Doha mandate.
- Advance free trade in a coordinated manner among multilateral, regional and bilateral frameworks so that they are complementary and mutually reinforcing.
- Extend our continued support for the early accession of the Russian Federation and Viet Nam to the WTO.
- Continue APEC's work on WTO capacity and confidence building in areas where APEC can best add value, while reviewing past performance to improve its effectiveness.
- Instruct Ministers to take concrete steps to make APEC's trade agenda more supportive of the work of the WTO and report on their progress in 2004.
- Work with the APEC Business Advisory Council (ABAC) and the business community to continue to implement the Shanghai Accord and Los Cabos directives to facilitate business activity in the APEC region, including the reduction of transaction costs 5 percent by the year 2006.
- Advance all pathfinder initiatives, including the APEC Sectoral Food MRA and Digital Economy Statement to, e.g., stop optical disk piracy and allow technology choice for business.

- Fight corruption, a major obstacle to social and economic development, by working in 2004 to develop specific domestic actions to combat it. Promote transparency by implementing our general and area-specific transparency standards through our Transparency by 2005 Strategy.

2. Enhancing Human Security

We agreed that transnational terrorism and the proliferation of weapons of mass destruction pose direct and profound challenges to APEC's vision of free, open and prosperous economies. We agreed to dedicate APEC not only to advancing the prosperity of our economies, but also to the complementary mission of ensuring the security of our people.

We therefore committed at Bangkok to take all essential actions to:

- Dismantle, fully and without delay, 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 by strengthening international non-proliferation regimes, adopting and enforcing effective export controls, and taking other legitimate and appropriate measures against proliferation.
- Confront other direct threats to the security of our region.

We pledged to discuss at each Leaders' Meeting our progress toward these security commitments, and to take specific actions in pursuit of them.

We agreed this year to:

- Strengthen our joint efforts to curb terrorist threats against mass transportation and confront the threat posed by terrorists' acquisition and use of Man-Portable Air Defense Systems (MANPADS) against international aviation by committing to: adopt strict domestic export controls on MANPADS; secure stockpiles; take domestic action to regulate production, transfer, and brokering; ban transfers to non-state end-users; and exchange information in support of these efforts. We agreed to continue efforts to strengthen domestic controls on MANPADS and to review our progress next year in Chile.
- Increase and better coordinate our counter-terrorism activities, where appropriate, through effective collaboration, technical assistance and capacity building, and cooperation between APEC's Counter Terrorism Task Force, the Counter Terrorism Action Group (CTAG) of the G-8, the United Nations Security Council Counter Terrorism Committee and other relevant international, regional and functional organizations.
- Implement the APEC Action Plan on SARS and our Health Security Initiative to help APEC prevent and respond to regional health threats, including naturally-occurring infectious disease and bio-terrorism. We welcomed the establishment by Singapore and the United States of a Regional Emerging Disease Intervention (REDI) Center. We encouraged the Life Sciences Innovation Forum to complete its strategic plan by 2004.
- Establish a regional trade and financial security initiative within the Asian Development Bank, to support projects that enhance port security, combat terrorist finance, and achieve other counter-terrorism objectives.
- Support implementation of the Advance Passenger Information (API) System pathfinder initiative and efforts to explore development of a regional movement alert system to protect air travelers.
- Accelerate the implementation of the Energy Security Initiative by endorsing its Implementation Plan and, as appropriate, a new Action Plan to enhance regional and global energy security.

3. Using APEC to Help People and Societies Benefit from Globalization

Sustainable economic development requires empowering people and strengthening societies for globalization. In this regard, we welcomed efforts to increase APEC's contribution to this process by: making it more effective; better focusing and strengthening its work on economic and technical cooperation; and increasing its interaction with international financial institutions, the private sector, and other outside organizations. This will make APEC's work more effective in bridging the gap between developed and developing economies.

To create the conditions that allow peoples and societies to make the most of their potential and prepare for the challenges of the future, we agreed to:

- Strengthen efforts to empower people and societies, including women and youth, to integrate into the global economy. We underlined the importance of strengthening small and medium enterprises and micro enterprises, of social safety nets in promoting sustainable and equitable economic development, and of mainstreaming the informal sector. We welcomed the outcomes of the meetings of APEC Finance and SME Ministers in this regard and instructed Ministers to coordinate on micro enterprise financing and capacity building initiatives, in collaboration with international financial institutions and other relevant parties, in order to leverage resources for implementation of the Micro-Enterprises Action Plan in 2004.
- Step up efforts to build knowledge-based economies. We instructed Ministers to accelerate progress towards the Brunei Goals on expanding Internet access, improvement of intellectual property rights facilitation, protection and enforcement, and implementation of the e-APEC Strategy, in partnership with relevant stakeholders. We voiced support for science and technology innovation, the upgrading of English-language and computer skills among the workforce for effective use of the Internet, advancing cyber-education and ICT capacity building, including for small and micro enterprises.
- Strengthen regional efforts to promote sound and efficient financial systems and fundamentals. We urged further cooperation on development of domestic and regional bond markets, as well as securitization and credit guarantee markets to enhance the efficiency of those markets. We support issuance of new financial products, including long-term, local currency-denominated debt instruments, derivatives and asset-backed securities.
- Accelerate structural reform in the APEC region. We reiterated APEC's strong political commitment to continued structural reform to ensure sustainable economic growth and development in the Asia-Pacific region. We welcomed the adoption of the APEC Structural Reform Action Plan that includes strengthening economic legal infrastructure as a guiding working program and instructed Ministers to review implementation of this Action Plan and identify future initiatives.
- Strengthen APEC. We discussed the need to make APEC more efficient and responsive to all stakeholders. We instructed Ministers to explore the issue and report on progress by the time we meet in Chile in 2004.

We endorsed in full the conclusions of and the Joint Statement agreed by Ministers at the Fifteenth APEC Ministerial Meeting.

CHAIR'S SUMMARY OF DISCUSSIONS AT RETREATS I AND II

11th APEC Economic Leaders' Meeting

**Bangkok, Thailand
20–21 October 2003**

At our Meeting, we had a wide-ranging and interactive exchange of views on the WTO and how to put the Doha Development Round back on track. As a region of free traders, we reaffirmed our strong commitment to the multilateral trading system, and the importance of continuing the work done at Cancun, building on the draft text by Chairman Derbez as of 13 September 2003. We agreed to press for an ambitious and balanced outcome to the Doha Development Round, including by instructing APEC Ministers and negotiators in Geneva to maintain regular informal consultations to find common ground on issues under negotiation.

We noted the importance of agriculture issues. On the Singapore issues, APEC is already contributing through its work on trade facilitation, which is part of the APEC agenda. We affirmed that development should be an important aspect of the Round, and noted that differences in the levels of development should not be ignored. We urged political will and flexibility on the part of all concerned to bring the negotiations to a successful conclusion.

We noted that continued lack of progress in the DDA might increase the trend towards bilateral and regional free trade agreements (FTAs). We emphasized that FTAs must complement and enhance the multilateral trading system, and not divide the global economy into numerous trading blocs. We noted that economies that are ready to liberalize their economies can do so and should also help others in moving forward, for example, by trilateralizing bilateral FTAs, coordinating among various FTAs and working towards APEC-wide free trade. We recognized that intra-APEC FTAs could contribute to the achievement of the Bogor Goals, provided that they be WTO-consistent.

We stressed that capacity building is essential to promoting trade, enhancing competitiveness and reducing poverty. APEC must continue with human and institutional capacity building and make sure that such efforts yield results. APEC should also promote more investment among members.

We discussed the five recommendations of the APEC Business Advisory Council (ABAC). We considered them important and deserving of our serious consideration. We stressed the importance of partnership between governments and the business sector. Governments have the duty to provide infrastructure and remove obstacles to allow business and people to benefit from economic activities. Governments should make serious efforts to enhance transparency and fight corruption and work with the business sector to promote good corporate governance.

We shared extensive views and experiences on harnessing the power of ICT to empower the people in accordance with the Brunei goals. We noted that while investment in the strengthening of physical infrastructure is important, the most crucial aspect of ICT development is human capacity building. We shared the view that a three-way partnership between government, business and academia is vital in developing both infrastructure and human capacity. We shared experiences on using ICT for everyday life, including e-government, telemedicine, distance learning, and education in general. While IT is generally positive, we noted the need also to address the challenges related to IT, including the digital divide, and abuse of the Internet by terrorists and criminals. We shared experiences in cooperation on IT education, such as exchange programs, and welcomed the idea of an APEC digital development opportunity center.

On structural reform, we shared experiences on our efforts in domestic structural reform, which can be painful but is necessary and beneficial in the long term. We acknowledged the need for efficient regulatory bodies and good corporate governance in maintaining sound financial health. We noted the need for reform of the international financial regime.

On counter-terrorism, we reaffirmed APEC's resolve in fighting terrorism and noted the need to address both the symptoms and the root causes of terrorism, as this is a problem that undermines trade and investment which are APEC's main objectives. We agreed to intensify cooperation on counter-terrorism on various fronts, which are reflected in our Leaders' Declaration.

We continued our discussion on Counter-Terrorism, and discussed the situation on the Korean Peninsula and APEC Reform during the working lunch.

On APEC Reform, we stressed the need for APEC to be more efficient and responsive to all its stakeholders. We therefore instructed Ministers to explore the issue and report on progress by the time we meet in Chile in 2004.

We welcomed Chile's presentation on its preparations for APEC 2004 and welcomed Peru's offer to host APEC 2008.

APEC LEADERS' STATEMENT ON HEALTH SECURITY

In Los Cabos, we, APEC Leaders, “acknowledged that investing in health will benefit economic growth”, and we “instructed Ministers to build on work underway to establish a regional public health surveillance network and an early warning system to monitor and respond to critical disease outbreaks in the region, and critical threats such as bio-terrorism.” The Severe Acute Respiratory Syndrome (SARS) outbreak this year, which had grave economic consequences for the region, demonstrated the importance of prevention, surveillance/detection, and coordinated responses to disease outbreaks, whether naturally occurring, like SARS, or intentionally caused, like the 2001 anthrax incidents in the United States. APEC’s Infectious Disease Strategy, agreed at Shanghai in October 2001, already laid the groundwork for a commitment to health security measures against both naturally occurring and intentionally caused disease outbreaks.

We will work to strengthen our public health infrastructure to detect, respond to, and prevent bio-terrorism and naturally occurring disease outbreaks. We will protect our populations from dangerous pathogens, and secure dangerous pathogens against diversion. We will safeguard materials, equipment, technology, and expertise applicable to biological weapons to prevent their diversion to criminal purposes.

We commit to take effective domestic measures to protect public health and undertake, where appropriate, cooperative efforts that may involve both government and non-government institutions, working with and through international conventions and fora, including action to:

- Pursue focused efforts to monitor diseases, contain outbreaks, especially those that could have international consequences, and coordinate responses via mechanisms such as the APEC Emerging Infections Network and, in the event of a disease outbreak, in collaboration with relevant multilateral organizations.
- Ensure a high level of physical security, accountability, and safety with respect to storage, use, and transfer of dangerous biological pathogens, consistent with current national and international efforts.
- Establish an effective code of domestic ethical and operational conduct for bio-scientists or promote such codes where they already exist.
- Strengthen—or introduce where they do not exist—laws, regulations and enforcement mechanisms to require strict export and import controls on dual-use biological materials and equipment, and criminalize offensive weapons activity.

We welcome the establishment by Singapore and the United States of a new Regional Emerging Disease Intervention (REDI) Center based in Singapore to serve as a regional resource for training and research. The Center will help us build our individual and collective capacity and hence will facilitate our cooperative efforts to monitor, respond to, and prevent critical infectious disease threats in the Asia Pacific region.

FIFTEENTH APEC MINISTERIAL MEETING

Bangkok, Thailand
21 October 2003

JOINT STATEMENT SUMMARY OF KEY ISSUES

APEC Ministers reviewed the achievements of the 2003 APEC year hosted by the Kingdom of Thailand and agreed on initiatives for the 2004 APEC year to be hosted by the Republic of Chile.

Under Thailand's theme for APEC 2003, "A World of Differences: Partnership for the Future," Ministers discussed how to reinvigorate the World Trade Organization (WTO) Doha Development Agenda (DDA) Negotiations as well as how to address the challenge to regional security and prosperity posed by transnational terrorism and infectious diseases.

The WTO and the Multilateral Trading System

Ministers agreed that the WTO Doha Development Agenda (DDA) offers the potential for real gains for all economies, and particularly developing economies, in the areas of agricultural reform, improved market access for goods and services, and clarification and improvement of trade disciplines.

Ministers regretted the missed opportunity to advance the DDA during the 5th WTO Ministerial Conference held in Cancun, Mexico, on 10–14 September 2003. They noted that progress had been made in some areas of negotiations, and welcomed the recent historic decision on TRIPS and access to essential medicines. They reaffirmed that a successful outcome is essential for strengthening the global trading system, promoting global economic development and well-being, as well as achieving the Bogor Goals. Ministers recalled the Leaders' Declaration at Los Cabos, and reiterated that the development dimension remained central to the DDA. To move the DDA forward, Ministers agreed to build on Chairman Derbez's text of 13 September 2003, recognizing that flexibility and political will from all are urgently needed.

Ministers recognized APEC's capacity building contributions, and instructed Senior Officials to review the experience gained in order to identify measures and practices to improve WTO capacity building activities in the future, and make them as effective as possible in reinvigorating the DDA negotiations. Ministers also reaffirmed the importance of effective WTO capacity building activities in helping developing economies fully participate in WTO DDA negotiations and enjoy the full benefits of WTO membership.

Ministers recognized that intra-APEC Regional Trade Agreements/Free Trading Arrangements (RTAs/FTAs) could contribute to APEC's goals of free and open trade and investment provided they were consistent with WTO rules and disciplines. In particular, they encouraged the 2nd Policy Dialogue on RTAs/FTAs to be held in May/June 2004 in Pucon, Chile to explore ways in which RTAs/FTAs can contribute to the Bogor goals and advance the WTO process.

Trade and Investment Liberalization and Facilitation

Ministers noted the progress made in the implementation of the *APEC Trade Facilitation Action Plan (TFAP)* in particular the selection by individual economies of actions and measures to reduce business transaction costs. They urged all economies to implement their selected actions and measures expeditiously and to prepare for the mid-term review and Expanded Dialogue on Trade Facilitation to be held next year with the aim to reduce business transaction cost by the targeted 5 percent by 2006.

Ministers agreed to recommend that Leaders endorse the Transparency by 2005 Strategy agreed by Ministers Responsible for Trade. Ministers endorsed the package of area-specific Transparency Standards into the *Leaders' Statement to Implement APEC Transparency Standards* and requested Senior Officials to further refine the template developed for reporting on how economies implement the General Transparency Standards for use from 2004 onwards.

Ministers welcomed the expansion of the 1998 APEC's *Menu of Options for Investment Liberalization and Business Facilitation to Strengthen APEC Economies* to include competition policy and regulatory reform as well as the capacity building programs and activities to improve the economies' capabilities in the investment area.

Structural Reform

Ministers stressed their determination to pursue structural reform in the APEC region to maximize the opportunities arising from trade and investment liberalization and facilitation. They endorsed the "APEC Structural Reform Action Plan" as a unified framework for helping build economies' capacity to meet changing market demands and enhance their competitiveness.

Ministers also recognized that good governance is fundamental to sustained economic growth and development and strongly supported the implementation of good governance practices across the APEC region.

Capacity Building to Share Prosperity

Ministers endorsed a shortlist of priorities designed to focus APEC's work on Economic and Technical Cooperation (ECOTECH). The four ECOTECH priorities are:

- Integration into the Global Economy.
- Promoting the Development of Knowledge-Based Economies.
- Addressing the Social Dimension of Globalization.
- Counter-Terrorism Capacity Building.

Ministers also welcomed the results of the Senior Officials' roundtable discussion with international financial institutions (IFIs) and called for further strengthening of the partnership with IFIs and the business sector.

Knowledge-Based Economy for All

Ministers recognized that effective management of Intellectual Property Rights (IPR) is essential to building a knowledge-based economy. Therefore, Ministers endorsed the establishment of *IPR Service Centers* and the *Comprehensive Strategy on IPR in APEC*, both of which will improve IPR facilitation, protection and enforcement in the region.

Ministers welcomed the first Life Sciences Innovation Forum in Phuket, Thailand in August 2003. They took note of the progress in developing the draft Strategic Plan for promoting Life Sciences Innovation and requested that the forum and its expert groups finalize the plan for endorsement in 2004.

Counter-Terrorism and Secure Trade

Ministers are committed to ongoing work in blocking the cross-border movement of equipment, funds and people involved in transnational terrorist activities while at the same time enhancing the free flow of legitimate travelers, trade and investment.

To minimize the potential abuse of alternative remittance systems for terrorist financing purposes, the Ministers noted the Finance Ministers agreement on the need to explore how

alternative remittance systems operate and in some cases, how the formal financial systems can be strengthened to provide more attractive and accessible remittance services.

To counter the emerging threat of Man-Portable Air Defense Systems (MANPADS) to civil aviation, Ministers agreed to strengthen domestic controls on the production, stockpiles, transfer and brokering of MANPADS.

To increase the security of travel, Ministers encouraged economies to implement advance passenger information systems including after expedited feasibility studies and instructed Senior Officials to assess the feasibility of a regional movement alert system.

Ministers endorsed the Energy Security Initiative Implementation Plan identifying actions to fulfill requirements of APEC's Energy Security Initiative, and timeframes where appropriate.

Ministers welcomed the outcomes of the 1st Secure Trade in the APEC Region (STAR) Conference in Bangkok in February 2003, and looked forward to the outcomes of the 2nd STAR Conference, which is scheduled to take place in Valparaiso, Chile in March 2004. They also welcomed the establishment of the Counter-Terrorism Task Force and the progress achieved in implementing the Leaders' counter-terrorism commitments. Ministers urged economies to continue to work toward full implementation of the commitments.

Ministers called on all Senior Officials to help economies to identify their counter-terrorism capacity building needs consistent with the objectives outlined by Leaders and to co-ordinate, where appropriate, with International Financial Institutions and relevant regional and international organizations, including the United Nations Security Council Counter-Terrorism Committee, the G-8 Counter-Terrorism Action Group, ASEAN and the OECD Financial Action Task Force.

In addition, Ministers agreed that APEC must be ready to respond to other threats to regional prosperity such as the re-emergence of Severe Acute Respiratory Syndrome (SARS). They emphasized the need for continued vigilance and preparedness to implement the APEC Action Plan on SARS and the APEC Infectious Disease Strategy, so as to detect, respond to, and mitigate the impact of future public health threats, including bio-terrorism, and naturally occurring infectious diseases, such as SARS and HIV/AIDS. Ministers endorsed the Health Security Initiative and forwarded it to Leaders, and welcomed the establishment of an *ad hoc* APEC Health Task Force.

Creating a New Financial Architecture for APEC

Recognizing the importance of establishing a sound and resilient financial system in the region, the institutional framework and structural reforms that would allow the most efficient allocation of savings need to be undertaken.

It was also agreed that promoting regional bond market strength with a view to building a regional bond market would provide an alternative means of mobilizing savings, providing investment alternatives, generating more economic growth and achieving deeper financial markets.

Supporting SMEs and Micro-enterprises – the New Growth Enterprises

Ministers encouraged future measures to reduce red tape and to facilitate access to capital and other resources for Small and Medium Enterprises (SMEs) and welcomed efforts to identify and reduce impediments to trade for regional SMEs.

Ministers welcomed the signing of the Memorandum of Understanding (MOU) on Cooperation Among the APEC Financial Institutions Dealing with SMEs by financial institutions from participating economies. They welcomed this as an initial step towards establishing a network of APEC SME financial institutions.

APEC Reform

Ministers commended recent efforts to make APEC meeting arrangements more interactive, to reinvigorate and redesign APEC's process, as well as to make the agenda of APEC more focused and policy oriented. They agreed on the need to further streamline the process and to make APEC more responsive to the rapidly changing environment as well as the needs of major APEC stakeholders, especially the public at large.

In this regard, Ministers requested Senior Officials to develop proposals for broader APEC reform and to report the progress to 16th AMM. Ministers also instructed the APEC Secretariat to facilitate this process of review and assessment by providing a report on APEC's working profile, covering its structure, decision-making process, work areas and activities to the Senior Officials process as soon as possible.

FIFTEENTH APEC MINISTERIAL MEETING

**Bangkok, Thailand
17–18 October 2003**

JOINT STATEMENT

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 Republic of the Philippines; the Russian Federation; Singapore; Chinese Taipei; Thailand; the United States of America; and Viet Nam, representing economies which collectively account for 47 percent of world trade and over 60 percent of global GDP, participated in the Fifteenth Asia-Pacific Economic Cooperation (APEC) Ministerial Meeting in Bangkok, Thailand on 17–18 October 2003. The APEC Secretariat was present. The Association of Southeast Asian Nations (ASEAN) Secretariat, the Pacific Economic Cooperation Council (PECC) and the Pacific Islands Forum (PIF) attended as observers.

The meeting was chaired by Dr. Surakiart Sathirathai, Minister of Foreign Affairs and Dr. Adisai Bodharamik, Minister of Commerce of the Kingdom of Thailand.

Ministers renewed their commitment to stable economic growth in the Asia Pacific region based on an open multilateral trading system. They reiterated their pledge to achieve the Bogor Goals of free and open trade and investment through harnessing the diverse and unique strengths of the twenty-one APEC member economies to create jobs and raise the standard of living of its peoples. Working towards the equitable and shared prosperity for all, Ministers reviewed the implementation of the APEC 2003 work program and set new directions and taskings for the APEC 2004 Year. These outcomes are organized in accordance with the theme and sub-themes of the APEC 2003 Year:

A World of Differences: Partnership for the Future

- **Act on Development Pledge;**
- **Knowledge-Based Economy for All;**
- **Promoting Human Security;**
- **Financial Architecture for a World of Differences;**
- **New Growth Enterprises: SMEs and Micro-Enterprises.**

PARTNERSHIP FOR THE FUTURE

For APEC to reach the Bogor Goals of free and open trade and investment by 2010 for industrialized economies and 2020 for developing economies, Ministers called on all APEC members to work together in an effective partnership not only among economies but also together with other stakeholders and actors such as civil society, the business sector, and academia. In particular, APEC is encouraged to collaborate and work with International Financial Institutions (IFIs) to better utilize and harness the expertise and resources to bring about tangible benefits to all regardless of cultural differences and levels of economic development.

ACT ON DEVELOPMENT PLEDGE

Despite its diversity, the APEC spirit of cooperation has underpinned its trade and investment liberalization and facilitation agenda that works in concert with economic and technical cooperation rather than through a donor-recipient relationship. Through this process, APEC integrates its peoples and communities into the mainstream of regional economic activities,

turning them into stronger trade and investment partners as APEC moves closer towards the Bogor Goals.

World Trade Organization (WTO)

Ministers agreed that the WTO Doha Development Agenda (DDA) offers the potential for real gains for all economies, and particularly developing economies, in the areas of agricultural reform, improved market access for goods and services, and clarification and improvement of trade disciplines. Ministers regretted the missed opportunity to advance the DDA during the 5th WTO Ministerial Conference held in Cancun, Mexico, on 10–14 September 2003. They noted that progress has been made in some areas of negotiations, and welcomed the recent historic decision on TRIPS and access to essential medicines.

To move the DDA forward and arrive at an ambitious and balanced outcome to the DDA, Ministers agreed on the need to re-establish the common purpose, commitment and contribution from all WTO Members that has been the hallmark of successful multilateral trade liberalization, and reiterated that the development dimension is at the core of the DDA.

Ministers also recalled the Leaders' Declaration at Los Cabos and reiterated that one of the objectives of the negotiations should be the abolition of all forms of agricultural export subsidies, and unjustifiable export prohibition and restrictions. Ministers remained committed to on-going work in the negotiating group on rules aiming at clarifying and improving trade disciplines.

Ministers called on all WTO Members to quickly re-energize the negotiation process by building on Chairman Derbez's text of 13 September 2003, recognizing that flexibility and political will from all are urgently needed. They also supported the Chairman of the WTO General Council's initiative to lead talks at the General Council on the areas that dominated discussions in Cancun, such as agriculture, industrial market access, and the Singapore Issues, with an aim to setting out future work programs for negotiations by 15 December 2003. Ministers noted that the valuable work on trade facilitation already undertaken by APEC would be helpful in the context of WTO negotiations. They underlined their willingness to show flexibility in advancing such negotiations and urged their trading partners to do the same.

Ministers reaffirmed the importance of effective WTO capacity building activities in helping developing economies fully participate in WTO DDA negotiations and enjoy the full benefits of WTO membership. To contribute to the successful completion of the DDA, Ministers, reaffirming the importance of capacity building, instructed Senior Officials to focus on meeting the needs identified by developing economies. Ministers recognized APEC's capacity building contributions and instructed Senior Officials to review the experience gained, as well as the lessons of the 5th WTO Ministerial Conference in Cancun, in order to identify measures and practices to improve WTO capacity building activities in the future, and make them as effective as possible in reinvigorating the DDA negotiations.

Ministers instructed officials in Geneva to increase the momentum in the work undertaken by the APEC WTO Caucus so as to follow up on the discussions held and the instructions given to them in Bangkok, on advancing the DDA negotiation agenda.

Ministers restated their support for the WTO accessions of the Russian Federation and Viet Nam, and agreed to seek early accession for these economies. Ministers noted that APEC capacity building programs could help the Russian Federation and Viet Nam in building confidence and capacity to accelerate their negotiation process to join the WTO.

Ministers noted the efforts underway in the current GATS negotiations to encourage economies to provide greater transparency in all sectors and modes of supply. Greater transparency by APEC members would facilitate such efforts and promote investment and trade in goods and services in the region. Ministers encouraged economies to continue their discussions on

transparency and consider practical and effective ways to improve the availability of information related to their GATS specific commitments, including mode 4.

Structural Reform

Ministers stressed their determination to continue pursuing structural reform in the APEC region as a valuable avenue for achieving the Bogor Goals. Work should continue to ensure that policies of open markets are complemented by genuine efforts to progress structural reform and constantly review policies and practices in the relevant areas. They reiterated that “behind-the-border” reforms are necessary to support “at the border” trade and investment liberalization and facilitation initiatives.

Ministers adopted the “*APEC Structural Reform Action Plan*” as a unified framework for helping build economies’ capacity to undertake structural reform by coordinating and promoting current and future structural reform work in APEC. The Action Plan incorporates work in structural impediments to trade in goods and services, training on competition policy and deregulation, corporate governance and insolvency systems, corporate debt restructuring, and strengthening economic legal infrastructure activities. They also encouraged strengthening of social safety nets to complement structural reform efforts. Ministers requested Senior Officials to report progress on implementation of the APEC Structural Reform Action Plan to the 16th APEC Ministerial Meeting (AMM) in 2004.

Ministers welcomed the progress with Strengthening Economic Legal Infrastructure (SELI) capacity building projects, including initiatives on commercial laws, accounting systems and competition policy. They took note of the report on the *Study on Debt Collection Litigation/ Arbitration in APEC Economies* and the launch of the report on *Strengthening Commercial Laws in the APEC Region*, and reaffirmed the importance of more transparent and more predictable environment for business activities. They also instructed Senior Officials to further develop SELI’s activities by taking into account the findings of the past projects of the SELI Coordinating Group.

Ministers also recognized that good governance is fundamental to sustained economic growth and development and strongly support the implementation of good governance practices across the APEC region.

Trade and Investment Liberalization and Facilitation

Ministers endorsed the *2003 Committee on Trade and Investment Annual Report* on APEC’s Trade and Investment Liberalization and Facilitation activities.

Ministers welcomed considerable progress made by APEC in liberalizing and facilitating investment flows in the region and urged members to attach greater importance to investment cooperation.

Individual and Collective Action Plans

Ministers reaffirmed their commitment to achieve the Bogor Goals through actions outlined in their respective *Individual Action Plans* (IAPs). They endorsed the *Senior Officials’ Report on IAP Improvements for 2003* and welcomed the actions and measures taken by individual economies on *Trade Facilitation*. They urged all economies to report progress in the new IAP Chapter on *Trade Facilitation*. They agreed that this IAP Chapter on *Trade Facilitation* will be a useful tool in charting progress toward the objective in the Shanghai Accord of realizing a 5 percent reduction in business transaction costs by 2006. Increased profits, due to reduction in transaction costs, will be returned to business, which will result in increased trade volume, creation of new jobs and lower prices for consumers.

The new IAP Chapter on the *APEC Food System* is also a welcome addition to the IAP process. The APEC Food System, an initiative of the APEC 1999 Year, combines the

development of rural infrastructure, dissemination of technological advances in food production and processing, and liberalization and promotion of trade in food products, into a robust regional food system. This system provides a vital contribution to meeting the objectives of APEC, aiding efficient and safe food production, and facilitating effective trade in food products, and ensuring that its requirements are based on sound science. In this context, Ministers noted the Agricultural Technical Cooperation Working Group's plan to pursue a high-level policy dialogue on agriculture in 2004.

Ministers also welcomed the annual reporting mechanism of Strengthening Economic Legal Infrastructure (SELI) that was agreed on by the members following the broadening of the OAA to include a new chapter of SELI last year. The reporting mechanism will help each economy identify the economic legal areas that need improvement, and will push forward their efforts in the area. In addition, the mechanism will facilitate policy discussions and mutual cooperation among APEC member economies in this area. Ministers instructed Senior Officials to further improve it with the consideration of its relations with other relevant IAPs.

Ministers welcomed the successful 2003 *IAP Peer Reviews* of Australia; Canada; Hong Kong, China; Japan; Korea; Mexico; New Zealand and Thailand. They took note of progress to complete the peer reviews of Chile, China, Peru, Singapore, Chinese Taipei and the United States in 2004. Ministers reaffirmed their commitment to complete all twenty-one IAP peer reviews by the First Senior Officials' Meeting (SOM I) in 2005 and to conduct a mid-term stocktake in 2005 on overall progress towards meeting the Bogor Goals. Completion of preparations for this mid-term stocktake should be agreed on by the 16th AMM.

Whilst noting the progress made on the implementation of collective action plans, Ministers instructed Senior Officials to expeditiously review and progressively improve the CAPs to ensure that they produce tangible benefits to the business community and meet the Bogor Goals.

Ministers welcomed the expansion of the 1998 APEC's *Menu of Options for Investment Liberalization and Business Facilitation to Strengthen APEC Economies* to include competition policy and regulatory reform as well as the capacity building programs and activities to improve the economies' capabilities in the investment area. Ministers noted the reports prepared by most economies highlighting their implementation of the *Menu of Options*, and urged all remaining economies to provide their reports on the progress in implementing the *Menu of Options* as soon as possible, and encouraged the Investment Experts Group to advance work in this important arena.

Trade Facilitation Action Plan

Ministers applauded economies' work to implement the *APEC Trade Facilitation Action Plan (TFAP)*, in particular the individual economies' selected actions and measures. They noted that several economies have presented case studies on how the benefits of trade facilitation actions and measures can be quantified and encouraged economies to step up efforts to provide this type of detail. Ministers welcomed the time release survey carried out by several economies as one of the proxies to measure the 5 percent reduction of transaction costs. To ensure APEC meets Leaders' target of reducing business transaction costs by 5 percent by 2006, Ministers instructed Senior Officials to identify and implement concrete actions and measures. In this regard, the Ministers were of the view that compilation of information about best practices of trade facilitation should be made available in local languages of APEC to maximize the gain of trade facilitation.

Ministers further instructed Senior Officials to begin preparing for the mid-term review and Expanded Dialogue on Trade Facilitation scheduled to take place at the Third Senior Officials Meeting in 2004. Ministers agreed that the mid-term review and the participation of economies, non-government experts and private sector representatives in the Dialogue should provide APEC members with an accurate view of progress made thus far to achieve the Shanghai Accord's mandate.

Ministers reiterated their appreciation for recent studies, such as “*Assessing the Economic Benefits of Trade Facilitation and Recommendations for a Coordinated Capacity Building*” by the World Bank, estimating the substantial economic benefits APEC economies can realize from reducing transaction costs. Ministers instructed Senior Officials to develop a work program to share information on similar benefits that other WTO members could potentially achieve.

Ministers instructed Senior Officials to identify APEC-wide concrete actions and measures that would enhance the cross border movement and customs clearance of goods and people in the region. Ministers also urged Senior Officials to further develop confidence and capacity building activities to assist economies to implement the TFAP, including the progress report on the study to examine developments in trade facilitation and secure trade. They looked forward to the development of a monitoring mechanism to demonstrate the cost reduction effect and the benefit to the business community and requested Senior Officials to report progress on the TFAP to the 16th AMM in 2004. In this context, Ministers welcomed the outcome of the APEC Workshop on Quantitative Methods for Assessing NTMs and Trade Facilitation, sponsored by the Market Access Group in Bangkok in October 2003, at which participants exchanged views on the latest analytical methods for assessing the impact of non-tariff measures and trade facilitation. By building capacity among trade policy specialists in the developing APEC economies, the Workshop will lead to better information for policymakers on a wide range of topics, including helping economies to assess their progress to achieve a 5 percent reduction in transaction costs by 2006.

Ministers noted the outcomes of a symposium held in Chinese Taipei in September 2003 on *Toward a Cross-Border Paperless Trading Environment – Actions for Trade Facilitation* and the *Roadmap for Establishing an APEC Cross-Border Paperless Trading Environment*. They requested relevant APEC fora to consider its recommendations in particular the commitment to achieving paperless trading goals in the APEC region by 2005 for industrialized economies and 2010 for developing economies.

Ministers noted that trade and security are complementary issues. As such, the implementation of security related measures, such as STAR within the APEC region, should take into account the need to minimize costs directly associated to trade.

Leaders' Statement to Implement APEC Transparency Standards

Ministers endorsed area-specific Transparency Standards on Services, Investment, Competition Law and Policy and Regulatory Reform, Standards and Conformance, Intellectual Property, Custom procedures, market access and business mobility and directed their officials to complete their work on area-specific standards on government procurement by the 2004 MRT. Ministers requested Senior Officials to further refine the template developed for reporting on how economies implement the General Transparency Standards for use from 2004 onwards. Ministers agreed to recommend that Leaders endorse the Transparency by 2005 Strategy agreed by Ministers Responsible for Trade to ensure that economies implement the Leaders' Transparency Standards in their domestic legal regimes. Ministers instructed Senior Officials to study how implementation of the area-specific Transparency Standards could also be tracked in the IAPs and called for the development of demand-driven capacity building to assist developing economies to implement the APEC Transparency Standards by January 2005. Furthermore, Ministers asked Senior Officials to ensure that these standards are made publicly available to the business community, as they make an important contribution to APEC's trade facilitation agenda.

Ministers recognized that enhancing transparency will contribute to combating corruption. Ministers noted that in many member economies there already exist appropriate laws, institutions and structures aimed at eliminating corrupt practices in both the public and private sectors. Ministers agreed that these anti-corruption measures should be vigorously enforced, and where appropriate laws, institutions and structures should be strengthened in pursuit of our common goals.

Pathfinder Initiatives

Ministers re-emphasized the important role of Pathfinder initiatives that allow economies that are ready to initiate and implement the cooperative arrangements to proceed to do so, while those that are not yet ready to participate may join at a later date. In this connection, Ministers urged all economies to actively take steps to participate in Pathfinder initiatives so as to ensure timely progress towards the Bogor Goals.

Ministers of participating economies endorsed the “Next Steps” Action Plan adopted by Ministers Responsible for Trade to implement the 2002 *Pathfinder Statement to Implement APEC Policies on Trade and the Digital Economy*. They also welcomed progress achieved so far under this Plan to implement the Leaders’ Digital Economy Statement in the e-commerce, services, intellectual property and tariff areas, and instructed that work under the Next Steps Plan continue.

Ministers welcomed Chile’s decision to participate in the Leaders’ Digital Economy Statement, according to the understanding annexed to this Statement (see Annex A). Ministers instructed Senior Officials to work on the basis of participating economies’ proposals to identify additional information technology products on which tariffs could be eliminated. Ministers also instructed Senior Officials of the economies participating in the 2002 Pathfinder Statement to Implement APEC Policies on Trade and the Digital Economy to undertake work on technology choice and non-discriminatory trade in digital products under the “Future Works” paper.

Ministers agreed on the importance of effective intellectual property protection consistent with existing regimes and international agreements as critical to fuel human genius and creativity, and to promote investment in the creation of culturally diverse materials, and agreed to continue work under the *Digital Piracy Initiative* to create the regulatory and enforcement environment needed to eliminate the production, import, export and distribution of pirated optical media. To this end, Ministers of economies participating in the Leaders’ Digital Economy Statement endorsed Effective Practices for Regulations Related to Optical Disc Production. They also noted the *Initial Report on Enforcement Best Practices in APEC Economies to Combat Optical Disk Piracy*, and agreed that economies participating the Leaders’ Digital Economy Statement should provide information on their enforcement practices so that a final report is ready for submission to Ministers Responsible for Trade next year. Ministers instructed officials to continually pursue new work areas under the Leaders’ Digital Economy Pathfinder Statement. They also called for the formulation of demand-driven capacity building projects that would help developing economies benefit from digital trade.

Ministers welcomed the launch of the *APEC Sectoral Food Mutual Recognition Arrangement* (MRA) as a Pathfinder initiative and encouraged economies to share effective and/or best practices in food regulations as initial means to help promote the initiative. This initiative has the potential to bring greater returns to agricultural producers and would pass on the benefits of reduced costs to consumers. The initiative would also support APEC’s efforts to promote the APEC Food System.

Ministers also welcomed progress made with respect to the following Pathfinder initiatives and urged economies to participate actively in Pathfinder initiatives:

- Implementation of Unilateral Advance Passenger Information Systems;
- Adoption of the revised Kyoto Convention on the Simplification and Harmonization of Customs Procedures;
- Electronic Sanitary and Phytosanitary (SPS) Certificates;
- Electronic Certificates of Origin;
- Mutual Recognition Arrangement of Conformity Assessment on Electrical and Electronic Equipment Part II and Part III; and
- Corporate Governance.

Regional Trading Arrangements/Free Trade Agreements

Ministers acknowledged the development of intra-APEC Regional Trade Agreements/Free Trading Arrangements (RTAs/FTAs) and welcomed APEC's 1st Policy Dialogue on RTAs/FTAs held in May 2003 in Khon Kaen, Thailand.

While recognizing that RTAs/FTAs can contribute to multilateral trade liberalization, Ministers reiterated Leaders' emphasis that RTAs/FTAs must be consistent with both the WTO's rules and disciplines and APEC's goals and principles. They noted that if FTAs are comprehensive they can promote competitive liberalization in the region and help to build momentum for the Doha Round negotiations. Ministers welcomed the convening of a 2nd Policy Dialogue on RTAs/FTAs in May/June 2004 in Pucon, Chile. They supported continued work within APEC and with relevant organizations, for example, the Pacific Economic Cooperation Council (PECC), to develop their work for maximising the contribution of RTAs/FTAs to the achievement of the Bogor Goals. In particular, Ministers instructed Senior Officials to develop work on ways to include discussions on RTAs/FTAs on a regular basis, within APEC's work agenda.

APEC Business Advisory Council

Ministers recognized the unique role of the APEC Business Advisory Council (ABAC) in providing specific advice concerning the improvement of the business environment in the region. They welcomed the presentation of the *2003 ABAC Report to APEC Economic Leaders* and acknowledged ABAC's call to act decisively to deliver on APEC members' commitments. Ministers welcomed the five key messages in the ABAC Report:

- reaffirm APEC's commitment to advancing free, open and transparent trade, and specifically reaffirm the commitment to achieve the Bogor Goals, and to advance the Doha Development Agenda;
- facilitate trade to ensure that the benefits of liberalization are realized, and reaffirm the commitment to reduce transaction costs by 5 percent by 2006, ensuring that security measures do not hinder legitimate commerce but rather provide an opportunity to facilitate trade;
- pursue capacity building to ensure that growth resulting from liberalization is balanced, equitable and sustainable and contributes to strengthened financial systems;
- work with the private sector to promote good governance, transparency and application of international standards and conformance procedures to restoring trust in markets; and
- ensure that APEC remains open to business input and participation so that APEC efforts result in real improvements to the business environment and for regional economies.

Ministers noted with satisfaction the closer working relationship between ABAC and Senior Officials in 2003, and expressed appreciation for ABAC's continued work to provide constructive, specific recommendations and to engage with officials to help ensure the achievement of APEC goals and their translation into real economic growth and benefits.

Ministers recognized the fact that financial stability is key to reinvigorating APEC economies. Ministers welcomed ABAC's recommendations on strengthening APEC's financial systems, securing the financial environment and improving governance as well as transparency in order to restore confidence in our markets. Ministers also recommended the Finance Ministers Process to work with ABAC on the implementation of measures that will contribute to the creation of a sound investment environment for business within the APEC region.

APEC Business-Government Dialogues

Ministers welcomed the excellent business-government understanding that has been achieved as a result of the Automotive and Chemical Dialogues.

The automotive sector accounts for approximately ten percent of world trade. In response to the call of the 5th APEC Automotive Dialogue in June 2003, Ministers reaffirmed that they will endeavor to refrain from using measures which would have the effect of increasing the level of protection in the automotive sector. Ministers will also continue their support for the Automotive Dialogue to map out strategies for increasing integration and development of the automotive sector within the region.

In the chemicals sector, Ministers noted the continuing concern of economies over the European Commission's proposed regulatory framework for chemicals and downstream products (REACH system). Ministers observed that many APEC economies submitted detailed comments on the proposed system, and urged the European Commission to carefully consider the trade effects and trade policy implications of the proposed legislation. Ministers welcomed the efforts of the Chemical Dialogue to identify non-tariff barriers to trade to be addressed in APEC and as part of the contribution to the Doha Development Agenda.

Ministers also welcomed the outcome of the Globally Harmonized System (GHS) Capacity Building Seminar held in Chinese Taipei in September 2003 for participants to exchange views on the mechanism and benefits of adopting the GHS for classification, labeling and safety information management of chemical products.

Ministers welcomed the outcome of the test-seminar held in August 2003 in Bratsk, Russia and endorsed the convening of the first meeting of APEC Dialogue on Non-Ferrous Metals in 2004. Ministers requested officials to consult with GEMEED and other relevant APEC fora on the organizational and technical aspects of convening the first dialogue.

Economic and Technical Cooperation and Capacity Building

Ministers endorsed a short list of APEC-wide Economic and Technical Cooperation or *ECOTECH* priorities:

- Integration into the Global Economy;
- Promoting the Development of Knowledge-Based Economies;
- Addressing the Social Dimension of Globalization; and
- Counter-Terrorism Capacity Building.

These ECOTECH priorities guide APEC's contribution to the economic and social development of the region. They provide an up-to-date overall strategic focus, a strategic roadmap for future ECOTECH activities and will enable APEC to better communicate with its constituents and facilitate efforts to attract additional support from external organizations. The complementary and cross-cutting nature of TILF and ECOTECH are also reflected in the list of priorities. This list of priorities, however, does not preclude APEC from responding to future priorities as may be identified by Leaders. Additional ECOTECH and capacity building activities may be undertaken by economies. Ministers tasked SOM to focus on identification and implementation of capacity building projects under the four ECOTECH priorities and report to AMM 2004.

Ministers welcomed the *2003 Senior Officials' Report on Economic and Technical Cooperation*, and endorsed its recommendations.

Ministers instructed Senior Officials to use existing management mechanisms, such as the SOM Committee on ECOTECH and the Budget and Management Committee to significantly strengthen the coordination of APEC activities, in particular APEC projects, so as to avoid duplication and maximize APEC value, goodwill and benefit to stakeholders. They welcomed the development of a project evaluation framework, which should be integrated into the APEC project framework in time for 2005 projects, and looked forward to continued progress in assessing APEC's ECOTECH activities.

Ministers welcomed the rigorous assessment of *ECOTECH Action Plans* in the area of human resources development. They remain accessible to interested economies as a basis for discussion and may be revised for their own use.

Ministers acknowledged that it is essential to expand APEC's relationships with other organizations including the IFIs. They welcomed the success of the first *APEC/International Financial Institutions Roundtable Discussion on Economic and Technical Cooperation* as a first step in identifying synergies and proposing a framework for coordination and capacity building opportunities for further cooperation. In this connection, distance learning as well as outreach activities on issues such as the positive impact of globalization, structural reform, trade security, youth, women and digital economy may be areas with potential for further APEC/IFI cooperation activities. Ministers encouraged economies and APEC fora to continue to engage IFIs in the ECOTECH and capacity building work of APEC and to develop relationships with other suitable organizations and the business sector in the year ahead. In particular, they looked forward towards the concrete results that may arise from a Second APEC/IFI Roundtable discussion on Economic and Technical Cooperation, to be held during the Second Senior Officials' Meeting in 2004.

KNOWLEDGE-BASED ECONOMY FOR ALL

Promoting the Development of Knowledge-based Economies (KBEs), one of APEC's ECOTECH priorities, is a foundation for the economic and social development of the APEC region. APEC needs to redouble implementation of its APEC 2000 Year KBE Strategy by maximizing the combined potential of information and communications technology, human resources development and a facilitating legal and regulatory framework. APEC's work in this area will enhance economies' abilities to engage in broader trade and investment liberalization, which will help APEC meet the Bogor Goals.

Ministers encouraged undertaking technical cooperation amongst member economies in order to develop global learning communities that can build the skills that our youth require in our increasingly global and knowledge based economies: Ministers welcomed the initiative of holding a Working Research Summit on Education Reform in the APEC region during 12–14 January 2004 in Beijing, in order to examine the research base and policy trends in education affecting our economies. These findings will inform policy recommendations and establish a substantive action-oriented agenda for the region.

Intellectual Property Rights

Ministers recognized that effective management of Intellectual Property Rights (IPR) is essential to building a knowledge-based economy. Proper protection and enforcement of IPR are key factors in promoting foreign trade and investment as well as boosting economic development. They committed to continuing close cooperation within APEC aimed at improving IPR facilitation, protection and enforcement, and endorsed the establishment of *IPR Service Centers*, as a CAP, understanding that each member economy will proceed with implementation as soon as it is ready. They also endorsed the *Comprehensive Strategy on IPR in APEC* which will improve IPR protection and enforcement in the region. The objective of this Comprehensive Strategy is to set guidelines for proper protection and enforcement of IPR in the region for the sake of better coordination and collaboration among APEC economies in this area. Ministers also instructed Senior Officials to develop concrete plans to implement the strategy. They emphasized the importance of implementation of the *APEC IP Toolkit* through well-targeted projects which take into account the particular needs of developing APEC economies. In this area, increased support for capacity building programs as well as infrastructure development in order to strengthen the fight against piracy is required. Ministers also recognized the importance of APEC Technical Cooperation in IP Automation, which will bridge the digital divide among Intellectual Property Offices (IPOs) and facilitate the implementation of cost-effective IP automation.

Cybersecurity

Ministers welcomed the TEL's *Report to Leaders and Ministers on Actions of the Telecommunications and Information Working Group to Address Cybercrime and Cybersecurity*, reflecting the work done to implement the *APEC Cybersecurity Strategy*, and urged APEC fora and economies to continue their efforts to implement it. In particular, Ministers welcomed the *Cybercrime Legislation and Enforcement Capacity Building Project* and its first meeting held in Thailand in 2003, and called for further work by APEC fora and economies to develop laws and procedures to facilitate the investigation and prosecution of cross-jurisdictional cybercrime. Ministers noted the efforts economies have made to share information about security threats and to assist each other in international cybercrime investigations, and welcomed APEC efforts to promote the development of an international network of Computer Emergency Response Teams ("CERTs"). They also agreed to continue to support the work done by APEC fora and economies to promote security and technical guidelines, raise public awareness about computer security threats, and promote cybersecurity training and education.

Life Sciences Innovation

Ministers recognized the importance of life sciences innovation to economic development and the well being of people. They welcomed the first *APEC Life Sciences Innovation Forum* in Phuket, Thailand in August 2003 and supported the forum's recommendations to identify economy-specific strengths in life sciences and ways to promote trade and investment, economic and technical cooperation and government-business sector collaboration in life sciences innovation. Ministers took note of the progress in developing the draft *Strategic Plan for Promoting Life Sciences Innovation* and requested that the forum and its expert groups finalize the plan for endorsement in 2004. As an immediate outcome of the forum, Ministers endorsed an agreement in principle to harmonize quality standards for life science products and services according to international best practices. They requested that the 4th APEC Ministers' Meeting on Regional Science and Technology Cooperation in New Zealand in 2004 be kept informed of the forum's progress.

Innovative APEC

Ministers recognized the importance of promoting cooperation on science and technology innovation to ensure the long-term economic growth of APEC economies. They welcomed the *Innovative APEC* initiative, which will promote cooperation in the APEC region through the development of science and technology intermediary mechanisms and identification of bottlenecks and impediments to their development. They charged Senior Officials with examining the policy recommendations arising from the Innovative APEC Workshop in February 2004 in China for further implementation. They requested Senior Officials to report progress on implementation of Innovative APEC to the 4th APEC Ministers' Meeting on Regional Science and Technology Cooperation, where connecting innovative science, policy and business will be a key feature. Senior Officials are also requested to report progress in this area to the 16th AMM in 2004.

Biodiversity and Sustainable Development

Ministers agreed to continue to support global efforts to address significant sustainable development issues and stressed the importance of the sustainable use of biodiversity. Ministers welcomed the Senior Officials' decision to hold a workshop on this matter in 2004 where an opportunity could be provided for representatives from governments, scientific institutions and the business sector to exchange views on relevant best practices in biodiversity and implications on trade.

Ministers reaffirmed their commitments delivered in the Seoul Statement on APEC Tourism Charter. They recognized tourism as the significant instrument towards obtaining sustainable development within APEC region as well as in individual economy.

Agricultural Biotechnology

Ministers welcomed the *2nd APEC High Level Policy Dialogue on Agricultural Biotechnology* held in Thailand in 2003 and recognised the benefits of biotechnology in improving agricultural productivity, food security, and enhancing the environment. They reaffirmed the importance of the safe introduction and use of agricultural biotechnology products based on sound scientific risk assessment and risk management. They reiterated the need for enhancing public awareness and confidence in products derived through biotechnology and called on Senior Officials to continue to develop better understanding in this area. In this regard, they welcomed the convening of a 3rd APEC High Level Policy Dialogue on Agricultural Biotechnology in Chile in 2004 which would cover Intellectual Property Rights and Capacity Building.

Invasive Alien Species

Ministers noted the difficulty and cost of dealing with problems caused by *Invasive Alien Species* (IAS). IAS also has significant implications for trade. Ministers agreed that the invasive species problem cuts broadly across sectors and that APEC should identify opportunities for cooperation and capacity building to combat the problem, using science-based criteria in accordance with international standards. In this context, a workshop will be held in 2004 where economies can discuss IAS and consider APEC's response, including the possibility of developing a common strategy.

Electronic Commerce

Ministers took note of the *2003 Stocktake of Electronic Commerce Activities in APEC*.

Ministers welcomed the work of Senior Officials in the area of electronic commerce, including the *Cybersecurity Workshop* on 14 August 2003 and the *APEC Digital Trade Seminar* held on 16 August 2003, both in Phuket, Thailand. For 2004, Ministers highlighted the importance of Senior Officials completing the *APEC Data Privacy Principles* and note that an *APEC Symposium on Data Privacy Implementation Mechanisms* will be held in August/September 2004 in Santiago, Chile. The Principles will help APEC economies to develop privacy laws and regulations that achieve a balance between effective privacy protection and the continuity of cross-border information flows, thus promoting electronic commerce. Ministers also endorsed updating the *1998 APEC Blueprint for Action on Electronic Commerce*, conducting future work on "spam" in close collaboration with the OECD, holding an *APEC Symposium on ebXML (electronic business Extensible Markup Language) for Paperless Trading and Collaborative e-Business* in Thailand and noted plans for an *APEC ECSG Internet Investigatory Training Workshop for Law Enforcement Personnel*.

Ministers welcomed China's offer to host the APEC E-Commerce Fair on 15–19 June 2004 in Yantai, China, and encouraged all member economies to participate in this event.

APEC Education Foundation and Cyber Education Cooperation Consortium

Ministers expressed their appreciation to the APEC Education Foundation for its initiatives to enhance Information and Communications Technology (ICT) capacity building of small and micro-enterprises. Ministers also recognized the Foundation's potential as a useful vehicle to enhance APEC education and human capacity building cooperation.

Ministers also recognized the achievement for the Consortium for APEC Cyber Education Cooperation (ACEC) in reducing the digital divide in the APEC region and welcomed the Consortium's new directions towards building a wide learning community of teachers, learners and researchers/administrators in the region. Ministers encouraged member economies, business, academia and other stakeholders to actively participate in the activities of the Foundation and the Consortium.

E-Learning

Ministers recognized the increasing role of technology in developing students' skills for the 21st Century and ability to contribute to knowledge based economies. Ministers welcomed the development of a *Five-year Strategic Plan for e-Learning* in the region outlining recommendations to improve students' and teachers' access to the Internet infrastructure, availability of innovative educational content using the Internet, teachers' capacity to use technology, and addressing policy issues raised in implementing e-Learning efforts across APEC. Ministers encouraged APEC's Education Ministers to review the document and provide further direction for promoting e-Learning at the upcoming 3rd APEC Education Ministerial Meeting in Chile in 2004.

Ministers also encouraged member economies to undertake measures geared towards the adequate knowledge and practical use of English as a Working Language within the APEC region. Such measures focus, in particular, on strengthening current distance learning methods, exchanging best practices and establishing a framework for increasing the appropriate use of English amongst APEC's youth, micro-enterprises and SMEs, in the different areas of economic activity, including standards and conformance.

World Summit on the Information Society

Ministers welcomed the opportunity for APEC to contribute to the World Summit on the Information Society (WSIS) in December 2003. WSIS offers an opportunity to bridge the Digital Divide and enhance cooperation, economic growth and social progress throughout the world, including the APEC region. Ministers noted that APEC's input into the WSIS Statement reflects APEC's commitment to: sound economic policies; legal and regulatory frameworks that encourage competition and innovation in the information society; good corporate governance; and the need to protect information and communications technology infrastructure from criminal misuse.

PROMOTING HUMAN SECURITY

Empowering people to become actively engaged and self-reliant in the regional economy is the essence of promoting human security, as pointed out by the Report of the Commission on Human Security. Through capacity building programs and providing opportunities for human resources development, the strengths and potential of all people in the APEC region can be better realized. As the region moves towards the Bogor Goals, within and between economies the process of economic adjustment must be properly coordinated and social safety nets strengthened to ensure that economic and social opportunities are accessible to all APEC stakeholders.

Terrorism and the spread of Severe Acute Respiratory Syndrome (SARS) have also highlighted other aspects of human security.

Counter-terrorism

Ministers reiterated their resolve to secure trade and make APEC economies more resilient to the threat of terrorism. They welcomed the important role of the newly created *Counter-Terrorism Task Force* in coordinating the implementation of APEC commitments to fight terrorism. They applauded the development of *Counter-Terrorism Action Plans* as a practical means to assist economies in implementing the 2002 *Leaders' Statement on Fighting Terrorism and Promoting Growth* and to identify and respond to capacity building needs, as per the objectives put forward in the Leaders' Statement. They called on Senior Officials and APEC fora to continue to identify security measures and capacity building programs that would both facilitate and secure trade.

Ministers noted the World Bank's report "*The Use of Informal Funds Transfer Systems in the APEC region: Initial Findings and a Framework for Further Analysis*" and agreed that more effort is needed to understand how remittances operate and, in some cases, how the formal financial systems can be strengthened to provide more attractive and accessible remittance services. Ministers looked forward to the APEC Policy Dialogue to be held next year to bring together public and private sectors to consider ways in which remittances flows can be facilitated through safe and reliable channels.

Ministers welcomed the progress to implement the *Secure Trade in the APEC Region (STAR) Initiative*, the *Energy Security Initiative*, *Countering the Financing of Terrorism* and the *APEC Cybersecurity Strategy* as set out in the *Report on Implementing the Leaders' Statement on Fighting Terrorism and Promoting Growth*. In this context, they welcomed the *Energy Security Initiative Implementation Plan* which identifies the actions that economies will take to implement the recommendations of the *Energy Security Initiative* and, where appropriate, the timeframes within which these will be achieved. Ministers highlighted the Energy Security Initiative's long-term measures, such as the development of clean and sustainable energy resources. Ministers further encouraged continued efforts by APEC members to share information on money laundering and cybersecurity and welcomed the outcomes of the APEC Anti-Money Laundering/Anti-Terrorist Financing Seminar held in Tokyo in mid-October that enhanced APEC economies' understanding of the international financial obligations and practices in this area.

They stressed the importance of building business confidence by working closely with the business sector and sharing information on measures taken to secure trade. They welcomed the non-binding *APEC Private Sector Supply Chain Security Guidelines* and encouraged economies to share this best practice model with the business sector.

Ministers welcomed the outcomes of the APEC High Level Meeting on Maritime Security Cooperation held in Manila, the Philippines on 8–9 September 2003 and recognized the importance of exchanging best practices in maritime security to improve trade efficiency, reduce costs and ensure trade security in the Asia-Pacific region. They stressed the need for enhancing public-private partnership to strengthen cooperation in maritime security.

Ministers praised the efforts of economies to establish container security regimes and to protect ships engaged in international voyages as called for by Leaders in the STAR initiative. They noted particular projects underway in Canada; China; Hong Kong, China; Japan; Republic of Korea; Malaysia; New Zealand; the Philippines; Singapore; Thailand; and the United States. They called on all economies to undertake further measures to secure and facilitate trade and tasked SOM to discuss the issue of costs of new secure trade measures in the CTF 2004 work program.

Ministers welcomed work undertaken to secure people in transit, including the development of standards for *advance passenger information systems* and enhanced immigration service cooperation to improve the security of travel documentation and issuing systems. Ministers congratulated Australia, Canada, Japan, New Zealand, Thailand, and the USA for implementing or announcing their commitment to implement the advance passenger information systems. Feasibility studies have been conducted in Korea, Malaysia, Thailand, the Philippines and Indonesia. A further eight economies had agreed to undertake feasibility studies to enable them consider implementing the advance passenger information systems. They encouraged all economies to participate in these activities. Ministers also instructed Senior Officials to progress work to assess the strategic options, benefits and feasibility of a pilot phase of a Regional Movement Alert System (RMAS) that can contribute to business mobility by harmonizing work on trade facilitation and security measures.

Ministers recognized the existence of the new threat to civil aviation posed by *Man-Portable Air Defense Systems (MANPADS)*. They also called for stronger domestic controls, as considered necessary, on the production, stockpiles, transfer and brokering of MANPADS in

order to prevent acquisition by terrorists of these systems and a potentially devastating attack that would severely reduce tourism and business travel.

Ministers noted the outcomes of the 1st STAR Conference in Bangkok, Thailand in February 2003. They also welcomed the holding of the 2nd STAR Conference on 5–6 March 2004 in Valparaiso, Chile. The Conference will cover issues such as airport and maritime security, the mobility of passengers and the establishment of Financial Intelligence Units (FIUs) by APEC member economies.

Ministers welcomed the outcomes of the recent APEC Smart Border Symposium in Vancouver, Canada, which identified best practices in implementing various elements of the STAR initiative and in addressing trade facilitation and security concerns, and which pointed to priority areas for future border-related counter-terrorism capacity building.

Ministers also emphasized that secure trade in the APEC region must be applied across all economies and that the development of enhanced capacity for individuals and institutions with security mandates is of primary importance. They welcomed the cooperative efforts of economies and APEC fora to develop targeted capacity building programs, responding to the specific needs contained in the Counter Terrorism Action Plans, to help developing economies implement Leaders' counter-terrorism commitments. In this context, Ministers welcomed the possibility of technical cooperation, where appropriate, with IFIs and relevant international, regional and functional organizations, including the United Nations Security Council Counter-Terrorism Committee the G-8 Counter-Terrorism Action Group, ASEAN and the OECD Financial Action Task Force. Ministers also welcomed SOM Report to Ministers on the Implementation of the Leaders' Statement on Fighting Terrorism and Promoting Growth, including the "Counter-Terrorism Capacity Building Ongoing Activities and Needs" submitted by Japan, and encouraged member economies to implement necessary projects as pointed out in this paper. Ministers also welcomed an Australian report which highlighted the threat that global terrorism poses to economic development, the costs to economies of failing to secure trade, and the importance of working cooperatively in APEC towards this end. They encouraged the Counter Terrorism Task Force to further pursue and realise such cooperation in the year ahead.

Ministers also requested the APEC Secretariat to give priority to ensuring that its communications strategy promoted APEC's counter-terrorism initiatives to its stakeholders.

Response to Severe Acute Respiratory Syndrome (SARS) and Other Health Threats

Ministers recognized the human and economic impact of Severe Acute Respiratory Syndrome (SARS) on APEC economies, individually and collectively, and the importance of preventing future outbreaks of SARS and other infectious diseases. They welcomed the *APEC Action Plan on SARS* and the establishment of an *ad hoc* APEC Health Task Force under SOM to address infectious diseases and other health threats, such as HIV/AIDs. Ministers emphasized the need for continued implementation of the Action Plan and the *APEC Infectious Disease Strategy*, especially with a view to mitigating the impact of future outbreaks of infectious diseases. They acknowledged the importance of communications and confidence building in facing future outbreaks of infectious diseases and in this context, welcomed the *APEC Communications Strategy on SARS*. They welcomed the positive cooperation on SARS with the World Health Organization and other relevant organizations, such as the United States Centers for Disease Control and Prevention, and encouraged continued similar cooperation in the future as the need arises.

They endorsed the APEC Health Security Initiative and forwarded it to Leaders.

Social Safety Nets and Workforce Retraining

Ministers stressed the need for addressing the social dimensions of globalization and the importance of developing social safety nets to minimize the costs of structural change. They commended the initiatives undertaken by APEC which aim to empower vulnerable people,

especially the jobless workforce, and to better manage the impact of structural change and ensure more equitable distribution of the benefits brought about by globalization. They welcomed an event in this regard to be held in China in 2004. Ministers instructed Senior Officials to redouble their efforts in workforce retraining programs through the Human Resources Development Working Group and the Social Safety Nets Capacity Building Network (SSN-CBN). This work will build on APEC's current work in areas such as health, financing, human resources development, micro-enterprises and SMEs, gender integration and youth, access to ICT and social safety nets. They requested Senior Officials to report progress on the issue of workforce retraining at the 16th AMM in 2004.

Framework for the Integration of Women in APEC

Ministers recognized the important roles undertaken by women in APEC economies and the need to eliminate gender inequalities in social and economic life. They welcomed initiatives to ensure that women are integrated into the activities, programs and projects undertaken by all APEC fora and the establishment of the Gender Focal Point Network (GFPN) to provide a sustainable and effective mechanism for the implementation of the *Framework for the Integration of Women in APEC* and looked forward to GFPN's deliverables beyond this first year. They also welcomed the training program for women's IT capacity building held in August in 2003 in Korea.

Ministers also welcomed the recommendations of the 8th Women Leader's Network meeting held in Thailand in July/August 2003, and support the Network's commitment to strengthening partnerships with APEC fora. They appreciate the pro-active role played by this APEC advisory group to promote economic opportunities for women, in particular they recognize the importance of removing barriers that prevent marginalized and displaced women from fully participating in and benefiting from economic growth.

Youth

Youth form the foundation of APEC's future. Engaging the youth of APEC economies and bringing them together in cooperative activities will ensure that the Asia-Pacific community develops on the basis of understanding and cohesiveness. In this regard, Ministers welcomed the successful completion of the APEC International Youth Camp in Thailand, which was undertaken under the APEC Sister Schools Networking (ASSN) initiative, an APEC 2003 Year deliverable. This year's youth camp focused on scientific and environmental issues. Ministers further welcomed the proposal to hold the 2004 APEC International Youth Camp in Chinese Taipei.

FINANCIAL ARCHITECTURE FOR A WORLD OF DIFFERENCES

Reducing economic and financial vulnerabilities, enhancing investment and trade between differing social systems and economies requires a sound international financial infrastructure. Post 1997, APEC is in a position to play a substantial role in reforming the global financial system. Attention to best practices of financial regulations and corporate governance is applicable to all economies regardless of the level of economic development. A financial infrastructure that recognizes the differences between APEC economies will also generate more options for investment and trade.

New Financial Architecture

Ministers recognized the benefits of the financial cooperation to pursue the shared vision of establishing a sound and resilient financial system in the region. They also acknowledged that channeling both domestic and foreign resources into their most productive forms of investment is one crucial element to sustainable long-term economic growth. It is therefore essential to put in place the institutional framework and structural reforms that allow the most efficient allocation of savings.

Ministers acknowledged that promoting the development of bond markets in the region will provide an alternative means of mobilizing savings, providing investment alternatives, and achieving deeper financial markets. Ministers welcomed the APEC Finance Ministers' work on the promotion of the regional bond market. They also welcomed the studies and work currently pursued in the following areas: On regional bond market issues by the Asian Development Bank and the World Bank, the APEC initiative to promote the development of securitization and credit guarantee markets, as well as the development new products for regional bond markets.

Economic Research and Analysis

Ministers endorsed the *Economic Committee's Report for 2003*, the *2003 APEC Economic Outlook*; and the *Drivers of the New Economy in APEC: Innovation and Organizational Practices* report. They commended the report on the *Economic Impact of SARS on the APEC Region* which demonstrates the Economic Committee's ability to respond to APEC's priorities and initiatives.

Ministers welcomed the *2003 APEC Economic Outlook*, particularly its structural chapter on the role and development of Specialized Financial Institutions (SFIs) in APEC. The analysis on the economic and social impact of SFIs provides policy makers with options on the appropriate policy response with regard to the issue of SFIs in APEC. They also welcomed the inclusion in the *Outlook* beginning this year, of individual economy reports on structural reform, which describe the policies and progress made by economies in this area, as a way of sharing information and encouraging further progress in such reforms. Ministers also instructed the Economic Committee to continue to work on KBE and New Economy-related research works.

Ministers welcomed progress in the other research projects under the Economic Committee's 2003-2004 Work Program, namely: (1) EC report on the New Economy/Knowledge-based Economy Issues; (2) Corporate Restructuring Project, which addresses the non-performing assets issue in APEC member economies; and (3) report on TILF-related issues.

Ministers welcomed the Economic Committee's efforts towards deepening APEC's understanding of the region's growing interest in the development of RTAs/FTAs. The structural theme of the *2004 APEC Economic Outlook* will focus on the analysis and the description of the current RTAs/FTAs to discuss the impact of these mechanisms on the achievement of the Bogor Goals.

Ministers also welcomed the closer communication achieved between the Finance Ministers' Process and the Senior Officials' process in 2003.

NEW GROWTH ENTERPRISES: SMES AND MICRO-ENTERPRISES

There is an abundance of untapped entrepreneurial capacity in the APEC region. Reducing red tape to make it less complicated and less costly for small to medium businesses to trade across borders will make local economies stronger and create jobs. Extending resources for the creation of micro-businesses in both developed and developing economies strengthens the foundations for a broader distribution of income, enhanced economic stability and greater community development. APEC is building upon the work initiated in the APEC 2002 Year. Ministers welcomed the establishment of an *APEC Sub Group on Micro-enterprises* and endorsed the *Micro-Enterprise Development Action Plan* which outlines potential work program for micro-enterprise development. Ministers also commended the initiative to promote micro-enterprises development with emphasis on economic growth and shared prosperity.

Ministers took note that SMEs are still underrepresented in agricultural trade and welcomed the progress made by economies in the identification of impediments to trade for SMEs and welcomed the decision made by the 2003 APEC SME Ministerial Meeting to establish an *ad*

hoc small working committee within the SME Working Group to address and evaluate the identified impediments to trade for SMEs.

Ministers welcomed the support extended by the Finance Ministers to the SME Ministers for the development of micro-enterprises and SMEs in the APEC economies, especially in the areas of financing, corporate governance, and entrepreneurship. Ministers also recognized the importance of information and expertise sharing, which is crucial for improving the production and management capabilities of micro-enterprises and SMEs. Ministers also welcomed the signing of the *Memorandum of Understanding (MOU) on Cooperation among the APEC Financial Institutions dealing with SMEs and micro-enterprises* by financial institutions from participating economies. The MOU, which encourages financial and technical cooperation among the participating institutions, is the initial step towards the establishment of a network among APEC SME financial institutions.

Recognizing that the promotion of SMEs and Micro-Enterprises is a cross-cutting issue in APEC's ECOTECH priorities, Ministers emphasized recommendations in the Action Plan on innovative micro-financing approaches, developing a database on SMEs and Micro-Enterprises, internet access in communities and villages, expansion of networking to promote trade cooperation and development of market strategy and channel. They noted these should be implemented as a matter of priority in 2004. Ministers encouraged the close collaboration between the APEC SME Working Group (SME WG) and other APEC fora, as well as the Finance Ministers' Process, on capacity building initiatives to assist SMEs and Micro-Enterprises in accessing information technology, networking, markets and finance. They also instructed the APEC SME WG to implement the APEC Action Plan on Micro-Enterprises and to explore the possibility of establishing an APEC Fund for Micro-Enterprises Capacity Building as a matter of priority in 2004.

Ministers acknowledged the importance of business incubation in fostering entrepreneurship and new businesses. They applauded the success of the First APEC Incubator Forum hosted by Chinese Taipei in July and August 2003 and encouraged economies to use the outcomes to strengthen the capacity of new businesses on technology development, commercialisation and marketing. Ministers welcomed the positive momentum that has been established in order to focus on innovation and entrepreneurship in APEC's SME agenda for 2004 and noted that a Second APEC Incubator Forum would be held in 2004.

Ministers recognized the importance of financing start-up companies and SMEs at different growth stages and welcomed the convening of a symposium on *Best Practices for Enhancing Financing Chain for SMEs at different Growing Stages* in August 2003 in Chinese Taipei. They encouraged all relevant APEC fora to apply the *APEC Best Practices Guidelines for Enhancing Financing Chain for SMEs at Different Growing Stage* which were agreed at the symposium.

APEC REFORM

Ministers commended recent efforts to make APEC meeting arrangements more interactive, to reinvigorate and redesign APEC's process, as well as to make the agenda of APEC more focused and policy oriented. They agreed on the need to further streamline the process and to make APEC more responsive to the rapidly changing environment as well as the needs of major APEC stakeholders, especially the public at large.

In this regard, Ministers requested Senior Officials to develop proposals for broader APEC reform and to report the progress to 16th AMM. Ministers also instructed the APEC Secretariat to facilitate this process of review and assessment by providing a report on APEC's working profile, covering its structure, decision-making process, work areas and activities to the Senior Officials process as soon as possible.

OTHER ISSUES

SOM Report to Ministers

Ministers approved the SOM Report, including the decision points contained therein, in particular the proposed APEC budget and assessment of members' contributions for 2004.

APEC Secretariat

Ministers noted with satisfaction the Report of the Executive Director of the APEC Secretariat and commended the work of the APEC Secretariat as the core support mechanism of the APEC process, including in implementing the Communications and Outreach Strategy. In this connection, Ministers welcomed the success of Viet Nam's APEC Week, held with the support of the APEC Secretariat in Viet Nam during 2–7 September 2003, as one of the effective activities in increasing people's awareness and participation in the work of APEC. They also noted that on 6 September 2003, Prime Minister Goh Chok Tong of the Republic of Singapore and Prime Minister Thaksin Shinawatra of the Kingdom of Thailand in his capacity as Chair of the APEC 2003 Year, officially opened the new Secretariat building in Singapore and also celebrated the tenth anniversary of the Secretariat, which was first established on 12 February 1993.

Statements by Observers

Ministers noted the statements by the ASEAN Secretariat, PECC and PIF.

APEC 2004

Ministers thanked Chile for the briefing on preparations for the 16th AMM and the 12th APEC Economic Leaders' Meeting.

Future Meetings

Ministers noted that future APEC Ministerial Meetings will be held in Korea in 2005, Viet Nam in 2006, Australia in 2007 and Peru in 2008.

**STATEMENT TO IMPLEMENT APEC POLICIES
ON TRADE AND THE DIGITAL ECONOMY**

**Los Cabos, Mexico
27 October 2002**

**Bangkok, Thailand
21 October 2003**

In Brunei in 2000, APEC Economic Leaders agreed to “continue to work toward pro-competitive and market based policy frameworks for liberalization in trade in telecommunications and IT services,” and in 2001 in Shanghai to develop trade policy targets for the new economy.

The exponential growth in Internet connectivity and use of electronic commerce as a channel for international business require the development of trade policies that promote a networked world. The trade agreements and rules we develop now will affect the world economy of the coming decades.

APEC Economies, as an important part of the world community, need to make constructive efforts to liberalize the trading environment with effective trade rules for the digital economy where products and services can be exchanged using electronic networks free of tariffs and other barriers.

Accordingly, APEC economies agree to support implementation on a pathfinder basis of the following objectives, taking into account the general principles in the Osaka Action Agenda.¹

General Objectives

1. The digital economy should continue to flourish in a liberal and open trade environment, which will lead to greater development of e-commerce and economic growth.
2. Market access and national treatment commitments across a broad range of relevant goods and services sectors will promote trade in products and services using electronic networks.
3. Where legitimate policy objectives require domestic regulations that affect trade in products and services using electronic networks, such regulations should be transparent, non-discriminatory and least restrictive on trade, taking Economies' international commitments into account.
4. In light of the importance of liberalization in digital trade, Economies support a long term moratorium on customs duties on electronic transmissions.
5. Economies support demand-driven capacity building projects that promote trade and the digital economy, with a view to ensuring that developing Economies benefit fully from the new economy.

Specific Objectives

APEC Economies agree to take a collective leadership role in the WTO negotiations to pursue market openness in areas related to trade in the digital economy, including encouraging other WTO Members to pursue the same degree of openness that APEC Economies support in the following areas relevant to the digital economy:

¹ For non-WTO Members, implementation of paragraphs 7, 8, 9, 10, 11, 15 and 16 should not be viewed as reflecting the on-going process of accession to the WTO.

Services

Pursuant to the Shanghai Accord, APEC Economies identified and exchanged information on the following services related to electronic commerce: telecommunications and value added services, subscription video services (including via cable or satellite and excluding broadcasting), computer and related services, advertising, distribution (including products distributed electronically), express delivery, and video rental/leasing (including online rentals).

For services it identifies as critical to electronic commerce, each Economy will:

- (a) reduce progressively or eliminate limitations on the number of suppliers permitted to supply such services;
- (b) reduce progressively or eliminate limitations on ownership and control that:
 - (i) prevent significant foreign investment in the supply of telecommunications services; and
 - (ii) prevent majority ownership or control of suppliers of other services; and
- (c) otherwise accord market access and national treatment with a minimum of exceptions.

Each Economy will make offers in the WTO services negotiations on the services it identifies as critical to electronic commerce, recognizing that there are on-going WTO discussions on these issues.

Recognizing the need to implement pro-competitive regulatory reform in the telecommunications sector, Economies will adopt and implement as soon as possible the WTO Basic Telecommunications Reference Paper.

Any Economy that is not currently a WTO Member is, in its negotiations to accede to the WTO, encouraged to offer meaningful commitments for as many services critical to electronic commerce as possible, and agree to adopt and implement the WTO Basic Telecommunications Reference Paper.

Intellectual Property

In light of the importance of protecting intellectual property rights to promote trade in the digital economy, Economies will fully implement and enforce the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights.

Economies will ratify and fully implement the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty as soon as possible. If an Economy is a non-Member of WIPO, it will implement the provisions of these treaties as soon as possible. For any Economy in the process of reviewing accession or implementation, it will commit to completing that review as soon as possible.

Economies will ensure through adequate oversight mechanisms that their government entities use only legal software or other content.

Economies will to the largest extent possible ensure that the internet and e-commerce does not facilitate trade in infringing and counterfeit goods, and will put into place appropriate regulatory and enforcement systems aimed at curtailing these activities.

Tariffs

Economies will become participants in the Information Technology Agreement, and present their schedule of commitments to the WTO ITA Committee, as soon as possible. Any Economy that is not currently a WTO Member will, in its negotiations to accede to the WTO, consider becoming a participant in the Information Technology Agreement.

Economies will work toward eliminating tariffs on additional information technology products at the broadest level possible.

Economies will submit their annual tariff and trade data to the WTO Integrated Data Base. For any Economy that is not a WTO Member, it will submit equivalent data to the APEC tariff database as soon as possible.

Future Work

Recognizing the dynamic nature of the digital economy and the on-going need to ensure that our trade policies create incentives for creativity, growth and development, officials will:

- (a) review Economies' progress in meeting the objectives set forth in this Statement and report to the 2003 Ministerial Meeting; and,
- (b) pursue on an annual basis the process developed in the Shanghai Accord of exchanging information and setting trade policy targets in areas important for ensuring the free flow of trade and investment in the digital economy and report annually at the Ministerial Meeting.

List of participant economies

1. Brunei Darussalam
2. Hong Kong, China
3. Indonesia
4. Japan
5. Korea
6. Malaysia
7. Mexico
8. New Zealand
9. Papua New Guinea
10. Peru
11. The Philippines
12. Singapore
13. Chinese Taipei
14. Thailand
15. United States
16. Viet Nam
17. Chile (according to the understanding in Attachment 1).

Chile agreed to become a participating economy in the Leaders' Statement to Implement APEC Policies on Trade and the Digital Economy, on the basis of the following understanding of the requirements of this pathfinder statement:

- The commitment in paragraph 14 of the Statement to put into place appropriate regulatory and enforcement systems aimed at curtailing trade in infringing and counterfeit goods using e-commerce and internet does not require a participant to put into place a judicial system for the enforcement of intellectual property rights that are separate and distinct from its general judicial system to enforce its laws;
- No commitment in this Statement regarding implementation of the WIPO Copyright Treaty of the WIPO Performances and Phonograms Treaty can be enforced through any dispute settlement mechanism;
- The commitment in paragraph 15 of the Statement regarding participation as soon as possible in the Information Technology Agreement is understood to take account of the need for Chile to change its across the board flat tariff policy on this matter, in order for ITA participation to become a possibility.

TENTH APEC FINANCE MINISTERS' MEETING

Phuket, Thailand
4–5 September 2003

JOINT MINISTERIAL STATEMENT

I. Introduction

1. We, the Finance Ministers of the APEC economies, convened our tenth annual meeting in Phuket, Thailand, on 4–5 September 2003, under the chairmanship of H.E. Suchart Jaovisidha, Minister of Finance, Thailand. The meeting was also attended by the President of the Asian Development Bank, the Managing Director of the International Monetary Fund, the Managing Director of the World Bank, the Executive Director of the APEC Secretariat as well as by distinguished representatives from the private sector.
2. We met under the policy theme of “**Local/Regional Link, Global Reach: A New APEC Financial Cooperation**” with the aim of fostering financial linkages and closer economic ties in the Asia-Pacific region. This main policy theme is supported by three sub-themes on Grass-Roots and Small and Medium Enterprises (SMEs) Development, Regional Bond Market Development, and Fiscal and Financial Aspects of Regional Trade Arrangements.
3. In achieving our strategic goals of promoting sustainable, broad-based, and equitable growth in the APEC region, we stressed the importance of (a) high-quality governance within the private and public sectors, (b) stable and efficient financial markets, (c) greater economic integration and openness among the APEC economies and (d) heightened vigilance against money-laundering and terrorist financing. We continue to support the international development goals of the Millennium Declaration and the roles of international financial institutions in reducing poverty and promoting stability in the global economy.

II. Regional Economic Developments

4. We are pleased to note the region's stronger growth of 3.8 percent in 2002 compared to 2.4 percent in 2001. Despite a weak international environment due in part to the SARS outbreak and the war in Iraq, which affected the first half of the year, we expect the region to continue its recovery with a stronger growth rate in the second half of 2003, supported by continued accommodative macroeconomic policies, the pick-up in the global economy, and successful restructuring programs undertaken by the APEC economies. We recognized that the increasing level of intra-regional trade has been one of the driving forces of the recovery. We emphasized the importance of accelerating structural reform, adopting macroeconomic policies that promote sustainable growth, supported by appropriate exchange rate policies that facilitate orderly and balanced external adjustment. While recognizing that there is no single exchange rate regime that suits all economies at all time, we noted a view expressed at the meeting that more flexible exchange rate management, in some cases, would promote this objective.
5. We emphasized the importance of promoting more open and freer trade and investment through the multilateral system and through regional and bilateral trade arrangements, combined with stronger international trade rules and disciplines, to reinforce global and regional economic growth and development. We affirmed the need for continued progress towards the Bogor Goals of free and open trade and investment in the Asia-

Pacific region. We urge faster progress in liberalizing trade in all sectors of our economies that significantly contribute to broad-based growth in our region. We reaffirmed the urgency of advancing the Doha Development Agenda during the Cancun WTO Ministerial Conference.

III. Tenth APEC Finance Ministers Process's Policy Sub-Themes

(i) Grass-Roots and SME Development

6. We acknowledged the role of micro-enterprises and SMEs in supporting sustainable and equitable economic growth. We agreed to work closely with the SME Ministers in providing the support necessary for the development of micro-enterprises and SMEs in the APEC economies, especially in the areas of financing, corporate governance, and entrepreneurship.
7. We welcomed the signing of the *Memorandum of Understanding on Cooperation Among the APEC Financial Institutions Dealing with SMEs* by financial institutions from the participating economies on 5 September 2003, which covers financial and technical cooperation among the signatory institutions.

(ii) Regional Bond Market Development

8. We recognized the importance of regional efforts to promote sound and efficient financial systems. We agreed to work together to achieve well-developed bond markets that are effective sources of long-term funds, both domestically and within the region. We acknowledged that further cooperation is necessary to attain domestic and regional conditions which are essential to facilitate cross-border bond market activities. We welcomed the APEC initiative to promote the development of securitization and credit guarantee markets in enhancing the efficiency of bond markets. We also supported issuances of new products, including long-term, local currency-denominated debt instruments, derivatives, and asset-backed securities.

(iii) Fiscal and Financial Aspects of Regional Trade Arrangements

9. We welcomed the progress being made in promoting more open and freer trade and investment both through Regional Trade Arrangements (RTAs) among the APEC economies and through the multilateral trade system in recent years. We encourage greater coordination of RTAs in order to achieve the Bogor Goals and to reduce the potential costs arising from multiple trade agreements. We will work with our Ministerial colleagues to promote convergence of tariff regimes, rules of origin, and customs procedures to enhance efficiency and reduce distortionary effects. We emphasized that RTAs should be pursued as a complement to the multilateral process. We also support financial services liberalization, and noted that this should take place concurrently with the strengthening of financial regulation and supervision. APEC economies should approach liberalization with due regard to their stages of development and capacities of the domestic institutions.

IV. Other Matters and Venue of the Next Meeting

10. We welcomed dialogues with the APEC Financiers' Group (AFG), APEC Business Advisory Council (ABAC), and Pacific Economic Cooperation Council (PECC) Finance Forum on ways to strengthen the financial systems and promote regional cooperation. The dialogues provided valuable insights from the private sector, as well as support for the work under the three sub-themes of the 10th APEC Finance Ministers' Meeting.

11. We thanked the Royal Thai Government through the Ministry of Finance for the excellent arrangement for the 10th APEC Finance Ministers' Meeting and the Thai people for their warm hospitality.
12. We agreed to meet again for the 11th APEC Finance Ministers' Meeting in Santiago, Chile, on 2–3 September 2004.

TENTH APEC FINANCE MINISTERS' MEETING

Phuket, Thailand
4–5 September 2003

ANNEX: PROGRESS REPORT ON POLICY INITIATIVES

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

Two policy dialogues will be held in early 2004, one on financial transparency in the financial sector (co-chaired by Chile and New Zealand) and another on deposit insurance (chaired by Canada). Both policy dialogues will be held in Kuala Lumpur, Malaysia.

b) Financial Regulators Training Initiative (the ADB and the United States)

In the five years of its existence, this initiative has made good progress in achieving its objectives of strengthening the content and management of economy-level training programs and developing regional programs for junior and mid-level financial regulators. The initiative has trained about 1,200 participants from the APEC economies, in 20 regional and 11 economy-level courses. We support the continuation of this initiative for another year to facilitate the transfer of training programs and products developed under the initiative to regional and economy-level training institutions, and to provide additional training courses at the regional level to further help build a critical mass of potential trainers. We also support an enhancement of the initiative's advisory group structure by introducing rotating chairs from member countries. In a related effort, Chinese Taipei will host a Basel II-related seminar in fall 2003.

c) Managing Regulatory Change in Life Insurance and Pensions (Australia)

The Managing Regulatory Change in Life Insurance and Pensions (MRC) model of public/private partnership and sponsorship aims to strengthen regulatory standards in the life insurance and private pensions sector which has proved to be highly effective. The MRC program is in its third year with one training program remaining to be delivered, scheduled for 8–20 September 2003. The last training program was held in Melbourne, Australia, on 10–21 March 2003. Twenty-six middle and senior life insurance and pension regulators from 9 APEC economies attended the program.

d) Pathfinder Initiative on Corporate Governance (Australia)

The Pathfinder is a peer review process that will encourage greater participation in the Reports on the Observance of Standards and Codes and better reporting on members' achievements and plans for corporate governance reforms. The peer review process will not rank economies, but will note the completion of the work reported in the questionnaires, sorting out some of the key issues that arise. Australia is planning to hold a core group meeting for the members in early 2004 to discuss the draft report. It is anticipated that the final report will be ready for the Finance Ministers' Meeting in 2004.

e) Insolvency Law (Thailand)

This initiative intends to review the effectiveness of insolvency law pertaining to asset resolutions and corporate restructuring. The 2nd Forum for Asian Insolvency Reform was held in Bangkok on 16–17 December 2002 to discuss the topic of asset resolutions and the role of the Resolution Trust Corporations and the implementation of corporate restructuring. The seminar also looked at techniques, development, benefits, and costs of informal workouts. Our 3rd Forum, on Asian Insolvency Reform, will be hosted by the OECD on 10–11 November

2003, in Seoul, Korea. Furthermore, the Asian Development Bank will host the meeting on Promoting Regional Cooperation in the Development of Insolvency Reform in September–October 2003 in Manila, the Philippines, on three areas, namely, cross-border insolvency, informal workouts, and secured transactions in insolvency law regimes.

f) APEC Privatization Forum (Thailand)

The APEC Privatization Forum (PF) is a venue to exchange views on privatization's best practices in order to unleash new potentials among the APEC economies. The APEC PF met on 16 June 2003 in Bangkok, Thailand, to discuss the establishment of a "regulators' network" for the region. The meeting noted the inaugural regional roundtable held in Ha Noi, Viet Nam, in 2002. The roundtable introduced the concept of Private Participation in Infrastructure (PPI) to a range of Southeast Asian economies. The 5th APEC PF and 2nd regional roundtable will be co-hosted by Chile and Peru in early 2004.

g) APEC Initiative on Alternative Remittance Systems (the United States, Japan, Singapore, and Thailand)

Alternative remittance systems (ARS), which allow for informal transfers of funds outside the formal financial system, have a development impact and can be vulnerable to abuses. This APEC initiative examines the economic and institutional factors influencing the use of alternative remittance systems. At the Working Group's request after the Experts Group meeting in Singapore in March 2003, the World Bank, with input from the Asian Development Bank and the IMF, drafted a report that creates a framework for estimating the magnitude of remittances flows, discusses incentives for using informal systems, and examines the role of the private financial institutions in the provision of remittance services that are compliant with international anti-money laundering/combating of terrorist financing standards. The report concluded with policy recommendations on how formal financial systems can be strengthened to provide more attractive and accessible remittance services. The WG proposed holding a policy dialogue next year to further engage senior APEC policymakers, the private sector, and the international financial institutions on strengthening remittances services in the formal sector to be more accessible to its users. The WG also urged the international financial institutions to continue their valuable work on remittances.

h) APEC Finance and Development Program (China and the World Bank)

The APEC Finance and Development Program (AFDP) aims to strengthen capacity building for APEC members in the areas related to finance and development through the conduct of workshops, research projects and annual fora. Activities in 2003 will include holding the annual forum and two workshops as well as undertaking the ongoing research project. The annual forum will be held in Shanghai, China, in October. Two workshops will be held on SME financing, co-sponsored by the World Bank, Korea, and Thailand in Seoul, Korea, in November and on government bond market development co-sponsored by the World Bank and Indonesia, to be held in Bali, Indonesia, in December.

i) APEC Future Economic Leaders' Think Tank (Australia)

The Think Tank aims to facilitate the building of relationships and networks among the future financial and economic leaders in APEC. Australia hosted the 3rd Future Economic Leaders' Think Tank in Sydney, 11–14 June 2003. Twenty-six participants from 14 APEC economies attended. The topic for this year was "Cross-Border Financial Transactions: Cooperation for Effective Surveillance Systems and Good Governance." This was not a formal advisory group, but it will produce a report for Finance Ministers. Australia encouraged other economies to host the Think Tank.

j) Development of Securitization and Credit Guarantee Markets (Hong Kong, China; Korea; and Thailand)

The objective of this action-oriented initiative is to look mainly into securitization and credit guarantee markets within the APEC economies in order to identify impediments and propose appropriate solutions to remove them. It involves (i) holding high-level policy dialogues to discuss and exchange views on the use of securitization and credit guarantees at the domestic and regional levels and (ii) providing experience-sharing programs in which expert panels provide detailed action plan in identifying and removing impediments to the development of securitization and credit guarantee markets.

The first policy dialogue was held in April 2003 in Seoul, Korea. Regarding the experience-sharing programs, so far, ten APEC member economies have participated, either by sponsoring experts or seeking expert advice on how to remove their market impediments. Panel visits to Thailand and China were launched in June and July 2003, respectively. Action plans have been submitted by expert panels to both Thailand and China for consideration.

APEC SMALL AND MEDIUM ENTERPRISE MINISTERIAL MEETING

Chiang Mai, Thailand
7–8 August 2003

JOINT MINISTERIAL STATEMENT “Strengthening An APEC Entrepreneurial Society”

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; Peru; the Republic of the Philippines; Russian Federation; Singapore; Chinese Taipei; Thailand; the United States of America; and Viet Nam gathered during 7–8 August 2003 in Chiang Mai, Thailand for The Tenth APEC Ministerial Meeting on Small and Medium Enterprises (SMEs).
2. The objectives of the meeting were to discuss:
 - key success factors in strengthening the APEC Entrepreneurial Society including:
 - 1) entrepreneurship development
 - 2) business creation, capital formation and financial access for SMEs and micro-enterprises and
 - 3) capacity building for and addressing the impediments to SME exportersand to endorse:
 - the Action Plan to Promote Micro-Enterprise in APEC economies
 - further co-operation between APEC SME, other APEC fora and sub-fora
3. Ministers congratulated Thailand for successfully hosting the 1st Sub-Group on Micro-enterprises in the 17th APEC SME Working Group on 4 August 2003. The Sub-Group reaffirmed the unique needs of micro-enterprises which require policy responses different from those applying to small and medium enterprises. The Action Plan to Promote APEC Micro-Enterprise as proposed by the Sub-Group and subsequently endorsed by the Ministers is wide-ranging and identifies several paths for the development of policies to support and grow micro-enterprises. Ministers also instructed their officials and agencies to include the micro-enterprise perspective in all projects and initiatives undertaken by the SME Working Group.

I APEC ENTREPRENEURIAL SOCIETY AND ENTREPRENEURSHIP DEVELOPMENT

Entrepreneurial Society and Entrepreneurs

4. Ministers stressed that a vibrant “entrepreneurial society” is central to the growth of the APEC economies. Substantial entrepreneurial activity generates demand for new services, products, and jobs. The strength of an entrepreneurial society is manifested through the number of business start-ups and the sustainability of SMEs and micro-enterprises. The dynamism of an entrepreneurial society plays a catalytic role to spur development of micro-enterprises and SMEs.

5. Ministers recognized that the definition of an entrepreneur goes beyond the conventional meaning of “business owner and operator” and that risk-taking individuals are the driving force behind entrepreneurship. The development of a dynamic entrepreneurial society requires individuals who are “innovative, visionary, and ready to take the risk of starting-up a new business.” Policy-makers are encouraged to promote this definition of “entrepreneur” in an effort to foster entrepreneurship.
6. Emphasizing the strong correlation between entrepreneurial activities and economic growth, Ministers expressed the wish for more entrepreneurs among APEC’s member economies. As reported in the *Profile of SMEs and SME Issues in APEC 1990-2000*, on average the ratio of entrepreneurs per population in APEC’s developing economies is 1:120, compared to about 1:20 in APEC’s developed economies. To address this shortage, Ministers encouraged APEC fora and sub-fora to identify key success factors and relevant policy measures that could lead to high levels of entrepreneurial activities across APEC economies. Ministers also commended the initiative between Thailand and Chile for theme continuity in the APEC Chairmanship, by working on a multi-year program for entrepreneurship.
7. Ministers commended the process of building private-public partnership to address the needs of entrepreneurs in APEC. It has been shown that entrepreneurs and SMEs are a major engine for growth and jobs. There are about 240 million people in the APEC Asian region who attempt to start a business each year. There is a considerable shortage of skilled and experienced entrepreneurs in the region, which needs about 60 million more experienced entrepreneurs. If these nascent entrepreneurs can get better access to products and services aimed at meeting their information, advisory and functional management needs, then they will be more likely to succeed. Ministers commended the efforts of Thailand, USA, PECC and ABAC to address this problem by exploring the opportunities for an APEC Entrepreneur Consortium.
8. Ministers acknowledged the importance of business incubation in fostering entrepreneurship and new businesses. They applauded the success of the First APEC Incubator Forum hosted by Chinese Taipei earlier this year. Ministers encouraged APEC economies to use the project’s outcomes to improve business incubation systems, and supported the continued effort of Chinese Taipei in organizing the Second APEC Incubator Forum next year.
9. Ministers welcomed the “APEC SME Business Network Promotion Forum” hosted by Japan this year for the purposes of formulating co-operative business networks and creating new business opportunities in the APEC region. Ministers also welcomed the forum on the collaboration between industry, academia and government in Fukushima prefecture last year.

Globalization and Entrepreneurship

10. In 2002, APEC Leaders and Ministers recognized the importance of helping APEC economies benefit from globalization through economic and technical cooperation and capacity building. SME Ministers reiterated the importance of educational systems and training opportunities to assist and enable individuals and would-be entrepreneurs to understand the dynamics of the global economy.
11. Ministers stressed that in order to cope with the challenges of globalization, APEC economies should focus on developing networks among micro, small and medium enterprises (MSME) and promotional agencies, MSME banks and MSME associations.

Key Success Factors in Fostering an APEC Entrepreneurial Society

a) Policy Environment

12. Ministers acknowledged that entrepreneurs are products of their environment and that policy-makers are in part responsible for fostering an environment conducive to the growth of the entrepreneurial spirit. The entrepreneurial environment is directly affected by: regulatory and tax burdens; labor market legislation; competition policy and legal conditions. Each economy is encouraged to speed-up efforts towards the removal of barriers to entrepreneurial behavior and not to introduce regulations that overly penalize business failure.
13. Ministers stressed that tax policy is a crucial element in promoting new business development. Unfavorable taxation policies are likely to deter the development of MSMEs and prevent capital reinvestment that could be used to expand the operations necessary for long-term business survival.

b) Education and Training

14. Ministers emphasized that culture is an important determinant of entrepreneurial spirit. As significant variations of entrepreneurial attitudes exist across the APEC economies, policy-makers have a major role to play to foster entrepreneurial activities through education and training. Ministers called upon opinion leaders and civil society to publicly highlight entrepreneurship as a valuable way of life that enriches the community as a whole.
15. Entrepreneurial activities require both *business opportunity* and *entrepreneurial capacity*. Entrepreneurial education and training should focus on:
 - identify enabling individuals and would-be entrepreneurs to comprehend changes in their national and global economies and identify business opportunities; and
 - assisting individuals and would-be entrepreneurs in developing the skills necessary to pursue business opportunities.
16. In response to interest in learning more about fostering entrepreneurship, supporting a dynamic SME sector, and creating jobs, SME Ministers endorsed the second “U.S. Voluntary Visitors Program for APEC SME Government Officials” to be implemented in June 2004. Ministers also welcomed the involvement of participating officials in sharing best practices for fostering entrepreneurship learned in their home markets. They look forward to a report on the outcomes of this program at the 2004 APEC SME Ministerial in Santiago. Ministers also welcomed the information shared on the US Small Business Administration’s Small Business Development Center Program, as it provides a model for co-operative public-private sector delivery of counseling, training and technical assistance in all aspects of business management for current or potential small business owners.

c) Innovation

17. Ministers stressed that innovation plays a key role in facilitating the creation of high-growth firms and is directly associated with the levels of competitiveness of SMEs and micro-enterprises. Ministers noted that several economies have programs aimed at encouraging private sector research and development. Furthermore, Ministers considered that there may be scope for further initiatives in this area if economies agreed to extend the definition of research and development to cover project design and services.

II BUSINESS, CAPITAL FORMATION AND FINANCIAL ACCESS FOR MICRO, SMALL AND MEDIUM ENTERPRISES

d) Capital Formation and Financing for Entrepreneurship

18. Ministers observed that entrepreneurship is intrinsically a high-risk activity that requires appropriate financing facilities. They encouraged APEC policy-makers and APEC fora and sub-fora to seek ways and means to support the expansion of such financing facilities.
19. Ministers welcomed the sharing of lessons learned in trying to build efficient capital markets and successful venture capital sectors, where SMEs can access outside equity funding to develop and expand their businesses. Various sources of equity capital available to SMEs were explored, along with best practices of venture investors and seasoned entrepreneurs. Successful enterprises can access funds beyond the capital provided by family and friends and private credit in order to build thriving companies.
20. Ministers emphasized the need to develop a capital market that encourages people to invest savings in new business formation or business expansion. In creating an efficient capital market environment, economies need to encourage policies that develop confidence, transparency, competition and innovation. This environment is achieved by: reducing burdensome regulations; increasing transparency in standards, regulations and financial transactions; and by ensuring access to information for investors and businesses.
21. APEC economies can encourage venture investing by providing favorable tax treatment, reducing government regulations, offering public-private investment programs, enforcing intellectual property rights regulations, promoting corporate responsibility and eliminating corruption. These efforts can facilitate the provision of a significant source of financing for entrepreneurs.
22. Ministers welcomed Chinese Taipei's proposal for an APEC Symposium on "Best Practices for Financing Chains" to be held in Taipei later date this year, and encouraged this Symposium to map-out "Best Practice Guidelines for Financing Chains" for APEC member economies to apply in their future activities.
23. Ministers support the sponsorship and promotion of investment fora and entrepreneur networks, for information and educational purposes. This will facilitate the formation of angel investment clubs, venture capital conferences and dinner clubs, and will help form angel networks. At investment seminars, diverse groups of investors can discuss their investment criteria and perspectives on how to best allocate funds.
24. Ministers encouraged member economies to expand the local sponsorship of investment fora on a regional basis and supported the development of regional networking conferences and activities where venture markets are already advanced. One of the most important criteria in developing successful venture capital companies is to employ business managers who can prepare and analyze business plans. The suggested regional networking conference activities could help companies form partnerships and strategic alliances to recruit and train business managers, access venture capitalists in the region, and facilitate local entrepreneurial environment. If member economies choose to design and implement such venture capital-related activities, Ministers suggested that they take the form of public-private partnerships.

e) Micro-Finance and Business Development Services

25. Ministers recognized that micro-finance plays an important role in micro-enterprise development, particularly as an instrument to reduce the "financial exclusion" often experienced by micro-enterprises in the APEC economies. As an economic development strategy, micro-finance encourages income-generating activities, assists entrepreneurs in stabilizing existing sources of income and enables micro-enterprises to grow into small

businesses. Ministers expressed support for the development of market-based micro-finance that provides MSMEs with micro-loans and other financial services on a sustainable basis with more flexible terms than those offered by traditionally risk-averse banks.

26. Ministers observed that linking access to finance with business development assistance is an effective way to improve entrepreneurial behavior and build credit histories. This linkage increases entrepreneurs' chances of running successful businesses and becoming well-established customers of the finance system.
27. Ministers noted that Micro Finance Institutions (MFIs) play a significant role in the financial services sector. To enhance the capability of MFIs in the region, there should be cooperation among APEC economies for strengthening the MFIs, including the exchange of best practices among MFIs.
28. Ministers also considered that there should be a clear policy framework and development plan for a micro-finance system in APEC economies where the need exists for the extension of the financial system to incorporate the financially excluded.

III CAPACITY BUILDING FOR AND ADDRESSING IMPEDIMENTS TO SME EXPORTERS

29. Ministers acknowledged the substantial contribution of SMEs to trade in the APEC region and the potential benefits in economic development to be gained through enhancing the participation of SMEs in regional export markets. Reducing and removing impediments for SMEs and micro-enterprises to enter international markets is crucial to the development of an entrepreneurial society and the national economy. It is also crucial to rectifying the under-representation of SMEs in international trade.
30. Ministers also encouraged member economies to assist SMEs and entrepreneurs who want to expand their business or relocate internationally, by means of advisory services or financial services.
31. Ministers welcomed work underway in the APEC SME Working Group to identify and remove regulatory and other non-tariff barriers to trade for SMEs. This has the potential to deliver substantial gains in regional economic development and employment growth. Ministers encouraged APEC Working Groups and sub fora to liaise closely with and support the endeavors of the SME Working Group to facilitate trade for SME exporters. In this regard, Ministers asked APEC Senior Officials to set-up a follow-up mechanism, aimed at reporting progress on the developments to the APEC Ministerial Meeting in 2004.
32. In this regard, Ministers welcomed SME-focused symposiums and workshops with the Sub Committee on Standards and Conformance (SCSC), Government Procurement Experts Groups (GPEG) and a proposed Trade Policy Dialogue with the Market Access Group (MAG) in 2004. Ministers also commended Australia for its series of self-funded seminars in 2003 on "Growing the APEC SME Exporter Community", which provided an opportunity for member economies to gain a greater appreciation from APEC small businesses, small business associations and industry groups of their views on how APEC could tackle the important issue of identifying and reducing impediments to trade for regional small businesses.

Future Actions to Support Capacity Building and Address Impediments to SME Exporters

33. Successful encouragement of entrepreneurial activity includes the creation of an environment where entrepreneurs can effectively network and provide information to public officials on barriers to growth. Information on technical standards development and how to comply with various foreign standards, rules and regulations are of critical importance to small businesses. SME Ministers approved the US proposal to enhance

transparency and information sharing on standards and regulations by organizing a “U.S. Standards Training Program for APEC SME Government Officials” in Washington, DC in 2004. Ministers would welcome a report on outcomes of this educational program at the 2004 APEC SME Ministerial Meeting in Santiago.

34. SME Ministers welcomed the proposal of Brunei Darussalam to host a workshop for SME Program Managers on “Reducing SMEs’ Compliance Cost” in 2005.
35. Ministers also welcomed Australia’s proposal for a research project to evaluate options for the more effective identification and monitoring of impediments to SME export activity. Ministers encouraged all member economies to co-operate and actively participate in the project.
36. Ministers welcomed the publication of the “Profile of SMEs and the Issues in APEC 1990-2000”, and commended the efforts made by Chinese Taipei and PECC.

IV APEC MICRO-ENTERPRISE ACTION PLAN

37. In recognition of the need to highlight micro-enterprise-related activities throughout the APEC region, Ministers endorsed the terms of reference for the Sub-Group on Micro-Enterprises of the SME Working Group, the APEC Micro-Enterprise Action Plan, and the Micro-Enterprise Annual Work Plan. Ministers welcomed the initiative to promote micro-enterprise development with an emphasis on economic growth and shared prosperity.
38. Ministers recognized that APEC micro-enterprises face significant obstacles including the lack of:
 - knowledge and information
 - an enabling policy environment
 - access to markets
 - access to finance
 - basic skills and management techniques
 - access to modern technology, particularly information and communications technology
 - strong networks.
39. Ministers adopted the Action Plan’s guidelines for micro-enterprise development.
40. Ministers adopted the proposed Micro-Enterprise Annual Work Plan which includes the following activities:
 - A self-funded workshop on Indonesian Best Practices in Commercial Micro-Finance
 - Two APEC-funded projects, namely, the Indonesian Project in Micro- Finance and the Korean Project on Enabling a Micro-Enterprise Information Technology Environment
 - Further research and policy discussions on collaborations with International Financial Institutions to promote micro-enterprises in APEC and an enabling regulatory framework
 - Organizational arrangements for the Sub-Group.

V CO-OPERATION BETWEEN APEC SME AND OTHER APEC FORA, SUB-FORA, OBSERVERS AND INTERNATIONAL ORGANIZATIONS

APEC Sub-Committee on Standards and Conformance (SCSC)

41. Ministers complimented the APEC SME Working Group and the APEC SCSC for holding a formal dialogue. It is realized that the survival of SMEs is dependent on their ability to compete in the global market place, and in particular to ensure that their products are of a high quality and reliability. Standards and conformance issues are critical to SMEs, especially in supporting those in the exporting sector or those seeking to cut production

costs. Ministers encouraged both parties to continue their regular dialogue to share experiences and to establish priority work areas.

APEC Finance Ministerial Meeting (FMM)

42. Ministers applauded the APEC SME Working Group for its collaboration with the APEC Finance Ministers' Technical Working Group. This co-operation helped identify common opportunities and challenges in SME- and micro-financing experienced by APEC member economies, thus promoting awareness of financing constraints in the region.
43. Ministers agreed that collaboration between APEC Finance Ministers and APEC SME Ministers will assist SMEs to improve their abilities to gain access to capital. SME Ministers encouraged the early-stage collaboration initiated by the SME Working Group Chair to continue. SME Ministers noted the report by the Finance Ministerial Technical Working Group to the SME Working Group. Two possible areas of co-operation for advancing the work in developing SMEs are:
- sharing information and expertise, and providing trade facilitation; and
 - fiscal and financial co-operation.

Securitization

44. Ministers supported further investigation of Regional Bond Markets and believe that SME loans in APEC financial institutions could be used to improve liquidity in the Regional Bond Market. If new debt instruments are to be created for the Regional Bond Market, SME loans could be one type of collateral for new debt instruments.

MOU among APEC SME Banks

45. Ministers acknowledged the role of SMEs in supporting economic activities and sustainable development. Ministers also agreed to co-operate closely with APEC Finance Ministers to support the development of SME businesses in the APEC region. In complementing the work of the APEC Finance Ministers, SME Ministers agreed to provide the support necessary to promote the process of sharing information. This information exchange is crucial to improving the production and management capabilities of micro-enterprises and SMEs.
46. Ministers also supported the establishment of a network among APEC SME Financing Institutions. As a first step, Ministers acknowledged the on-going discussion concerning the signing of the Memorandum of Understanding on Co-operation among the APEC Financial Institutions Dealing with SMEs.

Co-operation with OECD Working Parties on SMEs and Entrepreneurship

47. Ministers welcomed the participation of the OECD as a guest at the APEC SME Working Group. In its role as a central body for economic co-operation and development in advanced economies, the work of OECD Working Party on SMEs and Entrepreneurship benefits SMEs in both APEC and OECD. Ministers appreciated the OECD's efforts to work with the SME Working Group on future co-operation between OECD and APEC with the aim of developing a draft Action Plan for discussion at the SME Working Group Meeting to be held in October 2004 in Chile.

Collaboration with Other Related Organizations

48. Ministers recognize the importance of both private and public APEC SME supporting agencies. They nonetheless reckoned that the scope of SME development is not limited only to SME supporting entities, but are related to the mechanism of other supporting organizations, both private and public. In some economies, those supporting organizations are the Ministry of Finance, Ministry of Trade, Ministry of Economic Development, Ministry

of Industry etc. Therefore, Ministers agreed to support the closer collaboration of APEC SME Working Group with other organizations working on issues related to SMEs.

Recommendations from the Business Sector

APEC Business Advisory Council (ABAC)

49. APEC Ministers welcomed the participation and recommendations from the APEC Business Advisory Council (ABAC) and invited a closer collaboration. In addition to working closely with the SME Working Group ABAC has also started collaborating with the Human Resource Development Capacity Building Network, as part of its outreach. Many issues for small businesses overlap with capacity building issues. Ministers recognized the three SME priority areas for the ABAC Capacity Building Working Group for 2003 and the following recommendations:

- Promoting management education and skills training for SMEs and Micro-Finance Institutions by:
- strengthening the APEC Training and Certification for Small Business Counselors (APEC IBIZ)
- a closer collaboration between the SME Working Group and other APEC Working Groups such as APEC Human Resource Development Working Group
- sharing best practices, especially through on-line training and distance learning
- enhancing the management skills within micro-finance institutions
- Facilitating access to information and communications technology for SMEs and micro-enterprises by:
 - better access to ICT information and advice
 - support for investment for ICT
 - promoting the adoption of e-commerce
 - completing the APEC SME Portal Hub
- Promoting venture capital for SMEs by:
- encouraging a policy dialogue on best practices related to institutions, policies and regulations associated with the development of venture capital markets.

Women's Leaders Network (WLN)

50. More than 450 members of the APEC Women Leaders Network met in Chiang Mai from 30 July to 3 August 2003. Ministers acknowledged the value of the WLN and the efforts being made in many APEC economies to encourage and strengthen women's entrepreneurship, and urged member economies to continue to address socio-cultural values and gender relations with a view to enhancing and strengthening women's contribution to the global economy.

51. In many APEC economies women-owned enterprises make up more than half of the total number of micro-enterprises and SMEs. Economies should acknowledge the significant contributions and benefits of women's entrepreneurship as noted in the APEC project on sex disaggregated data.

52. Barriers, limitations and constraints such as access to markets and finance supply chains that prevent or lessen full participation among women in entrepreneurship should be eliminated. Management and technical training for women entrepreneurs should be easily accessible, affordable and available on flexible terms, maximizing the opportunities offered by e-learning and new technologies for skill-building. Appropriate information systems and technology for rural and under-served women should also be encouraged and made available to promote micro and small entrepreneurship among women.

53. Ministers supported the recommendation of the SME Working Group to allow the WLN to be a guest at future meetings of the Sub-Group on Micro-Enterprises.

54. Ministers welcomed private initiatives for international consortia of banks aiming at raising financial sector competence and awareness regarding financing of women entrepreneurs.
55. APEC economies are encouraged to conduct appropriate research regarding participation by SMEs and women entrepreneurs in international trade.
56. Ministers encouraged APEC economies to compile, analyze and disseminate best practices specific to women entrepreneurs at various levels (micro, small, medium as well as large enterprises), to serve as an inspiration and provide valuable lessons for emerging women entrepreneurs.

SME Business Forum

57. The APEC SME Business Forum 2003 was held during 4–7 August 2003 in Chiang Mai, Thailand with 474 delegates from APEC member economies in attendance. Ministers welcomed the participation and recommendation of the SME Business Forum that, in order to strengthen entrepreneurship, policy-makers should focus resources on an integrated approach, combining human resource management, marketing, R&D, and tailored financial assistance.
58. Ministers also recognized that Thailand's OTOP (One Tambon/Village One Product) promotion—based on the experience of Japan—is a good model that could have application in developing an entrepreneurial society, especially in local areas.

Severe Acute Respiratory Syndrome (SARS) Epidemic

59. The APEC region has endured the impact of the Severe Acute Respiratory Syndrome (SARS) epidemic. This disease has not only taken a number of lives, but has also resulted in economic volatility in many member economies. APEC SMEs have been affected by weakened business confidence, reduced tourism and travel, and increased transaction costs. Ministers welcomed the APEC Action Plan on SARS and the outcomes of the APEC Health Ministers' Meeting on SARS held in Bangkok on 28 June 2003. Ministers undertook to do their utmost to revitalize their economies, in particular to help SMEs and micro-enterprises, overcome the difficulties arising from the outbreak of SARS.

APEC HEALTH MINISTERS' STATEMENT

**Bangkok, Thailand
28 June 2003**

We, the Health Ministers of the Asia-Pacific Economic Cooperation forum (APEC), met today in Bangkok, Thailand, to decide on common actions to contain the spread of the Severe Acute Respiratory Syndrome (SARS), increase future defenses against similar infectious disease outbreaks as well as other new threats and challenges, and rebuild the confidence of people in the Asia-Pacific Region.

SARS has already affected the human and economic health of economies in the Asia-Pacific region and beyond. The disease continues to touch the lives of our people in many ways by affecting their health, travel, employment, lifestyle, and self-assurance. At the economy level, SARS has affected trade and business mobility and threatened the stability and growth of economies.

Much remains unknown about SARS, the diversity of its clinical features, how to treat it, and the likelihood of future outbreaks. Controlling SARS requires continued vigorous surveillance and containment of new cases, intensive regional and global collaboration, biomedical research, implementation of effective strategies at all levels, appropriate use of available resources including capacity building assistance and the sharing of timely and accurate information about the disease with national officials, international partners and the public.

Excellent work and cooperation has already been undertaken by APEC Member Economies to overcome the threat of SARS. Measures, including border health screening, quarantining and hospitalisation of suspected and confirmed SARS patients and sharing information in the tourism and airline sectors, have made life, travel and trade in the region safer. We are fully aware, however, that this is only the start.

SARS is becoming less a decisive factor on travel around the Asia-Pacific region. Early resumption of normal business travel and tourism is essential for overcoming the economic damage caused by SARS in recent months. We welcome the progress made by affected economies in bringing the SARS epidemic under control, and express confidence in the medium- and long-term growth for the region, including affected economies. We applaud the practical measures including the relief packages adopted by affected economies, and encourage them to take further fiscal and monetary measures, if necessary, to maintain and revive growth.

In addition to APEC Member Economies, we thank the World Health Organization for its central role in the fight against SARS. We acknowledge with appreciation the swift and effective collaboration of the scientific and medical communities, which led to the exceptional progress in understanding and containing SARS. The international research cooperation that helped to identify and genetically sequence the virus was unprecedented and surely will lead to more timely development of reliable diagnostic tools, therapeutic agents and a vaccine. We encourage strengthening collaboration between APEC and other major international and regional scientific organization and medical centers of excellence. We are deeply grateful for the dedication and sacrifice of front-line health care workers in responding to the challenge of SARS. We express sincere gratitude to them all for their heroic efforts.

Recognizing that infectious diseases can have a deleterious impact on trade and regional security, we appreciate that national and international experiences with SARS provide lessons that can improve our responses to future infectious disease outbreaks, including effectively dealing with public health, economic, and social consequences. In this regard, we encourage as many bilateral and regional joint projects as possible to look into the pathology and epidemiology of SARS.

We welcome the initiatives endorsed by the ASEAN+3 Health Ministers Meeting in Kuala Lumpur, Malaysia, and highly applaud the strong political commitment by Leaders of ASEAN and China meeting in Bangkok to immediately address the issues of SARS as well as support the collaboration to respond swiftly to the impact of SARS on peoples in the region.

Our meeting in Bangkok has reaffirmed our commitment to continued surveillance, response, capacity building, communications, cross-sector partnerships, political leadership, research and development and other implementation measures to combat SARS, to protect our people and enable the resumption of normal travel and trade in the region. We support and encourage the spirit of regional and international efforts in fighting the SARS epidemic, and agree to vigorously pursue the following APEC common actions:

1. Implement the *APEC Action Plan on SARS* quickly and in full. We ask relevant APEC fora to respond to the Action Plan in similar manner.¹
2. Provide complete, accurate and timely information, which is essential for building public awareness and confidence in and between economies. We agree to share all relevant information immediately with the WHO and also through the *APEC Emerging Infections Network (EiNet)*,² and where practicable, through information networks that have already been established, including designated telephone contact for Health Officials or health professionals, as the case may be, among economies for prompt response and information sharing. We will endeavor to inform each other in advance of any measures that will restrict the mobility of people between our economies, and to provide comprehensive information on SARS-related entry requirements on the APEC Secretariat's SARS webpage. This information will be updated regularly, on a daily basis, if necessary.
3. Collaborate with and provide assistance to the WHO's *Global Outbreak Alert and Response Network*.
4. Promote *Common Guiding Principles on Health Screening for International Travel* (See Annex A). We agree that any measures we adopt to screen passengers will be internationally-recognized, science-based, and will address actual risk factors without stigmatizing portions of the traveling public.
5. Endorse the APEC Secretariat's proposal for a communications strategy to respond to the SARS crisis and other infectious diseases that threaten physical health of our people and economic health of our region. The measures outlined will reinforce and complement communications strategies at the individual-economy level and the APEC-forum level, and will be useful in addressing future disease threats in our region.
6. Strengthen the intra-APEC cooperation in fighting against SARS and preventing it from reoccurring. In this connection, priority should be given to sharing case studies,

¹ We reiterate the following action items in the APEC Action Plan on SARS: - Regular briefing of the business community, through the APEC Business Advisory Council (ABAC), Chambers of Commerce and business associations; and - Informing the tourism and airlines sectors about best practices in service provision in the face of SARS and in dealing with travelers suspected of having SARS or other infectious diseases.

² Such information includes: - Disease situation; - Case information; - Operational performance; - Relevant laws and regulations e.g. regulations for incoming and outgoing travel, airport health screening procedures including visa or entry restrictions, forms used; and - Official announcements and advisories e.g. travel advisories.

This information can be accessed at <http://apec.org/infectious>

- technology transfer and provision of medical assistance to affected economy in the battle against SARS and other emerging infectious diseases in the future.
7. Request APEC Senior Officials to work with the APEC Industrial Science and Technology Working Group (ISTWG) and health officials to enhance the implementation of the APEC Infectious Diseases Strategy and its Emerging Infections Network, including considering to establish a SOM special Task Force on Health.
 8. Welcome the APEC project on *Pandemic Influenza Preparedness* to build capacity for responding to influenza and emerging infectious diseases, which will be implemented beginning in 2003.
 9. Appoint senior health officials to the *APEC Health Virtual Network* to follow up on what we have learnt from this meeting and from the SARS crisis and to facilitate responses to existing or future emerging infectious diseases. The virtual network will be hosted in a fashion similar to the APEC SARS Webpage at <http://www.apecsec.org.sg/whatsnew/SARS.html>.
 10. Welcome the Tourism Working Group's 2003 project on *Tourism Risk Management in the Asia-Pacific Region*, which will develop best practices for man-made and natural disaster recovery for the tourism sector. We support responses to SARS that are enduring in nature and can be utilized for future infectious disease outbreaks and other similar crises.
 11. Reaffirm that SARS control measures must not become non-tariff barriers to trade and travel. As there is no evidence that goods and products from economies with local transmission of SARS pose a risk to public health, disinfecting or barring such goods or products is unnecessary.
 12. Urge those countries in and outside the region who have experienced SARS outbreaks to institute demonstrably effective disease control measures, including surveillance in order to restore the confidence of the traveling public. We also urge all economies to speedily move to lift any remaining SARS-related travel restrictions to APEC member economies, or regions of APEC member economies, that have been removed from the list of affected areas and areas with local SARS transmission by the WHO.
 13. Call on APEC customs authorities to provide priority clearance for medical equipment and supplies imported for SARS response purposes.
 14. Reaffirm our commitment to the Bogor Goals and to our Leaders' vision of a prosperous and healthy Asia-Pacific community.

Guiding Principles for Health Screening and Management for International Travelers

Guiding Principles

1. Effective implementation of a well designed targeted approach to health screening, isolation and quarantine of international travelers at travel ports is an effective method of control of international transmission of infectious diseases.
2. Ineffective blanket approaches on health screening of international travelers should be avoided.
3. Health Screening and Management of International Travelers should be based on scientific evidence. The World Health Organisation (WHO) is the global reference organization on the prevention and control of the SARS epidemic and other infectious disease outbreaks.

Measures for International Travelers

1. Pre-departure Screening

Pre-departure screening is required for all passengers departing from areas recommended by WHO. These areas are classified through daily reports as having “recent local transmission” of SARS and fall into WHO categories B and C.

This procedure is implemented before boarding or at the time of checking-in. Procedures should include, at a minimum, the application of a standardized health declaration form containing basic questions recommended by WHO for exit screening.

Temperature screening using an appropriate means may be deemed necessary. Travelers detected with suspected SARS symptoms should not be allowed to board the conveyance but should instead be referred promptly to a physician for medical attention or clearance for travel.

2. Arrival Screening

Proper screening of arriving passengers from areas with recent local transmission of SARS is necessary to ensure effective control of SARS transmission. Passengers should not be refused entry merely because they are from SARS affected areas. Proper medical screening should be undertaken prior to making a determination of entry.

For air checkpoints, the host economy should allow individuals suspected of having SARS to seek medical treatment with appropriate isolation or quarantine within the host economy without discrimination. Appropriate control measures should be imposed upon persons in close contact of the suspected case in compliance with related regulations of the host economy.

The extent and intensity of the implementation of pre-departure and arrival screening measures can be adjusted at the discretion of each APEC member economy taking into account domestic situations, its laws and health systems.

It is noted that effective pre-departure screening can be more useful and cost effective than screening at the arrival point. However, screening at the arrival point is still necessary in order to identify persons who may have developed symptoms while in transit or who may not have been identified prior to departure. Protocols for land and sea travelers should be worked out bilaterally, where appropriate, between economies that share common land and sea borders.

3. Other Measures

APEC member economies should consider participating in the International Civil Aviation Organisation (ICAO) Anti-SARS Airport Evaluation Programme to strengthen anti-SARS measures at the airports to prevent the transnational spread of SARS and restore confidence in air travel.

APEC member economies shall follow relevant WHO recommendations for management of passengers suspected of SARS and for the disinfection of conveyances.

4. Information Management

Host economies shall ensure prompt exchange of relevant information on SARS cases detected and their contacts with other member economies. This is important for an effective tracing and quarantine of contact cases in departure member economies, in order to halt the spread of SARS transmission.

Economies should use the existing communication channels among APEC members, including the WHO Global Outbreak Alert and Response Network. Member economies will assign a national focal point on SARS to keep updating relevant information on a regular basis.

Economies should take into account the best evidence available including that provided by WHO in preparing their travel advice regarding SARS and other emerging infectious diseases.

5. The Way Forward

The guiding principles should be reviewed regularly after implementation to assess their effectiveness and associated cost. It should be renewed when there is more scientific evidence on prevention and control of SARS and other infectious disease outbreaks.

MEETING OF APEC MINISTERS RESPONSIBLE FOR TRADE

**KHON KAEN, THAILAND
2–3 JUNE 2003**

STATEMENT OF THE CHAIR

APEC Ministers Responsible for Trade, representing economies accounting for 47 percent of world trade and over 60 percent of global GDP, met in Khon Kaen, Thailand on 2–3 June 2003. Amidst economic uncertainty, they committed to promote economic growth, create jobs and raise living standards to deliver APEC's ultimate goal of equitable and shared prosperity. They also resolved to accelerate progress to achieve the Bogor goals of free and open trade and investment in the Asia-Pacific region. They stressed the importance of the Doha Development Agenda (DDA) and the need for a successful WTO Ministerial Meeting in Cancun.

In advancing APEC's work this year, Ministers focussed their discussions around the main theme that Thailand, as Chair, has established for APEC 2003 "A World of Differences: Partnership for the Future". Recognizing the diversity and different levels of development within the APEC community, Ministers called for greater cooperation and partnership so that all members can benefit from faster growth and development through expanded trade and investment.

Ministers welcomed the report by the SOM Chair on the progress of work since the beginning of the year and encouraged officials to focus on areas where concrete outcomes can be achieved.

Strengthening the Multilateral Trading System

The importance of the Cancun Ministerial to the Doha Development Agenda

Ministers reaffirmed the importance of supporting an open, rules-based, multilateral trading system under the World Trade Organization (WTO) and the urgency of advancing the Doha Development Agenda leading up to the September Cancun ministerial. Ministers welcomed the strong G-8 statement on the importance of Cancun to the global economy and global development goals. The ministers noted the need for progress on the core economic agenda, and that European Union action on Common Agriculture Policy reform would be a positive step in this process. While recognizing their different levels of development and interests, they pledged to work together as a unified entity to ensure the successful conclusion of the Doha Development Agenda (DDA) by 1 January 2005, which is essential for strengthening the world trading system, promoting world economic development and social advancement, and achieving the Bogor Goals.

Ministers welcomed the Director-General of the WTO, H.E. Dr. Supachai Panitchpakdi to the meeting and took note of his report on the on-going WTO negotiations. They acknowledged that important deadlines have been missed on agriculture, TRIPS and public health, special and differential treatment, implementation-related issues and concerns, the Dispute Settlement Understanding, and non-agricultural market access. They affirmed the need for further progress on these issues and determined to arrive at appropriate solutions during the lead-up to the 5th Ministerial Conference.

Ministers emphasized the importance of their Leaders' Declaration on the WTO in Los Cabos. They also reiterated their Leaders' call on all WTO members to intensify substantive discussions on all elements of the DDA in an effort to create a positive environment for the overall negotiations and the success of the Conference.

Ministers affirmed that the success of the DDA will largely depend on the progress made in agriculture, market access for goods and services, and development-related issues. Ministers also stressed the need to advance the work on WTO rules and to take a decision based on an explicit consensus in Cancun on the modalities for the negotiations of the Singapore issues, namely trade and investment, trade and competition policy, transparency in government procurement, and trade facilitation.

Ministers reaffirmed that the final outcome of the negotiations under the DDA must be a single undertaking that reflects a global balance of interests across all sectors and among all participants.

Ministers reiterated the importance of developing economies' special needs and development concerns which are critical to the success of the DDA. They reaffirmed their commitment to work urgently to develop an expeditious solution in the WTO on outstanding TRIPS and access to medicines issues.

Ministers also reaffirmed the importance of WTO capacity building as a tool for helping developing economies enjoy the full benefits of WTO membership, and as APEC's contribution to the successful completion of the DDA. They applauded the WTO capacity building activities of APEC members, including the useful discussions of the recent APEC workshops on Trade and Environment, Geographical Indications, and Investment held in Bangkok in May 2003. They expressed satisfaction with the report of APEC's WTO Capacity Building Group and instructed that it be forwarded together with the summary reports of all APEC capacity building activities to the WTO. They called for further strong support for such actions.

Ministers emphasized that trade and environment policies should be mutually supportive, and that negotiations should not undermine economies' comparative advantage nor weaken existing WTO disciplines.

Ministers agreed to reactivate the APEC-Geneva Caucus as a forum for APEC to exchange views and information on APEC's work and contribution to the process in Geneva and instructed their officials to ensure that Ministers' views in Khon Kaen be appropriately represented.

Ministers reiterated their support for the WTO accessions of Russia and Viet Nam. They agreed to continue their efforts to bring these economies into early entry to the WTO. Ministers also noted that newly-acceded members had indicated that they may face difficulties in implementing their accession commitments and the results of new round negotiations in the same timeframe.

Developments in Regional Trade Arrangements and Free Trade Agreements

Ministers acknowledged the development of intra-APEC RTAs/FTAs and welcomed APEC's discussions and information sharing on such agreements. Ministers noted that comprehensive RTAs/FTAs can promote overall liberalization in the region and help to ensure that the momentum in the DDA negotiations is maintained.

While recognizing that RTAs/FTAs are complementary to multilateral trade liberalization, Ministers reiterated Leaders' emphasis that RTAs/FTAs must be consistent with both the WTO's rules and disciplines and APEC's goals and principles and serve as instruments towards achieving the Bogor Goals. Ministers instructed officials to hold further policy dialogues on RTAs/FTAs to discuss the impact of these mechanisms on the achievement of the Bogor Goals.

Trade and Investment Liberalization and Facilitation

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

1. Trade Facilitation

Ministers emphasized the importance of APEC's trade facilitation work to achieve the Bogor goals and welcomed progress made so far to reduce transaction costs by five percent by 2006 under the APEC Trade Facilitation Action Plan (TFAP), including a menu of concrete actions and measures to facilitate trade. They acknowledged the successful outcome of the Trade Policy Dialogue on APEC and WTO work on Trade Facilitation and encouraged member economies to continue this exchange of information.

Ministers called for further work to implement the TFAP, recognizing the importance of achieving concrete and measurable results in this area and engaging the business community. They called for confidence and capacity building activities that would assist individual economies to implement the TFAP and encouraged greater use of public-private partnerships.

They instructed officials to continue to identify and undertake work that would build on the existing base of knowledge on trade facilitation, including on how to measure and reduce transaction costs. In this context, Ministers welcomed a number of project proposals put forward by member economies to pursue a clear and appropriate mechanism to measure the progress in implementing trade facilitation initiatives. They asked that Senior Officials report progress on the TFAP to the APEC Ministerial Meeting in October 2003.

2. Counter-Terrorism

Ministers expressed deep concerns on the significant economic consequences of terrorism, particularly for developing economies, and reiterated their united resolve to secure and facilitate trade. They welcomed the creation of the Counter-Terrorism Task Force and Action Plan and reaffirmed the importance of achieving security and facilitation of trade as mutually reinforcing goals. They called on Senior Officials and APEC fora to explore security measures that would both facilitate and secure trade as APEC economies implement the Los Cabos Statement on Fighting Terrorism and Promoting Growth.

Ministers welcomed the progress made in implementing the Secure Trade in the APEC Region (STAR) initiative, endorsed by APEC Economic Leaders in October 2002, to ensure that the movement of goods and people is both more secure and efficient and stressed the importance of capacity building to assist economies in meeting deadlines. Ministers emphasized that efforts to increase the security of transportation, including greater cooperation between enforcement officials and the private sector and more use of information technology, could also facilitate trade.

Ministers praised efforts by member economies to establish container security regimes and to protect ships engaged in international voyage called for by Leaders as part of the STAR initiative. They noted particular projects underway in Canada; China; Hong Kong, China; Japan; Republic of Korea; Malaysia; Philippines; Singapore; Thailand; and the United States. They called on APEC economies to promote additional projects to achieve these goals.

Ministers noted work undertaken to secure the flow of people in transit, including the development of standards for Advance Passenger Information and immigration service cooperation to improve the security of travel documentation and issuing systems.

Ministers strongly acknowledged that security in the APEC region must be applied across all economies and emphasized that capacity building, of individuals and institutions, including providing essential equipment, is of primary importance. They welcomed the ongoing efforts of APEC economies and APEC fora to develop targeted capacity building programs to help developing APEC economies implement APEC Leaders' counter-terrorism commitments, including in areas such as airport security and anti-money laundering policy.

Ministers instructed the Counter-Terrorism Task Force to facilitate the development of capacity building programs and ensure communication between fora. They encouraged cooperation between public and private sectors to further strengthen supply chain security and to facilitate cross-border trade. Ministers also stressed the importance of building business confidence by sharing information on measures taken to secure trade.

3. Pathfinder Initiatives

Ministers urged wider participation in the pathfinder initiatives that Leaders endorsed in 2002, and welcomed the significant progress on Advance Passenger Information systems, electronic SPS certificates, and the Revised Kyoto Convention on customs procedures. They noted the efforts made to follow through on the Pathfinder Statement to Implement APEC Policies on Trade and the Digital Economy, endorsing a "Next Steps" plan to ensure progress on this initiative. They also noted the proposal for Future Work, and instructed officials to undertake work on Digital Piracy as appropriate. They stressed the importance of ensuring progress in the remaining pathfinder initiatives endorsed by Leaders in 2002 and tasked officials to conduct periodic reviews of progress in these areas.

Ministers endorsed the proposed new pathfinder initiative for the Sectoral Food MRA. They encouraged officials to continue further identification of activities in APEC as potential candidates for the pathfinder approach and encouraged further discussions on their implementation.

4. APEC Transparency Standards

Ministers reiterated the importance for economies of implementing the Leaders' Transparency Standards by the January 2005 deadline and endorsed the work plan to achieve this mandate. They also instructed officials to complete work underway to develop area-specific Transparency Standards and urged early implementation of concrete capacity building projects and actions. Ministers emphasized the importance of demand-driven capacity building to assist developing member economies in implementing the Leaders' Transparency Standards Statement.

5. Individual and Collective Action Plans

Ministers welcomed the successful Individual Action Plan (IAP) reviews on Australia, Canada, Japan, Mexico, and Thailand. They took note of progress to complete peer reviews of Hong Kong, China; Korea; and New Zealand; and urged all economies to submit their IAPs for review by SOM I in 2005 in time for the mid-term stocktake in 2005 on overall progress towards the Bogor goals. They also welcomed recommendations to further improve the IAP peer review process.

Ministers instructed officials to review the collective action plans and ensure they correspond to work APEC needs to undertake to meet the Bogor goals. They noted a need to intensify work and emphasized, in particular, the importance of implementing current initiatives on trade facilitation.

Ministers looked forward to continuing close cooperation within APEC aimed at improving IPR facilitation, protection and enforcement, and endorsed establishment of IPR Service Centers with the understanding that each member economy will proceed with implementation as soon as it is ready. They also welcomed the plan to develop

a Comprehensive Strategy on IPR Protection in APEC by the APEC Ministerial Meeting in October 2003. Ministers emphasized the importance of implementation of the APEC IP Toolkit through well-targeted projects which take into account the particular needs of developing APEC economies.

Interaction with the Business Community

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

Ministers recognized the unique role of ABAC in providing advice on concrete initiatives that APEC should adopt to improve the business environment in the Asia Pacific region and welcomed the presentation and discussion of ABAC's preliminary report on its recommendations to Leaders. They welcomed the priority ABAC placed in that report on the need for progress on the Doha Development Agenda, securing and facilitating trade, IPR, implementing the APEC Transparency Statement, developing capacity building programs and bolstering business confidence in the wake of the SARS crisis.

Ministers committed to consider ABAC recommendations with a view to deliver concrete outcomes, noting that a number of initiatives identified by ABAC are being pursued by APEC. They emphasized the need to continue strengthening the linkage and relationship between the government and private sector.

2. Chemicals, Automotive and Biotechnology Dialogues

Ministers welcomed the improved understanding that has been achieved as a result of the Chemicals, Automotive, and Agricultural Biotechnology Dialogues.

Ministers expressed their concern over the potential economic and trade effects of the European Commission's proposed regulatory framework for chemicals and downstream products (REACH system). In particular, Ministers noted the possible impact of the REACH system on the region's manufacturing sector, SMEs, APEC developing economies and those whose commodity exports are crucial to their economic growth. With the objective of establishing a constructive and meaningful exchange on the proposed REACH system, Ministers welcomed the EC's willingness to receive comments from stakeholders and called on the EC to consult widely with trading partners on its draft legislative proposal.

Ministers welcomed the second APEC High Level Biotechnology Dialogue held in Chiang Rai in February 2003. They recognized the benefits of biotechnology in improving productivity, increasing nutrition and enhancing the environment. They reaffirmed the importance of the safe introduction and use of biotechnology products based on sound scientific risk assessment and risk management. They reiterated the need for enhancing public awareness and confidence in biotechnology products and called on officials to develop a better understanding in this area.

3. Outreach Activities

Ministers reiterated the importance of implementing APEC's Communication and Outreach Strategy and welcomed the initiative of Viet Nam to organize an APEC Week in Ha Noi and Ho Chi Minh City from 2–7 September 2003 as a token of efforts to make APEC more relevant to the business and the community at large.

Structural Reform

Recognizing that continuing global economic uncertainties highlight the need for greater efforts to boost business and investor confidence, Ministers stressed that APEC should continue its work to ensure that policies of open markets are complemented by genuine efforts to progress with structural reform and constantly review policies and practices in

these areas. They reiterated that these “behind-the-border” reforms are necessary to support “at the border” trade and investment liberalization and facilitation initiatives.

Ministers encouraged the various ongoing works in the area of strengthening the functioning of markets, including on competition policy and deregulation, corporate governance, corporate restructuring, and Strengthening Economic Legal Infrastructure activities, in, *inter-alia*, commercial law, laws related to debt collection, securities interests and international financing to help build member economies’ capacity to meet changing market demands and to engender business and investor confidence. Ministers also encouraged strengthening of social safety nets to complement the structural reform efforts.

Science and Technology

Recognizing the importance of public-private sector collaboration in life sciences innovation, Ministers welcomed the establishment of the Life Sciences Innovation Forum and agenda for the forum’s inaugural meeting to be held on 14–15 August 2003.

Ministers welcomed the initiative of “Innovative APEC” and recognized the importance of promoting cooperation on science and technology innovation as a means to ensure the long-term economic growth of APEC member economies. Ministers welcomed the proposed workshop on the development of science and technology intermediary mechanism to be hosted by China as a concrete deliverable to the APEC process.

Ministers noted that connecting innovative science, policy and business will be a key feature of the 4th APEC Science and Technology Ministerial meeting to be hosted by New Zealand in March 2004.

MEETING OF APEC MINISTERS RESPONSIBLE FOR TRADE

KHON KAEN, THAILAND
2–3 JUNE 2003

MINISTERIAL STATEMENT ON SEVERE ACUTE RESPIRATORY SYNDROME (SARS)

According to the World Health Organization, Severe Acute Respiratory Syndrome (SARS) is the first severe and readily transmissible new disease to emerge in the 21st century with global epidemic potential. Already, the outbreak of SARS is not only posing an especially challenging threat to international public health, but also threatening regional as well as global prosperity, confidence and stability in today's closely interconnected and highly mobile world.

The events of recent months have demonstrated the need to effectively control and contain SARS and to mitigate its impacts on trade and investment. APEC responses to the outbreak of SARS need to be quick, effective, transparent and fully coordinated, bearing in mind that such responses must not only be aimed at dealing with SARS but also rebuild public confidence in overcoming the health risks and fear posed by SARS.

Against this background, the Meeting of the APEC Ministers Responsible for Trade in Khon Kaen, Thailand, on 2–3 June 2003, affirmed the solidarity of APEC economies as well as the strong determination to take every necessary action, individually, collectively and in cooperation with relevant international organizations, to minimize the impact of SARS on the well-being of the people and the economic development of the region. Ministers acknowledged the important role of the WHO in the worldwide campaign to control and contain the spread of SARS. At the same time, Ministers stressed the need for APEC to rely on its strengths and build on the work it has been doing to meet the increasing needs of member economies under new circumstances. In addition, they agreed that APEC responses to the outbreak of SARS must complement, rather than duplicate, and add value to both national and international initiatives.

To this end, Ministers endorsed the *APEC Action Plan on SARS* and pledged their commitment to promote common guiding principles on health screening measures at borders which are transparent and effective while not unduly restricting business mobility. Ministers commended the immediate action taken by SOM to promote transparency by using the APEC Secretariat website to provide up-to-date information on SARS in all APEC member economies, including information on regulations, visa requirements, and screening procedures for travelers. Ministers also commended the early analytical work on the economic impact of SARS, undertaken by the APEC Economic Committee and the APEC Tourism Working Group.

Because of the uncertainty surrounding SARS, Ministers emphasized the need to keep the measures set out in the APEC Action Plan on SARS under constant and close review. Doing so will allow APEC to respond quickly and effectively to emerging and re-emerging infectious diseases.

Ministers instructed senior officials and APEC fora to do their utmost to implement the Action Plan, particularly on trade facilitation, mobility of people and a credible communications strategy to rebuild business confidence. They also stressed the need to have continued surveillance and to maintain a high state of vigilance to ensure the high credibility of APEC member economies to deal with SARS. The sharing of scientific and knowledge to deal with the issue is key.

Ministers agreed that the fear of SARS shall not be used as a pretext to protectionism or raising non-tariff barriers that restrict the movement of people, goods and capital.

Of particular and immediate significance, Ministers pledged to restore business confidence in the areas of trade and investment, travel and travel related industries, as well as mobility of people. They welcomed ABAC's strong determination to work with APEC to rebuild business confidence and the convening of the APEC Health Ministers' Meeting in Thailand on 28 June 2003 to consider the necessary health measures on prevention and containment of SARS in cooperation with related International Health Organizations. Ministers also urged the Special Meeting of the APEC Senior Officials plus Senior Health Experts, on 27 June 2003, to prepare effective measures to contain the spread of SARS while not causing further economic loss and imposing unnecessary hindrance to trade and movement of people.

APEC ACTION PLAN ON SEVERE ACUTE RESPIRATORY SYNDROME (SARS)

The APEC region has borne the full brunt of the Severe Acute Respiratory Syndrome (SARS) epidemic. This contagious disease, which has already taken a number of human lives, has also caused a severe economic downturn in many member economies. Diminished business confidence, reduced business travel, and increased transaction costs because of health measures have all affected trade and investment flows. Reduced travel has had an especially severe effect on the airline, travel, tourism, and hospitality sectors. If left unchecked, SARS could affect the well-being of our peoples and further undermine economic growth and prosperity.

APEC must therefore respond quickly and effectively to this challenge. Our coordinated response to combat SARS must be transparent and add value to both national and international initiatives. The fact that some member economies have effectively controlled and contained SARS make us more confident that, with proper coordinated measures, we can win the battle against SARS and mitigate its impacts on trade and investment.

In its response to SARS, APEC is conscious that its actions must acknowledge fully and complement the excellent work of the WHO in responding to and containing the spread of SARS.

The APEC Emerging Infectious Information Network (EiNet), established to facilitate information sharing on emerging infectious diseases, can contribute to the early detection and prevention of new infectious diseases, such as SARS. All APEC member economies are therefore encouraged to provide to the APEC EiNet information of their experiences which have proved to be effective and helpful in containing and treating SARS. However, as SARS has proven to be beyond the ability of any single economy to contain and control, APEC member economies are determined to strengthen regional cooperation to win the battle with SARS. On 26 April 2003, Health Ministers of ASEAN, China, Japan and Korea met in Kuala Lumpur and agreed to adopt cooperation measures to prevent and control the spread of SARS. Three days later, the Leaders of ASEAN and China met in Bangkok and reaffirmed their commitment to full and speedy implementation of measures to restore the security, safety and confidence of people throughout the East Asian region. The cooperative framework agreed during those meetings could be enhanced and, where appropriate, adopted by APEC.

It is important that APEC member economies agree to confront this common threat by adopting a multi-faceted approach to dealing with SARS, utilizing all necessary means and resources within the APEC community, and working closely with the World Health Organization (WHO), to ensure that SARS is contained. To this end, we have proposed an APEC Action Plan for Severe Acute Respiratory Syndrome (SARS) which aims to build public confidence through:

- i. a common set of guiding principles for health screening procedures for travelers;
- ii. encouraging cooperation towards prevention and treatment of SARS along with other emerging diseases;
- iii. exchanging accurate and timely information and best practices, including a credible communications strategy that addresses the consequences of SARS on travel.

Within APEC, all APEC's committees, Working Groups and Fora have been tasked to assess the impact of SARS in areas relevant to their work. They have been asked to assist in containing the spread of SARS as soon as possible and minimize its impact on APEC. The

strategy to win the battle of SARS contains several measures that shall be implemented immediately and in the medium to longer terms. The agreed measures are:

Immediate Steps

a. Information sharing

Giving full, accurate and timely information is an essential part of building public awareness of the infectious disease and facilitating early detection and prevention of the spread of disease. We endorse the APEC Secretariat's webpage on "APEC Response to SARS" as a focal point for information sharing among APEC member economies. The webpage provides the following information:

- **SARS situation in APEC economies** A contact point on SARS in each economy is given to facilitate instant information exchange and cooperation. Each economy will be hyperlinked to its Ministry of Health or equivalent agency responsible for SARS. APEC member economies have undertaken to update the information on a regular basis. The webpage would also include hyperlinks to other relevant agencies, and also up-to-date information for travelers such as travel advisories and regulations for both incoming and outgoing travelers, including any relevant visa or entry restrictions and airport health screening procedures. This will facilitate the exchange of best practices and increase transparency.
- **Hyperlink to the APEC Infectious Information Network (EiNet)** This provides information for health officials and researchers on SARS and other emerging infectious diseases.
- **Other useful information** Links to other relevant international organizations such as the WHO and ASEAN SARS Containment Information Network.

In addition, member economies shall endeavor to inform the public and officials on the nature of SARS and its prevention to reduce unnecessary fear. The business community, through the APEC Business Advisory Council (ABAC), local Chambers of Commerce and Business Associations, should also be briefed regularly to assure uninterrupted business activity. The tourism and airline sectors should also be informed of the best practices, including good ethics, in dealing with clients suspected of SARS infection and/or other emerging diseases. As appropriate, the APEC Secretariat could work with APEC fora to develop communications products for an APEC-wide audience. This may be particularly useful in the case of the Tourism Working Group. The APEC Secretariat, the Committee on Trade and Investment (CTI) and ABAC could also cooperatively develop communications products aimed at the business community.

b. Strengthening a credible Infectious Diseases Strategy for APEC

We ask the Industrial Science and Technology Working Group (ISTWG) to provide feedback to SOM as soon as possible on how the APEC Infectious Diseases Strategy and its associated network can add value to the work of other organizations fighting the SARS epidemic. In doing this, the ISTWG should seek input from the WHO on how the APEC Infectious Diseases Strategy can best be used to support international and national efforts to combat SARS. In addition, the ISTWG proposals on Pandemic Influenza Preparedness shall be given a fast-track approach to build capacity for response and information sharing for all infectious outbreaks, including SARS, to allow the project to begin in August or September 2003.

c. Promoting Common Guiding Principles on Health Screening at Borders for Air travelers

The fear of SARS is more harmful than SARS itself. The unwarranted fear of SARS has deterred people from traveling, depressed the tourism and transport sectors, and eroded confidence in regional trade and investment. Rather than a blanket ban on travel, a

measured approach that focuses on isolation and containment should be used for health screening at borders.

The coordinated measures on health screening at borders adopted by the Special Meeting of ASEAN+ 3 Ministers of Health on SARS in Kuala Lumpur on 26 April 2003 could be endorsed by APEC economies as the starting point for developing a common and transparent set of guiding principles to assure the safety of all travelers. These measures include:

- Pre-departure screening of all passengers from SARS affected areas to prevent the spread of SARS to other economies and boost the confidence of the international community in the APEC region. ASEAN members have already adopted health screening for outbound flights from ASEAN airports. This has been applied by other APEC economies declared by the WHO as SARS affected areas. Pre-departure screening will be conducted in conformance with WHO guidelines and may involve the completion of a standardized health declaration card and a temperature check before boarding the vessel. APEC health and border control officials should expedite agreement on standard information that should be provided on health declaration cards.
- Screening of all arriving passengers from areas with recent transmission of SARS shall also be conducted to ensure effective control of SARS transmission. No passenger shall be refused entry due to suspected SARS infection. The host economy shall allow any individual suspected of having contracted SARS to seek medical treatment within the host economy. Health Ministers and all relevant Ministers in charge of border controls will be asked to work together to develop a common set of protocols for air travel.
- APEC member economies shall inform each other in a timely manner of SARS cases that have traveled between members. This will allow contact tracing to be carried out to identify persons with possible infections, thus arresting any potential spread of SARS. Economies should use existing communications channels, including the WHO, to share this information.
- APEC member economies shall promote best practices and good ethics among officials to enable others to learn and benefit from such practices. Medically advanced APEC members could also provide technical assistance and capacity building to other APEC members to facilitate prompt responses to the epidemic.

d. Promoting Common Guiding Principles on Health Screening at Borders for Land and Sea Travelers

In the case of land and sea travel, economies which share common land borders and/or which have regular point-to-point sea-links may establish, as appropriate, a common set of protocols in order to contain and prevent the spread of SARS at land and sea checkpoints.

Medium and long-term Steps

a. Impact on Tourism

The Tourism Working Group has been tasked to prepare a paper on an APEC Strategy to address the impact of SARS in the tourism and airline sectors. A communications strategy, including travel advice and best practices for tour operators and relevant agencies, will be developed and disseminated. APEC, through the APEC Secretariat's website, will play a role in promoting these best practices so that we facilitate the containment of the disease while, at the same time, not unduly hindering the flow of people.

b. Trade Facilitation

The CTI has prepared a plan of action dealing with the impact of SARS on trade, investment and business mobility. This plan focuses on promoting overall transparency in the

implementation of measures in response to SARS. CTI sub-fora have been tasked to provide an early assessment of the effect of SARS in areas such as business mobility, trade in services and how their work could mitigate the adverse effects of the SARS epidemic. This includes promoting mutual recognition of screening procedures to minimize inconvenience for travelers. We encourage the CTI to continue to identify measures in dealing with SARS which will help restore the business confidence in the region.

c. Economic impact

The Economic Committee (EC) has prepared a preliminary report on the economic impact of SARS. The report includes details of economies' experiences in developing economic packages to assist those adversely affected by SARS.

d. ABAC

In its second meeting during 13–16 May 2003 in Tokyo, ABAC held a workshop on SARS to assess the impact of SARS on business in the Asia Pacific region and to discuss ABAC's response to this issue. ABAC's conclusions stressed the need for scientifically based, timely, and transparent information both within the business community and the general public on SARS. ABAC also emphasised the need to streamline border controls to ensure that screening procedures and appropriate health safeguards are implemented in a manner which does not unduly restrict business mobility. ABAC members also urged that SARS control measures do not become a non-tariff barrier to trade and that regional disease control capacity be strengthened to respond to future crises.

ABAC's response to SARS will be incorporated in ABAC's 2003 Interim Report to APEC Economic Leaders. In addition to presenting the Interim Report to the meeting of APEC Trade Ministers in Khon Kaen, Thailand, during 1–3 June 2003, the ABAC Chair will report to SOM on the outcomes of their discussion on SARS during the SOM Retreat session on 28 May 2003. Feedback from ABAC would be helpful to guide APEC's response to the SARS crisis. In addition, ABAC is urged to make use of its business network to disseminate accurate and timely information on SARS to the region's business community.

e. Science and Technology

The Industrial Science and Technology Working Group (ISTWG) has been tasked to strengthen cooperation in developing common standards for the monitoring and reporting of infectious diseases, as well as other public health issues. Networks among medical institutions of member economies should be set up to provide prompt information on emerging infectious diseases. The ISTWG should Review its ability to develop a capacity building plan for health related emergency preparedness and report back to SOM before SOM III.

Given the urgency of this matter, the APEC Ministers Responsible for Trade (MRT) will be asked to endorse the preceding trade and investment facilitation measures in response to SARS to ensure that the fear of SARS will not be used as a pretext to protectionism or raising non-tariff barriers that restrict the movement of people and goods. As a follow up to the call by the Leaders of ASEAN during its Special Meeting on SARS in Bangkok on 29 April 2003, APEC member economies have agreed to hold a Special Meeting of APEC Health Ministers in Bangkok on 28 June 2003. We ask colleagues from the Health Ministry to discuss as soon as possible the agenda of the meeting as well as the development of a strategy to combat SARS.

LEADERS' STATEMENT TO IMPLEMENT APEC TRANSPARENCY STANDARDS

**Los Cabos, Mexico
27 October 2002**

**Bangkok, Thailand
21 October 2003**

We, the Economic Leaders of APEC, reaffirm the commitment made in the Shanghai Accord to pursue implementation of APEC's transparency principles. In so doing, we observe that transparency:

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

Accordingly, we are committed to implementing the following transparency standards, taking into account the General Principles in the Osaka Action Agenda. We recognize that implementation of these standards will be an important APEC-led contribution to achieving a successful outcome for the WTO Doha Development Agenda.

Transparency in Trade and Investment Liberalization and Facilitation

General Principles

1. (a) Each Economy will ensure that its laws, regulations, and progressively, procedures and administrative rulings of general application respecting matters in Section C of Part One of the Osaka Action Agenda are promptly published or otherwise made available, for example via the Internet, in such a manner as to enable interested persons and other Economies to become acquainted with them.
- (b) Each Economy will have or designate an official journal or journals and publish any measures referred to in paragraph 1 in such journals. Each Economy will

publish such journals on a regular basis and make copies of them readily available to the public.

- (c) An Economy may comply with subparagraph (b) by publication on the Internet.
 - (d) Each Economy will promote observance of the provisions of this paragraph by the regional and local governments and authorities within its customs territory.
2. When possible, each Economy will:
- (a) publish in advance any measure referred to in paragraph 1 that it proposes to adopt; and
 - (b) provide where applicable interested persons a reasonable opportunity to comment on such proposed measures.
3. Upon request from an interested person or another Economy, an Economy will endeavor to promptly provide information and respond to questions pertaining to any actual or proposed measure referred to in paragraph 1.
4. Each Economy will ensure in its administrative proceedings applying any measure referred to in paragraph 1 that:
- (a) wherever possible, persons of another Economy that are directly affected by a proceeding are provided reasonable notice, in accordance with domestic procedures, when a proceeding is initiated, including a description of the nature of the proceeding, a statement of the legal authority under which the proceeding is initiated and a general description of any issues in controversy;
 - (b) such persons are afforded a reasonable opportunity to present facts and arguments in support of their positions prior to any final administrative action, when time, the nature of the proceeding and the public interest permit; and
 - (c) its procedures are in accordance with domestic law.
5. Where warranted, each Economy will ensure that appropriate domestic procedures are in place to enable prompt review and correction of final administrative actions, other than those taken for sensitive prudential reasons, regarding matters covered by these Standards, that:
- (a) provide for tribunals or panels that are impartial and independent of any office or authority entrusted with administrative enforcement and have no substantial interest in the outcome of the matter;
 - (b) provide parties to any proceeding with a reasonable opportunity to present their respective positions;
 - (c) provide parties to any proceeding with a decision based on the evidence and submissions of record or, where required by domestic law, the record compiled by the administrative authority; and
 - (d) ensure, subject to appeal or further review under domestic law, that such decisions are implemented by, and govern the practice of, the offices or authorities regarding the administrative action at issue.
6. For purposes of these Standards, administrative ruling of general application means an administrative ruling or interpretation that applies to all persons and fact situations

that fall generally within its ambit and that establishes a norm of conduct but does not include: (a) a determination or ruling made in an administrative or quasi-judicial proceeding that applies to a particular person, good or service of another Economy in a specific case; or (b) a ruling that adjudicates with respect to a particular act or practice.

Specific Principles

7. Consistent with the above Standards, Economies will follow the transparency provisions contained in the following documents:
 - (a) APEC Group on Services Menu of Options for Voluntary Liberalization, Facilitation and Promotion of Economic and Technical Cooperation in Services Trade and Investment;
 - (b) APEC Investment Experts Group Options for Investment Liberalization and Business Facilitation to Strengthen the APEC Economies-For Voluntary Inclusion in Individual Action Plans;
 - (c) APEC Principles to Enhance Competition and Regulatory Reform;
 - (d) APEC Sub-Committee on Standard and Conformance objective to ensure transparency according to the WTO Agreements on Technical Barriers to Trade and Sanitary and Phytosanitary Measures, and the SCSC 1994 Declaration of an APEC Standards and Conformance Framework and 1998 Terms of Reference; and
 - (e) APEC Principles on Trade Facilitation.
8.
 - (a) APEC sub-fora that have elaborated the above transparency provisions should review these regularly and, where appropriate, improve, revise or expand them further.
 - (b) APEC sub-fora that have not developed specific transparency provisions should do so.
 - (c) APEC sub-fora that develop such new or revised transparency provisions should present them to Leaders upon completion for incorporation into this Statement.

Transparency in Monetary, Financial and Fiscal Policies and the Dissemination of Macroeconomic Policy Data

9. Prior to our agreement in the Shanghai Accord to implement APEC transparency principles, we agreed in Brunei Darussalam in 2000 to support the key standards identified by the Financial Stability Forum. Three of these key standards focus on transparency:
 - (a) Code of Good Practices on Transparency in Monetary and Financial Policies: Declaration of Principles;
 - (b) Code of Good Practices on Fiscal Transparency; and
 - (c) General and Special Data Dissemination Standards.

10. Following APEC Finance Ministers' decision to support the assessment of Economies' implementation of these transparency codes through the IMF-led Reports on the Observance of Standards and Codes (ROSCs), Economies are encouraged to participate fully in the ROSC program. As voluntary disclosure of ROSC modules promotes transparency, Economies should, where practicable, disclose the results of these assessments.

Confidential Information

11. The provisions of this Statement will not require any Economy to disclose confidential information where such disclosure would impede law enforcement, the enactment of laws, or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of particular persons or enterprises.

Area-Specific Transparency Standards

12.
 - (a) Economies are committed to implementing the area-Specific Transparency Standards contained in Sections A-H below in a manner consistent with the Standards in paragraphs 1-6 and 11 above.¹
 - (b) Economies agree to review periodically the Area-Specific Transparency Standards contained in Sections A-H below and, where appropriate, improve, revise or expand them further.

¹ Economies in accession to the WTO accept the area-Specific Transparency Standards on the understanding that this will neither influence the outcome of their on-going WTO accession negotiations nor prejudice the results of the relevant WTO negotiations.

A. Services

Introduction

Economies agree to implement, in respect of services, the General Principles contained in paragraphs 1-6 and paragraph 11 of the Leaders' Statement to Implement APEC Transparency Standards ("Leaders' Statement").

Economies believe that, in the services context, it is particularly important to emphasize Leaders' observation that transparency contributes to: good governance; improving public confidence in, and legitimacy of, regulatory regimes; better understanding of regulatory objectives; more efficient markets; and a more attractive investment climate in both small and large economies.

Economies take note of Leaders' recognition that implementation of these standards will be an important APEC-led contribution to achieving success in the WTO Doha Development Agenda (DDA) GATS negotiations.

Transparency Standards on Services

1. (a) Each economy will, in the manner provided for in paragraph 1 of the General Principles in the Leaders' Statement, ensure that its laws, regulations, and administrative procedures related to applications for licenses or authorizations (including, inter alia, licensing procedures and requirements/criteria, qualification procedures and requirements, and technical standards) and their renewal or extension are promptly published or otherwise made available in such a manner as to enable interested persons and other Economies to become acquainted with them.

(b) Economies will use the Internet as much as possible, and specifically, official government web sites, to fulfill this obligation.
2. Economies will publicize and maintain at least one enquiry point that will endeavor to promptly provide information and respond to questions from an interested person or another Economy pertaining to any actual or proposed measure. Economies will also make the names, official addresses, and other contact information (including website, telephone, facsimile) of its enquiry point(s) publicly available.
3. Economies will diligently complete and provide annual updates to their electronic Individual Action Plans (E- IAPs) for services sectors.
4. Regarding authorizations and licensing procedures, when possible:
 - (a) the competent authorities of an Economy will, within a reasonable period of time after the submission of an application considered complete under domestic laws and regulations, inform the applicant of the decision concerning the application. The competent authorities will establish deadlines for processing of completed applications under normal circumstances.
 - (b) at the request of the applicant, the competent authorities of the Economy will provide, without undue delay, information concerning the status of the application, including any reason for denial. Applicants will also be given the opportunity to resubmit or amend their application for further review, or file an appeal if an application is denied or found in violation of public regulations.

- (c) Economies will publish the time schedule for and costs of examinations required as part of the application process for a license or authorization in accordance with paragraph 1 of the Leaders' Statement.
- 5. These Standards should be administered in a reasonable, objective and impartial manner.

B. Investment

Introduction

On 27 October 2002, in Los Cabos, Mexico, APEC Leaders adopted the Statement to Implement APEC Transparency Standards (“Leaders’ Statement”), and directed that these standards be implemented as soon as possible, and in no case later than January 2005.

In paragraph 8 of the Leaders’ Statement, APEC Leaders instructed APEC sub-fora that have elaborated transparency provisions to review these regularly, and, where appropriate, improve, revise or expand them further. Economies were further instructed that such revised transparency provisions should be presented to Leaders upon completion for incorporation into the Leaders’ Statement. Accordingly, the following set of transparency standards on investment were developed for incorporation into the Leaders’ Statement. These principles flow from the General Principles on Transparency agreed to by APEC Leaders at Los Cabos and also build on the Options for Investment Liberalization and Business Facilitation to Strengthen the APEC Economies—For Voluntary Inclusion in Individual Action Plans. Economies agree to implement, in respect of investment, the General Principles contained in paragraphs 1 through 6 and paragraph 11 of the Leaders’ Statement.

These principles provide specific guidance for implementation within an investment context.

Transparency Standards on Investment

1. Each Economy will, in the manner provided for in paragraph 1 of the Leaders’ Statement, ensure that its investment laws, regulations, and progressively procedures and administrative rulings of general application (“investment measures”) are promptly published or otherwise made available in such a manner as to enable interested persons and other economies to become acquainted with them.
2. In accordance with paragraph 2 of the Leaders’ Statement, each Economy will, to the extent possible, publish in advance any investment measures proposed for adoption and provide a reasonable opportunity for public comment.
3. In accordance with paragraph 3 of the Leaders’ Statement, upon request from an interested person or another Economy, each Economy will:
 - (a) endeavor to promptly provide information and respond to questions pertaining to any actual or proposed investment measures referred to in paragraph 1 above; and
 - (b) provide contact points for the office or official responsible for the subject matter of the questions and assist, as necessary, in facilitating communications with the requesting economy.
4. Where warranted, each Economy will ensure that appropriate domestic procedures are in place to enable prompt review and correction of final administrative actions, other than those taken for sensitive prudential reasons, regarding investment matters covered by these standards, that:
 - (a) provide for tribunals or panels that are impartial and independent of any office or authority entrusted with administrative enforcement and have no substantial interest in the outcome of the investment matter;
 - (b) provide parties to any proceeding with a reasonable opportunity to present their respective positions;

- (c) provide parties to any proceeding with a decision based on the evidence and submissions of record or, where required by domestic law, the record compiled by the administrative authority; and
 - (d) ensure subject to appeal or further review under domestic law, that such decisions will be implemented by, and govern the practice of, the offices or authorities regarding the administrative action at issue.
- 5. If screening of investments is used based on guidelines for evaluating projects for approval and for scoring such projects if scoring is used, in accordance with paragraph 1 of the Leaders' Statement each Economy will publish and/or make publicly available through other means those guidelines.
- 6. Each Economy will maintain clear procedures regarding application, registration, and government licensing of investments by:
 - (a) publishing and/or making available clear and simple instructions, and an explanation of the process (the steps) involved in applying/government licensing/registering; and
 - (b) publishing and/or making available definitions of criteria for assessment of investment proposals.
- 7. Where prior authorization requirement procedures exist, each Economy will conduct reviews at the appropriate time to ensure that such procedures are simple and transparent.
- 8. Each Economy will make available to investors all rules and other appropriate information relating to investment promotion programs.
- 9. When negotiating regional trade agreements and free trade agreements that contain provisions with an investor/state dispute settlement mechanism, each Economy should consider whether or not to include transparency provisions.
- 10. Each Economy will participate fully in APEC-wide efforts to update the APEC Investment Guidebook.

C. Competition Law and Policy and Regulatory Reform

Introduction

In October 2002, in Los Cabos, Mexico, APEC Leaders adopted the Statement to Implement APEC Transparency Standards (“Leaders’ Statement”), and directed that these standards be implemented as soon as possible, and in no case later than January 2005.

In paragraph 8 of the Leaders’ Statement, APEC Leaders instructed that APEC sub-fora that have not developed specific transparency provisions should do so, and further instructed that such new transparency provisions should be presented to Leaders upon completion for incorporation into the Leaders’ Statement. Accordingly, the following set of transparency standards on competition and deregulation for incorporation into the Leaders’ Statement were developed.

These principles flow from the General Principles on Transparency agreed to by APEC Leaders at Los Cabos, and provide specific guidance for implementation within the context of competition law and policy and regulatory reform.

Transparency Standards on Competition Law and Policy

1. In furtherance of paragraph 1 of the General Principles of the Leaders’ Statement, each Economy will ensure that its competition laws, regulations, and progressively, procedures, administrative rulings of general application and judicial decisions of general application are promptly published or otherwise made available in such a manner as to enable interested persons and other Economies to become acquainted with them.
2. In furtherance of paragraphs 4 and 5 of the General Principles of the Leaders’ Statement, each Economy will ensure that before it imposes a sanction or remedy against any person for violating its national competition law, it affords the person the right to be heard and to present evidence, except that it may provide for the person to be heard and present evidence within a reasonable time after it imposes an interim sanction or remedy; and that an independent court or tribunal imposes or, at the persons request, reviews any such sanction or remedy. Proceedings subject to this paragraph are to be in accordance with domestic law.

Transparency Standards on Regulatory Reform

1. In furtherance of paragraph 1 of the General Principles of the Leaders’ Statement, each Economy will ensure that its laws, regulations, procedural rules and administrative rulings of general application relating to regulatory reform are promptly published or otherwise made available in such a manner as to enable interested persons and other economies to become acquainted with them.
2. In furtherance of paragraphs 2 and 3 of the Leaders’ Statement, Economies recognize the importance of ensuring transparency in the regulatory reform process and of soliciting and responding to inquiries from interested persons and other Economies. Accordingly, each Economy will, where possible (a) publish in advance regulatory reform measures that it proposes to adopt, and (b) provide where applicable interested persons a reasonable opportunity to comment on such proposed measures. In addition, upon request from an interested person or another Economy, each Economy will endeavor to promptly provide information and respond to questions pertaining to any actual or proposed regulatory reform measure.

Confidential Information

Economies agree that nothing in these standards requires any Economy to disclose confidential information.²

² The Leaders' Statement includes a provision for the protection of confidential information. This statement is included here to emphasize the importance of the protection of confidential information in the contexts of both competition law and policy and regulatory reform.

D. Standards and Conformance

Introduction

On 27 October 2002, in Los Cabos, Mexico, APEC Leaders adopted the Statement to Implement APEC Transparency Standards (“Leaders’ Statement”), and directed that these standards be implemented as soon as possible, and in no case later than January 2005.

In paragraph 8 of the Leaders’ Statement, APEC Leaders instructed that “APEC sub-fora that have not developed specific transparency provisions should do so,” and further instructed that such new transparency provisions should be presented to Leaders upon completion for incorporation into the Leaders’ Statement. Accordingly, the Subcommittee on Standards and Conformance (SCSC) developed the following set of transparency standards for incorporation into the Leaders’ Statement.

These principles flow from the General Principles on Transparency agreed to by APEC Leaders at Los Cabos and the obligations of the WTO Agreements on Technical Barriers to Trade and on the Application of Sanitary and Phytosanitary Measures.

Transparency Standards on Standards and Conformance

1. In accordance with paragraph 1 of the Leaders’ Statement, and the WTO Agreements on Technical Barriers to Trade (TBT) and on the Application of Sanitary and Phytosanitary (SPS) Measures, each Economy will:
 - (a) promptly publish or otherwise make available to all interested parties, through readily accessible, widely available media, for example via the Internet, information on its laws, regulations, policies, administrative rulings, certification, qualification and registration requirements, technical regulations, standards, guidelines, procedures and practices relating to standards and conformance; and,
 - (b) have or designate an official journal or journals and publish in them information on technical regulations, sanitary and phytosanitary measures and related conformity assessment procedures on a regular basis and make copies of them readily available to the public.
2. As far as practicable, each Economy will maintain one centrally located website for the information referred to above.
3. In accordance with paragraph 2 of the Leaders’ Statement and the WTO TBT and SPS Agreements, each Economy will publish in advance any standards or conformance requirement that it proposes to adopt and provide interested persons a reasonable opportunity to comment on such proposed measures and take those comments into account before a final measure is adopted. Each Economy that is a WTO member will notify proposals to the WTO as required by the TBT and SPS Agreements.
4. In accordance with paragraph 3 of the Leaders’ Statement, upon request from an interested person or another Economy, each Economy will endeavor to promptly provide information and respond to questions pertaining to any actual or proposed standards and conformance measure.
5. Recognizing that standards and conformance measures can have an adverse impact on trade and development, each Economy will ensure that such measures are developed and administered in a transparent manner, and in compliance with WTO TBT/SPS obligations, as well as the APEC Guidelines for the Preparation, Adoption and Review of Technical Regulations, and the APEC SCSC Principles and Features of Good Practice for Technical Regulations so as to prevent the creation of unnecessary or arbitrary

barriers to trade.

6. Each Economy will promote awareness of and compliance with the transparency provisions of the WTO TBT and SPS Agreements.
7. Each Economy that is a WTO Member will cooperate in the Triennial Reviews of the TBT Agreement to promote awareness of and compliance with the transparency provisions of the TBT Agreement, the APEC Guidelines for the Preparation, Adoption and Review of Technical Regulations, and the APEC SCSC Principles and Features of Good Practice for Technical Regulations.
8. Each Economy will continue to provide updated information for the SCSC Contact List which is maintained on the APEC Secretariat's website and includes a range of contacts for each economy relevant to standards and conformance activities.
9. Each Economy will, as appropriate, promote the observance of these transparency standards by the regional and local governments, and non-governmental standardizing bodies within its territory.

E. Intellectual Property

Introduction

On 27 October 2002, in Los Cabos, Mexico, APEC Leaders adopted the Statement to Implement APEC Transparency Standards (“Leaders’ Statement”), and directed that these standards be implemented as soon as possible, and in no case later than January 2005.

In paragraph 8 of the Leaders’ Statement, APEC Leaders instructed that “APEC sub-fora that have not developed specific transparency provisions should do so,” and further instructed that such new transparency provisions should be presented to Leaders upon completion for incorporation into the Leaders’ Statement. Accordingly, the Intellectual Property Experts Group (IPEG) developed the following set of transparency standards on intellectual property for incorporation into the Leaders’ Statement.

These principles flow from the General Principles on Transparency agreed to by APEC Leaders at Los Cabos, and provide specific guidance for implementation within an intellectual property context.

Transparency Standards on Intellectual Property

1. In accordance with paragraph 1 of the Leaders’ Statement, each Economy will promptly publish in its domestic language or otherwise make available its laws, regulations, and progressively, all procedures concerning the protection, including enforcement, of intellectual property rights in such a manner as to enable interested parties to become acquainted with them.
2. Furthermore, each Economy will clarify procedures and practices regarding application, issuance, and registration of intellectual property rights by publishing the following information:
 - (a) Clear and simple instructions, and an explanation of the steps involved regarding the application and registration process,
 - (b) Examination guidelines and assessment criteria used to review an application for approval, if applicable,
 - (c) Contact points for inquires on standards, technical regulations, and other requirements,
 - (d) Provisions that are directed to SMEs.
3. Each Economy will also provide a system for the registration of industrial property, which shall include:
 - (a) Providing to the applicant a communication in writing, which may be electronic, of the reasons for any refusal to register a trademark or grant a patent;
 - (b) Providing to the applicant an opportunity to respond to communications from the relevant government authorities, to contest an initial refusal, and to have a higher authority review any refusal to register a trademark or grant a patent;
 - (c) An opportunity for interested parties to petition to oppose or to challenge a trademark or patent application or to seek cancellation after a trademark has been registered or a patent has been granted; and

- (d) A requirement that decisions in opposition or cancellation proceedings be reasoned and in writing.
- 4. Each Economy will provide that final judicial decisions or administrative rulings, those where appeals are no longer possible, of general applicability pertaining to the protection, including enforcement, of intellectual property rights shall be communicated to the parties to the proceedings. Each Economy will also provide for publication of such decisions or rulings, or where such publication is not practicable, made publicly available, in a domestic language in such a manner as to enable governments and rights holders to become acquainted with them.
- 5. In accordance with paragraph 2 of the Leaders' Statement, each Economy will, when possible, publish in advance any proposed changes to laws, regulations, and progressively, all procedures concerning the protection, including enforcement, of intellectual property rights, and provide where applicable interested persons a reasonable opportunity for public comment. Each Economy will also make available to all interested parties timely updates of changes to intellectual property law statutory regimes, including as appropriate via the APEC Secretariat.
- 6. In addition to paragraphs 3, 4, and 5 of the Leaders' Statement, each Economy will conduct as appropriate periodic reviews of administrative regulations, rules, and procedures to ensure they are simplified, consistent, and transparent. Outstanding issues raised by the reviews will be resolved where possible in a timely manner.
- 7. Where possible, each Economy will publish information on its efforts to provide effective enforcement of intellectual property rights in its civil, administrative and criminal system, including any statistical information that the Economy may collect for such purposes.
- 8. Each Economy will conduct regular briefings in appropriate fora to provide updates on the status of intellectual property protection and enforcement as well as future policy direction, if appropriate

Confidential information

Nothing in the provisions of this statement shall require an Economy to disclose confidential information which would impede law enforcement or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of particular enterprises, public or private.

F. Customs Procedures

Introduction

On 27 October 2002, in Los Cabos, Mexico, APEC Leaders adopted the Statement to Implement APEC Transparency Standards (“Leaders’ Statement”), and directed that these standards be implemented as soon as possible, and in no case later than January 2005.

In paragraph 8 of the Leaders’ Statement, APEC Leaders instructed that “APEC sub-fora that have not developed specific transparency provisions should do so,” and further instructed that such new transparency provisions should be presented to Leaders upon completion for incorporation into the Leaders’ Statement. Accordingly, the United States proposes that the Sub-Committee on Customs Procedures develop the following set of transparency standards on customs for incorporation into the Leaders’ Statement.

The following customs transparency standards flow from, and are to be read consistently with, the General Principles on Transparency agreed to by APEC Leaders in Los Cabos, and provide specific guidance for implementation within the customs context.

Transparency Standards on Customs Procedures

1. In furtherance of paragraph 1 of the Leaders’ Statement, each Economy, will promptly publish and make available on the Internet, information on its customs laws, regulations, procedures and administrative rulings of general application in such a manner as to enable interested persons to become acquainted with them.
2. In furtherance of paragraph 2 of the Leaders’ Statement, each Economy will, to the extent possible, publish in advance any regulations of general application governing customs procedures proposed for adoption, and provide a reasonable opportunity for comments from interested persons.

In furtherance of paragraph 4 of the Leaders’ Statement, and taking into account Economies’ individual circumstances, upon request from an interested person in its territory, each Economy wherever possible will provide for the issuance, of advance rulings based on specific facts and circumstances provided by such requester prior to the importation of a good into its territory, for areas such as:

- (a) tariff classification;
 - (b) the application of the provisions set forth in the WTO Agreement on Customs Valuation;
 - (c) the application of duty drawback;
 - (d) country of origin marking requirements;
 - (e) the application of rules of origin under free trade agreements and other preferential tariff regimes; and
 - (f) admissibility requirements.
4. Subject to domestic confidentiality requirements, each Economy, will make such advance rulings publicly available for purposes of ensuring application of the rulings to other goods where the facts and circumstances are the same as those under which the rulings are issued.

5. In furtherance of paragraph 5 of the Leaders' Statement, where warranted each Economy will maintain procedural transparency and fairness in customs procedures by:
 - (a) providing for the prompt review and correction of customs administrative actions;
 - (b) ensuring that importers are provided with the right to a level of administrative review independent of the employee or office issuing the determination subject to review; and
 - (c) maintaining the availability of judicial review of customs administrative determinations.

6. Each Economy will, maintain one or several contact points to which interested parties can address questions concerning customs matters, and shall make available on the Internet information concerning the procedures for making such inquiries.

G. Market Access

Introduction

On 27 October 2002, in Los Cabos, Mexico, APEC Leaders adopted the Statement to Implement APEC Transparency Standards (“Leaders’ Statement”), and directed that these standards be implemented as soon as possible, and in no case later than January 2005.

In paragraph 8 of the Leaders’ Statement, APEC Leaders instructed that “APEC sub-fora that have not developed specific transparency provisions should do so,” and further instructed that such new transparency provisions should be presented to Leaders upon completion for incorporation into the Leaders’ Statement. Accordingly, the Market Access Group developed the following set of transparency standards on market access for incorporation into the Leaders’ Statement.

These principles flow from the General Principles on Transparency agreed to by APEC Leaders at Los Cabos, and provide specific guidance for implementation within a market access context.

Transparency Standards on Tariff and Non-Tariff Measures

1. (a) In accordance with paragraph 1 of the Leaders’ Statement, each Economy will promptly publish or otherwise make available to all interested parties, through readily accessible, widely available media (for example via the Internet), information on its laws, regulations, and progressively, procedures and administrative rulings relating to tariff and non-tariff measures.
 - (b) Such information could include publication of the following measures:
 - (i) tariff schedules, with current applied tariff rates, on the Internet;
 - (ii) details of preferential tariff programs;
 - (iii) tariff rates applicable under Free Trade Agreements and Regional Trade Agreements; and
 - (iv) NTMs maintained by member economies.
2. In accordance with paragraph 2 of the Leaders’ Statement, when possible each Economy will endeavour to publish in advance any tariff or non-tariff measure that it proposes to adopt, and provide interested persons a reasonable opportunity to comment on such proposed measures.
3. In accordance with paragraph 3 of the Leaders’ Statement, upon request from an interested person or another Economy, each Economy will endeavour to promptly provide information and respond to questions pertaining to any actual or proposed measures referred to in paragraph 1 above.
4. Each Economy will endeavour to ensure that non-tariff measures are administered in a transparent manner, so as to mitigate their effect on the trade and development of other Economies.
5. Each Economy that is a WTO Member will, where possible, provide information on non-tariff measures when requested by other WTO Members in the context of the WTO negotiations on market access and will participate actively in these negotiations as they move forward.

6. Each Economy that is a WTO Member will comply with notification procedures under the WTO Agreement on Import Licensing Procedures.
7. Each Economy that is a WTO Member will submit its updated tariff data (both bound, and, where possible, current applied) and trade data to the WTO Integrated Data Base on a timely basis. Economies in the process of acceding to the WTO will, where possible, submit current applied tariff and trade data to the WTO Integrated Data Base. Each economy will also submit current applied tariff data to the APEC tariff database in a timely manner.
8. Each Economy will provide to the APEC Secretariat for inclusion on the website of the Market Access Group (MAG) links to individual government websites, including, where possible, links to specific officials responsible for developing, administering, implementing and/or enforcing policies related to tariff and non-tariff measures. Each Economy further agrees to provide current information on import regulations for the MAG's Import Regulation website. Each Economy will also provide as much information as possible on rules and procedures, and details of enquiry points, in its e-Individual Action Plan.

H. Business Mobility

Introduction

Since its inception, the APEC Business Mobility Group (BMG) has recognized that transparent and predictable business mobility procedures are essential to a stable and open trading regime. As a consequence many BMG initiatives have facilitated openness, transparency and information exchange in an effort to ensure that APEC members make immigration measures (new and amended, including those in international agreements) publicly available to all interested parties. Economies have provided up to date, information on rules and procedures governing temporary residency, processing standards and contact points in the *APEC Business Travel Handbook* and have shared information on immigration legislation, trade agreements, policies and technologies on the BMG web site.

On 27 October 2002, in Los Cabos, Mexico, APEC Leaders adopted the “Statement to Implement APEC Transparency Standards” (hereinafter referred to as the “Leaders’ Statement”), and directed that these standards be implemented as soon as possible, and in no case later than January 2005. In paragraph 8, APEC Leaders instructed that “APEC sub-fora that have not developed specific transparency provisions should do so,” and further instructed that such new transparency provisions should be presented to Leaders upon completion for incorporation into the Leaders’ Statement.

The following Business Mobility Standards relate to immigration laws, regulations, policies, administrative rulings, procedures and practices related to the temporary entry and stay of business persons, at the pre-arrival, entry, stay and departure phases.

Transparency Standards on Business Mobility

Publication and Access

1. In accordance with paragraph 1 of the Leaders’ Statement, each Economy will promptly publish or otherwise make available to all interested parties, through readily accessible, widely available media, for example via the Internet, information on its immigration laws, regulations, policies, and progressively, administrative rulings of general application, procedures and practices as they relate to business persons, collectively referred to as “immigration measures”. Economies will ensure that immigration regulations and requirements based on policy are clear, concise, current, simple, transparent and readily available, and meet applicable Standards for Pre-Arrival and Entry and will:
 - (a) Provide user-friendly application forms, instructions and reference materials.

Consultation

2. In accordance with paragraph 2 of the Leaders’ Statement, each Economy will, when possible, publish in advance using the media and other mechanisms as appropriate proposed immigration measures that might affect business mobility and where applicable provide interested persons a reasonable opportunity to comment on such proposed measures. Such measures should include:
 - (a) A set of rules and regulations that provide sanctions for the production, sale and use of fraudulent documents;
 - (b) Effective rules and regulations that are precise in specifying what constitutes document fraud and what the sanctions are for producing, selling or using fraudulent documents; support inspectors, investigators and prosecutors in apprehending and taking action against fraudulent document producers, vendors and users; and promote business facilitation as well as protect the country’s inhabitants;

- (c) In respect to professional service, a comprehensive Code(s) of Conduct that sets out in very practical terms the behavior expected of all immigration officials, including employee's responsibilities, service policies and standards, clear guidance and practical examples, and that is developed in consultation with internal and external stakeholders as appropriate; and
- (d) Mechanisms for reporting or filing complaints on code of conduct breaches without fear of reprisal or prejudice.

Information Services

- 3. In accordance with paragraph 3 of the Leaders' Statement, upon request from an interested person or another Economy, each Economy will endeavor when possible to promptly provide information and respond to questions pertaining to any actual or proposed immigration measures and will provide:
 - (a) Points of inquiry for business persons or businesses with questions;
 - (b) Simple, quick and user-friendly application processes with clear information and instructions on requirements relating to any exemptions, fees and charges;
 - (c) Information that is easily accessible to internal/external stakeholders (Customer Help Desks/Call Centres or Industry Consultative Committees, Internet, displays and signs); and
 - (d) Where appropriate, will provide mechanisms so that stakeholders' service charters are developed which clearly state the level of service they can expect, and are displayed in public areas such as airports, Immigration offices and overseas missions.

Decision Making

- 4. In accordance with paragraph 4 of the Leaders' Statement, each Economy will ensure that immigration measures are administered in a transparent manner, including, wherever possible, reasonable notice in accordance with domestic procedure when a proceeding is initiated, and an opportunity to present facts and arguments in support of their positions, when time, the nature of the proceeding, and the public interest permit, and that the procedure is in accordance with domestic law. Economies shall
 - (a) Strive for transparency in decision-making that is based on an economy's prevailing employment and immigration policies and procedures and, where applicable, provide decisions that are in writing and denials that provide reasons based on requirements and information on any right of appeal or waivers;
 - (b) Strive for reasonable processing times for decision-making in an effort to avoid unnecessary delay or uncertainty on the part of business travelers;
 - (c) Ensure that decisions are consistent with published guidelines and requirements through regular quality control reviews;
 - (d) Ensure that employees are trained in decision-making procedures and have access to current written guidelines and instructions relating to interpretation of regulations and laws;
 - (e) Ensure that authority to make decisions includes appropriate checks and balances, and is strictly controlled to prevent abuse of power;
 - (f) Provide periodic review mechanism of systems and procedures to ensure uniformity and consistency in decision making; reviews undertaken in consultation with employees to eliminate "red tape;"

- (g) Develop and implement mechanisms which monitor and evaluate the organization's performance against established service standards;
- (h) To the extent possible, have a system in place for monitoring consistency between different offices, provinces or regions concerning decisions, procedures and information provided;
- (i) Where appropriate, clearly define and make publicly available the basis or criteria upon which discretionary power is exercised by officials; and
- (j) To the extent possible, convey reasons for decisions to applicants and document grounds for decisions clearly and retain these for monitoring and review.

Review

5. In accordance with paragraph 5 of the Leaders' Statement and its own immigration laws, where warranted, each Economy will provide procedures that are simple, consistent, and easily accessible for review and appeal of immigration decisions and, where warranted, prompt correction of final administrative actions, regarding immigration measures which provide parties to the proceeding with a reasonable opportunity to present their respective positions, a decision based on the evidence and submissions in the administrative record, tribunals or panels that are impartial and independent of any office or authority entrusted with administrative enforcement and have no substantial interest in the outcome of the matter, and implementation of the final decision. To ensure transparent administrative regulations and decision-making, Immigration Administrations shall have
 - (a) To the extent possible, objective performance standards for managers to ensure compliance and accountability for the Standards on Professional Conduct;
 - (b) To the extent possible, guidelines and policies that clearly state management responsibilities in employee development and in the promotion and monitoring of ethical practices and integrity; and
 - (c) Selection criteria for managerial positions that include demonstrated ability to accept responsibility and accountability for implementation of the Standards on Professional Conduct.

APEC BUSINESS ADVISORY COUNCIL 2003

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REPORT TO APEC ECONOMIC LEADERS Harmony in Diversity: Achieving Balanced and Equitable Growth

Executive Summary

As Leaders will be only too well aware, significant uncertainties remain about the global economic outlook. This year APEC economies have witnessed military conflict, deflation, the SARS epidemic and currently face serious threats to regional instability in the Korean peninsula. Most recent global economic forecasts have been lowered. Although there is some expectation of improving economic growth during the second half of the year and projecting into 2004, downside risks remain. Monetary policies in all the major economies are already relatively accommodating and the large developed economies have limited room for fiscal stimulus. Activity is mainly reliant on continuing consumer spending, although in Japan this is not occurring and it may be softening in the US. There is no convincing evidence of a pick up in investment in the major economies.

A matter of concern over the period ahead relates to major currency relationships. While the long forecast decline in the US currency is working its way through those relationships, the bulk of the adjustment so far has been through the Euro. The Asian economies must review their currency arrangements to provide real opportunities for the global economy to benefit from the decline in the US dollar. The business sector believes this adjustment is vital to promote global stability and long-term growth.

There is a range of actions open to governments in the period ahead which are focused on in this report. They are all aimed at promoting business confidence – which is seen as the single largest economic challenge at this time. APEC can play a significant role in signaling its preparedness to take real measures in the WTO Doha Development Round to promote trade and investment liberalization. In a separate mid-term assessment of APEC's progress it has been concluded that the Bogor Goals remain relevant and achievable. This assessment will be consolidated in a report for issue later in the year.

In this 2003 Report to APEC Economic Leaders, ABAC reaffirms the view that the Bogor Goals are entirely relevant and vital. APEC Leaders should continue to act decisively to deliver on their commitments. Specific recommendations are put forward which, if fully implemented, would go a long way to providing global leadership by APEC and which would give impetus to the WTO Doha Round. Taken in full, ABAC recommendations will contribute importantly to restoring business confidence. They will facilitate business activity, strengthen regional security arrangements and financial systems. ABAC firmly believes that APEC should adhere to the three pillars—liberalization, facilitation and capacity building—all of which must be pursued with vigor to ensure full participation. Participation is best and realistically recognized through enhanced and focused capacity building.

For these reasons, ABAC has chosen as its theme for 2003 “**HARMONY IN DIVERSITY: ACHIEVING BALANCED AND EQUITABLE GROWTH**”. The ABAC Report to APEC Economic Leaders contains five key messages, namely:

- During these times of economic slowdown and uncertainty, APEC economies must not abandon their commitment to advancing free, open and transparent trade. It is imperative that they reaffirm their commitment to the Bogor Goals and to take the lead in advancing the Doha Development Agenda.

- Trade facilitation ensures that the benefits from greater market liberalization are fully realized. APEC economies must therefore take resolute steps to achieve the goal of reducing transaction costs by 5% by 2006. And while security is a new reality which must be dealt with, measures to achieve it must be undertaken which do not hinder legitimate commerce but provide an opportunity to facilitate trade through improved transparency and efficiency.
- Capacity building is the key to achieving balanced, equitable and sustainable growth and in restoring public confidence and support for APEC's trade and investment liberalization and facilitation agenda. APEC must therefore ensure that tangible progress is made in capacity building at the institutional, organizational and human levels.
- Restoring trust in markets is imperative to enable APEC economies to better withstand future financial shocks and support global capital market liberalization. APEC must therefore continue to work with the private sector to facilitate adoption of good corporate governance and transparency at the international, regional and domestic levels.
- The business community is often in the best position to gauge whether the achievements of APEC are being translated into real improvements in the business operating environment. APEC must therefore ensure that APEC and its work remain accessible to business input and participation in the widest possible way.

To give substance to these messages, ABAC calls on APEC Leaders to:

- Take the lead in advancing the Doha Development Agenda and to take actions that are consistent with the objectives of Bogor Goals and the strengthening of the multilateral trading system. APEC members must commit to an APEC action plan to negotiate in the WTO in key areas of interest. Agricultural trade policy issues, which include high tariffs, domestic support and export subsidies must be resolved as soon as possible. Revisions to clarify and improve anti-dumping rules to prevent their misuse must be made. Progress in the liberalization of trade in services is especially relevant, as is the development of multilateral investment rules. Services offers should be placed in the public domain. In addition, APEC is also in a good position to liberalize air transportation particularly on cargo. APEC also needs to ensure that bilateral trading arrangements contribute to broader trade liberalization and facilitation rather than hindering it.
- Support the accession of all APEC economies to the WTO so that they may share the benefits of multilateral trade liberalization and the rules-based multilateral trading system. Taking into account the anticipated gains for both the acceding economies and the current parties to the WTO, ABAC looks forward to the successful outcome of accession negotiations for Viet Nam and the Russia and to working with them on appropriate capacity building measures.
- Facilitate trade, investment and movement of business persons while meeting security concerns through the application of new technology and information systems to improve risk management even while recognizing the requirements for capacity building in developing member economies. Implementing paperless trading, adopting advanced risk management technology and improved transparency of customs and trade related laws are detailed in the ABAC recommendations. Deeper and extensive regional co-operation is required to promote business standards and conformance. Protection of intellectual property rights and economic legal infrastructure needs to be strengthened.

- Expand participation in the APEC Business Travel Card – encouraging more participants and urging those who have indicated that they would participate to implement it at the soonest possible time.
- Strengthen security in financial systems by increasing coordination between public agencies and financial institutions, particularly in the identification of terrorist suspects. Measures should be compatible with the maintenance of transaction efficiencies and protection of bona fide customers. The capital base of the global reinsurance sector has to be replenished to secure business activity. Market pricing is the most effective way to do this and governments should encourage the process.
- Adopt a structured approach to capacity building and across the three levels of institutional, organizational and human skills building. Specific actions relating to capacity building in the attainment of various recommendations in this report include: strengthening financial systems in risk management and pricing; implementation of the pathfinder initiative on corporate governance; supporting SME and micro-enterprise development through improving management skills and facilitating access to financing, information and communications technology; and development of regional infrastructure including expanding broadband access, training in infrastructure development and promoting a recycling-based economy.
- Promote corporate governance standards in a sustained region-wide way to restore business confidence, involving public-private sector cooperation. The OECD development of the pathfinder initiative is commended. The Asian Roundtable has developed a corporate governance framework. It can serve as an excellent guide to APEC economies in developing governance frameworks.
- Strengthen regional financial systems through the improvement of risk management in banking to prepare for the implementation of Basel 2; establishing region-wide public-private fora to promulgate regional financial arrangements and policies; reforming insolvency laws and legal protection of creditor rights; and promoting the development of securitization, credit guarantee, and venture capital markets. Priority should be given to the development of capital markets, in particular, bond markets.
- Facilitate business input to the APEC process through a strengthened feedback mechanism for ABAC recommendations and through private sector participation in the review of the IAPs – the formal APEC review process and independent reviews by business schools.

APEC faces great challenges at this time that call for decisive and vigorous responses to ensure the continued relevance of APEC and the prosperity of the region. ABAC values the privilege of speaking to Leaders on behalf of the APEC business community and hopes that the recommendations contained in this report will contribute to the realization of the goals of shared prosperity and peace in the region.

ABBREVIATIONS

ABAC	APEC Business Advisory Council
ACEC	APEC Cyber Education Cooperation
ADB	Asian Development Bank
AFDP	APEC Finance and Development Program
AFG	APEC Financiers' Group
AMM	APEC Ministerial Meeting
API	Advance Passenger Information
ARS	Alternative Remittance Systems
ASEAN	Association of South-East Asian Nations
ASSN	APEC Sister Schools Networking
BMG	Business Mobility Group
CERTs	Computer Emergency Response Teams
CTAG	Counter Terrorism Action Group
CTI	Committee on Trade and Investment
CTTF	Counter Terrorism Task Force
DDA	Doha Development Agenda
E- IAPs	Electronic Individual Action Plans
EC	Economic Committee
ECOTECH	Economic and Technical Cooperation
EiNet	Emerging Infections Network
FIUs	Financial Intelligence Units
FMM	Finance Ministerial Meeting
FTAs	Free Trade Agreements
GATS	General Agreement on Trade in Services
GEMEED	Expert Group on Minerals Energy Exploration and Development
GFPN	Gender Focal Point Network
GHS	Globally Harmonized System
GPEG	Government Procurement Experts Group
IAPs	Individual Action Plans
IAS	Invasive Alien Species
ICAO	International Civil Aviation Organisation
ICT	Information and Communications Technology
IFIs	International Financial Institutions
IPEG	Intellectual Property Experts Group
IPOs	Intellectual Property Offices
IPR	Intellectual Property Rights
ISTWG	Industrial Science and Technology Working Group
KBEs	Knowledge-based Economies
MAG	Market Access Group
MANPADS	Man-Portable Air Defense Systems
MFIs	Micro Finance Institutions
MOU	Memorandum of Understanding
MRA	Mutual Recognition Arrangement
MRT	Ministers Responsible for Trade

MSME	Micro, Small and Medium Enterprises
NTM	Non-Tariff Measures
OAA	Osaka Action Agenda
PECC	Pacific Economic Cooperation Council
PF	Privatization Forum
PIF	Pacific Islands Forum
PPI	Private Participation in Infrastructure
REDI	Regional Emerging Disease Intervention
RMAS	Regional Movement Alert System
ROSCs	Reports on the Observance of Standards and Codes
RTA	Regional Trade Agreements
SARS	Sever Acute Respiratory Syndrome
SCSC	Sub Committee on Standards and Conformance
SCSC	Sub-committee on Standards and Conformance
SELI	Strengthening Economic Legal Infrastructure
SFI	Specialized Financial Institutions
SME WG	SME Working Group
SMEs	Small and Medium Enterprises
SOM	Senior Officials' Meeting
SPS	Sanitary and Phytosanitary
SSN-CBN	Social Safety Nets Capacity Building Network
STAR	Secure Trade in the APEC Region
TBT	WTO Agreements on Technical Barriers to Trade
TFAP	Trade Facilitation Action Plan
TRIPS	Trade-Related Aspects of Intellectual Property Rights
WHO	World Health Organisation
WIPO	World Intellectual Property Organisation
WLN	Women's Leaders Network
WSIS	World Summit on the Information Society
WTO	World Trade Organisation